CARBON SINK FORESTRY REPORT

July 2012 by River Nene Regional Park Community Interest Company
Commissioned by The Forestry Commission

Rockingham Forest for Life

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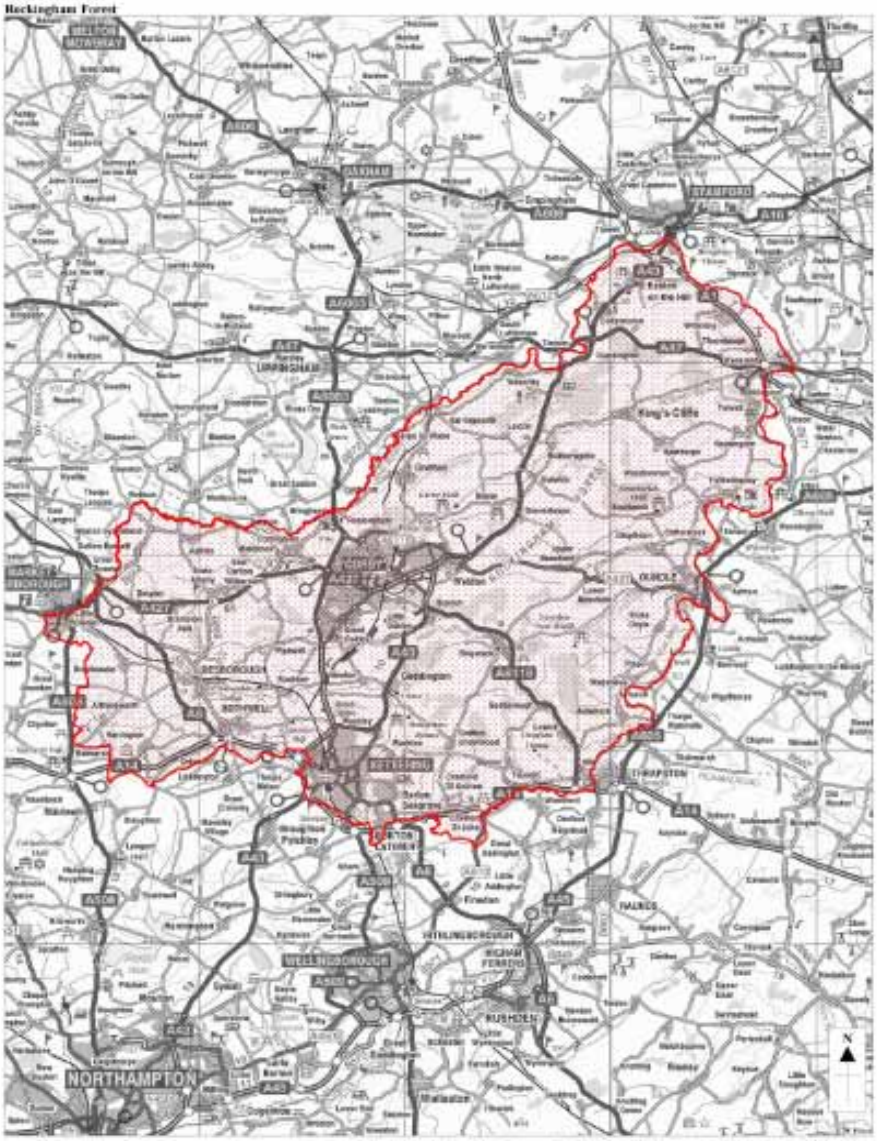
Rockingham Forest for Life

Rockingham Forest for Life – Pilot study report: key points and issues

Rockingham Forest pilot study area shaded in red



Report commissioned by FC, on behalf of Defra, and undertaken by RNRP CIC

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1. Executive Summary

The study, which was commissioned in February 2010 as a pilot study by the Woodland Carbon Task Force, investigates the feasibility of establishing a Carbon Sink Forest in North Northamptonshire which, if successful, could act as a model for similar projects across England. Its primary aims were to increase the level of woodland creation and explore the potential for development funding with the North Northamptonshire Joint Planning Unit, landowners and the contribution of local businesses, thereby seeking to reduce dependency on the public purse.

Its core objectives were to help develop and pilot a new methodology for supporting areas of woodland creation, to examine existing and new methods of funding and to report on these to the Forestry Commission. In doing so it was to investigate opportunities for funding woodland creation from other sources, particularly from developer contributions, and to explore opportunities for funding woodland creation as an "Allowable Solution" for zero carbon homes and zero carbon developments.

A steering group was established at an early stage with representatives of local authorities, the Forestry Commission, Woodland Trust and other stakeholders, including landowners a the National Farmers Union, which drew upon a wide range of experience and gave access to hard to reach groups, such as farmers. This proved invaluable in establishing areas of interest and concern from the various sectors prior to entering more detailed discussion and consultation.

A basic model, the layered approach, was developed whereby the Rockingham Forest for Life (RFfL) project would seek to work with and, where appropriate, supplement the English Woodland Grant Scheme (ewgs) and comply with the Woodland Carbon Code (WCC) through contributions from the private sector. A business breakfast meeting was held, to which representatives from a range of business sectors were invited, to gauge their interest and seek their help in developing the model further. This proved to be extremely positive and was helpful in understanding the different interests and priorities of the various types of private sector organisations.

The proposition, which was well received, was that the private sector could support woodland creation, primarily as a carbon sink but also offering benefits to investors through; increased employee awareness and participation in energy and environmental management systems, addressing corporate social responsibility issues and, by association with the scheme, an enhanced image and a better bottom line (from a combination of money saved by more efficient use of energy and a greater turnover). However, further work was felt to be necessary to clarify the nature of the offer and to establish the potential for securing external and developer contributions, including the scope for Allowable Solutions linked to Building Regulations requirements for new development in 2013.

The pilot study has already achieved a number of successes, which support the proposition that it is possible to secure external funding from the private sector to reduce dependency on the public purse. The scheme has the support of all local authorities and major stakeholders in the area and is being taken forward by the North Northants Joint Planning Unit as a discrete policy area in the Joint Core Spatial Strategy.

Two hectares of woodland have since been planted on the Boughton Estate, funded by RNRP, the cost of which is being recovered from subsequent private sector investment. This planting scheme will help to overcome the initial reluctance of potential investors to a project that has yet to demonstrate its credibility, as well as to raise the profile of the project with other landowners.

In addition, a significant financial contribution has been made by a developer in respect of a development site in North Northamptonshire that will support the creation of between twenty to twenty five hectares of woodland on privately owned land in the Rockingham Forest. The financial contribution will also cover the costs of securing the necessary agreements with landowners and associated costs for further woodland creation, which will also assist in the development and implementation of RFfL with both landowners and private sector project sponsors.

Finally, the RFfL scheme has been proposed by the North Northamptonshire Joint Planning Unit as an Allowable Solution project supplier. This is effectively being piloted and could see woodland creation being formally adopted as an Allowable Solution, which would open up a significant opportunity for funding woodland creation, not just in Northamptonshire, but potentially across England.

The study concludes with a series of recommendations in respect of; the further development of the scheme, engagement with planning authorities and other agencies, with landowners and potential investors, the development of funding mechanisms and recommendations in relation to national policy and the English Woodlands Grant Scheme.

The key issues for the development of the scheme relate to the finalisation of the offer, ensuring that it is fully supported by a document suite and website that sets out the objectives and scope of the scheme and makes it easy for landowners and potential investors to participate, and to have the necessary documentation in place for its implementation and monitoring.

