# Analysis of Current Arrangements for the Consideration and Approval of Forestry Planting Proposals

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## Introduction

1. The Scottish Government (SG) is committed to increasing the area of new woodland and, in its Programme for Government 2016-17, sets out an objective of planting 10,000 hectares per annum and of speeding up and streamlining approval processes for sustainable planting schemes. There has been a continued failure to meet this target. The Forestry Industry has identified complex and bureaucratic approval procedures to obtain grants for new planting through Forestry Commission Scotland (FCS) as one of the barriers to achieving this rate of planting. Against that background Jim Mackinnon CBE, former Director for the Built Environment and Chief Planner with SG, was commissioned to analyse the current arrangements and assess the scope for reducing the complexity and increasing the efficiency of the process. The brief for the project is at Annex A.

## Approach

2. The review is focused on the application processes and the extent to which they could be improved and streamlined. In the course of the review the team had over 40 meetings with more than 200 individuals representing a wide range of interests across the forestry sector. In addition, the team received a number of written comments and a range of related reference and research materials were made available in connection with the review. A challenge for the review has been the extent to which strongly contrasting views were held on the same issue. Sometimes these viewpoints were supported by written or anecdotal evidence but establishing the actual extent or prevalence of an issue has proved difficult.

## **Policy Context**

- 3. The commitment to plant 10,000 hectares per annum is underpinned by 2 main factors:-
  - The contribution that trees make to carbon sequestration to help achieve ambitious SG climate change targets; and
  - Securing stability of timber supply to support a sector that is worth almost £1 billion to Scotland's GVA and creates over 25,000 jobs mostly in rural areas.
- 4. The Second Report on Proposals and Policies (RPP2) noted that, for the SG to meet its carbon emissions reduction target, 100,000 hectares of new woodland would need to be created between 2012 and 2022. The SG also recognises that the timber processing industry is vital to the economy of rural areas and that the industry is dependent on the supply of quality softwood timber from conifer forests.

## **Forestry Grant Scheme (FGS)**

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5. The FCS-administered Scottish Forestry Grant Scheme (SFGS) closed in 2006, reopening with EU-supported funding as part of the Scottish Rural Development

Programme (SRDP) in 2007. This new Forestry Grant Scheme (FGS) is 55% funded by the European Commission (EC). EC Regulations stated that the grant scheme had to be competitive and that there could be only one Paying Agency per country with all EU-supported grant payments and claims made through it. Scotland's 'Paying Agency' is the Scottish Government's Rural Payments and Inspection Division (RPID), which also administers Agricultural Sector payments and ensures that the FCS grant scheme complies with EC Regulations. A consequence of the change from SFGS to the EU-supported SRDP was that FCS lost its Paying Agency status and has come under greater audit scrutiny.

- 6. EU requirements led to FGS and other forestry grants being administered through the same/linked IT system as other land-based EC payments. It is claimed, with justification, that the IT system is ill-suited to forestry and has grown ever more complex.
- 7. There has been an ongoing "Futures" project from 2012 to create a new, improved, IT system (Rural Payments and Services System) which would bring improved functionality to the delivery of the FGS. Major delays in the new system becoming operational prevented FCS from being able to view any online grant applications since the scheme opened in January 2015 until May 2015. With only partial functionality achieved by August 2015, FCS has had to adapt an existing Casebook Management System and implemented interim manual processing procedures to enable the processing of applications and issuing contracts. The IT delays resulted in significant problems with the intended efficient processing of new woodland creation applications.
- 8. The first batch of FGS applications (April August 2015) could not be approved nor contracts offered until October 2015. There continues to be slippages with the introduction of the new IT system and it seems that the level of functionality and availability of management information originally specified by FCS is highly unlikely to be achieved through the IT system.
- 9. The resources devoted to dealing with the consequences of the delays in the introduction of the new IT system, have placed major demands on FCS staff in the National Office in Edinburgh and in the five conservancies around the country. However, FCS believes that the interim arrangements are working relatively well and the sector remains generally supportive of the new scheme.

## **Planting Rates**

10. Fig. 1 demonstrates the rate of new woodland creation in Scotland from 1971-2016. Driven by tax incentives there was a steady increase in new (predominantly conifer) forestry planting up to 1989. However the rate declined significantly as a result of the incentives being withdrawn. The planting levels achieved in the late 1980s have never been achieved since. Conifers planted as a result of these incentives are now being harvested and there has been a 3-fold increase in private sector production since 2000, with substantial investment in new sawmilling capacity. Fig. 1 also shows the increasing area of broadleaf trees being planted. In the last 5 years less than one third of new planting has been conifers.

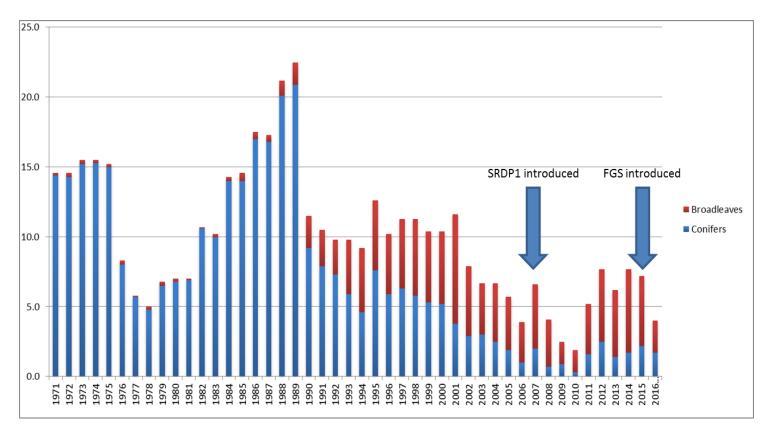


Fig. 1 New woodland creation in Scotland 1971 - 2016 (Ha)

- 11. Planting rates have fallen so far below the RPP2's annual target of 10,000 hectares that the cumulative deficit of new planting against the average target is 13,500 hectares 36,500 hectares planted against an expectation of 50,000 hectares. Given the long term nature of the industry and the need to maintain investor confidence, this has raised significant concerns over the security of timber supply post-2030.
- 12. Sitka spruce is the mainstay of the forest industry and is the most favoured productive conifer. It has a rotation age of 40 years whereas for other conifers such as Larch and the native Scots Pine the rotation age is double that. In terms of commercial forestry, high yielding Sitka will continue to be the priority species of the industry.
- 13. While Sitka planting would not be to the exclusion of other commercial species such as Norway Spruce and Douglas Fir, it is by far the most financially productive softwood and what the timber processing industry is geared towards receiving. There are concerns over a repeat of blanket planting of Sitka as was seen in the Flow Country in the 1980s. The industry is committed to complying with the UK Forestry Standard (UKFS) the agreed standard across the UK for sustainable forest management. This should preclude a repeat of the mistakes of earlier years.
- 14. The FGS places a renewed focus on planting commercial species compared to the previous forestry grant scheme. Plans for new woodland creation are supported by grants generally in the range of 80-90% of standard costs. The average grant per hectare is £4,500 but could reach closer to £10,000 per hectare in some instances. The new scheme has been widely welcomed by the sector. In October 2016, the SG

- announced the approval of £6.5million funding for planting 1,200 hectares of new woodland.
- 15. There are a number of reasons for the continuing new planting shortfall, including land availability (although the report of the Woodland Expansion Advisory Group in 2012 concluded that land supply was not an issue). Other factors mentioned include the rate of grant and the attitude of some landowners, particularly farmers, to forestry. The need for sustained political support has also been highlighted as important and there is widespread consensus that the priority attached to forestry by the recently appointed Cabinet Secretary for Rural Economy and Connectivity has brought a fresh impetus to the sector.
- 16. It is anticipated by many that new woodlands will be created predominantly by proposals from existing farmers/landowners and new investors. Forest Enterprise Scotland (FES) is unlikely to contribute significantly to meeting the target for new woodland creation, but it will increase its planting to some extent and, critically, provide a continuing supply of timber through management of its existing woodland.

