

APPLICANTS' FOCUS GROUP MEETING

National Motorcycle Museum, Birmingham

13 November 2014

Group Members Present:

Brian Fraser (BF) (Horticultural Trades Association (HTA)), Neville Elstone (NE) (Institute of Chartered Foresters (ICF)), Tim Shardlow (TS) (ICF), Richard Sochacki (RS) (independent and ConFor), Mike Seville (MS) (Country Land and Business Association), Andrew Sharkey (AS) (Woodland Trust), Julian Ohlsen (JO) (Woodland Management Companies and South West AFG), Andrew Woods (AW) (Royal Forestry Society), Chris McGloin (CM) (Community Forests), Nick Philips (NP) (Wildlife and Countryside LINK).

Attendees present:

Paula Reading (PR) (DEFRA Forestry Policy), Rob Green (RG) (Natural England (NE)), Christine Reid (CR) (NE), Kevin May (KM) (Forestry Commission (FC)), Steph Rhodes (SR) (FC), Richard Britton (RB) (FC), Alison Field (AF) (FC), Joe Watts (JW) (FC), Alec Rhodes (AR) (FC).

Apologies:

Gary Battell (Small Woods Association), Caroline Harrison (Confederation of Forest Industries), John Blessington (Local Government Association), Gary Battell (Small Woods Association), Mike Wood (RSPB), John Lockhart (Royal Institute of Chartered Surveyors), Claire Robinson (National Farmers Union), Caroline Harrison (Confor), Mike Render (FC), Jon Frampton (Rural Payments Agency (RPA)), Liz Stockwell (RPA), Edd Husband (RPA), Simon Mageean (Woodland Trust).

2. New Actions from this meeting

AP	Action
1	AFG members to provide any comments on the papers by 28 th November 2014.
2	FC to consider how the tender structure under Farm Advice Framework will reflect concerns over displacing existing forestry advice.
3	PR to look into how this process will work and provide the AFG with feedback.
4	AR to clarify the requirements for an Agent Authority Form and thinning licence application with the Admin Hub Managers.
5	SR/FC to engage with AFG on how empowerment will work in the new systems when design starts.
6	SR to confirm how remittance will be managed in CAP-IS.
7	AFG members to provide feedback on the CAP-IS one page guide to Alec Rhodes before the 28 th November 2014.
8	AFG members to submit further thoughts on the timing of multi-annual payments associated with woodland creation to Joe Watts.
9	FC to confirm whether restoration after storm damage be eligible for Countryside

	Stewardship.
10	FC to consider how to obtain AFG feedback on the options to support Chalara and flexibility on other plant health issues.
11	FC to add link to Woodland Management Plan template in the Woodland Management Plan Option Guide.
12	FC to confirm whether a soil management plan will be needed for cross-compliance.
13	JW to confirm if measure budgets for CS are reviewed annually.
14	JW (FC) will circulate an example scoring pro-forma for AFG to provide comments within the week.
15	FC will confirm to AFG members how to participate in the involved in the trial of the RPA's mapping trail.

3. Welcome and Introductions

JW welcomed everyone to the meeting, in particular Brian Fraser attending on behalf of the Horticultural Trade Association. BF has kindly agreed to join the AFG to represent the nursery sector.

JW passed on the news that Kevin May has been successful in securing a new role within the Forest Commission as Area Director for the South West. The group congratulated Kevin on his new appointment.

JW also introduced Paula Reading from DEFRA's Forestry Policy and Sponsorship team. PR asked the group to bear in mind that the information presented today on Countryside Stewardship (formerly known as NELMS) may be subject to change before the programme document is signed-off.

3. Previous Actions and Briefing Note (Paper 1)

JO expressed his concern that the meeting papers had been issued too close to the meeting. This view was supported by RS in the AOB who felt the late delivery of the papers undermined the advice the AFG could provide. RS requested that future papers were issued at least a week in advance.

ACTION 1: AFG members to provide any comments on the papers by 28th November 2014.

Budget Update

Concern was raised by the apparent decline in budget for Woodland Planning Grant to £154,000. JW confirmed the figures presented forward commitments rather than budget availability.

The Group discussed FC's budget management noting the risk posed by FC over-committing around a quarter of the budget each year to cover fallout (i.e., works approved but never undertaken and claimed for). Both JW and KM acknowledged that this approach was not ideal and that a more proactive approach with longer lead in times for Countryside Stewardship applications could help to reduce fallout. JO wondered if the

fallout may also reflect the period of time it can take for applications to be processed through to approved agreements.

Farm Advice Framework

MS shared his concerns about the tendering process:

- Forestry has been under presented in the initial DEFRA presentation he had attended.
- The Forestry Commission (FC) had not made a bid for any of the available funding.
- The focus on main suppliers makes it difficult to get on the Framework. For example an organisation such as the Deer Initiative would need to "go in" as a sub-contractor with a main supplier. The forestry sector would not be well served by this process.

