

Terms of Reference – Impact of Forestry on GVA and employment in England, Scotland and Wales

Purpose

1. The Forestry Commission, Scottish Forestry and the Welsh Government wish to commission an analysis of the contribution of forestry to the broader economy in England, Scotland and Wales.

Background

2. The forestry sector covers a breadth of activities which are not readily revealed in published [economic accounts](#), including a significant impact in the recreation and tourism sector. A study by [CJC Consulting](#) (2015) captured the GVA and employment impacts of this broader contribution in Scotland, covering forestry and timber processing, forestry-related recreation/tourism and forestry-related deer and game.
3. We wish to update this evidence in Scotland and provide estimates for such impact in England and Wales. These estimates should be based on a consistent methodology applied in each country so that they can be compared, and must also allow comparison to the previous study in Scotland.

Objectives

4. The aim of this study is to assess aspects of the contribution of forestry to the economy in England, Scotland and Wales. Specific objectives for the study are:
 - a. to estimate GVA and employment impacts, providing separate estimates for England, Scotland and Wales;
 - b. to estimate the impacts of specific activities or sub-sectors, such as those shown in para 5;
 - c. to examine, where feasible, regional impacts in order to inform initiatives taking place at more local levels; and,
 - d. consider how other metrics and methods might be used in future studies to evaluate the economic contribution of forestry.

Scope

5. The study should determine the impact upon gross value added (GVA) and employment of the following:
 - domestically grown timber production and processing, including woodland creation
 - bioenergy generated from harvested wood
 - forest-related recreation and tourism
 - forestry-related deer and game.
6. The study should examine whether it is feasible to generate regional estimates of GVA and employment, particularly where there may be significant contributions which should be highlighted. National Forest Inventory regions could be used as the basis for regional estimates, although the regional development context in each country may also need to be considered. For example, in England, Local Industrial Strategies are being developed by Local Enterprise Partnerships (LEPs) or Mayoral Combined Authorities to promote productivity within specific regions. In Scotland, three economic development agencies support regional

objectives (Highlands and Islands Enterprise, Scottish Enterprise and the South of Scotland Economic Partnership). Wales is divided into three regions (South East, Mid & South West and North) two city deal areas (Cardiff Capital Region and Swansea Bay) and two growth deal areas (North Wales and Mid Wales).

Methods

7. A set of methods is proposed below which were used in the earlier study in Scotland ([CJC Consulting](#)). Contractors are welcome to propose improvements to the approach where this does not detract from the need for methodological consistency when comparing with the results of the CJC Consulting study.
8. Employment figures should be derived using a mix of telephone interviews and a postal survey. Data from the annual sawmill and fencing surveys will be made available to the contractor although, for forestry and haulage contractors, the contractor will need to develop a database of contacts for a postal survey and telephone follow up. Information on forestry and haulage contractors will be made available and we will seek to facilitate the provision of similar information from the major forest management companies and trade bodies.
9. This study will derive GVA from employment earnings for each subsector, relating employment cost to GVA using Annual Business Inquiry information. These data will be obtained in the same manner as for employment figures as described above (i.e. surveys).
10. The contractor will not be required to quantify the employment and GVA associated with the erection of wind turbines on forest land or the construction, installation and operation of biomass plants.
11. The study should account for the contribution of the biomass supply chain using harvested wood, including the operation of wood pellet producing plants. This will include any relevant supply chains supported by the Renewables Obligation, Contracts for Difference, the Renewable Heat Incentive as well as unsubsidised firewood markets.
12. A regional breakdown has not previously been employed. Contractors should detail any proposals for addressing this objective.
13. We recognise that there is a wider economic impact from forestry than indicated by GVA and employment. We would welcome proposals for how future studies might build on the current study to provide a complete picture of how forestry contributes to the economy.

Format of deliverables

14. A report will be required which includes a plain-English summary including high-level conclusions, alongside a more technical report providing a comprehensive record of analytical methods and data sources and a full set of findings.
15. Appropriate visual outputs (such as infographics) should be included which outline the key findings from the report.
16. Electronic versions of the final report and specification are required.

Governance

17. The work will be guided by a designated contract manager supported by a small steering group. We would anticipate an inception meeting followed by liaison with relevant staff

including analysts and policy managers across the forestry authorities in the three countries and Forest Research.

18. We expect that the study will involve a number of meetings in London, Edinburgh and Cardiff.

Cost

19. We expect the cost of the study to be in the region of £70,000 (excl. VAT).

Timetable

20. The successful contractor should be able to meet the following timetable.

Tender contract	27 January 2020
Award contract	21 February 2020
Inception meeting	March 2020
Draft report	December 2020
Final report	March 2021

Submission of bids

21. Tenders should be returned by **XXXX**, addressed to **XXXX**. Bids should provide a breakdown of the staff and funding allocated to each task, including details of which members of the team will be involved in these tasks.