## **Woodland Creation Proposals Requiring Environmental Impact Assessment (EIA)**

- 17. The Environmental Impact Assessment (Forestry) (Scotland) Regulations 1999 place a requirement on anyone wishing to carry out a forestry project that might have a significant effect on the environment to obtain consent for the work from the FCS. The Regulations cover 4 categories of forestry related activity, including afforestation.
- 18. Screening is the process for determining whether an EIA is required. Although there is no requirement for FCS to consult on the request for a screening opinion, it appears to be standard practice for the conservancies to do so. The threshold for seeking an EIA screening for new planting proposals in "sensitive areas" such as National Parks and National Scenic Areas is 0.5 hectares. In other "sensitive areas" such as Special Areas of Conservation there is no threshold. For proposals not in "sensitive areas" there is a 5 hectare threshold.
- 19. Since 2002, there have been over 3,000 screening requests. In 61 cases just over 2% of determinations - FCS concluded that an EIA was required. In almost half of these cases the individual/organisation decided not to proceed with the project.
- 20. Where an EIA is required, the next stage is to scope the project to identify which issues/topics should be addressed as part of the assessment. An EIA should not address every issue but only those where there might be significant environmental effects. It is clear in many cases that issues are not being scoped out and that an overly comprehensive approach is being taken to the content of EIAs.
- 21. FCS does not have a dedicated source of expertise on EIAs although some staff have built valuable experience and knowledge in EIA. At least one of the major forestry agents has a dedicated in-house EIA team but contract out more specialist environmental surveys and studies.

# **Non EIA Proposals**

- 22. Applications for the FGS which do not require an EIA constitute the overwhelming majority of proposals. However, even where an EIA is not required, significant amounts of information can be requested and submitted in an Environmental Report. The impression is that much of the information being sought by FCS is based on requests by statutory consultees, in particular Scottish Natural Heritage (SNH) and the Scottish Environment Protection Agency (SEPA). That view is not shared by the consultees.
- 23. A number of agents felt that the growing length and cost of Environmental Reports on woodland creation have their roots in the highly detailed reports accompanying wind farm applications. This view was supported by one statutory body. Agents claim the move to an encyclopedic approach is based on the false premise that the economics of forestry and renewable energy are broadly similar and FGS applications can readily absorb the up-front costs. The approach to EIAs and Environmental Reports must become more proportionate.

#### **Processes and Procedures**

- 24. The process for applying for FGS seems convoluted and complex. There are nuances and variations between conservancies and the approach of agents but the process generally follows the following lines:-
  - Agent discusses proposal with conservancy and, if required, with statutory bodies.
  - Agent assembles information/analysis for grant application.
  - Application submitted to conservancy. Case is allocated to a Woodland Officer (WO).
  - Administrative Officer or WO checks the submission ensuring that all the supporting information has been provided.
  - Operations Manager (OM) reviews the case and provides comments to WO (to be passed to the applicant if necessary) for action.
  - WO carries out a site visit and if the application is for 2ha or more then the case is put on the Public Register for a period of 28 days
  - Consultation is undertaken with the statutory bodies SNH, SEPA, Historic Environment Scotland (HES), local authorities and community councils.
  - Other organisations identify projects from the Public Register on which they wish to comment although they may be aware of potential schemes from earlier discussion with agents.
  - EIA Screening is undertaken based on consultation comments from statutory and non-statutory bodies.

- If concerns/objections are made, then the EIA process is progressed. If an EIA is required then a lengthy process of further information and studies ensues.
- If there are no concerns or if the concerns are resolved then the WO prepares the case for clearing, passing it to the OM and, in some conservancies, the Senior OM for approval.
- Case is then passed to National Office for consideration within a Clearing Round.
- Most cases are dealt with in a monthly Clearing Round, although cases above £750,000 are dealt with by the National Project Assessment Committee Forestry Subgroup.
- Conservancy advised by National Office whether a grant can be awarded and any action to be taken. If approved for grant then an offer of Contract Letter is issued and the EIA opinion is published for a period of 28 days.
- The Offer of Contract Letter is issued by the conservancy and sent to the landowner with an accompanying Schedule of Works. This letter needs to be signed by the landowner and returned to the conservancy before any works can be undertaken.
- The Manual Contract is issued at a later date by the conservancy
- 25. It is understood that applications are rarely, if ever, refused. Reasons for refusal would be where a proposal would be environmentally damaging, for example planting on deep peat, potential flooding impacts or on a Site of Special Scientific Interest. However, to support the proposal, conservancies may ask agents to review their design and make appropriate adjustments until all the concerns have been addressed. Agents claim that this additional work can be disproportionate and, at times, unjustified, adding significant additional costs and also sometimes resulting in the best periods for site preparation and planting being missed.

## **Understanding the Context: Management Information**

- 26. In the course of the review various issues/concerns were raised by FCS staff and the industry. Unfortunately there is a lack of reliable information to assess the extent of the delays and the accuracy of various claims and counter claims. Information from the Casebook Management System shows that almost 80% of applications are dealt with in 20 weeks between submission and clearing and 100% within 35 weeks. A significant amount of time dealing with FGS applications appears to predate the actual submission of the grant application and relates to ongoing discussions and consultation on the design.
- 27. To the extent that information does exist, it does not appear to be used as a management tool to identify problems, for example variations in performance between conservancies, causes of delay and by whom, or to act on issues arising. Efforts made by FCS to improve consultation arrangements led to new protocols being proposed between FCS and the statutory bodies. The protocol with SNH has been signed but

those with SEPA and HES have not. It seems unlikely that these and other management initiatives will achieve the step change in the rate of planting being sought by the SG.

# **Key Issues**

- 28. Two overarching issues emerged from the review. The first is the need to recognise the contribution of forestry to a living/working countryside. It was suggested that forestry's importance to regional and local economies, particularly in sustaining rural communities where there were few alternative job opportunities was not sufficiently acknowledged. There was a strong view within the industry that perceptions of rural Scotland were often based on a limited understanding of the social and economic importance of jobs in contracting, planting, harvesting and sawmilling. These activities help retain individuals and families in rural areas and, in so doing, support vital local services such as health and education. It was even suggested that "forestry" might be regarded as a pejorative term as it conjured up images of blanket Sitka planting creating an environment lacking biodiversity. In contrast the term "woodland" was seen as conforming more to the native broadleaf, wildlife-rich rural idyll, albeit that this would provide a limited supply of productive timber which sawmills and other wood processors/users require.
- 29. The second issue was the perceived change in the culture of the FCS with what is widely seen by the industry as a focus on process at the expense of outcomes. One agent described this as follows:-

"It used to be the case that FCS staff did not try to influence methods and details relating to planting, preferring instead to give the forester a fairly free hand, with the proviso that if...the forester did not show a crop of trees at the end of the contract, then the recourse to claim back grant monies was always available. So why do we have this micro management of detail?"