NE said his understanding was that the detail of what the mini-tenders would cover was not yet finalised but that they must not undermine the advice already provided by forestry agents. JW said that while the building blocks of the tender process had been agreed, how they were to be applied was still to be agreed. FC recognised this is a delicate matter and that the impact of any displacement would be recognised by FC's tender structure.

ACTION 2: FC to consider how the tender structure under Farm Advice Framework will reflect concerns over displacing existing forestry advice.

MS expressed concern about where FC was in terms of setting the context of the forestry mini-tenders and bidding for funding. MS understood other Government Departments had submitted their bids while FC had not. JW again explained at this stage FC was working through the structure of how advice would be provided.

ACTION 3: PR to look into how this process will work and provide the AFG with feedback.

RG concluded this discussion by suggesting the lead on the tendering process attends the AFG meeting.

Pollinator strategy

MS asked if the pollinator strategy will give the forestry sector access to pollinator funding measures under Countryside Stewardship (CS). JW confirmed there are specific CS options for pollinators and that some of the woodland multi-annual options could help deliver the strategy. However, some open space may not qualify as woodland under Programme rules and woodlands may already be delivering the strategy. FC needs to work through the detail but bringing this issue into scoring criteria considerations could offer a way forward.

Standing guidance for minimising disturbance to wild birds

RS welcomed this review which he considered overdue.

Restoring Open Habitats

JO passed on comment from Caroline Harrison that the manufacturing sector proposes that compensatory tree planting be located in the same area as the deforestation. While this may be difficult to achieve in practice it is critical for the sector. An example was cited of an open habitat project on Bodmin Moor leading to compensatory planting in Dorset which was too far from the deforestation site.

Woodland Regulation Application Forms

AS outlined his concern that the new open habitats application form needed to distinguish between the area of open habitat that would be restored and the area that would be created because these require assessment in different ways.

TS asked that the requirements for an agent authority are clarified with FC Admin Hubs: at present FC admin teams are requesting an agent authority form for thinning applications.

ACTION 4: AR to clarify the requirements for an Agent Authority Form and thinning licence application with the Admin Hub Managers.

Licence to Operate (LtO)

NE said the approach of LtO suggested a grassland expert could end up providing advice on woodlands. JW explained that LtO was about effective operation of CS and ensuring a consistency of approach. Chris Reid added that technical training will run alongside the training LtO. KM confirmed that an FC officer would lead on the woodland options and that through closer working with NE and the sector in developing applications through the pipeline should help ensure a common understanding of proposals and requirements.

In light of these points NE considered communication must be clear that FC will lead on the woodland options and AW said FC should advise applicants to bring in the support of an agent.

MS questioned how the private sector would engage with CS and JO asked how FC officers would be assigned to applications. JW confirmed FC woodlands officers will work spatially. RG explained that there will be external communications on the LtO.

Chalara

NE expressed concern at the reduction of the Chalara survey work but accepted this work was constrained by budgets.

Q&A

AW asked for confirmation that FC was closed for WPG applications. KM confirmed that FC was closed to new applications but would consider plan revisions but cannot pay WPG for any amendments currently. Under CS FC may consider applications for Woodland Management Planning options where the proposal is to put onto the new FC template, refresh the management plan in light of changing objectives or the requirements and guidelines of the current UK Forestry Standard. Applications will be considered even if the current woodland management plan is within its ten-year approval period.

4. CAP-IS

SR provided an update on CAP-IS development and worked through the timeline of future releases. Timeline of key milestones:

- Present – customers invited to register (release 1).
- February 2015 – CS preliminary offer and single customer record in CAP-IS.
- April 2015 – financial release 2.
- July 2015 - CS in CAP-IS.

Release 1 - Present

The current functionality allows customers to check and update their details for 2015 applications (registration is not required for existing applications or payments). Access to the system at this time is by invitation only but uptake has been low, we believe because:

- 1) Users need to be authenticated through [GOV.UK Verify](#). This service is in its early days and some users have found it difficult to work through the verification process. To address this there are plans to roll out an alternative 'assisted assurance' approach.
- 2) With no grants currently available land managers see no urgency to register at this stage though it will save time later when the application window opens.

SR clarified that a "customer" is any empowered person within an organisation. CAP-IS will be publicly available from December 2014 when anyone already a CAP customer or acting on behalf of a business (agent / applicant / land owner etc.) will be able to register on CAP-IS but at the moment only one empowered person per business is invited to register. A 'business' or beneficiary is determined by the Single Business Identifier (SBI).

Release 2 – February 2015

This release will allow Basic Payment Scheme (BPS) customers to submit applications, open the system for new CAP customers allowing transfer the control of customer, business and land details through CAP-IS. Bank details will **not** be managed in CAP-IS at this stage.

