

Submitted to Future Grant Support for Forestry
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Ministerial Foreword - Forestry in Scotland is a sector that we can be justly proud of.

1 - Introduction and Rationale for Providing Grant Support for Forestry

1. Do you agree that grant support for forestry should continue to be improved and developed as a discrete scheme within the overall package of land support?

Yes

Please explain your answer in the text box.:

There are two questions here – should the Forestry Grant Scheme (FGS) be improved and developed, and should it remain discrete.

Confor believes that the FGS should remain a discrete offering within the Scottish Rural Development Programme (SRDP) 2014 – 2020 and future Scottish Agricultural Bill in order to ensure its design and development is driven by those who understand and work with the forestry industry. This is perceived as being vitally important by our members in achieving the planting targets as set out in Scotland's Forest Strategy 2019 – 2029. A discrete process provides certainty of process and prevents applicants from being discouraged to apply which has positive a knock-on effect on the number of trees being planted.

Currently all Forestry Grant Scheme payments sit within the remit of Scottish Forestry (SF) under SRDP pillar 2 funding and this system of monitoring and paying grants works well and is a mechanism we wish to see continue under the future Agricultural Bill. The only exception to this is the annual recurrent maintenance payments which we would arguably like to see added to SF remit to provide further distinction of the scheme. The current application process for these grants, which fall under the Sustainable Management of Forests Pillar 1 funding, are claimed via the Single Application Form (SAF). The SAF is a general form directed at the agricultural sector and includes questions that aren't specific to forestry. This adds to the application burden increases admin costs which can be especially detrimental for smaller companies/schemes. Ideally, under the new Agricultural Bill, we would like to see this included in the main SF FGS offering.

Whilst requiring a discrete offering to ensure that the FGS reaches its highest potential, we would also like to see a greater synergy to agricultural funding with integrated policy that allows farmers and other land uses to easily access forestry funding to ensure that they are supported to easily in achieving well designed and delivered schemes.

It is apparent from current planting levels that, while annual targets increase, delivery is plateauing. Talking with the businesses that work with the FGS, we are clear that improvements are required to ensure smoother delivery, however we are certain that these improvements need to be focussed around the enhanced delivery of the current offering rather than introducing additional requirements/constraints. The planting target for 2022/23 was set at 15,000ha of new woodland creation and Confor estimates that we will have achieved around 2/3rds of this. Changes to the FGS that result in increase effort and administrative burden is likely to see a drop in volume of applications that would not be offset by the quality of application desired. It is essential that the main objective of any enhancements to the FGS are focussed on improving delivery and tackling some of the current barriers (see question 5) and does not distract/detract from achieving targets. The FGS needs to continue and an uninterrupted offering as discontinuity vastly disrupts progress – we have observed this before and it cannot be afforded again at this crucial time.

Post consultation the industry needs full visibility of the proposed programme of enhancements ahead of time, including a clear timeframe of when they will come into action and their subsequent consequences. At a time when meeting planting targets for new woodland creation is high on the agenda for achieving net zero and tackling climate change, we do not want to see applicants becoming disillusioned or holding out for promised enhancements. Applications already within the system need to be guaranteed to be granted enhancements once they are released to ensure that applications continue to flow. It is our view that Scottish Government should focus on improving delivery of the current scheme with the aim of 'catching up' on missed targets.

2. Are there any changes that would allow for better complementarity between the forestry and agriculture funding options?

Not sure

Please explain your answer in the text box.:

Although Confor believes that there are changes that could be made to allow for better complementarity between forestry and agricultural funding options we have checked two options, Yes and Not Sure, in answer to question 2. We have done this as we see that there are two distinct categories in answering this question as presented below and we are unsure of the flexibility for some of these changes to be adapted under the future Agricultural Bill.

Not Sure

The current proposal for funding under the new Agricultural Bill is based upon a system where agricultural funding will be provided as a base payment under Tier 1 with additional funding supplied under the headings 'Enhanced', 'Elective' and 'Complementary' under Tiers 2, 3 and 4. As 'Tree Planting' or Woodland Creation falls distinctly within Tier 4 and is seen as a 'Complementary' payment it is difficult to draw parallels between the funding available to agriculture and to forestry. Forestry is not earmarked to receive base payments and is instead seen as additional to the main agricultural funding framework. To allow for complete complementarity, Forestry would need to be assessed on the same merits as agricultural funding.

To achieve this a base rate of funding linked to a management plan would be applied to FGS applications where UKFS standards are met and additional capital available to those who exceed the base standard. This option could aid in addressing the funding gap that exists between new woodland creation

and forest management enabling our existing forests to realise greater environmental, social and economic value. If this method was adopted then we would like to retain the model under a discrete scheme as per question 1 as the proposed standards that will be introduced to the agricultural system post 2025 will not all hold relevance ("From 2025 support will be conditional on meeting essential standards to ensure appropriate activity, climate, biodiversity and business efficiency outcomes are achieved as well as safeguarding animal health and welfare and worker rights." Rural Payments and Services – Agricultural Route map <https://www.ruralpayments.org/topics/agricultural-reform-programme/arp-route-map/>) - this is why we, instead, suggest that the base standards for forestry be outlined by the UKFS. It is uncertain whether a clear path exists that would allow funding options to be aligned at this time. Although we see benefits to this proposed model, we do not want to see the discontinuation and disruption of current grant support.

Yes

There are specific areas under the existing grants framework where we can see clear areas of change that would allow for better complementarity between the forestry and agriculture funding options, especially for smaller woodland creation applications.