## **Specific Areas of Concern**

- 30. Concerns with the current process noted throughout this analysis include:-
  - Investors buying land with unrealistic expectations of returns.
  - Poor quality applications.
  - Variable quality of agents.
  - Difficulty in obtaining clear advice from FCS and statutory bodies on the acceptability (or not) of a proposal at an early stage.
  - Inconsistent approach to recording outcomes of meetings.
  - EIAs.
  - Lack of justification for information/survey requests and poor understanding of the implications.

- Consultees not sufficiently accessible (in contrast to FCS staff).
- Lack of experience of many Woodland Officers.
- Tick-box approach to managing the process.
- Delays from FCS's central clearing process.
- 31. It is impossible to quantify many of these concerns, on which more detail is set out below, but the frustrations are felt keenly by conservancy staff and the industry alike. However, it was clear that across the entire sector there was a strong desire to see the system work more effectively and to plant more trees which meet the UK Forest Standard.

## Investor Expectations

- 32. Acquiring land for woodland creation does not operate like buying a site for housing, which is normally bought subject to planning permission. In the case of forestry, an offer is based on what the investor, with advice from an agent, believes to be the possible financial return under commercial forestry, in particular Sitka spruce. Information received in the course of the review shows that Sitka Spruce (Yield Class 16 and above) would be valued at £10k/ha after 35 years; for Scots Pine, Lodgepole Pine or Larch (Yield Class 10 -12), the comparable figure would be £3-5k; and for Mixed Broadleaves it would be £3k.
- 33. Agents claim that they carry out due diligence on potential areas for new planting drawing in FCS and consultees as necessary. Indeed, one investor claimed that he did not pursue 75% of the opportunities that were presented as they were not viable. The industry is also signed up to the UKFS which they claim helps manage expectations about the potential return on investment. However, there are clear examples where the approved scheme which meets the UKFS is very different from the original proposals which solely aimed at maximising the commercial return. It is difficult to draw firm conclusions on whether problems have arisen because of unrealistic expectations from investors or advice from agents that does not sufficiently challenge these expectations.

## Variable Quality of Agents/Poor Quality Applications

34. Conservancy staff saw these issues as closely linked and most – but not all – acknowledged there were reputable and experienced agents who prepared competent applications which move through the system seamlessly. However, conservancy staff claim they regularly had to go back to agents for what they regarded as more detailed maps, information, and analysis. Indeed it was suggested that many schemes are drawn up by inexperienced agents and require a considerable amount of additional work by conservancy staff to help the application navigate the approval process. Not surprisingly the agents pointed to what they regarded as pedantic and overly bureaucratic approaches which added little value and missed the bigger picture on the benefits of forestry. It is almost certainly the case that there are some agents who are more professional in their approach than others and that the level of scrutiny by some conservancy staff (Inc. statutory and non-statutory bodies) to achieve what they might regard as a "Gold Standard" planting scheme can be disproportionate.

#### Pre-Submission Discussion/Consultation

- 35. Agents claim they carry out an initial sift of the potential for forestry and will generally approach the local conservancy for advice, often drawing in the statutory bodies, particularly on the larger schemes. Some FCS staff enjoy a very good reputation for the clarity and consistency of their advice, others less so. At least one conservancy employs an issues/action log but it is not standard practice across conservancies. Disputes can arise where there is no mutually agreed record of a meeting and what is seen by the industry as a new issue being raised late in the process. However agents can and do change the details of schemes.
- 36. Many pre-application discussions have resulted in significant improvements to new woodland creation. However, agents claim that it can be difficult to get SNH and SEPA staff to attend meetings, something that these bodies claim is not the case but this is difficult to prove/disprove. An officer from SNH pointed out that attendance at site meetings may not always add value, for example if the concern relates to a perceived impact on a Special Area of Conservation lying outwith the site of the grant application.
- 37. It may well be the case that in initial discussions about a potential woodland creation proposal, FCS and the statutory bodies may not always give sufficiently clear advice on the site-specific issues that could affect the design or eventual acceptability of planting proposals. This can guide the applicant's decision on whether the proposal is worth progressing or not. There could be a number of possible explanations for this, such as a lack of confidence among some conservancy staff and statutory bodies to be able to identify relevant issues; concerns that line managers may take a different view; constraints placed by the EU audit process. On the other hand, some agents might not provide sufficient information to enable firm advice to be given or might sometimes not fully take on board feedback which is given.

## Environmental Impact Assessment

- 38. While a handful of cases have required the preparation of an EIA, the process for reaching this conclusion and related scoping is not operating as it should. A significant contributory factor to this is the lack of EIA expertise and of consistent direction within the FCS.
- 39. **Screening.** It is for the competent authority, in this case FCS, to determine within 28 days whether an EIA is required and there is no need to consult on reaching this decision. In practice, when a screening opinion is sought, the conservancies appear to seek the views of the statutory bodies. It has not been possible to establish how long it takes to give a screening opinion. The same requirements for a screening opinion are placed on planning authorities who have to consider a much wider range of projects including major business, retail and residential development; minerals; waste; and energy. For a single sector like forestry, experienced forestry professionals should be able to make the screening determination without the need for consultation. Where an EIA is not required, the environmental effects of new planting proposals must be addressed but not as part of the statutory EIA processes.

- 40. Scoping. This is when statutory bodies such as SNH and SEPA should be consulted to agree what are likely to be the significant environmental impacts of the proposal on a specific location. It is then for FCS to scope in only those issues that will have a significant environmental impact and for these to be addressed within an EIA. A lack of confidence or knowledge among some conservancy staff, as mentioned earlier, may see them acting almost as a post box and simply passing on requests without challenge. Yet within the conservancies there are some extremely knowledgeable and experienced forestry professionals who are perfectly capable of deciding whether additional information is required. A number of cases have had a wide range of issues addressed in an EIA (or indeed Environmental Reports where an EIA has been screened out), irrespective of whether they will have a significant environmental effect. This part of the process has to be managed more effectively than at present with a robust approach to requests for additional work where it will have little or no added value.
- 41. It would appear, though, that FCS and some agents believe that by agreeing to the additional information requests by consultees they will avoid the need for entering into a length EIA process. However, they can end up preparing supporting environmental reports whose value may be in inverse proportion to their length and the cost of preparing them.
- 42. The lack of understanding of EIA has led to the processes of Screening and Scoping becoming confused. It is very likely that by following the Regulations more closely more EIAs may be requested. However these assessments need to be scoped in such a manner that they focus exclusively on issues which have a significant environmental effect. WOs have indicated a willingness to undertake dedicated training on EIAs. Moreover agents and environmental consultants have to be more disciplined on the content of reports.