From this point all customers (main applicants, other applicants, agents) associated to a preliminary CS application will need to be registered in CAP-IS before they can apply for the preliminary CS offer (if the functionality to do this is available). While a business may already be registered, any individual acting on behalf of that business will need to register and set up any appropriate empowerments so they can represent that business.

Julian asked if existing empowerments would be transferred. SR explained there would be no migration of empowerments at Release 2. E-empowerments required for preliminary CS applications will still be registered via Forestry Commission. No decision on the migration of empowerments has yet been made.

MS asked if the owner will need to give agent authority to go on to CAP IS. Steph explained that registration on the system (by release 2) would be open to anyone but that the empowerments would need to be set up subsequently by the appropriate person, i.e.:

- a) An agent and the land owner register as individual on the system.
- b) The land owner then empowers the agent through the system.

Because the functionality for forestry empowerments has not yet been written the AFG asked that they be engaged in detailed conversations on how it would work. JO said that land managers will be discouraged by having to do this themselves and be frustrated by having to re-assign empowerments to their agents. The AFG were concerned by this because, for forestry schemes, it is often the agent that initiates the work and get things done. MS added to this, explaining the relationship between agent and owner is different to an agricultural agent with a forestry agent doing far more on behalf of the client.

AS asked for clarity on how multiple users on one land ownership would be treated. SR replied that this situation would work through multiple empowerments against the land or business (SBI).

ACTION 5: SR/FC to engage with AFG on how empowerment will work in the new systems when design starts.

Financial Release 2 - April 2015

After this release bank details will be able to be stored in the new system. For the Forestry Commission (FC) this means that, payments would from the time of this release be made via CAP-IS not FC. As a result the first point of contact for any questions on payments is likely to be RPA.

While the FC grant system (GLOS) allows payments to be directed differently for each agreement, **under CAP-IS payments will be linked to an SBI, and only one set of payment details will be held for a given SBI.**

CM asked whether agents acting on behalf of a land owner would be able to use their own SBI. SR replied that the question of whether an account other than the beneficiaries' SBI could be assigned has been asked of RPA and the approach on this is still to be confirmed.

JO noted the significant change for forestry customers: to-date when clients register with the RPA they do not provide their bank details in the CREG-1 because these have been collected by the FC.

SR told the Group that remittance advice for payments will be issued by the RPA. AS, MS and JO all requested that there is strong engagement with agents and owners on who is notified of payment through the remittance advice.

ACTION 6: SR to confirm how remittance will be managed in CAP-IS.

SR invited AFG members to send any further questions on CAP-IS to [Alec Rhodes](#). SR has generated a one page guide setting out the customer journey through CPA IS for forestry customers. This was shared with the Group and SR invited any feedback.

ACTION 7: AFG members to provide feedback on the CAP-IS one page guide to [Alec Rhodes](#) before the 28th November 2014.

The update was concluded by drawing attention to the fact all new guidance will follow Government's "smarter guidance" style.

5. Preliminary Countryside Stewardship (*currently will include woodland creation and possibly other capital items*)

KM confirmed that English Woodland Grant Scheme (EWGS) was now closed for applications. Applications currently in progress need to be approved by the end of December 2014.

Countryside Stewardship (CS) - aims to be fully open for applications in July 2015. Multi-annual Agreements (MAA) will have a uniform start date of 1st Jan (starting 2016 onward). Capital only agreements will start at any time once approved. To access these grants registration on CAP-IS will be required and some capital grants are currently proposed to be available from February 2015.

There is Ministerial approval for a preliminary woodland creation offer available in early 2015. Ministers are giving consideration to the capital items of Tree Health and Planning. The preliminary CS offer will apply to the 2015/16 and 16/17 claim years only.

The preliminary offer will include options for woodland creation to cover: tree planting, tree protection (inc. fencing) and multi-annual payments for maintenance.

Applications will be made to FC Admin. Hubs and the agreements will be administered through GLOS.

CM asked whether agreements set up under the preliminary offer will ultimately be transferred from GLOS to CAP-IS. KM replied that migration of legacy grant agreements to CAP-IS was still to be worked through and the scope of this work would need to consider agreements set up under the preliminary offer.

Subject to Programme Document approval the application window for preliminary woodland creation will run from February to May 2015. Applications will be scored and ranked with successful applications securing agreements from July.

Kevin clarified that there will be a single payment date for MAA's. Current understanding is that payments for capital items will be following claim submission.

The current proposal is that maintenance agreements for woodland creation will commence in the next January following the planting season, i.e., planted 2015/16 - maintenance agreement commences 1st January 2017.