Work will continue to develop and embed RFfL into planning policies and core strategies as well as securing developer contributions through Section 106 agreements, CIL and Allowable Solutions. Work will also continue in respect of liaison with landowners and potential investors to develop land banks of suitable sites for woodland creation as well as a sponsorship portfolio. Further work is also required to investigate the potential for securing long-term investment from pension funds and financial institutions, as well as the potential for Tax Investment Funding (TIF) and the use of Green Banks.

Finally, recommendations have been made in respect of national policy and the English Woodland Grant Scheme (EWGS) to position RFfL to access voluntary/compliance carbon markets that develop at domestic or international level, to allow more flexibility within EWGS to simplify the process for landowners, consider the potential for a lower level of basic grant that can then be topped up through purchase/transfer of carbon reporting rights and consider the registration of schemes such as RFfL within a woodland area as a single project under the Woodland Carbon Code (WCC).

2. Background to the Rockingham Forest for Life

The Rockingham Forest was established as a Royal Hunting Forest by William the Conqueror and, although previously far more extensive, significant parts of Ancient Woodland remain, particularly around the Bailiwicks (administrative areas within the wider Rockingham Forest) of Corby, Kingscliffe and Brigstock. However, over time much of the forest in the area has been felled and the land turned to arable use, and development over time has seen the fragmentation of significant parts of the woodland. Consequently, the Rockingham Forest is well suited to a scheme that seeks to increase the rate of woodland creation, reverse fragmentation, buffer and link areas of Ancient Woodland and increase the level of woodland creation to act as a carbon sink.

It also has the potential to play a major role in climate change adaptation as by increasing connectivity it can enhance existing and create new wildlife corridors that will allow the migration of species of flora and fauna. This is very much in keeping with the recommendations of the Lawton Report and the White Paper for the natural environment to be managed at a landscape scale with bigger, better and more joined up habitats.

The Carbon Sink Forestry Report was commissioned in February 2010 as a pilot study by the Woodland Carbon Task Force, which was set up by the by the Forestry Commission to enable a step-change in the level of woodland creation and to help deliver abatement in the sector. This reflects the Government's commitment and strong support for woodland creation, as set out in the 'Carbon Plan - Delivering our low carbon future' and White Paper - 'The Natural Choice: securing the value of nature', and for bringing more woodland into active management, which it will continue to support through woodland grant schemes.

The study was informed by a review of relevant background material on Climate Change and Carbon Sink Forestry, and reference to the cornerstones of the project, the English Woodland Grant Scheme and the Woodland Carbon Code. This was followed by a series of workshops and a seminar. Attendees included key stakeholders from regional bodies as well as public, private and voluntary sector organisations with an interest in Carbon Sink Forestry in North Northamptonshire. They also acted as a forum to gauge the level of support and, through the consideration of associated issues and models for delivery, obtain feedback on the options and preferences for the way forward.

Following the workshops, a steering group was formed that included representatives of public, private and voluntary sector organisations, including local authorities and is listed in Section 15, Appendix 1. The group elected to focus on the Rockingham Forest area in North Northamptonshire as a discrete geographical area with an established character and identity. However, although the intention has always been for woodland creation to act as a carbon sink, that is to sequester carbon dioxide

To better promote the Carbon Sink concept, the group adopted the title 'Rockingham Forest for Life' and commissioned a logo that would visually represent the project's aims to a wide audience. Then, to establish key issues, opportunities and areas of concern, the group engaged with key stakeholder groups from the private sector, businesses, landowners, local communities and representatives of development and planning interests.

3. The Rockingham Forest for Life Vision

The Vision for the Rockingham Forest for Life encapsulates the model that has been developed over the past eighteen months. It has involved significant research and engagement with a wide range of stakeholders and forms the basis for a robust and long-term series of investment opportunities for private and public sector organisations as well as local communities and interest groups.

The Vision is:

"The 'Rockingham Forest for Life' project will reinforce the landscape character of this former Royal Hunting Forest and Ancient Woodland through a reinvigorated programme of woodland creation. This will sequester carbon dioxide, increase resilience to and help address climate change, reverse habitat fragmentation by increasing connectivity, thereby providing corridors to assist the migration of flora and fauna, increase opportunities for leisure, recreation, education and provide employment opportunities that will support the local economy.

The regeneration of the Rockingham Forest will raise awareness of a wide range of environmental and related issues and be fully supported locally. It will be an innovative and purposeful means of bringing businesses and communities together around a common cause. Through a range of methods of securing external funding it will make the area more resilient and contribute to it being one of the most attractive landscapes in England to live in, work in and visit."

4. Stakeholder engagement

Private sector

A corporate breakfast event was held at Boughton House on the 15th July 2011, with a focus on the private sector. This was attended by 62 delegates from the Northamptonshire business community representing SME's, national and multi-national organisations; landowners and their organisations, and local authorities. The benefits of woodland and woodland creation were outlined in presentations, with a focus on carbon sink forestry and its environmental and business benefits. The delegates were given information on how an outline offer would work, with business investment purchasing carbon reporting rights.

Feedback from the work groups on each table raised a number of issues. The consensus was that the offer should be clear, fully costed, and easily understandable and identify exactly what was being funded, as EWGS appears to be the main mechanism. Whilst delegates were keen to support the scheme, particularly linked to the Woodland Carbon Code, justification was sought for incorporation into business strategies (for larger companies) and, as participation can save energy and money, an indication of their likely return on investment.

The prospect of businesses reducing their net greenhouse gas (GHG) emissions while enhancing the local environment and addressing climate change was greatly welcomed. However, it was felt important to ensure that the scheme should be affordable for all scales of enterprise, potentially by some coming together to participate. It was also recognised that the scheme supports Environmental Management Systems (EMS), such as ISO, helps to meet Corporate Social Responsibility (CSR) objectives, although it is not essential to formally adopt these, and provides an ideal opportunity to promote and highlight the green credentials of their businesses.

Some companies felt that publicising the scheme, or their involvement in it, would be a way to attract the best graduates, demonstrate their own environmental awareness and encourage other businesses to participate. The potential for a dedicated website and widespread promotion of the scheme were both seen as extremely positive developments. With identified benefits to businesses and land owners, the potential to improve land management and support the local economy and potentially increase employment opportunities, the scheme had widespread appeal.

The business event was followed by bilateral discussions to draw down more specific detail on how the project could work for SME's, larger businesses and different types of industry. The visits included some businesses that were unable to attend the business event, but expressed an interest in the project and its further development. Specific points from the discussions with different business types were as follows:

Small and medium sized enterprises (SMEs)

Feedback from this sector suggests that the SMEs approach to environmental issues is generally fairly fluid. Many do not use ISO 14001 or internal environmental management

systems as they are considered impractical, costly and unwieldy, nor did they currently measure or report their Greenhouse Gas (GHG) emissions. Instead many chose to focus on the use of robust environmental policy, incorporating many of the aspects of ISO and the other systems. This allows for flexibility and the ability to react promptly to opportunities; with a general view that there would be an opportunity to use RFfL to demonstrate sustainability through a local project.

Consequently, RFfL may currently be better suited strategically to SMEs than to larger national and multi-national companies. However. it is also well suited to businesses that have export and import customers and overseas suppliers, and would be more likely to open up opportunities for small organisations to draw in contributions from suppliers (UK and overseas), particularly if they are larger than the company they are supplying.

There is also potential for a collective approach to draw in business support through engaging with other groups of businesses in the immediate area, such as through industrial estate associations. Evidence was presented by both the Brackmills Estate Ltd in Northampton and the Earlstree Industrial Estate Association in Corby to support this, as they meet regularly and have a fundamental aim of demonstrating their environmental and sustainability credentials. These groups could potentially offer a regular contribution to the project for woodland creation, with small amounts pledged by individual companies accruing to provide a significant input.

