

DEPUTY MINISTER FOR ENVIRONMENT AND RURAL DEVELOPMENT  
SPEECH TO THE PUBLIC MEETING OF THE SCOTTISH FORESTRY FORUM  
15 NOVEMBER 2004

Good morning, and a warm welcome. What a fantastic setting, with this view across the Loch, to the woods and forests within our first National Park.

It was over there, on the other side of the Loch, at Balamaha, that the late Donald Dewar, as the then Scottish Secretary, announced the Government's ambitious plans for land reform on the second of February 1999. The plans included the introduction of legislation to give a statutory right of access to the countryside, a new approach to designation and management of sites of special scientific interest, legislation to establish system of national parks to fit Scotland's needs and radical new rights to buy. Donald Dewar outlined the principles on which these proposals were founded. This included 'putting the environment at the heart of policy making, and putting people at the heart of environmental policy'.

The Executive has made huge progress in delivering on those plans.

And, today I would like to show how we are putting people at the heart of forestry - in policy, in planning and in practice.

I am pleased your meeting is being held in a wooden building. Wood is warm, attractive and one of the most sustainable of building materials. It's natural and helps us feel good, and will, today, help provide the background to what I hope will be a very rewarding meeting with some good debate. It is good to see so many people here, with such wide representation from the different groups who have a stake in forestry. You will be helping to shape the future direction of Scottish forestry; and not just the direction in which we travel, but with whom, and at what speed.

I am particularly pleased to see representatives from our newly established regional forestry forums here. Ministers are keen to encourage people throughout the length and breadth of Scotland to become involved in developing and implementing forestry policy. Today is a great day for sharing your ideas, energies, and enthusiasm for trees, woods and forests I was delighted at the responses to the regional forestry forums. I am sure they will provide a dynamic mechanism to articulate views formed from practice in every corner of Scotland, to inform how we develop policy and shape our next strategy.

I welcome the Forum's theme on the role of forestry in rural development. More people now understand how forestry and woodland-based activity can contribute to a wide range of core priorities like increased prosperity, improved health, better quality of life, stronger communities and greater equality of opportunity.

We can make a real difference in rural areas by giving greater emphasis to the outcomes and results, rather than just concentrating on the area of trees planted or the volume of timber harvested.

I have had early sight of a draft version of the very helpful paper being developed by the Forum. In this, the Forum has identified four desirable characteristics of an increased contribution from forestry to rural development:

First, it should be people centred: with support focused on delivering benefits to people, specially those in greatest need. This fits well with our commitment to closing the opportunity gap, which also recognises the needs of people in rural areas. One of the relevant targets is about sustained employment, jobs and work for vulnerable and disadvantaged groups.

Timber production is set to rise rapidly. The forestry sector needs to look at ways of developing year-round jobs, which are rewarding and give people prospects for the future. This will involve combining the necessary manual work with other tasks and development opportunities.

Second, forestry should support community growth. Most people realise that forestry is much more than just an economic activity. Forestry has led the way in community participation in rural areas, since the publication of Forestry Commission commitments to working with communities in Scotland in 1999. This commitment has helped communities recognise the difference their involvement and actions can make.

Confidence arising from such involvement flows over into other areas of community life, whether working for improved community hall facilities, developing the village shop or working with landowners to improve local greenspace. We have an opportunity, today, to explore how forestry can make a greater contribution. Of course, we have made considerable progress since 1999, when the Commission published its commitment. This is something I will be returning to in a moment.

Third, the Forum paper recognises that focusing on people and community requires a place-based approach: providing support in the places where there is greatest rural development need, combined with the greatest opportunities for forestry to contribute. This will often be in the more remote and fragile communities, where forestry may represent proportionately a more significant part of an otherwise narrow economic base. And of course, forestry's contribution does not come just from timber production and woodland management, but also from opportunities associated with attracting visitors to the area, and adding to the quality of life for residents. In this context, today's discussions on adding local value are especially important, and I await with interest suggestions on what more could be done.