The Group discussed the timing of multi-annual payments linked to woodland creation. Because most tree planting takes place after Christmas TS suggested the simplest approach would be for the multi-annual agreement to start on the 1st January after the planting season. This provided certainty of the payment the following September but JO noted the possible impact on farmer's cashflow. JW invited AFG members to submit any further thoughts as an active piece of work.

ACTION 8: AFG members to submit further thoughts on the timing of multi-annual payments associated with woodland creation to Joe Watts.

Guidance and a Handbook on the preliminary offer will be available through GOV.uk from 2015. KM explained that FC plan to undertake internal training and external events on the Preliminary Grant Offer and subsequent introduction of CS in the last two weeks of January.

6. Countryside Stewardship

KM stated that the focus of this agenda item would be on the principles of the scheme - the detail may be subject to further change.

Entry Points

There will be three entry points to Countryside Stewardship (CS):

- Higher tier – options will be advisor led (Woodland Improvement Capital, Woodland Improvement MA and Woodland Improvement - Infrastructure– subject to change).

- Middle tier – self-service options for applicants (there are no forestry option groups in this tier).
- Capital grants –including woodland planning, woodland creation and tree health items (the latter two would be advisor led).

Application windows

Three application windows would apply to woodland options:

1. Summer (July-September) for woodland multi-annual options and capital items for woodland improvement and infrastructure.
2. Spring (February – April) for woodland creation option group
3. Rolling window open all year for woodland management plan and tree health items. This rolling window was a major shift driven by the AFG feedback and other stakeholders.

Two CS items relate to tree health:

- Restocking after a statutory plant health notice (SPHN) or other plant health related felling.
- Woodland improvement work such as pre-emptive control of rhododendron and removal of diseased trees.

KM stated that application windows are when applications are submitted. The period over which an application would be prepared is longer.

BF asked how confident FC was that they would be ready to take applications in 2015. Kevin said that FC were working hard on this currently, getting the IT in place, passing the guidance and forms through DEFRA's smarter guidance and preparing training programmes. As a result FC was as confident as they could be.

Option Groups

Woodland MAA Options and Capital items will be presented as Option Groups:

- Woodland Management Plans
- Woodland Tree Health – Restoration
- Woodland Tree Health – Improvement
- Woodland Improvement - Multi annual
- Woodland Improvement - Capital
- Woodland Improvement – Roads
- Woodland Creation

TS was concerned that young trees typically require deer protection from fencing rather than tree shelters and there was no provision for this. KM explained that there were CS items to support fencing.

NE asked about a plant health option to support restocking after felling to remove trees infected with Chalara. Restocking post plant health issues would be supported through the tree health restoration option group. MS shared his view that measures to address Chalara are a major issue which will influence the availability of grants.

ACTION 9: FC to confirm whether restoration after storm damage be eligible for Countryside Stewardship.

NE asked that the AFG were given opportunity to comment on the draft CS guidance.

ACTION 10: FC to consider how to obtain AFG feedback on the options to support Chalara and flexibility on other plant health issues.

Option Guides

The option guides are being prepared in line with the Government's principles for Smarter Guidance: being as clear and succinct as possible. They will include:

- How much grant would be paid.
- Where the option was available.
- When you can't use the option.
- How to apply (with links to CAP-IS).
- Outcome the option must deliver.
- What the agreement holder must do.
- Records the agreement holder would need to keep.

JO asked if the guidance would include hyperlinks to make the guidance an interactive experience. KM confirmed links to other guidance would be included.

ACTION 11: FC to add link to Woodland Management Plan template in the Woodland Management Plan Option Guide.

The CS Handbook would set out the agreement terms and conditions and information on penalties (the agreement will simply reference the handbook). At the time of the meeting it was too early to say in detail how the Terms and conditions would work but the aim is to establish common Terms and Conditions across CAP as far as possible.

CM asked if old woodland management plans would need to be transferred to the new FC template. Kevin confirmed that if a current FC approved plan was within its 10 year approval period it meets the eligibility criteria for CS.

Other points:

Potential use of CS planning option for a significant refresh of a management plan to meet current UKFS and/or changes in owner's objectives. The plan would need to be re-written in the FC new template.

AFG members asked that this was made clear in the guidance. IT suggested that the guidance makes reference to the “current edition of the UKFS”. KM also drew the AFG’s attention to the fact that FC would look to validate CS options/items against the woodland management plan.

Action 12: FC to confirm whether a soil management plan will be needed for cross-compliance.

With regards to record keeping, these requirements reflect the requirements of the option control and verification tables. Geo-tagged photos are seen as straight forward pieces of evidence.

MS asked that the term ‘advisor’ needs clarification to distinguish between an agent and FC/Natural England. JW acknowledged this was important when communicating the scheme but the Option Guides were as good as finalised.

JO question whether woodland over 100 hectares would still need to be certified in order to qualify for CS. KM said certification should not be a criterion for eligibility and so far this has not been challenged, but no final decision had been made yet. JO suggested certification was considered by securing an additional score in the scoring process.

