

## EWGS/ES Grant Integration and RDPE Transition

### Purpose

1. To update members of the AFG on the integration of Environmental Stewardship Grants and the English Woodland Grant Scheme and seek advice on key issues for the next Rural Development Programme for England.

### Background

2. As discussed at the last AFG meeting in November 2011, and detailed in the attached paper present to the FC Audit and Risk Committee, the FC and NE have been progressing a project to investigate the potential to closer align or merge the EWGS with the woodland aspects of Higher Level Stewardship.
3. The RDPE Programme Board agreed that merger of the two schemes should be the objective and, if possible, to coincide with the introduction of the next Rural Development Programme (RDP) (see Annex B to the above mentioned paper).
4. During the remainder of the current RDP the closer working of NE and FC on woodland issues is being progressed, in particular with a pilot exercise in the north-west.
5. Within Defra and its delivery partners work has commenced on the preparation of the next RDP through the establishment of a number of working groups covering the breadth of the next programme; one of which will consider land management. The grant merger project will be subsumed within this working group and therefore form part of the wider programme development.
6. Initial evidence to inform the overall structure of the next programme is being collated; that for forestry is attached.
7. It is intended that an outline of the next programme will be available by early summer 2012 and that a consultation draft will be published in early 2013. It is expected that the final regulations will not be agreed until late in 2013 or even early 2014. It will not be possible to prepare the final version of the programme document for approval until all regulations are approved.
8. An initial forestry stakeholder workshop to inform the development of the next programme is being arranged for 12<sup>th</sup> June in Birmingham to which all AFG members are invited. We envisage these workshops continuing until programme implementation and being the main means of forestry stakeholder engagement.
9. The Audit and Risk Committee paper highlights the wide ranges of variables and uncertainties affecting the next programme. It is likely that events and associated timelines will be unpredictable. A recent development has been a Defra request that RPA lead on a market sounding exercise for the delivery of CAP systems (direct payment and rural development) for the next programme. IT and business process outsource are both in scope. The results of this exercise will inform Defra decisions to be taken on IT and delivery models later this year.

## Discussion

10. It is accepted that land management should be supported by a single grant scheme; but that does not necessarily mean a simple amalgamation of the current grants.
11. As the evidence paper suggests, the improvement in economic viability is considered to be the most appropriate means by which woodland management will be introduced and sustained, rather than through direct grant support. Grant-aid should therefore be available to support economic viability through, for example, supply chain development and improved access to woodland.
12. There will be important ecosystem services provided by woodlands through enhanced management that cannot be achieved through market pull, in these cases grant-aid for management may be justified but it is suggested that the most appropriate means of support would be through catalytic investments rather than annual payments (it should be noted that the mid-term evaluation of the RDPE drew attention to the high level of 'deadweight' in Woodland Management Grants i.e. the work would have been undertaken without grant support).
13. As all support for forestry in the next programme will need to be based on approved management plans, it is proposed that there is continued support for the preparation of such plans.
14. Whilst the majority of current EWGS could be encompassed within a merged ES/EWGS grant scheme there are aspects that would not sit comfortably, particularly the Woodfuel WIG, and these will therefore need careful consideration as the scheme is developed.
15. It is apparent that under the next programme the breadth of support available under EWGS will continue to be available but there will be new opportunities, such as co-operation and preventative and restorative actions associated with pests and diseases. Also the wider areas of support (training, advisory services and investment in non-industrial primary processing) will continue.
16. It is unlikely that financial resources associated with forestry measures in the next RDP will be much different to those available under the RDPE. If it is considered that new areas of work should be supported there will need to be reductions elsewhere.

## Discussion points

17. Members of the AFG are asked for views on:
  - Should market pull interventions be preferred to supply side interventions for most woodland?
  - Should direct support for woodland management be available and if for what type of woodland or public benefit?
  - Is there any role for multi-annual payments and if so under what circumstances?
  - Is support for management plan preparation necessary?

- Could co-operation measures be helpful in addressing landscape scale problems such as deer management and red squirrel conservation?
- Should we seek to take advantage of the preventative and restoration measure in relation to plant health issues?
- If new work areas should be supported where should there be cuts?
- How do we address training and use of advisory services; should we be seeking bespoke forestry provision or as part of more general coverage?