



Scottish
Forestry
Coilltearachd
na h-Alba

Annual Report and Accounts 2023-24

SG/2024/166

Scottish Forestry is the Scottish Government agency responsible for forestry policy, support and regulation

S e Coilltearachd na h-Alba a' bhuidheann-ghnìomha aig Riaghaltas na h-Alba a tha an urra ri poileasaidh, taic agus riaghladh do choilltearachd



Scottish Government
Riaghaltas na h-Alba
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Performance Report



Overview

In this Performance Report, we present a review of the Agency's performance during 2023-24, against its priority themes. We highlight the key purpose and activities of the Agency, and the risks and challenges faced during the year.

Foreword by Chief Executive Officer

Welcome to the Annual Review and Accounts of Scottish Forestry for 2023-24. This report marks our fifth anniversary as an organisation, and I am proud to say my first since being appointed as Chief Executive on a permanent position.

Scottish Forestry is the Scottish Government Executive Agency for forestry policy, grant support and regulation. Our purpose is the sustainable management and expansion of forests and woodlands to deliver more for Scotland. Scotland's forests make a vital contribution, they sequester 14% of our carbon emissions, helping to tackle climate change, they support diverse habitats and increase biodiversity, they provide spaces in nature for communities and support a forest industry worth around [£1Bn](#) and 25,000 mainly rural jobs.

This year has seen Scottish Forestry approve over 14,000ha worth of woodland creation schemes, the highest this century. Of this 7,268ha is new native woodland another record and exceeding the target of 4,000ha, as set out in the Bute House Agreement. I'd like to thank all SF staff and those in the sector handling applications and getting trees in the ground for their hard work in helping to achieve this.

In June last year we announced a raft of new measures to improve our support to maximise woodland creation. We made the biggest fundamental change to the Forestry Grant Scheme (FGS) since it began in 2015, with a suite of new measures to enhance our support for woodland creation in Scotland. We are boosting tree planting around rivers and streams by producing new target maps and increasing grant rates. We have introduced grant funding changes to encourage appropriate tree planting on farms and we made £1m available to support projects which help restore and expand Scotland's rainforest area. As well as expanding our Integrating Tress Network to help engage and support farmers and crofters who are a key audience helping us deliver on our ambitions.

In December 2023 we also hosted a major Forestry Summit, chaired by Mairi Gougeon MSP, Cabinet Secretary for Rural Affairs, Land Reform and Islands. It was great to have over seventy representatives from forestry, land-use, community and environment sectors at the summit. We had meaningful discussions and identified key themes which both SF and the sector are committed to working collectively on to improve woodland creation levels.

Trees have an important role to play in Scotland's ambition to tackle the climate crisis. In support of

Scotland's pathway to achieve Net Zero by 2045 Scottish Forestry is committed to investing in projects which help the decarbonisation of the forestry industry. This year we announced £2 million through our Strategic Timber Transport Scheme (STTS) to facilitate the sustainable transport of timber in rural areas of Scotland and deliver benefits for local communities and the environment through innovative projects and partnerships, including a first of its kind three-year electric timber truck trial.

Ensuring sustainability of our trees is also core to why we exist as an agency. Each year we survey an average of 1.4m ha of trees. This year we have implemented a new effective monitoring programme using aerial surveillance, drones, traps, ground surveillance and 'citizen science' to check for pests and disease.

Investing in our people is key to achieving our ambitions as an Agency.

We are investing a significant amount over the next couple of years into a comprehensive training and skills development plan. In May 2023 we started the official Woodland Officer Operational Development Session (WOODS) programme. They play a pivotal role in approving Forestry Grant Scheme (FGS) applications and advising landowners. Our WOODS programme gives new Officers the core skills, knowledge and behaviours to be confident and competent in their role supporting tree planting.

We are also committed to creating a more diverse and inclusive workplace for all. Our annual Equality, Diversity and Inclusion Action Plan sets out the specific actions we're taking. Good progress was made last year with the gender focus groups and Women into Leadership event which gave us valuable insight on what could change to better support women in SF. Our EDI Manager delivered a positive language session to Talent and Resourcing to ensure our job adverts encourage underrepresented groups to apply, and we approved student placements across our Conservancies to encourage more young people into the forestry sector. We also published our first ever Gaelic Language Plan at the end of 2023 and are committed to the role we can play to supporting and enhancing the use of the native language.

Whilst the Scottish Budget announced in December has presented challenges to us as an agency and the sector, we are confident we have solutions to maximise the funding available from the 24/25 budget. We cannot however, do this alone and it is essential we continue to work in

partnership with private and public sectors as well as communities across Scotland to help maximise the positive impact of forests and woodlands. I

Ro-ràdh bhon Cheannard

Fàilte don Lèirmheas agus Cunntasan Bliadhnail Coilltearachd na h-Alba airson 2023-24. Tha an aithisg seo a' comharrachadh ar còigeamh ceann-bliadhna mar bhuidheann, agus tha mi moiteil gur e seo a' chiad tè agam bho chaidh mo chur an dreuchd mar Cheannard air dreuchd mhaireannach.

Is e Coilltearachd na h-Alba Buidheann-gnìomha Riaghaltas na h-Alba airson poileasaidh coilltearachd, taic tabhartais agus riaghladh. 'S e ar n-amas riaghladh seasmhach agus leudachadh choilltean gus barrachd a libhrigeadh do dh'Alba. Tha coilltean na h-Alba a' leasachadh gu mòr: bidh iad a' cumail 14% de ar sgaoilidhean gualain, a' cuideachadh le dèiligeadh ri atharrachadh cliomaid, bidh iad a' toirt taic do dh'àrainnean eadar-dhealaichte agus a' meudachadh bith-iomadachd, bidh iad a' solarachadh àiteachan ann an nàdar do choimhearsnachdan agus a' toirt taic do ghnìomhachas coille luach timcheall air [£1 billean](#) agus 25,000 obraichean, a' mhòr chuid dhiubh dùthchail.

Am-bliadhna tha Coilltearachd na h-Alba air aontachadh ri luach còrr air 14,000ha de sgeamaichean cruthachadh choilltean, an ìre as àirde san linn seo. 'S e coille dhùthchasach ùr a th' ann an 7,268ha de seo, clach-mhìle eile agus a' dol thairis air an targaid de 4,000ha a chaidh stèidheachadh ann an Aonta Taigh Bhòid. Bu mhath leam taing a thoirt do luchd-obrach SF air fad agus iadsan san roinn a làimhsicheas iartasan agus a chuireas craobhan airson an dìcheall gus seo a choileanadh.

Anns an Ògmhios an-uiridh dh'ainmich sinn sreath de cheumannan ùra gus ar taic a leasachadh gus cruthachadh choilltean a mheudachadh. Rinn sinn an t-atharrachadh bunaiteach as motha air Sgeama Thabhartasan na Coilltearachd (FGS) bho thòisich e ann an 2015, le sreath de cheumannan ùra gus ar taic do chruthachadh choilltean ann an Alba a neartachadh. Tha sinn ag àrdachadh cur craobhan timcheall aibhnichean is sruthan le bhith a' cruthachadh mhapaichean targaid ùra agus ag àrdachadh ìrean tabhartais. Tha sinn air atharraichean maoinachaidh tabhartais a thoirt a-steach gus cur craobhan iomchaidh a bhrosnachadh air tuathanasan agus tha sinn air £1m a thoirt seachad gus taic a thoirt do phròiseactan a chuidicheas le bhith ag ath-nuadhachadh agus a' leudachadh sgìre coille-uisge na h-Alba. A bharrachd air sin, leudaich sinn ar Lionra Integrating Tress gus cuideachadh le

look forward to seeing what we can achieve together.

bhith a' dol an sàs agus a' toirt taic do thuathanaich is chroitearan a tha nam prìomh luchd-èisteachd a chuidicheas sinn gus ar n-amasan a libhrigeadh.

Anns an Dùbhlachd 2023 chùm sinn cuideachd Àrd-choinneamh Coilltearachd, leis an robh Mairi Gougeon BPA, Rùnaire a' Chaibineit airson Cùisean Dùthchail, Ath-leasachadh Fearainn agus nan Eilean sa chathair. Bha e math gus robh còrr is seachdadh riochdaire bho roinnean coilltearachd, cleachdadh fearainn, coimhearsnachd agus àrainneachd aig an àrd-choinneamh. Bha còmhraidhean brioghmhor againn agus chomharraich sinn prìomh chuspairean air am bi SF agus an roinn a cho-obrachadh gus ìrean cruthachadh choilltean a leasachadh.

Tha àite cudromach aig craobhan ann am miann na h-Alba gus dèiligeadh ri èiginn na gnàth-shìde. Mar thaic do shlighe na h-Alba gus Net Zero a choileanadh ro 2045, tha Coilltearachd na h-Alba dealasach a thaobh tasgadh a dhèanamh ann am pròiseactan a chuidicheas le bhith a' dì-charbonachadh gnìomhachas na coilltearachd. Am-bliadhna dh'ainmich sinn £2 millean tro ar Sgeama Còmhhdail Fiodha Ro-innleachdail (STTS) gus còmhhdail seasmhach fiodha a dhèanamh comasach ann an sgìrean dùthchail na h-Alba agus buannachdan a libhrigeadh do choimhearsnachdan ionadail agus don àrainneachd tro phròiseactan agus com-pàirteachasan ùr-ghnàthach, a' toirt a-steach a' chiad deuchainn làraidh fiodha dealain tri-bliadhna.

Tha dèanamh cinnteach à seasmhachd ar craobhan cuideachd aig cridhe carson a tha sinn ann mar bhuidheann. Gach bliadhna bidh sinn a' sgrùdadh cuibheasachd de 1.4m ha de craobhan. Am-bliadhna tha sinn air prògram sgrùdaidh èifeachdach ùr a chuir an gnìomh a' cleachdadh sgrùdadh adhair, drones, trapaichean, sgrùdadh talmhainn agus 'saidheans saoranach' gus sgrùdadh a dhèanamh airson plàighean is galairean.

Tha tasgadh nar daoine deatamach gus ar n-amasan mar Bhuidheann a choileanadh.

Tha sinn a' tasgadh mòran thairis air an ath dhà bhliadhna ann am plana trèanaidh coileanta agus leasachadh sgìlean. Sa Chèitean 2023 thòisich sinn air prògram oifigeil Seisean Leasachaidh Obrachaidh Oifigeir Coille (WOODS). Tha pàirt chudromach aca ann a bhith a' ceadachadh

iartasan Sgeama Thabhartasan Coilltearachd (FGS) agus a' toirt comhairle do dh'ùachdarain. Bheir am prògram WOODS againn na prìomh sgilean, eòlas agus giùlan do dh'Oifigearan ùra gus am bi iad misneachail agus comasach nan dreuchdan a' toirt taic do chur chraobhan.

Tha sinn cuideachd dealasach a thaobh àite-obrach nas eadar-mheasgte agus nas in-ghabhalach a chruthachadh dha na h-uile. Tha ar Plana Gnìomh Co-ionannachd, Iomadachd agus In-ghabhail bliadhnail a' mineachadh nan gnìomhan sònraichte a bhios sinn a' gabhail. Chaidh adhartas math a dhèanamh an-uiridh leis na buidhnean fòcais gnè agus tachartas Boireannaich gu Ceannardas a thug dhuinn sealladh luachmhor air dè a dh'fhaodadh atharrachadh gus taic nas fheàrr a thoirt do bhoireannaich ann an SF. Libhrig am Manaidsear EDI againn seisean cànan adhartach gu Tàlant is Stòras gus dèanamh cinnteach gu bheil na sanasan-obrach againn a' brosnachadh buidhnean gun riochdachadh gu leòr gus tagradh a dhèanamh, agus dh'aontaich sinn greisean gnìomhachais oileanach thar ar Glèidhteachais gus barrachd dhaoine òga a bhrosnachadh a-steach don roinn coilltearachd. Dh'fhoillsich sinn cuideachd a' chiad Phlana Gàidhlig againn a-riamh aig deireadh 2023 agus tha sinn dealasach a thaobh an àite as urrainn dhuinn a chluich ann a bhith a' toirt taic do agus ag àrdachadh cleachdadh a' chànan dhùthchasach.

Ged a tha Buidseit na h-Alba a chaidh ainmeachadh san Dùbhlachd air dùbhlain a thoirt dhuinn mar bhuidheann agus san roinn, tha sinn cinnteach gu bheil fuasglaidhean againn gus am maoineachadh as fheàrr fhaighinn bho bhuidseit 24/25. Chan urrainn dhuinn, ge-tà, seo a dhèanamh leinn fhèin agus tha e deatamach gun lean sinn oirnn ag obair ann an com-pàirteachas leis na roinnean prìobhaideach agus poblach a bharrachd air coimhearsnachdan air feadh na h-Alba gus cuideachadh le bhith a' meudachadh a' bhuaidh dheimhinneach aig choilltean. Tha mi a' dèanamh fiughair ri faicinn na 's urrainn dhuinn dèanamh còmhla.



Paul Lowe
Chief Executive

Purpose & Activities of the Organisation

About Scottish Forestry - who we are, and what we do.

Scottish Forestry (SF) was established as an Executive Agency of the Scottish Government on 1st April 2019, following full devolution of forestry to the Scottish Parliament on commencement of the [Forestry and Land Management \(Scotland\) Act 2018](#) (FLMSA).

As a regulator, funder and policy advisor, our purpose at Scottish Forestry is the sustainable management and expansion of forests and woodlands to deliver more for Scotland. We do this by:



Providing policy input on forestry matters to Scottish Ministers and other parts of the public sector to ensure that sustainable forest management is an integral part of public policy.



Regulating the management of forests across Scotland, including the planting and felling of trees, and measures related to tree health



Administering grants and providing other support to land managers to achieve delivery of new planting targets.



Promoting and supporting sustainable forest management as set out in the [UK Forestry Standard \(UKFS\)](#) both in grant funded and existing forests and woodlands.

Delivering Scottish Minister's duty to prepare and have regard to a Scottish Forestry Strategy in promoting sustainable forest management.



Providing evidence to support policy and practice through reviewing and commissioning research.



Working in partnership to develop and implement projects which help realise the wide range of benefits forestry delivers for Scotland.



Delivering cross-border forestry functions on behalf of the three nations of Great Britain.

Key Drivers

As part of Programme for Government 2023-24, then First Minister Humza Yousaf in 2023 announced the target of deliver at least 12,000 hectares of trees planted from approved schemes in 2023-24

Woodland Creation will be the focus of our activities for Scottish Forestry. This Business Plan sets out the programme of work we are undertaking to drive this forward.

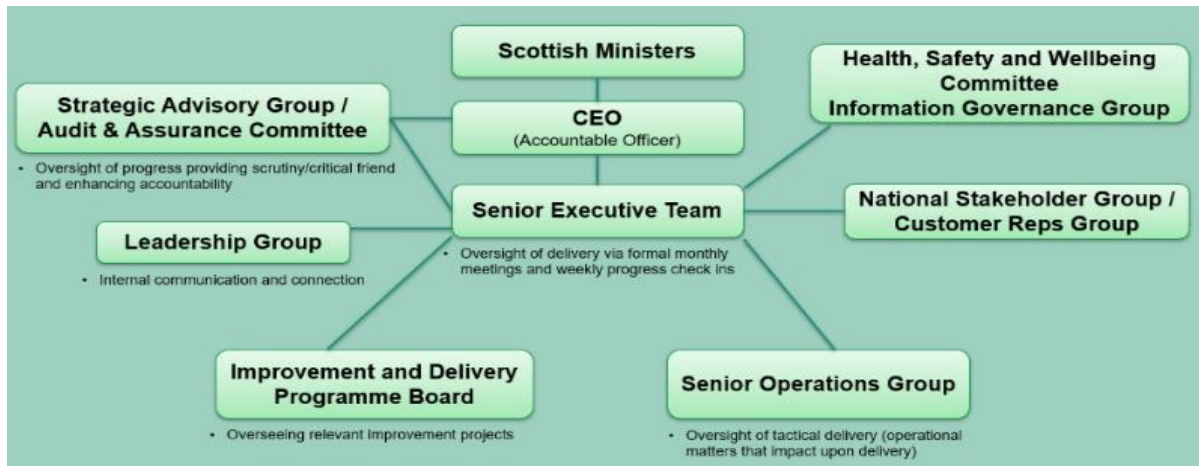
Our activities are also being shaped by other Programme for Government 2023-24 announcements made:

- 1 Take steps to further protect and restore our iconic Atlantic rainforests and ancient Caledonian pinewoods and implement actions to speed up woodland creation in Scotland towards 18,000 hectares per year (in 2024-25), sequestering carbon for decades to come, delivering biodiversity gains and ensuring a reliable supply of raw material for the timber processing sector.
- 2 Hold a Scottish forestry summit to agree next steps across all sectors to deliver more woodland creation.
- 3 Implement measures in the delivery action plan to get woodland creation back on track, including investing £1m in skills and development of forestry staff and establishing Glenprosen Estate as an exemplar of woodland creation.

Funding for our work

We receive our funding from SG. Scottish Parliament approval is granted through the annual Budget Acts and through Budget Revisions, typically twice a year in the autumn (ABR) and the spring (SBR).

Structure



The Chief Executive is the Accountable Officer, who is personally accountable to Scottish Ministers and the Scottish Parliament. In addition, they are responsible for managing Scottish Forestry as a high-performing and continuously improving organisation, with effective and efficient operation and financial management and developing and monitoring the [Corporate Plan](#).

The Senior Executive Team (SET) provides leadership, focusing on matters which require strategic collective oversight. The SET supports well informed, evidence-based decisions, setting strategic direction, policies and organisational performance, with SET members receiving advice and guidance from their own business functions. Collectively, they are also guided by external and internal groups on a range of issues.

The decision making of the Chief Executive and the SET is guided, challenged and scrutinised by the Strategic Advisory Group (SAG).

The Audit and Assurance Committee (AAC) supports and provides advice to the Chief Executive particularly around risk management, performance, control, governance and associated assurance to support year-end accountability and reporting.

The Leadership Team Meeting provides our Senior Executive Team with the opportunity to discuss with our broader agency leadership our corporate priorities and the leadership challenges and opportunities facing the agency.

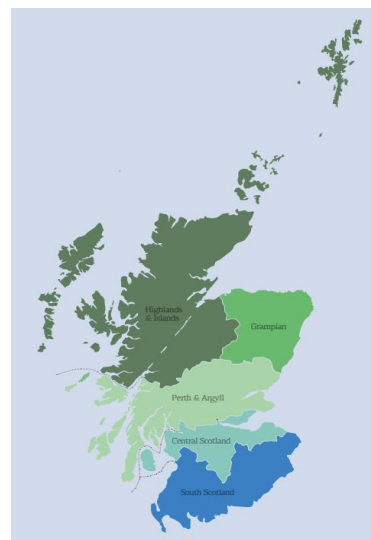
We operated a management model of five functional teams:

- Policy & Practice.
- Operational Services & Transformation.
- Executive Office
- Operational Delivery, and
- Finance and Business Support.

Further information on the SAG, SET, and AAC can be found in the Corporate Governance Report.

Conservancies

We operate a regional structure for the delivery of our work consisting of five conservancies who report to the Head of Operational Delivery and the national office located in Edinburgh.



