

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.:

Yes, we agree with grant support for forestry to continue as a discrete scheme in the overall package of land support, recognising the need for ongoing improvements to evolve the scheme and grant support offer, and adapt the scheme to current and future challenges. However, while we support developing forestry support as a discrete scheme, there is a clear need for better integration with farming, crofting, peatland restoration and other land uses and land management schemes to avoid siloed management. For example, for cross cutting land management issues such as invasive non-native species (*rhododendron ponticum*) and deer damage there is a need for payment options for control in and out of woodland areas, so that these can be addressed effectively at population levels rather than at site level.

The objectives of the FGS should be clarified through this review. We have identified several guiding principles that could be used to steer the scheme design to help ensure the FGS delivers maximum value for public money.

Recovery of biodiversity to be a principal objective: currently the FGS objectives are too narrowly focused on carbon sequestration. Yet 1 in 9 species are at risk of extinction in Scotland and in 2021, Scotland was ranked 28th from bottom out of 240 countries in the Biodiversity Intactness Index.

Native woodland recovery: While we do not wish to see any reduction in the support available for woodland creation, we would welcome an increase in the focus and funding for woodland management. The evidence is clear that diverse, native woodland is best for delivering biodiversity recovery, and can also sequester significant amounts of carbon. The FGS should drive native woodland recovery as part of the wider woodland and forestry expansion package. In addition, native woodlands have limited markets and markets for biodiversity and other public benefits are currently not well developed and come with high risks. Therefore, native woodland recovery should be the priority for Government grant intervention.

Increase diversity within all woodlands: increased diversity within woodlands supports woodland resilience. Woodlands that are too heavily reliant on a single species are at greater risk of being lost to tree disease and pests. Scottish Forestry should consider whether allowing up to 75% of a new woodland to consist of a single species is still appropriate, in the public interest and in line with the national forest strategies, including the Forestry Strategy for Scotland. Greater emphasis should be put on mixed productivity i.e. promotion of productive hardwoods as a step to getting greater diversity into commercial stands.

Integrate forestry, woodlands and other land uses: the Forestry Strategy vision includes that by 2070 forestry and woodlands will be better integrated with other land uses. To deliver towards this vision, this future grant scheme needs to be developed and implemented as part of the integrated approach described in the Land Use Strategy. The FGS should look to support collaboration between land managers especially around deer management and eradication of invasive non-native species, including *Rhododendron ponticum*, and the greater integration of trees into our landscapes, mountains and riparian zones.

We are facing a twin crisis of biodiversity loss and climate change and development of the future forestry grant scheme must reflect this. The two are interlinked and must therefore be tackled together and integrated – we are disappointed that this consultation separates climate change and biodiversity into two separate sections. Tackling the two crises together and ensuring that there are no negative effects on biodiversity of some of our actions to tackle climate change is essential.

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.:

One of the benefits of the current Forestry Grant Scheme is that applications can be submitted at any time of year and are assessed on a monthly basis. This needs to be maintained and adopted by payment options under other agricultural support tiers.

There are several changes that would ensure that schemes on integrating trees on farms are better suited for farmers and farmland:

Options for the integration of trees and hedgerows into farmland need to sit in elective and enhanced payment tiers, tailored to farmers and agricultural production rather than land use change

The post-CAP systems need to make it easier for farmers to integrate and manage trees, wood pasture, hedgerows, and buffer strips by allowing them access through a grant system they are comfortable with using

There is a need non-competitive options which are open year-round and are part of nature restoration and climate mitigation measures proposed in Tier 2 of agricultural support

The schemes for integrating trees on farms need to be well-funded and supported by a well-informed advisory service with knowledge of the opportunities for integrating trees on farms

Some options for farmers, such as those encouraging farm-scale woodland, timber production, and woodland expansion over a certain number of hectares (size to be determined by Scottish Forestry and stakeholders but we recommend above 0.25 to 2ha) on marginal land/areas set aside for biodiversity, should sit within the Forestry Grant Scheme system in Tier 4.

The Woodland Trust and Soil Association have set out the benefits, barriers and opportunities that come with the integration of trees on farms and crofts (<https://www.woodlandtrust.org.uk/media/51158/integrating-trees-on-farms-and-crofts-in-scotland.pdf>). There are clear benefits from the integration of trees with farming practices, helping farmland deliver across the net zero and nature recovery policy areas, and diversifying farm businesses. Our paper sets out that trees can be integrated on farms and crofts while maintaining agricultural productivity. This integration is not about land use change. To ensure uptake of the practice of agroforestry by farmers and to ensure that schemes are designed to work with agricultural practices, we think that payments for trees on farms should sit in Tiers 2 and 3 of the future agricultural support. The rationale for this is that schemes need to sit within a system that farmers are used to and is accessible to them. Some elements of grant support could sit with Scottish Forestry and the forestry grant scheme where they are about larger scale woodland expansion on marginal agricultural land, or areas set aside for biodiversity. We propose this would be the appropriate option for woodland creation and management schemes over a certain hectare threshold. In addition, there needs to be recognition that the value of tree planting undertaken on farms and crofts that is non-SRDP funded is as important as that funded through SRDP by allowing the land to continue to be eligible for the Base Payment subject to meeting the Base Payment eligibility requirements specific to land used for woodland creation in the same way that land afforested under FGS is.

