

23rd April 2014

Official

COMPENSATORY PLANTING FOR OPEN HABITAT RESTORATION

Purpose

- 1) This paper is to update EEB on decisions on the balancing mechanism in the open habitats policy and set out the potential implications for the Public Forest Estate (PFE).

Recommendations.

- 2) That you note the decisions by the Forest Services (FS) Board, implications for the PFE, and agree we should include PFE people in our communication of the refreshed approach on compensatory planting and joint Natural England (NE) – Forestry Commission England (FCE).

Background.

- 3) The “open habitats policy” sets out how to decide when to permanently convert woodland to open habitat in England. It was endorsed by Ministers in the forestry and woodland policy statement January 2013 in line with the recommendation by the Independent Panel on Forestry. We have therefore decided that the policy does not need to be reviewed again this Parliament. However, we do need to more actively employ the balancing mechanism element of the policy (Annex 1).
- 4) The balancing mechanism sets out how we will compare the rate of loss of woodland for open habitat against the rate of increase in the area of woodland as implied by forestry policy ambitions. This will enable us to decide where the balance lies between allowing permanent loss of woodland, not allowing it, or where we will allow it only with compensatory planting. The policy envisaged that this would be done in active, transparent manner working with external stakeholders to establish the approach to balancing. Now we have clarity on Government policy ambitions for woodland creation we urgently need to deliver the balancing mechanism bit of policy. Part of the reason for this is to develop a clearer agreed approach with NE.

Forest Services decisions on the balancing mechanism.

- 5) At its 9th April meeting the FS Board agreed that the point where we currently expect compensatory tree planting to be included in proposals to convert woodland is set just below sites which are designated for their open habitat characteristics or non designated sites of SSSI quality where removing the woodland will have significant biodiversity benefits. This means that:
 - a) The removal of ancient woodland (identified on Natural England’s ancient woodland inventory) or woodland where the site has a history of native

woodland cover for more than 80 years (including wet woodland), for the purposes of open habitat creation, will **not be permitted**;

- b) The removal of other woodland on **nationally or internationally designated sites** where the trees are having a demonstrable negative impact on the feature of interest (habitat, species or geological) is likely to be permitted **without the need for compensatory tree planting**;
- c) The removal of other woodland **on non-designated sites adjacent to nationally or internationally designated sites** where the restoration will buffer or connect sites where there is clear evidence that fragmentation is having a detrimental effect on the **nationally or internationally designated sites** is likely to be permitted **without the need for compensatory tree planting**;
- d) The removal of other woodland on **non designated sites**, but where its removal is crucial to support the bio-diversity interest of the site or associated species may be permitted **but may require compensatory tree planting**;
- e) The removal of other woodland on **non designated sites**, but where its removal will extend, buffer or connect sites of **existing high quality habitat** may to be permitted **but may require compensatory tree planting**;
- f) The removal of any other woodland not covered by the above **will require compensatory tree planting in all cases**.

6) This decision is based on forestry policy aspiring to 5000ha net woodland creation per annum and that to date we are achieving less than 2,000ha of woodland creation per year (Table 1). The government's biodiversity strategy has the objective of creating 200,000ha of additional priority habitat by 2020 both by restoration and creation of new habitat. The strategy is behind profile on reaching the 200,000ha target. However, the open habitats policy requires us to assess woodland loss against woodland creation ambitions, not open habitat ambitions.

Table 1: Key information for decision on balancing mechanism.

	2010 / 11	2011 /12	2012/13	total	Average per year
Open habitat restoration – total (Public Forest Estate and other woodland)	893 ha	735 ha	222ha	1850ha	617ha
Woodland creation (all)	1775ha	1942ha	1831ha	5548ha	1849ha
Net woodland creation*	882ha	1207ha	1609ha	3698ha	

*net woodland creation does not yet take account of any afforestation or deforestation from other sources e.g. the development control process, which could be an additional 200ha per year.

- 7) The Board also agreed that the balancing mechanism should be made more active by referring the decision to the England Woodland Biodiversity Group (EWBG) for comments, then communicating it externally, informed by these comments. In future years we will follow the same cycle of decision in April with reference to EWBG and then internal and external communications.
- 8) In addition, a key element of making the mechanism work is to increase the options by which practitioners can deliver the compensatory planting. The most direct and secure mechanism is for woodland creation on land controlled by the applicant but this may become an inappropriate barrier to the biodiversity strategy because land is often not available. Therefore, as well as allowing compensatory planting on land controlled by a partnership organisation to the applicant we will establish a mechanism based on a payment to a partner organisation of a sum appropriate to the amount of woodland creation required, which will then form a woodland creation fund. Potential partners include Grown in Britain or the Woodland Trust. The details of this are being worked out, including, for example, how we can be confident that the creation is additional.
- 9) The policy requires judgements and interpretation particularly via joint working between FS and NE. The board agreed a 'Joint Delivery Practice Note' (Annex 2) to inform this, subject to some final changes currently being made and agreed with NE, primarily aimed at further increasing its clarity.

Implications for the Public Forest Estate

- 10) FS will employ the same approach to regulating woodland loss on the PFE as it would for any other land. Therefore, it may mean that we require compensatory planting for some PFE deforestation sites as part of licensing woodland removal for delivery of the strategy for open habitats on the PFE. At this stage, we do not feel it is necessary to amend the strategy for open habitats on the PFE.