Key Risks and Challenges

The overarching risks and uncertainties facing our organisation relate to our ability as an agency to deliver targets whilst balancing these requirements with our financial resources and the capacity, capabilities, and welfare of our workforce. Due to climate change Scotland's environment continues to change, this has resilience challenges for both biodiverse habitats but also potentially over time our timber production. Climate change also means that new invasive species and pests and disease pose new risks to our natural environment.

SET have established procedures to manage risk and oversee the risk register. Our risk register is designed to identify and manage, rather than eliminate, the risk and our approach is discussed within the Governance Statement.

Principal Risks

Cyber Security and Resilience

What is the risk?

The risk that core systems are compromised or are rendered unavailable.

Material influencing factors

- Employee and contractor understanding and awareness of information security requirements
- Malicious cyber attack
- Increased sophistication and likelihood of ransomware attack
- Ineffective operational performance for example breach of information security rules or poor management of resilience expertise.

Key mitigations

Ongoing raising of staff awareness of how to be alert to phishing emails. Inclusion in SG campaign to simulate and monitor phishing attacks via email. This greater awareness will be an important part of actioning a proportionate response.

Mitigations and protections provided by utilisation of the SG Scots Environment for a number of our systems and from FLS Digital for many other aspects of our digital estate.

Review of SF Cyber Resilience policies, procedures suggested (re: SEPA action plan). Offline copies of Business Continuity and Disaster Recovery plans relating to cyber-attacks, along with contacts lists. Link to other areas of work such as the Business Continuity Plan. Basic system by system assessment cybersecurity risk laid out in Disaster Recovery document. Resource requirements for work being reviewed. Building a suitable Business continuity plan for all scenarios, completing an action plan in full, Implementation of digital security processes and systems, completion of preparedness audits, implementation of Cyber Resilience Insurance (and associated procedures), Cyber-attack simulation run.

Woodland Creation Target

What is the risk?

The risk of not meeting the Woodland Creation Targets

Material influencing factors

- The capital grant awarded as part of the budget settlement
- The capacity within the sector
- Storm damage to forests which can divert manpower away from Woodland Creation

A temporary shutdown by FLS Digital of some digital tools during the any extended break to minimize areas of risk.

Discussions are continuing with FLS initially around some of the shared tools. With the possible extension to other SF specific solutions in the future. This action is in response to the higher likelihood of cyber-attacks during the period and with reduction in staff to identify possible attacks.

Key mitigations

Mitigating actions are being implemented at present focused around staff training and development, system improvements and system changes. These are centred around building capacity, structural improvements and changing attitudes and behaviours.

Woodland workshop identified areas within the sector which could assist in achieving the planting target

Discussion with Government officials are ongoing to maximise the woodland creation budget so as to achieve the planting target, or to reduce the planting target.

Major Tree Health Outbreak

What is the risk?

The spread of Ips typographus is a UK priority pest of Sitka spruce throughout Scotland.

Material influencing factors

This threat has now been recognised as a national threat and added to the UK risk register.

Spruce accounts for just over half of the area of forestry in Scotland, and makes up 65% of the UK softwood harvest estimated to be worth over £200 million per year.

The impact on the timber industry would be substantial as well as the impact on the landscape and the carbon sequestration capacity of Scotland's forests.

Key mitigations

- Increased trapping and survey work for a minimum of three years, so as to confirm the absence of a breeding population. - Training of conservancy teams to identify the signs of the pest.
- Stakeholder and public communications to help identification and detection of the pest.
 - Spruce within the immediate vicinity of the outbreak to be destroyed and a demarcated zone created.
 - All harvested spruce to be inspected prior to the movement off site.
 - Development of a detailed incident response plan.

How we contribute to the National Performance Framework Outcomes

Scottish Forestry contributes directly to and supports a number of Scotland's National Performance Framework outcomes, in particular:



Environment: Scotland's forests and woodland cover nearly 1.5 million hectares, 19% of the land area. Scottish Government has a target to increase this by 18,000 hectares by 2024-25, including 4,000 hectares of native woodlands. They are home to 172 protected species including pine marten, Scottish Crossbill, black grouse, and 75% of UK red squirrel population. Scotland is home to its own Atlantic rainforest on the western seaboard, boasting a variety of rare species and habitats. The ability of our woodlands to absorb carbon dioxide from the atmosphere is of ever-increasing importance to our country and the planet. They help people and society adapt to climate change by providing a range of benefits such as ecological connectivity of habitats, natural flood management, diffuse pollution control and control of soil erosion.

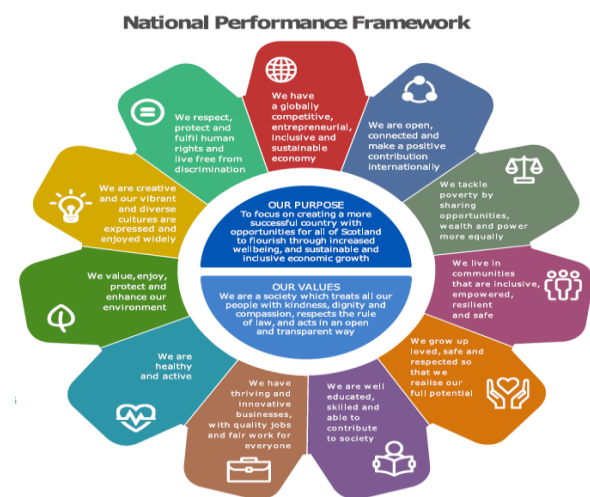


Economy: The forestry sector supports twenty-five thousand jobs and contributes £1bn to Scotland's economy, particularly in rural areas and among younger age categories. We have a globally competitive, entrepreneurial, inclusive and sustainable economy where Forestry is a vital sector in the rural economy and provides crucial supplies to the construction and biomass industries, whilst food, medicines and other

critical supply chains rely on the provision of pallets and wood packaging materials, supplied by Scottish sawmills and processors. This year we built the evidence around the economic contribution of forestry to the rural economy and the potential to increase added value in the wood fibre supply chain. Delivery of the Strategic Timber Transport Fund continues the move towards the decarbonisation and future proofing of timber transport, and we began to explore ways to decarbonise the harvesting and processing sector. We encouraged young people and those changing career to enter the industry, both by increasing knowledge and awareness of forestry sector careers in key stakeholders and also through the delivery of targeted short courses tailored to specialist skills required by the sector such as timber haulage and forestry machine operators.



Health: Forests and woodlands are an important recreational setting, and there over 120 million visits to Scotland's forests and woodlands each year.



Responding to the Global Climate Emergency

The Scottish Government's commitment to achieving net-zero greenhouse gas emissions by 2045 has continued to provide additional impetus to our work to increase woodland

creation, and the greater use of wood in construction, to replace materials with a greater negative climate impact. Building on the significant success achieved previously and by our predecessor, Forestry Commission Scotland, a significant focus of our work during the year was therefore continuing to help Scotland towards achieving significant increases in woodland creation in line with SG targets.

Strategic Objectives

Given the policy context and strategic drivers described above, in the [Business Plan](#) we developed strategic objectives. The following page lists our high-level objectives during the year. More detailed information on our objectives and what we have done to achieve these are shown in the Performance Analysis.



Strategic Objective 1 - Ensure that sustainable forest management is an integral part of public policy, particularly through leading and co-ordinating the delivery of Scotland's Forestry Strategy.

Which includes objectives on:

Forest Grant Enhancements: Increase demand for woodland creation, through enhancements to the Forestry Grant Scheme (FGS). This will cover a range of areas:

- **Consultation:** Complete consultation exercise and review outcomes to establish how the FGS can strengthen Net Zero, biodiversity, economic and community wealth building priorities.
- **Trees on Farms:** New measures and increased grant rate for agro forestry. This will include showcasing the benefits of farm woodlands and revising the bracken grant rate. Change specification for Small and Farm Woodland FGS Option (under 10ha) to make it more attractive for farmers.
- **Boost tree planting around rivers and streams:** produce new target maps and increase grant rates.
- **Woodland grants for smaller schemes:** Increase grant rates.
- **Natural Regeneration:** Revise grant rate for natural regeneration and increase rates for deer fencing.

Tree Health: Provide advice and guidance to the sector on tree health. Undertake measures to ensure biosecurity and protect against specific pests and diseases. Implement monitoring programme using aerial surveillance, drones, traps, ground surveillance and 'citizen science' to check for pests and disease.

Deliver Strategic Timber Transport Fund: Allocate budget to the projects that can

demonstrate they will deliver the most benefits. Continue allocations to Timberlink Service and the Electric Lorry trail.

Sector Buy In: Get sector buy in to the highest ever WC (forecast for 23-24). Arrange Forestry Summit with various stakeholders by end 2023 to agree pathway to fulfil the potential of Scotland's woodlands to achieve the 2045 Net Zero target by leading a critical boost in woodland creation that provides sustained community, environmental and economic benefits.

Develop Work at Landscape Scale: Scope potential work with other public sector bodies e.g. MOD, Scottish Water, Crown Estate with land available. Review external forums. Consider option of setting up WC Task Force Regional woodland strategies – tease this out further in national context. Co-ordination at UK level. Work in partnership to develop Forth Climate Forest.

Protect and Expand Atlantic Rainforests and Ancient Caledonian Pinewoods: Allocate £1m for rainforest expansion and protection. Move forward small scale woodland creation on the islands and support croft woodland projects. Support landscape scale deer management in the Cairngorms, herbivore impact monitoring and habitat improvement, leading to rewilding and natural regeneration.

Encourage More People and Communities to be Involved: Develop public facing Communications Plan. Encourage community involvement in woodland creation, management and use of forests and woodlands. Engaging local communities in woodland-based health and well-being activities. Showcase our work at Royal Highland Show

Publish New Edition of the UK Forestry Standard (UKFS): Complete review process through collaboration with other UK administrations.

Refresh and Publish Community Engagement Guidance in Forestry Plans and Proposals: Revise guidance outlining importance of engagement and consultation, opportunities for communities to get involved and the roles and responsibilities of those involved.

Develop Woodland Carbon Code: Revise test for additionality to ensure woodland carbon schemes are delivering high quality carbon credits and can evidence reducing net GHG emissions. Consider how FGS funding and private finance for carbon can work together further.

Strategic Engagement with Ministers: Develop strategic approach and engagement with Ministers to set out our approach to increasing rates of woodland creation, dialogue with the sector and process improvements.

Co-ordination of Scotland's Forestry Strategy and Implementation Plan: Continue to co-ordinate, track and monitor Scotland's Forestry Strategy and Implementation Plan 2022-25.



Strategic Objective 2 – Develop our people and culture to improve performance and resilience, building a dynamic, flexible and modern workforce which serves the forestry sector and wider Scotland well

Which includes objectives on:

Increase Staff and Organisational Capacity: Initiatives to retain and increase knowledge and experience within Scottish Forestry. Revisit options to address skills and capacity shortages in sector. Action to ensure more opportunities for forestry education and learning: apprenticeships; modular courses for career change. Take forward project on retention and career development. Look at options where certain tasks being done by front line staff can be outsourced/redeployed. Reduce burden on front line staff on certain tasks, especially FOI/EIRs/complaints. Consider payment and retention policy for Conservancy staff. Create more specialised teams for complex stages of the FGS to speed up decision making.

Respond to People Survey: Highlight and support role leaders have in responding to and driving change. Understand the barriers women experience in relation to career progression through short term project being led by Equality, Diversity and Inclusion Manager. Track impact of introduction of the Employee Passport allows people to open up discussions about what they need to do their work in an open and user-friendly way. Consider options around managers support for

carers. Develop opportunities for learning and skills development.

Learning and Skills Development: Develop and implement new learning and skills development system to broaden learning choices for staff and to host tailored, in house learning. Launch new one stop shop Induction Site, and revise induction procedures and support. Learning, Skills and Development Plan in place for staff.

Increase Skills to Meet Woodland Creation Targets: Invest £1M in learning. Develop WOODS programme to help support new (Assistant) Woodland Officers to be confident and competent. Develop and deliver improved package of core learning to complement the current on the job learning for WOs. Project to break down pipeline and learning elements related to grant scheme and regulations. Improve guidance for staff on responding to FOI/EIR requests,



Strategic Objective 3 – Become a more innovative, efficient and accessible organisation by delivering process improvements, and harnessing digital and technological solutions.

Which includes objectives on:

Development of Brand, Culture and Identity: Continue to develop our brand and identity, including our offer as an employer. Improve website content so that users can find what they need more easily. Proactive approach to sharing information.

Management Information: Improve our Management Information (MI) systems. Use improved MI to prioritise case work. Develop our narrative and presentation of MI to internal and external audiences. Clear procedures in place for consistent capturing of MI. Revise Key Performance Indicators.

Meet our Corporate Responsibilities: Prepare and publish Corporate Plan and Strategy by April 2024. Revise and publish Framework Document. Update risk management approach and roll out staff training. Set out and resource Health, Safety and Wellbeing Policy, procedures and actions.

Meet GDPR requirements. Take action on Records Management Plan.

Performance Analysis and in the accounts and notes.

Evolving our Business Services: Undertake work to secure alternative provision for HR, Learning and Skills Development, and Finance services currently delivered by Forestry and Land Scotland SLA.

Continue our Future Working Journey: Relocation of our Edinburgh office to Saughton House. Progress office moves for Highlands and Islands and Perth and Argyll Conservancies, in line with business need. Take action to progress towards Net Zero, putting into place Net Zero Road Map, Mitigation and Adaptation Plans.

Performance summary

During the year, we set out in our Business Plan three strategic objectives covering thirty-nine priorities. Of these priorities, 18 were achieved, 0 were not achieved and 14 are ongoing. For the priorities shown as not achieved or ongoing these will be continued in the new financial year. There was no impact on SF for not achieving all of the priorities. More information is included on each of the objectives and priorities in the Performance Analysis section.

	Priority		
	One	Two	Three
Achieved	18	5	9
Not Achieved	0	0	0
Ongoing	0	2	5
Total	18	7	14


Resources to fund our activities come from the SG. The total budget allocated to SF to run the service is through Fiscal Resource, for grant payments towards the planting target this came from Fiscal Capital and for depreciation of assets; this comes from non-cash budget. The total available for SF at the start of the year was a net figure of £102.4m (22-23: £90.9m). This increase from the previous year was a result of additional funding for the increased planting targets. Following the autumn and spring Budget revisions, this had reduced to a net figure of £93.8m (22-23: £84.4m). The out-turn position is £81.3m (22-23: £60.4m) an underspend of 12m (22-23: £24m).

Further information can be found in the Financial Analysis section within the

Performance Analysis




Within this section, we show how we have performed on each of our strategic objectives, our financial analysis and it includes our non-financial information.


 <p>Strategic Objective 1 - Ensure that sustainable forest management is an integral part of public policy, particularly through leading and co-ordinating the delivery of Scotland's Forestry Strategy.</p>	
<p>Forest Grant Enhancements: Increase demand for woodland creation, through enhancements to the Forestry Grant Scheme. This will cover a range of areas:</p>	<p>Achieved: This was announced at the Forestry Summit and subsequently was included within a Briefing Note</p>
<p>Consultation: Complete consultation exercise and review outcomes to establish how the FGS can strengthen Net Zero, biodiversity, economic and community wealth building priorities.</p>	<p>Achieved: The analysis from the 2023 consultation on the future of forestry grant support revealed broad support for keeping the Forestry Grant Scheme (FGS) as a stand-alone funding mechanism. Around two hundred responses were received through the consultation which received responses on how the current FGS could be evolved and strengthened to support Net Zero, biodiversity, economic and community wealth building priorities. The analysis was published in October 2023.</p>
<p>Trees on Farms: New measures and increased grant rate for agro forestry. This will include showcasing the benefits of farm woodlands and revising the bracken grant rate. Change specification for Small and Farm Woodland FGS Option (under 10ha) to make it more attractive for farmers.</p>	<p>Achieved: Agroforestry: Guidance changes to FGS Agroforestry option launched in July 2023</p> <p>Achieved: Small & Farm woodlands option: Removal of minimum requirement for 'Broadleaves suitable for timber production' component criteria launched in November 2023.</p>
<p>Boost tree planting around rivers and streams: produce new target maps and increase grant rates.</p>	<p>Achieved: The Woodlands for Riparian Benefits for target areas and the FGS enhancement option went live in July 2023.</p>
<p>Woodland grants for smaller schemes: Increase grant rates.</p>	<p>Achieved: We have extended the 'Central Scotland Green Network – Fringe Area Contribution' to the whole of Scotland to provide an extra £750/ha for new woodland creation (for up to 40ha). Launched in December 2023</p>
<p>Natural Regeneration: Revise grant rate for natural regeneration and increase rates for deer fencing.</p>	<p>Achieved: We have doubled the contribution for expanding native woodland through natural regeneration to £600/ha. Launched in December 2023</p>
<p>Tree Health: Provide advice and guidance to the sector on tree health. Undertake measures to ensure biosecurity and protect against specific pests and diseases.</p>	<p>Achieved: Tree health awareness and training sessions were held as stand-alone events as part of plant health week.</p>

Implement monitoring programme using aerial surveillance, drones, traps, ground surveillance and 'citizen science' to check for pests and disease.	Achieved: Forest trapping network integrated into the future surveillance plan.
Deliver Strategic Timber Transport Fund: Allocate budget to the projects that can demonstrate they will deliver the most benefits. Continue allocations to Timberlink Service and the Electric Lorry trail.	Achieved: The 2023-2024 STTS cycle supported a total of thirty-five projects, which included delivery of the TimberLINK short sea shipping service, delivery of the EV Timhaul electric lorry pilot study. Further to these, the fund also supported twenty-one road improvement projects (nineteen Local authority and two private). The TimberLINK service shipped seventy-one thousand tonnes of timber which avoided two thousand eight hundred forty lorry journeys and net one thousand forty-three tonnes of CO2. The EV Timhaul project has been successful/very well received with preliminary results being processed for an upcoming report due to be published in September. The road improvement projects reduced the impacts of more than fourteen million tonnes of timber in Scottish Communities which is shown in the STTS update report .
Sector Buy In: Get sector buy in to the highest ever WC (forecast for 23-24). Arrange Forestry Summit with various stakeholders by end 2023 to agree pathway to fulfil the potential of Scotland's woodlands to achieve the 2045 Net Zero target by leading a critical boost in woodland creation that provides sustained community, environmental and economic benefits.	Achieved; Scotland created 15,040 ha of woodland within 2023-24 the highest number for thirty four years
Develop Work at Landscape Scale: Scope potential work with other public sector bodies e.g. MOD, Scottish Water, Crown Estate with land available. Review external forums. Consider option of setting up WC Task Force Regional woodland strategies – tease this out further in national context. Co-ordination at UK level. Work in partnership to develop Forth Climate Forest.	<p>Achieved: As a member of the Scottish Government Deer Management Strategic Board we continue to work closely with Government and agency colleagues board to improve the sustainability of Scotland's deer management systems, including strengthening deer management requirements in the 5th edition of the UKFS.</p> <p>We have been working with Nature Division colleagues on the draft Scottish Biodiversity Strategy and delivery plan and will continue to liaise on the selection of the landscape areas to meet biodiversity objectives. Work has developed on the Strategic Approach to rainforest restoration with work on priority landscape areas developed closely with partners.</p> <p>Working in partnership with Stirling University, Stirling Council, Falkirk Council, Clackmannanshire Council and Woodland Trust Scotland, the Forth Climate Forest was successfully launched by Mairi Gougeon, Cabinet Secretary for Rural Affairs, Land Reform and Islands in February 2024. The Clyde Climate Forest aims to plant 16 million trees over the next 10 years, resulting in increased canopy cover and better-connected native woodlands.</p>

