

**MINUTES OF THE CUSTOMER REPRESENTATIVES GROUP
MEETING
SILVAN HOUSE, EDINBURGH – 22 MAY 2018**

Attendees: Brendan Callaghan FCS (Chair), Douglas Wright FCS , 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, Malcolm Young SRUC, Jim Knight Scottish Borders Council, Tom Davies FCS, Andrew Midgley Scottish Land and Estates, Rodney Shearer Confor (Nursery Group)

Apologies: Jim Dewar FCS, Jonathan Hall NFUS, Ian Davidson SGRPID, Alan Farquhar SEPA, Sian Williams LINK, James Hepburne-Scott RSFS Alison Grant FES, Jill Aitken Link

1. Introduction & Minutes from 27 March 2018

Brendan welcomed everyone to the meeting. The minutes from the March meeting were accepted as being accurate.

2. Matters Arising

Action Date	Action/Matter arising	Update agreed at May 2018 Meeting
Nov 2016/3	Delays to annual payments – FCS to formally escalate delays to 2016 payments	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	Notification of FGS contracts - there is now an option for applicants to identify an agent email to receive information – closed Notification of SAF payments – Jamie Farquhar raised the problem of not being able identify SAF payments with a specific contract when sent to a business accounts with Andrew Watson, Deputy Director for Agricultural Policy Implementation. It is now intended that the payment notification letter which is sent to the business will include specific contract references. Testing of this functionality is not entirely complete but it is progressing well.
Nov 2017/1	CRG members to send further comments on the Ground Preparation Guidance to John Dougan by 15 December	During drafting an implementation plan, some concerns on the guidance have emerged within FCS Action May 2018/1: FCS will re-consult CRG
Nov 2017/3	Brendan to consider the eligibility of deep peat as part of open ground.	Action May 2018/2: FCS planning to refine mapping guidance
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	Supplied to CRG by email on 23 May (in response to Jamie Farquhar). Details also included at Section 8 of the minutes.

	grant paid.	
March 2018/4	Ian Cowe to set up CRG sub group to help consider the Woodland Creation Planning Support	Ian will be in touch with sub group members (Andrew Vaughan, Mark Hamilton, Jamie Farquhar) with project brief.
March 2018/5	FCS to publish agreed adjacency and species guidance	This will be published shortly.

3. Update and Preparations of the Felling Regulations

Gail Rogerson from FCS and Catherine Murdoch from the Forestry Bill Team provided i) an overview of the main aspects of Part 4 of the new Act, which details how felling will be regulated and 2) details on the secondary legislation. The CRG was also split into two groups for discussion on exemptions.

Some of the changes are already set out within the Act and will not be considered in the new regulations but will be supported with guidance. Other aspects will be set out in the regulations and will be included in the consultation in the summer.

The main issues currently identified by FCS and SG to the existing exemptions have been summarised as follows:

- Confusion regarding interaction between forestry regime and the planning regime or the Electricity Act.
- Use of the 5m³ per quarter exemption to legally gradually remove woodland, particularly broadleaves and native woodland. We also experience difficulty in proving an offence has been committed by timber measurement, for example where a site has been completely cleared.
- Removal of young trees and natural regeneration, for example replanted sites or native woodlands expanding by natural regeneration, as they are not 'caught' by the requirement to have a licence to fell. (Although the Forestry EIA regulations offer some protection.)
- Uncertainty over the meaning of some terms e.g. public open space.
- Cost/time required in obtaining a licence for necessary forest management operations, including thinning.

Action May 2018/3: CRG members to contact Gail Rogerson on gail.rogerson@forestry.gsi.gov.uk or Catherine Murdoch on FutureForestry@gov.scot regarding any aspect of the new Felling Regulations

4. Brexit Planning

Current state of play is that there are a number of possible scenarios depending on final Brexit deal. There is a funding guarantee for SRDP projects where contracts are entered into before an UK exit from the EU in 2019.

The short term plan for forestry is that there will be a transition period from April 2019 to end of December 2020 when it is expected that forestry will meet EU rules and receive EU funding.

From January 2021, the aim would be to explore some changes to the forestry scheme and potentially resolve some of the current administrative challenges. Wider SG policy is likely to consider providing a relatively long period of stability for farming support with no immediate changes in the short term.

There was discussion on restocking grants and the requirement for species diversity in claim payments.

Action May 2018/4: FCS to look at species information within new planting and restocking applications

5. FGS Grant Development

- Harvesting and Processing Grant – FCS plan to open an addition round to use remaining 2018 budget and also an early round for 2019 year in order to provide a longer lead in time for applicants. FCS is also exploring a higher financial threshold and the potential of being able to use hire purchase by applicants
- Standard Cost – a selection of costs relating to woodland creation will be reviewed together with rhododendron. FCS highlighted that generally it will be looking to tighten unit grant rates to ensure affordability in achieving programme within grant budget.
- March Fences – feedback from CRG that applying a reduced rate for march fences would generally not be a practical

Action May 2018/5: Douglas to liaise with Lindsay Bisset and agree a FCS line on march fences

- Planting Standards – Gordon Grey Stephens raised the issue of planting standards in the implementation of new woodland creation applications and that the Forest Policy Group (FPG) – an independent think-tank - is taking a keen interest in this subject. FCS and CRG are interested in supporting this work and would welcome any feedback.

Action May 2018/6: Gordon Grey Stephens to report back to the CRG on the FPG field visit on the planting standards during implementation of woodland creation schemes

6. FGS Update

6.1 April Clearing Results

Douglas provided an update on the recent April Clearing Round. A total of £2.7m was approved covering 59 options with woodland creation for 539 ha. The May Clearing would be held next week.

6.2 End of Year Woodland Creation Figures

FCS is still processing and resolving 2017 claim information. It is expected that planting figures for 2017/18 will be around 7,000 ha (including FES) and official figures will be announced in June.

There is 12-13,000 hectares for grant aided woodland planting in 2018/19 with 8565 ha already approved and 2745 ha submitted.

6.3 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 expected that the 2018/19 budget to be fully committed by July.

7. AOB

The following items were raised principally by Confor:

- Update on Pollution Control for forestry activities was sent out to CRG members by Maida. Jamie Farquhar objected to the way this was introduced.
- Malcolm Young, SRUC raised a prior notification case which was taking a long time to resolve. FCS considered that this specific case was best resolved through Confor.
- Data collection for timber supply – no update yet.
- Plant passporting – looking at simplistic way of implementing EU plant regulation for moving timber.
- Board structure for new agency – this work is underway but no decisions have yet been taken.
- SFS – there is a requirement for a Scottish Forestry Strategy by March 2019 as part of the FCS is currently drafting a timetable for preparing and consulting on the new SFS.

8. Woodland Creation data by year in Hectares (end of April 2018)

	2018/19	2019/20
Pre-application	1439	7586
Submitted not approved	2745	2145
Approved and not paid	8565	1441
Grant paid	N/A	N/A
FGS sub -total	12749	11142
Forest Enterprise Scotland	650	650
Grand Total	13399	11792