Other changes that would allow for better integration of these land uses are the provision of a well-funded advisory service with advisers that can help farmers integrate trees and hedges on farms. The historical separation of farming and forestry has meant that many farmers lack knowledge and experience when it comes to trees, and do not feel confident incorporating them into farming systems. The Woodland Trust Scotland Croft Woodland Project is an example of an advisory service for crofting communities. Without the Woodland Trust's croft woodland advisors, the uptake of FGS options would be much lower, and not engaging a significant land tenure and use system in Scotland with the benefits of tree planting.

We understand that it has now been recognized that the current FGS options for agroforestry and on farm woodland are not suitable (for example the small/farm woodland option is basically a grant for shelterbelts) and that some enhancements are being proposed to the current agroforestry options. These options should be trialled up to 2026 to see if uptake increases. Given the Woodland Trust's experience in supporting farmers to incorporate trees on their farms, we are keen to work with Scottish Government to revise and improve these schemes.

In our response to the agriculture bill consultation, we commented that recipients of base payments must be required to produce Whole Farm Plans and update these regularly. These Whole Farm Plans should be required to include current woody assets on the farm (areas of woodland, trees and hedgerows) and the potential areas for integrating trees, woods and hedges into the agricultural land holding. For example, the Plan can identify areas for riparian woodland creation, areas where trees can be integrated strategically as part of a well-designed agroforestry system to deliver benefits such as preventing soil erosion and nutrient runoff. Therefore, these plans can be used to promote better complementarity between forestry and agriculture by taking a strategic approach for well-planned agroforestry that can be supported through options under Tiers 2-4 depending on the potential identified.

To ensure better complementarity between wooded and non-wooded land, there should be a mechanism across the proposed four tiers that supports the management of cross cutting issues such as overgrazing, especially by deer, and invasive non-native species, especially rhododendron ponticum. These are key threats to improving native woodland condition, management and expansion but threats that span landscapes, rather than being confined to woodland areas. We expand on this aspect further in our answers to section 5 on biodiversity and the environment.

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 several interventions that can support forestry's role in tackling the climate and nature emergency and increase resilience for forests and woodlands in the future. Our response details these interventions and makes links with the section on forests delivering for biodiversity and the environment. We do not support the split between forestry for climate and forestry for nature as set out in this consultation. We believe that forestry is well placed to deliver on the twin climate and nature crises and addressing these twin crises is interlinked – future forestry support should acknowledge this and evolve to respond to this context.

The interventions detailed below include increasing species diversity, enhancing condition of woodlands, increasing natural regeneration of woodland and treating soils as carbon stocks.

Increasing diversity of species: The support package will need to reflect changes to the UKFS and to reward schemes that go further than this through a resilience supplement. For example, in response to the need for resilience, the UKFS percentage permitted for a single species within a FMU is being reviewed. The UKFS maximum level of a single species applies to all schemes regardless of funding, including privately funded schemes. To ensure added value for the use of public money, Government grants should seek to go beyond UKFS minimum thresholds – For example, this can be encouraged through a higher rate per hectare, as a supplement, for schemes that go beyond UKFS by requiring a lower level of single species within in a scheme to support resilience, or a higher proportion of open space and native scrub to deliver biodiversity aims. Greater species diversity within woodlands will reduce the threat from pests and diseases – where woodlands are predominantly single species, they are extremely vulnerable to the emergence of a

disease that targets that species. Increased reliance on natural regeneration reduces the need for tree nursery production, which we know faces significant challenges, and this in turn could reduce reliance on imports and strengthen Scotland and UK's biosecurity.

In addition, natural colonisation (as a form of woodland expansion) and natural regeneration (within existing woodlands) should be increasingly used to support climate adaptation. Native tree species have been shown to have high levels of intra-specific (between populations of the same species) genetic diversity, showing that there is a great deal of capacity within our native species to respond to changing environmental conditions. Allowing tree populations to expand and regenerate naturally therefore gives us the best chance of making the most of this variability. Establishing woodland naturally in this way also results in less soil disturbance and minimised soil carbon loss. Where appropriate, natural regeneration and colonisation should be a made more attractive options than planting by increasing the £/ha what can be claimed through the natural regeneration Woodland Improvement Grant option. There should also be a specific option for woodland creation through natural regeneration within the woodland creation options.

However, support for natural colonisation and regeneration in the FGS must go alongside a coordinated approach to deer management. Scottish Forestry has already set a precedent for this by awarding significant funds (<https://forestry.gov.scot/news-releases/cairngorms-set-for-woodland-biodiversity-boost>) for landscape scale deer control to enable natural colonisation in the Cairngorms. This approach should be rolled out further.

Greater support for improving the ecological condition of existing woodland will improve its resilience and in turn support its ability to capture carbon in soil, trees and other plants. Soil protection and management should be a key part of woodland management support. The total carbon stock in Scotland forests is estimated to be circa 2 billion tonnes of carbon dioxide equivalent in 2020 (FR), of which 1.5 billion tonnes (75%) of carbon dioxide equivalent are in soils. Soils also need to be treated as carbon stocks. We welcomed the guidance introduced on soil protection for new woodland expansion. Similar clarity is needed for restock sites. Schemes also need to encourage natural regeneration to minimise soil disturbance as discussed in the paragraph above

In addition the future scheme should support a greater diversity of forest management approaches (e.g. see Forest Management Alternatives (FMAs), a gradient from unmanaged > close to nature > combined objective > intensive even-aged, short-rotation). We need to move away from the current dominance of even-aged stands with a high proportion of single species, recognising that high intensity management can provide biomass production benefits/timber but that this will impact negatively on biodiversity, health and recreation (Sing et al. 2021). Lower intensity management will provide higher levels of biodiversity and other valuable ecosystem services. Grant support which aims to diversify both forest management and tree species will enhance resilience under climate change – e.g. increasing the coverage of continuous cover forestry systems with more species diversity will increase resilience to both abiotic (e.g. drought) and biotic (e.g. Dothistroma needle blight, DNB) impacts. These systems have been shown to maintain timber production whilst increasing resilience. Failing to do this will risk both loss of production and reduced resilience of forest stands (Ray et al 2017).