KM stated that current work in progress is looking at the principle of “single agreement per holding”. FC sees this as a fundamental issue and will be working on this.

MS said there must be flexibility to allow new options to be brought in and make forward commitments (but no more than three years) and asked if there was a need to lobby anyone to ensure this is considered. KM said that the papers from the last meeting were serving as a basis to take the discussions forward.

MS suggested the approach could be for a holding or plan to have something similar to the current child agreement. AS said flexibility was needed to make provision for unforeseen tree health problems. JW acknowledged this and that the same consideration needed to be made for non-woodland land. JO said that no provision for adding later options risked over commitments and exacerbating fallout issues.

7. Countryside Stewardship – Targeting and Scoring

JW provided an outline of the frameworks for targeting and scoring.

Targeting Statements

These will provide a framework to indicate the priorities in each area of England. The statements are relative to each area to avoid no go areas. A national targeting framework sets the priorities for woodland management at national scale but they will be refined to produce local scale targeting statements. Statements will be produced for each National Character Area (NCA).

Prioritise for Woodland Management: At a national level the focus is on improving the structure and species mix for biodiversity and to increase resilience to future threats such as climate change, pests and diseases. Locally priorities will reflect what is important for the National Character Areas, for example deer control and ancient woodland restoration in the Forest of Dean.

Priorities for Woodland Creation: At a national level the focus will be on bio-diversity - buffering and linking existing woodlands and other semi natural open habitats, reducing and intercepting diffuse pollutions and addressing flood risk. Local priorities are drawn from the NCAs statements, for example, delivering the West Midlands Woods for Water project.

Stakeholders are currently helping develop local priority statements under a process led by Natural England.

Scoring and Selection

Scoring is a condition of EC Regulations for the RDPE and selection criteria must be applied to justify expenditure. The criteria must ensure the scheme is open to all, treats all applicants equally, targets money, adds value and delivers measures in line with EU priorities.

Scores must enable applications to be ranked to ensure the projects that best support objectives are supported. Scoring must also be simple to administer, auditable and transparent for applicants and policy delivery, prioritising those applications that will give the greatest environmental benefit, at a landscape level. A Programme Monitoring Committee will sign-off and communicate the results to the EC. Other principles are that a threshold score will be applied for each application round and that the scoring process is consistent across Countryside Stewardship.

Applications for woodland creation, woodland improvement (Capital and Infrastructure **and** multi-annual) will be subject to scoring. Woodland Management Planning, Woodland Tree Health - Restoration, Woodland Tree Health - Improvement will not be scored. What is scored within an application, i.e., whether the forestry element would be scored separately or as part of the whole application has yet to be decided, as have arrangements for applications with work that spans multiple years.

Scoring will take place as applications are developed. A preliminary score will be assigned to identify the proposal's chances of progressing. A final score could be given after the application window closed. AS asked if applicants would know the threshold score. JW said FC and NE wanted to give as much clarity as possible early on to an application's likely acceptance and ultimate success.

TS asked how regional scoring could be applied nationally. JW said the scoring system would need to set a common playing field for all applications.

JO asked if the available money is limited to FC led options FC only or across CS. JW said the money is held at the DEFRA level with budgets allocated to agri-environment and forest specific measures.

MS said setting the threshold would be critical: setting too high would result in an underspend. RG asked if money was left over the threshold be reduced. Joe said the selection is restricted to the threshold and the threshold would not be reduced, even if you have not spent the budget. JW recognised that the setting of the threshold was important.

NE asked if the budgets ran for the programme length and if measure budgets will be reviewed annually. JW said the scoring threshold could be changed annually to account for budgets and that we understood measure budgets were set on an annual basis.

ACTION 13: JW to confirm if measure budgets for CS are reviewed annually.

The Group suggested letting very high scoring applications be allowed to be allocated to multiple years, because they were most likely to secure funding in the in future years, or to ensure an applications score was based on its ultimate outcomes. JW recognised the latter point needed to be factored into the scoring mechanism which is still being worked through.

Generic Countryside Stewardship Scoring Framework

JW ran through the generic scoring framework which worked through the following levels:

- CS Objective: Biodiversity, water, historic environment, cross-cutting, collaborative delivery, size and value for money.
- ↓ CS Sub-Objective, e.g., Biodiversity 2020, water quality, flood risk, climate change mitigation, landscape-scale.
- ↓ Criteria type, e.g., spatial targeting– is it in the right part of the landscape to have an impact on water quality? Is the woodland design consistent to help address flood risk.
- ↓ Criteria description, e.g., Woodland creation in targeted habitat network.
- ↓ Scoring basis, e.g., top spatial priority, additional, points.