The feedback also suggested that there is potential to extend these small contributions via companies' supplier networks in addition to some sponsorship from the company itself. Furthermore, this would offer opportunities to promote the project (and other UK projects of this type) beyond the local area with UK-wide and international exposure. This would provide an opportunity to demonstrate commitment to sustainability through investment in tangible local green assets, ultimately including carbon reporting as envisaged in the Woodland Carbon Code and Defra's guidance on 'How to report your greenhouse gas emissions'.

Office based industries – local and UK scale

These types of businesses are not necessarily the heaviest polluters or particularly high on carbon emissions in comparison to other types of industry. Consequently, it is less likely that significant contributions would come forward if they were approached solely on this aspect. However, although office based industries can consume a significant amount of energy, opportunities exist for some fiscal contribution if aligned to corporate strategy and/or CSR.

These include the following:

- Volunteering programmes that incorporate team/physical challenges and additional facets, such as coaching, mentoring, training, and networking opportunities with other businesses. This would enable practical demonstration of the company's actions on CSR to existing and potential clients through on site interaction via woodland planting days, walk events and woodland management days.

- More information was sought on donations and transparency, whether carbon offsetting principles were met, robustness, project assurance, ease of use and understandable information on the principles behind woodland creation as a response to climate change; including simple explanations of the impacts of human activity on climate locally and globally.

- Additional areas for involvement by professional services organisations. These could provide opportunities for companies to contribute to the project through means of support other than direct financial contribution to woodland creation e.g. assistance with promotion, legal and contract arrangements, financial advice.

- Well-being events. Many organisations of this type have volunteer and health and well-being programmes and encourage staff to take part in environmental activities.

Large industrial organisations

Large UK-based and international industrial organisations have the potential to be involved with UK-based climate change projects, particularly in view of the greater pollution and carbon emissions in comparison to office based industries. Through engagement with Northamptonshire-based organisations of this type, it has been established that significant investment in woodland creation projects as a response to climate change will only come forward if companies can formally offset carbon credits in the UK through an approved voluntary carbon offsetting scheme complying with acknowledged good quality criteria, if one is forthcoming.

At this stage it appears unlikely that significant investment would take place unless it could be demonstrated that there would be a return on investment in the future. Nevertheless, this sector presents one of the most significant opportunities to both support the reduction of energy usage and become a major source of funding for woodland creation.

A few of the companies contacted are undertaking studies on their carbon footprint, with one finding that approximately 65% of carbon produced from their operation is at source from the production of raw materials. This could bring landowner input and land management into focus, and assist with the project through an integrated approach. Landowners have indicated that they take a long term view on climate change and see the importance of sustainable land management practices; so the possibility exists to incorporate this into long term company strategies, linked to CSR and environmental policy, with Rockingham Forest for Life identified as a source of investment to mitigate carbon emissions.

Large financial and office based organisations (UK and international)

It is unlikely, at present, that significant contributions will come forward from these types of company for similar reasons to those for local and UK office based industries. The focus is generally on in-house energy and waste-saving initiatives and staff travel plans. It is unlikely that they would invest unless there is a forecast positive return on that investment in the near to medium future. Companies are more likely to invest staff time and financial initiatives if it relates closely to products and services that they offer (e.g. social issues, debt management).

However, although not significant in volume, some companies already contribute to environmental projects, with an increasing focus on UK-based schemes. These contributions can sometimes be product related, with a small percentage of turnover or profit being made available for this purpose. Generally contributions are dealt with through agents who administer the donations.

Formal offset funds are generally routed through brokers who choose from a list of approved overseas schemes. However, UK-based projects cannot currently be approved as formal carbon offset schemes, which inevitably limits the participation of this sector.

Opportunities for future markets

Research by PricewaterhouseCoopers (PwC) suggests that more businesses are considering their environmental impacts at the highest level. 62% of FTSE all-share companies reported quantified figures on climate change or energy use in their 2009 annual reports and 22% are disclosing absolute figures on their total GHG emissions, showing increased performance since 2004.

Whilst the focus of such reports tends to be qualitative, there is increasing pressure from a number of drivers to report more quantitative and focussed information. An important driver is the growing interest in GHG emissions data and the pressure from investors for reporting these. Nevertheless, the Climate Disclosure Board's report highlighted the 'perceived poor suitability of un-priced carbon data for investment purposes' as one of the most significant reasons for investors' level of indifference.

The PwC research, in looking at the costs and benefits of reporting, found it difficult to isolate the impact of that from other related activities, particularly those arising from the measuring of emissions. In addition, although 60% of businesses found there was a net cost of reporting, which were not considered material, 53% of companies interviewed believed there was a net benefit. These additional benefits were generally found to be more difficult to quantify but included market forces such as reputation, brand value and being seen as market leader and investor benefits, which included improved investor relations and being able to respond to shareholder requests.

However, it was recently announced that GHG reporting will become mandatory for FTSE companies from 2013 and the Government will review, in 2015, whether all large companies should be included. This would be helpful and enhance the potential for carbon funding to be provided by businesses for woodland creation, as it would make the carbon benefits more tangible. However, this does assume that Defra's GHG reporting guidelines will be of the standard advocated, which has yet to be confirmed, but does not overcome the barriers to formal offsetting schemes being established in the UK.

Although our initial contact with large national and international organisations suggested that they were less than enthusiastic about supporting the RFfL pilot, this may have been more the result of a lack of a tangible 'product' at the time. Consequently, as this market has the potential to be an important sector with which to engage for significant and long-term investment for woodland creation, it will be important for RFfL to redouble its efforts to do so

once the scheme is more advanced and there is greater certainty about mandatory GHG reporting.

Nevertheless, although the national and international business sector is likely to have the greatest levels of funding, such businesses could be bought out by even larger companies that would have less of a connection with the Rockingham Forest area, and therefore less of a reason to support the RFfL initiative.

5. Landowners

Landowners have been closely involved with the project from the outset, with representatives from landowner groups in attendance at the carbon sink forestry workshop in January 2010, and participation with the subsequent pilot project steering group. This has been mostly directly through the National Farmers' Union and North Northamptonshire Landowners Group (which is primarily focussed on major landowners and estates), with contributions also from the Country Land and Business Association and a small focus group of commercial farmers (via the NFU).

The landowner groups recommended that the most appropriate way to interact with landowners and tenants was to work through the steering group to initially identify the key issues, and then to liaise directly with landowners on specific issues for direct input. This was found to be more appropriate and better suited to this key stakeholder group than hosting events, which may not address all the relevant issues and are not necessarily the most effective use of time for attendees, particularly commercial famers.

Competition from alternative land uses

Example of arable crop prices, wheat (provided by Paul Tame, NFU)

Nix's Farm Management Pocket book is the major reference for farming micro-economics and provides current gross margins for arable crops. It has been used in this instance as the source for obtaining wheat prices as an example to demonstrate the level of compensation required to take land out of arable production for woodland creation. These are the figures that trees, or indeed other crops, have to compete with.

Farmers in the pilot study area will be earning **£673 to £869 per hectare** gross margin from their wheat crops. Over a 25 year period, these prices would equate to a gross income of between £16,825 to £21,725 for land that remains in arable production. To establish the net income, which would provide a more realistic basis for comparison, the cost of crop production and harvesting should also be taken into account.

By comparison, EWGS payments under the Woodland Creation Grant 2012 range from the conifer rate of £2,200/ha (plus either £1,000/ha or £2,000/ha for Additional Contributions), and the broadleaf rate of £2,800/ha (plus either £1,000/ha or £2,000/ha for Additional Contributions). In addition, WCG 2012 also offers between £200/ha and £300/ha per annum for improved or arable land in the lowlands for either 10 or 15 years, respectively, to compensate for agricultural income that has been foregone.

