



Department
for Environment
Food & Rural Affairs

Forestry Commission framework document

May 2020



Forestry Commission



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1. Introduction

- 1.1 This Framework Document has been drawn up by the Department for Environment, Food and Rural Affairs (Defra) and the Forestry Commission. This document sets out the broad framework within which the Forestry Commission operates in respect of those of its responsibilities funded through the Defra Vote.
- 1.2 The Forestry Commission is a non-ministerial department, which means that it operates as a government department in its own right but does not have its own dedicated minister. It does not have its own Supply Estimate and is instead contained within the Defra Supply Estimate.
- 1.3 Forestry Commission activities in Scotland ceased in April 2019 on completion of devolution. Forestry Commission activities in Wales became part of Natural Resources Wales in April 2013 and the Forestry Commission has never operated in Northern Ireland.
- 1.4 The Forestry Commission are the Government's forestry experts, advising Ministers on forestry matters and responsible for implementing forestry policy.
- 1.5 The statutory duties are set out in **Annex 1**. In summary under Section 1 of the Forestry Act 1967 (as amended) the Commissioners are under a duty to:
- promote the interests of forestry, the development of afforestation, and the production and supply of timber and other forest products;
 - promote the establishment and maintenance of adequate reserves of growing trees; and
 - endeavour to achieve a reasonable balance between the development of afforestation, the management of forests and the production and supply of timber, and the conservation and enhancement of natural beauty and the conservation of flora, fauna and geological or physiographical features of special interest, commonly referred to as the 'balancing' duty.
- 1.6 The Forestry Commission is also the competent authority under the Plant Health Act 1967 for the protection of forest trees and timber from attack by pests and diseases and gives them the power to make orders. A full description of the Forestry Commission powers and duties under the Forestry Act and other relevant legislation is at **Annex 1**.
- 1.7 It achieves these duties through the management of a 254,000 hectare estate by Forestry England, an executive agency and public corporation; the control of tree felling (under Part II of the Forestry Act 1967) and by encouraging and supporting other landowners to protect, improve and expand their woodlands through the work of Forest Services. Both Forestry England's and Forest Services' actions and customers benefit

from, and are informed by, the evidence commissioned by the Forestry Commission, largely from its executive agency Forest Research and from other research bodies.

1.8 Only international forestry policy is reserved but the Forestry Commission continues to operate some cross-border functions, such as biosecurity at the UK border and forestry research, which are co-funded with the Devolved Administrations. This document does not convey any legal powers or responsibilities. It is signed and dated by Defra and the Forestry Commission. Copies of the document and any subsequent amendments have been placed in the Libraries of both Houses of Parliament and made available to members of the public on the Forestry Commission website.

1.9 This Framework Document also sets out agreed terms of the relationship between the sponsor department and its ALB, and how such a relationship will be conducted in accordance with the principles of the Partnerships between Departments and ALBs: Code of Good Practice. The department and the ALB will have an open and honest, trust-based partnership supported by the principles of the Code. As such, both parties will ensure that they clearly understand the strategic aims and objectives of their partners. Both partners will also commit to keeping each other informed of any significant issues and concerns. The terms of engagement are included in this document including a description of the meetings that will take place and how any disputes between the department and the ALB will be resolved.

1.10 Any questions regarding the interpretation of this document shall be resolved by Defra in consultation with the Forestry Commission or other government departments including HM Treasury and/or the Cabinet Office, as necessary.

2. Status of the Forestry Commission

2.1 The Forestry Commission is established by statute (initially in the Forestry Act 1919), and is classified as a non-ministerial department. It also has a Royal Charter, dated 25 March 1920, which makes the entire organisation a single legal entity. The Forestry Commissioners are appointed by Royal Warrant and may regulate their own procedure, under the provisions in the Forestry Act 1967.

3. Purpose of the Forestry Commission

3.1 A summary of the statutory duties of the Forestry Commission are set out in the Introduction to this document, and in full in **Annex 1**.

3.2 In practice, the main functions of the Commissioners are now to:

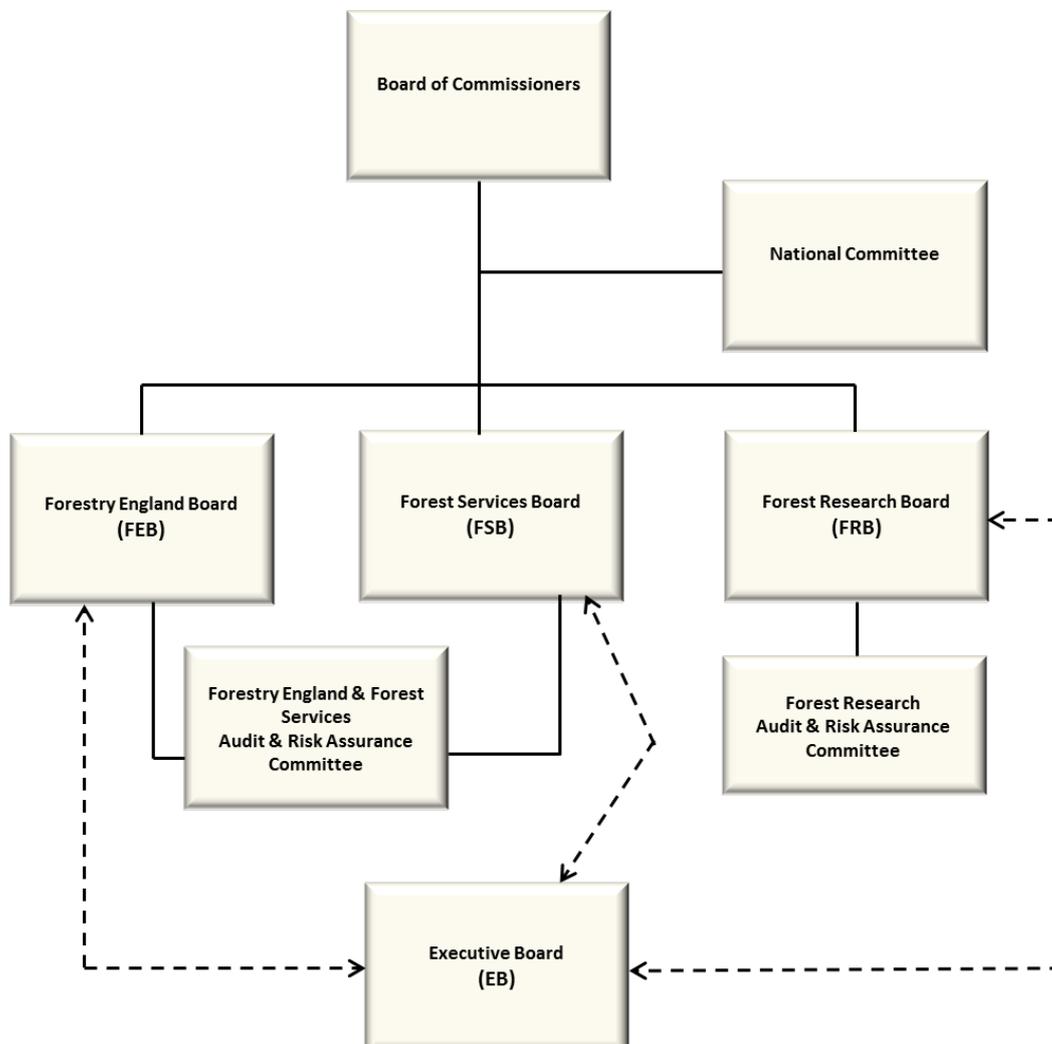
- manage land placed at their disposal by Ministers including the provision of recreational facilities;
- give assistance (including grants) and advice to woodland owners;

- control tree felling in England, including the power to require the restocking of land with trees after unauthorised felling;
- collect and publish statistics on forestry;
- promote and develop forestry training and education;
- undertake forestry research and surveys;
- act as the competent authority under the Plant Health Act 1967 for the protection of forest trees and timber

4. Corporate governance

4.1 Under section 2(3) of the Forestry Act 1967, the Commissioners have delegated their functions to three sub-boards – Forestry England, Forest Services and Forest Research. The sub-boards comprise non-executive and executive members and they oversee the work of the three parts of the organisation making decisions about the delivery of forestry strategies and policies.

4.2 The Forestry Commission governance structure is outlined below and shows the most numerous interactions between the groups. An overlap in the membership of some of the Boards enhances cohesion.



4.3 The governance framework comprises the systems and processes, and culture and values, by which the Forestry Commission is directed, controlled and led. It enables the Forestry Commission to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective outcomes, which are also compliant with the law and with policy.

Forestry Commissioners

4.4 The Board of Commissioners consists of a Chair and up to 10 other members appointed under Royal Warrant to be Forestry Commissioners. Defra's Secretary of State is responsible for recommending who should be appointed as non-executive members and Chair of the Board of Forestry Commissioners.

4.5 The statutory powers and duties are covered under the purpose of the Forestry Commission and **Annex 1**. In practice the Board of Commissioners is responsible for:

- ensuring that Commissioners' statutory duties are fulfilled;
- ensuring that any statutory or administrative requirements for the use of public funds are complied with; that the board operates within the limits of its statutory authority and any delegated authority agreed with the sponsor department, and in accordance with any other conditions relating to the use of public funds; and that, in reaching decisions, the Board takes into account guidance issued by the sponsor department;
- ensuring that the board receives and reviews regular financial information concerning the management of the Forestry Commission; is informed in a timely manner about any concerns about the activities of the Forestry Commission; and provides positive assurance to the department that appropriate action has been taken on such concerns;
- demonstrating high standards of corporate governance at all times, including by using the independent audit committee to help the Board to address key financial and other risks;
- oversight of any changes to the role or governance structure of the Forestry Commission;
- delegating to the three sub-boards (under the provisions in the Forestry Act) such functions as are required to support the Government's forestry and woodlands policies in England;
- and maintaining an overview of corporate risk. The Board has established Audit and Risk Assurance Committees (ARACs) to support it in assuring itself of the effectiveness of the internal control, governance and risk management framework.