Future Scottish Government budgets will also need to better recognise the need for increased funding to meet the targets set out in Climate Change Plan. To set future grant scheme delivery up for success the forestry sector needs funding, skills development, and tree nursery investment (Scottish Forestry needs to take leadership to resolve supply chain issues especially related to securing native tree species and provenances)– these are elements that help deliver the scheme and targets. Future support needs to scale up all types of woodland expansion and actively tackle barriers to this such as lack of coordinated deer management.

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 your answer in the text box.:

The Scottish Government has been clear that public finances cannot stretch to cover the investment needed in nature restoration and that a blend of public and private finance is needed. Any private investment needs to be responsible. We support the Interim Principles for Responsible Private Investment in Natural Capital. As acknowledged by the Minister for Environment on 31st March 2022, further policy development is taking place in this area and rules and governance need to be developed for responsible private investment in natural capital. The future FGS should seek to embed the Interim Principles for Responsible Private Investment in Natural Capital to make these happen.

Private finance can be a useful tool to bolster public funding for the environment. However, at the moment other than the Woodland Carbon and Peatland Carbon codes, most emerging nature markets are poorly developed and regulated. If Scottish Government wishes to rely more on private finance, these markets need to be well regulated with standards to ensure that they are delivering tangible environmental and community benefits and not merely greenwashing. There is also a risk that relying too heavily on private finance to deliver environmental benefits will skew delivery towards certain actions that are more 'marketable'; we're also concerned this may result in a permanent and ongoing reduction in public investment and commitment into tackling the nature and climate crisis. To reduce this risk, public finance should focus on those areas where there are not well-developed markets, for example biodiversity.

Currently, finance is targeted at development activity i.e. work inside the fence. The measure of this development success is viewed as 'Outputs'. Lessons could be learned from renewable developments where funds are created and distributed to support additional socio-economic developments and wider environmental/ecological improvements. The value of this support is long term and should be assessed on Outcomes - a process that is not common within current funding structures. This point also links in with the section on communities below.

We would also like to see the Woodland Carbon Code change to evaluate the total amount of carbon captured. The Code relies heavily on timber-based Ecological Site Classification Yield Class calculations which are not reflective of the total amount of carbon captured in the trees or soils. In many native woodland schemes, where trees will not be felled or thinned this does not reflect the true volume of carbon stored in smaller branches beyond accepted timber value limits. Techniques to evaluate the total amount of carbon captured are being developed and a retrospective approach to compensating

existing schemes should be considered as well as the new calculation methods embedded into future schemes.

Alongside carbon markets, we need research and development of new nature-based markets. This is to take a more holistic approach to climate and nature recovery. With the current focus on carbon credits, we are concerned that in some schemes biodiversity benefits are reduced and undervalued by the current Woodland Carbon Code system. For example, habitat creation such as riparian and montane woodland which can deliver significant benefits for climate and nature is not currently supported through carbon markets. Alongside increased government support for this through better regulation of deer impacts and grants that support the creation of this habitat, natural capital markets can also contribute.

Future grant support needs to recognise that in the crofting counties and where community land ownership is high it may be difficult to rely on increased private financing of woodland creation/management. This is partly due to the pattern and small scale of land management units where it may be more difficult to attract private investment and due to the ongoing issues with crofters not having the rights to the carbon resource which sits with the landowner. Community landowners are less likely to be able to invest in woodland creation/land management than those who own large estates.

Farmers, crofters and other land owners/managers will also need guidance to help them navigate and ever-growing availability of private funding sources. For land managers with little experience of these markets, there is a risk of exploitation by private markets that could see land managers enter into contracts that are not necessarily in their best interests. Scottish Government will also need to develop clear guidance and rules for stacking payments to ensure value for public money and prevent public money from being used for actions that are being funded elsewhere.

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.:

Expansion of all woodland types needs to be scaled up. Management of native woodland also needs investment through the FGS. This response includes specific and detailed changes proposed to several options within the current FGS.

FGS Application Process for Small Sites:

The FGS application process is rigorous and appropriate for larger schemes, but onerous for small schemes. Most individuals are unable to apply without the help of a professional forestry agent. Preparing a proposal for a small scheme can require almost as much input as for a larger scheme, thus agent costs for small schemes are disproportionately high. The introduction of a modest 'planning grant' for small schemes (0.25-5ha) would help to overcome this barrier. Alternatively, for small schemes, individuals could be empowered to make their own applications: this could include a one form, one guidance-document application, a reduced burden of supporting evidence, and access to low-cost mapping.

FGS Woodland Creation Options:

The target areas for expansion option should include areas where there is already existing ancient woodland, including rainforest sites, to target grants to expand woodland to restore from existing fragments. This would support the delivery of the Scottish Government commitment to produce an 'Ancient Woodland Register and encouraging owners and managers to maintain them and improve their condition, providing support through the Forestry Grant Scheme.' Such a register would help target funding for high quality native woodland expansion schemes but also help the Scottish Government deliver its National Planning Framework 4 policy to protect ancient woodland. The Register would do this by showing the location and condition of the ancient woodlands. Research from Nature Scot has identified that expanding from existing ancient woodland fragments could deliver around 200,000ha of additional native woodland – this would make a significant contribution to government's woodland expansion targets. In addition, expanding from existing ancient woodland sites would help reverse their decline, prevent ongoing loss and expand from existing biodiversity hubs. The case is clear for ancient woodland being a target area for native woodland expansion options.

