

**MINUTES OF THE CUSTOMER REPRESENTATIVES GROUP  
MEETING  
SILVAN HOUSE, EDINBURGH – 27 MARCH 2018**

**Attendees:** Douglas Wright FCS (Chair am), Brendan Callaghan FCS (Chair pm), Keith Wishart FCS, James Nott FCS, Keir Smith FCS, Jamie Farquhar Confor, Mark Hamilton Social Forestry, Jim Colchester Confor, Gordon Gray Stephens Community Woodland Association, Andrew Vaughan ICF, Peter Jones SRUC, Jim Knight Scottish Borders Council, Jill Aitken Link, Nander Robertson RSFS

**Apologies:** Jim Dewar FCS, Jonathan Hall NFUS, Ian Davidson SGRPID, Alan Farquhar SEPA, Sian Williams LINK, James Hepburne-Scott RSFS Rodney Shearer Confor (Nursery Group), Tom Davies FCS, Andrew Midgley Scottish Land and Estates, Alison Grant FES

**1. Introduction & Minutes from 29 November 2017**

Douglas welcomed everyone to the meeting and the minutes were accepted as being an accurate account of the November meeting.

**2. Matters Arising**

<b>Action Date</b>	<b>Action/Matter arising</b>	<b>Update agreed at March 2018 Meeting</b>
Nov 2016/3	Delays to annual payments – FCS to formally escalate delays to 2016 payments	One payment is outstanding for 2016 due to business arrangements query. 2017 SAF payments will begin in May with a target of 90% to be paid by September.
Nov 2016/5	Notification issues within RP&S, in particular regarding contract issue	RPID will not review the customer registration system but there is now an option in FGS applications for applicants to identify an agent email to receive information. FCS has requested payments notification to be identified by FGS contract.
Nov 2017/1	CRG members to send further comments on the Ground Preparation Guidance to John Dougan by 15 December	Guidance has been updated with feedback from CRG and FCS staff. Consideration now being given to how best to disseminate to staff and stakeholders.
Nov 2017/2	CRG members to send further comments on Customer Charter to FCS by 15 December	This is now published on the <a href="#">FCS grant web site</a>
Nov 2017/3	Brendan to consider the eligibility of deep peat as part of open ground.	To be carried forward to May 2018 Meeting.

**3. Preparations of the Felling Regulations**

Catherine Murdoch from the Forestry Bill Team and Jonathan Michael Taylor from FCS provided an update on the preparation work to formulate new felling regulations. The existing Forestry Act will be taken as a starting point and Catherine was keen to use existing forestry groups like the CRG and Regional Forestry Forums to help shape the new regulations.

Some of the main challenges are dealing with how to avoid progressive felling and implementation of enforcement notices. Opportunity will be taken to unhitch the obligation to restock a felled area from the need to have an illegal felling conviction.

There will be a 12 week public consultation around the summer 2018 with time constraint challenges to ensure new regulations come into force by preferred date of April 2019.

**Action March 2018/1: Catherine to provide contact mailbox for CRG members to send in any questions on the new felling regulation preparations** [[FutureForestry@gov.scot](mailto:FutureForestry@gov.scot)]

**Action March 2018/2: CRG members to suggest other forestry groups that could be included in pre-consultation discussions**

#### **4. FGS Update**

##### **4.1 February Clearing Results**

Douglas provided an update on the recent February Clearing Round. A total of £3.37m was approved covering 74 options of which £2.9m was woodland creation for 635ha. 85% was for conifer option. The March Clearing would be held next week.

##### **4.2 Summary FGS Statistics**

These are released after each clearing round and the February Statistics show £136m worth of FGS submitted applications since the scheme was opened of which £107m has been approved. This includes 18,493 ha of approved woodland creation.

Pipeline woodland creation figures are encouraging with 2,686 ha of pre submitted for 2018 and 7526 ha already for 2019.

##### **4.3 Budget Position**

The approved grant budget for 2018/19 is £46m - £40m for woodland creation and £6m for woodland management. With the strong demand for forestry grants, it is now clear that the budget for 2018/19 is likely to be fully committed by April/May.