The Board through the ARACs will ensure that the risks that it faces are dealt with in an appropriate manner, in accordance with relevant aspects of best practice in corporate governance, and develop a risk management strategy, in accordance with the Treasury guidance Management of Risk: Principles and Concepts¹ and the Defra group risk management strategy. It should adopt and implement policies and practices to safeguard itself against fraud and theft, in line with the Treasury's guidance on tackling fraud². It should also take all reasonable steps to appraise the financial standing of any firm or other body with which it intends to enter into a contract or to give grant or grant-in-aid.

Forestry Commission Chair

4.6 The Chair will provide overall leadership for the Board of Forestry Commissioners in implementing Government policy for forestry in England, and in doing so, maintain a positive and constructive relationship with the forestry sector.

4.7 The Chair is responsible to the Secretary of State for Environment, Food and Rural Affairs. Communications between the Forestry Commission's board and the responsible minister should normally be through the Chair. S/He is responsible for ensuring that policies and actions support the responsible minister's wider strategic policies and that its affairs are conducted with probity. Where appropriate, these policies and actions should be clearly communicated and disseminated throughout the Forestry Commission.

4.8 In addition, the Chair has the following leadership responsibilities:

- formulating the board's strategy;
- ensuring that the board, in reaching decisions, takes proper account of guidance provided by the responsible minister or the department;
- promoting the efficient and effective use of staff and other resources;
- delivering high standards of regularity and propriety; and
- representing the views of the board to the general public.

¹ http://www.hm-treasury.gov.uk/orange_book.htm

² https://webarchive.nationalarchives.gov.uk/20130102192905/http://www.hm-treasury.gov.uk/d/managing_the_risk_fraud_guide_for_managers.pdf.pdf

National Committee and Sub-Boards

4.9A National Committee is appointed under Section 2(3) of the Forestry Act 1967 to, inter alia, undertake any of the functions of the Forestry Commissioners that they may delegate, subject to any restrictions or conditions as they see fit. The Defra Director, responsible for domestic forestry policy, is a member of the National Committee. However, although the Board of Commissioners has appointed a Committee, as required by the Forestry Act, no activities have been delegated to it and it is not expected to meet. The Board of Commissioners has instead, through administrative action, delegated relevant and appropriate functions to the sub-boards of the delivery arms of the Forestry Commission namely Forestry England, Forest Services and Forest Research (TORs at **Annex 2**). Officials from Defra and the Devolved Administrations act as members of the sub-boards where appropriate. Overall responsibility will, however, remain with the Board of Commissioners.

4.10 The sub-boards, with the support of the FC Commissioners' Office, ensure that effective arrangements are in place to provide assurance on risk management, governance and internal control within their parts of the organisation. The Board of Commissioners assures itself of the effectiveness of the internal control and risk management systems through the establishment of Audit and Risk Assurance Committees, each chaired by an independent non-executive member.

Forestry Commission Executive Board (EB)

4.11 The Forestry Commission Executive Board, which is chaired by the Forestry Commission Chief Executive Officer (FC CEO), has the shared purpose to champion forests and forestry in England and beyond. The Executive Board brings the executive leadership of all parts of the Forestry Commission together to take strategic decisions on matters where Forestry England, Forest Services and Forest Research can achieve more by taking a common approach.

5. Ministerial responsibility

Role of the Secretary of State

5.1 The Secretary of State for Defra is accountable to Parliament for forestry policy and for the activities of the Forestry Commission.

5.2 The role of the Secretary of State is:

- to set an appropriate framework of objectives and targets for the Forestry Commission; to allocate resources to the Forestry Commission for its activities and with HM Treasury Ministers, to approve the Forestry Commission's charging schemes or amendments to such schemes;

- to monitor, through regular reviews and reports to the Defra Board, the performance of the Forestry Commission in relation to key targets and risks;
- to keep Parliament informed about the Forestry Commission's performance and answer Parliamentary Questions after consultation with the Forestry Commission where appropriate;
- to recommend to the Prime Minister, in order that s/he may make a recommendation to Her Majesty the Queen, candidates for appointment as Forestry Commissioners, and to approve the terms and conditions of their appointment;
- to issue any general guidance or specific directions; and
- to lay copies of the Forestry England and Forest Research annual reports and accounts before the House of Commons each year³.

5.3 The Secretary of State has determined the financial duties of the Forestry Commission, including:

- the conditions under which funds are paid to the Forestry Commission;
- the approach to delegations;
- accounting and auditing procedures; and
- how the Forestry Commission will be held to account for its performance and use of these funds, as well as funding from other sources.

6. Defra's Principal Accounting Officer (PAO)

6.1 The Principal Accounting Officer (PAO) of Defra has designated the Forestry Commission Chief Executive Officer (FC CEO) as Additional Accounting Officer for the Forestry Commission. The respective responsibilities of the PAO, the Additional Accounting Officer and Agency Accounting Officers for Forestry England and Forest Research are set out in Chapter 3 of Managing Public Money, which is sent separately to the accounting officer on appointment (see also paragraph 10.4).

6.2 The Additional and Agency Accounting Officers for the Forestry Commission, Forestry England and Forest Research are personally responsible for safeguarding the public funds for which he or she has charge; for ensuring propriety, regularity, value for money and feasibility in the handling of those public funds; and for the day-to-day

³ As a non-ministerial department, the Forestry Commission's annual report and accounts are laid by HM Treasury.

operations and management of the Forestry Commission, Forestry England and Forest Research. In addition, they should ensure that the Forestry Commission, Forestry England and Forest Research are run on the basis of the standards, in terms of governance, decision-making and financial management that are set out in Box 3.1 of Managing Public Money. This includes:

Acting within the authority of the minister(s) to whom he or she is responsible, the accounting officer should ensure that the organisation, and any ALBs it sponsors, operates effectively and to a high standard of probity. The organisation should:

Governance

- have a governance structure which transmits, delegates, implements and enforces decisions;
- have trustworthy internal controls to safeguard, channel and record resources as intended;
- work cooperatively with partners in the public interest;
- operate with propriety and regularity in all its transactions;
- treat its customers and business counterparties fairly, honestly and with integrity;
- offer appropriate redress for failure to meet agreed customer standards;
- give timely, transparent and realistic accounts of its business and decisions, underpinning public confidence.

Decision making

- support its ministers with clear, well-reasoned, timely and impartial advice;
- make all its decisions in line with the strategy, aims and objectives of the organisation set by ministers and/or in legislation;
- take a balanced view of the organisation's approach to managing opportunity and risk;
- impose no more than proportionate and defensible burdens on business.

Financial Management

- use its resources efficiently, economically and effectively, avoiding waste and extravagance;

- plan to use its resources on an affordable and sustainable path, within agreed limits;
- carry out procurement and project appraisal objectively and fairly, using cost benefit analysis and generally seeking good value for the Exchequer as a whole;
- use management information systems to gain assurance about value for money and the quality of delivery and so make timely adjustments;
- avoid over defining detail and imposing undue compliance costs, either internally or on its customers and stakeholders;
- have practical documented arrangements for controlling or working in partnership with other organisations, as appropriate;
- use internal and external audit to improve its internal controls and performance.

6.3 The PAO is accountable to Parliament for the issue of any government funding provided to the Forestry Commission by Defra. As such, s/he is directly and personally accountable for the government funding paid by the Secretary of State to the Forestry Commission, for conditions attaching to it, and for monitoring compliance with those conditions by the Forestry Commission. The PAO is also responsible for advising the responsible minister:

- on an appropriate framework of objectives and targets for the Forestry Commission in line with Defra's strategic aims and priorities;
- on an appropriate budget for the Forestry Commission in the light of Defra's overall public expenditure priorities;
- where delivery objectives and targets are dependent on other organisations within the Defra group that appropriate mechanisms to ensure delivery are in place within those organisations; and
- how well the Forestry Commission is achieving its strategic objectives and whether it is delivering value for money.

6.4 The PAO is also responsible for ensuring arrangements are in place in order to:

- monitor the Forestry Commission's activities;
- address significant problems in the Forestry Commission, making such interventions as are judged necessary;
- periodically carry out an assessment of the risks both to Defra and the Forestry Commission's objectives and activities;

- inform the Forestry Commission of relevant government policy in a timely manner; and
- bring any concerns about the activities of the Forestry Commission to the attention of the Board of Forestry Commissioners and, as appropriate to the Defra board requiring explanations and assurances that appropriate action has been taken.

6.5 The Trees, Woodlands and Forestry policy team in Defra is the primary contact for the Forestry Commission. They are the main source of advice to the responsible minister on the discharge of his or her responsibilities in respect of the Forestry Commission. They also support the PAO in their responsibilities toward the Forestry Commission.

7. Forestry Commission Chief Executive Officer as Additional Accounting Officer (AAO)

7.1 The Additional Accounting Officer, the FC CEO, is personally responsible for safeguarding the public funds for which s/he has charge; for ensuring propriety, regularity, and value for money and feasibility in the handling of those public funds; and for the day-to-day operations and management of the Forestry Commission. In addition, s/he is responsible for ensuring that the Forestry Commission is run on the basis of the standards, in terms of governance, decision-making and financial management, that are set out in Chapter 3 of Managing Public Money and which are detailed in paragraph 4.15 above.