Assessment of tenders

22. Tenders will be assessed as set out in the table below.

Criteria	Weight %	Evaluation criteria
1. Suitable approach and methodology including work plan	40%	<p>0 – No response or totally inadequate. 1 – Major Reservations/Constraints The tender meets some requirements for the work, but with little supporting information.</p> <p>2 – Some Reservations/Constraints The tender provides information about meeting most of the requirements, but casts doubt about how consistently all requirements will be met.</p> <p>3 – Fully Compliant The tender provides detailed information, covering all the requirements for the work, and providing full confidence in its ability to consistently meet all requirements.</p> <p>4 – Exceeds Requirements The tender meets the required standard in all areas and exceeds some or all of the major requirements.</p>
2. Suitability of team members	40%	

3. Pricing Schedule	20%	Price will be evaluated using the 'standard differential method' – each bidder receives 100% of the available marks less the percentage by which their tender is more expensive than the lowest; with 4 being the maximum score achievable.
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Scottish Forestry Set-up Meeting 28th April 2021

1. Introduction and roles in evaluation

ACTION Heather to set up access to documents and to be the main point of contact

- ██████████ = Head of Economics and Woodland Carbon Code
- ██████████ = Assistant Economist
- ██████████ = Deputy CEO Confor
- ██████████ = Head of Forestry Reform
- ██████████ = Policy Advisor
- ██████████ = Head of Business Development
- ██████████ = Project Director
- ██████████ = Project Manager
- ██████████ = Lead Consultant and Forestry Impact Specialist
- ██████████ = Forest Manager and Forestry Specialist
- ██████████ = Timber and Forestry Supply Chain Specialist
- Analyst support = ██████████ and ██████████

2. Detailed objectives

- All happy with the objectives detailed in the proposal, taken from the ITT

3. Proposed evaluation approach and any changes

- **Comparable to last piece of work** = key thing for this work is being able to compare to the last piece – needs to be comparable to the previous piece of work. Opportunity to use past report as a benchmark for ongoing data provision
- **GVA calculations** and **country breakdown** = employment is the most useful in terms of what people understand and earnings are a stepping stone to GVA. Some might work in more than one of the three countries and also get supplies from more than one country making the survey potentially complicated. Need to get our heads around what information we can get and what can be combined. GB data will be the most robust but essential that country-level data are provided and that country-level results form the backbone of the study. Need a work around for country level data, as was done in 2015 for Scotland. Involve ██████████ – she understands the annual business inquiry data well
- **Regional breakdown requirements and complexities** = previous studies had some GVA estimates but not familiar with the methodology. Regional studies done in 2015 – might be a crude method we could use and apply to regional basis. Transparency and repeatability as important as the numbers and method used. Need to be sensible in terms of drawing the line on what is forestry
- **How are we defining primary processing?** Last time we used SIC codes. Big vertical companies able to break it out for us and then we could apply this to the smaller ones? Look at what we did in Scotland and have list of what is included and excluded

ACTION Frontline to remove Christmas trees and secondary processing from the list

- **Having an idea of GVA from imported timber would be good to have** – easy enough to add in a question on this

4. Desk review – data collection and reports – any new

- Need to decide financial or calendar year for data (2018/19)
- Skills report coming out soon and will give us uni data and help in getting to the supply chain

ACTION Scottish Forestry team to have a look at list of sources and add an additional ones

5. Consultation database and survey approach

ACTION Frontline and team to look through existing consultation database and plug gaps based on industry contacts and knowledge

- Due to GDPR others might have to send the survey out on our behalf
- Proposing telephone/e-survey approach this time rather than postal
- **Stakeholder list** = need to decide who is important to speak with from our list and who are the big ones
- **Supply chain consultation** = deer and game was a challenge last time. Need to give some thought to how we capture this better this time. Should be more data now that we can access.

ACTION Forestry Scotland to send what they have in terms of contacts

6. Project management and progress reporting

- All happy with proposed approach

ACTION Frontline to set up a recurring monthly catch up meeting for 1 hour 4-5pm – suggest every 4 weeks on Wednesdays – additional meetings to be agreed to support the research framework development process and ongoing reporting

7. Timescales and milestones

ACTION Frontline to develop updated timeline – interim now at summer

8. AOB

We need your help to measure the impact of the forestry sector on the British economy.

The Forestry sector is key to the British economy, yet data on its economic benefits is fragmented and patchy at best. Scottish Forestry in partnership with the Forestry Commission and the Welsh Government has appointed Frontline and our partners to lead a GB wide survey to gather the data required to present a comprehensive assessment. This survey should take 10-20mins to complete.