## Information Requests

43. Many agents believed that requests for additional studies/information on projects where an EIA has been screened out were not justified and the purpose of these requests was to increase consultee knowledge on a particular issue. That may well be the case but it has not been possible to establish how common this practice is. However, it is clear from correspondence seen by the review team that it does happen. There are examples of insufficient understanding of the costs and associated delays of additional studies. Bird surveys which can only be carried out during the breeding season in spring/early summer were the most common issue mentioned but the review team was also made aware of requests to carry out additional analysis of Ground Water Dependent Terrestrial Ecosystems without any clear advice on how these should be undertaken.

## Statutory and Non-Statutory Bodies

- 44. Concerns expressed about statutory bodies include:-
  - Inaccessibility of Officers in contrast to FCS staff
  - Change of officer leading to change of opinion

- The tendency for generic replies
- Failure to respond within the 28 day period
- Requests for additional information without justification
- Officers with particular 'hobby horses' or areas of interest
- 45. The review team was shown correspondence which would support some of these criticisms although, again, it is not possible to put a figure on the scale of the problem and whether difficulties are more likely to arise in one area than another. However, SNH and SEPA argued that their approach to consultation has become more selective and point to significant scheme changes by agents triggering a further round of consultation(s).
- 46. Figures from SNH demonstrate that, on average, the agency responds within 18 days of being consulted on forestry cases. The figures relate to 173 consultations from January 2015 to August 2016 and only after the application had been put on the Public Register. These figures go wider than FGS applications and include Long Term Forest Plans and Felling Licences. The frustrations and difficulties cited by agents in respect of FGS applications appear to relate more to an earlier stage in the process when initial planting proposals are being discussed.
- 47. SEPA's role came in for more criticism from both the conservancies and agents. However, SEPA provided figures showing that they had only responded late to 5 out of 70 consultations on FGS applications. In those 5 cases, an extension had been agreed and the response issued within 7 days. It was suggested that the skills and knowledge of SEPA staff are more geared to commenting on urban development and wind farms than forestry proposals. There is also frustration that some staff have particular areas of interest and the issue of Ground Water Dependent Terrestrial Ecosystems was cited as a particular problem by agents who argued that SEPA staff had little or no understanding of the issues and could not give clear guidance on how they wished them to be addressed. SEPA does not share the agents' views.
- 48. No concerns were raised over Historic Environment Scotland's involvement in the process, whose interest generally relates to the protection of Scheduled Monuments, the locations of which are known. A protocol between HES and FCS is in preparation. HES thought that requests for surveys of unrecorded archaeology from local authorities might have been raised but it did not come up in the discussions held in the course of the review.
- 49. Local authorities present a different set of challenges as there are 32 Councils plus 2 National Park Authorities. Agents and FCS spoke positively about the background information councils could provide but consultations could be hampered by the general lack of chartered foresters in local authorities. As a result, the views of councils might be filtered through staff with a background in leisure and recreation, biodiversity or urban amenity woodland. Efforts were made to arrange a meeting with COSLA; however this did not take place.

#### Woodland Officers

- 50. Conservancy staff are very keen to play their full part in accelerating the rate of planting. Through the current recruitment freeze, combined with the retirement of some experienced officers, promotion opportunities within FCS and others moving to the private sector for what appears to be a more attractive salary and improved career prospects, the knowledge base within FCS has changed in recent years. Over 60% of WOs are not chartered foresters and over 25% have been in post for less than 3 years. While it is not absolutely necessary for a WO to be a chartered forester the lack of a relevant peer-reviewed professional qualification combined with limited WO experience can put officers at a disadvantage when dealing with agents whose knowledge of woodland creation and management has been built up over many years. This was one explanation of how a cautious and risk averse culture may have evolved within FCS; equally, perceptions of micro-management were noted as undermining confidence. There were also concerns that by being helpful and supportive conservancy staff would come in for criticism by auditors as being insufficiently neutral when considering grant applications.
- 51. Training and development was seen as a key means by which officers could increase their confidence. Few, if any, conservancy staff had a desire to attend personal development courses. Their interest was focused on technical courses which dealt with the practical issues raised in woodland creation schemes, which would enable them to carry out their duties and responsibilities with greater confidence.

## Tick-Box Approach

52. The consensus was that not enough FCS staff were exercising professional judgement or being sufficiently robust in dealing with comments from consultees (statutory or otherwise). One agent praised staff in one conservancy as "polite, friendly and helpful above and beyond the call of duty." However, he went on to say that his perception was that FCS sees its role as policing the grant scheme, not promoting it. He also observed that the WO role had become increasingly impotent, hampered by a series of checks both within the conservancy and at National Office rather than being able to provide supportive forestry guidance.

# Clearing

53. Prior to the introduction of the FGS in 2015, grants were approved on an ongoing basis by the conservancies. Forestry Grant applications are checked several times by conservancy staff with applications recommended for approval then forwarded to National Office where there is a monthly clearing round. However, if a case misses one month it could be up to 2 months before it makes the next round. For schemes where a grant above £750,000 is to be paid, final approval is given by the National Project Assessment Committee Forestry Subgroup. Only in a handful of the largest cases was approval sought from the Minister. While budget monitoring is of course critical, this can be done effectively without the need for central clearance in most cases.

# **Summary of Issues**

54. The current processes for applying for and obtaining FGS grant approval are not working effectively. There are a number of elements that explain this situation and few within the sector were happy with this state of affairs. It is difficult to see how procedural adjustments can improve the system to the extent that is required if the current planting rates are to reach, far less exceed, the 10,000 hectare annual target. Forestry professionals in both the FCS and the industry appear not to assert their knowledge and experience following requests for further information. As a consequence, the bigger picture of forestry's contribution to strategic economic and environmental objectives is being compromised at the expense of issues which can be, if not of marginal significance, of secondary importance. In addition, despite the shared desire across the sector to plant more trees that meet the UKFS, relationships between the FCS, statutory bodies and the industry continue to be a barrier to achieving the target.

# A Way Forward

- 55. A major structural problem with FGS is the extent to which the proposals for woodland creation and grant approval are interlinked and overlap. This is confusing and also creates problems for FCS staff who seek to offer advice on a scheme but it is claimed that this can be interpreted by auditors as being insufficiently neutral when grant applications are being considered. It is recommended that woodland creation and grant approval become separate and distinct processes. For many projects the award of a grant or loan is dependent on planning permission being in place. The same principle should apply to FGS applications.
- 56. Important though this change is, the operation of FGS must be supported by the improved management of relationships. There are 3 key principles:-
  - Empowerment
  - Trust
  - Proportionality
- 57. These principles apply to all participants and stages in the process. Indeed, they are the key to an energised and more effective system focused on outcomes rather than inputs or processes.