7.2 The Additional Accounting Officer's responsibilities for accounting to Parliament include:

- signing the accounts and ensuring that proper records are kept relating to the accounts and that the accounts are properly prepared and presented in accordance with any directions issued by the Secretary of State;
- preparing and signing a Governance Statement covering corporate governance, risk management and oversight of any local responsibilities, for inclusion in the annual report and accounts;
- ensuring that effective procedures for handling complaints about the Forestry Commission are established and made widely known within the Forestry Commission;
- acting in accordance with the terms of this document, Managing Public Money and other instructions and guidance issued from time to time by the Department, HM Treasury and the Cabinet Office; and

- giving evidence, normally with the PAO, when summoned before the Public Accounts Committee on the Forestry Commission's stewardship of public funds.

7.3 The Additional Accounting Officer's particular responsibilities to Defra include:

- Establishing, in agreement with Defra Director responsible for domestic forestry policy, the Forestry Commission's contributions to Defra's Strategy and Single Departmental Plan;
- informing Defra of progress in helping to achieve Defra's objectives and in demonstrating how resources are being used to achieve those objectives, including details as required of the supporting outputs, activities and costs;
- operating management, information and accounting systems that enable it to review in a timely and effective manner its financial and non-financial performance against the budgets and targets set by ministers. The Forestry Commission shall inform Defra of any changes that make achievement of objectives more or less difficult. It shall report financial and non-financial performance, including performance in helping to deliver ministers' policies, and the achievement of key objectives regularly. The Forestry Commission's performance shall be formally reviewed by the department twice a year. The responsible minister will meet the Chair and FC CEO at least once a year; and
- providing the department with information monthly that will enable the department satisfactorily to monitor:
 - the Forestry Commission's cash management;
 - its draw-down of government funding;
 - forecast outturn by resource headings;
 - other data required for the Online System for Central Accounting and Reporting (OSCAR).

7.4 The Additional Accounting Officer, who reports directly to the Chair, is a Forestry Commissioner, Chair of the FC Executive Board and an ex officio member of each of the three sub-boards. Board decisions are made by consensus, and the AAO is responsible for ensuring that Board decisions are not made in contravention of the principles of Managing Public Money and would not otherwise put at risk his responsibilities for safeguarding public funds. The AAO has a right of access to the PAO and is responsible for raising with him/her any issues which appear to him to place at risk his/her ability to discharge his/her personal responsibilities.

ALB / department working level liaison arrangements

7.5 Defra officials will liaise regularly with Forestry Commission officials to review financial performance against plans, achievement against targets and expenditure against its DEL and AME allocations. Defra officials will also explain wider policy developments that might have an impact on the Forestry Commission.

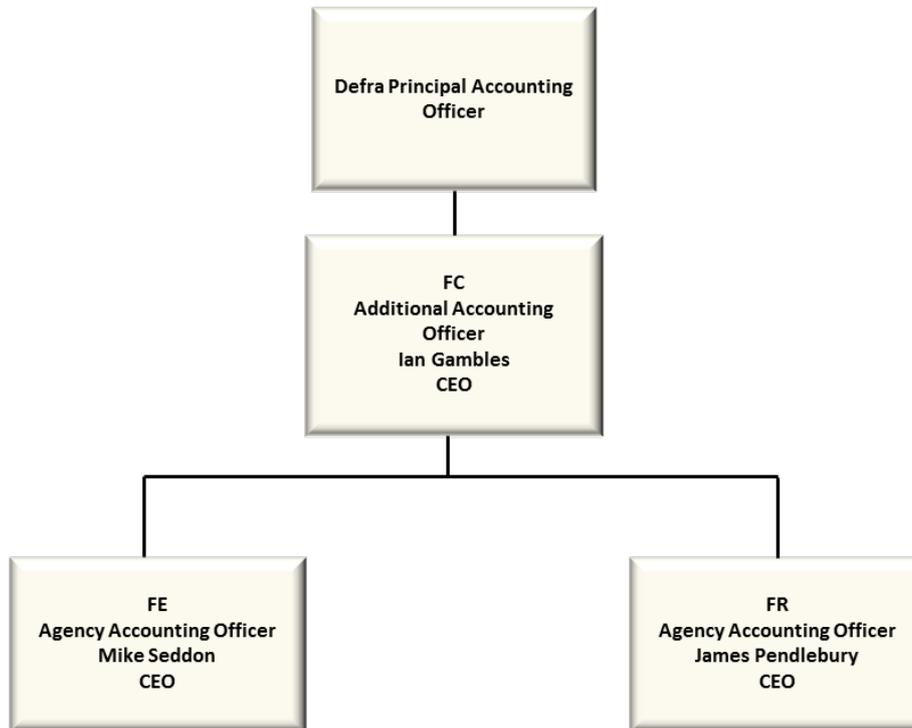
8. Accountability systems

8.1 This section of the Framework Document summarises the systems in place to assure Defra's PAO that the Additional Accounting Officer, the FC CEO (whose accountabilities are set out in paragraph 7.1) can provide this accountability, and describes how s/he holds the Agency Accounting Officers and other key Forestry Commission senior officers to account. Accountability for the Forestry Commission is provided through a clear, evidence-based business planning process, supported by governance, monitoring, audit and assurance and risk management processes. Given the multiple functions of the Forestry Commission, the Additional Accounting Officer has delegated accountability to Agency Accounting Officers, whilst recognising that the Additional Accounting Officer retains ultimate accountability.

8.2 The system of Accounting Officers is set out in paragraphs 8.5 and 8.6 below and is expanded on from paragraph 11.2.

8.3 The accountability relationship between the Additional Accounting Officer and the PAO is in relation to financial and performance management. The Additional Accounting Officer is responsible for establishing appropriate governance, control and risk management measures within the Forestry Commission. Assurance on this is provided to the Principal Accounting Officer via the annual governance statements incorporated within the suite of Annual Report & Accounts for the Forestry Commission.

8.4 The diagram below describes the Forestry Commission's governance structure:



8.5 The Additional Accounting Officer has continued the designation of the Chief Executive, Forestry England as an **Agency Accounting Officer** for that part of the Commission's accounts relating to the Executive Agency and the associated assets, liabilities and cash flows.

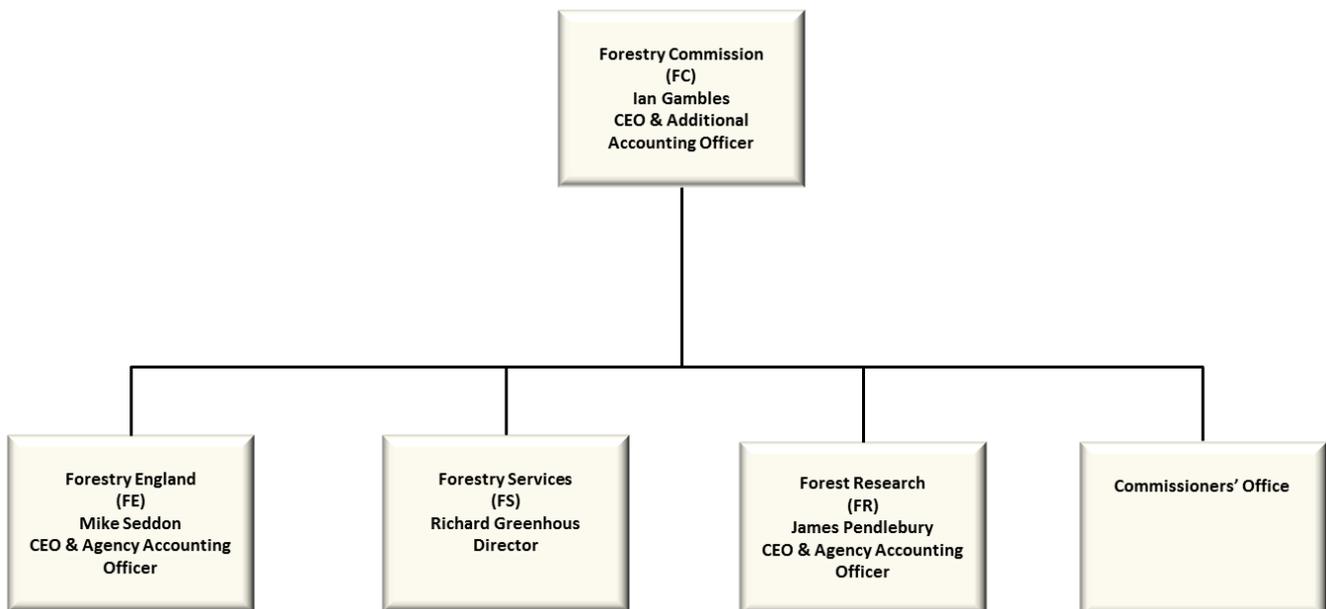
8.6 The Additional Accounting Officer has also continued the designation of the Chief Executive, Forest Research as an **Agency Accounting Officer** for that part of the Commission's accounts relating to the Executive Agency and the associated assets, liabilities and cash flows.

8.7 The Forestry Commission operates a robust annual business planning process, which looks at the forthcoming financial year in detail, and the following two financial years in summary terms; with internal budgets allocated in line with indicative baselines issued by Defra Finance.

8.8 Each of the three parts of the Forestry Commission are required to draw up **business plans** setting out a clear consistent picture of what will be done over a given period (activities) with their available resources (inputs) and how these are expected to deliver the Forestry Commission's and Defra's strategic priorities (outputs and outcomes) as set by ministers.