One example would be to improve the current discontinuity regarding hedging. Where trees are being planted on farms it would be useful to be able to include hedging within the forestry model rather than creating additional administrative burden for an applicant applying to two different funding streams for a single agroforestry application. Confor members have also noted that there is a higher rate paid for hedge fencing under agricultural funding than the fencing rate for native woodland creation. Inconsistencies such as these can leave applicants feeling disengaged and frustrated and we feel that a full review would be necessary to identify similar issues.

2 - Forests Delivering for Scotland's Climate Change Plan

3. How can the support package for forestry evolve to help tackle the climate emergency, to achieve net zero, and to ensure that our woodlands and forests are resilient to the future climate?

Please explain your answer in the text box.:

Confor and our members understand the importance of forestry's role in tackling the climate emergency and achieving net zero. Forests, and in particular productive forests sequester large amounts of carbon and it is within our own interests that our forests are resilient to changes in climate to ensure the future of our industry.

However, we do not believe that it is the role of the FGS to regulate compliance against base line levels of environmental and climatic benefit. This is the role of the United Kingdom Forestry Standard (UKFS) which is the reference standard for sustainable forest management in the UK outlining the UK governments' approach to sustainable forestry, including standards and requirements, regulations and monitoring, and reporting. The FGS should not aim to regulate in this regard, only financially compensate schemes that meet this pre-existing standard. We believe that this current model operates well, as long as the UKFS is well informed and based upon accurate, well researched evidence.

The FGS scheme is an excellent driver for forest establishment and forest management in Scotland allowing us to lead the way with new woodland creation, sustainable forest management and timber production, however we feel that the FGS needs to be adapted to become more flexible and forthright in its delivery to further ensure that we get back on track in achieving planting targets to help tackle the climate emergency and to achieve net zero. This is the role we see for FGS in answer to this question.

The key to forestry's contribution to tackling climate change and achieving net zero lies in the volume of planting that the industry achieves. We particularly need to see the FGS support more productive forestry. Productive forestry and particularly productive conifer crops sequester more carbon as they are faster growing, and the carbon remains locked up in timber products. A moderately growing conifer crop will, on average, sequester almost 4 x the amount that of a broadleaf woodland per hectare in the time span of 50 years (Quantifying the sustainable forestry carbon cycle, Robert Matthews et. al, 2022, Forest Research). High-yielding sites for coniferous production further increase the amount of carbon sequestered especially combined with the use of faster growing, short rotation species (30years). Use of improved stock can further increase yields and produce timber with a higher ratio of the stem utilisable as saw logs. This fast method of carbon sequestration is particularly important to consider when trying to accomplish the Scottish Governments world-leading target of achieving net-zero by 2045.

Via the FGS, SF needs to better support and drive the planting of more productive forestry and fast-growing species (in line with UKFS) enabling the industry to get back on track to meeting the Scottish Government's planting targets. Productive woodland is self-sustaining and a vital resource to our economy. Scotland has a successful timber industry that locks up carbon in our sustainably managed forest products. We need this to continue to enable us to lower our reliance on imported timber so that we can positively respond to the global climate emergency.

The FGS can aid in tackling the climate emergency and achieving net zero by ensuring that the applications and approvals process delivers by being accessible and easy to use, encouraging uptake and increasing woodland creation figures to achieve planting targets.

4. Private investment through natural capital and carbon schemes can make a valuable contribution to climate change. Do you agree that the grant support mechanism should have more flexibility to maximise the opportunities to blend private and public finance to support woodland creation,

Yes

Please explain your answer in the text box.:

In principle we agree that the grant support mechanism should have more flexibility to maximise the opportunities to blend private and public finance to support woodland creation. We recognise that the ability to blend public and private finance could facilitate greater levels of tree planting and help achieve government targets, which currently we are falling further behind on. However, it is important that such increased flexibility is planned appropriately with industry and does not produce unintended consequences that could result in knee-jerk change to the system and undermine

confidence and certainty for applicants.

Blending public and private finance, while attractive to some, will not be attractive to others, for example because of the increased complexity and cost involved in navigating two flows of potential income – one public and one (or more) private. In the short term at least, we would expect there to be many applicants who would prefer to work with the grants system alone. Therefore, we do not want a system that insists on the inclusion of private finance as a requirement to grant aid/woodland creation. Furthermore, as the private funding opportunities are still developing, the Scottish Government should still plan and budget to achieve planting targets with the existing FGS offering and update the grant in response to increased costs as highlighted in our response to question 5.

Our objective is to support the continuation of woodland creation and the realisation of planting targets and it is vital that any new 'opportunities' are understood and their introduction planned to ensure that they do not slow down the process of funding and delivery.

The forestry industry would like to gain a better understanding of how the approach to blended public and private finance would deliver Scotland's Forestry Strategy and achieve planting targets and would expect that SF/Scottish Government intends to work closely with Confor in its development.

5. How could the current funding package be improved to stimulate woodland expansion and better management across a wide range of woodland types, including native and productive woodlands?

Please explain your answer in the text box.:

Improvement to funding

Confor and our members see that there are multiple ways in which the current funding package could be improved to stimulate further woodland expansion and support management across a wide range of woodland types. Below we outline some of the areas where improvements could be made.

Grant rates for consumables

The Consultation Paper: Future Grant Support for Forestry states "Public support helps land managers to overcome the high capital costs associated with the creation of new woodlands, to offset the long timescales required for trees to grow and mature, whilst also requiring the delivery of social and environmental benefits which do not necessarily generate income."

