

Forestry in England EFRA inquiry

1) Introduction

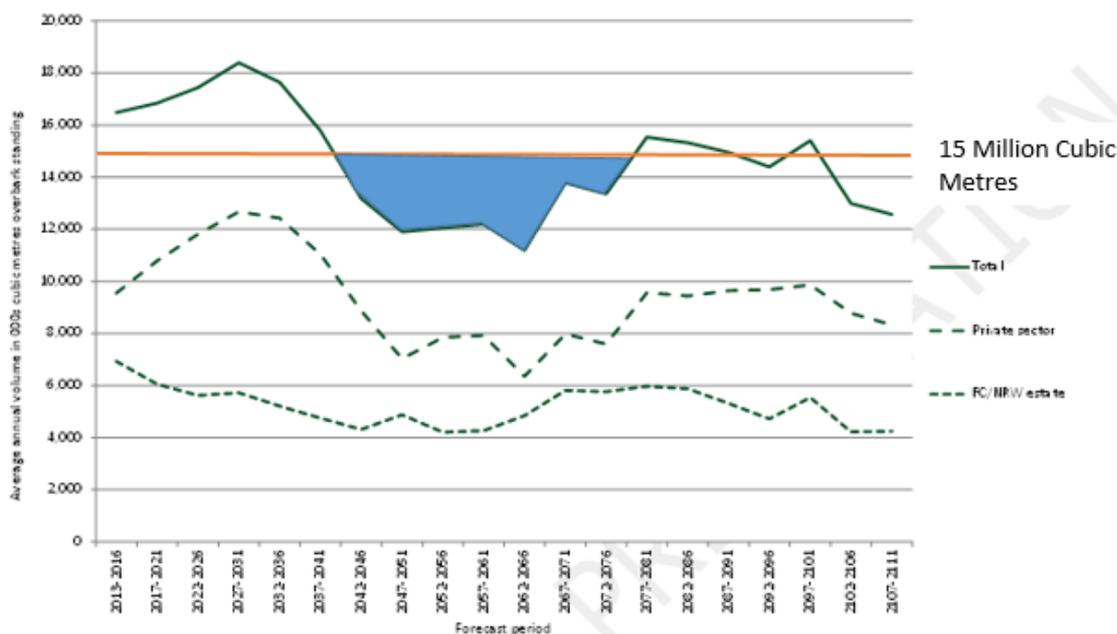
- 1.1 Confor: promoting forestry and wood is the leading trade body for the UK sector, with more than 1600 members. We support sustainable forestry and wood-using businesses through political engagement, market promotion and working to increase our members' competitiveness.
- 1.2 Confor fulfils a prominent leadership role for the sector, organising conferences and seminars, and providing the secretariat for the All-Party Parliamentary Group on Forestry. We produce regular, high-quality documents on issues including Brexit, flooding and diversity, and modern video material to raise the profile of the sector. Our Chief Executive Stuart Goodall was a member of the Independent Panel on Forestry, which reported in 2011, and is one of the leading thinkers on modern forestry policy in the UK.
- 1.3 We are committed to collaboration with a wide range of rural interest groups to deliver the best outcomes for the rural economy in a post-Brexit world. Confor has collaborated with The Woodland Trust to highlight the need for a significant increase in tree planting rates and regularly shares platforms with the CLA, Woodland Trust, WWF and a wide range of other bodies.

2) Summary

- 2.1 The UK's forestry and timber sector contributes almost £2 billion a year to the economy and directly supports 43,000 jobs. However, Confor believes these figures are an under-estimate and has requested a new economic analysis to provide an up-to-date benchmark to inform the work of this inquiry.
- 2.2 The economic figures tell only part of the story. Planting more trees in modern, well-planned forests - and then managing those forests - can be a game-changer to meeting the UK's greenhouse gas reduction targets. Existing policy interventions to de-carbonise the economy will not hit the 2050 targets, and using carbon off-setting by planting more trees – then storing carbon by using more timber in construction - can make an enormous difference.
- 2.3 Sir David Read's 2009 report highlighted the significance and cost-effectiveness of woodland establishment in creating carbon sinks and creating wood products to act as carbon stores. His calculations showed planting an additional 10,000ha of woodland annually would remove between 150,000 and 240,000 tonnes of CO₂ from the atmosphere per year, depending on the type of woodland – the equivalent of taking up to 100,000 cars off the road.