8.9 The Forestry Commission feeds as required into Defra's **Single Business Plan (SBP)** and **Business Operating Model (BOM)**.

8.10 At the conclusion of the annual business planning round, and following approval by the three sub-boards on behalf of the Forestry Commissioners, budgets are formally



allocated to the Directors of primary Forestry Commission business areas through **Letters of Delegation**. Directors then sub-delegate as appropriate within their individual business areas.

8.11 The diagram below shows the management structure of the Forestry Commission. Following Scotland's decision to leave the Forestry Commission, the Forestry Commission became, from 1 April 2019, an England-only body with revised board arrangements:

9. Delegated authorities

9.1 Delegations are issued annually from the Principal Accounting Officer in Delegated Authority Documents which provide the detail of specific delegations for the Accounting Officer of each organisation within the Defra accounting boundary.

9.2 The Forestry Commission is required to obtain prior written approval from Defra ministers, the Investment Committee and/or HM Treasury in the following circumstances if Defra so requires:

- entering into any undertaking to incur any expenditure that falls outside the delegations;
- incurring expenditure for any purpose that is or might be considered novel or contentious, or which has or could have significant future cost implications;
- making any significant change in the scale of operation or funding of any initiative or particular scheme which previously required approval by Defra;
- making any change of policy or practice which has wider financial implications that might prove repercussive or which might significantly affect the future level of resources required; or,

- carrying out policies that go against the principles, rules, guidance and advice in Managing Public Money.

9.3 The Forestry Commission must obtain prior written approval from Defra ministers, the Investment Committee and HM Treasury for commercial investments and reinvestments in the following circumstances:

- Completing a transaction that HM Treasury might reasonably consider potentially contentious. Investments (including reinvestments and material changes to existing investments) in bodies corporate operating on the Public Forest Estate should be presumed potentially contentious.

9.4 A list of guidance and instructions with which the Forestry Commission is required to comply is in **Annex 3**.

10. Government funding

10.1 Any government funding provided by Defra in any given year in question is voted in Defra's Supply Estimate and subject to Parliamentary control.

10.2 The Forestry Commission is required to comply with the general principle that there is no payment in advance of need. Cash balances accumulated during the course of the year from Defra or other Exchequer funds are kept to a minimum level consistent with the efficient operation of the Forestry Commission. Unused cash balances held at a departmental level in the Forestry Commission are handed back to Defra at the end of the financial year.

10.3 The rules appropriate to a public corporation apply to Forestry England.

10.4 Prior to the start of the financial year, and in the light of the decisions relating to financial provision and the policy delivery requirements of Defra, the Forestry Commission receives:

- a formal statement of the annual budgetary provision allocated by Defra in the light of competing priorities across the department and of any forecast income approved by Defra; and
- notification of any planned changes in Defra or wider government policy affecting the Forestry Commission's delivery and policy functions. These will be discussed and agreed as part of an on-going dialogue between the Forestry Commission and Defra and recorded as part of the regular performance process.

10.5 Once the Forestry Commission's annual budget has been approved by Defra, and subject to any restrictions imposed by statute, the responsible minister's instructions and this document, the Forestry Commission has authority to incur expenditure approved in the budget without further reference to Defra subject to compliance with its delegated authorities.

11. Operating as the Defra group

- 11.1 The Defra group Executive Committee (ExCo) is responsible for overseeing the strategic direction and tracking the performance of the Defra group from policy through to delivery. Responsibility for strategic decisions which affect more than one organisation, or set a precedent for the future, ultimately lies with ExCo. Authority to advise Ministers and, where appropriate, take decisions will as far as possible be delegated to sub-committees of ExCo in line with an agreed schedule.
- 11.2 ExCo is responsible for decisions (and recommendations to Ministers for decision) that would have an impact on more than one organisation, or set a precedent for the future. All the organisations affected will be fully engaged in the decision process. Chief Executives will ensure that their Boards are part of this process, and specific agreement will be sought from Boards where a decision impacts on their formal responsibilities. In the event that an agreement cannot be reached, the Principal Accounting Officer may escalate the matter to the Secretary of State.
- 11.3 At Defra group level activity will be managed through outcome focussed Systems. These bring together all the delivery bodies involved in service delivery in their respective systems. They will focus on ensuring delivery of outcomes, joining up policy development and operations and planning and prioritisation to ensure that the Defra group provides the best possible service to customers and value to the taxpayer.
- 11.4 As part of the group operating model, the FC CEO, Chair and Board have certain responsibilities in addition to those detailed in MPM.
- 11.5 The FC CEO is responsible for:
- ensuring that the Forestry Commission works in collaboration with other parts of the Defra group, in line with the principles of the group operating model, to secure the most efficient and effective delivery of outcomes
 - ensuring that the appropriate Forestry Commission Board is fully engaged in any decision affecting the Forestry Commission where the Defra group Executive Committee has overall strategic responsibility
 - supporting the system leaders for Natural Environment and Rural, and Animal and Plant Health outcome systems in their role of managing, guiding and coordinating the system to deliver strategic outcomes across the Defra group.
- 11.6 The Forestry Commission Chair and Boards should:
- support the delivery of the Defra group's objectives and champion Defra's agenda whilst respecting the Forestry Commission's independent statutory duties

- support the Executive in working collaboratively with other parts of the Defra group, building relationships with other Boards and helping to remove barriers to joint working
- engage fully and constructively with strategic decision-making led by the Executive Committee where a decision impacts on the Forestry Commission's formal duties and responsibilities.

11.7 The Defra group operate an integrated corporate services model that includes the provision of Communication services, which the Forestry Commission has received since 1 February 2017.

11.8 This integration is intended to reduce duplication and cost and improve the capability and performance of corporate communication services to better support the wider programme of change across the group. A Group Head of Communications role has been established in Defra with full accountability for delivery of the integrated provision and an effective quality of service.

11.9 The Forestry Commission is currently out of scope for consolidation with the Defra group on the wider range of corporate services.

12. Corporate and Business Plans

12.1 Business Plans are prepared annually by each of the three parts of the Forestry Commission and approved by the relevant sub-board. They are then consolidated to produce combined plan which reconciles to the Vote funding provided by Defra and used to describe in the FC section of Defra's Single Departmental Plan how the FC will help deliver the Department's objectives.

12.2 The FC's business plans are developed with regard to guidance issued by Defra and builds on joint working between policy and delivery teams.

13. Annual report and accounts

13.1 The Forestry Commission publishes its Annual Report and Accounts (ARA), and those of its agencies, after the end of each financial year. The Forestry Commission provides Defra with its draft and final (audited) accounts in line with the agreed timetable each year in order for the accounts of the Forestry Commission to be consolidated within Defra's. As a public corporation, Forestry England's accounts are not consolidated within the Defra ARA: funding passed to Forestry England is accounted for through the Forestry Commission consolidation. Forestry England's ARA are laid separately, as are Forest Research's.

13.2 The ARAs are approved by the appropriate Defra Minister and signed by the Comptroller and Auditor General before being laid before the House of Commons. The

ARAs are published on gov.uk ideally on the same day, but not before, the document has been laid before the House of Commons.

13.3 The ARAs are required to comply with HM Treasury's Financial Reporting Manual (FRoM).

14. Financial and performance management

Budgeting procedures

14.1 Each year, in the light of decisions by ministers on departmental priorities, the department will send to the ALB by the end of March:

- a formal statement of the annual budgetary provision allocated by the department in the light of competing priorities across the department and of any forecast income approved by the department; and
- a statement of any planned change in policies affecting the ALB.

14.2 The approved annual consolidated Forestry Commission business plan will take account both of approved funding provision and any forecast receipts, and will include a budget of estimated payments and receipts together with a profile of expected expenditure and of draw-down of any departmental funding and/or other income over the year. These elements form part of the approved business plan for the year in question.

Voted funds

14.3 Any government funds provided by the department for the year in question will be voted in the department's Supply Estimate and be subject to Parliamentary control.

14.4 The cash to support voted funds will normally be paid in monthly instalments on the basis of written applications showing evidence of need. The Forestry Commission will comply with the general principle, that there is no payment in advance of need. Cash balances accumulated during the course of the year from government funding shall be kept to a minimum level consistent with the efficient operation of the Forestry Commission. Government funding not drawn down by the end of the financial year shall lapse. Subject to approval by parliament of the relevant Estimates provision, where grant-in-aid is delayed to avoid excess cash balances at the year-end, the department will make available in the next financial year any such grant-in-aid that is required to meet any liabilities at the year end, such as creditors.

In-year financial monitoring and reporting

- 14.5 Business Areas provide monthly progress reports to the Forestry Commission Finance Director (FD) who manages the Forestry Commission's finances to the Approved Position agreed with Defra Finance business partners.
- 14.6 In doing so the FD submits periodic Management Information packs, including Risks and Opportunities templates, to Defra Finance. Only forecast variances approved by Defra Executive Committee (ExCo) are accepted as part of the Approved Position.
- 14.7 The Forestry Commission FD also provides periodic financial progress reports to the Board of Commissioners identifying significant risks and issues, and setting out performance against the Approved Position.
- 14.8 Heads of Finance within each primary Forestry Commission business area provide periodic financial progress updates to the sub-boards.