## Recording Meetings

- 58. Where agents request a meeting with the conservancy (and statutory bodies) to discuss a proposed planting scheme, they must come fully prepared for that meeting with clear plans identifying what they consider to be the constraints and their concept of the new woodland. It might be useful if the agent were to set out the financial and carbon implications of various planting options.
- 59. The outcome of the meeting must be clearly recorded, including whether the project needs to be screened under the EIA Regulations. The note should be the responsibility of the agent in the first instance and this issues/action log should be

presented within 3 working days of a meeting and agreed by all parties within 5 working days thereafter. Advice should be given on the acceptability of the scheme and, where there are issues to be addressed, the reasons should be identified as should the approach to resolving and the likely timescale involved. Where additional information/survey/analysis is required, this should strictly be on the basis of "need to know" not "nice to know". FCS information systems should pick up the scheme for monitoring at this stage.

# Community Engagement

60. There has been a growing interest from individuals and communities in proposals that affect their area. At present, public awareness of a woodland creation scheme generally occurs when an application is placed on the Public Register. By this time there is a perception that the details of most schemes have been addressed and resolved. The public need to be informed much earlier in the process and should feel they have had an opportunity to influence the design of the new woodland. The approach to this should be proportionate, ranging from informing adjoining landowners and tenants of smaller schemes to, in the case of larger schemes, a more all-embracing approach, perhaps following the pre-application consultation required for major planning applications. Reference should be made to a helpful Confor aidememoire (fig. 2) on Stakeholder Engagement.

# STAKEHOLDER ENGAGEMENT Guidance Note 2015



Stakeholder Engagement: the process of involving people in the decisions that affect them.

Consult: To have regard for a person's feelings or interests in making plans or decisions

Planning or Developing Activities e.g. New Planting, Revision of LTFPs, Significant Felling.  Who?  Neighbours Community (Community Council, Development Trust, User Groups) Clients/ Agents Legal Interest Groups FCS & Statutory Consultees National NGOs Vociferous Detractors  Establish a Forestry Contact within Community Council or simillar Meetings with key stakeholders Attend meetings of relevant local groups. Website Advertisements/ Articles in Local Press Interactive workshop/ event Legal Interest Group or South Residual Press National Nethors National Nethors Netho	When?		
<ul> <li>Vociferous Detractors</li> <li>How?</li> <li>Site Visits</li> <li>Small Informal/ Formal Meetings with key stakeholders</li> <li>Telephone contact with key stakeholders</li> <li>Attendance at suitable local events e.g. shows, galas, etc.</li> <li>Attend meetings of relevant local groups.</li> <li>Website</li> <li>Advertisements/ Articles in Local Press</li> <li>Interactive workshop/ event</li> <li>Leaflet drop to all households</li> <li>Establish a Forestry Contact with key within Community Council or similar</li> <li>Advisory Committee</li> <li>Advisory Committee</li> <li>Advertisel local events e.g. shows, galas, etc.</li> <li>Newsletters</li> <li>Annual Surgery</li> <li>Annual Meeting with key stakeholders</li> <li>Attend meetings of relevant local groups.</li> <li>Attend meetings of relevant local groups.</li> <li>Meetings with key stakeholders</li> <li>Attend meetings of relevant local groups.</li> <li>Attend meetings of relevant local groups.</li> </ul>	e.g. New Planting, Revision of LTFPs, Significant Felling.  Who?  Neighbours Community (Community Council, Development Trust, User Groups) Clients/ Agents Legal Interests e.g. wayleaves Special Interest Groups FCS & Statutory Consultees	e.g. Access and Forest Management Interactions.      Neighbours     Community (Community Council, Development Trust, User Groups, Local Schools)     Clients/ Agents     Legal Interests e.g. wayleaves	transport disruption, fly tipping, unauthorised mountain bike trails.  Neighbours Community (Community Council, Development Trust, User Groups) Local Authority
<ul> <li>Small Informal/ Formal Meetings with key stakeholders</li> <li>Telephone contact with key stakeholders</li> <li>Attend meetings of relevant local groups.</li> <li>Website</li> <li>Advertisements/ Articles in Local Press</li> <li>Interactive workshop/ event</li> <li>Leaflet drop to all households</li> <li>Within Community Council or similar</li> <li>Advisory Committee</li> <li>Attendance at suitable local events e.g. shows, galas, etc.</li> <li>Newsletters</li> <li>Annual Surgery</li> <li>Annual Meeting with key stakeholders</li> <li>Attend meetings of relevant local groups.</li> <li>Attend meetings of relevant local groups.</li> <li>Meetings with key stakeholders</li> <li>Auareness Raising via Local Press</li> <li>Attend meetings of relevant local groups.</li> <li>Moetings with key stakeholders</li> <li>Nowsletters</li> <li>Nomall Informal/ Formal Meetings with key stakeholders</li> <li>Awareness Raising via Local Press</li> <li>Notical groups.</li> </ul>	How?	Establish a Forestry Contact	Site Visits
•	Small Informal/ Formal Meetings with key stakeholders Telephone contact with key stakeholders Attend meetings of relevant local groups. Website Advertisements/ Articles in Local Press Interactive workshop/ event Leaflet drop to all households	within Community Council or similar  Advisory Committee  Attendance at suitable local events e.g. shows, galas, etc.  Newsletters  Annual Surgery  Annual Meeting with key stakeholders  Notice Board at Forest Gate	Small Informal/ Formal Meetings with key stakeholders     Awareness Raising via Local Press     Attend meetings of relevant

- Forestry Commission Toolbox for Public Engagement in Forest and Woodland Planning (www.forestry.gov.uk/toolbox)
- Scottish Government National Standards for Community Engagement (applies to public agency but handy guide) (<u>www.scdc.org.uk/what/national-standards/</u>)
- Royal Town Planning Institute Guidelines on Effective Community Involvement and Consultation (www.rtpi.org.uk/knowledge/publications/)

#### **Lessons Learnt**

- . One size does not fit all it's about the right thing at the right time. Knowing what works takes time.
- Speaking to people in advance of an activity rather than after can identify issues before they arise.
- · Style and tone are as important as what is said/done.
- · Make yourself known and available to stakeholders/ communities as this can help avoid problems escalating.
- Listening skills are essential. Often foresters want to solve problems and take action when just listening works.
- Take time to understand the problem. It may not be what you first think.
- Face to face always works better in difficult situations.
- Avoid 'town hall' style public meetings.
- · Visual aids (but not just maps) and 'active' feedback sessions work well.
- · Admit mistakes, rectify and move on.