At these rates, the lowest level of grant for woodland delivering key priorities would be between £6,200/ha at the conifer rate, and £9,300/ha at the broadleaf rate. This includes Farm Woodland Payments of between £200/ha for 10 years and £300/ha for 15 years. However, it should be noted that, in the next Rural Development Programme, payments for income foregone (for new schemes) may not be retained.

However, although the capital cost of planting and maintenance have not been taken into account, which would decrease the gap between the projected income from remaining in

arable production and WCG, the landowner would retain the rights, benefits and potential income of the woodland created. Consequently, it is not unreasonable for farmers to seek to be compensated for the life of the alternative crop (in this case woodland) and/or until they could plant wheat again.

This gap between remaining in arable production and the cost of woodland creation has the potential to be met, in whole or part, by the contribution of funding based on the amount of carbon that is captured by the woodland created.

Key Issues for landowners

A wide variety of issues have been raised by landowners and the NFU, including:

- Loss of proportion of Single Farm Payment land if woodland creation funded privately
- Permanent loss of land from agricultural production
- Concern at loss of development opportunities due to permanent nature of woodland creation
- Continuing high price of cereal crops encourages more use of marginal and productive land for crops, with marginal land also targeted for woodland creation
- The fall in capital land value to change from arable production to woodland, as well as the reduction in annual income generated, needs to be compensated
- Grade of agricultural land is a key factor, however, there is no grade one land only a small amount in the study area is grade two (Most of the land in the pilot project area is grade three agricultural land, with only a small amount of grade four)
- Farmers take a long-term view of land management and investment
- They have a strong preference for woodland creation payments to be phased (paid annually) rather than in one off lump sum payments; primarily in relation to taxation issues and also understood by farmers
- Land purchase by investors may be considered, but generally landowners are keen to retain land ownership
- Value of land on larger estates may increase through woodland creation if they are not reliant on agricultural production (e.g. historic landscape, other commercial uses)
- Carbon reporting rights are not currently a priority for the agricultural industry
- Non agricultural landowners are reluctant to bring land forward for permanent woodland creation due to loss of potential development value, maintenance and management

- The type of landowner interested in this type of project generally has appropriate land (former set-aside and marginal) under options of Environmental Stewardship agreements. The consensus is that, if the financial package is appropriate, land will come forward for woodland creation

- Imminent reform of the Common Agricultural Policy (CAP) has led to uncertainty for landowners for changes of current land use

- Landowners are willing to work with the project if there is a practical easy-to-use process. Currently they either fund woodland creation themselves, or apply for EWGS, which they feel is a heavily bureaucratic process. Consequently, they are receptive to, and looking for, a “third option”.

- The RFfL project has to be flexible and easy to use to ensure that different types of land use and landowner priorities are met.

6. Rockingham Forest for Life

Outline of layered approach

Domestic woodland projects are a cost-effective approach to climate change mitigation and investment in woodland creation can also provide social, environmental and economic benefits. These are additional to the benefits of carbon storage and, as outlined in the Read report, include flood mitigation, decreased use of fossil fuels, sustainably produced timber, use of biomass for heating, new habitat and climate regulation and water runoff control, particularly in urban areas.

It was clear from the business conference, and subsequent engagement with landowners, that landowners and sponsors from the private sector had an appetite for the establishment of a scheme whereby woodland creation could be achieved through a partnership approach brokered by an independent organisation. Although community sponsorship and endowments were considered as a means of funding both to supplement EWGS funding and compensate landowners for any loss of income from existing land uses, the primary focus of the study was initially on private sector sponsorship for privately owned land.

Currently, significant levels of funding are available for woodland creation from the English Woodland Grant Scheme (EWGS) under the European Union Rural Development Programme for England (RDPE). This is likely to continue to 2014 (whereby trees will need to be in the ground by the end of December 2013) and it is likely that a similar EU funding stream will replace EWGS post 2014, and possibly be merged with the current Environmental Stewardship scheme.

While the RFfL project is tasked with developing funding streams that reduce reliance on the traditional public funding schemes, such as EWGS, there can be no guarantee of funding post 2013. It is therefore evident that the potentially significant levels of funding for woodland creation that initiatives such as RFfL can bring forward cannot be ignored. The vast majority of woodland creation in England is currently resourced through public funding, so RFfL will seek to utilise this external funding, where appropriate, and factor in other funding streams to provide additionality.

In essence, however, traditional public funding is currently likely to continue to pay for woodland creation and regeneration, with additional or top-up funding focussing on the other elements offered by Rockingham Forest for Life. These include the transfer of carbon reporting rights (under the Woodland Carbon Code), publicity for sponsors, the potential for increased public access (where appropriate), events, such practical volunteering and networking days, some in relation to CSR, and the use of carbon saving related logos, thereby providing a “unique selling point” for product marketing for project sponsors. By focussing on the associated benefits, and not the funding of tree planting, the RFfL scheme will provide greater clarity as to its ‘added value’.

However, if public funding for woodland creation declines, or the arrangements in a future Rural Development Programme change, RFfL could be in a position to fund woodland creation projects in their entirety, or support a greater proportion of project costs than is currently the case.

Summary of offer

- The project will utilise developer funding for woodland creation to meet the RFfL objectives and support the Woodland Carbon Code

- The project will incorporate and supplement core and additional funding contributions for woodland creation under the English Woodland Grant Scheme (EWGS)

- Subsequent funding schemes from RDPE European funding can also be incorporated into the project as they become available

- Should RDP funding decline, RFfL would cover a larger proportion (or all) of planting costs

- The project will ensure ease of use for the landowner, with a critical requirement from them assuring the availability of land for the scheme's land bank

- Details of site design, contractors, and assistance with the EWGS application will be provided by the landowner and, subject to agreement, form part of the agreement

- Requirements will be established at the earliest possible stage, ensuring that there is scope for flexibility within the process

- RFfL will bring additionality to woodland creation through the transfer of carbon rights and reporting, as well as the raising of environmental awareness, energy saving, business differentiation and marketing benefits to business investors. This 'additionality' will be around bringing schemes forward that would not otherwise have happened, for example, as a result of project co-ordination and additional funding.

- 'Additionality' will be provided by a funding stream other than for woodland creation and management, e.g. from the private sector, and be discrete from the cost of woodland planting. Carbon reporting rights would be purchased, either in whole for a single project sponsor or as a pro-rata proportion where there are two or more sponsors for a single site. However, it should be noted that projects will <u>not</u> gain certification to the WCC if they would have happened anyway (with carbon payments simply added on) as it will need to be demonstrated that they would <u>not</u> have gone ahead without the carbon (RFfL) funding.

- Under the scheme landowners will be required to forego the carbon reporting rights generated by the woodland creation

- Potential benefits, other than those normally associated with woodland creation, include links to energy management, Environmental Management Systems (EMS), Corporate Social Responsibility (CSR) agendas and marketing, as well as woodland walks and volunteer days for business networking

- Community engagement and benefit to Parish Councils, Community groups, Local Authority Community Officers, Volunteer networks, Local schools and health professionals

7. Case studies

As part of the research for the pilot study, it was recognised that a number of woodland creation projects have already been undertaken and that much could be learned from them. The following case studies serve to illustrate the different approaches that are being taken, particularly in respect of their aims and objectives, how they engage with the public, private and voluntary sectors and, importantly, the ways in which they secure external funding.

The National Forest

The idea of a new multi-purpose forest for the nation was first mooted in the Countryside Commission's 1987 policy document 'Forestry in the Countryside'. The aim was to demonstrate that in lowland Britain a large scale, attractive forest could be created, blending commercial forestry with ecological, landscape and public benefit. It was considered that economic regeneration would come from the restoration of mining sites but, in the long term, many other benefits would also be achieved. The Forest would support the future of agriculture through increased opportunities for rural diversification.