15. Audit and assurance

- 15.1 Audit and Risk Assurance Committees (ARACs) have been established by the Board of Commissioners to support it in its responsibilities for the effective management of risk, control and governance. The ARACs have been established in accordance with Managing Public Money and the Cabinet Office's Guidance on Codes of Practice for Public Bodies. They comprise non-executive members only and provide independent assurance to the sub-boards and the Board of Commissioners on those key activities which support the achievement of objectives.
- 15.2 Assurance is also provided through the review of the annual accounts and the findings from work carried out by Internal and External Audit. The ARACs operate in accordance with the principles contained in HM Treasury's Audit and Risk Assurance Committee Handbook.
- 15.3 Each of the three parts of the Forestry Commission maintains their own risk register; risk registers are overseen by the ARACs.

16. External audit

- 16.1 The Comptroller & Auditor General (C&AG) audits the Forestry Commission's annual accounts, and those of its agencies. Arrangements are then made with Defra and HM Treasury to lay them before the House of Commons, together with the C&AG's certificates and reports.
- 16.2 The C&AG:

- consults the Forestry Commission about who – the NAO or a commercial auditor – is to undertake the audits on his behalf, though the final decision rests with the C&AG;
- has a statutory right of access to relevant documents, including by virtue of section 25(8) of the Government Resources and Accounts Act 2000, held by another party in receipt of payments or grants from the Forestry Commission;
- shares with Defra information identified during the audit process and the audit report (together with any other outputs) at the end of the audit, where such information impacts on Defra’s responsibilities in relation to financial systems within the Forestry Commission; and
- provides Defra and other relevant bodies with Regulatory Compliance Reports and other similar reports which Defra may request at the commencement of the audit and which are compatible with the independent auditor's role.

16.3 The C&AG may carry out examinations into the economy, efficiency and effectiveness with which the Forestry Commission has used its resources in discharging its functions. For the purpose of these examinations the C&AG has statutory access to documents as provided for under section 8 of the National Audit Act 1983. In addition, the Forestry Commission is required to provide, in conditions to grants and contracts, for the C&AG to exercise such access to documents held by grant recipients and contractors and sub-contractors as may be required for these examinations; and to use its best endeavours to secure access for the C&AG to any other documents required by the C&AG which are held by other bodies.

17. Internal audit

17.1 Internal Audit provides independent objective assurance and consulting activity designed to add value and to improve the Forestry Commission’s operations. Working to the Public Sector Internal Audit Standards, its main responsibility is to provide the individual Accounting Officers with an opinion on risk management, control and governance, by measuring and evaluating their effectiveness in achieving their objectives. The Forestry Commission Internal Audit function transferred to the Government Internal Audit Agency (GIAA) on 1 April 2017.

17.2 At the end of the financial year the Head of Internal Audit prepares an annual report to each Accounting Officer summarising the work of the unit and providing an overall assurance on the adequacy and effectiveness of the risk, control and governance process put in place by management to support preparation of the Governance Statement in the Annual Accounts. In terms of value for money this covers:

- monitoring the achievement of the organisation’s objectives;

- examining the economy, efficiency and effectiveness with which resources are employed; and
- determining the effectiveness with which the Forestry Commission's assets are accounted for and safeguarded from losses of all kinds.

17.3 Defra has a right of access to all internal audit documents and other reports provided to the Forestry Commission ARACs, and the Forestry Commission will ensure Defra is notified of any audit issue or incident, which could reasonably be considered unusual or major, as soon as possible.

18. Risk management

18.1 The Forestry Commission ensures that the risks that it faces are dealt with in an appropriate manner, in accordance with relevant aspects of best practice in corporate governance, adopting the principles contained within HM Treasury guidance Management of Risk: Principles and Concepts. The Forestry Commission escalates risks where appropriate and fully contributes to an annual Defra review of all Defra group corporate risks.

18.2 The Forestry Commission has adopted and implemented policies and practices to safeguard itself against fraud, error, bribery, money laundering and theft. In line with HM Treasury's guidance the Forestry Commission takes all reasonable steps to appraise the financial standing of any firm or other body with which it intends to enter into a contract or to give grant or grant-in-aid.

18.3 Internal Audit reviews the whole system of risk management, control and governance established by management. This is accomplished by:

- reviewing governance and risk management in each area;
- advising and evaluating policy, within the responsibilities of each Accounting Officer;
- ascertaining the level of compliance with established policies, plans and procedures, laws and regulations;
- reviewing the integrity and reliability of management information;
- providing a consultancy service on risk and control issues; and
- conducting investigations, including fraud, Civil Service Code, and whistleblowing.

18.4 The Forestry Commission's Risk Management Policy demonstrates the full commitment of the Forestry Commission to effective risk management, adopting best practice in the identification, evaluation and control of risks. By adopting its Risk

Management Policy, the Forestry Commission recognises Risk Management as a key function in helping to ensure it achieves its aims and objectives.

19. Dispute resolution

19.1 Disputes between Defra and the Forestry Commission will in the first instance be discussed between the relevant parties to reach a resolution, with the framework document used as a reference point. If this fails, then queries should be escalated to the relevant directors in the Forestry Commission and Defra. A resolution should be agreed upon in a timely manner and to minimise as far as possible disruption to ongoing projects or operations. If it proves impossible, then it will be escalated to the chief executive of the Forestry Commission and the director general or Permanent Secretary in Defra, and ultimately for the Secretary of State to arbitrate.

19.2 In the event that the chief executive believes that a decision taken by the chair or the Forestry Commission board will cause a conflict with his/her responsibilities as accounting officer, the chief executive will seek to remedy this in discussion first with the chair and/or board and then through the Permanent Secretary in Defra and Treasury. If it proves impossible to resolve the conflict, the chief executive will invite the Secretary of State to issue an accounting officer direction.

20. Audit of receipts and payments from the European Union (EU)

20.1 The Forestry Commission handles receipts and payments from EU bodies, which are subject to audit by the EU. Where the Forestry Commission receives funding from the EU, it may be subject to an audit by the European Court of Auditors. It may also be subject to audit from other auditors acting under the terms governing the provision of the financial assistance or the protocol arrangements agreed between Government departments and the EU.

21. Right of access

21.1 Subject to the agreement of the AAO, which shall not be unreasonably withheld, Defra has the right of access to all Forestry Commission records and personnel for any purpose including, for example, sponsorship audits and operational investigations, other than where prevented by law, for example under the Data Protection Act.

22. Transparency

22.1 The Forestry Commission is subject to the Freedom of Information Act (FOIA) and the Environmental Information Regulations (EIR), which ensure that the public can request recorded information held by the Forestry Commission, subject to the application of any exemptions. Complaints about the non-disclosure of information held can be made to the Information Commissioner.

22.2 An updated list of all financial transactions spending over £25,000 made by the Forestry Commission is published each month as part of the Government's commitment to transparency in expenditure. In addition to this a list of all GPC transactions over £500 made by the Forestry Commission is also published.

23. Procurement

23.1 It is important that, as a publicly funded organisation, the Forestry Commission spends money appropriately on goods, services and works to deliver public services on behalf of taxpayers. The Forestry Commission's procurement activity needs to comply with the UK Regulations that implement the EU Procurement Directives, which is built on the principles of equal treatment, non-discrimination, proportionality and transparency. The specific legislation that applies to procurement activity carried out by the Forestry Commission is The Public Contracts Regulations 2015 (now referred to as 'the Regulations').

24. Maladministration

24.1 The Parliamentary and Health Service Ombudsman may investigate the actions and activities of the Forestry Commission.

25. Reviewing the system

25.1 The Additional Accounting Officer is responsible for conducting, at least annually, a review of the effectiveness of the governance framework. Their review is informed by the work of Internal Audit, the Agency Accounting Officers and the executive managers across the Forestry Commission who have responsibility for the development and maintenance of the governance and control framework, and comments made by the external auditors in their management letter and other reports.

25.2 The Additional Accounting Officer receives Annual Assurance Statements from the executive managers across the Forestry Commission and is advised on the implications of the result of the review of effectiveness by the various Boards and the ARACs. The Head of Internal Audit prepares a suite of annual reports and assurance

statements to the AAO and the Agency Chief Executives in their capacities as Accounting Officers.

25.3 The Forestry Commission has continued to apply the principles of HM Treasury's Code of Good Practice for Corporate Governance in the context of its own circumstances as a Non Ministerial Department, which encourage the adoption of practices set out, where relevant and practical.

25.4 The Forestry Commission Audit and Risk Assurance Committees review their effectiveness in line with best practice as set out in HM Treasury's Audit Committee Handbook.

26. Reporting performance to Defra

26.1 Financial planning and performance reporting is integrated across the Defra group and a single performance framework prepared covering Defra's key responsibilities identifying outcomes, money, resource, customer feedback, measures and progress against milestones in one report for the Defra group. Defra's Executive Committee (ExCo) tracks performance across the whole group from policy to delivery. ExCo's role is to oversee performance of the Defra group as a whole and to intervene where performance issues require a cross-departmental approach. Additional interim performance reporting, focusing on specific objectives or performance issues may also be commissioned.

26.2 Responsibility for management of performance lies with the Forestry Commission, which is required to provide Defra with such information about its operations, performance individual projects or other expenditure as Defra may reasonably require.

27. Staff

27.1 Within the arrangements approved by the responsible Minister and HM Treasury, the Forestry Commission has responsibility for the recruitment, retention and motivation of its staff. The Forestry Commission's broad responsibilities toward its staff are to ensure that:

- the rules for recruitment and management of staff create an inclusive culture in which diversity is fully valued; appointment and advancement is based on merit: there is no discrimination on grounds of gender, marital status, sexual orientation, race, colour, ethnic or national origin, religion, disability, community background or age;
- the level and structure of its staffing, including grading and staff numbers, are appropriate to its functions and the requirements of economy, efficiency and effectiveness;

- the performance of its staff at all levels is satisfactorily appraised and the Forestry Commission's performance measurement systems are reviewed from time to time;
- staff are encouraged to acquire the appropriate professional, management and other expertise necessary to achieve the Forestry Commission's objectives;
- proper consultation with staff takes place on key issues affecting them;
- adequate grievance and disciplinary procedures are in place;
- whistle-blowing procedures consistent with the Public Interest Disclosure Act are in place; and
- a code of conduct for staff is in place.

