

THE SCOTTISH FORESTRY FORUM

A WORKING PAPER ON THE ROLE OF SCOTTISH FORESTRY IN RURAL DEVELOPMENT

Background

The 2004 theme of the Scottish Forestry Forum is the role of forestry in rural development. The process has been informed by a series of presentations:

- Dr Michael Foxley (Vice Convenor, Highland Council and Chairman of the Sunart Oakwood project), Rural Development Forestry – a Local Perspective.
- Sheila Scobie (Head of Rural Policy, SEERAD), Rural Development in Scotland.
- Pat Snowdon (FC Economist), Forestry and Rural Development.
- Simon Hodge (FCS Social Policy Advisor), CAP Reform and Forestry.

These were followed by workshop sessions at the next Forum meeting, and culminated in the Forum Public Meeting on 15 November 2004 when over 100 delegates contributed to five rural development workshops. Three of the workshops arose from previous Forum sessions:

- Adding local value.
- Contributing to sustainable communities.
- Developing the exemplar role of public bodies.

A further two arose from requests by public meeting delegates:

- The role of farm woodlands.
- Future support for commercial forestry.

What do we mean by rural development?

The Scottish Executive is committed 'to maintaining strong, prosperous and growing communities in rural Scotland'. Rural economic development is at the core of this vision and is defined as: 'the economic and social development of rural Scotland which acknowledges and takes advantage of its natural and cultural assets'. This sets the policy context to the contribution of forestry to rural development.

The way government organisations and agencies contribute to rural development is critical to success. One contributor summed up that 'successful rural development is about rural agencies working together', although other contributions cautioned against an agency centred approach, particularly when considering the social dimensions of rural development.

The characteristics of rural Scotland

The role of forestry has to be understood and defined within the context of wider rural development. Forestry stakeholders need to appreciate the strengths, weaknesses, opportunities and threats in the wider rural economy:

Strengths

- Natural resources
- High employment
- Localised prosperity

Opportunities

- Community enterprise
- Fresh talent
- IT developments

Weaknesses

- Low GDP
- Low IT use
- Family businesses (can also be a strength)
- Low wages
- Seasonality

Threats

- Poor infrastructure
- Skills gaps
- Demographic change

We also need to understand the strengths, weaknesses, opportunities and threats in relation to rural communities:

Strengths

- Good education
- Better health
- Community involvement

Weaknesses

- Fewer young people
- Ageing population
- Poor access to services
- Poor transport
- Poor broadband access
- Pockets of deprivation

Opportunities

- High level of volunteering
- Community based services
- Affluent recent retirees

Threats

- Demographic change
- Cultural erosion
- Lack of affordable housing

The wider rural development context helps to identify the desirable characteristics of an increased forestry contribution:

- people centred strategies and programmes;
- aimed at helping community 'growth';
- hence a place-based approach;
- increasing economic resilience and agility.

Understanding where forestry sits in rural development

Forestry must compete on its ability to deliver the outcomes desired by society in the light of the characteristics of the rural economy and rural communities.

The forest and timber industries in Scotland are worth around £0.8bn/year to the economy if non-market benefits are taken into account:

- | | |
|----------------------------------------------|----------|
| ● Forestry | £130M/yr |
| ● Wood processing | £430M/yr |
| ● Contribution to tourism | £160M/yr |
| ● Social and environmental non-market values | £100M/yr |
| ● Total (somewhere in the order of) | £820M/yr |

However, this constitutes a relatively modest proportion of the Scottish economy (£64bn/year). In employment terms it plays a relatively small part, even in the rural

economy - rural employment is made up of 75% service sector, 20% production and construction, 5% agriculture, forestry and fishing.

Forestry has some specific characteristics that shape or limit its potential role:

- Often remote and dispersed.
- Land-based.
- Continued reliance on manual work (e.g. planting, felling on steep ground).
- Degree of seasonality and weather dependency.
- Relatively low pay and weak career opportunities.
- Economic performance of timber sector dependent on global timber commodity prices.
- Increasing focus on mechanisation and concentration of processing capacity.

Clearly we need to focus on situations where forestry can make the greatest contribution to local rural development, and where the characteristics of the sector can be used to best advantage. It offers a wide range of rural development opportunities, not all of which are adequately recognised or captured in employment and economic statistics.

Of particular importance are opportunities for forestry to play a catalytic role in releasing community economic potential and increasing the sustainability of fragile rural communities. It is in these situations that forestry best demonstrates its unique capacity to bring locally significant rural development benefits.

A clear issue for the forestry sector is the potential to generate targeted local rural development benefits through value-adding activities, be it local processing of timber or exploitation of wildlife-tourism opportunities.

