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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.:

It is right that grant support for forestry should be reviewed and improved to ensure the right trees are planted in the right place. This is also why it is important for forestry grants to be included as part of the overall package of support for land management. An integrated support package is more likely to consider all the demands on Scottish land and support the most appropriate management for that land.

Forestry of all forms has a crucial role to play in delivering benefits for the environment, society and economy. The grant programme for forestry must provide options for small- and large-scale planting, native trees, commercial forestry and important ecosystems like Caledonian pine stands, montane planting and the temperate rainforest.

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.:

There is currently a binary choice for funding. Going forward funding should be presented alongside other funding options to enable land managers to made coherent decision that are most suitable to their land and wider business objectives. We know from landscape scale projects that there are often multiple funding options available that if used together would generate sufficient funding for the project to be successful and deliver multiple benefits. The lack of knowledge of available funding streams has been known to stall projects, we see the regional land use partnerships as an option for sign-posting available funding to land managers.

Including more support for smaller scale woodland creation, agro-forestry and other land sharing practices may encourage greater uptake by farmers and crofters. It must be noted that grant rates have not been reviewed for several years and this disparity between actual costs and rates is now a major barrier to application.

One of the main barriers for farmers would seem to be the inability to return land to food production once it has been converted to woodland, this creates a barrier as it is a very long-term decision with no option to change.

Another significant barrier for smaller scale planting is the volume of paperwork required, a lower level of administration paired with increased rates would go a considerable way to encouraging increased planting.

One example of an issue being faced by new entrants and smaller farmers is under the new woodland creation scheme. The land used for the new woodland must have generated or been capable of generating a Single Farm Payment Scheme payment under the 2008 scheme. This means that the land must have been claimed for Single Farm Payment in 2008 and the business which claimed the land must also have held Single Farm Payment entitlements. This has become an issue for new owners who then discover that previous occupants did not meet this requirement, meaning they cannot claim the BPS along with the woodland creation. In one case a new entrant in 2021 was issued new entitlements and had the land inspected which was deemed that the land was BPS eligible. They have now entered into a woodland creation scheme, planted the land and this issue has only come to light when completing their SAF.

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.:

There are many ways that the support package for forestry can be utilised in the future to help tackle the climate emergency, achieve net-zero, and ensure woodlands and forests are resilient to the future climate.

There is a danger that we focus solely on planting to address the climate change crisis and lose sight of the other multiple benefits trees/woodlands/forests deliver. Support programmes must consider the biodiversity crisis. It would be easy to assume that planting as many trees as quickly possible is the solution but that is not the case. We must make sure to balance enhancing biodiversity with the goal of achieving net-zero. Fast growing commercial timber with its rapid sequestration will be appropriate in many parts of Scotland, in the same way that other parts of Scotland will be more appropriate for riparian planting, montane planting, rainforest restoration and native broadleaves. It is also important to ensure current and future

forested areas are supported to become more resilient and adapted to future climactic conditions, through research and management.

A target for specifically planting on tributaries vulnerable to temperature change should be adopted as a fundamental addition to the current categories used in FGS scoring criteria.

At present riverbank woodland creation is not favoured by FGS, the system lacks the flexibility. Under the current scheme riverbank woodland creation score low on "value for money" because they are necessary linear in nature and require a relatively high capital input in relation to the area planted. The benefits of reduced flooding downstream and improved biodiversity for nature should be valued higher than they currently are.

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 you answer in the text box.:

SLE would support a scheme which looked at the potential private finance of projects and tailored public support to suit. The role of public support should be to fill the gaps to provide public benefit where private markets do not operate sufficiently. This has long been the case, however with the emerging carbon markets this has seen large return being possible without the need for public finance.

There do however remain cash flow issues in woodland creation, prior to the ability to sell carbon credits or timber. It may be preferable for these situations to provide a loan facility to fill this gap, repayable upon the receipt of other commercial income.

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.:

We want to see a reduction in the bureaucracy involved in applying for forestry grants. Simplifying the application process would provide increased value for money both for the public and land managers.

From initial proposal, through to eco survey work, planning then grant suitability can easily stretch into 3 years plus before a tree is even planted. It is of course important that a reasonably robust process is followed in terms of suitability (to avoid deep peat for example) It must be possible to trim this timeframe down. We have seen already this year tree nurseries having to destroy stock because schemes are not going through quickly enough and the trees cannot be stored. These long timeframes might be valid for larger schemes which have a major landscape impact, but we strongly urge there to be consideration for a 'fast track' option for small schemes. Whilst such small areas might seem to not be a major contributor to government targets it is a case that every little helps – small schemes like this would then easily fall into the reach of crofters, community groups etc. For large scale landowners it would also mean existing plantings could be joined up much more easily.

There is a huge opportunity to reduce barriers for crofting and farmer applications, this should be included alongside more advice on how trees can work in a farming business. The 'trees on farm' initiative is a great example of this already and should receive more funding.

Specialist knowledge and support are essential for ensuring that the right management is being undertaken. Protected Areas is an example. Land managers need to be engaged with and supported to identify conservation goals. To ensure 'buy-in' we need to ensure there is an understanding of the reasons behind any prescribed activity and identify simple measurements that indicate the target outcomes are achieved thus encouraging stewardship.

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?