28. Staff costs

28.1 Subject to its delegated authorities, the Forestry Commission is required to ensure that the creation of any additional posts does not incur forward commitments that will exceed its ability to pay for them.

29. Pay and conditions of service

29.1 Forestry Commission staff are employees of the Forestry Commissioners and are Civil Servants. The Forestry Commission complies with the Civil Service Management Code and has the authority to determine the terms and conditions (excluding pensions) of their own staff outside the Senior Civil Service, but within the bounds of the Code. The Forestry Commission also has the delegated authority to determine its own terms and conditions.

29.2 Staff terms and conditions are set out in the Staff Handbook.

29.3 The Forestry Commission operates a performance-related pay scheme for Senior Civil Servants, which forms part of the approved annual aggregate pay budget.

29.4 The travel expenses of non-executive board members are tied to the rates allowed to Forestry Commission staff.

30. Pensions, redundancy and compensation

30.1 Forestry Commission staff are normally eligible for a pension provided through the Civil Service pension arrangements. Any proposal by the Forestry Commission to move from the existing pension arrangements, or to pay any redundancy or compensation for loss of office, requires the prior approval of Defra.

30.2 Proposals on severance must comply with the rules in Managing Public Money.

31. Review of the Forestry Commission's status

31.1 The Forestry Commission will be reviewed in line with Defra and Cabinet Office requirements.

32. Arrangements in the event that the Forestry Commission is wound up

32.1 In the event that a decision was taken in future to wind up the Forestry Commission, Defra would put in place arrangements to ensure this is done in an orderly manner. In particular it would ensure that the assets and liabilities of the Forestry Commission were passed to any successor organisation and accounted for properly. To this end, Defra would:

- ensure that procedures were in place in the Forestry Commission to gain independent assurance on key transactions, financial commitments, cash flows and other information needed to handle the wind-up effectively and to maintain the momentum of work inherited by any residuary body;
- specify the basis for the valuation and accounting treatment of the Forestry Commission's assets and liabilities, ensure that arrangements were in place to prepare closing accounts and pass to the C&AG for external audit. It would be for the C&AG to lay the final accounts in Parliament, together with his report on the accounts;
- arrange for the most appropriate person to sign the closing accounts. In the event that another ALB took on the role, responsibilities, assets and liabilities, the succeeding ALB AO should sign the closing accounts. In the event that Defra inherited the role, responsibilities, assets and liabilities, Defra's AO should sign.

32.2 In this event the Forestry Commission would provide Defra with full details of all agreements where the Forestry Commission or its successors had a right to share in the financial gains of developers. It would also pass to Defra details of any other forms of claw-back due to the Forestry Commission.

33. Document review

33.1 This framework document will be formally reviewed every three years, and as necessary in the intervening period, including in light of relevant events, such as the

appointment of a new chair or chief executive officer in the Forestry Commission, or changes in senior personnel, completing significant realignment or the transfer of functions.

Signatures

Signed



David Hill
Director General for Environment, Rural and Marine

19 May 2020

On behalf of Defra

Signed



Ian Gambles
Forestry Commission Chief Executive Officer

12 May 2020

On behalf of the Forestry Commission

Annex 1

The legal basis for the activities of the Forestry Commission

Summary

1. This annex provides information on forestry legislation in England, setting out the Forestry Commissioners legal powers and duties. Other more general legislation is included where it has a direct bearing on the role and work of the Forestry Commissioners. This annex is not intended to provide definitive legal opinion on the interpretation and application of the legislation.

Background to the current (1967) Forestry Act

2. The Forestry Commission was created by the Forestry Act 1919. Additional Acts were passed between 1923 and 1963 all of which were repealed by the Forestry Act 1967. This was a consolidation Act which is the basis for the current powers and duties of the Forestry Commissioners. The numerous forest laws relating to royal and private forests were repealed by the Wild Creatures and Forest Laws Act 1971, with two exceptions - the New Forest and the Forest of Dean.
3. The Forestry Commission also has a Royal Charter, dated 25 March 1920. A Royal Charter is a way of incorporating a body, making it into a single legal entity and defining its objectives, constitution and powers to govern its own affairs.

Current Forestry Legislation: the Forestry Act 1967 (as amended)

Part I Forestry and Afforestation in Great Britain

Section	Commentary
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<p>1. The Forestry Commission</p>	<p>Specifies the duties of the Commissioners, including:</p> <p>(a) promoting the interests of forestry, the development of afforestation and the production and supply of timber and other forest products in England,;</p> <p>(b) promoting the establishment and maintenance in England, of adequate reserves of growing trees;</p> <p>The Wildlife and Countryside (Amendment) Act 1985 added a specific duty requiring the Commissioners to endeavour to achieve a reasonable balance between the development of afforestation, the management of forests, the production and supply of timber and the conservation and enhancement of natural beauty, flora and fauna.</p> <p>Requires the Commissioners to comply with Ministerial Directions.</p>
<p>2. Constitution and administration of the commission</p>	<p>Prescribes the number and experience of Commissioners and provides for National Committees.</p> <p>Schedule 1 specifies the administrative support arrangements.</p>
<p>3. Management of forestry land</p>	<p>Specifies that the Commissioners can manage for the purpose of their functions, land placed at their disposal by Ministers and also specifies that the Commissioners can manage or assist in the management of land owned by third parties.</p>
<p>5. Forestry dedication covenants and agreements</p>	<p>Provides for the Commissioners to enter into agreements with persons to dedicate their land for the purposes of forestry. (Note: the various dedication schemes are now closed to new applicants and have been superseded by the suite of woodland grants under the provisions of the Forestry Act 1979.)</p>
<p>6. Requirement for haulage facilities</p>	<p>Enables the Commissioners, by order, to require landowners to provide facilities for the haulage of timber to a road, railway or waterway. (Note: these powers are not used in practice.)</p>

7. Prevention of damage by rabbits, hares and vermin	Empowers the Commissioners to enter land to destroy 'vermin' where they are satisfied that trees are, or are likely to be, damaged by vermin. (Note: these powers are not used in practice.)
8. Miscellaneous powers of the Commissioners	<p>Provides for the Commissioners to collect and publish data and statistics; promote and develop forestry training and carry out research.</p> <p>The Regulatory Reform (Forestry) Order 2006 amended the Act so that the Commissioners can form or participate in corporate bodies or charitable trusts (in England and Wales). The Order also enables the Commissioners to exploit intellectual property arising from forestry research. The Order also amended the Countryside Act 1968 to permit the Commissioners to delegate their power to charge and share profits for facilities provided on land placed at their disposal – for example to business partners operating joint ventures.</p>
8A General duty of Ministers	Requires Ministers to have regard to the national interest in maintaining and expanding the forestry resources of England (Note: this duty was added by the Forestry Act 1981).

Part II Commissioners' power to control felling of trees

9-17 Restriction of felling	Provides for the Commissioners to issue (conditional or unconditional) licences for the felling of growing trees, and deals with procedures where licences are issued or refused. The Commissioners can make regulations to amend the circumstances where a licence may be required. Also provides for the Commissioners to investigate unauthorised felling and, where convictions are obtained, enables the Commissioners to require replanting of the land on which the felling took place.
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18-23 Power of Commissioners to direct felling	Enables the Commissioners to require the felling of trees, with specified restrictions, in order to (a) prevent the deterioration of timber quality; and (b) improve the growth of other trees. Provides for appeals against directions and compensation as well as penalties for failing to comply.
24-26 Enforcement of licence conditions and felling directions	Enables the Commissioners to enforce felling licence conditions and felling directions, with provision for appeals. The Regulatory Reform (Forestry) Order 2006 amended the Act so that the Commissioners can take action to secure restocking following unauthorised felling on land (in England and Wales) without first having to secure a conviction from the Courts.
27-36 Supplementary	Includes a range of detailed supporting measures.

Part III administration and finance

37-38 Committees to advise the Commissioners	Provides for the establishment of advisory committees, both centrally and regionally. The membership and interests represented by the Committees is specified.
39-40 Acquisition and disposal of land	Provides for Ministers to acquire land for forestry purposes, including by compulsory purchase, to dispose of land, to manage any such land not placed at the disposal of the Commissioners and to let land.
41-45 Finance, accounts and annual report	Makes provisions for financing the Commissioners' activities and for annual reports.

Part IV general

46-50	A range of provisions including the Commissioners' powers to make byelaws for land they manage.
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Other relevant legislation:

4. The **Countryside Act 1968** gives the Commissioners additional powers, including to provide recreational facilities and to plant and manage trees in the interests of amenity.

The Act also requires all Government departments, including the Commission, to have regard to the desirability of conserving the natural beauty and amenity of the countryside.