<p>Protect and Expand Atlantic Rainforests and Ancient Caledonian Pinewoods: Allocate £1M for rainforest expansion and protection.</p> <p>Move forward small-scale woodland creation on the islands and support croft woodland projects.</p> <p>Support landscape scale deer management in the Cairngorms, herbivore impact monitoring and habitat improvement, leading to rewilding and natural regeneration.</p>	<p>Achieved: £1M of FGS funding was made available for rainforest restoration in 2023 claim year.</p> <p>A draft Strategic approach has been prepared to restore and expand Scotland's rainforest. A series of enhancements were made to FGS in November 2023 which support land managers in restoring and expanding priority rainforest areas and the Caledonian pinewoods. The Croft woodlands project continues to enable small scale woodland creation on islands and crofts/smallholdings. In the past year eighty-four FGS covering one hundred thirty-four ha have been progressed by the project. The project received an increased contribution of funding to enable a greater focus on rainforest projects. As part of SF support for landscape scale deer management and regeneration a total of 7,441ha of new natural regeneration has been approved to date under FGS with four hundred ninety-seven ha for 2023 claim year. 90% of this lies regeneration lies within the Cairngorms national park.</p>
<p>Encourage More People and Communities to be Involved: Develop public facing Communications Plan. Encourage community involvement in woodland creation, management and use of forests and woodlands. Engaging local communities in woodland-based health and well-being activities. Showcase our work at Royal Highland Show.</p>	<p>Achieved: - Continue to fund the Community Woodlands Association that provide independent advice and support to its members that own and manage woodlands across Scotland. Engaged over two thousand people through the engagement programme to use and visit woodlands including those from protected characteristic groups.</p> <p>Our Branching Out programme (outdoor therapeutic programme for adults who use mental health services) has delivered over twenty-five projects supporting over three hundred mental health service users over the past twelve months.</p>
<p>Publish New Edition of the UK Forestry Standard (UKFS): Complete review process through collaboration with other UK administrations.</p>	<p>Achieved: A new (5th) edition of the UK Forestry Standard (UKFS), agreed by all four nations, was published in October 2023 following a comprehensive review process.</p> <p>The UKFS is the technical standard for forestry across the UK, which provides the foundations for sustainable forest management. It has been updated to reflect improvements in scientific knowledge, developments in international approaches to forestry, new or amended legislation, and new information about best forestry practice. The UKFS has been developed specifically for forestry in the UK and is based on applying internationally agreed criteria which support the delivery of sustainable forest management, and recognises the need to balance environmental, economic and social objectives.</p> <p>Importantly, the new edition aims to make forests more resilient to a changing climate and the increased risk of pests and diseases so they can continue to deliver multiple benefits. A twelve-month transition period was put in place to allow guidance to be updated, users to become familiar with the new edition, and draft woodland plans to be finalised. To support a smooth transition, work is underway with the sector to minimise disruption to businesses, particularly on future plant supply and the range of alternative productive species. The 5th edition will be applied after 1st October 2024.</p>

<p>Refresh and Publish Community Engagement Guidance in Forestry Plans and Proposals: Revise guidance outlining importance of engagement and consultation, opportunities for communities to get involved and the roles and responsibilities of those involved.</p>	<p>Achieved: - in the summer of 2023 we published refreshed guidance on Forestry Engagement and Consultation Processes, which has been well received by staff, industry and communities alike.</p>
<p>Develop Woodland Carbon Code: Revise test for additionality to ensure woodland carbon schemes are delivering high quality carbon credits and can evidence reducing net GHG emissions. Consider how FGS funding and private finance for carbon can work together further.</p>	<p>Achieved: An independent review of the Woodland Carbon Code additionality test was carried out in 2023-24, and a consultation in 2024 will examine whether further changes are needed. The review also examined the Code's governance, operating procedures and data management.</p> <p>Current work is developing a more systematic approach to aligning FGS funding and private finance for carbon. A new FGS category that pays reduced grant for woodland carbon projects is helping to maximise woodland creation from the budget available.</p>
<p>Strategic Engagement with Ministers: Develop strategic approach and engagement with Ministers to set out our approach to increasing rates of woodland creation, dialogue with the sector and process improvements.</p>	<p>Achieved: We have had regular and strategic engagement with Ministers. Advice provided to Scottish Ministers on maximising woodland creation and the strategic support to the forestry sector. The Cabinet Secretary has engaged through the National Forestry Stakeholder Group on a range of strategic issues including, forestry grants, resilience, biodiversity and decarbonisation. A Forestry Sector Summit was held in December 2023 which discussed policy and process improvements that will inform future woodland creation delivery. Agreement reached with Ministers to produce a Woodland Creation Action to help coordinate and communicate efforts.</p>
<p>Co-ordination of Scotland's Forestry Strategy and Implementation Plan: Continue to co-ordinate, track and monitor Scotland's Forestry Strategy and Implementation Plan 2022-25.</p>	<p>Achieved: Scottish Forestry continues to support and co-ordinate the delivery of actions to support the implementation of the forestry strategy's vision and objectives including those key actions set out in the Implementation Plan (2022-2025). Explicit examples of Implementation Plan actions delivered this year include: enhancements to the Forestry Grant scheme and publication of the 5th Edition of the UK Forestry Standard.</p>
<div data-bbox="219 1038 353 1201">  </div> <p>Strategic Objective 2 – Develop our people and culture to improve performance and resilience, building a dynamic, flexible and modern workforce which serves the forestry sector and wider Scotland well</p>	
<p>Increase Staff and Organisational Capacity: Initiatives to retain and increase knowledge and experience within Scottish Forestry. Revisit options to address skills and capacity shortages in sector. Action to ensure more opportunities for forestry education and learning: apprenticeships; modular courses for career</p>	<p>Achieved: In October 2023 the Senior Executive Team (SET) agreed a new approach to the annual promotion board for Assistant Woodland Officers. The new approach supports the promotion of Assistant Woodland Officers to the role of Woodland Officer in their home Conservancy. This means that Assistant Woodland Officers, who in the past may have been required to move to a new Conservancy, and potentially home location, in order to take up a Woodland Officer vacancy can progress their career within the Agency without the disruption of relocating.</p>

<p>change. Take forward project on retention and career development. Look at options where certain tasks being done by front line staff can be outsourced/redeployed. Reduce burden on front line staff on certain tasks, especially FOI/EIRs/complaints. Consider payment and retention policy for Conservancy staff. Create more specialised teams for complex stages of the FGS to speed up decision making</p>	<p>The SET have also approved the introduction of a promotion board for Woodland Officers wishing to progress to Technical Officer. An annual promotion board will be implemented, following the existing AWO to WO promotion board. These opportunities, it will envisaged encourage a retention of skills and support career development.</p> <p>A project to review learning for casework is underway. The aim of this project is to identify the learning requirements of the teams who support casework within the Conservancies.</p> <p>Ongoing: Re FOI/EIR We have conducted joint training across the organisation. We have reviewed our processes and are seeking to implement technical improvements. Improved MI on FOI/EIRs is assisting visibility on performance and addressing capacity issues.</p>
<p>Respond to People Survey: Highlight and support role leaders have in responding to and driving change. Understand the barriers women experience or perceive in relation to career progression through short term project being led by Equality, Diversity and Inclusion Manager. Track impact of introduction of the Employee Passport allows people to open up discussions about what they need to do their work in an open and user-friendly way. Consider options around managers support for carers. Develop opportunities for learning and skills development.</p>	<p>Achieved: The Agency rolled out Management of Change learning sessions in the autumn of 2023. The purpose of these sessions, which were offered to all SF staff, was to establish a shared understanding and approach to the Management of Change. Further learning has been scheduled for a group of ten staff in April 2024.</p> <p>The Equality, Diversity and Inclusion Manager hosted a session for women in Scottish Forestry with a view to understanding the barriers they have experienced in relation to developing their careers. This session was followed up by a Women into Leadership session hosted by Eleanor Ryan, Non-Executive Advisor at the end of 2023. Following this session Eleanor submitted a paper to the SET recommending further activities to address the issues raised by those attending the session. Two actions arising from these sessions are the Equality, Diversity and Inclusion Manager is now leading on the establishment of a Women's Group for SF as requested by participants and the Chief Executive is leading ongoing work in this area.</p>
<p>Learning and Skills Development: Develop and implement new learning and skills development system to broaden learning choices for staff and to host tailored, in house learning. Launch new one stop shop Induction Site, and revise induction procedures and support. Learning, Skills and Development Plan in place for staff.</p>	<p>Achieved: The Learning and Skills Development team have led a successful project to implement the SG Pathways system across SF. The Pathways system affords SF the opportunity to develop and host its own learning modules on the site.</p> <p>Induction processes and procedures have been reviewed and changes implemented to ensure that new staff are not overwhelmed with information in their first few months with the Agency. The Learning and Skills Development team regularly engage with new colleagues and their managers to ascertain what can be done better to support new employees.</p> <p>The Learning and Skills Development Team work closely with colleagues in the internal Comms team to highlight learning opportunities and encourage staff to engage with learning available via Pathways and on the Agency's previous system i-Learn.</p>

	Managers are encouraged to ensure that staff have clear development objectives and that those are met.
<p>Increase Skills to Meet Woodland Creation Targets: Invest £1M in learning. Develop WOODS programme to help support new (Assistant) Woodland Officers to be confident and competent. Develop and deliver improved package of core learning to complement the current on the job learning for WOs. Project to break down pipeline and learning elements related to grant scheme and regulations.</p> <p>Improve guidance for staff on responding to FOI/EIR requests</p>	<p>Achieved: WOODS, our two-year development programme was launched in May 2023 for new (Assistant) Woodland Officers supported by a competency framework and quarterly check ins to help identify competency and confidence as staff progress through the programme. Data collected from the interim cohort has informed the planning of learning for current Assistant Woodland Officers and Woodland Officers</p> <p>Ongoing: A 'Learning for Casework' project is being scoped by a newly recruited Project Lead and will ultimately support SF's investment in required job related learning.</p> <p>Achieved: Guidance on Saltire updated for FOI/EIR, and additional guidance being drafted.</p>
 <p>Strategic Objective 3 – Become a more innovative, efficient and accessible organisation by delivering process improvements, and harnessing digital and technological solutions.</p>	
<p>Development of Brand, Culture and Identity: Continue to develop our brand and identity, including our offer as an employer. Improve website content so that users can find what they need more easily. Proactive approach to sharing information</p>	<p>Achieved: Keeping connected is important to our staff and this year we delivered a portfolio of staff engagement activity to inform, motivate and connect our people. This included a planned programme of all staff updates, themed talks, leadership meetings, events, regular CEO updates and messages from Ministers. We also relaunched our intranet with a new modern look and feel that represents Scottish Forestry. It features our imagery and brand colours, and a homepage with content tailored to our staff. Engagement remains high with our various channels, such as Staff Briefing, achieving an 80% engagement rate. This work has complemented wider staff development which is building a positive culture within the organisation, such as a tailored comms response to the actions arising from the staff survey. Additionally, we have initiated plans for our first in person all staff events since becoming Scottish Forestry.</p> <p>This year we initiated a website redevelopment project aimed at enhancing the user experience, allowing people easily access the information, support or service they need. The website is scheduled to be launched in early 2025.</p> <p>Over the past twelve months we've increased our engagement (measured metrics), profile through media relations and growing our social media channels, continuing to promote our core work including woodland creation, tree health, biodiversity, and the Integrating Trees Network, as well as highlighting our role in supporting Scotland's pathway to achieve Net Zero. The programme of work</p>

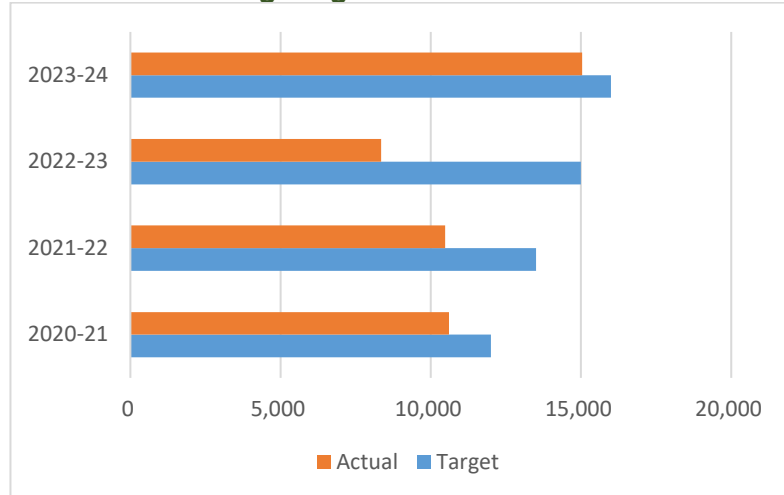
	<p>has engaged Scottish Ministers in a wider range of events and announcements which have raised the profile and identity of forestry and Scottish Forestry.</p> <p>Demonstrating our commitment to Gaelic, this we developed and secured approval from BnG for our first ever Gaelic Language Plan. The initial focus has been to update and translate our core educational materials.</p>
<p>Management Information: Improve our Management Information (MI) systems. Use improved MI to prioritise case work. Develop our narrative and presentation of MI to internal and external audiences. Clear procedures in place for consistent capturing of MI. Revise Key Performance Indicators.</p>	<p>Ongoing: advancements delivered during the 23-24 financial year. Operational MI has been re-located to a central accessible repository for staff.</p> <p>Felling Permission MI has been developed, Conservancy case reporting has been improved with new and improved Woodland Creation MI. Focused resource has meant we can cover FOI & ministerial requests for data along with better support for better internal MI requests. Monthly SET MI packs & KPIs being reviewed to bring a consistent approach to monitoring.</p> <p>The strategic MI Project has an MI vision & strategy developed and a data maturity assessment has been run organisation wide to assess key improvements to focus on. Improved MI tools have been prototyped using existing WC MI that focused on improving data availability, MI access and sharing capability.</p> <p>New systems for LS&D and Finance (upcoming in 2024/25) open up SF access to systems, data and MI provision. HR MI requirements being looked into and trialled.</p> <p>Trend reporting and progress monitoring is starting to come into various reporting areas across SF.</p>
<p>Meet our Corporate Responsibilities: Prepare and publish Corporate Plan and Strategy April 2024. Revise and publish Framework Document. Update risk management approach and roll out staff training. Set out and resource Health, Safety and Wellbeing Policy, procedures, and actions. Meet GDPR requirements. Take action on Records Management Plan.</p>	<p>Ongoing: Corporate Plan and Strategy publication is in progress. The Corporate Plan has a refreshed publication deadline set for autumn 2024.</p> <p>Achieved: Framework Document revised and published</p> <p>Achieved: Risk Management Appetite Statement updated</p> <p>Achieved: Risk Management staff training. We now link to SG Risk Guides and Supplementary Guides and E-Learning on Pathways, but additional communications is still to be issued.</p> <p>Achieved: Health, Safety and Wellbeing Policy and Procedures. The Health, Safety and Wellbeing Policy has been agreed and communicated with staff. Health Safety and Wellbeing Committee revising Standard Operating Procedures</p>

	<p>Achieved: Meet GDPR requirements. We are constantly working to improve our way of working in this area – we now have a DPO Accountability Log and have DPIAs in place for all our key processing activities.</p> <p>Ongoing: Records Management Plan. Progress on elements of the Records Management Plan has had to be prioritised; new staff capacity has been made available to progress Records Management Plan. Several tasks have been achieved, including a new template for Information Asset Registers.</p>
<p>Evolving our Business Services: Undertake work to secure alternative provision for HR, Learning and Skills Development, and Finance services currently delivered by Forestry and Land Scotland SLA.</p>	<p>Achieved: for L&SD a new Learning Experience Platform implemented</p> <p>Ongoing: For HR, changes have been agreed with FLS. SF will pick up some additional HR responsibilities to take effect in July 24 given the need for SF to recruit/onboard new internal HR staff</p> <p>Achieved: Alternative provision for the Finance services has been approved with work currently being carried out with the provider to implement a new finance system.</p>
<p>Continue our Future Working Journey: Relocation of our Edinburgh office in Saughton House. Progress office moves for Highlands and Islands and Perth and Argyll Conservancies, in line with business need. Take action to progress towards Net Zero, putting into place Net Zero Road Map, Mitigation and Adaptation Plans.</p>	<p>Achieved: Relocation of Silvan/Saughton House project was successfully completed in year.</p> <p>Ongoing: Office moves for Perth and H&I are ongoing with lots of engagement with the SG Property & Construction Division, the EELG and the Single Scottish Estate programme. A lease extension for H&I was agreed by the Cabinet Secretary late in 2023 as we wait for partner organisations in Dingwall to complete their estate strategies and communication, and collaboration on co-location can enter the next stage. In Perth, we indicated our preferred location and again we are waiting for potential co-location partners to make decisions on possible future locations before we can move to the next stage.</p> <p>Ongoing: The SET approved the formation of the Net Zero Action Group, who have started to meet and take action, will finalise the work on our Net Zero Road Map by the end of 2024. The road map is currently in draft form and will include mitigation and adaptation plans. Our reporting accuracy has increased dramatically for the Public Bodies Climate Change Duties (PBCCD) report, and a travel policy review as well as work on sustainable procurement is ongoing. Our latest public submission is on the PBCCD website.</p>

Key Performance Indicators

Woodland

Woodland Planting Targets



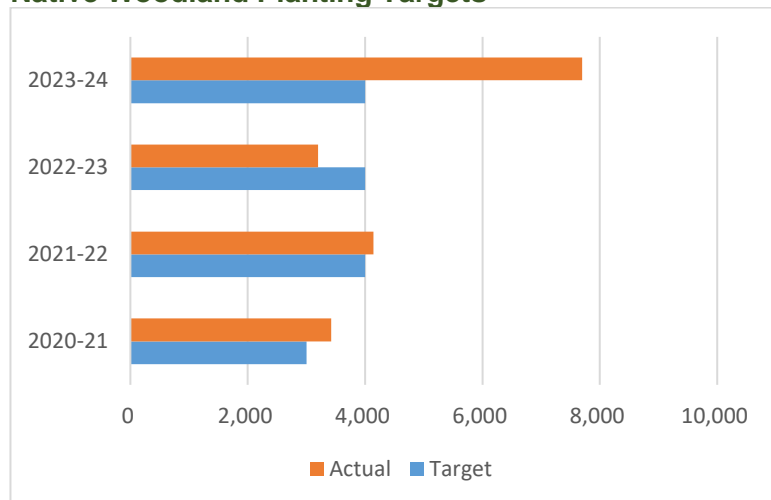
How we define it:

The total of the hectares claimed by the 16 May for all trees planted during the financial year in Scotland.

Why is it important?

SG have identified that carbon capture through tree planting is a cornerstone of its plans to reduce emissions to Net Zero by 2045. Scotland's combined forests and woodlands sequester over 7.6Mt of Carbon each year.

