

# MINUTES OF THE CUSTOMER REPRESENTATIVES GROUP MEETING SILVAN HOUSE, EDINBURGH – 18 SEPTEMBER 2018

**Attendees:** Brendan Callaghan FCS (Chair), Douglas Wright FCS, Keith Wishart FCS, James Nott FCS, Keir Smith FCS, Tom Davies FCS, Lindsay Bisset (pt) Charlie Taylor FES, Jamie Farquhar Confor, Jim Colchester Confor, Rodney Shearer Confor (Nursery Group), Gordon Gray Stephens Community Woodland Association, Andrew Vaughan ICF, Jill Aitken Link, Sian Williams LINK, Andy Mitchell Head of Pillar Two Implementation and Payments (pt)

**Apologies:** Jim Dewar FCS, Jonathan Hall NFUS, Ian Davidson SGRPID, James Hepburne-Scott RSFS, Malcolm Young SRUC, Erika Luukas Scottish Land and Estates, Mark Hamilton Social Forestry

## 1. Introduction & Minutes from 22 May 2018

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

## 2. Matters Arising

Action Date	Action/Matter arising	Update agreed at Sept 2018 Meeting
Nov 2016/3	Delays to annual payments – FCS to formally escalate delays to 2016 payments	2017 SAF payments target was 90% to be paid by September. However, there are some delays on payments caused by remapping issues due to variations and land parcel issues.
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 <b>Action Sept 2018/1: FCS will re-consult CRG (see para 6 below)</b>
Nov 2017/3	Brendan to consider the eligibility of deep peat as part of open ground.	<b>Action Sept 2018/2: FCS to review mapping guidance (see AOB)</b>
March 2018/4	Ian Cowe to set up CRG sub group to help consider the Woodland Creation Planning Support	Looking at a range of options from across SG with aim to introduce a mechanism in 2019. FCS will come back to CRG with proposals.  On the Standard Cost Review – a selection of costs relating to woodland creation are being reviewed together with rhododendron.
March 2018/5	FCS to publish agreed adjacency and species guidance	UKFS compliance monitoring guidance is planned to be launched in October with adjacency/species guidance to follow.
May 2018/4	FCS to look at species information within new planting and restocking applications	Data provided as part of FCS annual statistics. <b>Closed</b>
May 2018/6	Gordon Grey Stephens to report back on the planting standards of	Gordon reported some concern from SWT on planting on specific habitats. Still an active project and FCS advice is to contact

	woodland creation schemes	local conservancy with any issues.
May 2018/5	Douglas to liaise with Lindsay Bisset and agree a FCS line on march fences	Feedback from CRG in May was that the reduced rate for march fences would not be practical. However, FCS is being pressed by audit to implement a march fence rate in line with other SRDP schemes. FCS is currently looking at costs and will build in relevant costs such as existing fence removal.

### **3. Update and Preparations of the Felling Regulations**

Gail Rogerson from FCS provided an overview of the proposals now at consultation which will close on 18 October. Implementation of new regs will be on 1 April 2018 with detailed guidance being worked up.

- Proposed exemptions are based on current legislation with some changes and improvement. Exemptions include:
  - Diameter - one diameter exemption of 8 cms
  - Places including orchards, gardens, public open space
  - Lopping and topping do not require permission
  - Remove 2 m<sup>3</sup> and maintain use of the 5m<sup>3</sup> per quarter except in small native woodland
  - Compliance with Acts of Parliament
  - Electricity operators and planning permissions
  - Dutch Elm
  - Dangerous trees but not nuisance trees
  - Dedication schemes
  - Dead trees but not windthrow
  - Requirement to build in flexibility to tolerance tables within Forest Plan to avoid any negative consequences of new regs
- Applying – regulations set out the minimum requirements required such as contact details, felling map, species, area, timing of felling, restocking and tree density
- Process - will be set out in guidance
- Issuing – written reply with reasons for any refusal
- Conditions – all conditions to meet SFM
- Compensation for refusal – retained as part of new legislation.
- Restocking directions – will be possible to issue a restocking condition without an illegal felling conviction. Facility for a remedial notice.
- Felling directions – will be notified in writing
- Appeals – 2 step process that includes a review by FCS and then involving Planning Reporters

### **4. Tree Nursery Update**

Rodney Shearer presented a Nursery Update entitled: Meeting Planting Targets: The Nursery Perspective

There are 93 FRM registered nurseries in the UK.

95% of trees suitable for supply to forestry is produced by 9 members of the Confor Nursery Group and one member of the HTA Tree and Hedging Group.

The presentation compared expected production to estimated requirements for UK forestry.

Major factors which will affect overall availability are:

- Drought affecting final numbers and size of trees produced
- Higher than normal beat-up requirements
- Increased call for home-grown, UK-provenance forestry trees from the amenity/landscape sectors
- Lack of appropriate seed sources including;
  - Commercial broadleaves
  - Selected pine
  - Improved Sitka spruce seed
- Difficulties in securing good quality/approved seed of alternative conifers and production difficulties
- Overall availability and the increased resistance to the use of imported stock

Future nursery production depends on a stable market, availability of labour, investment and good seed supply. Customers must communicate well in advance, contract grow and accept liability for late cancellations.

HTA highlighted some concern on potential supply issues with some species. However from Confor work on plant supply using nursery returns overall there is a good supply on broadleaves, Sitka spruce and Scots pine which matches fairly well the forecast demand from planting approvals. Although there may be some supply issues on some of the less common 'other conifer' species.