Native Broadleaves in the Northern & Western Isles: This option has been extended to suitable sites in the whole of the crofting counties which was very welcome. We suggest that in the future grants package the cap for maximum number of hectares for mainland sites, and the Isles of Arran, Argyll Islands and Skye, is removed and Scottish Forestry's assessment includes an assessment of capacity to deliver, before any contract is issued.

Fencing should not be the preferred option for deer management and instead the payment grant should directly drive down a reduction in deer numbers and their impacts through supporting robust impact assessments and deer culling to reach sustainable levels. Recent research from Trees for Life in relation to Caledonian Pine Woodland Inventory sites has shown fencing has been ineffective at protecting the majority of these sites. For Caledonian Pinewood sites, as recovery in many pinewoods takes longer than the lifespan of the fence, sometimes over 50 years, there should be payments to replace or maintain fences in order to ensure their effectiveness. Not only is fencing expensive, there are also further costs incurred to maintain fences over their lifespan, while they have negative impacts on birds and landscape, are ineffective in snowy upland sites and cause a pollution burden through un-removed deer fences littering Scotland. The Scottish Government's response to the Deer Working Group recommendations also acknowledges that fencing is rarely appropriate as a first option. In some instances where fencing is the only viable option, for example for smaller schemes, the FGS grant rate should reflect the increased cost of fencing and fencing contractors and should vary according to region – for example on islands the costs will be much higher than on mainland.

Expand the range available: rainforest, Caledonian pine sites, riparian and floodplain woodlands, farm woodlands, specific montane option – we cover these in the nature section below but recovery of these habitats and ongoing management delivers for the climate change agenda as well.

Payments for management of ancient and veteran trees (AVTs): Grant options for management of AVTs to protect existing AVT's and relieve pressures such as compaction or excessive shading on AVTs are needed. Additional support is also needed to allow for habitat continuity across space and through time of the important habitats associated with AVTs. The decaying wood, for example, often associated with AVTs is essential for many rare and threatened saproxylic invertebrates. Many important sites with concentrations of AVTs have generation gaps - they often have AVTs but few or no mature trees that in time could replace the current AVT's allowing for continuity of these valuable habitats over time. As a result, support to encourage

landowners to establish open grown trees that could become the AVTs of the future is urgently required. This is particularly important for sites where there already are concentrations of AVTs, but where the long-term viability of the site is threatened, and there is significant risk that the ecological and cultural value of these sites could be lost. We propose that target area incentives could be introduced for woodlands where there are concentrations of AVTs and there are few or no younger trees. There is widespread public support for improving the management of AVTs demonstrated by the Woodland Trust's active 'Living Legends' petition that has to date secured 35,000 signatures from across the UK.

FGS Woodland Management Options: Woodland creation accounts for the majority of the FGS budget. Some woodland management options were also closed due to financial constraints over the past few years. In addition, our experience of the schemes is that they are not accessible due to very high scoring thresholds. Responsible management of woodland is of key importance to the timber industry, for nature conservation and for the delivery of ecosystem services. While we do not wish to see any reduction in the support available for woodland creation, we would welcome an increase in the funding available for woodland management. Some of the options under Sustainable Management of Forests, in particular Low Impact Silvicultural Systems and Native Woodland, do not serve the needs of small woodland owners. Many of Scotland's most ecologically valuable woodlands are small scale, and there are many other small woods that could make a valuable contribution to the forest industry, if brought into economic management. The per-hectare rates payable under these options are at a level that does not justify making an application for a small woodland. Conversely, large woodlands can attract significant amounts of funding. We suggest that the per hectare rates are set on a sliding scale with a higher rate payable for an initial area, and lesser amounts above threshold areas thereafter. Currently most WIG funding is spent on designated sites. This excludes a lot of AW sites from WIG. SF should be flexible to consider schemes that are not on designated sites. We believe that this change to the administration of the schemes can help towards delivery of the Scottish Government priorities to create Nature Networks and to deliver 30% of protected areas by 2030. These policies need to deliver for woodland outwith designated sites, if we are to restore nature, and the FGS should be a key lever to secure ancient and native woodland restoration and reverse fragmentation.

FGS Scoring: Small schemes across all options generally achieve low Value for Money (VFM) scores due to high fencing costs. It is proposed that VFM scoring is adjusted for small schemes (0.25-5ha) to ensure that they are not automatically disadvantaged. Scoring of FGS options currently offers limited recognition of enhancement and diversification of the rural landscape and of delivery of ecosystem services and public goods. It seems both likely and desirable that these factors will become increasingly important in future rural support mechanisms, and we suggest that it would be appropriate to adjust scoring in the current FGS as a 'first step' in that direction. We propose a system of location-based payments that recognises that delivery is more expensive in some areas such as on the islands and more remote parts of the mainland. It would also be appropriate to increase payment rates for smaller schemes and thresholds, so for example, a small new native woodland planting rate in recognition that smaller schemes are far more expensive to deliver per hectare than larger schemes.