Fig. 2, Stakeholder Engagement Guidance Note 2015

# Earned Recognition/Accredited Forestry Professional

- 61. The Building (Scotland) Act 2003 permits design or construction of building work to be certified by qualified, experienced and reputable building professionals without the need for detailed scrutiny by local authorities. Certification may only be undertaken by an approved certifier of design. One particularly successful scheme relates to structural engineering. Structural engineers must apply to join the scheme which is run by Structural Engineers Registration Limited; not all applications are accepted, for example, if the engineer is not sufficiently experienced. Scheme members are audited on a regular basis with complaints and disciplinary procedures in place to deal with unprofessional conduct. A recent research report commissioned by the Scottish Government Building Standards Division strongly endorsed the system.
- 62. In Wales, applications for funding under the Glastir Woodlands Scheme must (in most cases) be submitted by a Registered Glastir Woodland Management Planner. These individuals can be an Associate or Full Member of the Institute of Chartered Foresters (ICF) or a similar Professional Body such as the Royal Institution of Chartered Surveyors (RICS) or the Chartered Institute of Ecology and Environmental Management (IEEM) or hold another qualification in forestry acceptable to the Welsh Ministers. There was initial scepticism about this approach. Applications are verified by Natural Resources Wales, with grant awarded by the Welsh Government.
- 63. These approaches to regulation could be adapted to Scottish circumstances. While some conservancy staff were very critical of some agents, most accepted that others approached applications for FGS in an exemplary manner. The concept of "earned recognition" was mentioned a number of times and there is scope for a group of experienced chartered foresters accredited forestry professionals to take on the role of certifying that a planting scheme complies with the UKFS.
- 64. In the first instance, the status of the accredited forestry professional should be restricted to a small number of experienced and reputable agents. There are various ways in which agents could achieve accredited status. One approach would be for the Institute of Chartered Foresters (ICF) and the Confederation of Forest Industries (Confor) to put forward a list of potential candidates to National Office and, based on advice from conservancies, they could decide which of the agents should be accredited. It is suggested that these appointments would last for 2 years in the first instance and accredited agents would not be able to certify projects submitted by their own firm. If the approach proves successful, self-certification could be considered through a stage programme. To take this idea forward, FCS, ICF and Confor should meet to develop the approach to appointing accredited forestry professionals to certify that defined categories of proposals for woodland creation meet the UKFS.
- 65. Certification by an accredited forestry professional could apply where a proposal is below the threshold for EIA screening and in the majority of cases where the requirement for an EIA has been screened out. It was suggested that, unless an EIA is required, all schemes under 50 hectares could be certified as UKFS compliant by an accredited forestry professional. In one conservancy this threshold could result in the majority of cases being progressed in this way.

- 66. The key task of the accredited forestry professionals is to satisfy themselves that, in certifying a planting scheme, it has been:-
  - Discussed with the local community
  - Consultation has been undertaken with relevant interested parties, including FCS and statutory bodies, but also organisations like the RSPB where appropriate
  - Community and environmental concerns have been addressed
  - The proposal at the very least complies with the UKFS

These matters should be covered in a report to accompany the grant application.

- 67. This approach puts considerable reputational responsibility on the accredited agents to demonstrate and assert their professional skills and knowledge. Failure to do so will result in grant applications being refused. Moreover, if proposals are consistently and demonstrably deficient it could result in the approach being abandoned altogether and the current system reintroduced with some modifications.
- 68. This should not be taken as diminishing the role and importance of conservancy staff. Rather, it provides greater scope to develop their enabling role to offer technical guidance and apply their forestry knowledge on the appropriateness of a design proposal at an early stage in the process. Indeed, by the separation of design and grant processes, WOs and OMs would again be able to promote the benefits of forestry and provide technical guidance.

## Complex/Sensitive Proposals

69. A small number of the more complex and/or sensitive proposals which do not require an EIA should be for the FCS to certify along with cases which are subject to an EIA. A team of experienced foresters, drawn mainly from the conservancies, would be responsible for certifying that these schemes are UKFS compliant. A document akin to a processing agreement used by some planning authorities and developers could be drawn up to establish the information/analysis/consultation required from the agent; how statutory bodies will engage in the process; and the timescale for a decision.

## Environmental Impact Assessment

- 70. Where an application requires screening under the EIA Afforestation Regulations, FCS should make a determination based on the submitted design and the consultation report as noted above, without the need for wider consultation. The Regulations make it perfectly clear that the Forestry Commission, as competent authority, determines whether a project "is likely to have significant effects on the environment by virtue of its nature, size or location". Where a proposal is deemed not to require an EIA, FCS should indicate whether they are content for the scheme to be certified by the accredited forestry professional. FCS should also identify the issues they expect to be addressed to make a scheme UKFS compliant.
- 71. It is vital that a more rigorous and focused approach is taken to scoping the content of EIAs. The purpose is not to draw up a compendium of the environmental issues arising from a proposal for new woodland creation. Instead, it is to identify the

significant environmental issues raised which might result from the proposal and demonstrate how these can be mitigated.

#### Grants

- 72. While the proposed new approach would empower the private sector to bring forward and certify proposals for new woodland creation, it would be wholly inappropriate for the industry to determine applications for grant or to inspect schemes to ensure that they comply with the terms of the grant and EU Regulation. **Grant processing must therefore remain wholly the responsibility of the FCS**. Assessing proposals for grant should be a relatively straight forward administrative process as issues around landscape, species, drainage, impact on protected species should have been resolved.
- 73. An additional and important element of empowerment is that the award of grant should become the responsibility of the conservancies with the need for central clearance significantly reduced, except for grant awards above £250,000. However, National Office should have a central role in monitoring the uptake of the budget at quarterly intervals and it may be that, if an overspend looks likely, National Office should assume more direct control until such time as the budget is re-assessed or additional monies become available.
- 74. Many WOs seem very willing to take on more responsibility and, subject to checks and balances being in place within conservancies, there is no reason why they and OMs should not have the authority to be able to offer technical design guidance, make decisions on grants, issue contracts after grant approval and ensure that planting is carried out in accord with the approved schemes.

## **Supporting the Changes**

## **Publicity and Awareness**

75. For the planting target to be achieved and the changes to be effective, a range of supporting measures need to be put in place. What is currently a convoluted process needs to be simplified and promoted much more effectively. The current approach was described as "dull and stingy". Information on the FGS is not particularly accessible; for example, the main leaflet promoting the scheme is not available on the website and the Internet may not be the best way of promoting the scheme. Moreover, it can be difficult to persuade landowners that they should apply for grants when the costs and timescales are so elastic. FCS staff, supported by Confor, should be actively promoting the scheme at various countryside events across Scotland. An easy-read guide should be made available online and in hard copy. In addition a range of map and application templates should be provided online as best practice examples. There was a wealth of positive suggestions from WOs on better promotion of the scheme and these should be captured and implemented.

## **Enabling and Supporting Culture Change**

- 76. The 10,000 hectare per annum target set by the Scottish Government is not up for debate, although one of the non-statutory consultees expressed reservations about its contribution to addressing the challenges of climate change. What is not in doubt though is the contribution that forestry makes to the economy of rural areas. It is private sector investment that will enable the target to be achieved. The FCS and also government agencies have a key enabling role to play. To support planning reform, government agencies adapted their approaches to help the planning system contribute to the Scottish Government's Purpose to 'focus government and public services on creating a more successful country, with opportunities for all of Scotland to flourish, through increasing sustainable economic growth'. The same approach and positive mindset are required if the public sector is to play its full part and the annual planting target is to be achieved.
- 77. It would appear that none of the protocols between FCS, SNH, SEPA and HES has been implemented although the agreement with SNH was signed in June 2016. These protocols must be updated and implemented within 3 months of the Scottish Government's decision on this review. In the context of growing challenges over staff resources, it is important that resources are deployed where they will add most value and there seemed to be a real desire for consultation only where it is necessary to do so. Far greater trust needs to be placed in the knowledge of experienced forestry professionals in both the public and private sector.

