

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.:

TreeStory is an independent forestry consultancy working across Scotland. We work with a wide range of land managers, from large estates to community woodlands and farmers. We undertake all aspects of forestry advice, including natural capital advice. We have worked on landscape scale woodland creation projects across Scotland. We are also involved in developing long term forest plans for clients as well as woodland restoration projects in designated sites.

It is important that forestry is seen as part of integrated land use to build professional bridges between the many strands of land use, however the specific detail of forestry grants need to be unique and tailored to forestry requirements. Forestry has a unique regulatory framework and it is important that forestry applications are assessed by Scottish Forestry, the sector specific regulatory body who have the specialist knowledge appropriate to assessing forestry grant applications.

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

Yes

Please explain your answer in the text box.:

The Scottish Government agencies could provide better cross-promotion and cross-training of the elements of other land use grants which touch on trees. For example, more information needs to be provided to foresters about farming grants which might include the planting of hedges or small woodlands. Better integration of the Rural Payments and Services website, so that farming options that include trees are also listed with the forestry grants, would help to ensure greater visibility of these options.

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.:

The biodiversity and climate crises are inextricably linked. To achieve net zero we need to plant more trees. To ensure that our woodlands are resilient to future climate change we need to plant diverse woodlands. The support package for forestry should focus on evolving in such a way that it promotes biodiversity and removes market factors that encourage less climate-friendly behaviour.

Specifically:

- Remove the WIG grant for Delivering UKFS Woodland – this grant only requires applicants to comply with the minimum standard which is already required under the UK Forest Standard. Areas planted with 75% of a single species are not likely to be resilient to future climate change challenges. Removing this grant would create a significant boost in the diversity of our restocked forests.
- Remove the Conifer option under the Woodland Creation grant – similarly this grant only requires minimum compliance with the UK Forest Standard. All mixed commercial woodlands climate ready for the future could be planted under the existing diverse conifer option. Removing this grant would significantly improve the diversity and resilience of our future forests.
- The policy on the selection of suitable native seed zones set out in the Seed Sources for Planting Native Trees and Shrubs in Scotland published in 2006 should be reviewed and revised in light of our growing knowledge about the rate and impacts of climate change. On non-designated sites, it may be more important to create future climate ready woodlands with more southerly seed zones that is currently generally permitted as part of our ongoing mitigation adaptations.

Consideration might also be given to how to recognise where infrastructure issues make harvesting activity economically challenging and how to target these projects for additional support to drive active forest management in woodlands which might currently be unmanaged and therefore not fulfilling the same potential that managed woodlands can in response to the climate emergency.

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,

No

Please explain your answer in the text box.:

Grant support should be the level playing field foundation which is equally accessible to all. Private finance will always be preferentially available to some landowners more than others. In our experience, private finance companies are looking for large scale projects where they can demonstrate large impacts quickly. Small projects, or projects involving lots of owners are much less attractive to private investment but still have a vital part to play in fulfilling Scotland's forestry and climate change policy objectives. Private finance will also always want to know with certainty what the grants available area – therefore uncertainty or 'flexibility' in what the grant rates might be will put them off investing.

We believe the focus should be on providing a baseline of good grants which focus on the public objectives of the Scottish Government while private finance is used to top up this funding and fund additional activities which are beyond the scope of the grants. For example, private finance can fund things like monitoring, research projects and maintenance projects which are understandably difficult to fund through public money.

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.:

The current funding package could be stimulate more woodland expansion and more diverse woodland types if:

- The maximum area limits on the Native Low-density Broadleaves option was removed. We are aware of multiple cases where the total area that could have been planted under this option was significantly larger than was allowed under the current rules. In some cases, landowners have opted to plant these areas with volunteers, in other cases these areas have been included in the fence enclosure in the hope that they might magically regenerate. Some areas that could have been planted under this option have just been ignored as it would not have met these restrictive rules.
- All applications to the Restructure Regeneration grant were capped at 20 ha. Clear fells over this size would generally have received sufficient timber income to support the restocking. This would encourage more people to keep the size of their felling coupes small, which reduces erosion, prevents loss of soil carbon and reduces disturbance to habitats. The grant rate for smaller restock sites (<5ha) could be increased to reflect the fact they are likely to be uneconomic and therefore to encourage active management where it is not financially attractive.
- The current LISS SMF grant only covers deer control and management planning. A more extensive list of potential operations required under LISS and more attractive grant rate would help encourage LISS management which has many positive benefits for carbon storage and improving biodiversity. The example of the LISS grants in Ireland (<https://www.gov.ie/en/service/d54212-woodland-improvement-scheme/#what-the-continuous-cover-forestry-scheme-is>) seems to be generating a game changing shift in positive management activity.

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?

Yes

How can the grant scheme support this?:

- Remove the WIG grant for Delivering UKFS Woodland – this grant only requires applicants to comply with the minimum standard which is already required under the UK Forest Standard. Areas planted with 75% of a single species are not likely to be resilient to future climate change challenges or the impact of pests and diseases. Removing this grant would create a significant boost in the diversity of our restocked forests which would improve its resilience in the face of an uncertain future.
- Remove the Conifer option under the Woodland Creation grant – similarly this grant only requires minimum compliance with the UK Forest Standard. All mixed commercial woodlands climate ready for the future could be planted under the existing diverse conifer option. Removing this grant would significantly improve the diversity and resilience of our future forests and reduce the potential impact of future pests and diseases.

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, Flexibility within options, Support with cashflow, Information on how current land use could continue with trees integrated throughout

Are there others not listed above?:

In our experience of discussing woodland creation options with farmers, a key sticking point is the length of commitment. Farmers are used to working on annual cycles or crop / livestock production and find the long term nature of forestry off-putting. They are also well aware that grant and policy changes happen on a regular basis so they worry that if they make a long term commitment now, a better option will come up in a few years time and they will have missed out.