FGS loan scheme: The loan scheme needs to be extended to include Woodland Improvement Grant options too. The requirement to deliver a scheme and then claim the grant is a major deterrent for many who will not get any immediate benefits from WIG schemes to expand native woodlands.

In addition to improvements to the FGS funding package, the following elements will be key to stimulating expansion and management of woodland, and enabling successful delivery of future schemes on the ground:

Investment in training to address the sector skills gap

Reduced bureaucracy and increased flexibility, especially for small-scale schemes.

Increased resources, including an advisory function, for Scottish Forestry

Urgent investment in Scottish and UK supply of local provenance trees. A recent report from the UK government on GB-level tree supply has highlighted that the most pressing issues facing nurseries are seed procurement, shortage of skilled labour and advice, uncertainty about demand, difficulty sourcing seed from the required provenances. Scottish Forestry needs to acknowledge the issues highlighted and take steps to address these. The Harvesting and Processing Grant has already supported the successful expansion of new community nurseries such as on the Isle of Eigg and on the Shetland Islands. SF needs to promote and support these small nurseries to make them profitable enterprises and attractive business propositions. They should not be expected to compete with the large-scale commercial nurseries - what they produce is a niche, premium product in remote locations across Scotland, providing valuable local employment. The grant scheme support should recognise these small local nurseries as such.

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?:

Yes, this is fundamental to protecting, restoring and expanding tree cover successfully in Scotland alongside delivering public value for public money. Resilience is a term that has a variety of definitions and can conflate ecological and economic resilience, which often require very different approaches. The payment principles underpinning this scheme should prioritise ecological resilience, which underpins the ability of woods and trees to provide public goods such as wildlife and carbon capture into the future, as well as underpinning private goods such as timber.

Over half of conifer plantations in the UK are now made up of a single species which is supported by the current scheme. This is not a sustainable approach for the future of UK forests, long term timber production or carbon capture. Grants should be designed to drive diversification, rather than just supporting status quo to ensure the tree sector has the best chance of becoming more resilient to future threats. Please also refer to our answer at question 3 in relation to UKFS and supporting schemes that go beyond this minimum standard.

The cost of prevention is often lower than the cost of dealing with the problem. This is well demonstrated by the introduction and spread of ash dieback in the UK through the use of imported tree stock. To this day the UK continues to rely on risky tree imports which can bring in pests and diseases.

The total cost of managing the safety aspects of ash dieback in Scotland is estimated to be £180m. Prevention is far cheaper for society than a cure for pests and diseases. There are at least 127 tree pests and diseases that are considered high risk to the UK. If imported into Britain, 47 of these could cost over £1 billion each to tackle and wipe out millions of trees. The evidence is clear, the importation of trees carries a very high degree of risk, and a UK grown model of plant production would significantly reduce this risk. Grant support for growing tree supply for the full range of native and non-native trees required by the forestry and wider tree planting sector must be included as part of future grant scheme support areas. In particular for species or project types (e.g. productive agroforestry) that are hard to source in Scotland. This could include support for innovation in seed supply, and tree growing and grafting (for agroforestry). In addition, uplifts for creation schemes that use GB grown trees should be included to reduce any reliance on more risky imported trees for planting projects, which is the principal route for new pests and disease introductions. This would have the additional benefit of supporting green jobs via the nursery supply in Scotland.

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?:

Well-funded and trained advisory service and more flexible mechanisms. More flexibility with specifications (particularly fencing) is required. Each site should be judged on its own merits and circumstances. Extending the loan scheme to options other than WC 20ha and under, to include WIG schemes where capital works such as fencing are required.

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.:

We propose the following mechanisms, already mentioned in answers to the questions above:

A sliding scale of grant support with higher intervention level for smaller schemes than for larger schemes. We propose that the sliding scale could provide highest grant rate for the first 5ha, lower rate for next 10ha and lower again for next 50ha.

Where fencing is necessary, the grant rate for capital items such as deer fencing must keep up with actual costs.

Removal of the 3ha cap for Northern and Western Isles Woodland Creation option

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.:

Forestry is not just a rural land use. Urban forestry is increasingly important, not only for the majority of people who live in urban areas, but also for the ecosystem services it provides such as cooling and shading. The Trust is in favour of urban forestry being an element supported through the future scheme, recognising urban forestry encompasses trees in urban woodlands, parks, individual gardens and street trees.

The current Woods in and Around Towns (WIAT) model is not working. It manages to combine being too simple a model for woodlands along with a complex application process. We are calling for the re-introduction of the WIAT challenge fund model, with clearly defined criteria in terms of ecosystem services. This was highly effective in its day leading to innovative approaches to urban woodlands which could be shared with others.

Urban woodlands can also be areas of conflict due to trees and development. Grants for restructuring of urban woodland could be made available for issues that cause conflict in urban areas, such as overhanging branches, large trees next to properties, between woodland and housing developments. For new woodlands, specific case by case buffers should be part of woodland proposals for areas between development and the new woodland to avoid future conflict.

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 links between the FGS and the Community Empowerment and Land Reform agendas should be strengthened. Together these policies aim to diversify land management and empower local communities, drawing potential comparisons with international research which links the development of small and medium forest enterprises to community prosperity. In this response we suggest three ways in which grant support can enable rural communities: setting up forest enterprises, linking grants with affordable housing and providing additional support for community buy-out schemes.