## Training and Development

78. The need for a role-specific programme of technical training and development to enable FCS staff to realise their potential came across strongly. The demand was for practical courses to enable staff to feel at ease in discussions with experienced agents. There was a strong aversion to personal development courses, yet, of the 9 courses with places available offered in a recent communication 8 were exactly that; indeed the only practical course on offer was on chainsaws. An early priority for training would be Environmental Impact Assessment in particular, to embed a sound knowledge of screening and scoping widely within FCS. This course could be delivered by expert staff from within the Scottish Government, possibly supplemented by contributions from EIA practitioners from the public and private sectors. One investor also offered to run a course on carbon capture issues in forestry and this should be taken up, and consideration should be given to any others offered by the industry. SEPA also offered to provide training for FCS staff and agents on their areas of interest, notably peat and Ground Water Dependent Terrestrial Ecosystems. More generally, training courses should be aimed at staff across the sector, indeed there could be training for consultees on a range of forestry issues. Input from the Institute of Chartered Foresters could be useful in shaping a cross-sector approach.

## Management Information and Annual Report

79. The point has been made about the amount and quality of management information available from FCS. The Public Register project currently being worked on seeks to improve the Register and link it to an existing Casebook Management System. There is a need to take stock of the purpose of the Register and be clear on its future role in

the light of decisions made on this review. A new casework management system should pick up not just schemes that are the subject of grant applications but also proposals at an earlier stage as some schemes may not progress beyond the initial discussions. The system, which is for National Office to develop in association with the conservancies, should also pick up EIA screening, various aspects of consultee responses, etc. and so forth. The objective is not to create a large and potentially unwieldy database but to understand how the scheme is operating, differences between conservancies, statutory and non-statutory body responses; to highlight best practice; to act where difficulties arise; and to report on performance on an annual basis. The annual report might also have a forward look on the prospects for forestry, not least in the context of Brexit.

#### Stakeholder Seminars

80. Relationships are the key to revitalising the process. These can become frayed in the context of individual cases and the conservancies should take the lead in holding seminars with key interests to arrive at a shared view on how the system can work better. This is not just about improvements FCS and statutory bodies can make, it is also about how the industry can up its game. The objective is not just to have a meeting. Rather it is to identify what can be done to drive improved relationships and performance and for all parties to act on the issues that emerge.

## **Targets**

- 81. Targets have a role to play in driving forward the Scottish Government's agenda on woodland creation. There are 2 obvious areas where targets could be introduced:-
  - EIA screening
  - Assessment of Grant Applications
- 82. The statutory requirement is for screening determinations to be made within 28 days. As there is no need for FCS to consult on these determinations it is proposed that 90% of EIA determinations be made within 28 days. The 90% target will accommodate cases where the agent has not provided sufficient information or the case is particularly complicated.
- 83. A similar approach can be applied to decisions on the award of a grant, where again there is no need for consultation. 90% of contracts should be issued within 28 days of the grant application being submitted with perhaps a further 14 days to issue a contract. If the applicant and the landowner are not the same person, then the agent should also be notified of the decision.
- 84. Targets might also be considered for the area of woodland created. FCS holds information on land availability for forestry and it should be possible to apportion this between conservancies. The purpose is to understand better different rates of progress across Scotland, for reasons which may range more widely than the number and scale of applications. For example, while there may be a substantial amount of land suitable for forestry around the south of Edinburgh and Glasgow, it may be that the restrictions on tenant farmers make that land only available in theory.

85. The proposals involve a substantial devolution of responsibility to the conservancies, and National Office must ensure that the changes are properly communicated and supported. National Office should focus on developing an uncomplicated but effective management information system, monitoring and acting on budgets and performance, overseeing the work of teams certifying complex proposals and EIA cases, developing promotional material and putting in place a post-related programme of training and development.

## Restocking

86. As a result of concerns over the long term supply of timber, the review was also asked to consider the current approach to re-stocking, including on the National Forest Estate. Over the last few years Forest Enterprise Scotland (FES) has felled approximately 7,000 hectares annually. Unlike the majority of the commercial sector, FES delays restocking for what could be a period of up to 7 years although the average is half that. In addition to budgetary considerations, FES's approach is based on reducing the amount of chemicals in forestry. So the use of pesticides is much less, therefore more environmentally sustainable, meeting their forest certification requirements. Research has shown that leaving felled areas fallow can reduce the populations of Pine weevil and lessen the risk of crop failure. The approach of the commercial timber producers is based on felled sites maximising their economic potential and replanting takes place early with a greater use of chemicals for weed and pest control. The sector argues land on the National Forest Estate lies fallow for too long and the use of herbicides to control the growth of weeds makes re-stock more expensive and less successful. However, the different approaches by the commercial sector and FES comply with the UKFS and International standards of certification. Essentially it is for the SG to discuss with FES the approach to re-stocking on the National Forest Estate.

## **Other Considerations**

- 87. A range of other suggestions came up in the course of the review although they are arguably beyond the scope of the brief. However, they are worth recording and considering further:-
  - There is a strong case for increasing the thresholds where an EIA determination is required.
  - Planning grant might usefully be restored.
  - An increase in the grant rate, for example to the level available in the area of the Central Scotland could boost planting rates.
  - Higher grant rates could be available for less productive species to encourage greater woodland diversity.

- There was considerable disquiet around the loss of experienced FCS staff and the very limited career development prospects, particularly for WOs.
- There was a widespread view that, if possible within EU rules, returning Paying Agency status to FCS would bring much greater flexibility.
- 88. There were mixed views on the value of Integrated Forestry Strategies (IFS). In theory they should guide investment in new planting but in practice detailed issues can emerge in the consideration of grant applications. As a result, the status of land in the IFS becomes just one consideration. Moreover, the content of the strategies varies between authorities and the review encountered one situation where the IFS identified an area for planting but the Local Development Plan contained a presumption against planting. While the IFS have a role to play, particularly in setting out planting options in the context of wider rural land use, they do not provide a quick or ready solution to accelerating the rate of planting.
- 89. One suggestion that emerged in the course of the review was that, to achieve or exceed the planting target, some very large schemes should be considered. This is likely to be the case. Large areas of forestry will undoubtedly be controversial and a council perspective and input will be essential in terms of raising awareness and local acceptability. It might therefore be worth identifying a local authority which recognises the value and importance of forestry to the local economy to work with FCS, statutory consultees and other interests, including local communities (who may be able to obtain a financial stake in the scheme, for example under Community Right to Buy legislation) to take forward a project(s) that will help deliver ambitious woodland creation targets in the context of wider, and hopefully shared, aspirations for rural land use and development.
- 90. The issue of planting on peat came up on several occasions. This has been a controversial issue in the past and came to a head over planting in the Caithness Flow Country. Recent research has recognised the importance of maintaining peat soils to help store carbon and reduce carbon emissions. This has further strengthened the case for their protection. As a result of the potential for significant negative impacts through planting on peat, the UKFS requires that new planting should "avoid establishing new forests on soils with peat exceeding 50cm depth". Afforestation schemes which propose planting on peat over 50cm deep would not therefore meet the UKFS. The approach to considering planting on peat or other carbon rich soils is set out in paragraph 205 of Scottish Planning Policy (2014).
- 91. Some investors/agents argued that the UKFS and current SG policies on climate change and planning work against the planting target being achieved. It is an area where the FCS keeps abreast of current research on soil and forest management.