Although the FGS does contribute to capital costs, we do not feel that the FGS is helping land managers to entirely "overcome" these costs as stated below. We are currently going through a period of unprecedented economic inflation associated with the housing crisis, the energy crisis and post covid economy which has caused the rates of consumables to increase above current means. Deer fencing, to present just one example, has increased to approximately £15 per meter in recent years which is almost double the cost the FGS rate for a standard deer fence for new woodland creation equating to the applicant only receiving funding to cover approximately 50% of costs.

This matter is so pertinent that Confor has raised it at as an issue at the last 3 Customer Reps Group meetings (under the current Confor National Manager for Scotland) and will continue to do so outside of this consultation. So far the response we have received from SF is that the current IT system doesn't allow the flexibility to increase rates and, whilst we understand that IT systems can cause constraints, we view this an extremely poor reason to what is ultimately a major barrier to achieving increased levels of woodland creation and, in particular, supporting smaller woodland creation schemes (see question 8). We would be grateful if this matter could be reviewed as a matter of urgency and priority and we (Confor) are happy to provide evidence of current costs.

Removal/flexibility of fixed grant models in support of more diverse forestry

Confor members feel the constraints of grant rates being provided under fixed models. Instead members would like to see a grant model where woodland creation is funded per hectare for each different woodland category present. Removing these constraints would make it easier for the industry to deliver more diverse woodland creation schemes under the UKFS. The current system acts as a barrier to creating more innovative and dynamic planting models that maximise the benefit they provide. Applicants should have the freedom to utilise their expertise and design woodlands that are optimised to better address environmental and social benefits based upon their knowledge of site conditions. Removing fixed models would allow schemes to maximise their potential, delivering multiple and more diverse benefits whilst retaining the highest degree of productivity resulting in forests that present greater value for money. This would also allow applicants to maximise their income per scheme and in turn encourage and stimulate further woodland expansion.

Higher rates for more challenging woodland creation

We would like to see an increased intervention level for tree planting in more challenging locations in order to stimulate higher levels of woodland creation and better management across a wide range of woodland types. For example, sites at higher altitude with poorer soils and higher herbivore densities are likely to incur greater costs in comparison to lower lying areas which may have greater competition with other land uses/community impacts. Providing a higher intervention rate would offset increased costs and encourage innovative planting on these types of sites, stimulating more dynamic woodland creation with lower levels of land use conflict.

Allowing the repair of existing woodland to be included in woodland creation support

There needs to be better incentive to repair existing woodland, especially native woodland. We would like to see a new category of woodland created under the title "Declining Native". Where canopy cover is less than [X]%, planting to re-establish should be classed under full new woodland creation support. Unless repaired, this woodland category will deteriorate dramatically and additional planting would not otherwise exist. All new woodland creation contributes to planting targets and government objectives.

Increased support for sustainable woodland management

We would like to see increased support for sustainable woodland management, particularly under the following areas:

Uneconomic thinning:

A provision of grant aid for uneconomic thinning would be beneficial to forest resilience and therefore aid in delivering improved woodland management. As first thinning's don't generally generate income, people often wait until a time when thinning will generate income. However, this can result in a crop that is less stable and more susceptible to storm damage, or a crop that is more vulnerable to disease as early thinning enables air flow through a canopy decreasing humidity and preventing ideal conditions for disease proliferation. Grant aid would assist in making uneconomic thinning's a cost-neutral exercise encouraging better forest management.

Deer management:

We would like to see a funding provision for deer management within the standard grant options that offers flexibility for the funding to be used towards the best method of tree protection based upon landscape/site conditions. The funding could then be allocated by the landowner/manager to deer control or deer fencing (see question 16 for further detail). Flexibility in fencing options would also be a benefit, seeing grant funding provide for combination fencing.

Delivery of funding

Whilst Confor and its members would welcome necessary improvements to the current funding package, it is difficult to ignore that, currently, the major constraint to woodland creation is time delays on approvals which is impacting the industry's ability to deliver and meet targets in any given year.

Time delays are being caused by a variety of issues and are not all consistent or present across the different conservancies. The reasons below are being presented as an industry whole.

Support for SF staff

Amidst an industry skill shortage it is unsurprising that Woodland Officer (WO) positions are being occupied by employees with a lower level of relevant industry experience. The industry acknowledges and understands this, however we cannot deny that it is causing time delays and impacting the approval process. WO and conservancy staff are lacking the experience, which comes with time, in making pragmatic decisions and consistency isn't present across conservancies. Simple errors like failing to add applications to the public register which could result in up to a 3-month delay and result in applicants missing windows for planting or carrying out management activities which conflict with seasonal time restraints such as breeding birds and ground disturbance in winter weather. The industry is already feeling the pinch of time constraints due to environmental and ecological issues and these do not need to be further exacerbated with additional delays in process. These time delays are not only frustrating and detrimental to existing landowners and managers, but they are also deterring investment and creating a barrier to woodland creation and detracting from government planting targets. We would like to see that SF staff are better supported and provided with the relevant resources/training to empower them to make effective decisions.

Public and non-statutory consultation

The forestry industry appreciates the necessity to consult on applications, however there are concerns regarding the timeframes for consultation. It is becoming more frequent that statutory consultees raise issues after the consultation window closes and these concerns are being accepted adding to the timeframe. The industry feel that it is beginning to set a precedent and is concerned that the consultation process is biased in favour of the consultee. This, combined with long delays in response from non-statutory consultees is further postponing activity. Where conflicts continue to arise after reasonable adjustments are made, the industry would like to see SF, as the governing body, empowered to make decisions and able support both the applicant and consultee in achieving a fair, workable solution. The industry doesn't always feel that this happens, instead facing long time delays and feeling under supported by their legislative body. Applicants are happy to go above and beyond to meet the needs of stakeholders where appropriate, however this diligence needs to be rewarded by support from the industries regulatory body and greater urgency for work to be completed.

