

Funding for Farm Woodlands in England

Purpose

This note provides guidance for farmers in England on the funding available for farm woodlands, in particular:

- **Single Payment Scheme (SPS)**
- **English Woodland Grant Scheme (EWGS)**
- **Environmental Stewardship**
 - **Entry Level Stewardship (ELS)**
 - **Higher Level Stewardship (HLS)**

It also sets out some of the woodland regulations that relate to the funding.

Please note: The information provided here is a brief summary only and is not definitive. Details are also liable to change. Full details including scheme terms and conditions are provided in the relevant Defra and Forestry Commission handbooks, with many of them available on the Internet.

Rural Land Register (RLR)

Woodland must be registered on the RLR to receive payments but the specific requirements vary. Woodland is not normally eligible for **Single Payment Scheme (SPS)** but in exceptional circumstances, such as grazed woodlands, it may qualify. If any eligible woodland is not registered on the RLR when applying for Single Payments (SP) then the Rural Payments Agency (RPA) will automatically register it.

If you wish to include the woodland in your application for **Environmental Stewardship** it must be registered before applying. There is no specific deadline as it depends on when you wish to apply.

If you apply for woodland stewardship grants from the **English Woodland Grant Scheme** and the woodland is not registered, the Forestry Commission (FC) will automatically register it for you as part of the application process.

Single Payment Scheme (SPS)

Woodland (apart from a few exceptions such as grazed woodland) cannot be used to establish SPS entitlements. It can, however, be used to activate/claim against set-aside entitlements in 2005 and future years, provided it was applied for and planted after June 1995 under one of the following schemes:

- Woodland Grant Scheme (WGS)
- Farm Woodland Premium Scheme (FWPS)
- English Woodland Grant Scheme (EWGS)

The land concerned must also have been in agricultural use immediately prior to being entered into the schemes.

Where woodland is counted against a farmer's set-aside requirement, it will attract a set-aside entitlement/payment equal to the flat rate element of the SP. However, since such land will already be attracting a set-aside entitlement payment, the income-forgone payment under Farm Woodland Premium Scheme or EWGS Farm Woodland Payment may have to be reduced in such cases.

If you plant woodland from 2006 under the English Woodland Grant Scheme you will not be able to 'stack' your entitlements over the remaining agricultural area of the land but may be eligible for the Farm Woodland Payment to compensate for loss of agricultural income.

Standards

Where woodland is eligible for SPS payment it must be kept in accordance with Good Agricultural and Environmental Condition, and you will have to comply with a range of legislation relating to the environment, public and plant health, animal health and welfare, and livestock identification and tracing. Meeting these requirements is described as 'cross compliance'. Many of the requirements are the same as existing legislation, and for those requirements no changes will be needed. Further details are available on the Defra [cross compliance website](#).

For woodland, cross compliance means...

Complying with the Forestry Act

You must:

- have a licence from the FC to fell trees if a licence is required
- comply with a restocking notice or other conditions or directions served on you under the Forestry Act

Further information about the Forestry Act is available on the [FC website](#) and in the FC booklet "[Tree felling – getting permission](#)".

Complying with the Environmental Impact Assessment (Forestry) Regulations

You must:

- have any required consent from the Forestry Commission before you begin or carry out a project (afforestation, deforestation, forest road or forest quarry)
- not exceed the amount of work set out in a consent given by the Forestry Commission
- meet any conditions set out in a consent given by the Forestry Commission
- stop work on a project if you have received an enforcement notice which requires you to discontinue work; or
- carry out any other work required by an enforcement notice

Further details are available in the FC booklet "[Environmental Impact Assessment of Forestry Projects](#)".

Avoiding Overgrazing

You must not overgraze your woodland, causing damage to its environmental value, e.g. preventing new trees regenerating or grazing of ancient woodland flora such as bluebells.

Avoiding Land Abandonment

You must normally keep eligible land in a condition that enables it to return to/be maintained as agricultural land. An exemption to this is where environmentally beneficial scrub/new woodland development takes place. Where scrub or woodland is developing you should apply for a derogation from RPA to allow the scrub/woodland to continue growing without having to cut it.

There are other tree-related compliance requirements, e.g. Tree Preservation Orders; refer to the [cross compliance website](#) for further details.

Which funding is most appropriate for my woodland?