- 2.4 Tree planting represents an exceptionally cost-effective way of tackling climate change, while also increasing our domestic production to address the position where we are the world's third largest net importer of timber, after China and Japan. With [global demand for timber, paper and energy set to triple by 2050](#), action is needed to prevent further 'off-shoring' of our timber footprint.
- 2.5 Woodland cover in England is only 10 per cent, against 18 per cent in Scotland and the EU27 average of 37 per cent. Current planting rates in England are at a modern low and have been described as 'woeful', yet the Government's long-term aspiration to plant 5,000 hectares a year in England is achievable with the right systems in place.
- 2.6 Forestry is a long-term industry reliant upon confidence in future timber supply. Tree planting rates must increase now to support those 43,000 low-carbon jobs, many of them in rural communities with few other large sources of employment. If planting does not increase, [Confor analysis demonstrated that a damaging 'timber gap' could develop from the 2030s](#) – and this would result in potentially 1000 job losses and a missed chance to reduce carbon emissions by 55 million tonnes.
- 2.7 This table shows a top line of the forecast of future wood availability provided by Government over the next 100 years. 15 million cubic metres is the current availability of wood – this is projected forward as a line in the table. If action was taken to increase tree planting this would assist in filling in the 'trough' that occurs from the 2040s-60s – the blue section. Doing so would protect at least 1000 jobs and sequester an additional 55 million tonnes of CO₂.



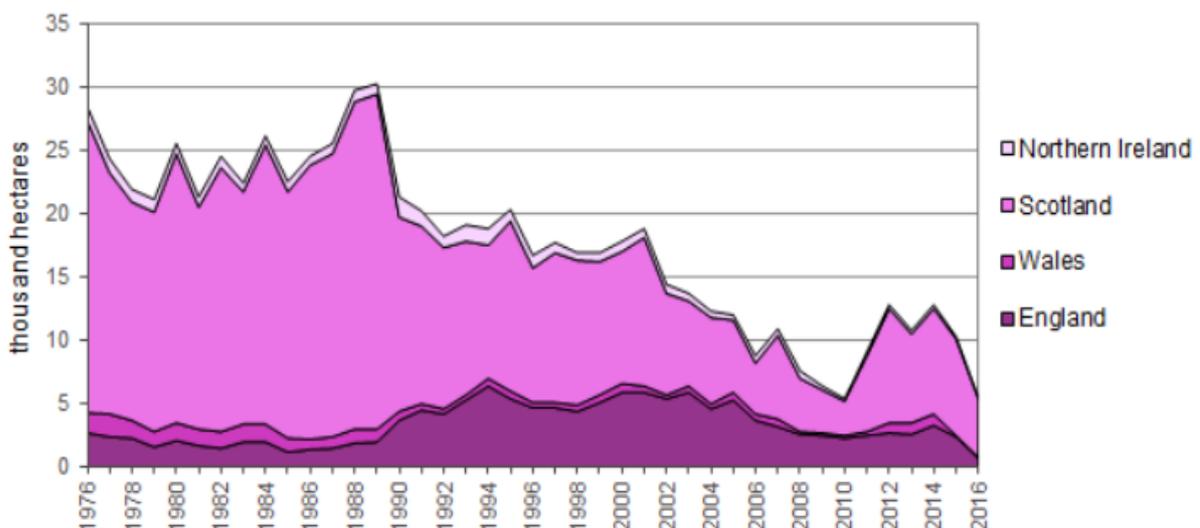
2.8 Forestry is unique in that increased economic activity also delivers enhanced environmental benefits. We need more forests to provide an array of benefits and solutions across a range of policy areas:

- Protecting and expanding a low-carbon, rural industry;
- Acting as a ‘game changer’ to mitigate UK carbon emissions;
- Reducing flood risk through carefully-targeted planting in upper catchments and flood plains;
- Protecting, expanding and buffering ancient woodland and supporting the biodiversity reliant on it;
- Providing accessible woodland for leisure and recreation within reach of everyone;
- Producing a material which is a sustainable substitute for a huge array of non-renewable and carbon intensive materials for building, fuel, and many other applications.

2.9 These benefits are not all unique to forestry and woodland expansion, but they can be delivered simultaneously – at the same time and in the same place. This is what makes forestry – and appropriate policy interventions to support it - so important.

NEW PLANTING AND RESTOCKING

Figure 1.6 New planting in the UK, 1976-2016



Source: Forestry Commission, Natural Resources Wales, Forest Service, grant schemes.