Impact of delays on supply chain, the economy and planting targets

The nursery sector made preparations to meet supply and demand based upon predicted government targets and they are now in a position where they are having to burn and put to waste millions of trees each year. This isn't due to lack of custom for the stocks, but instead due to time delays on approvals which ultimately result in planting schemes being delayed into the next planting season by which time stock is too far advanced and not suitable for anything other than disposal. Our nurseries are making use of the harvesting and processors grant to modernise and mechanise to meet demand and are being unfairly mis compensated when they are the sole bearer of all the costs associated with detrimental delays. Due to labour shortages, and especially shortages in seasonal labour, nurseries have also been fortifying themselves ready for increases in targets by employing full-time members of staff where usually they would have taken temporary vacancies. This is producing a valuable wealth of employment, training and skills development to local communities resulting in much needed stability in a time of economic hardship and increase energy prices (and that being asked in question 13b and 14 of this consultation), however nurseries are now feeling that they are caught in a precarious balance to retain staff as, sadly, the costs of destroying stock amounts to the same as getting it out of the door without the recompense to pay salaries.

These substantial delays are carrying over from year to year. Without picking up speed, the industry fears that this barrier to success will ultimately result in targets being missed year on year and immediate action is required to enable the forestry industry to catch up. It has now been almost 7 years since the MacKinnon report was published (Analysis of Current Arrangements for the Consideration and Approval of Forestry Planting Proposals, James MacKinnon CBE, 2016) and the industry feels that there is reason for the process to be reviewed again.

Defined timeline for the consideration of grant applications

In light of the above we would like to see that there is a defined timeline for the consideration of grant applications. Enforcing a 3-month consideration period with limited acceptable reasons for extensions and an automatic approval at the end of the period, would allow the industry the ability to plan workflow. This would mitigate uncertainty and allow the industry to better allocate resources and develop its workforce (see questions 13b and 14).

6. Do you agree that it should be a requirement of grant support that woodlands are managed to ensure that they become more resilient to the impacts of climate change and pests and disease?

No

How can the grant scheme support this?:

As per question 3, we do not agree that the above should be a requirement of the FGS as it is already covered under the remit of UKFS. We believe that this, instead, would add to administrative burden and act as a potential deterrent to woodland creation further preventing us from reaching government targets.

Confor and its members firmly believe that resilience to the impacts of climate change and pests and diseases is imperative to the success of both native, managed and productive woodlands and the industry is agile and reactive to these requirements. There are, however, ways in which the FGS could be improved to deliver more resilient, better managed woodlands to the benefit of forest resilience, tree health and climate change mitigation. See question 5 for details.

We are currently concerned about the fixation on percentage of a single species at a given site denoting resilience and instead believe in the right-tree-right-place approach to adapting to climate change and pests and diseases. The percentage model assumes that diversity at a single site provides security rather than approaching the issue at a landscape scale. Diversity at a poorly selected site for the diversification species may result in higher susceptibility to climate change and pest and diseases and instead of providing resilience actually cause detriment to our resources. A stressed tree is more likely to be infected by disease and could act as an inoculum source to other trees in its vicinity. Equally a stressed tree may be less stable and more exposed to storm damage making it an easier target for beetle infestation. It is important that changes in management and mitigation are viewed holistically and based upon research and evidence that has been developed in partnership with the private sector. At present, the sense is that changes are being considered/introduced based more on the views of key individuals or organisations rather than on evidence – this will undoubtedly lead to poorer outcomes, including contraction of wood processing facilities in the future, and a sense of change being imposed without proper consultation. Confor stands ready to work with Scottish Government to establish and undertake the research that would inform resilience.

3 - Integrating Woodlands on Farms and Crofts

7. Which of the following measures would help reduce the barriers for crofters and farmers wanting to include woodland as part of their farming business? Please select all that apply.

Better integration of support for woodland creation with farm support mechanisms, Knowing where to get reliable advice, Clearer guidance on grant options, Flexibility within options, Intervention level, Support with cashflow, Information on how current land use could continue with trees integrated throughout

Are there others not listed above?:

Whilst we have responded by checking all of the items above as they are, unarguably, all relevant to aid in reducing the barriers for crofters and farmers wanting to include woodland as part of their farming business, we feel that by checking all options it is detracting from their order of priority.

We would rate the top three priorities as:

1. Intervention level
2. Support with cash flow
3. Flexibility within options

We feel that the other options are all being covered to a relatively successful degree and now the main two barriers to farmers wanting to include woodland as part of their farming business is intervention level and cashflow. Farmers often cannot afford negative cash flow and the realisation of profit has long wait times for a forestry crop, therefore they need better options for loans and equity release ahead of maturation and harvest. Confor feel that a higher intervention level is required to make planting trees on farms more attractive/a viable option to landowners.

The fourth barrier we see to farmers including woodland as part of their farming business, which is not listed above, is permanency. Farmers see the permanency of trees on farms as a negative as it means that they cannot revert land back to agricultural production in the future if they feel that this is best for their business. We feel that farmers should be provided a greater degree of flexibility with limitations only set to 1 rotation. Land use change is a daunting prospect in the farming community and to promote the planting of trees on farms we need to soften this barrier and retain greater flexibility as long as application reside solely within an agricultural context.

8. Establishing small woodlands can have higher costs. What specific mechanisms would better support small scale woodlands and woodland ownership?