The fourth characteristic identified by the Forum is the need for forestry to contribute to the economic resilience and agility of the rural economy. The challenge is to use the strengths of forestry as a long-term and sustainable land use, and to add an increasing ability to run with new opportunities and adapt to change. Change can be rapid and marked, whether demographic, social, or economic. Events like this can help us, by giving time out to think beyond the immediate priorities.

Public bodies like Forestry Commission Scotland and Local Enterprise Companies have an important role in helping the sector to adapt and seize new opportunities. I'm sure that the workshop on developing the exemplar role of public bodies will

challenge those organisations represented here today on what more they could do to champion the development of local forest and timber economies.

I look forward to seeing the Forum's final paper and recommendations.

While I welcome the opportunity for optimism in looking ahead, I recognise that continuing low prices for timber, set by world markets, are still making life difficult. Together with the uncertainties as to how CAP reforms would unfold this undoubtedly delayed planting decisions. Despite this there have been many positive developments over the year, with new investments being discussed, the Forest Industries Cluster group working really well, and the announcement of the £18 million investment by James Jones and son particularly welcome. Recent announcements by the Executive may also provide a much needed boost to increase interest in planting.

I was glad to announce recently, on the third of November, that Farmers who plant new woodlands, this season and next, through the Scottish Forestry Grants Scheme will be able to ask for their entitlements under the CAP Single Farm Payment Scheme to be concentrated on their remaining agricultural land. This should encourage farmers considering tree planting to go ahead with their plans.

In the longer term, CAP reform has given us an opportunity to take a look at how well we support land management as a whole. We are committed to the introduction of Land Management Contracts and intend to start by introducing the LMC Menu Scheme next year, subject to approval by the European Commission. I am very glad to see woodland options forming part of the Land Management Contract Menu Scheme.

Firstly, under this scheme, there will be incentives for land managers to develop whole-farm land management plans, and these will include woodland.

Secondly, there will be annual payments available to farmers who manage their farm woodlands to an agreed standard. These provisions are over and above the opportunities available through the Scottish Forestry Grants Scheme. I am also aware that Forestry Commission Scotland is continuing to work with the Scottish Executive's Environment and Rural Affairs Department and forestry stakeholders to explore ways of making it easier for land managers to obtain forestry grants through the Land Management Contract approach when it is fully introduced in the next few years.

We intend to pilot three new stewardship grants in 2005, to promote the sustainable management of farm woodlands. The three trials will apply to - sustainable grazing of woodlands, adding value to farm woodlands, and developing wood energy supply chains.

The review of the previous grant schemes recommended that we consider raising the area limits for farm woodlands. Until now, we have had an overall maximum area limit of 200 hectares per farm business and within that a limit of 40 hectares on unimproved land. There is also a maximum limit of 100 hectares for crofting common grazing. At the end of last year, Forestry Commission Scotland consulted

on the operation of the new Scottish Forestry Grants Scheme. Respondents were keen to see the limit raised, to encourage farmers to diversify, and to stimulate new planting. I am therefore pleased to announce that from first January 2005, the current limits for Farmland Premium planting on unimproved land will be doubled to 80 hectares, and the current limit for Farmland Premium on crofting common grazing land will be increased to 200 hectares.

As part of the spending review we considered a proposal put to us by local authorities and the forestry industry. Ministers subsequently announced that we would establish the Strategic Timber Transport Fund, with £13 million over three years. From my post bag, I am aware that this has been welcomed by the industry and by local authorities. I have asked Forestry Commission Scotland to work with the Timber Transport Forum in developing criteria against which bids will be judged, and to introduce the scheme by the Spring of 2005.

Another area where I hope we will be able to make significant progress is in relation to forestry and renewable energy. In our recent debate in Parliament, just about every speaker mentioned the opportunities they could see for forestry to contribute. A sub group of the Forum for Renewable Energy Development in Scotland has been focusing on the topic of biomass. I understand they have been busy drafting a report, which Ministers await with interest. I hope that the group will identify ways to encourage the uptake the technology, and to make it easier for consumers to make the switch. We intend to do more to build on the work of the Scottish Community Renewables Initiative.

Forestry Commission Scotland has been working with Highlands and Islands Enterprise on their woodfuel initiative, to help with sustainable development.