NP said the scoring seemed to replicate the targeting statement. JW replied that a scheme could be in a low priority area but still of sufficient quality to still get through.

NE said the approach to scoring needed to avoid proposals that were ok generally winning out against proposals that were exceptional in on one aspect. JW did not know at this stage how this would be managed but recognised this as a test that would need to be made on the scoring system.

AW said Landscape Character Assessment (LCA) usually prohibited tree planting on land where flood could be addressed. JW said aspects such as flood prevention would still score points but that the application will be subject to the usual EIA and consultation process.

NE asked if scores would be weighted, e.g., bio-diversity vs. water criteria. Joe said this was fundamental but that the building blocks for the scoring framework needed to be established first. MS thought cross-cutting objectives (climate change adaptation and mitigation and landscape) would be key for forestry.

NP understood 100% of the forestry budget had been allocated to the bio-diversity because of the commitment that 75% of the scheme budget is used for biodiversity, and did not see how the scoring framework presented this. JW did not recognise the allocation of budgets NP quoted but said the programme has high level allocation in terms of bio-diversity, water etc. The scoring framework aimed to show which boxes were ticked when allocating funds from forestry measure budget.

AW said the uncertainties of the scoring process would have an impact on nurseries trying to manage supply and demand. NE thought the objectives for Historic Environment and Collaborative Delivery objectives may be covered by size: size is more important. MS said Collaborative Delivery was important for deer management and sustaining the Deer Initiative.

The AFG said the process outlined was far too complicated. JW said the framework as presented covered everything on the basis slimming things down would be easier than adding objectives and criteria.

NE said the national allocation of budgets ran against Government's intention to place budgetary decisions at a local level. This could disadvantage certain parts of the country. RG said Natural England will apply a regional element to budgeting the measures/options they would lead on.

MS did not see how local methods of scoring would work. The key question was how transferable the budget is from year to year and between all measures. Flexibility was needed to move money forward and mop up under-spend in other options. This would allow a lower threshold to be set - a high threshold would only reduce the amount of planting.

TS said the new criteria might affect applications and budgeting with land manager's delaying to see what happens. JW said a slow start for CS was possible but that forestry measures could start earlier because they had more headroom.

MS raised a concern that HLS agreements valid for a further four years cannot move into CS until the agreement had expired. Joe confirmed that this would situation would be considered as part of current discussions, in conclusion TS noted that it would be those land managers who had current schemes who were likely to engage with CS.

ACTION 14: JW (FC) will circulate an example scoring pro-forma for AFG to provide comments within the week.

8. Countryside Productivity Scheme

AF presented an update on the Countryside Productivity Scheme's (CPS) (name to be confirmed) which follows the funding previously available under Axis 1 and Axis 3 of the Rural Development Programme (RDPE), helping with the capital costs of machinery and support for development of skills.

AF explained England's woodlands have the potential to be far more productive. The challenge for CPS is to improve and increase productivity. End to end supply chain support is needed if this funding is to be effective and support businesses that take and market material.

The future funding environment is complex:

- Countryside Stewardship – with options to support environmental improvement in woods.
- Countryside Productivity Scheme – productivity and competitiveness of forest based business.
- RDPE LEADER –support community led local development for small to medium-scale business.
- Local Enterprise Partnerships – access to funding streams that would support forestry business growth beyond the forest gate.
- Renewable Heat Incentive – support for woodfuel.

CPS has been looking at Woodfuel East where an investment of £3.2 million brought 10,000 hectares of woodland into active management. This had shown that a facilitation service was critical, collaboration and co-operation should be encouraged networking should be considered and promoted, processes kept simple and that monitoring and evaluation should be undertaken from the outset.

Forest Services are now taking steps to help the forestry sector get ready for any future funding opportunities:

- Business Support Contract – the Forest Advisory Consortium England (FACE) consortium has been established with a £50k contract to support forestry sector businesses in developing proposals for business expansion. Over 40 businesses have now been referred to FACE. NE provided an insight into the FACE Consortium which supports forestry sector businesses in the developing proposals for business expansion, serving as a critical friend helping develop ideas and helped translate ideas into “funding speak”. The ability to secure second-hand equipment and match funding will affect potential investments.
- Demonstration events for contactors – to encourage potential applicants to consider options for kit and other developments. So far 15 events have been planned with five delivered. Feedback from events so far has identified a range of project ideas and that more support is wanted.
- Technical Development Branch (TDB) open days – two events planned in spring and summer 2015 to showcase equipment that is not currently widely used.
- Collaboration – A report on options for collaboration is due following evaluation of four forestry sector co-operatives. Feedback from the co-operatives is that there needs to be a strong leadership for the co-op to establish and that specialist advice has been key. Once a strong members’ agreement is in place and there is a strong business case they can be successful.