As this is an economic impact assessment you will need access to employee numbers, costs and turnover figures. All replies will be treated in confidence with no disclosure of information relating to your business. Your information will only be used for the purpose of the impact assessment.

For Frontline's privacy policy see: ([privacy policy](#)).

All questions relate to your accounting year where 2019 comprised the majority of months. We are using this time period so as not to be focussed on COVID impacts but to give a good representation of the sector in "normal" times.

Please answer as accurately as possible to the nearest £1,000 and 0.25 full time equivalent (FTE) jobs. If the answer is zero please put in zero, if not applicable please leave blank.

If your business is not only forestry related (e.g. a farm or haulage operation not related to forestry is also operated), please limit your survey response to the forestry and timber related activities.

If you have any queries on how to complete the form, please email us on forestry.surveysupport@frontlinemc.com.

Business/Organisation Details

1. Name of survey completer

2. Name of business/organisation

3. Type of organisation

Private

Public

Community

Other, please specify

4. Where applicable, what was the total area of forest/woodland owned or leased by your business/organisation in 2019 in each of the GB countries (including land to be planted)? (1 hectare = 2.47 acres). If none, please leave blank

Scotland

England

Wales

Note regarding calculation of Full Time Equivalent jobs:

- A person working for 6 months full-time in forestry in the year would count as $6/12 = 0.5$ FTE
- A person working half time for 6 months would count as 0.25 FTE.

5. Do you operate in Scotland?

Yes

No

6. Please provide the direct (own business full and part-time employees, working owners, partners, directors) and self-employed and agency labour employment (in FTEs) in your business/organisation in Scotland in the 2019 turnover year for each of the sectors/activities in which you operate

Sector/activity	Direct (own business full and part-time employees, working owners, partners, directors)	Self-employed and agency labour paid by the business (exclude external contractors)
Timber production including woodland planting, maintenance & felling relating to owned areas of forest		
Forest planting, maintenance and harvesting contracting		
Bioenergy generated from harvested wood		
Forestry related recreation and tourism, including camping and other accommodation provision, and in-forest hunting for recreation		
Forestry related deer and game		
Forestry and haulage contractors – including timber storage and transport (and potentially timber Import and export-related sea and road transport)		
Forest management, including advisors		
Primary wood processing, including sawmilling, pallets, boards, fencing posts, woodchips, pellets		
Damage control, including game and squirrels in the forest		
Education, training and research		
Land agents, consultancy advice, legal services		
Environmental protection, conservation		
Other (activity and number)		

7. Please indicate your employment costs in the forestry activities you operate in within Scotland in your 2019 accounting year

Sector/activity	Wages and salaries (employees, working owners, partners, directors). Exclude national insurance and pensions	National insurance and employer pension contributions (employees, working owners, partners, directors)	Self-employed staff and agency labour paid by the business (exclude external contractors)
Timber production including woodland planting, maintenance & felling relating to owned areas of forest			
Forest planting, maintenance and harvesting contracting			
Bioenergy generated from harvested wood			
Forestry related recreation and tourism, including camping and other accommodation provision, and in-forest hunting for recreation			
Forestry related deer and game			
Forestry and haulage contractors – including timber storage and transport (and potentially timber Import and export-related sea and road transport)			
Forest management, including advisors			
Primary wood processing, including sawmilling, pallets, boards, fencing posts, woodchips, pellets			
Damage control, including game and squirrels in the forest			
Education, training and research			
Land agents, consultancy advice, legal services			
Environmental protection, conservation			
Other (activity and number)			

8. Do you operate in England?

Yes

No

9. Please provide the direct (own business full and part-time employees, working owners, partners, directors) and self-employed and agency labour employment (in FTEs) in your business/organisation in England in the 2019 turnover year for each of the sectors/activities in which you operate

Sector/activity	Direct (own business full and part-time employees, working owners, partners, directors)	Self-employed and agency labour paid by the business (exclude external contractors)
Timber production including woodland planting, maintenance & felling relating to owned areas of forest		
Forest planting, maintenance and harvesting contracting		
Bioenergy generated from harvested wood		
Forestry related recreation and tourism, including camping and other accommodation provision, and in-forest hunting for recreation		
Forestry related deer and game		
Forestry and haulage contractors – including timber storage and transport (and potentially timber Import and export-related sea and road transport)		
Forest management, including advisors		
Primary wood processing, including sawmilling, pallets, boards, fencing posts, woodchips, pellets		
Damage control, including game and squirrels in the forest		
Education, training and research		
Land agents, consultancy advice, legal services		
Environmental protection, conservation		
Other (activity and number)		