Please explain your answer in the text box.:

Establishing and managing small scale woodlands can have higher costs per hectare based upon economies of scale in comparison to larger scale woodlands. Larger woodlands benefit from cheaper unit costs due to scale, whereas smaller woodlands incur higher capital costs per volume of trees planted/end profit.

The following measures would better support small woodland owners:

Simplified application process

Simplifying the application process would encourage smaller scale woodland creation applications and lower the administrative burden. Greater administrative loads = higher costs, which isn't always financially viable for small-scale woodland owners. The current application process is viewed as

complex and greater clarity is required. The SF FGS webpage and application portals on the Scottish Governments webpages (<https://www.ruralpayments.org/topics/all-schemes/forestry-grant-scheme/>) are clumsy to navigate and can be daunting to new applicants. Applicants often resort to seeking professional advice and assistance with applications which further exacerbates associated costs and diminishes returns. We would like to see an application process that is more transparent, easier to navigate and reduces the number steps necessary, especially where multiple funds are being applied for.

Increased rates and support with cashflow

Higher grant rates in line with inflation plus elevated grant rates to incentivise smaller schemes will allow smaller schemes to be economically viable. Small scale woodland could be assessed on a sliding scale for increased intervention rates (up to 5ha, 5-10ha and 10ha and above). Capital costs awarded at 100% intervention rates will prevent upfront financial burden. Introduce challenge funding in areas where we want to achieve more small-scale woodlands based upon woodland types. Support with cashflow for small scale woodland owners will prevent negative cashflow on crops which have a long delay in reaping financial reward.

4 - Forests Delivering for People and Communities

9. How can forestry grants better support an increase in easily accessible, sustainably managed woodlands in urban and peri-urban areas?

Please explain your answer in the text box.:

Woodlands in urban and peri-urban areas often have higher associated costs due to the more onerous management involved with public access. These woodlands are also more vulnerable to vandalism, fly tipping, fires and other associated crime. For forestry grants to better support an increase in easily accessible, sustainably managed woodlands in urban and peri-urban areas the grant rates under Woodlands in and Around Towns (WIAT) and in association with new woodland creation need to be increased to make these woodland types more attractive and better compensate for higher management and establishment costs. These woodlands are vital for communities as they provide access to green space.

Alongside increased funding, the FGS could provide additional support such as providing education to communities on woodland access and explore measures to deter antisocial behaviour and crime, working alongside local Partnerships Against Rural Crime (PARCSs). As part of the educational offering, communities also need to receive information pertaining to health and safety if forest operations are carried out, for instance knowing the importance taking notice of signs and not accessing forests during thinning operations.

Peri-urban woodland often misses out on WIAT funding and we would encourage this to be reviewed. Maps need to be updated more regularly to include areas of new housing and SF need to explore other ways of measuring public usage of woods and forests, as often members of the public drive to locations for exercise, access to nature and dog walking. These woodlands still bear the brunt of higher management costs and therefore should qualify for additional support.

On top of higher management costs, these woodlands also suffer from reoccurring costs where damage is caused to capital assets by members of the public. Where grant has initially covered these items, intervention should be sought for replacement as an initial grant offer assumes that this item could not be afforded/would not happen without grant aid. This pragmatic approach needs to be extended to other areas of urban and peri-urban woodland creation to enable them to deliver the best value to communities and forest users. One example is that often forest roads are used heavily by public access and, although currently excluded from grant support, still required higher levels of maintenance such as clearing vegetation and ensuring road surfaces are maintained. New/additional paths aren't always required but the applicant still requires support to maintain existing networks for public access which goes above and beyond the management activities associated with forest operations and falls into the category of regular maintenance.

Elevated levels of grant aid and support are essential to continue to promote the creation urban and peri-urban areas as the land prices in urban and peri-urban areas are more expensive, and the establishment of all woodland types are critical to achieving government planting targets.

10. How can grant support for forestry better enable rural communities to realise greater benefits from woodland to support community wealth building?

Please explain your answer in the text box.:

The forest-based industry wishes to play an increasingly important role in supporting economically vibrant rural communities and areas. Woodland creation schemes are already seeking to support Community Wealth Building (CWB) and would welcome grant support to enable this to happen more consistently.

The main mechanism of CWB will come from continued growth in jobs and activity associated with woodland creation, but there is also the opportunity to consider how owners of new and existing woodland can individually or collectively support local businesses through procurement of local services. Continued support of new woodland creation and sustainable forest management will enable this to continue, however increased grant rates in line with current inflation rates is essential (see question 5) if forestry looks to procure local, often higher priced, services.

In addition to the above, forests and woodlands can provide a wide range of opportunities in relation to CWB such as providing woodland access and assets to local communities. Some private woodland owners provide access to forest for other local businesses to operate in such as leisure activities, outreach groups, and shooting. Forestry can provide enhanced access to forests for members of rural communities via path building and maintenance, access gates and the creation of parking areas. We would ideally like to see grant provision to aid with the implementation of these measures to ensure that communities are benefitting from woodland creation beyond implicit measures. The forest industry is beginning to explore other benefits/wealth that it could provide for local communities such as the erection of buildings to be used by community groups/local forest schools (these could be constructed out of timber to help showcase the final product and inform communities) or the provision of a firewood resource – all of which would benefit from both financial backing from the FGS and the flexibility to include these elements in forest design/plans. If communities are utilising forests as a resource then we need support for infrastructure in the woodland to enable communities to access/utilise them.