In order to maximise the rural development benefits of forestry we need to understand the principal drivers for forestry development in Scotland. Many of these operate at a national or international level. Whilst opportunities are sought to influence these agendas, a practical rural development strategy will have to work around them:

- Global timber supply and demand
- Technology
- Competitiveness
- CAP, RDR and Structural Fund reform
- Valorisation of environmental goods (e.g. Water Framework Directive)
- Demographic shifts
- Increased consumptive uses of the countryside
- Climate change
- Further European integration

Opportunities to increase rural development benefits from forestry

Having reviewed the context for forestry's role in rural development, the Forum discussion identified a number of practical opportunities that could form the basis of recommendations to increase the value of forestry to rural development. Many of these elements are currently recognised and on some work is already ongoing. The question is whether there are further gains to be made in specific areas, and indeed by looking at forestry's role in rural development in a more holistic way.

Areas for further development:

- Increased use of **local timber** on a regional basis (e.g. for public buildings in regional centres and local affordable housing).
- Realising the economic potential of woodland **heritage** projects (e.g. 40% of Sunart Oakwood web site hits are on cultural subjects). Increasing the linkage between woodland natural and cultural heritage assets and the wider tourism sector.
- Increasing the supply of forest land for **affordable housing**.
- Maximising wood use for local **heat energy** and power production.
- Making the most of opportunities afforded by **IT** developments – both directly in forestry and as it frees IT based workers to locate in high quality environments.
- **Locally inspired activity**. Making the most of diversity and local distinctiveness.
- Forestry as a **catalyst** for community cohesion and capacity building. Building social capital is a key component of sustainable communities.
- Developing and exploiting the potential of forestry and forest products as a truly **sustainable resource**.

Barriers to progress

Maximising the gains involves overcoming barriers as well as exploiting opportunities:

- Establish a more flexible basis for **sharing rights over FCS land** to release rural development potential. Options include sale, joint ownership, leases and joint ventures. This includes development of thinking of FCS role in taking and sharing commercial risk.
- Resolve local **timber transport** problems to allow exploitation of forest products. But, in so doing, use transport issues as an opportunity to promote local processing and value-added.
- Improve our ability to **recognise the full economic value** of local and small-scale activity (e.g. community woodlands as a catalyst for community capacity building).
- Become more conscious and outward looking in the sector's **culture and language** ('get out of the forestry ghetto and into the wider world of rural development'. 'Forestry has to dismantle itself and key into a wider socio-economic agenda').
- Shorten **reaction time** in a long-term industry – how fast can forestry react to demographic/social/economic/policy change? How should woodland and timber resource be developed to increase resilience and potential responsiveness?
- Improve **joined-up agency working** and public policy integration.
- Work to broaden the **Rural Development Regulation** definition of who can benefit from EC funded forestry support (currently restricted to landowners).
- Develop mechanisms to improve **rent capture** – the extent to which forestry providers can gain income from delivery of non-market benefits, both by internalising non-market goods where possible, and otherwise ensuring that public support is focused on and proportional to delivery of public benefits.
- Avoiding **over-regulation**, which stifles innovation.
- Improve **local infrastructure** for forestry related business by facilitating the development of local clusters and ensuring that business support mechanisms recognise the needs and potential of the forestry sector.

- Finding creative ways to address **skills gaps** as a barrier to local exploitation of forestry economic potential.
- Public bodies helping to create **sustainable jobs** both directly and in the contract sector with attractive pay, year-round work, safe working conditions, and offering job satisfaction. Where beneficial explore opportunities to link with affordable housing.

Bringing the threads together

The Forum Public Meeting provided an opportunity to discuss topics with a broad range of stakeholders through three workshop themes. Within each theme are listed issues raised by Forum members at the Forum workshop:

- **Adding local value:**
 - Encouraging local use and processing of wood
 - Making the most of the local nature of service provision from forests (e.g. for tourism, recreation), and linking with other providers.
 - How to increase 'rent capture' to forest owners for provision of public goods
 - Supporting local enterprises and entrepreneurs
 - Promoting local co-operation and clusters to increase business potential
 - Getting local enterprises better keyed in to local and national markets
- **Contributing to sustainable communities:**
 - Direct and indirect employment, particularly in the most rural areas
 - Forestry's contribution to quality of living space
 - Provision of land for rural housing
 - Building community capacity through engagement and involvement in planning and management of forests
 - Using quality environments to attract economically active people into rural areas
- **Developing the exemplar role of public bodies:**
 - Supporting rural development through increased use of local wood products
 - Supporting rural development through use of wood energy
 - Use of public forest land as a tool for rural development
 - Providing high quality and sustained forestry related jobs and training
 - Supporting the role of forestry in rural development through the strategic planning and development control systems (e.g. encouraging use of local materials and wood energy)
 - Agencies working together to deliver joined-up solutions in rural areas
- Improving local infrastructure for forestry related businesses

These themes were used as workshop sessions at the Forum Public Meeting. A further two themes arose from requests by Public Meeting delegates:

- **The role of farm woodlands.**
- **Future support for commercial forestry.**

Forum Public Meeting workshop outcomes

In each workshop, delegates identified three key issues. A voting process was used in the final plenary session to rank issues.

