

THE FUTURE OF FORESTRY IN SCOTLAND – CONFOR POSITION

Purpose

This document sets out the submission that Confor will make to the Scottish Government's consultation on "[The Future of Forestry in Scotland](#)".

Members are encouraged to provide their own responses, making use of the text in this paper. The deadline for responses is 9 November 2016.

The title of the consultation appears to imply all forestry and not just the institutions of the Forestry Commission (FC), but it is the FC that it focuses on. However, the private sector – along the supply chain, has a clear interest in future arrangements as, outside of the FC itself, it will be most affected by these, and it is these interests that Confor represents.

The proposal contains three aims:

- To make new organisational arrangements to make forestry in Scotland fully accountable to ministers and the Scottish Parliament;
- To provide for effective cross-border co-operation in areas such as research, plant health and UKFS;
- To put in place new legislation for forestry for the 21st Century.

The consultation asks 15 questions around these aims. These questions and Confor's responses follow.

New organisational arrangements in Scotland

1. Our proposals are for a dedicated Forestry Division in the Scottish Government (SG) and an Executive Agency to manage the NFE. Do you agree with this approach?

Yes / No

Please explain your answer

Forestry in Scotland stands at a key point in its evolution. It has become a mature sector and private forestry has overtaken the public forest in the overall scale of provision of many public benefits, not least the supply of wood.

The private sector, in particular through Confor, has found its voice and is taking a lead in developing policy for the sector and establishing how Scotland's forests, both private and public, can provide a myriad of economic, environmental and social benefits for the people of Scotland.

Forestry in Scotland is in a very different place from 1919, when the Forestry Commission was established, and from 1999 when the process of devolution of forestry policy began in earnest. The sector has major opportunities on its doorstep, and needs to be looking forward to how it can be recognised and supported as an increasingly important part of all of Scotland, not just its rural areas.

Looking forward, it is expected that Scotland will no longer be part of the Common Agricultural Policy, which means that there is an opportunity to develop new policy and support measures for rural areas, in which forestry can play a fuller part. The continued drive to decarbonise society plays to the role that forests can sequester carbon and wood-products can lock that carbon up. In areas such as flood mitigation, biodiversity, and health and recreation, forestry can provide a unique opportunity to deliver a wide range of benefits at the same time, without compromise.

Looking forward, it will be the private forestry sector, in its broadest sense, encompassing all types of forest and woodland, and all types of ownership, that will take an increasing lead in providing these benefits. The current roles of the Forestry Commission, and the expertise of its staff, will continue to play a key role in realising and delivering those benefits, in partnership with the private sector.

As a keen and interested observer, Confor recognises that the shared services of the Forestry Commission (including finance and HR) have been left in limbo for some years, with staffing under pressure. Prompted by the Forestry Commission (FC) in Scotland, the Scottish Government (SG) has taken the initiative to complete the process of devolution of forestry. Confor hopes that a fully devolved arrangement can work effectively with a successful Scottish forestry and wood-using sector to deliver further jobs and investment, as well as stronger biodiversity and recreational/health opportunities.

Confor is content in principle with SG's proposals to place the old 'Forestry Authority' element of the FC in a Forestry Division within the SG, and to establish the Forest Enterprise Scotland (FES) element as an agency.

However, before giving the proposals its wholehearted approval, Confor would like reassurance on key issues, including the status of forestry professionals within the Forestry Division and protection of the productive forest resource on the National Forest Estate (NFE). These points are expanded on further in this response.

2. In bringing the functions of FCS formally into the SG, how best can we ensure that the benefits of greater integration are delivered within the wider SG structure?

Confor's view has been that forestry policy in Scotland would benefit from being linked in more effectively to wider SG policy and delivery, while retaining a well-resourced, professional and effective team with a clear role and remit to support the forestry sector.

As explained above, forestry has an opportunity to become an integral part of public policy in many areas from rural policy to the environment and health. The consolidation of the

'Forestry Authority' arm of the FC within the Environment and Forestry Directorate (ENFOR) provides an opportunity to strengthen links and influence across SG to support this integration. Confor believes that the forestry sector, including the forestry authority function, should be more self-confident and outward-looking, and we would hope to see greater movement of staff between a strong forestry division and other policy arms of the SG so that the forestry team can expand its experience and links, and staff from other parts of SG can learn more about the fantastic role that forestry can play in a successful Scotland.

At the same time, Confor believes there would be benefit in promoting interchange between the Forestry Division and the forest management agency. This should help to strengthen the skills and knowledge of those working in the Forestry Division. The SG's proposal to support this interchange is welcome.

Confor would also want to be assured that future governments would be restrained from merging the Forestry Division with other public bodies in the way that has happened in Wales. The formation of Natural Resources Wales has seen forestry promotion and regulation having minimal profile in the merged body. Faced with regulating nuclear and chemicals installations, as well as major infrastructure, NRW has reduced resources devoted to forestry while attempting, unsuccessfully, to maintain its previous range of activities.