5. The **Forestry Act 1981** amended the Forestry Act 1967 to give Ministers the power to sell land for any purpose (except in the Forest of Dean) whereas previously disposals could only be made where the land was not needed for forestry purposes. The 1981 Act also imposed a new duty on Ministers requiring them to have regard to the national interest in maintaining and expanding the forestry resources of Great Britain in performing their functions under the (amended) 1967 Act.
6. The **Wildlife and Countryside (Amendment) Act 1985** amended Section 1 of the Forestry Act 1967 to require the Forestry Commissioners, in discharging their functions, to endeavour to achieve a reasonable balance between the development of afforestation, the management of forests and the production and supply of timber, and the conservation and enhancement of natural beauty and the conservation of flora, fauna and geological or physiographical features of special interest.
7. The **Government of Wales Act 1998**, the **Scotland Act 1998**, and the subsequent statutory instruments, retained the Forestry Commission as a cross-border public authority, but transferred the Ministers' responsibilities for forestry in Scotland and Wales to the Scottish and Welsh Ministers respectively and transferred ownership of land and property. The Government of Wales Act 1998 has been replaced, in a large part, by Government of Wales Act 2006.
8. The **Regulatory Reform (Forestry) Order 2006** removed restrictions on the powers of the Commissioners to form or participate in corporate bodies or charitable trusts in England and Wales. The Order also enabled the Commissioners to exploit intellectual property arising from forestry research and to take action to secure restocking following felling on land in England and Wales. The Order also amended the Countryside Act 1968 to permit the Commissioners to delegate their power to charge.
9. The **Plant Varieties and Seeds Act 1964** provides that the Minister may make seeds regulations which confer functions upon Forestry Commissioners. The Act also bestows other powers directly on the Forestry Commissioners, such as the establishment and maintenance of an official seed testing station for silvicultural propagating and planting material and charging powers in respect of seed testing activity.
10. The **Plant Health Act 1967** makes the Forestry Commissioners the competent authority for the protection of forest trees and timber from attack by pests and diseases, and gives them the power to make orders. The principal order is the Plant Health (Forestry) Order 2005 which, among other things, prescribes the landing requirements for imports of wood and wood products, and controls movements within Great Britain and the EU. The Order gives effect to timber and forestry elements of the EC plant health regime covered by a number of EU Directives. There are also

statutory instruments concerned with controls of various pests and diseases. Import inspection and licensing fees are also regulated.

11. The **Forest Reproductive Material (Great Britain) Regulations 2002** control the selection, development and marketing of seeds for use as forest reproductive materials, including establishing labelling, marking and record keeping requirements; in particular, they establish a regime for registration of basic reproductive materials and for their regions of provenance. The Regulations implement an EU Directive on the marketing of forest reproductive material and on external quality standards for forest reproductive material marketed within the EU.
12. The **Environmental Impact Assessment (Forestry) (England and Wales) Regulations 1999** and **The Environmental Impact Assessment (Forestry) (England and Wales) (Amendment) Regulations 2017** implement Council Directive 85/337/EEC on the assessment of the effects of certain public and private projects on the environment (as amended by EC Directive 97/11/EC, 2011/92/EU and 2014/52/EU). The Regulations establish the Commissioners as the competent authority for advising whether a proposed forestry project is a “relevant project”. Under the Regulations, relevant projects cannot proceed without the consent of the Commissioners.
13. The **Countryside and Rights of Way Act 2000** established the Forestry Commissioners as the “relevant authority” for all woodland in England and Wales dedicated under the Act for public access. Relevant authorities are required to make decisions (by direction) on closures of access to specific pieces of land for land management, safety and other reasons. The Act imposes an obligation on government departments, when carrying out their functions, to have regard - so far as consistent with the proper exercise of those functions - to the purpose of conserving biological diversity in accordance with the United Nations Environmental Programme Convention on Biological Diversity of 1992.
14. Other legislation imposes a range of general duties on all public bodies, including the Commission. Examples include the **Environment Act 1995** requiring all public bodies, to have regard to the purposes of National Parks when performing any functions which affect land in a National Park and the **Natural Environment and Rural Communities Act 2006** which requires public bodies to have regard to conserving biodiversity when exercising their functions.
15. The activities of the Forestry Commissioners in the **New Forest** and in the **Forest of Dean** are affected, though largely indirectly, by local legislation which applies to those Forests. Much of this is concerned with the powers and duties of the Verderers of each Forest in respect of the rights of common to which each Forest is subject.

Annex 2

Sub-Boards Terms of Reference (TORs)

Forestry England

This Board is appointed by the Forestry Commissioners to enable them, as ‘the appropriate forestry authority’ in England to discharge their duties and exercise their powers set out in the Forestry Act 1967 and other relevant legislation, including the Countryside Act 1968.

The Board will set strategy for Forestry England, provide leadership through setting the standards for how Forestry England does its work and the culture it promotes, and supporting the Forestry England executive through constructive challenge and guidance.

Annex A describes the functions that the Board of Commissioners have delegated to the Forestry England Board.

The main duties of the Forestry England Board are to:

- discharge functions delegated to them by the Board of Forestry Commissioners;
- set the strategic direction for the activities of Forestry England;
- determine, agree and promote the values of Forestry England; agree the priorities that inform and contribute to Government’s policy on forestry;
- ensure excellence in forest and land management, including ensuring that UKWAS Certification is maintained;
- ensure sound financial management of Forestry England; ensure commercial objectives are met, approve the allocation of finance in line with its functions and priorities;
- establish the direction for Forestry England’s interest in joint ventures, including Forest Holidays and Camping in the Forest, encompassing decisions as to whether to progress a site to offer / option stage;
- monitor and steer the performance of Forestry England, ensuring clear, consistent, comparable performance information is used to drive improvements;
- determine Forestry England’s risk profile, ensure controls and mitigations are implemented, ensure a safe and healthy working and recreational environment, ensure value for money and compliance with statutory or administrative requirements of a Public Corporation and Executive Agency;

- ensure Forestry England has the expertise to deliver current and future needs through management and succession planning;
- ensure that effective relationships are maintained with stakeholders, customers, suppliers, employees and other government departments and that reputation is upheld;
- communicate the work of Forestry England to staff, volunteers, the public, partners and the media; and,
- approve the Business Plan, Annual Report and Accounts and the Annual Natural Capital Accounts, and other key corporate documents relating to Forestry England.

The Forestry England Board is chaired by a non-executive Forestry Commissioner. The other members are the Chief Executive of Forestry England [Agency Accounting Officer], the Chief Operating Officer for Forestry England, the Director of Finance for Forestry England, the Forestry Commission Chief Executive Officer and up to four other non-executive Commissioners appointed for their specific relevant expertise. Additional non-executives may be appointed by the Forestry Commission, as appropriate, to add strength to the Board.

The Forestry England Board will share information as appropriate with the Forest Services Board, the Forest Research Board and the Forestry Commission Executive Board, ensuring collaboration and cooperative working to matters that require decision, resolution or co-ordinated action across the Forestry Commission.

The Forestry England Board will have the ability to escalate issues as appropriate to the Board of Commissioners.

The Forestry England Board may act by three of their number, notwithstanding a vacancy in their number, consisting of a mix of non-executive and executive members. If the Chair is not one of the members present, then the meeting chair will come from one of the non-executive members present.

The Board will usually meet every two months in Bristol, but may elect to meet more or less frequently (but no less than once every quarter) and in other locations at its discretion.

Forest Services

This Board is appointed by the Forestry Commissioners to enable them, as ‘the appropriate forestry authority’ in England to discharge their duties and exercise their powers set out in the Forestry Act 1967 and other relevant legislation, including the Plant Health Act 1967⁴.

⁴ The key relevant powers and duties of the Forestry Commissioners have been summarised in these Terms of Reference, the full text of the various Acts should be referred to for full details of the Commissioners powers and duties.

The Board will also provide leadership for Forest Services by supporting, guiding, constructively challenging, and directing the Forest Services executive team in the development and delivery of its strategy.

Annex A describes the functions that the Board of Commissioners have delegated to the Forest Services Board.

The main duties of the **Forest Services Board** are to:

- discharge functions delegated to them by the Board of Forestry Commissioners;
- set the strategic direction for Forest Service's activities;
- direct the executive in the conduct of business within Forest Services;
- ensure that Forest Services activities contribute to the delivery of relevant Government policy and the Forestry Commission's overall strategic objectives;
- approve the strategy and Business Plan for Forest Services and the consolidated Annual Report and Accounts and Corporate Plan for Forestry Commission;
- promote forestry policy as a means to deliver wider government objectives and provide insight to future opportunities for forestry in England;
- advocate forestry expertise as a means to maintain the Forestry Commission's reputation and achieve Government's policy and objectives;
- regularly receive and review information on financial and operational performance of Forest Services against agreed objectives;
- demonstrate high standards of corporate governance at all times, to help the Board to address key financial and other strategic risks faced by the organisation, ensuring adequate systems and internal controls are in place to safeguard resources including by using the independent audit committee;
- ensure that any statutory or administrative requirements for the use of public funds are complied with;
- ensure that effective relationships are maintained and the Forestry Commission's reputation is upheld with stakeholders, customers, suppliers, employees and other government departments across England, including by establishing links with local delivery teams and Forestry and Woodlands Advisory Committees;
- ensure effective communication both internally and externally through focused and consistent messaging showing evidence and accountability for decisions made;
and,

- address matters of relevance to the wider Forestry Commission (i.e. Forest Research and/or Forestry England as well as Forest Services) as requested by the England Executive Board.

The Forest Services Board is chaired by a non-executive Forestry Commissioner. The other members are additional non-executive Commissioners, the Forestry Commission Chief Executive Officer, the Defra Director with responsibility for forestry policy, additional non-executives either seconded by the Board from within HMG or appointed through open competition, Director Forest Services and Forestry Commission Finance Director.

The Forest Services Board will share information as appropriate with the Forestry England Board, the Forest Research Board and the Forestry Commission Executive Board, ensuring collaboration and cooperative working to matters that require decision, resolution or co-ordinated action across the Forestry Commission.