Native Woodland Planting Targets



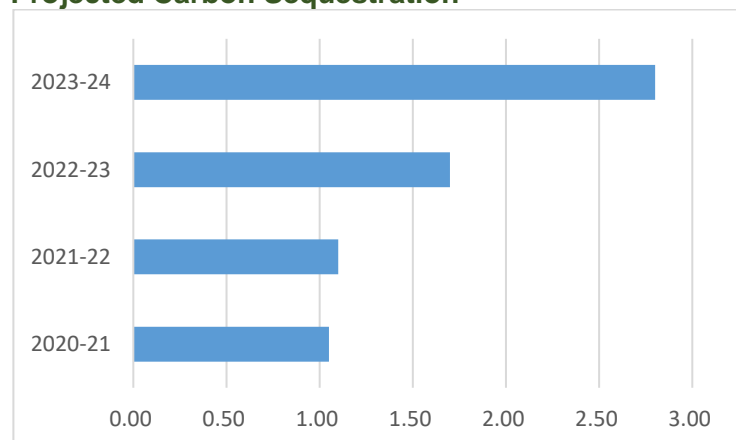
How we define it:

The total of the hectares claimed by the 16 May for native trees planted during the financial year in Scotland.

Why is it important?

Whilst creation of new native woodlands helps carbon capture, they also ensure bio-diversity and shelter for wildlife in woodlands and forests throughout the country

Projected Carbon Sequestration



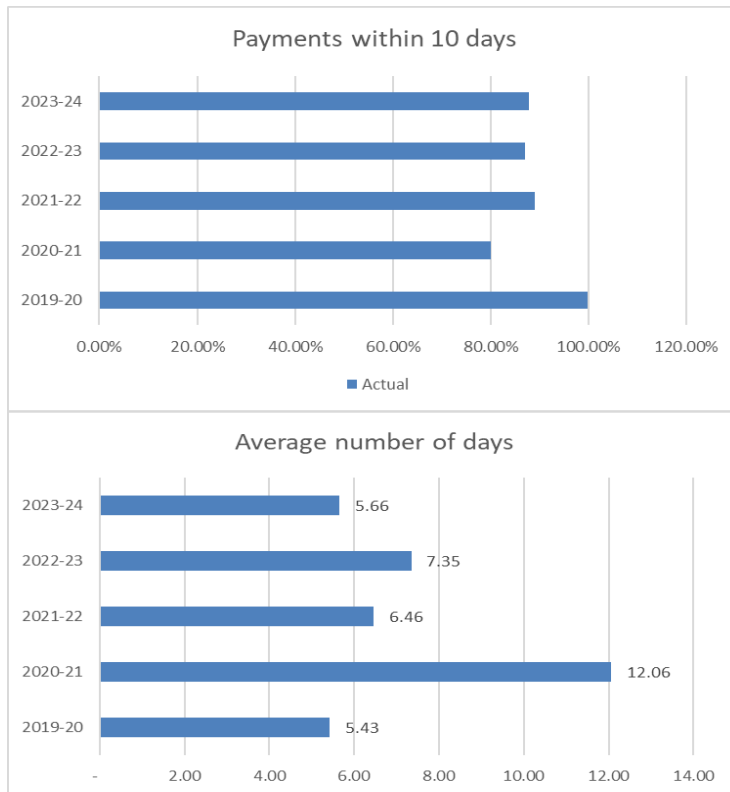
How we define it:

The total tonnes of CO₂ (MtCO₂) equivalent absorbed by Scotland's forests every year as reported in the UK Greenhouse Gas Inventory.

Why is it important?

Sequestration removes CO₂ from the atmosphere. In a net zero scenario sequestration will enable unavoidable emission to continue (eg health care, transport). To date tree growth provides by far the most significant and cost-effective means of carbon sequestration.

Payment Targets



How we define it:

The number of invoices paid within ten working days divided by the total number of invoices paid.

Why is it important?

In addition, to adhering to the Scottish Government payment target, we ensure that our suppliers receive payment promptly to help their cashflows.

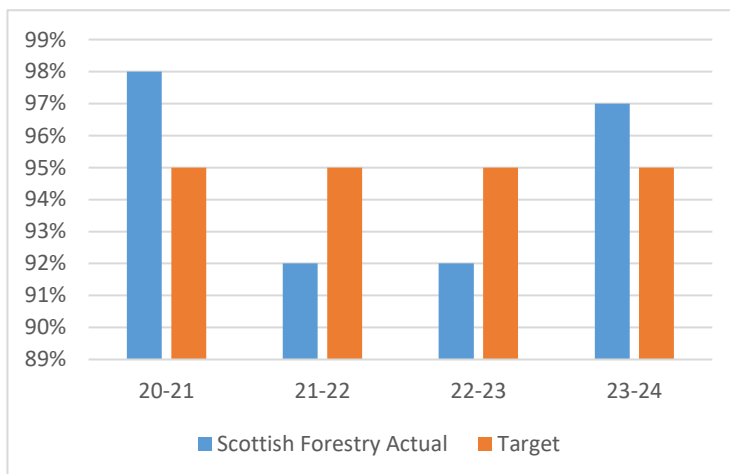
How we define it:

The average is calculated by totalling the number of days that it took to pay an invoice for all invoices dividing by the number of invoices.

Why is it important?

In addition, to adhering to the Scottish Government payment target, we ensure that our suppliers receive payment promptly to help their cashflows.

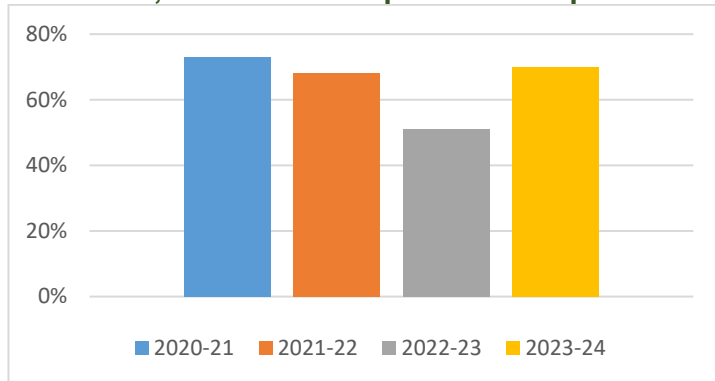
Freedom of Information



How we define it: The number of FOI/EIR requests we respond to within the twenty working day deadline, divided by the total number of requests received

Why is it important? Demonstrates that Scottish Forestry is meeting the requirements of FOI legislation and delivering transparency within required timescales. The twenty working day deadline is set in legislation and subject to oversight by the Scottish Information Commissioner. The Scottish Government has set a government-wide target for 95% of requests to be responded to within this target time, and SF has adopted this target for the agency.

Ministerial, Official and Corporate correspondence responded to within agreed timescales



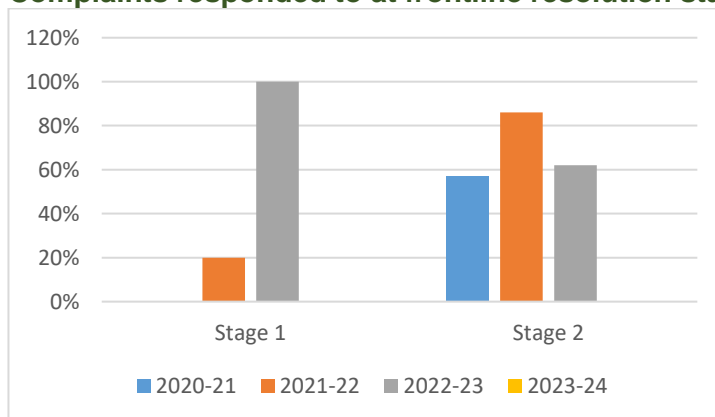
How we define it:

The number of cases we respond to within the standard twenty working day deadline (timescales can be amended by Ministers), divided by the total number of requests received.

Why is it important?

Demonstrates that we are meeting the requirements of Scottish Government and delivering transparency within required timescales. The standard twenty working day deadline is set by the Scottish Government.

Complaints responded to at frontline resolution stage within target time



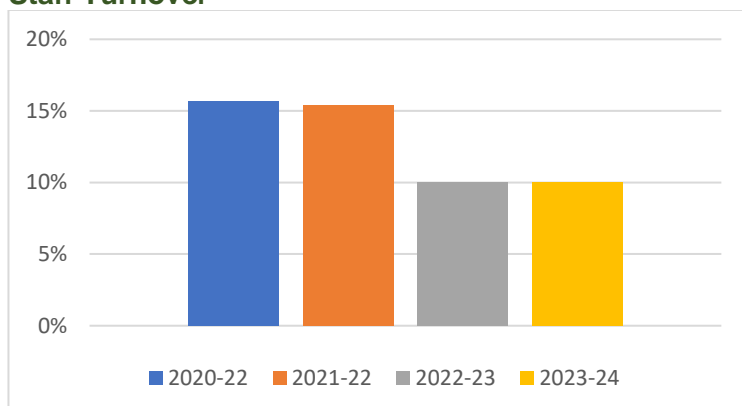
How we define it:

The number of cases we respond to within timescales set out in our Model Complaints Handling Procedure, divided by the total number of requests received.

Why is it important?

Demonstrates that we are meeting the requirements of Scottish Public Services Ombudsman's requirements on our Complaints Handling Procedure, and it reflects our commitment to valuing complaints. It seeks to resolve customer dissatisfaction as close as possible to the point of service delivery and to conduct thorough, impartial and fair investigations of customer complaints so that, where appropriate, we can make evidence-based decisions on the facts.

Human Resources Staff Turnover



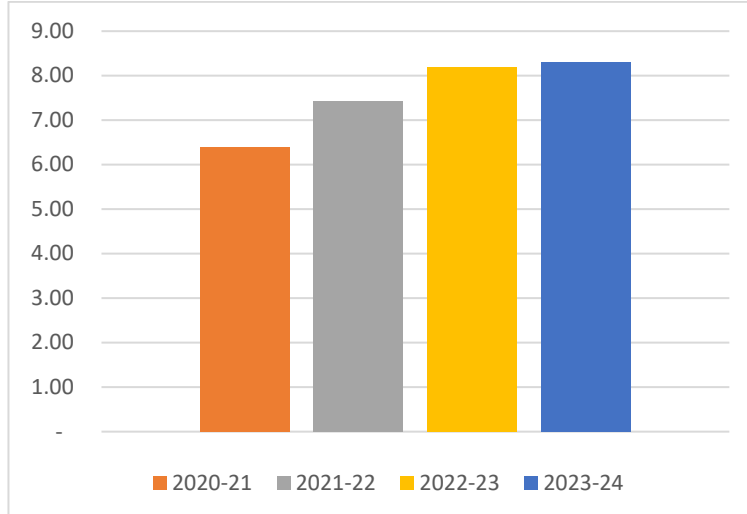
How we define it:

The total number of staff that have left during the year divided by the number of staff at the year end.

Why is it important?

We aim to have a happy, stable workforce this is one of the indicators that assists us in determining if that is being achieved.

Sickness absence data



How we define it:

The average number of sick days incurred by staff during the year divided by the full-time equivalent number of staff during the year.

Why is it important?

This assists management in identifying of any trends that maybe occurring

Financial Analysis

Financial Position

During the year, our budget can be subject to revision and adjustment via Scottish Government's Autumn Budget Revision (ABR) and Spring Budget Revision (SBR). The table below shows the movement in our budget and comparison with the outturn for 2023-24.

	Original Budget £000	ABR adjust £000	SBR adjust £000	Total Budget £000	Outturn £000	Variance £000
Income – co-financing	0	0	0	0	(5,662)	(5,662)
Income - Other	(60)	0	0	(60)	(568)	(508)
Staff & Admin Costs	23,224	172	0	23,396	24,402	1,006
Programme Costs						
- Forestry Grants	77,196	(3,000)	(9,000)	65,196	59,881	(5,315)
- Timber Transport	2,000	2,000	0	4,000	3,784	(216)
	102,360	(828)	(9,000)	92,532	81,837	(10,695)
IFRS 16 – Direct Capital	0	1,295	0	1,295	0	(1,295)
Total	102,360	467	(9,000)	93,827	81,837	(11,990)

The final budget was funded by SG through:

Fiscal Resource	£42.892m
Fiscal Capital	£50.022m
Non-cash	£0.913m

	£93.827m

During the year, the initial budget of £102.4m was amended, in the ABR additional budget was given to SF for:

- timber transport projects £2.0m from Transport Scotland.
- £99k was received for funding of works for the Atlantic Rainforest
- £1.3m was received for new IFRS 16 leases.
- £73k was received for in-year IFRS 16 accounting treatment.

- due to not achieving planting targets in previous years £3m was identified as not being required for recurrent payments and this was returned to SG.

At the SBR, the adjustments were:

- a reduction in the Capital Grants of £9m due to a projected shortfall in the planting target.

This brought the budgeted net operating expenditure to £93.8m whilst the outturn and final position was £81.8m an under spend of £12m.

Statement of Comprehensive Net Expenditure (SoCNE)

Income is predominately from the co-financing of Forestry Grants and Rural Priorities schemes

agreed before 1 January 2021. This amount will vary dependent on the value of the Forestry Grants Schemes (FGS) and Rural Priorities (RP) paid.

Income (Note 5) During 2023-24, there was no budget for co-financing income, but due to the majority of the recurrent and rural priorities still be eligible for funding we received £5.6m

Other income totalled £0.5m compared to a budget of £60k. The increase in income was predominately as a result of recharges of expenditure to other organisations mainly to Forestry England and Welsh Government.

Staff Costs (Note 2) were £12.6m (22-23: £10.9m); this includes all costs relating to employing our staff and agency staff during the year including meeting the pay deal.

Other Administrative Costs (Note 3) The costs were £4.9m (22-23: £4.7m), which consisted of all overheads including shared service costs. As a result of a new service level agreement being agreed with FLS the costs for the service have increased. In addition, due to SF leaving Silvan House there are potentially dilapidation costs that have been provided for.

Programme Costs (Note 4) of £70.6m (22-23: £54.6m) this covers our payments for Forestry Grant schemes £60m (22-23: £45.2m), Timber Transport £3.8m (22-23: £6.4m) and other forestry development programmes including Cross Border costs £6.8m (22-23: £7.0m).

This gives a net expenditure of £81.8m (22-23: £63.9m).

Statement of Financial Position

The Statement of Financial Position currently shows SF as having net liabilities of £2.9m (22-23: £2.9m). As a Scottish Government Agency we receive, our funding through the Scottish Government as liabilities fall due, therefore there is no risk to the organisation as a going concern (Note 1).

Significant balances within the Statement of Financial Position can be analysed as follows -

Non-Current Assets are £1.7m (22-23: £1.9m) the decrease is due predominately to depreciation of the assets.

Trade and other receivables are £17.6m (22-23: £16.8m), the increase is due to the SG debtor increasing as a result the larger FGS accrual the full budget was not drawn down.

Trade and other payables were £46.2m (22-23: £30.9m); this increased due to the amount of FGS claims that were unpaid at the 31 March 2024 being higher than the previous year..

Cash balances are £24m (22-23: £9.3m), as a result in policy, SF have not drawn down the full amount it believed to be required to pay for all of the 23-24 expenditure that is accrued. Whilst the amount is higher than last year this is as a result of a very large invoices anticipated to arrive in March not arriving to the new financial year.

2024-25 and beyond

Whilst the 2024-25 funding from SG has been agreed, this does not allow for sufficient funding to be able to achieve Ministerial planting targets as part of SG's Net Zero work. Other constraints in the budget mean that there will be constraints on our budget for tree health, Forest Strategy, and cross border. It remains key that we ensure that we continue to work with SG to ensure that we can receive as much of a budget to allow us, to carry out the work that is in the Forest Strategy.

Environmental Matters

Whilst SF assists through grants to plant trees to reduce carbon throughout the country, we are also committed to reducing the environmental impact of our own business activities, and in line with the Public Bodies Duties as set out in the Climate Change (Scotland) Act 2009, have published an Environmental Policy. Our Annual Sustainability Reports are on our website.

Social Matters

SF has established policies and procedures to address a wide variety of areas covering human rights, in particular anti-corruption and anti-bribery, modern slavery, equality diversity and inclusion, and Whistleblowing.

SF is committed to ensuring a high standard of conduct in all that it does, with a duty to identify and remedy any area of malpractice. This is achieved through encouraging a culture of openness, where employees feel confident to raise concerns about potential wrongdoing.

Staff are required at all times to act with honesty and integrity, adhering to the Civil Service Code and safeguard the public resources for which they are responsible. They are also encouraged to raise concerns about improprieties in the conduct of SF's business

whether in matters of financial regulatory or other malpractices including fraud, and bribery.

Whistleblowing

A healthy business culture is one where everyone feels able to speak up, in the event of wrongdoing. Staff and contractors are encouraged to speak up and are protected from retribution. They can report any suspected wrongdoing through their own line management or via a Nominated Officer. They can also approach the Nominated Officer in our sister agency, Forestry and Land Scotland if they would feel safer doing so.

All Whistleblowing cases are investigated thoroughly, to ensure lessons learnt and recommendations are embedded into how we operate as an organisation. No cases were reported under the Whistleblowing Policy in this financial year (22-23: 0).

Anti-Bribery and Anti-Corruption

Our policies clearly set out our commitment not to tolerate bribery or corruption in any form. During induction, new employees are signposted to our policies on Discipline, Gifts & Hospitality, and Whistleblowing.

Modern Slavery

Our Modern Slavery – Slavery and Human Trafficking Statement expresses the organisation's zero tolerance to slavery and human trafficking and our commitment to ensuring that there is no modern slavery or human trafficking in our supply chains or in any part of its business.

We have worked to ensure that our staff understand what modern slavery and human trafficking is, and that they are alert to the key warning signs as they go about their work engaging with suppliers and delivery partners.

Staffing

All potential new employees, regardless of contract status are required to go through our recruitment process, which includes essential checks on the right to live and work in the UK.

Procurement

We are committed to working with our suppliers to ensure that slavery and human trafficking risks are identified and managed proactively. We have worked to deliver procurement policies and procedures that ensure our suppliers comply with the requirements of modern slavery legislation.

Grants

We are committed to working with our grant recipients to ensure that slavery and human trafficking risks are identified and managed proactively. We have reviewed our conditions of grant to ensure that grant recipients comply with the requirements of modern slavery legislation. Our full statement can be read on our [website](#).

Health and Safety

Policy

It is the policy of SF to comply with the law in ensuring the health and safety of all its employees, and to provide appropriately for the health and safety of others, including contractors, visitors, and neighbours.

Strategic leadership on health and safety within the wider forestry industry continues to be delivered through the Forest Industry Safety Accord. The Accord sets out the commitment that each organisation, and the sector at large, can make to raise the standard of health and safety in their place of work. SF is a signatory to the Accord.

Activity

We have furthered our focus on employee wellbeing this year. This has included wellbeing and inclusion workshops, a review of mental health first aid provision, menopause guidance and menopause champion training, and the introduction of the Able Futures wellbeing resource. In addition, we have been implementing a new lone working safety system.

Reportable Accidents and Incidents

There were no Reporting of Injuries Diseases Dangerous Occurrence Regulations (RIDDOR) reportable incidents (over seven days and specific reportable injuries) during the year (22-23: 0). In addition, there were 3 RIDDOR report relating to occupational illnesses (Lyme or similar tick-borne disease) submitted to HSE (22-23: 0).