Grant support for forestry to better enable rural communities to realise greater benefits from woodland to support CWB would need to be explicitly supportive and not mandate action. Mandating action would be a blunt tool and would stifle creativity and innovation. Grant support needs to support

the development of CWB opportunities and reward consideration to local communities via access and innovation. Forestry does not have upfront income unlike other land use changes (for example wind farm installation) as cash flow does not begin until the first productive thinning so we need to create a supportive mechanism to allow CWB to be realised. Confor would be very happy to further its current work remit under stakeholder engagement and facilitate discussions on how the forestry sector can aid Community Wealth Building.

11. How can the forest regulatory and grant processes evolve to provide greater opportunities for communities to be involved in the development of forestry proposals?

Please explain your answer in the text box.:

The first step to the forestry and regulatory grant process providing greater opportunities for communities to be involved in the development of forestry proposals is for SF to provide clarity, both in terms of awareness of proposed activity and clarity in the consultation process itself.

Confor sees a role for the SF/FGS/Scottish Government to communicate more effectively to communities ahead of forest operations. We feel that there would be benefit to both the forestry industry and communities if there was more information outlining the benefits and processes of forestry, what the government tree planting targets are and what they are set to achieve, whether communities can expect forest operations in their area and, if so, how to consult/engage.

Both the forest industry and communities need to see a clearly defined consultation process with SF providing the governing voice on decision making. Currently, the consultation process is not always successful in capturing the true range of views of communities with louder, often more negative, voices rising to the forefront. We would like to see a consultation process that better captures a wider range of views and input and results in creative solutions to CWB. We would also like to see a stricter adherence to timescales during the consultation process as often views are accepted after the 28-day consultation window and this can cause stress and uncertainty of process in both directions. Where there is conflict we would like to see SF empowered to make decisions and able support both the applicant and consultee in achieving a fair, workable solution. We feel that a clearer, fairer process will allow communities to engage with more confidence.

The second step in this process is to provide better and clearer guidance on community engagement to forestry practitioners. With the support of Scottish Forestry, Confor is seeking to develop such guidance working with people who have expressed concern about current engagement practises. If this activity does produce best practice guidance that all participants support, then the third step would be to implement it and monitor its implementation. A formal acknowledgement of the need for support combined with training and resources will better equip the forest industry to engage with communities more effectively and thus provide communities better opportunity to be involved in the development of forestry proposals. We would like to see more examples of positive relationships between the forestry industry and its stakeholders going forward and acknowledgement that, as a land based sector, forestry is carving the way forward in effective consultation, community engagement and CWB.

12. How can the forestry regulatory and grant processes evolve to ensure that there is greater transparency about proposals and the decisions that have been made on them?

Please explain your answer in the text box.:

The answer to this question resides in the Public Register. It has been raised for some time that the current Public Register is no longer fit for purpose and requires improvement. With current planting levels and consultation requirements, the Public Register needs to be easier to use, more informative and act as a first point of call for any stakeholder to find the information that they require. We would like to see a Public Register that acts as a database holding all the relevant application documents (including maps) and offering full transparency to users. In addition to this we would also like to see a sleeker design that incorporates other tools such as a Frequently Asked Questions (FAQ) page from SF that explains the purpose of the Public Register, outlines the consultation process, provides information about forestry operations, planting targets and the benefits of forestry, and gives answers to commonly asked questions. This would reduce time and administrative burden on routine enquiries whilst provide stakeholders with all the initial information they require providing them confidence in the process.

Once the above is achieved, further information such as decisions and comments (with redacted personal information) could be added and any amendments to Long Term Forest Plans (LTFP). This would allow anyone to access a past application to view a full case history creating a resource where stakeholders could view decisions made on applications and the reasoning behind the decisions made. Data could even stretch as far as current day providing information on routine maintenance work and what to expect to be happening at local sites. The Public Register could then be advertised on site notices and contain a QR code for people to access the information directly. A modernised, update system is long overdue.

13. Forestry grants have been used to stimulate rural forestry businesses by providing support with capital costs. Do you agree that this has been an effective measure to stimulate rural business?

Yes

a. How could this approach be used to support further forestry businesses?:

We agree that forestry grants have been successful in stimulating rural forestry businesses by providing support with capital costs and we would like to see them continue to be supported. Where grant applications have been successful, they have stimulated the expansion of rural businesses and encouraged innovation throughout the industry. The harvesting and processing grant, for example, has seen the funding and purchase of equipment for nurseries that allow mechanisation and automation enabling nurseries to scale up in the production of trees to support planting targets and provide a more attractive workplace for employees.

The process of applications for forestry grants to support capital costs could be adapted to improve further support.

Greater clarity and more equitable application process

There are concerns that the current application process is lacking accessibility to those who don't have specific agent support or haven't had experience in applying to government capital grants before. We would like to see an application process that is dedicated and accessible rather than mirroring internal civil service procurement procedures.

The current capital grants process is also likely to be easier to use for existing businesses who are already accessing grant funding. We would like to see a grant system that is easily accessible/well advertised to new/start up businesses which could provide new routes for innovation, diversification and supply further jobs/wealth building to rural communities.

For grants that have a single assessment period per year we would like to see this revised to include multiple application windows with a greater degree of feedback on applications. For new applicants, or applicants who are less well versed on the assessment criteria, it may be that their application gets rejected on a technicality which could be easily improved upon and resubmitted. We need to see better feedback for failed applications to allow applicants to determine their chance for success on a re-application and allow for multiple application opportunities per year as, if an application has been rejected on an improvable technicality, then the applicant has to wait 12 months to resubmit. This can cause insurmountable delays and prevent innovation and progression for small businesses that may not have other means of procuring capital items. In addition, businesses have evolving requirements and an applicant may not realise a requirement until after the assessment period has passed, again resulting in up to 12 month delays for re application. Smaller businesses and new business are likely to have a faster progression rate and realise the need for equipment throughout the year.