Local Enterprise Partnerships (LEPs) want job creation and economic growth and contact to date has shown LEPs are pragmatic and interested in forestry’s potential to provide jobs in the rural sector. The Local Growth Deals are available for projects benefiting local area and economy where taking the form of infrastructure (sheds and concrete).

The European Regional Development Fund (ERDF) may provide opportunities through its support for a low carbon economy and the European Social Fund (ESF) may provide business support.

In conclusion work being undertaken to build capacity in the sector is attracting new entrants. AF said networking has a great impact in helping to raise understanding of market potential.

PR added further insight on progress that was being made on CPS and LEADER. Under CPS there will be integrated projects which Defra and FC are working up details on woodfuel projects.

The second part to CPS is the grant scheme – second hand machinery will be allowed under this scheme, but will come with many restrictions and details are still to be finalised on the type of equipment available. Further detail will be available in due course.

LEADER groups have received their letters on outcome of selection. Defra will plan to work with LEADER groups next year. The National Operating Manual will be available for LEADER groups early next year.

MS said speed of response for second-hand machinery was key. The advice contract FC has let is useful but the money will be spent before applications come in. There was potential to secure an advisory service through a mini-tender under the Farming Advice Framework. This should not conflict with private sector.

NE said the FACE Consortium are saving time for recipients of help who are waiting for scheme details to come forward.

PR offered to take any further questions on LEADER that the AFG may have.

AS asked if the scheme will be open to new business and would it cover social enterprise, which could be a big audience. Paula said this would need to be confirmed.

9. UKFS compliance

IT introduced a project looking at how UKFS is delivered across the forestry sector. This will take forward the Forestry Regulations Task Force recommendation that the UK Forestry Standard (UKFS) is embed across Government in its work linked to forestry. UKFS compliance underpins approaches to EU Timber Regulations (British Standards Institute guidance), sustainable bio-energy for the Renewable Heat Initiative (RHI), Government's timber procurement policy and is used as evidence for the Grown in Britain (GiB) mark.

There are changes in the market place: increasing woodland management, a rise in the demand for wood fuel through the RHI (up to 800,000 tonnes in GB) met by woodlands not managed in past. 80% of the volume in the market is currently Certified but the area of woodland under Certification is declining. At the same time the risks posed to woodland are also changing.

An independent review of UKFS implementation by the sector found that UKFS is mostly being delivered but some areas need work. The next steps are to look at the recommendations of the report, see how risks are monitored over time, look at how UKFS is delivered by the FC and forestry sector, including operationally. This work is important due to the RHI which requires the boiler to source fuel from an approved supplier or demonstrate they manage their woods sustainably. FC needs to work out what would happen if an audit by Department for Energy and Climate Change (DECC) found a breach of UKFS.

FC wants to fine tune things rather than apply more regulation. To that end the following measures are in scope for consideration:

- Measures for Forest Services or other parts of Government to address breaches in UKFS, with an appeals process.
- Establish lines of communication with organisations such as Environment Agency, National Measurement Office, Defra, DECC, Natural England and agents.
- Consult the forestry sector to ensure approach meets all needs.
- Training and communication within Government and across sector to ensure UKFS is well understood.
- Review risks posed by emerging markets to woodlands.
- Options developed should work across the UK.
- Recognition that continued neglect of woodlands combined with pests, diseases and climate change remain the most significant risk to woodlands in the medium-term.

New legislation is out of scope, as are options that would significantly increase administrative burdens on business or require significantly more FS resources.

In conclusion:

- The risk of unsustainable forest management and market pull is changing.
- UKFS provides a strong base on which to deliver sustainable forest management.
- Progress can only be made by Government and the wider forestry sector working together.
- More work is required to embed thorough understanding of UKFS throughout the sector, including agents and contractors.

JO said the cost of certification lied in the auditing requirement. Managers would still have to audit their woodland under this approach and this this is the big problem. MS said FC has a responsibility to audit the UKFS but said the degree of audit needed discussion. If UKFS is audited it will have more value and add credibility to GiB.

NP asked if the UKFS review looked at woodland management plans and what was happening on the ground. IT confirmed the review looked at one site when work was being undertaken and this is an aspect FC is looking into. There is no deadline for this work which is just starting.

JO asked if CS could have an element of self-certification. This would serve as a prompt to check the headline areas. IT said Woodland Management Plans in years to come will need to be a document that is regularly reviewed as the owner's respond to markets and the natural environment. An approach to plan reviews requires consideration. RG suggested low level sampling, based on grant aid to produce the management plan.

NE asked how the penalty angle would be brought to a wider audience. IT explained he was just airing early ideas at this stage to start the process.

The Group made a standing invitation to report back on progress and contact the AFG members between meetings for advice.

10. Thresholds for Countryside Stewardship

KM confirmed the thresholds that would apply to CS applications.