Locally controlled forest enterprises can deliver a wide range of benefits to rural communities, but these need to be economically viable. Grant support could enable these to be set up and build skills. Giving rural communities ownership of forest management, restoration and expansion will lead to greater chance of environmental and social success of a grant programme aiming to expand and enhance our woodlands. Grants could learn from place-based payment for ecosystem services (PES) schemes (schemes developed for a particular landscape or region) which have been found to mitigate trade-offs, provide a chance to better account for cultural values, and engage with and empower diverse stakeholders, including local rural communities. These rely on excellent stakeholder engagement techniques, which should be supported by the FGS – perhaps via clear guidance on the most appropriate tools to use.

Forestry should also be combined with the provision of affordable housing. We are one of the many organisations which struggle to find accommodation for our staff and local contractors. Scottish Forestry should consider a requirement to assess community housing opportunity for woodland creation sites above a certain hectare threshold.

Additional support for community buy-out schemes of ex-FLS or private plantation land is required. Where these sites have been felled and not restocked (asset-stripped) before selling-on (which is usual), the community owner is eligible only for a Restructuring Regeneration grant of £300 or £550 /ha, compared to a new native woodland creation scheme which is eligible for a planting grant of £3200/ha (£3600 in target area) and £9.90/m for fencing. This point is relevant to new woodland crofts too as many of these are being created by community groups on former plantation ground with a requirement to restock but the crofters can only access to the restructuring grant.

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.:

Analysis of public preferences regarding woodlands in Scotland has shown they are complex and thus it is essential to take them into account as early as possible and throughout, adhering to participation as a fundamental principle of sustainability. There are a range of stakeholder/community participation methods developed by research which the FGS could make use of or require grantees to make use of. For example, increasingly visual tools are used to elicit public preferences for landscape change. Research in a Scottish regional park using these tools has suggested that almost three quarters of respondents showed preference for either more forest, habitat restoration for nature, or landscape multifunctionality compared to more traditional open landscapes, illustrating that landscape change is acceptable amongst recreationalists and tourists, and that more heterogeneous landscapes are often preferred.

Involving communities, particularly for large projects, should move away from 'informing' and 'consulting' towards true engagement and participation. Ideally, funding and supporting the development of regionally adapted landscape approaches which engage multiple stakeholders via landscape governance (e.g. Regional Land Use Partnerships) are likely to achieve more equitable and sustainable outcomes. Longer term funding is required for larger scale landscape and woodland restoration projects with multiple stakeholders to enable these to evolve from one-off 'projects' to longer-term 'platforms' which have longevity over the timescales required for ecological restoration and community prosperity.

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.:

There is a need for greater levels of transparency for all proposals and we suggest this can be achieved through an evolution of the current forestry register to include all forestry projects and updates at key stages in the projects i.e., expressions of interest; public consultation response; application approved, with a robust communication process. The register should also link all projects in a certain region to allow for a better assessment of cumulative impacts. In addition, a much stricter process of community consultation that must have been carried out rather than just "reasonable effort undertaken" - currently large-scale commercial plantation proposals have the fall-back of "not in our objectives" as a response to unwanted consultation feedback.

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?

Not sure

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

N/A

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

There is a real need within rural communities to support training in rural skills e.g. fencing, deer stalking, tree nurseries etc. and providing on-going support. Many of these businesses will be small-scale with only one or two employees and may require ongoing support and assistance with certain aspects of running their businesses e.g. book keeping, marketing, stock taking etc. This has been highlighted during a Woodland Trust Scotland Pilot Seed Collection and Nursery Project where we have come across people great at growing trees but in need of skills development support to run the business side of things.

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.:

We propose that the Scottish Government works with Skills Development Scotland to implement an apprenticeship support programme for trainees in the sector.

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.:

In this response we cover the context of the nature and climate crisis, propose principles any new schemes should meet, and make specific recommendations for schemes such as riparian, rainforest and montane.

Biodiversity and addressing the nature crisis should be an equal priority to climate adaptation and mitigation. 1 in 9 species are at risk of extinction in Scotland and in 2021, Scotland was ranked 28th from bottom out of 240 countries in the Biodiversity Intactness Index. Projects should be scored on their potential to support biodiversity, also recognizing the biodiversity benefit of small woodland in certain circumstances, with those that will deliver biodiversity alongside other benefits such as carbon sequestration scoring highest.

To deliver most of biodiversity, any expansion schemes should be developed to meet the following principles which are based on our Woodland Creation Guidance

<https://www.woodlandtrust.org.uk/publications/2022/02/woodland-creation-guide/?gclid=CjwKCAjwoIqhBhAGEiwArXT7KxOy4-qdNRWJVNDz9qdM0NQ66VPflor>
:

Native woodland expansion should deliver habitat connectivity, building back from existing native woodland. Decades of habitat network modelling demonstrates that new woodland which connects and expands existing native and ancient woodland is likely to be most beneficial to biodiversity, allowing species to disperse through landscapes, colonise new habitat, and be able to better adapt to changes and pressures. Expanding native woodland networks from existing areas of woodland is the best way to expand native woodland for biodiversity recovery and helps deliver the Government's Nature Networks commitment.

Any new native woodland expansion should create a diverse structure to support a variety of species. We should seek to create a diverse structure of dense groves, open glades, and open-wooded habitats which blur the boundaries in all new native woodland creation projects. A varied woodland structure will provide more habitat niches and support a greater variety of species as new wooded ecosystems develop.

Native woodland expansion should be part of a mosaic of habitats contributing to integrated land use and the restoration of functioning ecosystems. New native woodland should not negatively impact existing priority habitats. Small patches of semi-natural habitats (many of which are also in poor condition) can be restored and integrated within native woodland creation designs, creating diverse habitat mosaics, and restoring naturally functioning ecosystems. In upland areas with larger areas of priority habitat, introducing tree and scrub components to create richer habitat mosaics may facilitate the restoration of the open priority habitat.