Confor believes that governance and accountability arrangements for the agency should be the same as apply to other agencies in Scotland, with non-executive members of the agency management board, and a non-executive chairing an agency audit and risk committee. These non-executives, including at least one representing the forestry industry, would play a key role in ensuring that the agency builds on the work of the current "Forest Enterprise Scotland" in delivering the range of benefits that sustainably managed forests provide.

For the Forestry Division there should be a similar, if not more influential group, to the current Customer Representative Group as well as an Advisory Group of stakeholders for ENFOR with one representing the forest industry.

What additional benefits should we be looking to achieve?

Confor is aware that the NFE provides a wide range of economic, environmental and social benefits and is open to further discussion about how these benefits can be strengthened in the new agency. However, it is vital that productive capacity of the NFE is protected given that the industry faces a serious and damaging downturn in wood supply in the 2030s and 2040s, and this would be exacerbated if the valuable productive resource of the NFE was undermined.

3. How should we ensure that professional skills and knowledge of forestry are maintained within the proposed new forestry structures?

Confor welcomes the SG's recognition of the importance of maintaining professional skills and knowledge of forestry, supported by the interchange of Forestry Division staff both with the agency and wider SG. This would be strengthened if there was explicit facilitation for interchange of staff between the Forestry Division and the management agency, and a post of "Chief Forester for Scotland" or similar could be established which would provide a recognised focus around which the professional status of key posts in the Division could be secured.

Confor believes a well-resourced, professional and effective forestry function can play an important role in supporting the continued success of the forestry and wood-using sector. With that in mind, Confor believes that the Forestry Division must retain staff with professional forestry expertise who can understand the complexities of modern forestry management, enshrined in the UK Forestry Standard, and who can provide support and regulation in that context. Forestry as a professional discipline should be explicitly recognised in the remit of the staffing of the new division, for example by designating posts that require a forestry or related qualification. At the same time the Forestry Division would benefit from staff skilled in linking policy and delivery, in this case in forestry, with wider SG policies.

Similar concerns relate to the proposed agency. While there are no current proposals to merge bodies, such as SNH, SEPA, or the Crofting Commission into the agency, this is a potential implication of the name: Forestry and Land Scotland. Consideration should be given to a different name for the agency, e.g. Forests Scotland.

The merging of Forestry Commission Wales with environmental agencies into Natural Resources Wales has had disastrous results for forestry in terms of its ability to deal with Phytophthora outbreaks in larch plantations and subsequent restocking. In a parallel instance, the abolition of the Scottish Deer Commission in 2010 and the merging of its functions into SNH did not result in more effective tackling of deer numbers, but simply a cessation of monitoring amongst the competition for other priorities.

4. What do you think a future land agency for Scotland could and should manage and how might that best be achieved?

In transferring the management of the NFE from a Public Corporation ("an industrial or commercial enterprise under direct control of Ministers") to an executive agency ("constituent parts of Scottish Government with a stronger focus on operational management and direct delivery of public services"), we would seek particular clarification on how the business activity of wood production would be handled.

Although the balance of activity has shifted towards the private sector, public sector wood production remains a vital component of the forestry sector in supporting economic activity at all levels from small scale wood heat to larger sawn and panel board manufacturing.

The NFE encompasses a vital resource of productive forestry that has helped the sector to grow into a £1bn industry employing 25,000 people and delivering economic, employment, carbon, biodiversity and health benefits.

In order to protect and promote activity, Confor believes there should be a clear guarantee that future wood supply from the NFE will be guaranteed at least at current levels, accounting for sales of land. If productive forest on the NFE is sold then it should be to an entity that will continue to manage the forest to realise its productive value.

Effective cross-border arrangements

5. Do you agree with the priorities for cross-border co-operation set out above, i.e. forestry research and science, plant health and common codes such as UK Forestry Standard?

Yes / no

6. If no to question 5, what alternative priorities would you prefer? Why?

7. Do you have views on the means by which cross-border arrangements might be delivered effectively to reflect Scottish needs? For example: Memorandum of Understanding between countries? Scotland taking the lead on certain arrangements?

Confor previously undertook an analysis of forestry governance, which included potential continuing cross-border arrangements. It is therefore welcome to see that this has been recognised in the SG's proposal.

The SG's proposal identifies three priorities for continuing collaboration and co-operation (though with the caveat that any future arrangements meets "Scotland's needs") which Confor had also identified as priorities:

- Forestry science and research;
- Tree health;
- Common codes, i.e. UKFS and the Woodland Carbon Code.

The SG paper does not propose continued co-operation on inventory and forecasting, economics or statistics. These services are vital to the economic and environmental future of the sector and there is significant benefit in retaining a critical mass of officials and the ability to have common data and reporting across boundaries

Confor supports continued cross border co-operation on research, tree health and codes, but would also propose continued co-operation on inventory, economics and statistics.

Forestry related research is very important for the sector, but there is a strong view that the private sector has had limited influence over the setting of research priorities. This view serves to undermine potential funding from the sector in research. If the sector had more

of a say, then this would both improve the identification and delivery of research and help unlock additional private funding.