3) How effectively do current government policies achieve the objectives below and how should they be developed in future to:

Q1) *Increase the level of tree cover and improve management of private and public forests in England*

- 3.1 Current Government policies on forestry are limited. There have been few policy announcements since the [Forestry and Woodlands Policy Statement](#), published in January 2013.
- 3.2 There is a pledge to plant 11 million trees during the lifetime of the current UK Parliament, which amounts to only 5,000 hectares (ha) over five years - against an aspiration of 5000 ha every year. Even this very modest target is not being met - latest annual statistics [show only 750ha of new planting in 2015-16](#).
- 3.3 The current grant system and application process for woodland creation and woodland management is not delivering in three areas:
- Planting targets;
 - New timber-producing woodlands;
 - Tackling unmanaged or under-managed woodlands.
- 3.4 The application process for planting is heavy on bureaucracy at a time when too few applications are coming forward. This is off-putting for those who want to plant productive forests, who feel they will not be supported by the Government or Forestry Commission. A Woodland Creation Planning Grant (WCPG) for productive woodland has helped to overcome applicants' resistance with an initial tranche of up to £200,000 prompting ten planting schemes totaling 1000-plus hectares put forward. The WCPG must continue until 2020.
- 3.5 The grants are targeted at biodiversity and water management, and do not allow for planting for carbon and/or wood production – these have to be 'by products' of the two priorities. If additional funding support was provided to target productive planting and the process of approval was speeded up considerably, significant additional planting could be delivered at a lower cost per hectare to the public purse.
- 3.6 The UK Government should look at whether the Scottish Government's appointment of a former Chief Planner to examine the forestry approval process is something it might wish to consider and if his recommendations to reduce unnecessary bureaucracy have resonance in England. [His report is due out in late October]

- 3.7 More specifically, if a new planting scheme meets UK Forestry Standard (UKFS) requirements, and the proposal is in a non-designated area, the Forestry Commission should approve the application within six months. This will provide clarity and confidence to the rural sector that planting trees makes economic and environmental sense.
- 3.8 There should be a raising of thresholds for Environmental Impact Assessments. Modern forestry takes its environmental responsibilities very seriously, but requiring very expensive reports to be prepared that no one reads and which go beyond the specific issues related to planting trees acts as another disincentive to create new forests.
- 3.9 Large new planting schemes like Doddington in Northumberland – which will deliver a long-term timber supply for the regional industry, habitats for red squirrels, natural flood management measures and greenhouse gas mitigation – should be held up as exemplars of modern, multi-benefit forestry.
- 3.10 Post-2019, the Government should act on exiting the Common Agricultural policy (CAP) to put in place an integrated system of support for rural areas that includes forestry, so it is not disadvantaged against agriculture. In addition, grant schemes incorporating forestry should exist unchanged for at least 10 years, avoiding the peaks and troughs that were created by the cycle of CAP revisions.
- 3.11 Funding for increased planting could be secured through a more effective trading scheme for carbon. The current Woodland Carbon Code is overly conservative in its calculation of carbon benefits and does not take account of carbon locked up in wood that is harvested. The Government should also consider retiring Annual Allocated Units for forestry which would unlock the carbon market for tree planting.

Management

- 3.12 Unmanaged woodland is a significant problem in England. Forestry Commission figures suggest there are around 1.3 million hectares of woodland in England, 214,000ha under the control of Forestry Commission England (FCE) and 1,083,000ha non-state woodland. About half of this woodland was in 'active management' - just under 675,000ha, leaving more than 600,000ha of woodland unmanaged in England. Unmanaged woodland is not good for wildlife and is missed economic opportunity.

- 3.13 Confor's paper *Forests and Financial Sustainability* (2011) says: "While there can be many reasons for the lack of management, by far the main obstacle is funding. If a forest costs money to manage and there is no income, especially in the immediate or short-term, a woodland owner is unlikely to take care of the forest."
- 3.14 Under-managed woodlands are more likely to be brought back into sustainable management if there is a stronger market for wood, for example in construction and local renewable heat – see answer to 3 for more detail. The previous Government introduced a scheme to provide modest investment in woodlands to enable wood to be harvested sustainably, but it was over-bureaucratic and costly to apply for.
- 3.15 A Confor analysis, supported by Defra, said 7000 new jobs could be created by tackling the problem of unmanaged woodland and stimulating markets:
<http://www.confor.org.uk/media/79582/forestry7000greenjobsandlowcarbongrowthjune2012.pdf>