In addition, Forestry Commission Scotland has been looking at the scope for the use of woodfuel to heat its own offices across Scotland. I understand there are a number of sites under consideration, and one site already undergoing trials.

Our national forests make an enormous contribution to achieving the priorities set out in the Scottish Forestry Strategy, and also to the wider objectives of the Scottish Executive. I was pleased to announce recently that Ministers have accepted all 30 recommendations put to us by the group charged with a review of the land managed by Forestry Commission Scotland. The report of the group is available on the web pages of Forestry Commission Scotland.

I realise some of you will have been getting a little impatient over the time taken before we announced the result, but we had to consider these proposals set against the background of the spending review. I can't go into all thirty recommendations here, but the report outlines a new, people-focused vision for our national forests to enhance the quality of life, and to stimulate economic activity, jobs and support for rural development. The vision will also promote greater access to woodlands for people living in towns.

Forestry Commission Scotland works with communities to help them achieve their desired level of involvement in the management of National Forest Land by providing a full range of opportunities, from consultation to participation in woodland

management. For example, Forestry Commission Scotland has more than 70 partnership agreements, of which half are formally constituted, with communities across Scotland. This is the sort of thing which land reform is all about.

To increase the range of opportunities for communities still further, Allan Wilson asked Forestry Commission Scotland in June 2004 to develop a scheme to allow communities to buy or lease national forest land where community control is in the public interest.

I have the pleasure today of launching the consultation for this new scheme, the proposed National Forest Land Scheme. It is part of our work in land reform, to diversify land ownership and empower communities. The scheme has three parts, relating to: community acquisition, land for affordable housing and sponsored sale of surplus land.

Based on the principles of the Community Right to Buy Scheme, it will provide a more flexible route for the purchase or lease of land managed by Forestry Commission Scotland. If communities can meet the eight criteria, they will be able to apply to buy or lease national forest land. They will have to show that their proposals will bring increased benefits to the community, and be in the wider public interest.

I would encourage you to respond to the consultation.

In the meantime, we are working with the Forestry for People Advisory Panel and the Birse Community Trust to explore how best the scheme can meet the needs of communities.

While today's theme is rural development, we shouldn't forget the contribution that woodlands can make in and around towns. Forestry Commission Scotland have been working with local authorities and other partners to explore how more can be done. In both Ayrshire and the Central Scotland Forest we now have Scottish Forestry Grant Scheme Locational Premiums to encourage woodland creation around towns, as identified in local forestry frameworks.

In May 2004, we launched the Woods In and Around Towns Challenge Fund to bring neglected urban woods back into active management. The first round attracted 38 bids across Scotland, involving 2,900 hectares of land. Many bids are concerned with additional community benefits, over and above basic woodland management, and the judging is taking place tomorrow.

We have indicated our intention to build on the early successes of Forestry Commission Scotland's WIAT initiative. And I was pleased that £6 million of additional resources have been identified in the spending review to support this initiative over the next three years.

At the other end of the spectrum we are very alive to what forestry can do for our remotest communities. We intend to explore the role forest crofts might have in ensuring the sustainability of such communities.

As I said in my closing speech at the recent forestry debate, we intend that forestry should deliver a mix of economic, social and environmental benefits, for the good of all sectors of society. We want to see more benefits to more people from more trees, woods and forests. We also wish to involve more people in making that happen.

Ministers were pleased that in producing the first strategy, a wide range of stakeholders were engaged. The Forum has been very effective in watching over the implementation of the strategy, asking questions and prodding partners into action. You will be hearing more about progress during the day.

We now intend that the five new regional forums, along with the national forum, play their full part in revising the forestry strategy.

In publishing our first forestry strategy, we said that we may review the priorities for action in 2005. Today, participants will be laying the foundations for this work, by discussing some key issues on which we believe our strategic thinking should turn. In 2005, the process of review will begin in earnest. In the meantime, you have been provided with information sheets about some of the main topic areas, to bring you up to date with recent progress. This will help you prepare for what is to come.

Enjoy your day to the full! Today's discussions are important - for the forum, for forestry, and for future generations. Thank you.