Farm woodlands can in principle be eligible for the English Woodland Grant Scheme (EWGS) and Environmental Stewardship (ES), but the most appropriate scheme depends on the particular circumstances of each farm. The sections on each scheme provide some details regarding eligibility. Key points to note are:

- you cannot receive support under Higher Level Stewardship (HLS) and EWGS for the same woodland
- a woodland parcel can receive support under Entry Level Stewardship (ELS) plus either HLS or EWGS
- HLS can only offer woodland creation for blocks of up to 1 ha and maximum 3 ha over the holding

EWGS is the appropriate grant scheme where timber production or large-scale woodland restoration are significant objectives. There are, however, other eligibility factors which the Rural Development Service (RDS) and Forestry Commission will take into account. HLS would normally be considered the most appropriate scheme, subject to targeting, in the following situations:

- where the management of existing woodland is closely integrated with the management of the holding, e.g. grazed woodland
- where existing woodland is made up of a large number of small woods within a farmed landscape
- where having separate HLS and EWGS applications would be administratively inefficient and unhelpful

Additional factors we will consider when determining the most appropriate scheme include owner objectives, type of woodland and history of grant support. If you are uncertain which scheme is most appropriate, contact either your local Forestry Commission or Rural Development Service office.

Eligibility and Targeting of Grant Schemes

It is important to understand the difference between eligibility and targeting. Eligibility relates to whether an application can be considered for support; targeting prioritises the budget available for eligible applications. For example, owning woodland in England makes you eligible to apply for EWGS, but if it offers little or no opportunities to deliver environmental or social targets then it is unlikely to receive support.

English Woodland Grant Scheme (EWGS)

EWGS opened in 2005, consists of 6 grants for the creation and stewardship of woodlands and is operated by the Forestry Commission. Introductory information is available on the Forestry Commission's [EWGS website](#). If you enter into an EWGS agreement you must comply with the UK Forestry Standard and associated FC Guidance; this includes compliance with the Forestry Act and Environmental Impact Assessment (Forestry) Regulations.

Objectives and Targeting

The overarching objectives for EWGS are:

- to sustain and increase the public benefits derived from existing woodlands in England
- to invest in the creation of new woodlands in England of a size, type and location that most effectively deliver public benefits

Funding is managed on a regional basis and some grants are focused to meet the priorities laid out in the Regional Forestry Framework action plans. Grants will be offered where they meet national and regional objectives and there is money available. The key targets of EWGS are:

- increasing the area of woodland under certified sustainable forest management and approved management schemes
- expanding the area of woodland with public access
- bringing woodland SSSIs into favourable condition

- assisting delivery of Habitat Action Plan targets for native woodlands
- improving the environment of disadvantaged urban communities
- woodland creation

Consultation and the Public Register

The Forestry Commission will consult with other bodies in certain circumstances. For example, EWGS applications affecting SSSIs will be sent to English Nature. In addition, all felling and woodland creation proposals are entered on the Forestry Commission's Public Register for 28 days for anyone to view and comment upon.

Woodland Planning Grant (WPG)

This grant is for the preparation of management plans that both assist with management of the woodland and meet the requirements of the UK Woodland Assurance Standard. The plan is expected to cover all woodlands on the property and the grant rates are calculated on the woodland area:

Area of woodland on the property	Grant rate
3–30 ha	– £300 total
30–100 ha	– £10 per hectare
Any additional area over 100 ha	– £5 per hectare

A template is available that contains all the necessary sections needed to fulfil the grant. The plan submitted need not use the exact format of the template but must contain and clearly present the information required by the template.

Woodland Assessment Grant (WAG)

This grant is for gathering specific information to improve woodland management decisions. The FC will normally invite applicants to apply for an assessment grant when other EWGS grants have been applied for and the proposed work and sensitivity of the site requires further information. The exact information required will depend on the site and proposed work. The grant rates vary with the type of assessment required:

Assessment type	Grant rate	Minimum payment
Ecological Assessment	£5.60 per ha	£300
Landscape Design Plan	£2.80 per ha	£300
Historical & Cultural Assessment	£5.60 per ha	£300
Determining Stakeholder Interests	£300 per assessment	£300

Woodland Regeneration Grant (WRG)

This grant is for supporting desirable change in woodland composition through natural regeneration and restocking after felling. The grant rate depends on the type of woodland being felled and regenerated:

Example rates:

Type of woodland felled	Type of woodland restocked	Grant rate per hectare
Conifer plantation	Broadleaved woodland	£950
Conifer plantation	Conifer woodland	£360
Conifer plantation on ancient woodland site	Native woodland	£1760
Conifer plantation on ancient woodland site	Conifer woodland	£0
Ancient and other semi natural woodland	Native woodland	£1100

Broadleaves must be established at a density of 1100 trees per hectare; conifers 2250 trees per hectare. Conifer nurses and exotic shrubs will only be allowed in certain circumstances.

Woodland Management Grant (WMG)

This grant encourages low-key, sustainable woodland practices. This work should safeguard the existing environmental and social public benefits that the woodland provides and create the conditions under which woodland can continue to deliver benefits into the future.

Properties with more than 30 ha of woodland must be certified to the UK Woodland Assurance Standard; smaller woodlands must either be certified, have a management plan or undergo a Condition, Opportunity & Threat (COT) assessment.