The National Forest Company (NF), limited by guarantee and sponsored by the Department for Environment, Food and Rural Affairs (Defra) was established in 1995. It covers 200 square miles of Leicestershire, Derbyshire and Staffordshire and for one of the country's least wooded regions and NF's ambitious goal is to increase woodland cover to about a third of all the land within its boundary. No multi-purpose forest on this scale has been created in the UK for a thousand years.

To date the proportion of woodland cover in the Forest has already nearly trebled to almost 18 per cent and over seven million trees have been planted. This has made large swathes of countryside more accessible for local people and visitors with 82% of woodlands accessible, to be explored and enjoyed. Increasing numbers of people are relishing this new public access in ever-changing surroundings and finding a host of attractions and activities to enjoy, to the benefit of the local economy.

Key National Forest Objectives include:

- Forest Creation - woodland and nature conservation sites
- Making the most of what we've got – increasing and assuring quality
- Communities at the heart – engagement and participation
- Telling the story – a planned communication programme
- A national showcase – undertaking research and having an exemplar role
- Governance – improving efficiency and securing organisational stability

NF works in partnership with landowners, local authorities, private business, voluntary organisations and local communities and has strong support from the Government,

politicians and the public, and receives grant in aid from Defra. It also draws in funding from the private and voluntary sectors on a range of schemes tailored to suit the investment groups.

The minimum size of schemes, which must contain 50% woodland and up to 50% other habitats, is 1 ha, although there is no upper limit. However, land under Environmental Stewardship or funded by EWGS is excluded.

Their 'Changing Landscape Scheme' (CLS) offers free professional design and support for applications and pays the full cost of implementation, 80% in year 1 and the remainder in year 6. There is also provision for paying for loss of income at a rate of up to £300/pa for 10 or 15 years.

Each year the National Forest has been turning what was once one of the least wooded areas of England into a multi-purpose, sustainable forest. It provides environmental, social and economic benefits such as; landscape enhancement, the creation of wildlife habitats and major new access and leisure opportunities.

As such, it is an excellent example of sustainable development using environmental improvement to provide a stimulus to both economic regeneration and community pride and activity. However, it should be noted that, in recent years, the level of woodland creation has declined, indicting that the potential for achieving additional woodland cover may be reaching its ceiling.

A comparison of the National Forest and RFfL

The National Forest (NF) and Rockingham Forest for Life both seek to increase the amount of woodland creation, the associated exploitation of woodland products and opportunities for leisure, recreation and education. However, while NF secures funding from the private sector, sponsorship and volunteering, it is also supported by Defra, thereby helping to offset the revenue costs of the company and the funding of woodland creation.

NF is a national showcase and acts as an exemplar and has developed a wide range of business and community based links, an educational programme and acts as a test bed for the development of best practice, addressing climate change and innovation in forestry. The RFfL scheme, whilst covering a much smaller area and at the development stage, does not have an established source of funding to help it become established. Nevertheless, it will be able to draw upon the experience of the NF and its business activities to assist it in attracting sufficient funding to allow it to become self sustaining.

Forest for Peterborough

The Forest for Peterborough (FfP) is a partnership project, delivered by the Peterborough Environment City Trust (PECT) and supported by the Natural Networks partnership, whose members provide extensive forestry knowledge and expertise. Selected members of the Natural Networks partnership act as the steering group, which consists of representatives of the Forestry Commission, Peterborough City Council, PECT and Woodland Trust.

FfP is an ambitious, long-term, multi-agency initiative to increase woodland cover and biodiversity through the planting of 170,000 new trees in Peterborough. Launched in November 2010 the project was supported in the first planting season by over 130 volunteers who planted 5,000 trees.

The 20 year project aims to:

- Increase woodland cover and biodiversity across Greater Peterborough
- Enhance local landscape amenity
- Provide educational opportunities
- Engage and enable volunteers
- Join existing woodlands to enhance wildlife habitat potential
- Maintain continuous tree cover into the future
- Manage the new woodlands sustainably.

FfP plants British native woodland species, other than in exceptional circumstances, and is guided by the Woodland Trust and Forestry Commission on issues of planting density, species selection and planting conditions, of which climate change adaptation should be one. The underlying possibility is that this may bring forward species of a southerly provenance, or the need to plant a proportion of non-native species for diversification purposes.

Trees are planted from October to March by businesses and people who work or live in Peterborough, with public planting days are organised throughout these months. Landowners are required to enter into a maintenance agreement confirming that they will maintain their trees for a minimum of 15 years, or make provision for the trees to be maintained by PECT or another third party.

Where the woodland increases the existing maintenance costs of the planting site, PECT makes an additional payment to the landowner to cover the increase in expense. This arrangement will continue for 15 years, whereupon the landowner will become solely liable for all maintenance costs. Maintenance costs are calculated using the methodology from Woodland Trust's 2011 report 'Trees or Turf'.

Project partners and other organisations can pledge their support and commit to track the number of trees planted within their own organisations and report these back to PECT on a six-monthly basis. These trees then form part of the FfP with all resources generated administered by PECT, the income being ring-fenced solely for delivery of the project.

A comparison of the Forest for Peterborough and RFfL

The Forest for Peterborough and Rockingham Forest for Life abut each other to the north east of the RFfL area. While both promote the planting of trees to achieve a wide range of benefits using private sector funding and a combination of private and publicly owned land, the driving forces are different. Whereas the FfP vision is to plant trees across Greater Peterborough resulting in a patchwork of woodland, including glades, wetland features and open parkland, as well as other pockets of land, RFfL seeks to increase the scale of a predominantly rural forest and to buffer and link existing woodland, which will have benefits to biodiversity, providing interconnected habitats, thereby increasing resilience against the effects of climate change.

Both schemes will increase the amount of carbon dioxide sequestered and are appropriate for, and will make an impact on, their areas of planting, thereby providing an opportunity to raise awareness of the need to reduce energy usage and the need to minimise the impact of climate change. RFfL takes this one stage further with the potential to use the carbon reporting rights of the woodland created to attract external funding from project sponsors and recompense land owners for the use of their land and any consequential loss of income from its previous land use.

8. Carbon reporting and Woodland Carbon Code (WCC) certification

The Woodland Carbon Code (WCC) supports a move to a low carbon economy through encouraging investment in the establishment of UK woodlands for climate change mitigation. It sets out robust requirements for voluntary carbon sequestration projects that incorporate core principles of good carbon management as part of modern sustainable forest management.

Woodland creation projects that seek to address climate change issues need credibility to be accepted by investors and landowners, and therefore need to be fully integrated with UK and local policy and strategies, i.e. registering projects with the WCC and gaining certification[1]. Ideally, it is considered that the whole of the RFfL project area should be registered as a single project, although this may cause issues with reporting processes. In addition, initiatives that require WCC certification (potentially the UK Carbon Reporting Framework) would allow for investment at a UK scale from the private sector.

The RFfL scheme has been developed to be entirely complementary to the requirements of the EWGS, and to support the requirements of the WCC. Woodlands created under RFfL would meet the criteria of the Carbon Code, particularly in respect of additionality.