Confor requested some flexibility from FCS when claiming for areas subject to beat up and on specific species requirements. FCS highlighted that this was acceptable in principle but variations would be required which could be complicated where there are complex Schedule of Works and multiple FID's.

#### **Action Sept 2018 4/1: FCS to draft response to HTA**

#### **5. Rural Priorities (RP) – Farmland Premium**

Lindsay Bisset provided background to the recent communication to 1062 RP Farmland Premium contract holders for evidence of their farmer status. This requirement was raised as part of an EU audit from 2016. Currently there have been replies from around 400 applicants and there their payments will now be triggered. Variations will be required to non-farmer rate where applicants cannot provide evidence.

Payments on FGS SAF are progressing with about 40% paid so far. Mapping amendments work has started but is still to be completed.

#### **6. FGS Update**

##### **6.1 August Clearing Results**

Douglas provided an update on the recent April Clearing Round. A total of £8.4m was approved covering with woodland creation for 1800 ha.

##### **6.2 Woodland Creation Figures**

Douglas provided an update table on woodland creation approvals for 2018/19, 2019/20 and 2020/21. 9830 ha of woodland creation FGS

projects have now been approved (this includes 2143 ha that has been planted and paid for) and with FES planting the current approved total is 10480 ha. (See Annex 1)

Increased SG funding has been secured that is sufficient to fund all applications looking for a 2018/19 claim year including any projects that can realistically be brought forward from 2019/20.

FCS is requesting Conservancies to prioritise the 'submitted' proposals for 2018/19 to help maximise the use of available funds.

### **6.3 Cultivation Guidance**

This is still being finalised to provide clear requirements and supportive evidence for some impacts of the cultivation techniques on water, soil carbon and stability issues for example ploughing on steep slopes.

FCS will consult CRG with revised version.

## **7. AOB**

The following items were raised by members:

- Deep peat – Andrew raised the issue of survey intensity to identify deep peat which they current carry out at 50m intervals. Andrew requested further guidance on this issue to ensure consistent standard across forestry sector. FCS agreed to review FGS peat guidance **Action Sept 2018 7/1: FCS to review FGS peat guidance**
- Range of issues from a Confor email including grant claims, plant seed certificates and open ground mapping. **Action Sept 2018 7/2: FCS will reply to Confor email**
- Compensatory planting – Jamie raised the issue of compensatory planting relating to power wayleaves. FCS provided updates on recent examples where new power wayleaves were being introduced in their areas and explained the process of negotiation that takes place. National level discussions were also taking place between FCS and the SG Energy Consents Unit about a national agreement for these projects.
- Heather – Tom Davies raised concerns about planting schemes with rank heather which have not adequately addressed the silvicultural and nutrient challenges leading to poor planting and erroneous claims. As a Conservancy, they will be requesting additional information to ensure that this constraint is being properly addressed.
- SRF – Confor is keen to promote this as a way of increasing wood supply. Currently not permitted under SRDP but there may be an opportunity in the future after Brexit.
- Public Register – Confor raised the seeming requirement to consult neighbours on felling licences. This has been a reaction to some local cases but there has been no nationally change to this approach.

## Customer Representatives Group – 18 September 2018 – Annex 1 Update on Woodland Creation

1. There remains a sustained level of interest in the Forestry Grant Scheme (FGS) since it was introduced in mid-2015. In total there have been £159m of applications submitted including 29,014 ha of woodland creation. £128.4m of applications have been approved including £105m for 23,617 ha of woodland creation with the remaining £23.4m for a range of forestry grants including sustainable forest management, forest planning, tree health and harvesting and processing.

2. **For 2017/18** – Provisional forestry statistics for woodland creation were published in June showing 7,100 ha planted in Scotland. The final version will be available in September with little change expected. Around 60 per cent (over 4,000ha) was 'productive' planting – specifically aimed at growing sustainable timber with 40 per cent native. This was the highest level of productive planting since 2000.

3. For **2018/19** – 9830 ha of woodland creation FGS projects have now been approved (this includes 2143 ha that has been planted and paid for) and with FES planting the current approved total is 10480 ha.

Increased SG funding has been secured that is sufficient to fund all applications looking for a 2018/19 claim year including any projects that can realistically be brought forward from 2019/20.

The final planting figure will be dependent upon delivery by FGS contract holders, which could be influenced by weather conditions and the availability of trees from nurseries.

4. For **2019/20** – there is sustained demand, with a healthy level of 8793 ha of pre-application cases together with 3389 ha submitted and 3685 ha at approved stages.

5. For **2020/21** – there is 4115 ha of pre-application cases with around 413ha of submitted/approved applications. From 2020/21, the annual woodland creation target increases from 10,000 to 12,000 ha with a further increase to 15,000 ha by 2024-2025.

### Woodland Creation data by year in Hectares (end of August 2018)

	<b>2017/18</b>	<b>2018/19</b>	<b>2019/2020</b>	<b>2020/21</b>
Pre-application	0	456	8793	4115
Submitted not approved	0	2149	3389	273
Approved and not paid	0	7687	3685	140
Grant paid	6271	2143	N/A	N/A
<b>FGS sub -total</b>	<b>6271</b>	<b>12435</b>	<b>15867</b>	<b>4528</b>
Forest Enterprise Scotland	865	650	650	650
<b>Grand Total</b>	<b>7136</b>	<b>13085</b>	<b>16517</b>	<b>5178</b>