The payment of £30 per hectare per year for 5 years is payable on SSSI woodlands, native or ancient woodlands, public access woodland or woodland within Red squirrel reserves.

The work expected must address key threats to the woodland and take identified opportunities. The threats and opportunities should be highlighted in the management plan or COT assessment. Examples of the type of work expected include provision and upkeep of access paths, open space management and protection of heritage features.

Woodland Improvement Grant (WIG)

This grant supports capital investment work that creates, enhances and sustains social, environmental and economic public benefits that woodland provides. Varying contributions towards the cost of work from 50 to 80% are offered depending on the type of work and particular region.

The 3 main types of work supported are:

- SSSIs – work to improve the condition of woodland SSSIs in unfavourable condition. The work must address the key threats and be capable of bringing the woodland into ‘unfavourable recovering’ condition
- UK BAP – work that helps deliver the UK Biodiversity Action Plan for woodland habitats and woodland priority species. This may include the protection of ancient and semi-natural woodlands and restoration of ancient woodland sites
- Public Access – work to provide and improve the facilities for free public access where there is a need

In addition to these national priorities, there are some regional funds. For example, in East England WIG funding is available for work relating to Forest Schools.

Woodland Creation Grant (WCG)

This grant encourages the creation of new woodlands where they deliver the greatest public benefits. Each region has a scoring form to rank applications for woodland creation and the highest-scoring applications that fit within the regional budget will be taken forward.

In addition to the standard creation grant (£1800/ha for broadleaves, £1200/ha for conifers), additional contributions of £500/ha are available if the woodland is close to people and/or offers public access where there is a demand.

Farm Woodland Payments are also available to compensate for agricultural income forgone. The payment rate ranges from £60 to £300/ha/yr depending on the location and type of land where the woodland is being created, and may be paid for up to 15 years.

The expected species, stocking density, shrub and open space design will depend on the objectives of the woodland. For example, a native woodland must include a minimum stocking of 1600 native trees per net hectare, a maximum of 25% native shrubs and can include up to 40% managed open space.

Other EWGS Grants

There are special grants operating in specific target areas to reflect regional priorities: for example, a pilot Woodland Harvesting, Processing and Marketing Grant Scheme which offers support relating to woodland product processing. For further information on these special grants contact your regional FC Office.

Environmental Stewardship

Environmental Stewardship consists of Entry Level Stewardship and Higher Level Stewardship. Introductory information is available on the Defra [Stewardship website](#). If you enter into a stewardship agreement then you must comply with good farming practice (GFP) on all land on the holding; this includes compliance with the Forestry Act and Environmental Impact Assessment (Forestry) Regulations.

Entry Level Stewardship (ELS)

Woodland Eligibility

Woodland is eligible for ELS payment and can contribute to your 'points target'. However, you will need to consider carefully whether to include this in your application, as there are only two ELS options available for woodland – these are described below. You may choose to exclude woodland from your application, as described below. Woodland must be registered on the Rural Land Register before applying for ELS; there is no fixed deadline for registering as it depends on when you wish to apply for ELS.

ELS Scoring

To qualify for ELS payment, you must score 30 points per hectare of eligible land from the list of options, e.g. a 100 ha farm needs to score $100 \times 30 = 3000$ points. Whilst there are tree-related options in ELS such as infield trees, only two options specifically related to woodland score points:

- Maintenance of a stock-proof woodland boundary – to prevent livestock grazing the woodland and causing environmental damage @ 4 points per 100 m of boundary
- Woodland margin buffer – leaving a 2 m buffer on agricultural land adjacent to woodland edges to allow development of the woodland margin @ 380 points per hectare (e.g. 500 m woodland margin with 2 m buffer = 0.1 ha = 38 points)

Woodland's Impact on ELS Scoring

The greater the proportion of woodland on a holding, the more difficult it may be to achieve the necessary number of points to qualify for ELS; the proportion depends upon the type of features elsewhere on the holding and options chosen. If the large proportion of woodland does prevent the scoring of sufficient points, you can exclude woodlands from the eligible area.

Work Eligible for Both ELS and EWGS

Maintenance of a woodland boundary may qualify as an eligible operation under one of the English Woodland Grant Scheme's (EWGS) payments. If it has been chosen as an option under ELS and you are receiving ELS payment, this cannot also receive payment under EWGS, as you would be paid twice for the same work.

Organic Entry Level Stewardship (OELS)

This is similar to ELS except that eligible land must be registered with an organic inspection body and payment rates are £60/ha/yr. Woodland cannot receive the organic rate but can receive the £30/ha/yr payment provided the same points criteria are met. Further details are available on the Defra [\[OELS website\]](#).