UK Carbon Reporting Framework (CRF)

The UK Carbon Reporting Framework (UK CRF) (www.ukcarbonreporting.org) has the potential to act as a matchmaker between carbon reduction projects and organisations wanting to support such projects in the UK. The CRF is being developed and administered by the Building Research Establishment (BRE). The Rockingham for Life pilot has already been registered under the CRF in order to marry up appropriate UK investors with the project. The following partnership arrangements have been provisionally agreed:

- BRE will promote the RFfL to potential investors where it matches their requirements
- BRE will continue to focus on large national and international companies, including landowners such as TaTa Steel, with whom BRE is already engaged
- RNRP and partners will continue to engage with local landowners and businesses
- RFfL will promote collaboration with BRE and CRF with local businesses and SME's
- BRE will act as a broker and receive an administration fee at source from the contributing body. Administration for RFfL is built into the contract for local delivery
- BRE will continue to engage with Defra on issues and barriers to woodland creation for climate change projects in respect of landowner issues, voluntary carbon reporting and offsetting
- RFfL will inform this process with "on the ground" evidence

[1] Defra's GHG reporting guidelines 'How to Report Your GHG emissions' available at: http://www.defra.gov.uk/environment/business/reporting/index.htm

9. Alternative funding options

A number of alternative funding mechanisms have been explored that would help to reduce dependency on the public purse and increase the rate of woodland creation. As described above, these have sought financial contributions from the private sector either as voluntary emissions reductions, as part of Environmental Management Systems or addressing Corporate Social Responsibility agendas.

With the move towards mandatory carbon reporting for businesses listed on the London stock exchange, there is a major opportunity for increasing the use of woodland to sequester carbon. However, the Kyoto Protocol precludes carbon credits being generated in UK based projects as it is important that the double counting of reported carbon does not occur.

Consequently, this presents a significant barrier to the development of UK based and local carbon offsetting schemes. However, there are other possible mechanisms, such as those provided by changes proposed by the Zero Carbon Hub, which was established in the summer of 2008 to support the delivery of zero carbon homes from 2016.

To comply with the Building Regulations for 2016, new zero carbon homes will have to meet on-site requirements for Carbon Compliance, which will be achieved through the energy efficiency of the fabric, the performance of heating, cooling and lighting systems, and low and zero carbon technologies. Both Carbon Compliance and Allowable Solutions measures will be needed to meet the zero carbon Building Regulations in 2016, and each will need to be submitted, checked and verified as part of Building Control approval. Effectively, these require 70% of carbon emissions to be offset on-site and allow for another 30% off-site, which would have to be additional to any other contributions sought.

In addition to the private sponsorship models consideration was given to other possible sources of funding for the creation of new woodland as a carbon sink. Investigations were undertaken into the potential for securing long-term investment from pension funds and financial institutions, as well as the potential for Tax Investment Funding (TIF) and the use of Green Banks.

However, one of the key issues faced in connection with this was the difficulty of predicting the likely returns on investment, as feedback suggests that this is what drives investment, although there was a general recognition that woodland creation was likely to be a safe long-term low-yield investment. Nevertheless, the absence of an established track record, with neither a portfolio of new woodland already created nor a significant land-bank for the scheme was a significant disadvantage in discussions with potential investors.

Consequently, it was considered that this form of investment would be better addressed once the pilot had demonstrated its credibility and had resulted in woodland “on the ground”. At that point, it was considered that there was likely to be more interest from investors wishing to sponsor long-term projects, where the return on their investment would be more than simply the carbon sequestered and, if they were to invest in the lease or purchase of land as well, could subsequently realise the value of the woodland as a cash crop.

10. Developer funding opportunities

With a continued need for additional development, whether housing, commercial, industrial or leisure related, and the associated infrastructure, the next potential source of funding considered was that of developer contributions. These have been under review for some time, the outcome of which is only just emerging.

Section 106 agreements

The most established and common form of developer funding is that of planning obligations, currently secured through section 106 legal agreements, which are relatively simple to implement. For example, in a recent case near Corby, the developer has voluntarily made a significant contribution for woodland creation to the RFfL project as part of the planning consent. This is seen as a response to the energy that will be used in the construction process and the high energy nature of the company's operation as a digital data centre.

However, due to impending changes in the planning system, which will prevent the pooling of a more than five off-site section 106 agreement contributions, it is not considered to have the best long-term potential as a major funding source for area based woodland creation. An alternative and potentially more significant source appears to be to secure funding through Community Infrastructure Levy (CIL), which is described in more detail below.

Notwithstanding this, Section 106 agreements are likely to continue to be used to support woodland creation, particularly where this is more directly associated with a particular planning application site.

Community Infrastructure Levy (CIL)

Community Infrastructure Levy is a relatively new planning charge that was introduced by the Planning Act 2008 and came into force on 6 April 2010 through the Community Infrastructure Levy Regulations 2010. Development may be liable for a charge under the Community Infrastructure Levy (CIL), if the relevant Local Planning Authority (LPA) has chosen to set a charge in its area.

Once a CIL charging schedule is adopted (one for each LPA), every development will be required to pay towards the costs of strategic infrastructure in that area. It is unlikely that the amount of funding sought through CIL will cover the entire infrastructure funding that is required. Consequently, if there are other mechanisms for funding infrastructure, then these would be more appropriate than going through the CIL route and putting at risk other infrastructure that has no alternative funding.

CIL regulation 122 places into law for the first time the tests on the use of planning obligations, all of which must be met for a planning obligation to be taken into account.

The tests are that the obligations must be:

1. necessary to make the development acceptable in planning terms;

2. directly related to the development; and

3. fairly and reasonably related in scale and kind to the development.

The North Northants Joint Planning Unit (NN JPU) is currently looking at, and gathering, the technical evidence required to establish a CIL compliant Charging Schedule. This will take place over the next six months and will include viability testing on a range of options and work on a Green Infrastructure (GI) Delivery Plan, which will include with details of costed projects that could form part of the evidence for the CIL charging schedule.

The CIL will then need to be subject to an independent examination so, in terms of the likely timescales for North Northamptonshire, this will be in early 2013. Otherwise, from 6th April 2014, pooled contributions from a number of developments (defined as 'more than five') can only be sought via the CIL charging schedule and not via section 106 obligations.

Allowable Solutions

Allowable Solutions is a mechanism that has been developed by the Zero Carbon Hub[2] to help developers achieve 'Carbon Neutrality' for the construction of new developments. By 2016, building regulations will require a minimum of 70% of the carbon expended from new development to be mitigated on-site, through energy efficient design and on-site low carbon / renewable energy generation. The remaining maximum of 30% can be mitigated off-site. This offers tremendous potential for the creation of new woodland as a carbon sink to play a major role in the off-site mitigation of up to 30% of the overall carbon used in the construction of a new development as an Allowable Solution.

Currently, it is for local authorities to determine their own Allowable Solutions at a local level, although the scope of Allowable Solutions projects initially proposed by the Carbon Zero Hub identified alternative energy generation and energy minimisation schemes. However, woodland creation has the potential to become an important part of AS as a cost effective 'project supplier', particularly if the sequestration of carbon emissions was to be adopted nationally through government policy. This would greatly assist in the development of the Northamptonshire model and it being rolled out more widely.

The principle of AS and the local projects that will deliver these will be set out in the revised Joint Core Strategy for North Northamptonshire. This is being developed by the North Northants Joint Planning Unit (NN JPU) and should be in place by late 2013, with RFfL likely to be one of a number of approved AS delivery projects.

Funds secured through AS may be held by a Community Energy Fund (CEF) from which funding to the approved carbon reduction projects can be channelled. However, it may be possible for payments from developers seeking to achieve the zero carbon requirement placed upon them by the building regulations to be made directly to RFfL, where this is considered to be appropriate.

[2] http://www.zerocarbonhub.org/resourcefiles/Allowable_Solutions_for_Tomorrows_New_Homes_2011.pdf

Considering the cost of carbon

Allowable Solutions (AS) will be the mechanism that "provides cost effective options for off-site carbon reductions, relative to the Government's pricing of carbon" *(HM Treasury & BIS, The Plan for Growth, March 2011)*. No official announcement has been made by Government on the price of AS although it is understood that the likely range is £50 to £100/tCO_2.