Confor would propose that Forest Research's status be changed, for example to a company limited by guarantee with the sector, through Confor, having a share alongside the four countries of the UK.

Confor has previously suggested that the SG may wish to take a lead on some cross-border issues considering the particular importance of the sector north of the border, or the lead role could take place on a rotational basis between Holyrood and Westminster, and, if it's requested, the Welsh Government and Northern Ireland Executive.

Confor would suggest that the SG seek to take a UK lead or propose rotational country leads on international policy, UKFS, inventory, economics and statistics. Alternatively, a 'federal UK' arrangement could apply where countries can collaborate on an equal basis with one taking a lead depending on who is more affected.

The UKFS is of particular importance to forestry and its continuing development is underpinned by forestry professionals currently residing in FC Great Britain. This could be a priority issue for the SG to take a lead on, including leading any future review. A light touch review of UKFS is being finalised, and it is suggested that a date be fixed for a future review to provide predictability and assurance to the sector. It is proposed that this be five years from now.

Legislation and Regulation

8. Should the Scottish Ministers be placed under a duty to promote forestry?

Yes

In the new legislation, consideration should be given to including language similar to that in the Norwegian Forestry Act:

“Chapter 1 Introductory provisions

Section 1. Purpose of the Act

The purpose of this Act is to promote sustainable management of forest resources in Norway with a view to promotion of local and national economic development, and to secure biological diversity, consideration for the landscape, outdoor recreation and the cultural values associated with the forest.”

9. What specifically should be included in such a general duty?

The duty should include the further elements of the 1967 Act, including the duty to promote:

- the interests of forestry;
- the development of afforestation;
- the production and supply of timber and other forest products;
- the establishment and maintenance of adequate reserves of growing trees; and using land in Scotland placed at their disposal by the Scottish Ministers in the way best calculated to contribute to the delivery of the targets set out in or under Part 1 of the Climate Change (Scotland) Act 2009.

10. Recognising the need to balance economic, environmental and social benefits of forestry, what are your views of the principles set out in chapter 3?

1. "A duty of ministers to promote forestry" – yes
2. "A commitment to maintain international standards of good forestry, termed Sustainable Forestry Management" – yes
3. "A 'reasonable balance' between the development of afforestation, the management of forests, the production and supply of timber, the delivery of climate change targets, and the conservation and enhancement of flora, fauna, geological or physiographical features of special interest." - yes
4. "A duty to ensure that felling is carried out according to defined standards of good forestry, and in particular that obligations to carry out restocking following felling are enforced." – yes

There has been debate across the UK about the need for regulation on restocking to continue, and the potential benefits of a 'deregulated' approach. Given the biggest issue in the industry is one of future wood supply and the need for immediate action to plant new forests and to restock existing felled forest this would not appear to be the right time to remove this regulation. A presumption against deforestation should exist and this presumption should be made specifically applicable to the National Forest Estate. In terms of 'defined standards of good forestry', where this applies to replanting after felling, it should seek to protect the natural capital of the forest, in particular wood production.

5. "Flexibility to use NFE land for a variety of purposes in line with Ministerial objectives."

It would be of great concern to the majority of Confor members if these purposes adversely affected future productive capacity. There is no specific mention of repositioning – the programme by which forests that provide lower public benefit are sold and new land purchased to plant forests that will have higher public benefit. Where there is a sale of productive forests, Government should ensure that the purchaser will manage those forests to produce future supplies of wood and not to degrade the strategic resource of wood in Scotland.

The primary interest of the industrial part of the sector has been on the productive capacity of the NFE and Confor will seek a clear guarantee that future wood supply from the NFE

will be guaranteed at least at current levels, taking into account any sale of productive forest. Where productive forest is sold, a buyer should be required to demonstrate how the future productive capacity of that forest will be protected.

Assessing impact

11. Are there any likely impacts the proposals contained in this consultation may have on particular groups of people, with reference to the 'protected characteristics' listed in chapter 4? Please be as specific as possible

Confor has led work in the sector to support greater diversity, and it is not clear at this point that the proposed changes would have an adverse impact on any particular groups.

12. Do you think that the proposals contained in this consultation are likely to increase or reduce the costs and burdens placed on any sector? Please be as specific as possible.

It is not clear that the proposed changes would, in themselves, impact on regulation. The determining factors will be how the new forest service operates in practice and the legislation that is put in place in Scotland. Confor would look to play a key, representative role in determining these.

13. Are there any likely impacts that the proposals contained in this consultation may have upon the privacy of individuals? Please be as specific as possible.

No

14. Are there any likely impacts that the proposals contained in this consultation may have upon the environment? Please be as specific as possible

No

Any other comments?

15. Do you have any other comments that you would like to make, relevant to the subject of this consultation, that you have not covered in your answers to other questions?

Evaluation



Confor
Promoting forestry and wood

How satisfied were you with this consultation?

**Confor
November 2016**