Higher Level Stewardship (HLS)

Conditions for Entry into HLS

- You normally have to be in ELS or OELS to be able to apply for HLS.
- Woodland needs to be registered on the RLR before applying for HLS (although it will already be registered if an ELS scheme is in place).
- You cannot receive support under HLS and EWGS for the same woodland.

Eligibility

The general eligibility criteria for HLS apply. Woodland creation under HLS can only fund woodland blocks that are a maximum of 1 ha, with a maximum area of 3 ha on the holding.

Targeting

HLS uses Joint Character Areas (JCA) to target funding. Targeting statements have been developed for each JCA which reflect local circumstances, but they reflect broad national priorities:

- Improving the condition of woodland Sites of Special Scientific Interest (SSSI)
- Delivering UK Biodiversity Action Plan (BAP) targets for the woodland priority habitats and species, e.g. maintaining semi-natural woodland or restoring plantations on ancient woodland sites (PAWS)
- Protecting and enhancing landscape character, particularly in designated landscapes (National Parks, Areas of Outstanding Natural Beauty)
- Protecting scheduled historic environment features and those listed by local Historic Environment Record Centres
- Providing for additional public access in woodland, where it is linked to access on surrounding land and where it helps to address the national priorities set out in the targeting guidelines

Note that the delivery of SSSI condition and BAP targets may involve an element of woodland or other habitat creation to link, buffer or expand environmentally important woodland.

Farm Environment Plans (FEP)

Before applying for HLS, an audit of the holding is required to identify the special environmental features and their condition. This is recorded in the FEP. The FEP will also help determine whether woodland proposals should be supported via HLS or EWGS. When you select your options, they should reflect the information contained in the FEP; e.g. if a native woodland is in poor condition, Defra will expect you to apply for the woodland restoration option under HLS to improve its condition. Further details about FEPs are available by contacting Defra or looking on their [FEP website](#).

Woodland Options under HLS

HLS can pay for capital work and annual payments, with supplements also available: e.g. woodland creation – capital payment for tree planting and protection work; annual payment for income forgone and tree maintenance; supplementary payment if public access is provided. Woodland Options included in HLS are:

- Woodland creation (with different rates within/outside Less Favoured Areas)
- Woodland restoration
- Woodland maintenance

The choice of restoration or maintenance option for existing woodland will depend on the current condition as identified in the Farm Environment Plan.

Other Relevant Options

There are other options of relevance to trees and woodlands:

- Wood pasture
 - Scrub
 - Orchards
 - Restoration and maintenance of historic parklands
 - Infield and boundary tree management
 - Heathland restoration from forestry plantations
- } creation, restoration and maintenance options

In addition to the above, other options may benefit trees and woodlands. For example, a woodland which is currently adjacent to intensively managed arable land with the threat of spray drift will benefit if you choose to revert the arable land to low-intensity pasture.

Other FC Links to HLS – Felling Licences and Forestry Environmental Impact Assessments (EIA)

Some of the options under HLS may require approval from the Forestry Commission (FC), most notably (but not exclusively) woodland creation and tree felling. There are no arrangements currently in place for Felling Licence approval to be agreed under HLS. **You will need to apply for a Felling Licence before felling trees under the HLS agreement.**

The FC will make a determination under the EIA Regulations about whether formal consent is required when the application details are forwarded by RDS. The FC will send you a letter directly, informing you whether an environmental statement needs to be prepared.

RDS Consultation with the Forestry Commission

RDS will consult with the FC on all HLS applications where:

- The woodland parcel is described as ancient (inc. PAWS) or semi-natural on sites which are > 0.25 ha **or**
- The proposed management may require statutory consent under the Forestry Act and/or Environmental Impact Assessment, i.e.
 - Areas of deforestation (heathland option)
 - New planting on areas >0.25 ha
 - Coppicing, pollarding and tree removal which would require a Felling Licence

Woodland creation and felling proposals under HLS are entered on the FC public register.

Sources of Further Information

More detailed information is available on the Defra and Forestry Commission websites – here are the links:

- **Single Payment** – www.defra.gov.uk/farm/capreform/index.htm
- **Entry Level Stewardship** – www.defra.gov.uk/erdp/schemes/els/default.htm
- **Higher Level Stewardship** – www.defra.gov.uk/erdp/schemes/hls/default.htm
- **English Woodland Grant Scheme** – www.forestry.gov.uk/ewgs

Links to all other websites mentioned in this publication can be accessed from the electronic version which is available on the English Woodland Grant Scheme website.

If you want further information regarding the English Woodland Grant Scheme, Felling Licence Regulations or Environmental Impact Assessment Regulations, please contact your regional Forestry Commission Office:

North West England	01768 776616
North East England	01388 488721
Yorkshire & the Humber	01904 448778
East Midlands	01673 843461
West Midlands	01905 362730
East England	01842 815544
South West England	01626 890666
South East England	01420 23337