Top issues	Priority
Contributing to sustainable communities	
Community engagement and empowerment	1
Affordable Housing	= 5
Jobs/work	3
Developing the exemplar role of public bodies	
Achieve a strategic joined-up approach	7
Responsiveness to local and national agendas and initiatives	15
Making things happen through initiative, leadership and best practise	8
The role of farm woodlands	
Changing agriculture incentives to encourage the farm woodland sector	=10
Agricultural and forestry policy integration	12
Developing a culture of collaboration between farming and forestry sectors	9
Adding Local Value	
Overcoming barriers to market and business development	4
Increasing and exploiting the diversity of the forest resource	= 5
Increasing local value added from tourism and recreation facilities	14
Future support for commercial forestry	
Increasing investor confidence	2
Creating woodlands and a timber resource fit for purpose	= 10
Wider recognition of the importance of economic outputs	13

For each key issue workshops identified why it was important, priorities for action and who needs to take action.

Contributing to sustainable communities

Issue: Community engagement and empowerment	
Why	
<ul style="list-style-type: none"> • Improve distribution of power and influence in decision making • Increase active citizenship and counter local apathy • Reduce complexity of agencies and procedures faced by communities • Improve quality and effectiveness of change management in communities and forestry 	
What	Who
<ul style="list-style-type: none"> • Audit of community assets • Building capacity & resources • Sharing good practice • Producing community plans for tangible results 	Community centred and led with agency support Agency supported "community" officers

Issue: Affordable housing	
Why	
<ul style="list-style-type: none"> • Support population retention and relocation, particularly for young people and families • Contribute to rural quality of life • A basic 'building block' for economically and socially viable rural communities 	
What	Who
<ul style="list-style-type: none"> • Identify bottlenecks: water/sewerage; planning policy; availability of suitable land 	All relevant agencies with communities

<ul style="list-style-type: none"> • Deal with bottlenecks through culture change and becoming more solution focused • Identify local needs (without being deflected by 'Nimbyism') • Promote public debate on future of tenant right to buy • Take on role of champion 	<p>Politicians, agencies and communities Communities</p> <p>Politicians</p> <p>?</p>
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Issue: Jobs/work	
Why	
<ul style="list-style-type: none"> • Contribute to the economic diversity and robustness of rural areas • Promoting skills acquisition and training opportunities • Supporting down-stream jobs in service sectors 	
What	Who
<ul style="list-style-type: none"> • Map opportunities over time, geographically and according to Individual & community needs • Support through, e.g. Business gateways and social enterprises • Skills acquisition 	<p>FCS, forestry sector. Link to IFS and community partnerships. Role for Regional Forestry Forums?</p> <p>Public agencies, LECs, Communities Scotland</p> <p>LECs, Visit Scotland, LANTRA, FCS</p>

Developing the exemplar role of public bodies

Issue: Achieving a strategic joined-up approach	
Why	
<ul style="list-style-type: none"> • Shared awareness and mutual respect for current and potential contributions • Increase effectiveness by sharing information, R&D and other assets 	
What	Who
<ul style="list-style-type: none"> • Review current actions and objectives; agree common agendas, programmes, roles and resources • Agree, promote and share best practice at all levels of delivery • Develop mechanisms to monitor and evaluate, drawing on community views and public opinion 	<p>All public bodies, Ministers, Forum (process needed such as the Sustainable Development Committee)</p> <p>Public bodies, stakeholders, practitioners</p> <p>Local: Community partnerships</p> <p>National, Forestry Forum?</p>

Issue: Responsive to local and national agendas and initiatives	
Why	
<ul style="list-style-type: none"> • To demonstrate integrity, transparency, accountability and inclusiveness 	
What	Who
<ul style="list-style-type: none"> • Capturing community aspirations • Looking for partner opportunities and ways to add value • Have clarity of roles and understanding the wider operating environment • Demonstrate and deliver best practice to facilitate voluntary action • Deliver a satisfactory quality of service with a satisfactory response time 	<p>All public bodies and the constituencies they serve, and consultants involved</p>

Issue: Making things happen through initiative, leadership and best practise	
Why	
<ul style="list-style-type: none"> • Making a difference on the ground and create a 'can do' culture 	
What	Who
<ul style="list-style-type: none"> • Specification and procurement of local products and services • Commitment to joined up working at all levels (from mission statement to practical operations) • Community empowerment through capacity building and other support mechanisms • Certification of publicly owned woodland (not just FCS) • Maximising public benefits from public land 	<ul style="list-style-type: none"> All public bodies and supply chain All public bodies All public bodies with other stakeholders SNH, MOD, Scottish Water and public land owners All state land. FCS advise govt. depts and agencies