10. Please indicate your employment costs in the forestry activities you operate in within England in your 2019 accounting year

Sector/activity	Wages and salaries (employees, working owners, partners, directors). Exclude national insurance and pensions	National insurance and employer pension contributions (employees, working owners, partners, directors)	Self-employed staff and agency labour paid by the business (exclude external contractors)
Timber production including woodland planting, maintenance & felling relating to owned areas of forest			
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Forestry related recreation and tourism, including camping and other accommodation provision, and in-forest hunting for recreation			
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Forest management, including advisors			
Primary wood processing, including sawmilling, pallets, boards, fencing posts, woodchips, pellets			
Damage control, including game and squirrels in the forest			
Education, training and research			
Land agents, consultancy advice, legal services			
Environmental protection, conservation			
Other (activity and number)			

11. Do you operate in Wales?

Yes

No

12. Please provide the direct (own business full and part-time employees, working owners, partners, directors) and self-employed and agency labour employment (in FTEs) in your business/organisation in Wales in the 2019 turnover year for each of the sectors/activities in which you operate

Sector/activity	Direct (own business full and part-time employees, working owners, partners, directors)	Self-employed and agency labour paid by the business (exclude external contractors)
Timber production including woodland planting, maintenance & felling relating to owned areas of forest		
Forest planting, maintenance and harvesting contracting		
Bioenergy generated from harvested wood		
Forestry related recreation and tourism, including camping and other accommodation provision, and in-forest hunting for recreation		
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Damage control, including game and squirrels in the forest		
Education, training and research		
Land agents, consultancy advice, legal services		
Environmental protection, conservation		
Other (activity and number)		

13. Please indicate your employment costs in the forestry activities you operate in within Wales in your 2019 accounting year

Sector/activity	Wages and salaries (employees, working owners, partners, directors). Exclude national insurance and pensions	National insurance and employer pension contributions (employees, working owners, partners, directors)	Self-employed staff and agency labour paid by the business (exclude external contractors)
Timber production including woodland planting, maintenance & felling relating to owned areas of forest			
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Education, training and research			
Land agents, consultancy advice, legal services			
Environmental protection, conservation			
Other (activity and number)			

14. What proportion of your employment comprised of staff not normally resident in GB in 2019?

Sector/activity	%
Timber production including woodland planting, maintenance & felling relating to owned areas of forest	
Forest planting, maintenance and harvesting contracting	
Bioenergy generated from harvested wood	
Forestry related recreation and tourism, including camping and other accommodation provision, and in-forest hunting for recreation	
Forestry related deer and game	
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Forest management, including advisors	
Primary wood processing, including sawmilling, pallets, boards, fencing posts, woodchips, pellets	
Damage control, including game and squirrels in the forest	
Education, training and research	
Land agents, consultancy advice, legal services	
Environmental protection, conservation	
Other (please specify)	

Turnover

15. What was the turnover (excluding VAT) in the forestry activities you operate within in GB in your 2019 accounting year? Do not deduct any items of expenditure. Include sales exported outside GB from forests and businesses located in GB.

Sector/activity	£
Timber production including woodland planting, maintenance & felling relating to owned areas of forest	
Forest planting, maintenance and harvesting contracting	
Bioenergy generated from harvested wood	
Forestry related recreation and tourism, including camping and other accommodation provision, and in-forest hunting for recreation	
Forestry related deer and game	
Forestry and haulage contractors – including timber storage and transport (and potentially timber Import and export-related sea and road transport)	
Forest management, including advisors	
Primary wood processing, including sawmilling, pallets, boards, fencing posts, woodchips, pellets	
Damage control, including game and squirrels in the forest	
Education, training and research	
Land agents, consultancy advice, legal services	
Environmental protection, conservation	
Other (please specify)	

16. If you operate in more than one GB country please indicate your turnover split by country as a % of total turnover

Scotland
 England
 Wales

17. Did your business/organisation purchase unprocessed timber felled in GB for direct sale or primary processing in your 2019 accounting year?

Yes
 No

If yes, what was the total delivered cost of these timber and wood purchases in the 2019 accounting year (if using your own vehicle, please include transport and driver costs)?	£
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18. Did your business/organisation purchase standing timber in GB for direct sale or primary processing in your 2019 accounting year?

Yes
 No

If yes, what was the total delivered cost of these timber and wood purchases in the 2019 accounting year (if using your own vehicle, please include transport and driver costs)?	£
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19. In accounting year 2019, what proportion of your purchases of unprocessed wood/timber for sale or primary processing by your operations in GB was from forests in....? *If not applicable leave blank.*

Scotland	%
England	%
Wales	%
Other countries (please specify where)	%

Comments

20. If you have any comments that will help us interpret your response please give them below