## **Summary of Recommendations**

- 92. The recommendations can be summarised as follows:-
  - The design of the planting scheme should be separate from the grant application Figure 3 is a summary diagram of the proposed approach.

- Accredited agents should be appointed to certify all woodland creation schemes which are below the threshold for EIA screening and the majority of schemes where it is determined that an EIA is not required
- FCS should set up a central team to deal with particularly sensitive/complex proposals and all projects where an EIA is required.
- With the exception of grant applications above a certain value, or where there are concerns over a potential overspend, grant applications up to £250,000 should be determined by conservancies on an ongoing basis.
- Conservancies should make EIA Screening determinations without the need for consultation.
- A more rigorous and focused approach is required on scoping, with the EIA focused solely on issues which raise potentially significant environmental effects.
- Informing and engaging communities should happen much earlier and should be proportionate to the scale and impact of a planting scheme.
- Pre-application discussions are vital and the issues/actions should be recorded by agents and subsequently agreed by attendees.
- FCS and consultees, where they are involved, must have the confidence to give clear and consistent advice on issues to be addressed.
- Revised protocols setting out the involvement and approach of SNH, SEPA and HES should be agreed and implemented within 3 months of the SG decision on this review.
- Requests for information must be clearly justified and there should be an understanding by FCS and consultees of the cost/time implications of additional studies.
- Performance targets should be introduced for EIA screening determinations and grant applications.
- Planting targets for conservancies should be considered.
- Focused and post related programmes of training and development should be introduced.
- Better publicity for the scheme both online and in hard copy should be introduced.
- Better management information should be available.

- Conservancies should hold stakeholder seminars.
- An annual report should be produced looking at performance and prospects.
- A pilot scheme with a willing local authority to identify areas for large scale planting schemes should be considered.
- SG should discuss with FE the current approach to restocking on the National Forest Estate.
- 93. The cumulative effect of these recommendations, if they are accepted, has the potential to revitalise the FGS process but it is improved relations based on the principles of empowerment, trust and proportionality that really hold the key.

## **Next Steps**

- 94. In the short time over which this review was conducted it has not been possible to cover or uncover some of the nuances in the scheme both in terms of the way it is intended to operate and different practices between and within conservancies. The recommendations set a direction and are neither exclusive nor exhaustive. Instead, they set out a way forward
- 95. The Cabinet Secretary can accept these recommendations, accept them with modifications or reject them. Assuming they are accepted in whole or part, an action plan should be drawn up with clear timescales for implementation. Some actions such as the approach to screening or returning decisions on the award of grant to the conservancies can be introduced quickly. Others, such as introducing a system for the appointment of accredited agents, performance targets or better promotional material, could be introduced within 6 months. Improved training and development will be an ongoing process but there is no reason why a programme cannot be set out by end 2016, while an annual report in 2018 could review the impact of the recommendations and set out the prospects for forestry.

#### Conclusions

96. Forestry is a vitally important sector of the Scottish economy generating almost £1billion in GVA and creating 25,000 jobs, many of which are in rural areas where there are few alternative employment opportunities. There has been a strong welcome across the sector for the greater priority now attached to forestry. Embedding culture change through empowerment, trust and proportionality are vital for the sector to fulfil its environmental and economic potential. Arguably, even more important is for the industry to be valued in its own right and for forestry professionals to demonstrate that a presumption in favour of planting that meets the UKFS will secure the long-term supply of productive timber, sustain jobs in rural areas and help Scotland achieve its ambitious climate change targets.

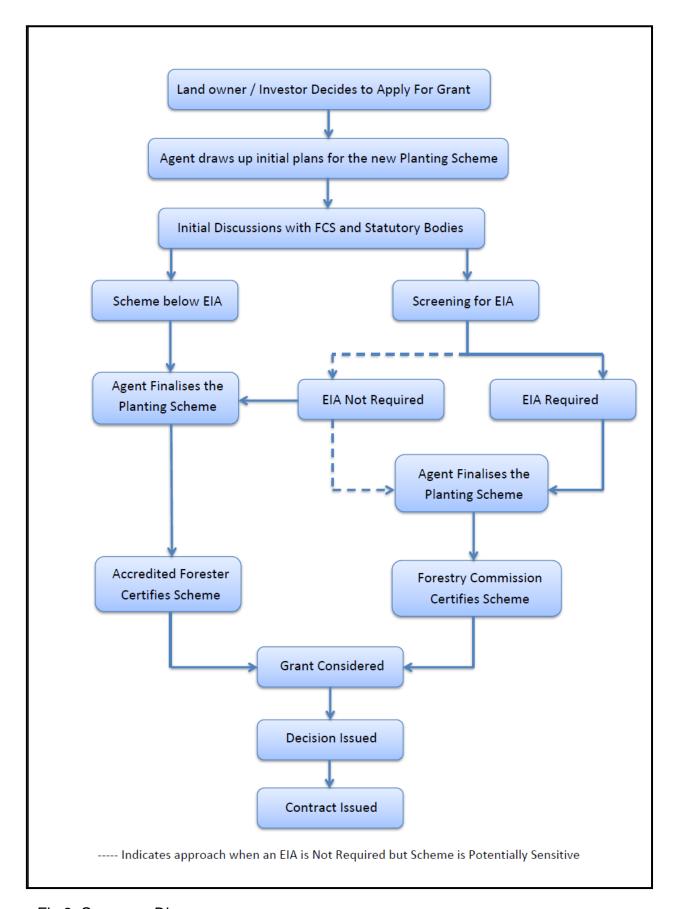


Fig 3. Summary Diagram

# **PROJECT BRIEF**

## **ANNEX A**

To provide Scottish Ministers with an analysis of the current arrangements for the consideration and approval of forestry planting proposals, and to make recommendations which will help reduce the duration, complexity and cost, and improve the management and handling of the process.

The context for this commitment is the continued failure to meet the published target of 10,000 ha of new planting per annum as part of delivering 100,000 ha new planting in the decade to 2022, and hence to achieve a step change in the pace and scale of planting. This target contributes to the Scottish Government's climate mitigation plans and is essential as part of maintaining the future availability of a supply of softwood for Scotland's timber processing sector. Forestry investment stakeholders have consistently stated that a significant improvement in approval processes will help secure greater private sector investment in forestry planting.

The analysis should also consider the current approach to re-stocking, including on the National Forest Estate, as part of the current need to ensure the sustained long-term availability of timber.

This analysis and report will be informed by discussions with Scottish Ministers, Scottish Government officials, Forestry Commission, Forest Enterprise Scotland, Confor, the UK Forest Products Association, SNH, SEPA and other relevant stakeholders.

A brief report on progress should be provided to the Scottish Government by mid-September and a presentation on progress and emerging thoughts should be given to one or more "summits" with the forestry sector which are being planned for the autumn.

A final report should be submitted to Scottish Ministers by end October.