Q2) *Balance woodland protection, including of ancient forests, with economic exploitation, including developing woods as an energy source;*

- 3.16 [Confor has worked closely with The Woodland Trust](#) on this issue and is committed to continued collaboration. Protecting ancient woodland and increasing the amount of productive forestry can be achieved hand in hand, with planting a 50:50 balance of broadleaf and conifer trees appropriate in England in the near future. This would include planting buffer zones to protect designated ancient woodland.
- 3.17 Beccy Speight, CEO of The Woodland Trust, said at our joint Conservative Party Conference event: "It's about planting the right tree in the right place but above all, planting more trees of whatever type."
- 3.18 More specifically, there needs to be greater clarity as to the drivers of loss of ancient woodland, and a more accurate database of their location and description. Ancient woodland should be avoided when infrastructure or housing is being developed and Confor supports better controls. However, significant areas are also lost through animal grazing pressure and suburban encroachment.

Q3) Provide a strategic framework, including fiscal and regulatory regimes, to support forestry businesses;

- 3.19 As highlighted above, post-Brexit rural policy must recognise the benefits of forestry and provide parity of treatment with other land uses. Public policy should treat forestry as a significant strategic activity which makes a valuable economic, environmental and social contribution.
- 3.20 At present, none of the Defra ministers has forestry in their title, and most activity has been focused on forestry overseas than at home. Forestry is an important environmental topic, but also an important economic one too, with real societal benefits – the numbers of people in Government working on forestry is low. Defra needs to recognise forestry as an important asset for the nation and one that can deliver economic, environmental and social benefits.

In terms of specific fiscal and regulatory actions:

- 3.21 **Adopt a timber-first policy in procurement contracts:** British Columbia and Tasmania, have adopted timber-first policies for construction. Using more sustainable timber, with a preference for domestic production, will stimulate business growth and encourage more woodlands into management, and lock up more CO2 as part of construction.
- 3.22 Government should act to ensure building codes and standards do not disadvantage domestically grown wood. Home-grown timber is suitable for construction, but its use is often undermined by over-specification of required strength of material and specification of sizes for wood that it cannot meet.
- 3.23 Currently, the UK is near the bottom of the table for using timber frame housing, despite the need for at least 200,000 new homes every year. By invigorating this sector, houses could be built more quickly and cheaply and require far less energy after construction.
- 3.24 There are economic as well as environmental benefits from a timber-first approach. The dynamic UK sawmilling sector processed nearly 13 million cubic metres of UK-grown timber annually. It has invested around £100m in UK plants every year since the recession. The UK is no longer growing timber for pulp mills or pit props, but for a wide range of domestic and construction uses and mills such as James Jones at Lockerbie are among the most efficient in Europe.

3.25 The link between local forests and wood products is clearly explained in Confor's short [Animating Forestry](#) video.

3.26 **Migrant labour:** Forestry relies on migrant labour for key tasks along the supply chain and modern licensing systems should be deployed to allow this labour to be deployed post-Brexit.

Q4) Provide grants and advice through the CAP and the Rural Development Programme, and any successor programme, for England that incentivise the sector to deliver multiple economic and environmental benefits;

3.27 As highlighted above, the Common Agricultural Policy (CAP) creates entirely artificial barriers in terms of land management in the UK, separating forestry establishment and management from normal agricultural practice. There is an overwhelming need for integrated and cohesive rural policy, and to avoid silo thinking that creates artificial barriers between forestry and agriculture.

3.28 CAP has artificially inflated land prices, not based on their potential for profitable production, but on the level of support payments that will be received. This has made it difficult for farmers and land-owners to plant trees – even where they can see clear benefits in terms of diversification, shelter belts for animals and enhanced long-term profitability.

3.29 In the immediate term, there is also uncertainty over the availability of annual payments for planting trees post-2020. There needs to be clear assurance that any tree planting before 2020 will receive future annual payments.

3.30 Post-Brexit, we need a replacement for CAP which takes an integrated policy approach to land use, including forestry, farming and environmental interests. This replacement must be simpler than CAP, transparent and stable – moving away from the planting roller-coaster created by constant CAP renegotiation.

3.31 A new system must also focus on the outcomes of land management, making decisions based on what is the best land use in a specific area and how to maximise societal benefits across the country, not on how the current subsidy system can be adapted – let's not 'start from here'. Also, land use policies should interconnect with local development and planning policies.