Woodland needs to be given the opportunity to expand through natural colonisation. Woodland expansion is not just about tree planting. We need to leave more space for natural colonisation, where seed is given the chance to spread outwards from existing woodlands. Trees establishing in this way are likely to be better adapted to the local context and more resilient in the face of climate change. The pattern of tree growth will also be more variable, with some dense clumps and some more widely spaced/scattered trees, contributing to structural complexity. Amongst other actions, this will require a concerted effort towards managing wild deer populations to sustainable levels.

Restore natural processes including decaying wood, natural hydrology, and large herbivores at sustainable densities to establish functioning native woodland ecosystems.

Specific recommendations for schemes:

Restoring Scotland's Rainforest: in the rainforest zone on the west coast of Scotland we are calling for grant support that tackles the key threats to the rainforest: overgrazing by deer and sheep, rhododendron ponticum and PAWS restoration. We do not wish to see these threats tackled in isolation, instead grants within the rainforest zone should support holistic management. Rhododendron control and PAWS restoration are more successful when combined with herbivore impact reductions and these need grants to be available for work at scale and over the long-term to ensure successful outcomes. One of the biggest issues for rhododendron removal projects is the short-term length of funding. We also recommend that funding is made available for drone surveillance for both deer and rhododendron ponticum – this allows more accurate and timely results which in turn support management decisions and targeting of funding. The Woodland Trust, as one of the leading partners in the Alliance for Scotland's Rainforest, would be delighted to work with Scottish Forestry to support the development of a grant that supports rainforest restoration.

Caledonian pine sites: 23% of the sites on the Caledonian Pine Woodland Inventory (CPI) are critically endangered with deer overgrazing being the key driver of decline. Future FGS needs to put in place mechanisms for CPI sites recovery and Scottish Government needs to fund FLS to manage CPI sites on FLS land. The research on the state of the existing CPI sites led by Trees for Life found that fences were ineffective in most cases. This is why we recommend that mechanisms are developed in the schemes to reduce reliance on expensive fencing and facilitate increased deer culling to levels to allow these sites to thrive. Where fences are the only option, there needs to be a maintenance grant to ensure the fences remain effective over their lifetime.

Riparian woodland: we understand from discussions with Scottish Forestry that changes are coming to the current woodland options to fulfil the Programme for Government 2022-23 commitment. These changes are expected now rather than in 2026. This is very welcome and we understand that

most of these changes address the recommendations produced by Tweed Forum which we also support. We also recommend the following changes:

Water gates – current funding doesn't make provision for water gates in any grant option. Funding for other gates such as access/pedestrian/vehicle gates cannot (we believe) be transferred to be used for water gates so costs of any required must be met from landowners themselves. Additional provisions of funding as separate capital cost item should be included in new riparian grant option as incentive because 10% uplift will get swallowed up by incurred costs for good specification water gates that may require hard engineering and expensive materials.

Beaver protection – with populations of beavers spreading across many catchments N & W from the Tay, a lot of new riparian planting will be vulnerable to presence of beaver families within the watercourse on which they're planted. Whilst the premise of beavers as woodland "managers" is well documented in well wooded riverscapes, beavers can cause damage to new woodland creation projects where there isn't already access to healthy existing riparian woodland. This will cause repercussions with scheme breaches, grant repayments etc., and will also put people off applying for the schemes in the first place. To that end, there must be additional incentives for infrastructure to ensure beaver incursion isn't a risk; either with pre-application surveys to prove low risk of beavers or with additional resource to prevent potential damage to vulnerable trees within a fenced area.

There is a clear need to mainstream riparian woodland across Scotland. The proposed changes above will not do this but they can improve existing scheme options. In the longer term, we propose that Scottish Forestry engages with the Riverwoods project to develop riparian woodland options that mainstream riparian woodland across Scotland.

Specific montane option: Together with the Mountain Woodland Action Group (MWAG), we are calling for a specific mountain woodland grant option to develop montane woodland habitat in Scotland and provide benefits for addressing the nature and climate crisis, including: better management of precipitation in the hills, both in terms of the speed and quantity of run off and the quality of the water reaching burns and rivers; the protection of steep slopes from soil erosion and natural hazards such as landslides and rockfalls. The Scottish Biodiversity Strategy identifies mountain willow as a declining species. The area to expand mountain woodland in Scotland is vast and could help unlock land to meet increasing Scottish Government targets. The MWAG proposes the following changes to the current low-density broadleaf option: A minimum stocking density of 400 stems per ha; Increasing the % of native woody shrubs allowable in woodland and scrub at higher altitude; Decreasing the minimum block size to 0.05 ha, but also increasing the maximum area where this can be used as a stand-alone option; Introduction of a deer management payment, with landscape-scale grazing management an option rather than the obligate requirement for fencing; Grant for set-up of seed orchards/vegetative propagation collections; Improved bio-security measures to limit the chances of introducing *Phytophthora austrocedri* on juniper; *Dothistroma* needle blight on Scots pine and rusts on willows.

Grant conditions and options for the management of ancient and veteran trees also deliver benefits for biodiversity by safeguarding our most precious trees – recommendations for such grant are covered in our answer to question 5 above.