Women's Representation

In November 2023, we held an event to support female staff and gain insight on the barriers to career progression within the Agency. It was hosted by a female panel including our Chief Forester, a Non-Executive Advisor and two women with substantial experience in senior roles in Scotland's public sector. 66 women attended (54% of our female staff base) and

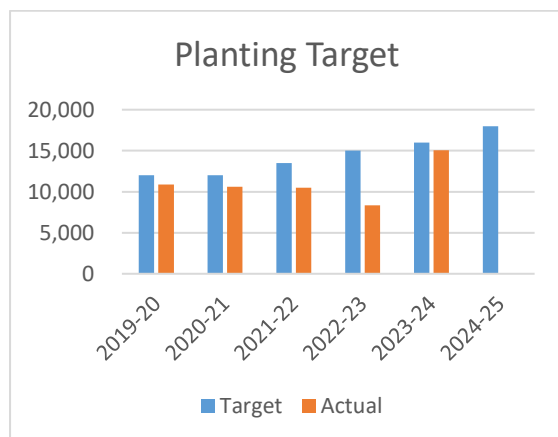
provided valuable feedback and ideas for action in Scottish Forestry.

A summary report was presented to the Senior Executive Team (SET) for decision. SET are working through the recommended actions, and these will be included in the annual EDI Action Plan.

One key action from the event was a dedicated SF Women's Development Network. We have started to set up this network which will provide support and resources to women in our Agency.

Planting Target

As part of SG's commitment to net zero carbon, our planning targets have increased from the original target of 10,000 ha to 16,500 ha. The target will increase in 24-25 when the target is 18,000 ha.



Whilst the target was not achieved, Scotland created 15,040 ha of woodland (around thirty million trees), This is the highest number for thirty-four years. In addition, 7,700 ha of new native woodland was created last year, the highest level since 2001.

In 2023-24 nearly 75% of all new woodlands throughout the UK were established in Scotland.

Forestry Summit

[The Summit](#), set up as a catalyst to boosting woodland creation rates further in Scotland, was attended by over 70 representatives from forestry, land-use, community, and environment sectors. The agenda centred around identifying opportunities and barriers to creating woodlands and included:

- Opening speech from the Cabinet Secretary who highlighted the collaborative efforts to increase the rates of woodland planting, as

well as summarising the suite of improvements to the Forestry Grant Scheme, initiatives to improve skills across the sector and updated Scottish Forestry guidance.

- A presentation by Helen McKay (Chief Forester for Scotland) on the results from the pre-event survey, which asked participants to identify key barriers and actions in relation to woodland creation, and also the current work on sector skills development.
- Facilitated workshops on what is limiting our ability to increase woodland creation levels and how to build on existing efforts and work together to increase woodland levels.
- A panel and plenary discussion, focusing on feedback from the workshops and next steps. The panel chaired by Paul Lowe (SF CE), included Helen McKay (Chief Forester), Stuart Goodall (CEO, Confor), Louise Simpson (Executive Director, ICF) and Brendan Callaghan (Director of Operational Delivery, SF).

It was a very positive event identifying a number of themes under which issues and potential actions were discussed, such as:

- Improvements to the woodland development process;
- Support for the development of people across the sector; and
- Clarity on strategic land use policy alignment and interaction.

Other themes touched on included breaking down the barriers between the public and private sectors through more joint training, and site visits; simplifying the development process further for smaller scale applications, support for Forestry and Woodland Strategies to inform woodland creation decisions and improving community engagement on specific schemes and the public on the role and benefits of woodland creation.

Woodland scheme approvals

[Speaking](#) at the Woodland Creation Summit on 12 December 2023 Rural Affairs Secretary, Mairi Gougeon, announced that SF have approved a record 13,111 ha of woodland creation schemes – the highest this century.



Out of the total, 6,748 ha of approvals granted are native species which is also the highest ever recorded and provides a positive foundation for native planting performance next year.

This brilliant achievement is thanks to a huge amount of effort by teams and individuals across the agency.

Forestry and communities

Ensuring that Scotland's land ownership, management and use delivers a wide range of benefits – social, environmental, economic and cultural – in a sustainable and just way, is a priority for Scottish Ministers. Over the last financial year, by delivering actions set out in the Forestry Strategy Implementation Plan 2022-25, the People and Communities Team have been building on existing successes to ensure that forestry delivers more, with and for communities.

We worked with the forestry sector and communities to improve the opportunities for communities to be involved with the development of forestry proposals and plans. In the summer of 2023, we published refreshed guidance on [Forestry Engagement and Consultation Processes](#). This guidance provides greater clarity on the expectations and requirements and includes a section specifically aimed at communities so that they are better equipped to meaningfully engage in decisions about forestry proposals in their area. Complementing this work, we also provided support to the Confederation of Forest Industries to develop and deliver [training for the sector on stakeholder engagement](#) and to work with communities in the South of Scotland to produce good practice guidance on engagement.

Building on improved engagement, we delivered a number of activities to increase forestry's contribution to the delivery of economic and social benefits to local communities. This included partnering with South of Scotland Enterprise to commission a scoping study on the [Opportunities to increase the delivery of local community benefits and community wealth building from woodland creation in the South of Scotland](#), and we continue to work with partners to explore practical next steps. At a national level, we sit on the Community Benefits Advisory Group, led by the Scottish Land Commission (SLC). In support of the Government's work to develop a values-led, high integrity market for responsible investment in natural capital, the group's remit includes advising on the development of good practice guidance, such as SLC's [Delivering Community Benefits from Land](#).

We have also been a long-term supporter of the Community Woodlands Association (CWA), which represents over 150 groups across Scotland, that are estimated to own and/or manage at least 30,000 hectares of land and forests. Our funding supports the CWA to provide newsletters, training events, information notes and other resources to its members, as well as independent advice. During the year, one of the groups that was supported was [Cormonachan Community Woodlands](#), which has a 20-year lease from Forestry and Land Scotland on more than 60 hectares of ancient Atlantic oak and hazel woodlands. Support included advice on a range of issues, such as woodland management, the provision of social benefits, and funding and governance.

This year we increased the funding we provided to the CWA, which enabled it to implement new measures to increase its impact and reach, including developing a mentoring scheme for groups, [facilitating exchange visits](#) and producing a Communications Plan, to increase support and awareness of community woodland groups and the benefits they provide, and increase their number. We also supported the CWA to produce a Business Plan to further its ambitions and increase the organisation's long-term sustainability.

Paul Lowe
 Accountable Officer

Accountability Report



The purpose of the accountability section of the annual report is to meet key accountability requirements as required by the Government Financial Reporting Manual. It outlines Scottish Forestry's accountability arrangements and best practice with corporate governance norms and codes.

Corporate Governance Report

The Corporate Governance report explains the composition and governance structure of Scottish Forestry and how that supports the achievement of our priority themes.

Directors' Report

The Chief Executive is the Accountable Officer for the Agency, appointed by the Permanent Secretary to the Scottish Government. He is supported by a Senior Executive Team comprising of four Heads of Service.

Relationship with Scottish Government and the wider Rural Affairs network

Ministers who had responsibility and engagement on forestry and SF for the reporting the year was [Mairi Gougeon](#) MSP (Cabinet Secretary for Rural Affairs and Islands)

Other Scottish Ministers that have close engagement on forestry matters include Lorna Slater MSP (Minister for Green Skills, Circular Economy & Biodiversity)

The Scottish Government's Director of Environment and Forestry, [Kevin Quinlan](#), is responsible for policy on environment including biodiversity, forestry, circular economy, waste & environmental strategy. In addition, [Roy Brannen](#) is the Director General for Net Zero.

Chair and Chief Executive

The chair of the AAC during the year was Non-Executive Phil Taylor, and Paul Lowe was the Chief Executive and Accountable Officer.

The Accountable Officer is supported by an AAC, the SET, and SAG.

Dr. David Signorini was the Accountable Officer until 22 May 2023, when he was seconded to Scottish Government, and Paul Lowe was appointed as interim CE and Accountable Officer on 3 July 2023 and was made permanent in December 2023.

The composition of the various governance forums, their structure, and activities are set out in full within the Governance Statement.

Directors and Non-Executive Members Interests

The Chief Executive, Heads of Service, and Non-Executive Members' register of interests are recorded and shown on our [website](#).

The current year's register of interests completed by each of them as at 31 March also confirmed that no conflict of interest arose in the exercise of their duties.

Auditors

Grant Thornton UK LLP is appointed under the Public Finance and Accountability (Scotland) Act 2000 to carry out the external audit of Scottish Forestry. No fees were charged for other services.

Personal Data Related Incidents

There have been nine data breaches during 23-24 (22-23: six). None of these involved any risk to the individuals involved and did not require to be reported to the Information Commissioners Office (ICO). The learning from these incidents have been used to improve our data protection systems. Further information is shown within the Governance Statement.

Other Disclosures

Supplier Payment Policy

SF complies with the payment policy directed in the UK Government's Prompt Payment Policy and Scottish Public Finance Manual (SPFM). Unless otherwise stated in the contract, we aim to pay within the Scottish Government's tighter target of ten working days from the receipt of goods and services or the presentation of a valid invoice, whichever is the later.

An analysis of invoice payments, including those made by electronic Procurement Card (ePC) for the financial year indicates our average number of days is 5.69 days (22-23: 7.35 days) and that 88% (22-23: 87%) were paid within the Scottish Government's ten-day target.

No interest was paid under the Late Payment of Commercial Debts (Interest) Act 1998.

Finances

The Accounts are prepared in accordance with the Accounts Direction issued by Scottish Ministers under section 19 (4) of the Public Finance and Accountability (Scotland) Act 2000, which is reproduced at page 69.

Statement of Accountable Officer's Responsibilities

Under the Public Finance and Accountability (Scotland) Act 2000, SF is required to prepare, for each financial year, resource accounts detailing the resources acquired, held, or disposed of during the year and the use of resources by SF during the year. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of SF, and of its net resource outturn, application of resources, changes in taxpayers' equity, recognised gains and losses and cash flows for the financial year.

In preparing the accounts, the Accountable Officer is required to comply with the Government Financial Reporting Manual and in particular to:

- observe the Accounts Direction issued by Scottish Ministers, including relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis.
- make judgements and estimates on a reasonable basis.
- state whether applicable accounting standards, as set out in the Government Financial Reporting Manual, have been followed, and disclose and explain any material departures in the accounts.
- prepare the accounts on a going concern basis; and
- confirm that the Annual Report and Accounts as a whole is fair, balanced, and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

Under section 15 of the Public Finance and Accountability (Scotland) Act 2000, the Principal Accountable Officer for the Scottish Administration has designated the Head of SF as Accountable Officer.

As the Accountable Officer, I am personally answerable to the Scottish Parliament for the propriety and regularity of Scottish Forestry's activities and for the economical, efficient, and effective use of all associated resources.

As far as the Accountable Officer is aware, there is no relevant audit information of which the SF's auditors are unaware. The Accountable Officer has taken all the steps that

they ought to have taken to make themselves aware of any relevant audit information and to establish that the SF's auditors are aware of that information.

Governance Statement Scope of Responsibility

As Accountable Officer, I have responsibility for ensuring that SF's business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently, and effectively, in accordance with the responsibilities assigned to me in the Scottish Public Finance Manual.

In discharging this overall responsibility, I am responsible for putting in place appropriate arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes ensuring a sound system of control is maintained through the year and that arrangements are in place for the management of risk.

I believe that SF fully complies with the principles of the Scottish Public Finance Manual.

The Purpose of the Governance Framework

The governance framework comprises the systems and processes, and culture and values, by which SF is directed, controlled, and led. It enables SF to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims, and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of SF's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place for the year ended 31 March 2024 and up to the date of signing of the annual report and accounts and accords with Scottish Public Finance Manual Guidance.

The Governance Framework

SF operates as part of the Scottish Government, responsible for advising Forestry Ministers within Scottish Government on forestry policy and its implementation across Scotland. Scottish Ministers decide the policy and financial framework within which SF operates and are accountable to the Scottish Parliament for all matters.

The [Scottish Forestry Framework](#) document was reviewed and following agreement by Ministers an updated version was published in June 2023.

SAG

The SAG comprises the Senior Executive Team, the Chief Forester and the four non-executive advisers. The SAG's role is to support and provide advice to the CEO to help them reach robust and well-informed decisions.

Minutes of these meetings, along with the Terms of Reference, can be found on our [website](#).

SET

The Senior Executive Team, which comprises the heads of the five functions, leads Scottish Forestry and oversees the day-to-day management and direction of the agency. It consists of

- The Chief Executive and Accountable Officer
- Director of Operational Delivery
- Director of Policy and Practice
- Director of Transformation and Corporate Services
- Head of Executive Team Office

- Head of Finance and Business Support

SET deliver against agreed programmes of work, and provide information, advice, and guidance to the CEO on key corporate matters and decisions.

Minutes of these meetings, and the Terms of Reference can be found on our [website](#).

AAC

The Committee currently comprises of four independent non-executive advisers: Phil Taylor who is the Chair, James Stuart, Eleanor Ryan, and Richard Morris.

The Committee normally meets four times a year at appropriate intervals in the financial reporting and audit cycle. The Committee provides advice and constructive challenge to the CEO, in particular in relation to their responsibilities for issues of risk management, governance, and associated assurance to support year-end accountability and reporting. There is time available at the end of each meeting for the Committee to discuss matters with the External Auditors and Internal Audit without members of management being present.

The AAC operates in accordance with the principles contained in SG's Audit Committee Handbook and met four times during the year. Minutes of these meetings can be found on our [website](#). During the year, the Chair initiated a 360^o effectiveness review of the committee and its members, adopting the SG Handbook checklist on AAC effectiveness, seeking views from each of the non-executives but also Management, Internal Audit and External Audit.

Committee Attendance in 2023-24 was:	SET 8 Scheduled	SAG 2 Scheduled	AAC 4 Scheduled
Phil Taylor Non-Executive		2 of 2	4 of 4
James Stuart Non-Executive		2 of 2	4 of 4
Eleanor Ryan Non-Executive		2 of 2	4 of 4
Richard Morris Non-Executive		2 of 2	4 of 4
Helen McKay Chief Forester for Scotland		2 of 2	
Paul Lowe Chief Executive	3 of 4	2 of 2	
Brendan Callaghan Head of Operational Delivery	8 of 8	2 of 2	
Ross MacHardie	5 of 8	1 of 2	

Head of Finance and Business Support			
Alan Hampson Head of Policy and Practice	7 of 8	2 of 2	
Jonathan Taylor Head of Executive Office	8 of 8	2 of 2	
Zahid Deen Head of Operational Services & Transformation	7 of 8	2 of 2	
Past Members			
Dr David Signorini Chief Executive	3 of 3		

Attendance

Attendance was once again high in 23-24. However, members are sometimes unable to attend certain meetings due to other commitments. In this situation, the papers for the meeting are sent to them in advance and they communicate their comments or observations via the relevant Chair.

Risk Management

The Strategic Risk Register follows the recommended Scottish Government format and approach. Risks have identified owners. Management conducts periodic reviews of the risk register, and this is also considered by the AAC.

How we manage risk

Individuals identify risks across the organisation by considering what could stop us achieving our strategic, operational or compliance objectives.

Risk owners assess the risk's likelihood and impact taking into account mitigating control activities, identifying where additional activities may be needed to bring the risk within our risk appetite.

Corporate Risks

Our corporate risks are identified and managed in the same way as other risks and are owned by at least one member of the SET and are subject to a review at SET at least once a year, before a review by SAG.

The Corporate risk register continues to reflect organisational risks. Whilst the Project and Cost Centre risks are captured in local risk registers.

Emerging Risks

As a result of the 2024-25 SG Budget Bill, the overall budget for SF was reduced by 32%. In addition to this reduction, there were also significant pay, inflationary and contract

pressures. As a result, SF have confirmed to Scottish Ministers that their plans to increase the tree planting target to 18,000 ha per year in 2024-25 cannot be met. Discussions with Scottish Government on this are ongoing. Ministers have confirmed that planting activity in the range of 9,000 ha will be achieved in 24-25 as a result of the budget reduction.

With broader pressure on the SG's resource and capital budget there is the possibility that in 2025-2026 and beyond we will not be fully funded and will mean that we will not be able to achieve the planting targets set for us by SG as part of the Climate Change Plan. To minimise the underfunding we are continuing to engage with SG.

Personal Data Related Incidents

There were nine data breaches during the year, none of which were required to be reported to the Information Commissioners Office.

SF operates a no blame culture in relation to personal data breaches and encourages staff to come forward. Five breaches were technical/procedural failures, and in each case, improvements to our ways of working were made to help prevent breaches in the future. Two breaches were disclosed in error, and staff involved made changes to procedures and learned from experience. One breach was because of stolen data/hardware and communications were issued to all staff.

Principles of Corporate Governance

Corporate governance is the system by which organisations are directed and controlled and is concerned with the structures and processes for decision-making and accountability. All public bodies must have a group, which is responsible for:

- giving leadership and strategic direction
- defining control mechanisms to safeguard public resources.

- supervising the overall management of the body's activities.
- reporting on stewardship and performance

Within Scottish Forestry, that group is the SET, which adheres closely to robust principles of Corporate Governance, as follows.

Accountability

The SET ensures that the Scottish Public Finance Manual is applied, with appropriate arrangements in place to ensure that the public funds they are accountable for are properly safeguarded and used economically, efficiently and effectively.

Delegated Authority

As Chief Executive and Accountable Officer, I formally delegate financial management responsibilities to each function head for the propriety, regularity, and good financial management of expenditure within their area.

Financial Management

SET reviews financial performance monthly as well as ensuring the timely production of the Annual Report and Accounts, in compliance with the UK Government's Financial Reporting Manual (FReM). Monthly financial reports are considered by SET.

Our budgets are set in the context of the Scottish Government's annual budget process and forecast expenditure. In addition to internal financial management reporting, we are continuously monitored by the Scottish Government Finance Directorate.

Review of Effectiveness

As the Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. This is informed by the work of Internal Audit, where appropriate also by the work of other assurance providers covering project delivery, reports from the managers within the Agency, the AAC and the external auditors in their reports.

Assurance is provided by the function heads annual statements of assurance covering their areas of responsibility. The Director of Business Services of FLS also provides an annual statement of assurance covering the shared services provided to SF by FLS. A statement of assurance is also provided to the Chief Executive for those functions delivered by Scottish Government. In addition, we ensure that all staff are aware of our policy on Standards & Conduct, which ensures

adherence to the requirements of the Civil Service Code for conflicts of interest. Where potential conflicts exist the member of staff or non-executive must declare this, and they will not be involved in any decision making in that matter. For senior members of staff, the register of interests is kept up to date with each member being asked at every meeting of SAG, AAC and SET if there are new interests to declare or if there are any conflicts of interest with the matters under discussion. Through the biennial National Fraud Initiative, we also check for any potential conflicts; none were identified in the previous year.

There were no issues identified as significant.

In relation to the certificate of assurances referred to in last year's Annual Report, there were two issues.

The first related to carrying significant risks in terms of experience and capacity to continue to deliver the woodland creation programme and wider work areas. During 23-24 the WOODS programme of training has been beneficial to conservancy staff and helped reduce the staff turnover.

The second related to training through iLearn, staff received the appropriate training by the end of 2023.

In this year's statement of assurances, the following points were highlighted: -

Increased workloads relating to stakeholders as a result of an increasing level of demand which places significant demands on senior managers' time.

We are finding that as we are the regulator in the cases when our decisions go against certain individual stakeholders and some agents the increased level of complaints and criticism have greatly increased resulting in additional work, stresses and pressures for staff.