- 3.32 The Eskdalemuir Report, commissioned by Confor and researched and produced by independent SAC Consulting, supported the case for a level playing-field. It identified that forestry is more profitable than hill sheep farming before subsidy and employs similar numbers. The myth that forestry displaces families and communities from farms is not based on any recent evidence.
- 3.33 Government should also support deer management and grey squirrel control. Grey squirrel damage mitigates against effective management of broadleaf forestry across much of the UK.

Q5) *Ensure there is the right research, including into management of pests and diseases, which is well integrated into policy development*

- 3.34 As further devolution of forestry continues, forest research should continue to take place at the UK level, and there is real benefit in continuing with Forest Research as a cross-border body and focal point for research that other institutions can organise around and partner with.
- 3.35 Specifically on pests and disease, research needs to connect with and advise regulation. We are currently importing material from known high-risk pest areas, including firewood with bark from eastern Europe – why? The research emphasis has been on solving problems when they arrive, rather than preventing their arrival in the first place. There needs to be a radical examination of how controls can be placed on imported material to protect the UK's forests.
- 3.36 There are practical approaches that can be taken such as restricting imports of firewood with bark, which can carry pests and disease. Fixing forestry planting schemes so that there is consistent meeting of annual planting targets would avoid the roller-coaster of rising and falling demand that makes it so hard for domestic forest nurseries to plan their supply, leading to higher imports and a consequent higher risk of pests and disease.

4) Conclusion

- 4.1 This paper highlights a massive opportunity for the English forestry sector to deliver not only for rural employment but also on the Government's climate change commitments, and on the wider environmental, social and recreational benefits that could flow from that.

4.2 Confor produced a paper that Defra economists reviewed which highlighted how 7,000 or more new jobs could be created, largely in rural areas. These are jobs that can help to transform areas of rural deprivation – and jobs that have a strong environmental value. The phrase ‘green jobs’ can be over-used, and is often utilised in a very loose sense, but these really are green jobs, with genuine added value for the economy and environment, and the ability to deliver the broader ‘ecosystem services’ agenda.

4.3 To grasp this enormous opportunity, England needs a vibrant forestry sector which has a guaranteed, long-term supply of timber and strong markets.

5) Recommendations

5.1 Increase tree cover

- Create an urgent action plan to ensure the 11 million new trees target by 2020 is met - and provide additional funding to deliver low-cost carbon sequestration and future wood supply to avoid a damaging ‘timber gap’;
- Simplify and radically speed up the application process for woodland creation;
- Raise the threshold for Environmental Impact Assessments;
- Fast-track schemes which comply with the UK Forest Standard located in favoured areas;
- Extend the Woodland Creation Planning Grant for the lifetime of this parliament, and look at further innovative and cost-effective ways of stimulating planting;
- Develop a more effective trading scheme for carbon and consider retiring Annual Allocated Units for forestry which would unlock the carbon market for tree planting;
- Highlight exemplar schemes like Doddington North in terms of their multiple economic, environmental and social benefit, as well as the quality of the consultation process;
- Appoint a senior MP to be responsible for Forestry and Woodland within Defra;
- Appoint a team within FC England and Defra, to champion and facilitate large scale (>50Ha) planting schemes.

5.2 Improve management

- Recognise and reward use of timber in construction – and its carbon value;
- Adopt a timber-first policy in procurement contracts;
- Stimulate markets for local woodfuel for heat;
- Post-Brexit, facilitate migrant labour through a modernised licencing system;
- Support deer management and grey squirrel control.

5.3 **Devise modern policy and support mechanisms for rural land use**

- Fully Integrate forestry and woodland management into ALL rural policies;
- Use the opportunity presented by Brexit to devise a successor to CAP which puts forestry on a level playing-field with other rural land use;
- Simplify support mechanisms to focus on outcomes of land management – moving away from the existing ‘follow the subsidy’ system;
- Ensure that non-market benefits of forestry are valued in land use decisions;
- Provide assurance that any tree planting before 2020 will receive future annual payments.

5.4 **Pests and diseases**

- Forest research should continue to take place at UK level;
- Concentrate on plant health issues at source, not when they arrive in the UK;
- Radically examine how controls can be placed on imported material to protect the UK’s forests;
- Restrict imports of firewood with bark.

Confor, October 2016