More pragmatic application assessment

The current application assessment process needs to be more pragmatic and develop a better understanding of the objectives of its applicants. The bureaucracy of the current application process can deter applications. For example, the requirement to provide three quotes for the purchase of machinery or equipment isn't always appropriate. For specialised practices, sometimes there is only one provider or, where the business is looking for further equipment to add to a pre existing set up, specific equipment is required for compatibility with existing equipment. The application needs to adopt a pragmatic approach to these situations and allow applicants to provide a note of justification where three quotes are possible. Applicants are knowledgeable in their areas of expertise and grants need to give credit to this in their assessment.

b. How could this approach be used to support further skills development?:

It is Confor's view that skills development should not be made into a side aim of FGS but should remain the focus of dedicated groups such as the (Industry Leadership Group) ILG which brings together public, private and education sectors to address the skills gaps.

However, the FGS could support skills development by adding funds to capital grants to cover costs associated with hiring and training apprentices such as providing funding for items such as PPE and personal tools. These start up costs are not currently available elsewhere and are being absorbed by companies. For example, providing funding to cover the costs of a new clearing saw (~£500) and required PPE (~£150) would ensure appropriate provisions were made to enable a new apprentice to begin work/training immediately. For a small business it can take a while to recoup the value on this type of equipment due to the additional costs associated with training provision, additional supervision and a lag phase for an apprentice to get up to speed on a particular task. A capital grant to cover equipment would be an incentive for smaller business, who may be other wise unable, to provide training provision and apprentice positions

14. How could the FGS processes and rules be developed to encourage more companies and organisations to provide training positions within the forestry sector?

Please explain your answer in the text box.:

Confor believes that the rules should not be changed to affect the supply of labour. In order to support rural businesses, the FGS needs to give longer term certainty to landowners and managers. This would then allow businesses to expand naturally and enable them to provide more training positions and apprenticeships.

The approvals process experiences long, and often unnecessary, time delays (see further detail in question 5). This effects all parts of the supply chain including nursery production, planting, management and harvesting resulting in companies and organisations being unable to plan ahead for the provision of employment. Uncertainty of workflow in both the short and long term hampers expansion. If businesses received clarity on processes and timeframes, they would gain confidence that the industry is being supported to reach yearly planting targets and would be encouraged to provide a greater number of roles and create more long-term employment which would naturally include training provision. In times of certainty, businesses are also more likely to take on apprentices and new entrants to the industry as a stable, well provided for workforce creates opportunity for skills to be passed on.

The FGS also needs to provide a greater financial payment for applications and meet current inflation rates for the provision of capital items (see question 5). Where businesses are already struggling with the rates provided by the FGS, they will be unable to provide additional employment and, particularly, training positions. Increased rates would also mean that businesses could offer higher salaries to employees enabling them to retain both experienced staff and staff that they have recently invested training provisions into. One of the biggest challenges the forestry industry is currently facing is a shortage of skills, and forestry businesses want to be in the best position they can to retain employees and prevent them from taking their transferable skills to other land-based sectors. The creation of jobs also directly correlates with the amount of wealth forestry can provide to rural communities in terms of employment (see question 10 for further detail). With higher rural employment rates and certainty of employment, local communities will be better able to afford housing options in their local areas and, in turn, spend their earnings at other local businesses. By investing more into woodland creation and management, the FGS and the Scottish Government will be directly investing in community wealth building.

Confor would like to see the formation of more apprenticeship schemes in support of forestry, however we believe that the FGS is not the place for this. If funding from the FGS were to go towards training positions we feel that it would detract from the main purpose of the FGS which is to "offer financial support for the creation of new woodland and the sustainable management of existing woodland". We also do not see a fair mechanism by which the FGS could be able to encourage the provision of training positions as not all businesses are in a position to be able to take on apprentices, for example some

forest managers do not have direct labour, and could end up forfeiting additional income that has been removed from the original FGS offering in comparison to their competitors. This could have a negative effect and discourage smaller applications from going ahead where businesses do not feel able to meet the grant requirement in regards to training provision and further exacerbate the deficit in yearly planting targets. We do not see that under the current offering that the provision of funding to encourage training positions would be sustainable and instead funding should continue to go towards the FGS primary purpose. The FGS, however, could support the employment of trainees/apprentices by offering companies assistance with capital costs (see question 13b)

5 - Forests Delivering for Biodiversity and the Environment

15. The primary purpose of FGS is to encourage forestry expansion and sustainable forest management, of which a key benefit is the realisation of environmental benefits. How can future grant support better help to address biodiversity loss in Scotland including the regeneration and expansion of native woodlands?

Please explain your answer in the text box.:

Confor and its members understand the importance of realising environmental benefits during woodland expansion and sustainable forest management to create ecological resilience and address biodiversity loss. Future grant support could be improved to better address biodiversity loss in Scotland including the regeneration and expansion of native woodlands.

Herbivore management

One of the key issues in addressing biodiversity loss is the management of herbivore impacts particularly those caused by deer. Deer browsing is detrimental to the establishment and regeneration of woodlands, especially woodlands containing highly palatable species which encompasses native broadleaves. High deer levels need to be brought down and managed at a landscape scale. Mixed land ownership makes this difficult to tackle, especially where there are multiple, and sometimes conflicting, land uses. Grant support needs to provide a greater degree of flexibility to allow land owners and managers to address the impact of deer based upon the site and landscape conditions that an application resides in. We would like to see grant provision for deer management and control as part of the standard grant offering – see question 16 below.