The role of farm woodlands

Issue: Changing agriculture incentives to encourage the farm woodland sector	
Why	
Correct distorted basis for land use decisions	
What	Who
<ul style="list-style-type: none"> • Develop incentives to promote sustainable farm woodland management • Consider R&D needs • Promote and explain benefits with partners • Facilitate & create markets 	<ul style="list-style-type: none"> Minister, SEERAD, FCS, NFUS, FTA, Forum Wood industry, LECs

Issue: Agricultural and forestry policy Integration	
Why	
<ul style="list-style-type: none"> • To deliver joined up action e.g. on bio-energy 	
What	Who
<ul style="list-style-type: none"> • Develop potential of Land Management Contracts to deliver integrated land use (e.g. on bio-energy and water) • Further public sector/agency co-operation 	<ul style="list-style-type: none"> Public awareness - FCS / SEERAD Local Forestry Forums

Issue: Developing a culture of collaboration between farmers and forestry sectors	
Why	
<ul style="list-style-type: none"> • Remove artificial separation of land and uses peculiar to UK • Shared benefits of training, advice and co-operation 	
What	Who
<ul style="list-style-type: none"> • Revise curriculum of education sector to include farm forestry • Train and using appropriate advisers • Identify and share best practice • Use the media to influence land managers and other stakeholders 	<ul style="list-style-type: none"> Universities and colleges SAC/ FWAG T V, radio, press

Adding local value

Issue: Overcoming barriers to market and business development	
Why	
<ul style="list-style-type: none"> • A fundamental requirement to stimulate adding local value 	
What	Who
<ul style="list-style-type: none"> • Assistance for businesses to develop business plans • Availability of start-up funding • Availability of training, funding for loss of earnings, advice, mentoring network • Fundamental review of H&S regulations as a constraint to business development • Need for smaller and mixed parcels of timber • Addressing market perceptions on the quality, reliability and sustainability (certification) of local products/services 	LECs, ASHS, industry groups FRDS expansion, FCS grants LECs, ASHS and facilitators HSE FE

Issue: Increasing and exploiting the diversity of the forest resource	
Why	
<ul style="list-style-type: none"> • Increasing opportunities for local value added • Increasing the intrinsic values of forests 	
What	Who
<ul style="list-style-type: none"> • Improve grants and incentives • Increased areas certificated • Local processing targets for the public sector and indicative targets for private sector 	FCS/SFGS Owners, FSC FCS/FE, industry bodies

Issue: Increasing local value added from tourism and recreation facilities	
Why	
Quality provision in a quality environment will stimulate other developments	
What	Who
<ul style="list-style-type: none"> • Promote more partnerships with communities • More public private partnerships • Creation of a risk investment fund • Improve quality of infrastructure • Support service developments & arguments 	Agencies, Community groups FE, private sector, Visit Scotland FCS & Scottish Exec. / Treasury All organisations / Companies FCS

Future support for commercial forestry

Issue: Increasing investor confidence	
Why	
<ul style="list-style-type: none"> • Investment in Skills & Plant • Need for long term thinking • Future timber supplies 	
What	Who
<ul style="list-style-type: none"> • Prioritise targets and funding within Scottish Forestry Strategy review • Production forecast for private as well as public timber supply 	Scottish Executive FC and private sector

• Educate politicians	Con For
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Issue: Creating woodlands and a timber resource fit for purpose	
Why	
<ul style="list-style-type: none"> • Species need to be suited to land/site to produce best quality • High timber quality offers flexibility for market requirements • Foundation of a sustainable industry • Increase access to markets 	
What	Who
<ul style="list-style-type: none"> • Indicative forest strategies for all Local Authorities 	Local Authorities

Issue: Wider recognition of the importance of economic outputs	
Why	
<ul style="list-style-type: none"> • Minimises state aid • Makes the forest owners enterprise robust 	
What	Who
<ul style="list-style-type: none"> • Regional case studies • Education • Focus on economic outputs in grant approval 	FC, Con For, Scottish Executive. FC, owner, forestry profession

Next steps

This paper will be put by the Scottish Forestry Forum to Forestry Commission Scotland, Scottish Executive and other bodies involved with rural development. They will be asked to provide information on current actions in support of the priorities identified, and invited to consider what further action might be taken to increase the contribution of forestry to rural development in Scotland. Forestry Commission Scotland will be asked to incorporate the priorities identified in this paper into the review of the Scottish Forestry Strategy.

Scottish Forestry Forum
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