Local Business Continuity Plans are a twofold issue. First we have identified gaps in the requirements to keep these updated timeously and secondly we have identified a requirement to undertake exercising of these plans. As our structures and use of offices have changed the development of plans that reflect the shared use of offices by multiple teams requires to be more reflected in our arrangements going forward

These statements and assurances provide me with assurance on the standard of governance and control within their area of responsibility. I also receive assurances from my management team through their regular submission of reports / presentations to SET, and SAG, which were chaired by myself and through my line management responsibilities.

Our internal audit is provided by the SG Directorate of Internal Audit and Assurance, and they submit regular reports to the AAC on the adequacy and effectiveness of the organisation's system of internal control, together with any recommendations for improvement. Follow up work is carried out to confirm the effective implementation of recommendations agreed as a result of the audits.

In their role as external auditors, Grant Thornton UK LLP prepared an annual report in September 2023 as part of their review of the 2022-23 Annual Report and Accounts, where they identified eight areas for improvement.

They included developing a lease register, completing the NFI self-appraisal checklist, improved reports for accurate financial management in particular around forestry grants, creating a medium/long term financial strategy, and review current disclosures to ensure that their narrative reflects their exposure to climate related issues.

Internal Audit Reports

Audit Area & Scope Outcome

During 2023-24, four assurance reviews were undertaken plus the follow up work from 2022-23 audits. The assurance reviews covered:

	High	Medium	Low
Review of Business Continuity Arrangements	5	3	0
Forestry Grant Scheme	4	1	0
Tree Health Policies and Procedures	0	6	0
Learning & Development and Performance Management	0	6	0

Review of Business Continuity Arrangements

The review was given a Limited Assurance with five high recommendations and three medium recommendations, these included:

- Establish a high-level strategy and relate policy and guidance to provide clarity across the organisation (High).
- Update the Business Continuity Plan (BCP) (High)
- Ensure the BCP related governance and plans are regularly reviewed (High).
- Ensure that appropriate copies of the document are available and held safely and securely (High).
- Ensure that scenario testing schedules are established and implemented as business as usual across all BCPs (High).
- Review the BCP on a regular basis (Medium).
- Ensure that appropriate monitoring and reporting requirements (Medium).
- Implement full training and awareness plans to ensure training is delivered (Medium).

Forestry Grant Scheme

The audit was given a **Reasonable Assurance** opinion, with five recommendations, four high one medium. The recommendations included:

- Identify and implement a formal recoveries process (High),
- Develop a unified method of processing succession contracts (High),
- Identifying issues with maintenance of a full audit trail (High),
- Given the reliance on staff corporate knowledge to manipulate the data required to provide reporting information there is a lack of capability in the reporting process (High) and
- Variation request documentation is not completed where RPID re-map the areas of the contract or is the result of a Succession. (Medium).

Tree Health Policies and Procedures

A **Reasonable Assurance** was given with six medium recommendations. The recommendations included:

- Review the capacity and resilience of the entire Tree Health Team.
- Ensure the tree health function can operate effectively.
- Ensure that the requirements of SF are fully documented.
- Review the appropriateness of the MoU.
- Identify basic training requirements.
- Introduce appropriate internal reporting.

Learning & Development and Performance Management

The audit was given a **Reasonable Assurance** with six medium recommendations. These were:-

- Ensure that resources are allocated to completing the update/refresh/creation of timely guidance.
- Identify corporate and individual benchmarking opportunities and ensure that this is incorporated into the work plans for L&SD.
- Identify and document a process which ensures that any learning material which are created are complete, accurate, up to date and fit for purpose.
- Management should implement a central process to capture and monitor training needs for both local and central sources.
- To ensure appropriate records and approvals are recorded.
- To ensure the completeness and effectiveness of reporting and monitoring.

The Head of Internal Audit for SG has prepared an annual assurance report, which includes an overall assessment of the adequacy and effectiveness of risk management, control, and governance. The overall opinion is that the internal controls continue to provide reasonable assurance.

On the basis of these assurances, I can confirm that sound systems of governance, risk management and internal control, consistent with the requirements of the Scottish Public Finance Manual, have operated for the year ended 31 March 2024 and up to the date of approval of the annual report and accounts.

Emerging Issues

Towards the end of the financial year some issues emerged and were identified as requiring further action by senior managers in SF.

2024-25 Budget

The Scottish Government budget allocations for 2024-25 resulted in reductions in the majority of areas. Within our portfolio (Rural Affairs, Land Reform and Islands) received an overall 6.7% reduction whilst Scottish Forestry's reduction was 32.4%. The majority of the reductions were within our capital budget where it was reduced by over 54%. Actual reductions within our Resource budget equivalent to 5% were made. Within this our Staff and Running Costs budget was reduced by 2%. In addition to this reduction, we have also had to fully meet the significant pressures to fund the pay award in 2024-25, alongside

inflationary costs and other pressures from a smaller budget.

Pest Surveillance

Following the first finding of the destructive bark beetle IPS *Typographus* in Scotland (an outbreak under management in large parts of southern England) last year, SF will require to implement additional control and surveillance measures totalling around £200k in 2024-25. Steps have been taken to fund this through re-prioritisation and savings. If an established outbreak were to occur, costs for SF alone would be likely to be an additional £500k the Agency is not funded to respond to outbreaks and would require additional funding from Scottish Government if this event were to arise.

Plans for 2024-25

Estates Plan

We are working closely with SG estates team to review the office leases that we currently have with the possibility of moving to SG buildings. During the year we reviewed future arrangements in three buildings.

Finance System

We currently share the legacy Forestry Commission Finance and Expenses system which is run by FLS as part of a shared services agreement. FLS decided to look for a new system of their own and SF were asked to explore their own arrangements. As a result of this we identified a finance and an expenses system. This was implemented in August 2024.

Timber Transport

Whilst the budget allocation we received from SG in 2024-25 has been reduced, Ministers have asked that we retain our pre-existing [support for the maintenance](#) of country roads used by timber lorries and through [TimberLINK](#) we will continue the transport of timber by sea to relieve pressure on remote and rural roads in the west coast. In addition, we are continuing to assist in a three year trial of [fully electric HGVs](#).

Chief Forrester Role

Following an open recruitment process, I am pleased to confirm that Dr Helen McKay OBE FICF (Fellow of the Institute of Chartered Foresters) has been reappointed to the role.

Helen's scientific expertise and knowledge of the various strands of forestry have been extremely valuable over the last four years – especially in helping shape how we can attract more people into forestry and develop skills right across the industry.

Management (Scotland) Act 2018. Helen was first appointed to the role of Chief Forester for Scotland in 2020 and held the position for its maximum term of four years, before the post had to be openly re-advertised.

The Chief Forester role provides technical and professional advice to the Scottish Government on forestry matters. A major part of the job entails acting as Head of Profession for public sector foresters, as well as promoting professional standards in the wider sector.

Chief Executive

Following the departure of my predecessor I was appointed in July 2023 as Interim CEO and Accountable Officer for SF. In December 2023 I was appointed as the Chief Executive and Accountable Officer on a permanent basis

Paul Lowe
Accountable Officer

Remuneration and Staff Report

This shows our remuneration policy for senior management, and reports on how that policy has been implemented, and sets out the amounts awarded to senior management. There is also information on staffing policies, structures, and composition, along with details on staff numbers and costs.

Remuneration policy

Scottish Forestry's Chief Executive is a member of the Senior Civil Service. The remuneration of Senior Civil Servants is determined by [UK Government Senior Salaries Review Body](#) (SSRB), as delegated to the Scottish Government under Senior Civil Service pay arrangements. The SSRB is responsible for monitoring the operation of the Senior Civil Service pay system and for making recommendations to the UK Government on the shape of the system, including the salary values for the minimum and maximum of each of the senior civil service pay bands, the range of percentage increases to base salary and range of non-consolidated performance payments.

Fees for non-executives are determined in accordance with guidelines prescribed by the Scottish Government. More information can be found at the Scottish Government [website](#).

Senior Members of staff receive annual salaries paid in accordance with the standard Scottish Forestry Staff Pay Agreement negotiated through collective bargaining with the recognised Trade Unions. Their performance is monitored and reviewed through the Performance Monitoring System. Their increase in salary, if awarded, is based on their manager's assessment of their performance.

Employment contracts

The Constitutional Reform and Governance Act 2010 requires Civil Service appointments to be made on merit based on fair and open competition. The Recruitment Principles published by the Civil Service Commission specify the circumstances when appointments may be made otherwise.

Unless otherwise stated below, the officials covered by this report hold appointments, which are open-ended. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme. Further information about the work of the [Civil Service Commission](#) can be found on their website.

Non-executives and Chief Forester are generally appointed for a fixed term of four years with a maximum notice period of one

month. Contracts are renewable for further fixed terms if both parties agree. In the event of early termination, for whatever reason, there is no provision for compensation. Details of the letters of appointment for the non-executives who served during the year are:

	Date of Letter	Unexpired term at 31 March
Phil Taylor	18/04/23	12 months
James Stuart	18/04/23	12 months
Eleanor Ryan	02/03/22	24.5 months
Richard Morris	02/03/22	24.5 months
Helen McKay		52 months

Fees - Audited

The non-executives and Chief Forester are entitled to receive fees for regular attendance at these meetings. Other than the fees there are no other benefits paid to or for them. Non-executives' expenses incurred in attending these meetings are also reimbursed. The fees during the year were:

	2023-24 £000	2022-23 £000
Phil Taylor	5-10	5-10
James Stuart	5-10	5-10
Eleanor Ryan	5-10	5-10
Richard Morris	5-10	5-10
Helen McKay	25-30	20-25

This is in line with core Scottish Government remuneration of non-executives.

Transactions with committee and board members

An interest free loan in the form of an advance of salary for house purchase can be given to employees. The following members of the Executive Team had an outstanding loan during the year:

	Balance at 1 April £000	Balance at 31 March £000	Maximum balance during the year £000
Brendan Callaghan	6	3	6

Remuneration (including salary) and pension entitlements - Audited.

The salary and pension entitlements of the civil servants, who are employees of SF, and are members of the SF Executive Team for the year, were as below. No bonuses were paid during the year and the total remuneration includes gross salary; overtime; and any other allowance to the extent that it is subject to UK taxation.

This report is based on accrued payments made by the SF and thus recorded in these accounts. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

		Salary	Benefits in kind to nearest £100	Pension Benefits ¹	Total Remuneration
		£000	£000	£000	£000
Paul Lowe² Chief Executive	2023-24 2022-23	65-70 N/A	0 N/A	0 N/A	65-70 N/A
Alan Hampson Director of Policy & Practice	2023-24 2022-23	75-80 85-90	0 0	0 0	75-80 75-80
Brendan Callaghan³ Director of Operational Delivery	2023-24 2022-23	80-85 55-60	3,300 6,300	0 0	65-70 65-70
Ross Machardie⁴ Head of Finance & Business Support	2023-24 2022-23	60-65 60-65	0 0	24 24	60-65 85-90
Jonathan Taylor⁵ Head of Executive Office	2023-24 2022-23	55-60 50-55	0 0	9 9	55-60 85-90
Zahid Deen Director of Operational Services & Transformation	2023-24 2022-23	75-80 70-75	0 0	28 28	75-80 95-100
Dr David Signorini⁶ Chief Executive	2023-24 2023-24	15-20 85-90	0 0	0 0	15-20 85-90

¹Accrued pension benefits for directors are not included in this table for 2023-24 due an exceptional delay in the calculation of these figures following the application of the public service pension remedy

² Paul Lowe was appointed on the 3 July 2023; the full year equivalent of their salary would have been within the band £85k-90k

³ Brendan Callaghan returned on 2 July 2022 to his role as Director of Operational delivery from his seconded position with Environmental Standards Scotland, the full year equivalent for the salary would have been within the band £75k-80k

⁴ During 2023-24 Ross Machardie reduced his hours and is now 0.8 FTE otherwise his salary would have been between £65k-70k

⁵ Jonathan Taylor's post is a 0.9 FTE (22-23: 0.9), otherwise his salary would have been between £65-70k

⁶ David Signorini left on the 22 May 2023 and their full year equivalent salary would have been in the band £85k-90k

Staff Costs – Audited

The total employment costs for the year ended and the number of staff employed as at 31 March 2024 was as follows:

	Others	Permanently employed staff	Total	22-23 No.
Directly employed	5	231	236	224
Average Full Time Equivalent during the year	4	220.11	224.11	201.99

	Others	Permanently employed staff.	Total	23-24	22-23
	£000	£000	£000	£000	£000
Salaries	315	8,981	9,296		7,947
Social security costs	0	961	961		847
Other pension costs	0	2,411	2,411		2,060
Total costs	315	12,353	12,668		10,854
Less: recoveries for secondments	0	(116)	(116)		0
Total net costs	315	12,237	12,552		10,854

The cost shown within Others relates to agency staff that was incurred during the year.

Civil Service Pensions

Pension benefits are provided through the Civil Service pension arrangements. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or alpha, which provides benefits on a career average basis with a normal pension age equal to the member's State Pension Age (or 65 if higher). From that date all newly appointed civil servants and the majority of those already in service joined alpha. Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS has four sections: 3 providing benefits on a final salary basis (classic, premium or classic plus) with a normal pension age of 60; and one providing benefits on a whole career basis (nuvos) with a normal pension age of 65.

These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable

under classic, premium, classic plus, nuvos and alpha are increased annually in line with Pensions Increase legislation. Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and 5 months from their normal pension age on 1 April 2012 switch into alpha sometime between 1 June 2015 and 1 February 2022. Because the Government plans to remove discrimination identified by the courts in the way that the 2015 pension reforms were introduced for some members, eligible members with relevant service between 1 April 2015 and 31 March 2022 may be entitled to different pension benefits in relation to that period (and this may affect the Cash Equivalent Transfer Values shown in this report – see below). All members who switch to alpha have their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has

benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes.) Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a defined contribution (money purchase) pension with an employer contribution (partnership pension account).

Pension Contributions

Employee contributions are salary-related and range between 4.6% and 8.05% for members of classic, premium, classic plus, nuvos and alpha. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum. classic plus is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per classic and benefits for service from October 2002 worked out as in premium. In nuvos a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. Benefits in alpha build up in a similar way to nuvos, except that the accrual rate is 2.32%. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The partnership pension account is an occupational defined contribution pension arrangement which is part of the Legal & General Mastertrust. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member). The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is

60 for members of classic, premium and classic plus, 65 for members of nuvos, and the higher of 65 or State Pension Age for members of alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes but note that part of that pension may be payable from different ages.)

The principal Civil Service Pension Scheme (PCSPS) and the Civil Servant and Other Pension Scheme (CSOPS) – known as “Alpha” – are unfunded multi-employer defined benefit schemes, but we are unable to identify our share of the underlying assets and liabilities. The scheme actuary valued the PCSPS as at 31 [March 2016](#).

For 2023-24, employers' contributions of £2.4m (22-23: £2.01m) were payable to the PCSPS, at one of three rates in the range 26.6% to 30.3% of pensionable pay, based on salary bands. The Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during the reporting year, to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £18k (22-23: £13k) were paid to the appointed stakeholder pension provider. Employer contributions are age-related and ranged from 8% to 14.75%.

Employers also match employee contributions up to 3% of pensionable pay. In addition, employer contributions of £549 (22-23: £404) of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service or ill health retirement of these employees.

Contributions due to the partnership pension providers at 31 March 2024 were £2,415 (22-23: £1,726). Contributions prepaid at that date were nil (22-23: nil).

Further details about the Civil Service pension arrangements can be found at the website www.civilservicepensionscheme.org.uk.

Cash Equivalent Transfer Values

This is the actuarially assessed capitalised value of the pension scheme benefits accrued

by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the pension benefits, they have accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total Ministerial service, not just their current appointment as a Minister. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real increase in CETV

This is the element of the increase in accrued pension funded by the Exchequer. It excludes increases due to inflation and contributions paid by the Minister. It is worked out using common market valuation factors for the start and end of the period.

Pension Benefits – Audited

Accrued pension benefits for directors are not included in this table for 2023/24 due an exceptional delay in the calculation of these figures following the application of the public service [pension remedy](#)

Highest paid Director and median salary cost disclosure – Audited.

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the workforce.

The banded remuneration of the highest paid senior executive member in the financial year was £85-90k (22-23: £85-90k) based on the increase in the mid-points of the salary bands as per the FReM this would equate to an increase of 0% from last year.

Whilst the former CEO received a higher salary when he left SF the increase in salary was as a direct result of his new SG role. Therefore, the new CEO's salary has been used.

Voucher scheme. Car provision for employees' scheme; and a range of advances against salary for house purchase (see Note 8).

The average salary movement for staff during the year excluding the Chief Executive as per the FReM guidance was an increase of 6.8% (2022-23: 5.1%). This was primarily as a result of the incremental increase for all staff that started in the last two years as they move up to the top of the pay band plus the annual pay increase.

	23-24	22-23
Median Salary	£35,900	£38,214
Median	2.53	2.23
75 th Percentile	2.02 £44,403	1.96 £43,423
25 th Percentile	2.84 £31,625	2.88 £29,575
Average	£40,217.50	£37,666.09

The reduction in the ratio is as a result of three factors. Firstly, staff which have started in the last few years will have received an incremental pay increase. Secondly the pay award for staff was again aimed at reducing the pay gap with pay bands 1 to 3 receiving a lower percentage increase than the majority of staff. Lastly, we have employed more staff over the year, which have been at lower than the average salaries.

During the year, no employee received remuneration in excess of the highest paid senior executive. Remuneration ranged from £26k to £80k (22-23: £21k to £86k). Remuneration paid to all staff during the financial year was £8.98m (22-23: £7.6m).

SF believes that the median pay ratio reflects the pay rewards and progression policy for employees as a whole.

Off-payroll arrangements

There were no off-payroll arrangements during 2023-24 (22-23: 0)

Number of Senior Civil Servants

Band	2023-24	2022-23
1	1	1

Employee Benefits

We offer a wide range of employee benefits which includes, flexible working arrangements, cycle to work schemes, purchase of Childcare

Each scheme is subject to conditions and financial limits.

Compensation for loss of office – Audited.

No staff received an exit package during the year. (22-23: £0)

Core Values

Scottish Forestry launched the BRAVE values and behaviours in March 2021

- Be Professional.
- Respect Others.
- Act with Integrity and Honesty.
- Value Teamwork and Collaboration.
- Encourage Innovation and Creativity.

We have been working to embed these by including them as part of our resourcing activity, they are also reflected in new start induction, through eLearning and discussion, they are also included as a reflection point in our learning and development activities such as our self-management sessions and our WOODS learners are asked to do a quarterly temperature check against BRAVE to encourage reflection and bring the values to life. The values have been a key element of our SET Development activity and will be interwoven through our Leadership development programme which is in the early stages of development. Further Engaging the Bystander sessions are being offered to our new staff equip them with the tools and confidence to address instances where behaviours may fall short.

Staff Turnover

During the year twenty-three members of staff (10%), left the organisation. (22-23: 21 – 10%)

Consultancy

During the year, no expenditure was spent on consultancy (22-23: £0).

Policy

We are committed to supporting the development and career aspirations of all our staff.

Activity during 2023-24 has included:

- Further HR systems development via i-trent
- Implementation of an e-system, Amicus, which supports the onboarding of new recruits, thereby significantly reducing time between offer and joining SF.
- Launch of new Disciplinary policy and significant development of work on the

Grievance and Harassment and Bullying policy.