To help with this we would suggest:

- Creating a long term framework and expectation of the nature of farming grants so that farmers can have confidence to make a long term decision (covering at least 15 years)
- Provide very clear information (on the forestry grant website) of how applications under the Forestry Grant Scheme interact with other grant income that farmers may be receiving.

We have also experienced long delays with securing support from the Crofting Commission for woodland creation applications on grazing commons, even where these have the full backing of all members of the grazing committee. In one example, a case has now been waiting for approval for more than

a year despite being approved through public consultation and by Scottish Forestry. A framework agreement with the Crofting Commission similar to the agreement that exists with NatureScot and other key consultees could help to improve this situation.

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.:

One of the key barriers to the management of small woodlands is lack of access infrastructure. Without infrastructure capable of being used by modern lorries and machinery, management operations can become prohibitively expensive or technically impossible.

A more flexible infrastructure grant (along the lines of Sheep and Trees but with fewer qualifying restrictions) would enable more woodlands (including existing woodlands) to gain useable access infrastructure. Although there is some funding for road infrastructure available through the Timber Transport Forum, this is restricted to projects which benefit multiple owners. This means that individual owners with landlocked timber often have nowhere to go for support.

The scoring of small woodlands as part of the grant application process for woodland creation could be less weighted towards large schemes, in terms of scale of delivery and value for money. To preserve the value for money, additional positive scoring could be used to account for the added value small woodlands may make to potential habitat networks. A long narrow woodland is expensive to create, but if it links vital habitat then the public good is significant.

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.:

One of the major barriers to creating woodlands in urban and peri-urban areas is the significantly increased burden of carrying out meaningful consultation in these locations. Additional consultation activities such as drop in sessions or site visits with local community groups are more likely to be required to build support for land use change and deliver a successful application. The provision of a lump sum grant to support such additional consultation activities would help to support the development of more projects in these areas.

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 wealth that rural communities generally derive from woodlands is access to the natural capital resource. It supports recreation, tourism and possibly produces timber products. To realise greater benefits, there should be a greater presumption that the general public can have access to areas funded through public money. Landowners should not unreasonably restrict access so that the public can generate the value from the woodland as they see fit.

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 public registers for grant applications is not exactly user friendly and not widely publicised. Recent research, for example Stakeholder Engagement to Inform Development of a Regional Woodland Creation Framework by the Borders Forest Trust, has emphasised that local communities need time and knowledge in order to make an informed choice and informed contribution to the development of forestry projects.

Moving the language from 'consultation' on a developed plan, to 'collaboration' on a plan still to be developed could be a significant indicator of a willingness to listen. However, to do this effectively, landowners would need to be supported financially to take the time to co-create projects. There could also be a role for professional facilitators to help deal with mis-conceptions and ensure that all voices are given a fair hearing. More face to face and on-site visits should be encouraged so that proposals can be viewed in context.

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.:

Currently, the pre-application process is carried out largely at the discretion of the applicant. This creates a wide variation in the quality and process of consultation. Case officers may be consulted and provide advice at this stage but they have no formal role as the 'case' does not theoretically exist yet.

If the pre-application consultation process was formalised, the Scottish Forestry case officers would be able to take a more active role in supervising the standard of the consultation and providing early guidance to applicants. This would also enable greater transparency and accountability within the system and create a level playing field for all applicants.

We understand that Forest and Land Scotland has a platform which allows them to share consultation documents and tracks updates made to the plans based on feedback. A similar system accessible to grant applicants might be a good investment.

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?

No

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

In our experience:

- the items that can be applied for are quite restrictive. This limits uptake as the permitted uses are limited.
- The grant criteria are too tight. Several contractors have discussed applying for this grant with us and then pulled out as the process was not flexible enough to meet their needs or the process was so complex that they could not work out if they were eligible or not. A broader approach would open it up to a wider range of forestry businesses who are looking to invest capital and grow their businesses.
- Most businesses looking for capital investment will struggle with cashflow. Although the grant may help cover some investment costs, if the business does not have the capital to cover the initial investment then they are of no use. If the grants were restructured so that they could cashflow investment in advance then they would be more successful in driving innovation and investment.

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

Upfront funding support for students wanting to take on forestry courses could help increase student numbers.

Financial support for businesses that are thinking of taking on a graduate or mid-year student would also help. This funding could be used to prepare policies and training structures so that business are ready to take on a student or apprentice. Currently many businesses are very small and have no experience of working with students.

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.:

A grant to businesses that take on a mid-year student or apprentices would help to make it more accessible to a wider range of businesses. Graduates may be expected to produce a return to the company, but most apprentices and mid-year students generate little or no income to the business.

Grant funding to businesses to develop programmes for mid-year students or apprenticeships would also help to build the capacity within the industry and ensure that the placements are of high quality.

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.:

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- Uptake of natural regeneration funding could be improved by building in future potential payments for regeneration further than 50m from a seed tree. The process used by the Woodland Carbon Code could be adopted, where the area within 50m of the seed tree is up front claimable but a wider area is included in which you might reasonably expect regeneration over the next 20 years. This would make regeneration projects much more financially viable.

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?:

A grant could be provided to facilitate the creation of deer management groups in lowland areas where they do not currently exist. These groups have proved useful for co-ordinating approaches and opening discussion on areas of conflicting interest.

The provision of a specific grant for professional deer management at a rate which more accurately reflects the costs of deer management would not only be more financially attractive, it gives more professional recognition to deer controllers.

Small scale mixed land use?:

Grant support for tree tubes should continue but the specification should be adjusted to favour the use of biodegradable products.

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

Please add your comments here.:

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:

TreeStory

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

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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.

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