Support for management and enhancement of new native woodlands: New native woodlands that are remote from other long-established woodlands can lack diversity, particularly ground flora as there is no seed source to promote colonisation. Assistance with developing the woodland ecosystem of new native woodlands should be available through WIG, developed in conjunction with Nature Scot advisers who have already carried out some work in relation to reflowering native woodlands. The future grant should introduce planting common woodland wildflowers and grasses as part of the grant schemes available for new native woodland creation. A WIG option to manage under-managed new native woodlands (e.g., for thinning, supplementary planting, creation of deadwood habitat, creation of rides and glades etc.) would be helpful, although it will have to offer rates that will make it worth applying for.

There should be a greater emphasis on or encouragement for collaborative schemes where a WIG option is applied for as well as a native woodland creation option in terms of creating bigger impact. To put it simply, a native scheme should be awarded a higher number of points if an accompanying WIG option is exercised on a piece of recognised native woodland at the same time. This should also have knock-on incentives like increased funding rates for fencing if the existing woodland under a WIG is to be fenced as well.

Also, the restriction on "status" of the existing woodland should also be reviewed. Currently it is very difficult to award WIG options to woodland areas either in or adjacent to SSSI designations. There are far more woodland areas in dire need of, and that could really benefit from, sensible WIG mechanisms that aren't designated than ones that are.

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?:

All future land use payment schemes under the agricultural support package need to support sustainable deer management in the public interest. NatureScot as the deer authority should take leadership on addressing deer impacts outwith existing woodlands and small multiple landowners to reduce deer numbers in an area that is impacting open ground and the potential to spill into woodland impact.

The future forestry grant has a particularly important role to play given the association of deer with woodland habitats. Due to Scotland's unnaturally high deer numbers, schemes need to drive reductions in deer numbers and their impacts to achieve levels that are compatible with native woodland regeneration and expansion.

Currently fence-free options are "experimental" and met with scepticism. With spiralling fencing costs, schemes relying on deer reduction methods for establishment will have to be brought to the fore, with proportionate funding levels and other key support such as deer management plans available. Part of this will require support for deer management that focuses on coordinated action at a landscape level. Grant options need to fund cross boundary and landscape-scale deer management to aid woodland creation and management schemes to ensure effective management or movement of populations.

Specific changes we propose to existing options for deer management within the current grants:

Increasing flexibility of Native Woods SMF to permit funds available through ha payments to use that money to carry out works on the land that improves the effectiveness of the deer management such as removal of roadside regeneration outwith Public Access SMF, bracken control, purchase of high seats, etc.

Increase scope of NW SMF to allow a buffer of open ground beyond the 20% to encourage expansion where it is relevant.

Remove requirement of NW SMF to be paired with New Natural Regen WIG as this is too restrictive, impractical, and time consuming.

Deer management plans should be mandatory for all woodland expansion and management plans, particularly for larger schemes.

We would also like to see NatureScot and Scottish Forestry work more collaboratively to address Scotland's deer impacts as both agencies have a key role to play. Forestry and Land Scotland is already carrying out exemplar deer management and can provide expertise on deer management plans, strategies and databases. All agencies need to take leadership on lowland deer management, deer management outwith deer management groups and in urban and peri-urban areas.

Small scale mixed land use?:

At this scale, fencing may be the only viable option to support woodland expansion or tree planting integrated within other land uses such as farming and crofting. From our experience working with crofters and small landholdings, we've seen that the decline in quality of fencing timber products in terms of durability over the past few years is a major issue affecting life expectancy of fences, ongoing costs and decisions to enter FGS contracts. For example, in some places it's been noted that stobs are beginning to rot after five years for schemes that have 20 year contracts. There is also an issue about the standard deer fence specification required for FGS contracts - it is not always appropriate, especially for smaller croft sites where non-standard specs should be considered such as inclusion of some additional line wires instead of a top-net. In other areas, where deer pressure is particularly high, the 1.8m specification is not enough and we recommend that this is increased to 2m.

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

Please add your comments here.:

The Woodland Trust is the UK's leading woodland conservation charity. We have four main aims: ensuring no further loss of ancient woodland, restoring and improving woodland biodiversity, increasing new native woodland creation and increasing people's understanding and enjoyment of woodland.

We own over 1,000 sites across the UK, covering approximately 27,000 hectares (ha). In Scotland we own and care for around 60 sites covering in excess of 11,300ha which include the 5,000ha Glen Finglas estate and significant urban forestry holdings in Glenrothes and Livingston. We combine the promotion of public access with forestry, farming and conservation of the natural and cultural heritage. The Woodland Trust has 500,000 members and supporters.

We welcome the opportunity to provide comments on this initial consultation on the future of the forestry grant scheme in Scotland. This consultation focused on general issues related to the FGS, and it contained open questions. Therefore, our responses to the question cover a range of issues at different scales, ranging from specific recommendations for grant changes to proposed changes to the objectives of the future forestry grant. In the future, the Woodland Trust would be delighted to have the opportunity to provide comment on proposals informed by this public consultation exercise. Over the period of the consultation we also launched a public campaign calling for the grant to be used to recover native woodland. The campaign closes on the 17th May and this had over 600 responses from members of the public showing support for the key messages that the refreshed scheme should:

Have a set of objectives that have a much greater emphasis on biodiversity and community wealth building

Scale up the recovery of native woodlands

Increase support and remove barriers to enable natural regeneration of native trees at landscape scales

Increase species diversity by reducing the maximum allowed for a single species in a commercial plantation

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:

Woodland Trust Scotland

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

Publish response with name

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.

I consent