- Development and launch of hybrid working guidance.
- The development and expansion of our technical training provision plus development of non-technical training

Activity during 2024 – 2025 will include:

- Development of a new Partnership Agreement with our Trade Union colleagues and further embed fair work practices across SF.
- Further development of HR policy including Grievance, Dignity and Respect and Absence Management supported by extensive line manager training.
- Launch of self-service sickness absence recording on i-trent.
- Development and implementation of revised performance review process on i-trent
- Development and implementation of revised approach to workforce planning
- Supporting a thirty-five hour working week workstream to ensure effective implementation by end of March 2025

Sickness absence data

We continue to pro-actively manage staff sickness absences, with an average number of working days lost per person of 8.3 days (22-23: 8.2 days). The figures include all absences. The increase is due to several members of staff having long term illnesses.

Equality, Diversity and Inclusion

We are continuing to promote and support diversity in the workplace.

Forestry has traditionally been seen as a male-dominated profession, and the workforce of SF and particularly across the wider sector continues to some degree to reflect that. However, in the last few years we have made huge strides in attracting women into Woodland Officer roles, for example, around half of our Woodland Officers are female. We have achieved this through changes to job adverts, use of positive action statements, diverse imagery, and promoting flexible working.

As part of this work, we ran an event about the work to promote and support women moving into leadership. Further information is on page 30 – Women's representation.

We will build on these improvements, continuing to break stereotypes around gender specific roles. However, we recognise that we have more work to do, particularly around our gender pay gap and a lack of women in senior positions across the organisation.

We continue to engage with under-represented groups in our local communities through our engagement programme, promoting forestry and ensuring that people from all backgrounds can enjoy the benefits and opportunities that our woods and forests provide.

As at 31st March 2024, the split of our two hundred thirty four members of staff including Agency staff by gender was:

	Male	Female	% Female
SET members	6	0	0.0%
Senior Managers	13	1	7.1%
Other Managers	22	15	40.5%
Other Employees	70	104	59.8%
Agency	1	2	66.7%
Total	112	122	52.1%
2022-23	106	118	52.7%

Non-Execs 3 2 40%
The figures and split for the non-executives are the same as the previous year

We continue to celebrate and encourage women to pursue careers in Forestry as demonstrated in the Skills Development Scotland [article](#) entitled “Scots women urged to branch into forestry careers”.

As of 31 March 2024 52%, (22-23: 53%) of our employees are female.

Equality monitoring takes place to ensure that all employees continue to be treated fairly in relation to training, performance management and discipline and grievances. The results of the monitoring exercises have been reported in our latest [Equalities Mainstreaming Report](#) which was published on 31 March 2023 for the period 2021-2023.

We recognise our commitment and our positive attitude towards our disabled applicants and staff.

We have renewed our commitment to the Disability Confidence Scheme. In doing so, we offer interviews to all disabled applicants and staff who meet the minimum criteria for any post; reminding line managers of their management responsibilities; helping staff balance their work and their disability; and offering advice and training to staff and managers about issues related to disability.

As at 31 March, of our staff the breakdown is: -

	23-24	22-23
No Disability	201	193
Disability	16	14
Prefer not to say	14	14
Total	231	221

Learning & Development (L&D)

We have invested in the development of Learning and Skills Development through the establishment and appointment of a Learning and Skills Development Manager and a Learning and Skills Development Officer. The purpose of these roles is to ensure that we have the capacity to develop the skills and learning opportunities the Agency requires.

SET agreed our Learning and Skills Development Strategy which details our commitment to supporting the ongoing development of staff at all levels across the organisation. The Strategy is due to be reviewed in Autumn 2024, this will set our direction for the next three years.

A two-year development programme (WOODS) is now in place for newly recruited (Assistant) Woodland Officers. This involved the development of a competency framework and supporting assessment tool to work towards a level of competence and confidence. The programme covers technical forestry skills as well as professional skills related to the work executed by Scottish Forestry, we are also supporting our new staff on their personal development journey through self-management learning modules and regular check-ins to ensure learning is consolidated in the workplace.

Our induction programme has been refreshed and renewed to ensure that it is more welcoming and supportive of our new colleagues.

Work has started on our approach to Management and Leadership Development in Scottish Forestry through workshops with managers and colleagues to identify what a ‘Great Leader’ looks like. This will provide the

foundation for us to create a robust and consistent learning solution.

Health & Safety

Information about Health & Safety is shown within the Performance Analysis.

Employment of disabled persons

We recognise our commitment and our positive attitude towards our disabled applicants and staff.

In doing so, we offer interviews to all disabled applicants and staff who meet the minimum criteria for any post; reminding line managers of their management responsibilities; helping staff balance their work and their disability; and offering advice and training to staff and managers about issues related to disability.

Employee consultation and trade union relationship

We continue to build a strong and supportive relationship with our Trade Union partners, Forestry Trade Unions Scotland. We encourage engagement with Forestry Trade Union Scotland colleagues in relation to policy development, people management, all aspects of change, and recruitment. We continue to have Trade Union Partnership Board meetings three to four times per year to support open communication.

We will be guided by the [Fair Work Framework](#), which sets out the ambition that, by 2025, people in Scotland will have a world-leading working life, where fair work drives success, wellbeing and prosperity for individuals, businesses, organisations and society.

Fair work is work that offers effective voice, opportunity, security, fulfilment, and respect. Over the next two years, we will implement key actions to embed Fair Work across Scottish Forestry and align to the Scottish Government's Fair Work Agreement.

Trade Union Facility Time

Statistical information about Trade Union consultation and relationships can also be found on our [website](#) as per UK Government guidance.

Trade Union Statistics		23-24	22-23
Number of employees who were relevant TU officials during the year		8	5
FTE of relevant TU officials		8	5
The number of employees who were relevant TU officials during the year as a percentage of their working hours spent on facility time	0%	2	3
	1-50%	6	2
	51-99%	0	0
	100%	0	0
Percentage of the total pay bill spent on facility time		0.27%	0.11%
Time spent on trade union activities as a percentage of total paid facility time hours		100%	100%

Parliamentary Accountability and Audit Report

The following Parliamentary Accountability section summarises all of the key accountability documents for the Agency for the year and shows the audit report from our external auditors. The disclosures within this section are audited information.

Regularity of Expenditure

The expenditure and income in the financial statements, were incurred or applied in accordance with all applicable enactments, and guidance issued by the Scottish Ministers, the Budget (Scotland) Act covering the financial year and sections 4 to 7 of the Public Finance and Accountability (Scotland) Act 2000; and the funding given by SG for the purpose of meeting the expenditure shown in the financial statements were applied in accordance with section 65 of the Scotland Act 1998.

Fees and Charges

We do not raise any significant income through fees and charges.

Remote Contingent Liabilities

The Government Finance Reporting Manual (FReM) states, that where information about contingent liabilities, is not required to be disclosed, because the likelihood of a transfer of economic benefits is considered too remote, they should be disclosed separately for parliamentary reporting and accountability purposes.

We do not currently have any remote contingent liabilities.

Losses and Special Payments

There was no losses or special payments that exceeded £250,000. Full details are identified within Note 18 of the Financial Statements.

Gifts

During the year we made two donations in the names of two members of staff who passed away during the year to their chosen charities.

Paul Lowe
Accountable Officer

Independent Auditor's Report

Independent auditor's report to Scottish Forestry, the Auditor General for Scotland and the Scottish Parliament.

Reporting on the audit of the financial statements

Opinion on financial statements

We have audited the financial statements in the annual report and accounts of Scottish Forestry for the year ended 31 March 2024 under the Public Finance and Accountability (Scotland) Act 2000. The financial statements comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity and notes to the financial statements, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as interpreted and adapted by the 2023/24 Government Financial Reporting Manual (the 2023/24 FReM).

- give a true and fair view of the state of the body's affairs as at 31 March 2024 and of its net expenditure for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the 2023-24 FReM; and
- have been prepared in accordance with the requirements of the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers.

Basis for opinion

We conducted our audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the Code of Audit Practice approved by the Auditor General for Scotland. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We were appointed by the Auditor General on 18 May 2022. Our period of appointment is five years, covering 2022/23 to 2026/27. We are independent of the body in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the body. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern basis of accounting

We have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the body's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

These conclusions are not intended to, nor do they, provide assurance on the body's current or future financial sustainability. However, we report on the body's arrangements for financial sustainability in a separate Annual Audit Report available from the Audit Scotland website.

Risks of material misstatement

We report in our Annual Audit Report the most significant assessed risks of material misstatement that we identified and our judgements thereon.

Responsibilities of the Accountable Officer for the financial statements

As explained more fully in the Statement of Accountable Officer's Responsibilities, the Accountable Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Accountable

Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Accountable Officer is responsible for using the going concern basis of accounting unless there is an intention to discontinue the body's operations.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities outlined above to detect material misstatements in respect of irregularities, including fraud. Procedures include:

- using our understanding of the central government sector to identify that the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers are significant in the context of the body; identifying which laws and regulations are significant in the context of the body;
- inquiring of the Accountable Officer and management as to other laws or regulations that may be expected to have a fundamental effect on the operations of the body;
- inquiring of the Accountable Officer and management concerning the body's policies and procedures regarding compliance with the applicable legal and regulatory framework;
- discussions among our audit team on the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

The extent to which our procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the body's controls, and the nature, timing and extent of the audit procedures performed.

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Reporting on regularity of expenditure and income

Opinion on regularity

In our opinion in all material respects:

- the expenditure and income in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers, the Budget (Scotland) Act covering the financial year and sections 4 to 7 of the Public Finance and Accountability (Scotland) Act 2000; and
- the sums paid out of the Scottish Consolidated Fund for the purpose of meeting the expenditure shown in the financial statements were applied in accordance with section 65 of the Scotland Act 1998.

Responsibilities for regularity

The Accountable Officer is responsible for ensuring the regularity of expenditure and income. In addition to our responsibilities in respect of irregularities explained in the audit of the financial statements section of our report, we are responsible for expressing an opinion on the regularity of expenditure and income in accordance with the Public Finance and Accountability (Scotland) Act 2000.

Reporting on other requirements

Opinion prescribed by the Auditor General for Scotland on audited parts of the Remuneration and Staff Report

We have audited the parts of the Remuneration and Staff Report described as audited. In our opinion, the audited parts of the Remuneration and Staff Report have been properly prepared in accordance with the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers.

Other information

The Accountable Officer is responsible for the other information in the annual report and accounts. The other information comprises the Performance Report and the Accountability Report excluding the audited parts of the Remuneration and Staff Report.

Our responsibility is to read all the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon except on the Performance Report and Governance Statement to the extent explicitly stated in the following opinions prescribed by the Auditor General for Scotland.

Opinions prescribed by the Auditor General for Scotland on Performance Report and Governance Statement

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Performance Report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers; and
- the information given in the Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers.

Matters on which we are required to report by exception

We are required by the Auditor General for Scotland to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements and the audited part of the Remuneration and Staff Report are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

In addition to our responsibilities for the annual report and accounts, our conclusions on the wider scope responsibilities specified in the Code of Audit Practice are set out in our Annual Audit Report.

Use of our report

This report is made solely to the parties to whom it is addressed in accordance with the Public Finance and Accountability (Scotland) Act 2000 and for no other purpose. In accordance with paragraph 108 of the Code of Audit Practice, we do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Angela Pieri, (for and on behalf of Grant Thornton UK LLP)
110 Queen Street
Glasgow
G1 3BX

Date:

Financial Statements



Statement of Comprehensive Net Expenditure

for the year ended 31 March 2024

		2023-24	2022-23
	Note	£000	£000
Administration costs			
Staff costs	2	12,552	10,854
Other administration costs	3	4,916	4,739
Operating income	5	(94)	(70)
Programme costs			
Programme costs	4	70,599	54,587
Co-financing Receipts	5	(5662)	(9,055)
Other income	5	(474)	(473)
Net Operating Expenditure		<u>81,837</u>	<u>60,582</u>
Net loss / (gain) on revaluation of property		<u>0</u>	<u>11</u>
Comprehensive net expenditure for the year		<u>81,837</u>	<u>60,593</u>

The notes to the accounts are contained in pages 59 to 68 inclusive.

Statement of Financial Position

as at 31 March 2024

	Note	2023-24 £000	2022-23 £000
Non-current assets			
Property, plant and equipment	Note 6	82	152
Right of Use Assets	Note 6	1,620	1,769
Trade and other receivables	Note 8	1	6
Total non-current assets		1,703	1,927
Current assets			
Trade and other receivables	Note 8	17,558	16,799
Cash and cash equivalents	Note 9	24,040	9,309
Total current assets		41,598	26,108
Total assets		43,301	28,035
Current liabilities			
Trade and other payables	Note 10	(44,873)	(29,504)
Non-Current Liabilities			
Lease Creditor greater than one year	Note 10	(1,321)	(1,425)
Total assets less current liabilities		(2,893)	(2,894)
Taxpayers' equity			
General fund		(2,958)	(3,015)
Revaluation reserve		65	121
Total taxpayers' equity		(2,893)	(2,894)

The notes to the accounts are contained in pages 60 to 69 inclusive. The accountable officer authorised these financial statements for issue on

Paul Lowe
Accountable Officer

Statement of Cash Flows

for the year ended 31 March 2024

	Note	2023-24 £000	2022-23 £000
Cash flows from operating activities			
Net operating expenditure	SCNE	(81,837)	(60,593)
Adjustment for non-cash transactions	12	566	555
(Increase) / decrease in trade and other receivables		(754)	(10,170)
(Decrease) / increase in trade and other payables		15,265	(23,576)
Net cash outflow from operating activities		(66,760)	(93,784)
Cash flows from investing activities			
Purchase of property and motor vehicles		(346)	(2,260)
Cash flows from financing activities			
From the Scottish Government		81,837	60,593
Net increase / (decrease) in cash and cash equivalents in the period		14,731	(35,451)
Cash and cash equivalents at the beginning of the period		9,309	44,760
Cash and cash equivalents at the end of the period		24,040	9,309

The notes to the accounts are contained in pages 59 to 68 inclusive.

Statement of Changes in Taxpayers' Equity

for the year ended 31 March 2024

	Note	General Fund £000	2023-24 Reval. Reserve £000	Total £000	General Fund £000	2022-23 Reval. Reserve £000	Total £000
Balance at 1 April		(3,015)	121	(2,894)	(3,068)	15	(3,053)
Change in taxpayers' equity							
Net operating expenditure for the year	SCNE	(81,837)	0	(81,837)	(60,582)	0	(60,582)
Net (loss)/gain on revaluation		0	0	0	(11)	0	(11)
Revaluation surplus		0	0	0	0	121	121
Release of revaluation reserve	12	0	(56)	(56)	0	(15)	(15)
Auditors' remuneration	12	56	0	56	53	0	53
Total recognised income and expense		(81,781)	(56)	(81,837)	(60,540)	106	(60,434)
Funding from SG		79,771	0	79,771	30,000	0	30,000
Movement of Balance with SG	10	2,067	0	2,067	30,593	0	30,593
Balance at 31 March		(2,958)	65	(2,893)	(3,015)	121	(2,894)

The notes to the accounts are contained in pages 59 to 68 inclusive.

Notes to the Financial Statements

NOTE 1 – Basis of Accounts

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted and interpreted by the 2023-24 Government Financial Reporting Manual (FReM) issued by HM Treasury and the Accounts Direction issued by Scottish Ministers.

The Accountable Officer and the Strategic Advisory Group have considered the Resource Budget for 2022-23 and 2023-24 and have no reason to believe that future funding approved annually by the Scottish Government will not be made. They consider that SF has adequate resources to continue in operational existence for the foreseeable future, the accounts are therefore prepared on a going concern basis.

These accounts have been prepared on an accrual's basis under the historical cost convention, modified to account for the revaluation of property. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies.

Statement of Accounting Policies

Where the FReM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of SF for the purpose of giving a true and fair view has been selected. The particular policies selected by SF are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

New or amended accounting standards that are considered relevant and their anticipated impact on the accounts are as follows:

IFRS 17 – Insurance Contracts

This standard is effective from 1 January 2023 and will supersede IFRS 4. The standard establishes the principal for the recognition measurement presentation and disclosure of insurance contracts to give users a basis to assess the effect of insurance contracts have on the entity's financial position, financial performance and cash flow. It is not expected to have any impact on financial reporting as SF predominately self-insure, but this will be assessed when further guidance is forthcoming from HM Treasury.

a. Critical accounting judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities and the reported amount of income and expenditure. During the year no material critical accounting judgements were made.

b. Key sources of estimation uncertainty

All estimates are based on knowledge of current facts and circumstances, assumptions concerning past events, and forecasts of future events and actions. Where appropriate, the relevant notes to the accounts provide further detail on estimation techniques. During the year no material estimations or assumptions were made.

c. Administrative and programme expenditure

The Statement of Comprehensive Net Expenditure is analysed between administration and programme income and expenditure. Administration costs reflect the costs of running SF, together with associated operating income, and programme costs.

d. Employee benefits

Pensions

Past and present employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS), full details of which can be found within the Remuneration and Staff Report.

Although the PCSPS is an unfunded defined benefit schemes in accordance with explicit requirements in the FReM, Scottish Forestry account for the schemes as if they were defined contribution plans. Costs of the elements are recognised on a systematic and rational basis over the period during which it benefits from employees' services by payment to the schemes of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the schemes. The PCSPS pension scheme undergoes a reassessment of the contribution rates by the government actuary at four-yearly intervals.

Other employee benefits

Following IAS 19 - Employee Benefits, requires us to recognise a liability and an expense for untaken holiday days and flexi balances as at

31 March. As such, an accrual for time earned but not taken has been calculated, based on

- the flexi balance for all staff in the flexi pay scheme; and
- the holiday balance for all staff.

e. Revenue recognition

SF is not a trading organisation. Income primarily comprises of EU / Government grants co-financing towards forestry options under Rural Development Contracts – Rural Priorities set up under the Scottish Rural Development Plan (SRDP) (2007-2013) and also for the new Forestry Grant Scheme under the plan SRDP 2014-2020. These schemes are recognised at their fair value when there is reasonable assurance that the grant will be received, and SF have complied with all attached conditions and are credited to the Statement of Comprehensive Net Expenditure.

If grants are recovered because of a failure by the applicant to fulfil the terms of the grant scheme contract, the co-financing previously claimed is refunded to the DEFRA. Where income has been recognised but cash has not been received, a receivable for the corresponding amount is shown in the Statement of Financial Position.

f. Co-financing

SGRPID administers all grant payments for grants claimed for forestry options under Rural Development Contracts – Rural Priorities set up under the Scottish Rural Development Plan (SRDP) (2007-2013) and for the new Forestry Grant Scheme under the plan SRDP 2014-2020 and for contracts agreed prior to 1 January 2021, claim co-financing from Department for Environment Food & Rural Affairs (DEFRA). If grants are recovered because of a failure by the applicant to fulfil the terms of the grant scheme contract, the co-financing previously claimed is refunded to DEFRA.

g. Value Added Tax (VAT)

Within the Statement of Comprehensive Net Expenditure, income is shown net of VAT and expenditure is either shown net of VAT where we can recover VAT through the HM Revenue & Customs (HMRC) Contracted Out Services scheme or gross when VAT is irrecoverable.