To get a closer understanding of the likely costs, the following is a worked example with information supplied by Nick Atkinson of the Woodland Trust:

- A developer proposes a 100 home project comprising a mix of terraced and detached houses, for which the allowable solutions costs are £1,259 and £1,769 respectively (assuming the ZCH's low price estimate for CO_2 emissions of £50 per tonne).

- Assuming a ratio of three terraced to one detached home, the required AS would need to deliver a total of 2,773 tonnes of CO_2 by 2046 (i.e. 30 years after construction).

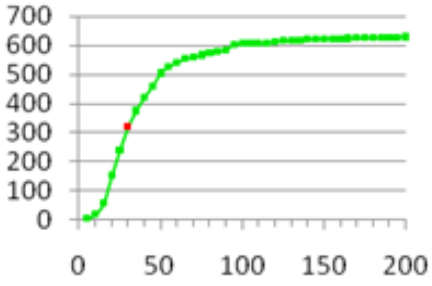
- From the look up tables provided by Forest Research for the Woodland Carbon Code, we can see that one hectare of low yield mixed native woodland will have sequestered 319.3 tonnes of CO_2 by year 30 (Figure 2).

- The development requirement of 2,773 tonnes can be met through the **creation of 12.29 hectares of new woodland**. This figure includes a 40% risk buffer to guard against unexpected losses or poor growth.

- In return the developer would pay £138,650. **This equates to a woodland creation "fee" of £11,281 per hectare**.

- Furthermore, the woodland will continue to sequester carbon beyond year 30, eventually yielding a further 1,867 tonnes by year 100. This will have a value, potentially to the landowner (which might be the developer).

- Alternatively, if the woodland were created to provide biomass an additional area (2.96 hectares) would need to be planted: over a 100 year period 15.25 hectares would store a long term average of 2,773 tonnes CO_2 under a clear felling regime.



The above figure shows tonnes CO_2 by year sequestered by woodland creation using a 30 year growth period. YC 4 Sycamore, Ash, Beech at 1.5m spacing, unthinned. This also indicates that significant carbon sequestration will continue beyond 30 years, offering the

opportunity for this additional carbon to be utilised for further carbon reporting (landowner, private investor, facilitated through project).

In a similar exercise to establish the potential of AS, research that had already been conducted for the Department of Climate and Energy Change (DECC) on the price of carbon as part of the Zero Carbon Homes Impact Assessment (May 2011) was used. Clearly, it is important to make sure that such contributions would cover the costs needed to implement the AS and provide the carbon savings that developers would need to meet.

The Impact Assessment stated that for an average detached house, the AS contribution would be about £1,627 at £46/tCO_2 over 30yrs. This is based on an average of approximately 1.1 tonnes per house. However, it should be noted that the price of carbon could range from £40/tCO_2 to £200/tCO_2 over 30 years. However, there is a suggestion that a cap of 100/tCO_2 may be imposed with a cost of £46/tCO_2, this being the optimum cost established by the Zero Carbon Hub.

In summary, the DECC evidence base has been used to establish the economic value of carbon, with a predicted rise in value year on year. The values used for the study were sourced from DECC and, erring on the side of caution, the lowest predicted value of untraded carbon was applied when engaging with stakeholders and the private sector.

Consequently, it is important to note that values applied to development and growth of AS demonstrate the variability in the predictions, particularly in respect of the application of low, central and high predicted scenarios. The underlying and consistent message conveyed to stakeholders is that carbon values will increase, which is key to private investment in both the immediate and longer term.

It should also be noted that the DECC process values were developed for policy appraisal and, that there is a large difference between these and the carbon prices used in practice.

Rockingham Forest for Life and Allowable Solutions

The NN JPU has confirmed that the Rockingham Forest for Life project will be fully integrated into the replacement Joint Core Strategy in terms of Green Infrastructure and carbon investment, and has indicated the intention to implement AS in accordance with Government guidance. A range of solutions will be included, which include woodland planting, renewable energy projects, and retrofitting of existing housing with energy efficiency measures.

In essence, new development in North Northamptonshire will act as a case study for the implementation of AS. As such, this is a major opportunity for supporting the delivery of substantial woodland creation and will be the main focus of ongoing funding and landowner engagement, as well as an opportunity for encouraging further private sector investment.

There may also be opportunities to link community engagement into the project, in respect of planting and management, as the Allowable Solution would be local. This could make woodland creation particularly attractive to developers, private sector investors and the local authorities.

11. Pilot planting site

A two hectare pilot planting site has been established on the Boughton Estate, which lies at the centre of the pilot study area. This trial planting site will be used to promote the project to landowners and potential investors as it reaches delivery phase, and demonstrate the application of non-public sector partnership funding to encourage private investment.

It is planned that the outlay of RNRP funding and in-kind contribution of the Woodland Trust will be recouped through private investment via section 106 agreements and other forms of developer and private funding. Boughton Estate, one of a number of large holdings in North Northamptonshire, is likely to act as a major contributor for land over the course of the project and be supportive through the development phase, both directly and via the appropriate steering group of landowner representatives.

Other estate managers and major landowners in the area have indicated that they would also like to be involved in the development and delivery of RFfL. They will be contacted shortly as part of the development and delivery phase of the woodland creation under the Lloyds TSB Bank Section 106 agreement that is planned to support between 20 to 25 hectares of new largely broadleaf woodland.

12. Community engagement

Engagement with local communities is a key RFfL aspiration as the project has the potential to extend the range of benefits to investors, landowners and the local economy. The project steering group recognised at an early stage the currency and relevance of key issues such as: The Big Society, localism, neighbourhood planning and the importance of sense of place.

Through these will come a community realisation of the economic and environmental benefit, opportunity, resilience and sustainability that can be enabled and address issues such as worklessness through partnership and design with local communities. However, it was also recognised that, until the RFfL model could be developed to such as stage that it was able to become operational and effectively self sustaining, these potential benefits could not be achieved.

Furthermore, there was a danger that engaging with local communities at an early stage, without the means by which to deliver these potential benefits, could prove to be counterproductive, as well as moving away from the main focus of the pilot study. Nevertheless, it was considered to be important to recognise the potential impact, and benefits of community engagement as part of the wider visioning and planning of the project.

For example, the rise and relevance of social enterprise has been shown to increase the delivery emphasis on the voluntary and community sectors, as well as momentum and realisation around the preventative and supportive health benefits of access to green space. An article in Local Government News on a recent report by HM partnerships focused on linking green space and public health in Wigan identified that 'residents in 'greenery environments are 40% less likely to be overweight and obese than those in the lowest greenery category, and a recent publication noted that safe, green spaces may be as effective as prescription drugs in treating some forms of mental illnesses'.

There is also momentum on the Corporate Social Responsibility (CSR) focus on business support for communities in need, increased community awareness around, and local activity and ambition to address climate change. All of this is within a backdrop of a serious financial challenge to traditional routes to delivery and funding presented the need and opportunity to consider the project as a canvas for wider community engagement and volunteering.

The steering group also recognised the opportunity new woodland would provide to enable communities to develop social enterprises, explore volunteering, engage in learning, training and work experience opportunities, develop local assets, address local health equalities issues and develop skills around the localism and big society agendas. Additionally the group appreciates the potential direct and indirect benefits that private sector and developer project participation will bring to communities within the Rockingham Forest area.

The benefits of this type of engagement, and the spirit of partnership and publicity that it engenders, has not been underestimated. As part of the promotion of the original 'offer' to the business community, in addition to the potential for tangible savings arising from engaging the workforce in awareness raising about the need to reduce energy usage, and the potential benefits to the company's bottom line, publicity was seen to be a marketing benefit that would differentiate companies supporting RFfL.