The interest in new planting is particularly high and it is expected to approve over 9,500 hectares of woodland creation for 2018. There is also pressure on other parts of the grants budget with Central Scotland Green Network now closed for 2018 for new applications and Woodland Improvement Grant Habitat & Species and WIAT options also closed for 2018.

With clear pressure on the grants budget, there followed a general discussion on the incentivising of woodland planting and the current attractive grant rates in particular for conifers. There was a range of views expressed. Going forward, FCS will require to achieve value for money within woodland planting schemes to ensure The Scottish Government target of 10,000 ha is achieved within the £40m allocated budget.

James Nott explained the planting targets for conservancies. These are indicative annual planting amounts for Conservancies based on land availability. They are not hard Conservancy targets and will be used as a management tool to review and monitor progress against the national target.

**Action March 2018/3: FCS to provide CRG members with a Woodland Creation Table showing expected outturn hectares by claim year at pre-application, submitted, approved (not paid) and grant paid.**

## **5. Mackinnon Delivery Progress Update**

James Nott gave an update on the Mackinnon Review. Internal FCS staff training events on the new Woodland Creation Applicants Guide were held in Feb/early March with external joint ICF/FCS events for the forest industry in March. These have been well attended with the key messages of the importance of stakeholder engagement and the need for 'due diligence' and of preparing a good standard of application. Members of the CRG endorsed this professional approach

Under the proposed Earned Recognition (ER) scheme, FGS applications would be fast tracked onto the public register in recognition of the professional status of applicants and the high standard of applications expected. There remains a significant amount of work to be done in developing the detail on the ER scheme including any appeals process.

## **6. FGS Future Plans**

### **6.1 Woodland Creation Planning Support**

Ian Cowe who has recently taken up post as G&R Development Support Officer provided an overview on the current thoughts for 'Planning Support'. In recognition that one of the barriers to woodland creation is early cash flow, FCS is looking into providing 'planning support'. This would not be new or additional grant aid with any early support deducted from future payments. Ian requested volunteers from CRG to help with this project.

**Action March 2018/4: Ian Cowe to set up CRG sub group to help consider the Woodland Creation Planning Support**

### **6.2 Standard Cost Review**

Another project for 2018 is to review the standard costs with FGS. This would be limited to woodland creation and woodland improvement grant activities such as rhododendron control.

### **6.3 Brexit Planning**

With Brexit looming, FCS is also starting to prepare a strategy for the future of FGS in relation to Brexit. There is a funding guarantee for SRDP projects where contracts are entered into before an UK exit from the EU in 2019. There is also a pledge to maintain the budget for 'farm support' until the end of the current UK Parliament, however it is not clear what counts as 'farm support'. Ministers continue to push for all Pillar 2 (and Pillar 1) to be guaranteed in full.

## **7. Responding to Timber Supplies in Scotland**

There was a forestry sawmillers meeting with Fergus Ewing in December 2017 in response to the timber supply crisis. This was particularly in south Scotland where mills were operating reduced hours due to lower timber supply. This is a complex issue with felling for windfarm development and the biomass market important strands to the supply issue. There are also clear regional differences. There is a need for more analysis of the felled area data from satellite imagery and aerial photography.

The immediate action agreed was to alleviate timber supply by providing additional flexibility in the Forest Plan approval periods. This was conditional in complying with adjacency UKFS requirements and letters were sent to Forest Plan holders.

The medium action is to finalise the prepared guidance on adjacency from last year.

## **Action March 2018/5: FCS to publish agreed adjacency and species guidance**

### **8. AOB**

- Brendan provided a brief overview of the passing of the Forestry Bill on 20 March 2018. This paves the way to new structural arrangements for Forestry Commission in Scotland by 1 April 2019. Ministers will now establish two agencies of the Scottish Government to deliver Ministers' forestry responsibilities. These will be Forestry and Land Scotland and Scottish Forestry. This represents a change from the planned arrangements which were for Scottish Forestry (SF) to be a dedicated Scottish Government division. There will be a requirement for a Scottish Forestry Strategy by March 2019.
- Jamie Farquhar raised the issue of Diffused Pollution Plans from SEPA. FCS is liaising with SEPA on the thresholds for forestry and Douglas to speak with Maida.
- Jamie Farquhar raised the issue of deep peat. This is a sensitive and important issue and covers new planting and restocking scenarios. Brendan was willing to consider this further.