Any VAT due to or from HMRC at the year-end is included in our accounts as a receivable or payable in the Statement of Financial Position.

h. Grants payable

Grants payable are paid to individuals and bodies by SF in accordance with its statutory powers and duties are recorded as expenditure in the period that the underlying event or activity, giving rise to the grant occurs, shown as Resource or Capital expenditure based on the type of grant. Where necessary, obligations in respect of grant awards are recognised as liabilities. Where grants have been recognised and the work has been undertaken, but have not been paid, a payable for the corresponding amount is shown in the Statement of Financial Position as a liability.

i. Leases

As per IFRS 16 the policy for operating leases if the leases are immaterial or the length of the lease is less than a year, it will be expensed through the SoCNE.

For all other leases we will calculate these as per IFRS 16 showing a lease creditor and a leased asset, expensing the cost through the SoCNE as lease interest and depreciation. Where leases are ongoing with no end date, we will assume a ten-year lease.

When calculating the lease if no interest is specified in the lease document, we will assume the lease figure as shown in the appropriate PES paper issued by HM Treasury

j. Property, plant and equipment land & buildings

Land and buildings including leasehold improvements are shown at fair value less accumulated depreciation within the Statement of Financial Position. The threshold for capitalisation of buildings is £10,000.

A policy of revaluation has been adopted in respect of property assets owned by SF for its own use. Buildings are held at fair value and are professionally valued five yearly in accordance, with the valuation standards issued by The Royal Institution of Chartered Surveyors on the basis of their existing condition and use, with the last valuation taking place on the 31 March 2023. Buildings are restated in the mid-year between full revaluations using indices from Treasury.

Fixtures & fittings and information technology
Fixture & Fittings and Information technology are shown at fair value less accumulated depreciation in the Statement of Financial Position. The normal threshold for capitalisation of assets is £2,000 per item.

Revaluation reserve

Increases in the carrying amount arising on revaluation of property, are credited to the revaluation reserve in taxpayers' equity. Decreases arising from fluctuations in market conditions are first charged directly to revaluation reserve to offset any previous increases for the same asset. Amounts in excess of previous increases are expensed to the Statement of Comprehensive Net Expenditure. Decreases arising from other factors are expensed directly to the Statement of Comprehensive Net Expenditure. When revalued property is sold, the amounts included in the revaluation reserve are transferred to the general fund.

Depreciation

Land is not depreciated. Depreciation is provided on all other assets at rates calculated to write off the valuation, less estimated residual values, of each asset evenly over its expected useful life as follows:-

- Freehold buildings over sixty years
- Leasehold improvements & buildings held under a finance lease over the shorter of fifty years or the unexpired term of the lease
- Fixture & fittings and information technology over four to twenty years.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each Statement of Financial Position.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within the Statement of Comprehensive Net Expenditure.

Subsequent expenditure

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the organisation and the cost of the item can be measured reliably. The carrying amount of any replaced part is derecognised. All other repairs and maintenance are charged to the Statement of Comprehensive Net Expenditure during the financial period in which they are incurred.

k. Cash and cash equivalents

Cash and cash equivalents represent cash in hand, and cash held with the Government Banking Service, which are shown within the Statement of Financial Position.

l. Financial Instruments

SF does not hold any complex financial instruments. The only financial instruments included in the accounts are receivables, cash, and cash equivalents and payables.

m. Trade and other receivables

These are recognised at fair value less any impairment for any amounts assessed as irrecoverable within the Statement of Financial Position. An impairment of debt for irrecoverable amounts is made where there is evidence that the SF will be unable to collect an amount due in accordance with agreed terms. Trade and other receivable are recognised at fair value.

n. Trade and other payables

Trade payables are stated at their nominal value. The carrying amount of trade payables is deemed an approximation for fair value.

o. Provisions

Provisions are recognised when SF has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provisions is presented in the Statement of Comprehensive Net Expenditure net of any reimbursement.

p. Contingent liabilities

SF discloses contingent liabilities in accordance with IAS 37. It also discloses for parliamentary reporting and accountability purposes certain statutory and non-statutory contingent liabilities where the likelihood of economic benefits is remote, but which have been reported to the Scottish Government in accordance with the requirements of the SPFM. Where the time value of money is material, contingent liabilities are required to be disclosed under IAS 37 are stated at discounted amounts. Amounts reported to the Scottish Government are separately noted. Contingent liabilities that are not required to be disclosed by IAS 37 are stated at the amounts reported to the Scottish Government.

q. Small Woodland Loan Scheme

All payments made under the scheme will be expensed when the loan is paid, and a debtor

also created. Once the work has been completed and a claim form submitted and approved, the payment will be made to the claimant less the loan payment. At that point the debtor will be credited.

Note 2 – Staff Costs

Expenditure of £12.6m was incurred during the year (2022-23: £10.9m). Full information about staff costs is shown in the Remuneration Report.

Note 3 - Other Administration Costs

Administration expenditure includes the cost of shared central service provided to SF. The shared central services are defined as those where a single provider is considered the best solution, in terms of practicality, cost or the needs of stakeholders through service level agreements. The areas of work are Information services; Human resources, including Learning and Development and accounting systems.

	Note	23-24 £000	22-23 £000
Shared central services		2,318	2,007
Other administration expenditure		1,964	2,270
		<u>4,282</u>	<u>4,277</u>
Non-cash costs			
Auditors' remuneration - audit work	12	56	53
Depreciation	12	473	492
Debtors' bad debt provided for	8	105	6
Debtors' bad debt provision written back		0	(89)
Total non-staff administration costs		<u>4,916</u>	<u>4,739</u>

Note 4 - Programme Costs

The programme costs in year can be analysed as follows:

	23-24 £000	22-23 £000
Support for forestry and the rural economy, including grants paid to private woodland owners		
- Resource Grants	21,593	18,235
- Capital Grants	38,288	22,978
Forestry Development Programmes	6,848	6,908
Timber Transport Fund	3,784	6,367
Other programme costs	86	99
Total	<u>70,599</u>	<u>54,587</u>

Note 5 – Income

	23-24 £000	22-23 £000
Operating Income	94	70
Administrative income	<u>94</u>	<u>70</u>
Planting grant co-financing	5,662	9,055
Other Income	474	473
Programme Income	<u>6,136</u>	<u>9,528</u>
Total	<u>6,230</u>	<u>9,598</u>

Own Assets

	2023-24			2022-23		
	Buildings	Equipment	Total	Buildings	Equipment	Total
	£000	£000	£000	£000	£000	£000
Valuation						
At 1 April	148	10	158	179	10	189
Additions	0	0	0	0	0	0
Revaluation	0	0	0	(31)	0	(31)
Disposals	0	0	0	0	0	0
At 31 March	148	10	158	148	10	158
Depreciation						
At 1 April	0	6	6	127	4	131
Provided during year	68	2	70	0	2	2
Revaluation	0	0	0	(127)	0	(127)
At 31 March	68	8	76	0	6	6
Net Book Value						
At 31 March	80	2	82	148	4	152
At 1 April	148	4	152	52	6	58
Asset Financing						
Owned	80	2	82	148	4	152

At the 31 March 2023, the building at Dingwall was revalued by the Valuation Office Agency, based on Existing Use Value, under RICS guidance.

Rights of Use Assets

	2023-24			2022-23		
	Buildings	Motor Vehicles	Total	Buildings	Motor Vehicles	Total
	£000	£000	£000	£000	£000	£000
Valuation						
At 1 April	1,932	327	2,259	0	0	0
Additions IFRS 16	0	0	0	1,932	327	2,259
Additions	267	79	346	0	0	0
Disposals	(379)	(35)	(414)	0	0	0
At 31 March	1,820	371	2,191	1,932	327	2,259
Depreciation						
At 1 April	400	90	490	0	0	0
Provided during year	304	99	403	400	90	490
Disposals	(300)	(22)	(322)	0	0	0
At 31 March	404	167	571	400	90	490
Net Book Value						
At 31 March	1,416	204	1,620	1,532	237	1,769
At 1 April	1,532	237	1,769	0	0	0

Depreciation of £473k (22-23: £491k) is included in other administration costs in the Statement of Comprehensive Net Expenditure.

Note 7 - Financial Instruments

Scottish Forestry's resource requirements are met from Scottish Government via the annual grant-in-aid provision and from other income generated from activities. We have no power to borrow funds and all of our funds are held in a current account within the Government framework.

Other than financial assets and liabilities which are generated by day-to-day operational activities, we hold no financial instruments. Because of the nature of our activities and the way in which we are financed, we are not exposed to the degree of financial risk faced by business entities.

Liquidity risk

The Scottish Government makes provision for the use of resources by SF, for revenue and capital purposes, in the Budget Act for each financial year. Resources and accruing resources may be used only for the purposes specified and up to the amounts specified in the budget. We are not therefore exposed to significant liquidity risks.

Market risk

The possibility that financial loss might arise because of changes in such measures as interest rates and stock market movements.

SF has no powers to borrow or invest surplus funds. Financial assets and liabilities are generated by day-to-day operational activities and are not held to manage the risks facing SF in undertaking its activities and therefore there is limited exposure to interest rate risk.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or contract, leading to a financial loss. We are exposed to credit risk from our operating activities (primarily for trade and other receivables) but the level of risk is not deemed significant. Credit risk related to trade and other receivables is managed through established procedures relating to the monitoring and follow up of outstanding balances.

Fair values

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following

methods and assumptions were used to estimate the fair values: Cash and cash equivalents, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. There is no difference between the book value and fair value for the cash and cash equivalents shown in Note 9.

Financial Instruments

	23-24 £000	22-23 £000
Financial Assets at amortised cost		
Trade & other receivables	17,371	16,612
Cash & equivalents	24,040	9,309
Total	41,411	25,921

Financial Liabilities at amortised cost

Trade & other payables excluding statutory liabilities	45,833	30,733
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NOTE 8 - Trade and Other Receivables

8(a) Analysis by type

	23-24 £000	22-23 £000
Current		
Trade receivables	1,006	589
Less: provision	(119)	(14)
Trade receivables	887	575
VAT	300	340
House purchase loans to employees	6	4
Accrued Income	230	326
Co-financing accrued income	0	1,256
Accrued funding from SG	16,123	14,287
Prepayments	6	5
Other receivables	6	6
Less: provision for impairment of other receivables	0	0
	17,558	16,799
Non-current		
House purchase loans to employees	1	6
Total receivables	17,559	16,805

The carrying amounts of trade and other receivables are a reasonable approximation of fair value.

House purchase loans are unsecured, interest free and typically repayable over ten years, with an optional two-year deferral period.

As of 31 March 2024, of the £1,006k trade receivables, £617k relating to grant overpayment or SWLS of which £109k was fully provided for. The remainder of the debt related to customers for whom there is no recent history of default exists. The ageing analysis of these trade receivables is as follows:

	23-24 £000	22-23 £000
0-30 days	247	287
31-60 days	184	0
61-90 days	132	28
91+ days	443	274
Total	1,006	589

Movements in the provision for impairment of trade and other receivables are as follows:

	23-24 £000	22-23 £000
At 1 April	14	96
Utilised in year	0	0
Addition	105	7
Released in year	0	(89)
At 31 March	119	14

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. SF does not hold any collateral as security. The carrying amounts of trade and other receivables are denominated in GBP Sterling.

Co-financing income finished in December 2023 as a result of UK's exit from the European Union

8(b) Intra-Government Balances

	23-24 £000	22-23 £000
Current		
Scottish Government	16,177	15,566
Other central Government	616	734
Local Authorities	0	0
Total Intra Government	16,793	16,300
External bodies	765	499
	17,558	16,799
Non – Current		
External bodies	1	6
	17,559	16,805

Note 9 – Cash and Cash Equivalents

	23-24	22-23
	£000	£000
At 1 April	9,309	44,760
Change in cash balance	14,731	(35,451)
At 31 March	24,040	9,309

The balance above is held within Government Banking Service and relate to amounts issued from the Scottish Government for supply but not spent by the year-end.

NOTE 10 - Trade and Other Payables

10(a) Analysis by type

	23-24	22-23
	£000	£000
Trade Payables	3,662	768
Other Payables	493	477
Accruals	1,800	1,956
Accruals - Grants	38,607	25,958
IFRS 16 Lease Creditor	311	345
At 31 March	44,873	29,504
Non – Current		
Lease Creditors	1,321	1,425
	46,194	30,929

The carrying amounts of trade and other liabilities are a reasonable approximation of their fair value, and these carrying amounts are denominated in GBP Sterling.

As the planting season is in the latter part of the financial year the majority of claims are only submitted in March 2024 for which the required checks and inspections are undertaken after the year-end, resulting in a large accrual.

10(b) Intra-Government Balances

	23-24	22-23
	£000	£000
Scottish Government	38,640	27,186
Other central Government	811	208
Local Authorities	1,193	94
Total Intra Government	40,644	27,488
External bodies	4,229	2,016
	44,873	29,504
Non – Current		
Scottish Government	153	0
Other central Government	0	312
External bodies	1,169	1,113
	1,322	30,929

NOTE 11 - Provisions for Liabilities and Charges

Provisions for liabilities and charges are accounted for in accordance with IAS37. Where applicable SF will meet any additional costs of benefits beyond the normal PCSPS benefits in respect of employees who retire by paying the required amounts annually to the PCSPS over the period between early departure and normal retirement date. SF will provide for this in full when the early retirement programme becomes binding on the agency by establishing a provision for the estimated payments.

No provisions for liabilities and charges were provided for in 2023-24 or in the prior year.

NOTE 12 - Note to the Statement of Cash Flows

	23-24	22-23
	£000	£000
Depreciation	473	491
Revaluation release	(56)	0
Impact of IFRS 16	(12)	0
Revaluation written off	0	11
Increase in Bad Debt Prov	105	0
Notional audit fees	56	53
	566	556

NOTE 13 - Capital Commitments

There were no contracted capital commitments at the year-end (22-23: £0).

NOTE 14 - Commitments under Leases

Operating leases under (IFRS 16) - Total future minimum lease payments under operating leases are given in the table below:

	23-24	22-23
	£000	£000
Buildings		
Expiry within one year	227	319
Expiry after one year but not more than five years	643	350
Expiry thereafter	590	121
	1,460	790
Motor Vehicles		
Expiry within one year	92	100
Expiry after one year but not more than five years	114	236
Expiry thereafter	0	0
	206	336

Lease interest

During the year, as a result of IFRS 16 we incurred the following amount of lease interest which was expensed in the SOCNE.

	23-24	22-23
	£000	£000
Buildings	17	16
Motor Vehicles	4	1
	<u>21</u>	<u>17</u>

The IFRS 16 related lease interest is calculated as per Note 1 using the rates in the appropriate PES, for future years this has been calculated as £95k (22-23: £71k) split as:

Interest	Buildings £000	Motor Vehicles £000
Due within		
1 year	18	4
2 – 5 years	51	5
6+ years	17	0
	<u>86</u>	<u>9</u>

Due to the value of the rights of use assets and the interest rate used, the effect of IFRS 16 has had a minimal impact on the SoCNE. This may change in future years with the increase in interest rates.

Further information with regard to the Rights of Use assets including depreciation, additions and carrying value can be found in Note 6.

There were no commitments under finance leases for the year ending 31 March 2024 (22-23: £0).

NOTE 15 - Other Financial Commitments

Financial commitments exist for on-going forestry grant contracts under two grant schemes: Rural Priorities under the Scottish Rural Development Plan 2007-2013. From 2007-2013, forestry grants for woodland creation, restocking and grants to support existing woodlands were approved under the Rural Priorities Scheme. A planting grant was paid for woodland creation followed by four annual maintenance payments. Additional Farmland Premium was also paid where the trees had been planted on agricultural land.

Where trees were felled and then restocked, applicants could claim a single instalment restocking grant. Grants for existing woodlands were paid under Woodland Improvement Grant and Sustainable Management of Forests.

At 31st March, SF was committed under the signed Rural Priorities - Rural Development Contracts for the payment of future grants amounting to £6.9m (22-23: £9.2m).

Forestry Grant Scheme under the Scottish Rural Development Plan 2014-2020.

From 2014 forestry grants for woodland creation, restructuring regeneration and grants to support existing woodlands and rural businesses were approved under the Forestry Grant Scheme. For woodland creation contracts, there is an initial planting payment and an annual maintenance payment for five years. There is also a range of capital grants available for operations such as fencing and tree protection.

Restructuring Regeneration provides support for where trees were felled and then restocked. Two grant rates are available depending on the level of species diversity being delivered.

Grants for existing woodlands were paid under Woodland Improvement Grant and Sustainable Management of Forests. Support was also available for rural businesses under Harvesting and Processing, Forest Infrastructure, Tree Health and Forestry Co-operation.

At 31st March, SF was committed under signed Forestry Grant Scheme contracts for the payment of future grants amounting to £74.9m (22-23: £74.8m).

The above payments analysed by the period during which the commitment expires are as follows:

	23-24	22-23
	£000	£000
Not later than one year	36,177	38,402
Later than one year	45,640	45,632
	<u>81,817</u>	<u>84,034</u>

NOTE 16 - Contingent Liabilities Disclosed Under IAS 37

There are no contingent liabilities.

NOTE 17 - Related Party Transactions

SF has had various material transactions with government departments and other central government bodies. The main entities within government with which the SF has had dealings are Scottish Government and its Agencies, including FLS, as well as Forest Research, Forestry England, and the Welsh Government.

Key management transactions

There were several related party transactions during the year. The Scottish Forestry Trust received £17k for research, Forest Research received £6.4m for various cross border work

and research and Institute of Chartered Foresters received £72k for partnership projects plus professional membership subscriptions - Helen McKay is involved in all three organisations in various ways.

NOTE 20 – Segmental Reporting

Under IFRS 8 Scottish Forestry does not have any segments.

Expenditure	23-24 £000	22-23 £000
Loch Lomond and Trossachs Countryside Trust	0	5
Scottish Forestry Trust	17	22
Forest Research	6,401	6,241
Institute of Chartered Foresters	72	19
	<u>6,490</u>	<u>6,287</u>

Balances at 31 March	2024 £000	2023 £000
Loch Lomond	0	0
Scottish Forestry Trust	0	0
Forest Research	23	148
Institute of Chartered Foresters	0	4
	<u>23</u>	<u>152</u>

Key management compensation

Refer to the Remuneration & Staff Report for further details of remuneration of the SAG and the SET.

Loans to related parties.

No loans have been made to related parties during the year.

NOTE 18 – Losses and Special Payments

Included within Losses is the cost of a loss of a mobile phone and minor damage to several vehicles.

	23-24	22-23
Number	3	10
£000	1	6

NOTE 19 - Events Occurring After the Reporting Period

There were no significant events occurring after the year-end, which materially impacted upon the 2023-24 annual report and accounts.

Accounts Direction



Scottish Government
Riaghaltas na h-Alba
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Scottish Forestry

DIRECTION BY THE SCOTTISH MINISTERS

1. The Scottish Ministers, in accordance with section 19(4) of the Public Finance and Accountability (Scotland) Act 2000 hereby give the following direction.
2. The statement of accounts for the financial period ended 31 March 2020, and subsequent years, shall comply with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual (FReM) which is in force for the year for which the statement of accounts are prepared.
3. The accounts shall be prepared so as to give a true and fair view of the income and expenditure and cash flows for the financial year, and of the state of affairs as at the end of the financial year.
4. This direction shall be reproduced as an appendix to the statement of accounts.

Signed by the authority of the Scottish Ministers

Dated 19 February 2020