

Consultation: Grant Aid for Woodland Creation and Management in Scotland 2014 – 2020

SAC RESPONSE.

This paper represents the views of SAC's woodland's staff specifically in relation to the forestry elements of the SRDP and does not represent SAC's views of the SRDP as a whole.

SRDP initially promised an integrated and holistic approach to land management. This has not materialised. We now have a grant scheme that often retains the poorer features of previous schemes but has introduced few improvements. The scoring system is crude and mechanical.

SRDP is seen by many as very much a re-work of previous agri-environment and business support schemes, but with other elements such as forestry bolted on as an after-thought. We see little sign of genuine integration between agriculture and forestry in practise. Since Cook/McRobbie we are already moving towards Option 2 – forestry focussed delivery mechanism within SRDP. This may perpetuate the long-standing divide between forestry and agriculture. For all that we support the ideal that forestry is complementary to agriculture – the perception and probably the reality is that it is often in competition with agriculture. We hope that the land use strategy currently under consultation will address this issue.

- 1. Should we add to the list of activities currently supported or abandon the support of some of them?*

In general the SRDP more or less covers the necessary range of activities; although slow and cumbersome the mechanism for adding other activities does seem to work. Effort should instead concentrate on working towards better integration at all levels and ensuring that 'regional priorities' are more sharply focussed and that 'national targets' are more meaningful and are not just ways to boost scores artificially.

- 2. Is the focus of grant support on environmental non-market benefits the right one for the future?*

No, or at least not for forestry. Grant support should be used to enhance the current forestry and wood based industries. A vibrant forestry and wood processing industry is not a result of investing in public benefits, but public benefits occur as a result of a vibrant, competitive forest industry. For example, grants to encourage the restructure of coniferous woodlands into native woodlands and to encourage the planting of broadleaved woodlands over coniferous woodlands may be perceived to give a public benefit of more localised biodiversity; however these woodlands are much less economically viable. So the grants encourage the planting of low value woodland. If the grant support were to be put into encouraging a wood processing unit to utilise native broadleaved woodland and less commercially valuable timber then, those same woodlands will be planted (over time) as a result of there being a market for the wood.

Supply driven markets are less successful than demand driven markets. Scotland is more likely to see integration between forestry and farming if landowners really feel

that their woods have a real value to them. Even good quality, but small, commercial woodlands are seen as a liability because of the high costs of restocking and the lack of support for this.

3. Is it appropriate that we carry woodland creation forward as the top priority into the next SRDP?

Woodland creation should remain the top priority, but we would qualify this.

There should be far more focus on the type of woodland to be created, with appropriate regional variations. There should be greater incentive to plant commercial woodlands and to take a long term view. Much effort has gone into producing Indicative Forest Strategies, Landscape Character Assessments and similar documents, but, especially for woodlands of less than 100 ha or so, they appear to be irrelevant to the practitioner. Apart from a small number of commercial investors the woodland creation decisions of most landowners are based on short term views of grant income or what is the 'cheapest' wood to establish. So we currently have a preponderance of native woodlands of rather limited value but which are perceived to be desirable purely because they are native woods. Similarly we also have a high number of established woodlands that are under-managed because the costs of harvesting or restocking are too high.

4. As a consequence should we explicitly ring fence / limit the proportion of our annual grants budget which is available for woodland management / regeneration?

No – this is too restrictive.

5. If we do ring fence part of our grant spend for woodland regeneration / restructuring what should we do if demand for grant aid exceeds the available funding?

Grants have always been competitive in that funds are finite. In the past over-demand has been dealt with by allocating funding to subsequent financial years. This may have had the effect of reducing some of the 'less committed' applicants.

We do not like the current 'pass/fail' competitive system.

We favour an approach in which, when the scheme is over-subscribed, applications are scored solely in terms of priorities and targets and that the higher scoring schemes receive priority (immediate) funding while lower scoring schemes may have to wait a year or two for funds. So schemes with high-yielding conifers may score highly for rural employment and carbon sequestration (and be funded in the current year) while a native woodland scheme may score rather less favourably (and be funded in a later year) unless it is genuinely making a contribution to a Biodiversity Action Plan.

Scoring criteria might include factors such as

- carbon sequestration per hectare
- rural job creation over the rotation (50 years)
- match with IFS
- genuine contribution to priority BAP targets (SAF species, SSSI etc)

Scoring should not include factors such as

- leverage
- innovation
- meeting demand
- feasibility
- collaboration
- Additionality
- minimising impacts.

All of these are inappropriate for forestry schemes where all procedures are already thoroughly covered by guidelines and legislation. However there might be a case for applying a weighting to leverage and feasibility.

6. *Is £20m National funding per annum sufficient for woodland creation and woodland management in the period 2014 – 2020?*

This is impossible to assess from our viewpoint. It will depend on the level of incentive per hectare needed to generate sufficient activity and the amount of external funding, such as carbon credits, that becomes available.

7. *Do we need to call upon Co-financing from the EC in the period 2014 – 2020 in order to have available sufficient gross funding to deliver our targets / aspirations for woodland creation and management?*

Clearly co-funding is to be welcomed provided it delivers a net benefit.

8. *Do we believe that the reduction in administrative burden, consequential to opting out of delivery through and EC approved Rural Development Plan, would outweigh the loss of funding from Co-financing?*

Again this is impossible for us to assess. Although the State Aids route offers many potential benefits none of these have been shown to be real. The potential benefits of State Aids need to be more clearly shown.

9. *Should we continue to provide grants for woodland creation and woodland management as part of a wide ranging integrated delivery mechanism administered in partnership with RPID and FCS?*

Yes, but said with some reluctance. The cost and burden of creating a new grant application process would probably outweigh any benefits. Even if we continue down the current road to Option 2 for pure forestry applications it is essential that a woodland management and creation option remains part of the main agri-environment RP scheme. This is to ensure that small woodland owners are not disincentivised by the need to make multiple applications and to facilitate applications that are genuinely integrated with agricultural and bio-diversity activities.

This is not to say that we endorse SRDP and RP in their current form – we do not. It is still flawed, wasteful and inefficient and every effort must be made to improve all aspects of the scheme.

10. *Should we plan for a separate, narrowly focussed, delivery of grants for woodland creation and management using a new case management system?*

No, for the reasons given above.

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