The Forest Services Board will have the ability to escalate issues as appropriate to the Board of Commissioners.

The Forest Services Board may act by three of their number notwithstanding a vacancy in their number, consisting of a mix of non-executive and executive members. If the Chair is not one of the members present, then the meeting chair will come from one of the non-executive members present.

The Board will usually meet every two months in Bristol, but may elect to meet more or less frequently (but no less than once every quarter) and in other locations at its discretion.

Forest Research

This Board is appointed by the Forestry Commissioners to enable them, as ‘the appropriate forestry authority’ in England to discharge their duties and exercise their powers set out in the Forestry Act 1967⁵, those powers most directly relevant to Forest Research are set out in paragraph 8 of the Act, the miscellaneous powers of the Commissioners.

The Board will also set strategy for Forest Research, provide leadership through directing the executive and offer constructive challenge and guidance in the development and delivery of strategic level objectives and support to the Forest Research executive.

⁵ The key relevant powers and duties of the Forestry Commissioners have been summarised in these Terms of Reference, the full text of the various Acts should be referred to for full details of the Commissioners powers and duties.

Annex A describes the functions that the Board of Commissioners have delegated to the Forest Research Board.

The main duties of the **Forest Research Board** are to:

- discharge functions delegated to them by the Board of Commissioners;
- set the strategic direction for the activities of Forest Research;
- direct the executive in the conduct of business within Forest Research;
- provide leadership to Forest Research's activities to inform and ensure delivery of the shared forestry research strategy on behalf of the Governments of the UK, Scotland and Wales and overall Forestry Commission strategic objectives;
- identify and allocate resources required to meet Forest Research's objectives, including approval of the Business Plan, Annual Report and Accounts and other key corporate documents relating to Forest Research;
- promote the activities of Forest Research as a means to deliver wider government objectives and provide insight to future opportunities for the agency and wider sector;
- promote the long-term operational and financial sustainability of Forest Research;
- advocate forestry research expertise as a means to maintain the reputation of the agency and achieve objectives;
- regularly receive and review information on financial and operational performance of Forest Research against agreed objectives;
- demonstrate high standards of corporate governance at all times, to help the Board to address key financial and other strategic risks faced by the organisation, ensuring adequate systems and internal controls are in place to safeguard resources including by using the independent audit committee;
- ensure that any statutory or administrative requirements for the use of public funds are complied with;
- ensure that effective relationships are maintained with stakeholders, customers, suppliers, employees and other government departments and reputation is upheld; and,
- ensure effective communication both internally and externally through focused and consistent messaging showing evidence and accountability for decisions made.

The Forest Research Board is chaired by a non-executive Commissioner. The other members are the FC Chief Executive Officer, three country non-executives (serving UK, Scottish and Welsh government officials), up to three further non-executives, Forest Research Chief Executive Officer [Agency Accounting Officer], Chief Scientist Forest Research and FC Chief Scientific Adviser, and Forest Research Finance Director.

The Forest Research Board will share information as appropriate with the Forest Services Board, the Forestry England Board and the Forestry Commission Executive Board, ensuring collaboration and cooperative working to matters that require decision, resolution or co-ordinated action across the Forestry Commission.

The Forest Research Board will have the ability to escalate issues as appropriate to the Board of Commissioners.

The Forest Research Board may act by three of their number notwithstanding a vacancy in their number, consisting of an appropriate mix of non-executive and executive members. If the Chair is not one of the members present, then the meeting chair will come from one of the non-executive members present.

The Board will usually meet every two months in Alice Holt or NRS Roslin, but may elect to meet more or less frequently (but no less than once every quarter) and in other locations at its discretion.

Annex A to all sub-board TORs

FUNCTIONS DELEGATED BY THE BOARD OF COMMISSIONERS

FUNCTION (listed by legal basis for activity ⁶)	FORESTRY ENGLAND BOARD (FEB)	FOREST SERVICES BOARD (FSB)	FOREST RESEARCH BOARD (FRB)
Forestry Act 1967 (as amended): Note: The Forestry Commissioners are the 'appropriate forestry authority' in England.			

⁶ The key relevant powers and duties of the Forestry Commissioners have been summarised in this list of key functions, the full text of the various Acts should be referred to for full details of the Commissioners powers and duties.

To manage the land placed at the disposal of the Forestry Commissioners by the Minister (Secretary of State, Defra) for the functions of the Forestry Commissioners, including promoting the interests of forestry, the development of afforestation and the production and supply of timber whilst endeavouring to achieve balancing duty set out in part 3A of the Act.	X		
Promoting the interests of forestry, the development of afforestation and the production and supply of timber and other forest products.		X	
Promoting the establishment and maintenance in England of adequate reserves of growing trees	X	X	
To implement the powers to control tree felling as set out in Part II of the Act		X	
Undertake the collection, preparation, publication and distribution of statistics relating to forestry;			X
Promote and develop instruction and training in forestry	X	X	X
Carry out experiments and research either directly or with others for the purpose of promoting forestry and publish the results of research and disseminate the information on forestry;			X
Exploit any intellectual property or intangible assets arising from the carrying out of any activity.	X	X	X
The establishment and maintenance of regional advisory committees		X	
Countryside Act 1968 (as amended)			
To provide, or arrange for or assist in the provision of, tourist, recreational or sporting facilities on the land placed at the disposal of the Forestry Commissioners	X		
Plant Varieties and Seeds Act 1964:			

The establishment and maintenance of an official seed testing station for silvicultural propagating and planting material and charging powers in respect of seed testing activity.	X		
Plant Health Act 1967:			
The competent authority for the protection of forest trees and timber from attack by pests and diseases, and the power to make orders		X	
Forest Reproductive Material (Great Britain) Regulations 2002:			
The selection, development and marketing of seeds for use as forest reproductive materials, including establishing labelling, marking and record keeping requirements; in particular, they establish a regime for registration of basic reproductive materials and for their regions of provenance. The Regulations implement an EU Directive on the marketing of forest reproductive material and on external quality standards for forest reproductive material marketed within the EU.	X [Application]	X [Regulations]	
Environmental Impact Assessment (Forestry) (England and Wales) Regulations 1999 and The Environmental Impact Assessment (Forestry) (England and Wales) (Amendment) Regulations 2017:			
The appropriate forestry body undertake the role set out in regulations, primarily to decide if a project is a “relevant project” and if so grant or refuse consent having followed due process.		X	
Countryside and Rights of Way Act 2000:			
The “relevant authority” for all woodland in England dedicated under the Act for public access		X	

Annex 3

Compliance with government wide corporate guidance and instructions

The Forestry Commission is required to comply with the following guidance documents and instructions:

- This Framework Document;
- Appropriate adaptations of sections of *Corporate Governance in Central Government Departments: Code of Good Practice*
<https://www.gov.uk/government/publications/corporate-governance-code-for-central-government-departments>;
- *Code of Conduct for Board Members of Public Bodies*
<https://www.bl.uk/aboutus/governance/blboard/BoardCodeofPractice2011.pdf>
- *Managing Public Money* (MPM), including Fees and Charges Guide and Departmental Banking: A Manual for Government Departments;
- relevant Freedom of Information Act guidance and instructions (Ministry of Justice);
- Public Sector Internal Audit Standards
<https://www.gov.uk/government/publications/public-sector-internal-audit-standards>
- Management of Risk: Principles and Concepts
<https://www.gov.uk/government/publications/orange-book>;
- HM Treasury Guidance on Tackling Fraud,
http://webarchive.nationalarchives.gov.uk/20130129110402/http://www.hm-treasury.gov.uk/d/managing_the_risk_fraud_guide_for_managers.pdf.pdf;
- Government Financial Reporting Manual (FReM),
<https://www.gov.uk/government/publications/government-financial-reporting-manual>;
- Regularity, Propriety and Value for Money,
http://webarchive.nationalarchives.gov.uk/20130129110402/http://www.hm-treasury.gov.uk/psr_governance_valueformoney.htm;
- The Parliamentary and Health Service Ombudsman's Principles of Good Administration <http://www.ombudsman.org.uk/improving-public-service/ombudsmansprinciples>;
- Relevant Dear Accounting Officer letters;
- Consolidation Officer Memorandum, and relevant DCO letters;
- Other relevant guidance and instructions issued by HM Treasury in respect of Whole of Government Accounts;
- Other relevant instructions and guidance issued by the central Departments;

- Specific instructions and guidance issued by Defra; and
- Relevant recommendations made by the Public Accounts Committee, or by other Parliamentary authority, that have been accepted by the Government.
- Relevant regulations, guidance or instructions from the European Union on the use of European funds.

Annex 4

Defra group design principles

Act together	We will work in a joined up way to deliver a consistent and fair customer experience, giving extra help to those who need it. We will join up customer journeys so customers do not need to understand how we organise ourselves to engage with us.
Make it simpler	We will make things simpler and quicker for customers by designing digital services based on their needs. We will simplify the way we communicate by creating a single virtual Defra group contact centre.
Avoid duplication	We will provide a single point of contact with minimal handovers. Our systems will have a single view of customers irrespective of the channel or service used. We will use our existing data to simplify the customer journey, ensuring we only collect that data once.
Maximise impact	We will focus on the activities that only government can carry out. We will redesign our content and information based on what people want, using customer insight to drive improvement at every stage. We will be quick and timely in our responses. We will provide third parties with access to our data so they can innovate the way services are delivered.
Embrace digital and data	We will migrate our customers to online channels, building common ICT platforms and sharing data to improve and simplify the customer experience. All digital services will be designed according to Government Digital Service (GDS) best practice and the Digital Service Standard.