Resources

- 11) FS has the resources to deliver the recommendations in this paper. The recommendation for communications activity on the PFE implies some resource allocation by relevant PFE people reading and digesting the communications material.

Risks

- 12) The recommendations are part of the control measures for two FS risks:
 - a) FS/7: Failure to provide an adequate policy framework. This is currently at 10 – Material.
 - b) FS/4: Failure of the FC in its fundamental protection role (excluding Pests & Diseases). This is currently at 9 – Material.

Equality Analysis (EqA)

- 13) The EqA for changes to FS services applies.

Communication.

- 14) Communication needs to be handled carefully because open habitats remains a potentially controversial issue. We will communicate the refreshed approach internally with NE, using the operational guidance. The balancing mechanism and expanded approach to compensatory planting will be communicated externally through EWBG.

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Annex 1.

Extract from open habitats policy on balancing mechanism.

5.3 Managing the rate of conversion.

We will make sure that there is a balance between the rate of conversion of woodland to open habitat and the rate of expansion of woodland. This does not mean that any increase in woodland area will automatically lead to an increase in woodland removal for open habitats. This is because otherwise the increase in woodland would not be additional, just neutral. Equally, we will not expect all removal of woods for open habitats to be directly compensated by woodland creation. This could create an unjustifiable barrier to restoring and expanding open habitats. Instead, we will monitor the rate and type of woodland removal for conversion to open habitat, and compare them to the rate of expansion and the type of woodland being created.

We will monitor woodland removal and creation through the National Forest Inventory. We will monitor progress on restoring and expanding open habitats, through the Biodiversity Action Reporting System. Both report on a five-yearly cycle with more frequent interim reports. Between reporting periods we will monitor progress continually through records of felling licences, environmental impact assessments and higher level stewardship grants.

We will make sure that we make progress on both open habitats and woodland expansion. We will do this by adjusting how we apply the framework for decision making, when we require compensatory planting and by encouraging practitioners to accelerate or delay when they undertake conversion.

If the rate of woodland removal is such that aspirations for woodland expansion are being significantly compromised, we will limit the circumstances in which we support or allow conversion without compensatory planting. Should the rate of woodland removal begin to outstrip the rate of woodland creation, such that there is a risk of the total area of woodland in England going down, we will only allow woodland removal in cases of exceptional biodiversity benefit. Conversely, if we start to exceed aspirations for woodland expansion, we may widen the circumstances in which we support or allow conversion.

We will work out the situation and our approach at each reporting period in an open and transparent way to keep our stakeholders clearly in the picture. We will make sure that the work required to fit into the framework for decision making is kept as uniform as possible so practitioners know what is expected of them.

5.3.2 Balancing the rate of removal and planting of productive woodland

Most of the woodland removed to create more open habitat will be non-native plantations. Non-native plantations (mainly conifer) have a crucial role to play in moving towards a low-carbon economy because they generally grow faster than native woodland and generate higher volumes of potential woodfuel and useable timber. Confidence in the supply of domestically grown timber is important, and productive woodland, including conifers, will play a positive role in the Government's transition plan to a low-carbon economy.

The decision framework outlined in this policy will favour the conversion to open habitat of land that does not grow high quality timber well. This is because the highest benefits to biodiversity will tend to be on sites of lower fertility. We will also only allow the removal of plantations before economic maturity in exceptional circumstances.

Nevertheless, there is still a need to monitor the conversion of productive woodland to open habitat as a sub-set of our monitoring of total woodland area. We will monitor the balance of removal and creation of productive woodland as part of the Government's drive for woodland expansion. We will use the mechanism for managing conversion of woodland to make sure that the overall area of such woodland in England is not reduced as a consequence of this policy.

For the purposes of this policy we will normally define productive as being at least yield class 10 for conifers and yield class 6 for broadleaves.

5.3.3 Compensatory tree planting

We will expect organisations proposing conversion of woodland to open habitat to put in place mechanisms to create new and additional woodland in the following circumstances:

- where a person wishes to convert woodland to open habitat where the biodiversity benefits are not significant, or primarily for non-biodiversity reasons that do not have significant 'spin-off' benefits for biodiversity, where the impact of the expanded habitat on biodiversity is insignificant;
- when the rate of permanent woodland removal is being sustained at a level above the reasonable balance set out [above], except for sites of exceptional biodiversity benefit;
- when the rate of permanent removal of productive woodland is being sustained at a level above which it is not possible to maintain the total area of productive woodland, except for sites of exceptional biodiversity benefit; or
- when evaluation and review of the policy shows that desired outcomes are not being achieved due to negative impacts through loss of woodland.

Woodland of the right trees in the right place can provide multiple-benefits and there are many reasons for creating new woodland. However, the primary reason for the balancing mechanism in this policy is the need to make sure of progress on both open habitats' and woodlands' contribution to moving to a lowcarbon economy. Therefore, the compensatory planting required will be for additional woodland in England that provides equivalent or greater carbon benefits and fulfils the UK Forestry Standard current at the time of permission being granted. Environmental impact assessment of proposed new planting may be required.

... We will work out the right way of supporting compensatory planting through public funding depending on, for example, the public benefits of the new woodland.