Regeneration and native woodland creation incentives

We would also like to see more regional forestry strategies and targeted funding to aid in achieving government visions. Woodland creation for specific biodiversity and environmental objectives, such as woodland creation in Capercaillie areas to increase suitable habitat, or the creation of native riparian woodland that increase water quality, lower summer water temperatures and provide flood protection, often incurs higher costs associated with establishment and management. We would like to see clearer strategies and objectives, higher grant and intervention rates and specific regional funding where aims are geographical such as challenge funding or national park incentives.

To fully turn the tide in terms of biodiversity loss we cannot purely focus upon woodland creation without recognition of existing woodland that requires repair. Current regeneration grants are not an efficient incentive. Eligibility and support levels need to be improved within the FGS with grants being tied in with wider land use. As per question 5 we would like to see the category “Declining Native Woodland” classified under new woodland creation support to better incentivise the need to restore existing, biodiverse woodlands.

Biodiversity in productive woodlands

We need to establish far better evidence on the biodiversity benefits of new productive woodland, and of productive forest managed against the UKFS criteria. At present it is a common perception that productive woodland deliver little or no biodiversity benefit, however the forest industry is constantly reacting to wildlife constraints in mature woodland suggesting that the biodiversity benefit is actually poorly understood. The creation of productive woodland on previously depleted land can increase levels of biodiversity. Biodiversity in productive woodlands play an important role and this should be recognised and accounted for when realising government ambitions. Confor would like to see an independent assessment of biodiversity within Scotland's productive woodlands.

16. Herbivore browsing and damage can have a significant impact on biodiversity loss and restrict regeneration. How could forestry grant support mechanisms evolve to ensure effective management of deer populations at:

Landscape scale?:

At a landscape scale it is imperative that we bring deer numbers down to limit herbivore damage, address biodiversity loss and realise other environmental benefits (see question 15). We would like to see a funding provision for deer management within the standard grant options (Woodland Creation, Sustainable Management of Forests, Woodland Improvement Grant, Agroforestry) that offers flexibility for the funding to be used towards the best method of tree protection based upon landscape/site conditions. This option would see a flat rate provided within the existing grant aid and reduce the necessity for laborious applications to the Reducing Deer Impact grant. The funding under this option would be available to use for either deer fencing/protection or to employ a professional controller for targeted control of deer levels and this decision would be down to the applicant based upon their expertise and knowledge of the site and landscape conditions. The current method of deer population assessment (dung counting) for the deer reduction grant is inaccurate and the application incurs a high degree of administrative burden. A inclusive rate within existing grants would make funding more accessible and encourage jobs due to an increased number of professional deer controllers being employed. Land owners, managers and communities need to work together to decrease deer numbers. A capital grant for the installation of communal deer larders would encourage deer control and allow meat to be processed to the benefit of local communities.

The FGS needs to encourage deer control in all woodland types past establishment phase. Better control of deer numbers result in greater species diversity in woodlands and the ability to plant softer conifers and broadleaves. High deer numbers acts as a barrier for using alternative species.

Small scale mixed land use?:

As above we would like to see a funding provision for deer management within the standard grant options (Woodland Creation, Sustainable Management of Forests, Woodland Improvement Grant, Agroforestry) that offers flexibility for the funding to be used towards the best method of tree protection based upon landscape/site conditions. Although we would like to make it easier to access grant money to use towards deer control, where there are mixed land uses and conflicting priorities, retaining the option to use deer fencing and tree protection is an absolute necessity for establishment. Again, it should be down to the land manager/owner to decide what is required and we feel that, if the standard grant rate is used for fencing, additional funds for deer control should still be accessible (Reducing Deer Impact grant) to continue to aid in lowering deer populations, especially where there is mixed land use. As above, we would like to see a capital grant for communal deer larders to encourage neighbours to work together. This, in combination with promotion of local deer management groups could allow for better cohesion. For any incentives under forestry to be successful for deer management, similar schemes need to be introduced for agriculture and other land uses to allow for landscape scale change for mixed land uses.

Alongside deer management, the management of other herbivores needs to be improved. We would like to see a pragmatic approach to grant funding that allows for combination deer and rabbit fencing rather than existing as two separate grant options and allow applicants to opt for a lower specification based upon needs. For tree tubes, if the policy is to move away from plastic tubes we would like to see incentive and encouragement for this change through the FGS. We would also like to see grant provisions for the removal and correct disposal of historic plastic from sites.

If you wish to make any other relevant comments, please do so in the text box below.

Please add your comments here.:

Confor has interpreted the scope of this consultation as being technical in nature and targeted at a limited range of issues, and this has informed our response and that of businesses in the sector. If Scottish Government is minded, after this consultation is closed, to consider an additional action that could have significant impact on the operation of the grant scheme then we would want to be made aware of that at the earliest opportunity and given the opportunity to input to that in light of the wider impacts. This would include any changes in terms of eligible land.

About you

What is your name?

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Are you responding as an individual or an organisation?

Organisation

What is your organisation?

Organisation:
Confederation of Forest Industries (Confor)

Scottish Forestry would like your permission to publish your response. Please indicate your publishing preference:

Publish response with name

We may share your response internally with other Scottish Forestry policy teams who may be addressing the issues you discuss. They may wish to contact you again in the future, but we require your permission to do so. Are you content for Scottish Forestry to contact you again in relation to this consultation exercise?

Yes

I confirm that I have read the privacy policy and consent to the data I provide being used as set out in the policy.

I consent