Not sure

How can the grant scheme support this?:

There is already a series of requirements linked to grant support, it should first be considered if these are sufficient. Provided plans adhere to UK Forestry Standard which already considers these requirements that should be sufficient. We would encourage improved advice for land managers on the sort of activity that would improve the resilience of their trees to climate change, pests and disease. We also strongly support increased research on measures that could be taken to increase resilience to climate change, pests and disease.

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?:

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.:

Current grants are not enough to make smaller schemes attractive, neither is the administrative burden. The current grant rates have not been reviewed for nine years, with inflation at its current high rate it is time that rates were reviewed, and this should be a regular thing going forward. As previously mentioned, there are also issues with woodland creation grants and farming subsidy interaction which will limit the uptake of schemes further.

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.:

It is important that local communities and tourists have access to trees, we know access to nature is important for mental and physical health. There are several ways in which urban and peri-urban access could be encouraged through the FGS. This includes support for the provision of outdoor nurseries, forest schools, carparking sites, provisions for educational visits etc.

For example, Duffus Estate hosts a Forest School Nursery which aims to have children outside for at least 80% of the time. The Estate provides office space for the nursery as well as the necessary grounds maintenance to ensure the safety of children and staff. Other estates facilitate outdoor learning 'classrooms', such as Dunecht Estate, which has been involved in the establishment of three forest school areas for local primary schools. Staff of the Estate also visit the forest schools to pass on their knowledge and experience to pupils.

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.:

Unlike the steady income that can be generated from wind farms, forestry takes longer to realise its income, as trees grow this creates the opportunity for longer-term returns through local harvesting and processing forestry along. There are opportunities for community initiatives like paths, car parking, tourism, outdoor activities, local firewood schemes or woodlots. If this were to be encouraged as part of the application process, then the added benefit would be increased community involvement which would go some way to managing expectations of planting and addressing local concerns.

Better use could also be made of the public register to help community groups work out what could be done. For this to work more data will need to be available to community groups.

Official statistics show there are nearly 1.0 million hectares of privately owned forest and woodland in Scotland. Publicly available research suggests almost half of this is part of a rural estate. The economic impact of estates' forestry operations was estimated using figures published by the forestry sector on the economic impact of forest operations. Using these figures, it was estimated that estate forestry operations generate around £20 million GVA/year for the Scottish economy and directly support around 490 jobs.

This does not take account of related activity such as planting, harvesting, haulage and processing, much of which is undertaken by independent contractors. These activities are a mainstay of many rural communities, providing secure and relatively well-paid employment.

Our research shows that Estates' forestry operations also create significant demand for related forest industries. This includes activity associated with harvesting, hauling and processing timber. While this cannot be fully attributed to estates, without the timber provided by estates, a significant proportion would not take place. The impacts of this activity were based on data from a study commissioned by the Scottish Government on the economic impact of the forestry industry. Using this data it was estimated that the economic impact supported by estate forests was £143 million GVA and 3,630 jobs.

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.:

It is important that communities are involved in the development and approval of forestry proposals, but it is also important that the already lengthy process for application not be extended further. Local consultation already happens, and this should continue and the time scales for response must be adhered to. There are examples of schemes being delayed because of a small minority of dissenting voices, yet the application is sound. There needs to be clarity on the process for a final decision on such schemes, this is not currently understood. We think that regional land use partnerships would be an excellent forum for improved local engagement on forestry plans along with improved use of the public register.

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.:

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?:

Support for capital costs is a useful method of support for forestry businesses, we would support this continuing and expanding to other forestry businesses. We also encourage a regular review of rates to ensure the buying power remains the same.

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

Rural skills development is a crucial part of a successful forestry sector. Capital grant support for equipment, training facilities and other necessary items would be welcomed.

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.:

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.:

As explained in previous answers there is a lot of work that could be done to improve smaller planting schemes that would act as bridges between existing planting along with smaller native woodlands on farm. All these schemes would benefit from reduced administration and a review of the payment rates. The current grant scheme does not fully account for the biodiversity value of a smaller planting scheme or things like river woods. This needs to be addressed. Equally there is more that could be done to facilitate landscape level multi-owner projects which would deliver more for the environment.

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?:

Flexibility in the use of the grant rate for fencing to include use for management would provide a greater incentive for the management of deer. There is also an opportunity to make better use of the venison that results from deer management. Community projects such as a deer larder could be encouraged to create a local market for a nutritionally valuable food stuff. It would also be a good idea to consider an incentive for land managers to work with their neighbours at a landscape scale to manage deer thus ensuring those with a sporting interest can exist alongside those with forestry interest.

Small scale mixed land use?:

Fencing combined with active deer management is likely to be required for small scale mixed land use. Again, an incentive to work with neighbouring land holding is a sensible approach as is expansion of the grant rate for fencing to include management.

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

Please add your comments here.:

The upcoming Agriculture Bill and the agricultural reform programme presents an opportunity to ensure that support for forestry continues and it is able to deliver for the environment, society and economy. This consultation is welcomed but it must be noted that the agricultural bill could provide powers for ministers to go further or do things differently. This results of this consultation should be considered further when the extent of the bill is better known. It is important that grant schemes are regularly reviewed to ensure they remain relevant for the sector and society.

The sector continues to be rightly concerned about Infrastructure issues along with plans for biosecurity and tree health. Communication needs to be improved between Scottish Forestry and those land managers who are not forestry experts.

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Are you responding as an individual or an organisation?

Organisation

What is your organisation?

Organisation:
Scottish Land and Estates

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?

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