Woodland Creation

- Minimum area per application is three hectares.
- Minimum block 0.5 hectares.

Where a Catchment Sensitive Farming Officer or equivalent confirms the scheme will deliver outcomes for water quality and flooding (Water Framework Directive) FC will accept applications with a total planting area down to one hectare, with individual blocks going down to 0.1 hectare.

Woodland Management Plans

- All holdings over ten hectares will need a management plan to be eligible for CS.
- Woodland over three hectares in size would be eligible for grant aid to prepare a woodland management plan.
- All woodland improvement options other than plant health need an FC approved plan.

FC hopes to have an online management plan template available early next year. The intention is that this will integrate the plan with CAP-IS.

KM confirmed a "holding" would be defined by using the definition of Forest Management Unit (FMU) used for EWGS ([see Operations Note 3](#)). This tied in with the UK Forestry Standard which also deals in terms of FMUs. JW recognised a single County Parish Holding number could have multiple FMUs.

NE was concerned that the AFG were getting only nuggets of information and needed to see scheme level details. JW replied that discussions are happening at scheme level and there is no mechanism to engage the AFG on every element. NE suggested DEFRA seek a critical friend to get external comment on forestry measures and that it would be good to look at the measures holistically. JW acknowledged this offer and said FC was engaging the sector through fora like the AFG.

11. Non-fundable Items

EWGS agreements contain payments against standard costs under Woodland Improvement Grant (WIG) that are not fundable under the new programme's rules (after Sept. 2015). This mainly relates to costs based on an hourly or daily rate, i.e., L1 - forest craftsperson & L2 - forestry agent.

FC contacted WIG agreement holders in August to advise them that individual agreements would be reviewed to identify those with non-fundable items. FC have found ~1,600 agreements were in scope for review, of which ~1,000 included non-fundable items. FC will send bespoke letters to all contract holders with non-fundable items before Christmas to explain which items are affected, their values and the options available to manage the situation. The options are likely to be:

- Bringing forward items due for payment in 2015/16 or beyond so that the work is undertaken and claimed by 30 September 2015, i.e., under current programme.
- Removing the non-fundable items but continuing with the remaining items. Kevin noted agreements with time-based elements of deer stalking cannot be brought forward and will need to be removed.
- Terminating the agreement – this will be viewed as the last resort.

FC is taking steps to ensure FC staff have capacity to manage the amendments this work will result in.

12. Woodfuel Woodland Improvement Grant

KM provided an update on Woodfuel WIG. After a slow start FC were now looking at over commitment of £1.9 million. This related to applications received after 1st August 2014. FC will notify these applicants that their application will proceed but, at risk. FC will take a view on what can be taken forward at the end of December 2014.

AW asked if FC had the capacity to deal with applications promptly, citing an example of an application made in May which was still being processed. KM explained that the closure date for EWGS had been set to allow time to process applications before the end of December 2014.

13. Restructuring Forest Services

JW provided headlines on proposals for restructuring Forest Services in light of the decision that all EU payments would be processed by RPA. The content of the presentation was for information only but led to the following comments from AFG members.

TS suggested that any reduction in admin staff resource should be countered with more woodland officers on the ground to deal with the high volume of work they were currently struggling to manage.

JO said that applications were held up at the moment and suggested that woodland management plans take a lot of time to review and this could be a bottle neck.

JW said FC anticipated woodland management plans would take up more time in the future and that FC needed to look at how they could become more efficient in this and invest in the sector to produce better plans first time. AF said the south east team had taken steps to review the standards of reviews. JO advocated a joint training event as a means of sharing knowledge between FC and the private sector. JW said the FC's priority is currently CS but in time focus will move to Woodland Management Plan approval.

RS appreciated FC capacity was stretched but said it was unacceptable that processing deadlines for felling licence applications were being missed. This was having a direct impact on bringing timber to market at a time when prices are buoyant. Joe apologised that applications had not been moved forward quickly. Closure of the EWGS in September was in part to provide some breathing space to clear backlogs. TS said the stop start nature of grant deadlines without notice had been a problem for agents and their clients.

AF said that it is poor applications / plans that can absorb a lot of staff time and questioned whether FC need a stricter practice of rejecting poorer applications? To improve the situation RS asked FC to consider allowing Chartered Foresters to undertake thinning without the need for a felling licence.

14. Any Other Business

CM asked FC to add examples of approved Woodland Management Plans to the website. AF was currently seeking agreement from land owners and agents in the south east to publish some plans up on the web site.

JO asked if FC could advise how AFG members could participate in the trials of the new RPA mapping system.

ACTION 15: FC will confirm to AFG members how to participate in the involved in the trial of the RPA's mapping trail.

KM thanked the AFG for the rigorous challenge and support they had provided during his time as Forest Services Head of Incentives.

Date of Next Meeting: Thursday 21 May 2015.