Community engagement requires sufficient time and appropriate expertise to be successful, and the initial focus on land and private sector and the development of guiding framework of project principles and approaches has necessarily taken priority during the pilot period. However, as the project is further developed, understanding, agreement and commitment to community engagement and participation principles can be implemented.

This will be with the benefit of a wider sense of land and funding opportunities, private sector involvement and also with respect to a broader understanding of and weave with some of the other initiatives that may continue to develop in this area over the coming months. These include, for example, the Corby Woodlands, Big Tree Plant and the National Health Service (NHS) forest. In this respect, one of the key partners is Groundwork Northamptonshire, who work with local people and partners to create better places in which to live and work. The core areas of their work are community, youth, environmental projects, voluntary sector support, worklessness and CSR.

In this respect, they are well placed to support the RFfL to engage with local communities in the planting of trees on woodland creation projects and associated awareness raising. Although the pilot scheme has yet to have the benefit of direct community involvement, owing to the need to make arrangements at very short notice to take up an offer of a planting site, consideration is being given to holding a ceremony at the first available opportunity.

13. Lessons learned and key issues

The current economic climate has been a major area of concern in all facets of the project's development, regardless of whether this has been the engagement of the private or public sectors. A critical factor has been to ensure that the message of "what's in it for them" has been clearly researched and conveyed to the wide range of stakeholders being addressed.

For landowners the main barriers to overcome were the potentially permanent loss of land from agricultural production into woodland, and how this would impact not only in the short to medium term regarding, for example cereal prices, but also for future generations within the local farming community. There is also a general feeling of trepidation due to uncertainty as to how the EU Common Agricultural Reform will unfold, as well as concerns over the potential loss of land from Single Farm Payment by engaging in non EWGS woodland creation projects. It was also felt that there may be negative implications on land values for those committing to the scheme.

The driver for private sector investment was the potential to use woodland creation to reduce their carbon footprint, carbon reporting and, more pertinently, the opportunity to formally offset at a UK level. This last point has proved to be a major barrier preventing commitment to early investment in the project, with this experience shared amongst other steering group members, such as the Woodland Trust.

However, there was still significant interest in using woodland creation based on the Woodland Carbon Code as a means of carbon reporting, although it is important to note that private sector organisations are generally reluctant to invest in woodland creation while EWGS is available. Generally, there was a concern that they were being asked to supplement the cost of woodland creation when there was already a grant scheme in place. Consequently, RFfL has sought to clarify this issue by focusing on the use of private sector funding for the purchase of carbon reporting rights and the reduction of an organisation's carbon footprint, rather than for the planting of trees.

A further disincentive for a number of organisations was the lack of a tangible 'product' at the time of engagement and, although there was keen interest in the concept, it would have been advantageous to have been able to have a demonstration site and a clearer indication of the costs and levels of investment required. However, there was concern that to have set prices at too early a stage could have longer-term implications, such as the creation of an artificially high expectation from landowners for the use of their land and, as a result, a negative impact on the take up of EWGS, which would be counter productive.

With the Rockingham Forest for Life pilot located within an area that has been targeted for significant growth, the focus has been on ensuring that high quality development and spatial planning incorporates Green Infrastructure (GI) to maximise the benefits for both new and existing communities. Support from health professionals through local authority partnership groups has greatly informed the merits of this with particular regard to the health and wellbeing agendas, as well as the importance of enhancing landscape character and providing associated benefits to the cultural and natural environment, habitats and wildlife.

The formation of the RFfL steering group has been extremely beneficial in drawing down a wide range of relevant information, with key partners involved at an early stage to assist with the development of the project. It has also led to the input of small discrete focus groups at later stages, once an evidence base had been established, mainly from landowner groups and commercial farmers.

Finally, it was recognised that there is clearly a need to ensure that promotion and communication highlights the multiple benefits of woodland creation, and to link these to related local strategies and policies, such as tourism and economic development. This will assist in bringing all woodland creation in the target area, whatever its nature, under the umbrella of the project. This will itself provide greater focus on the issues, allow for the development of new mechanisms and utilise external funding opportunities as they arise. The project will also help to inform other integrated funding strategies incorporating both private and public sector funds to maximise their multiple benefits.

14. Next steps and recommendations

The following have been drawn together to summarise the main elements and conclusions of the RFfL pilot project. These have been set out in relation to what are seen as discrete elements of the overall development of the project and it is planned that these will be built into the RNRP work programme within the resources available.

Development of the RFfL offer

- Secure resources for a project officer and the development and administration of the project
- Establish a suite of RFfL documents for legal agreements with landowners, investors, guidance and promotion
- Seek to integrate social aspects of woodland creation and use of the ECA&GI suite, policies and principles to guide the selection of sites for woodland creation
- Develop a map to showing constraints, priorities and opportunities for woodland creation in the RFfL area
- Develop an integrated map-based and documentary record of applications, agreements and transactions for RFfL woodland creation
- Employ a transparent scoring system based on the positive impacts of bringing particular sites forward e.g. buffering and connecting ancient woodland and fragmented woodland (separate to compensatory payment for removal of land from agricultural production)
- Publicise the project objectives and opportunities for supporting RFfL
- Publish clear and transparent criteria for assessment, including the need to respect designated and other important areas of land and landscape character
- Ensure ease of use and entry into the scheme for both landowners and investors
- Calculate the carbon value over 30 years for private investors, being the time scale by which tree felling would be under FC control. Carbon values beyond this period could potentially be sold for future carbon reporting purposes

Engagement with planning authorities and other agencies

- Continue to engage with local planning authorities to embed RFfL woodland creation in planning policies and core strategies

- Continue to engage with local planning authorities and other agencies to secure developer contributions through section 106 agreements, CIL, Community Energy Funds and Allowable Solutions

- Ensure RFfL is taken into account and contributes wherever possible to associated strategic environmental initiatives such as EA's Water Framework Directive and Integrated Catchment Management Plan

Engagement with landowners

- Engage further with the landowner community by direct contact with farmers, estates, local authorities, businesses and other private landowners

- Establish suitable rates for compensating land owners for use of their land and any consequent loss of income arising from a change in land use

- Ensure landowner compensation is sufficiently competitive to address different land owner requirements and land use change (similar to the National Forest scheme)

- Consider the potential to offer landowners (farmers) an annual rather than a lump sum payment

- Establish a land bank for RFfL in the form of provisional commitments to allow a prioritised marketing portfolio to be developed for investors / sponsors

- Develop and establish the scheme to demonstrate best practice, maximise its potential and promote it, in conjunction with the NFU and CLA

Engagement with potential investors

- Establish accurate carbon value figures and projections to clarify opportunities for potential investors. (to allow incorporation into company environmental and carbon strategies, thus fixing a budget)

- Develop a potential sponsorship portfolio for each business sector

- Engage further with national and international companies as soon as the RFfL scheme is established

- Proactive and responsive marketing strategy that is concise and responsive

- Offer a whole farm and/or landscape approach to woodland creation (similar to whole farms plans suggested by the Nature Improvement Area (NIA), and Farm Environment Plans for HLS). This will build on landscape character and provide opportunity to draw in other funding streams (HLF, Landscape Partnerships)

Development of appropriate funding mechanisms

- Investigate the potential for utilising RFfL to complement other nature conservation or educational schemes (e.g. the reintroduction of the Chequered Skipper or other species of flora and fauna through enhanced forest and habitat management)

- Investigate the potential for securing funding from external sources such as Heritage Lottery Funding for Landscape Partnerships

- Develop existing and further links with the private sector to promote the scheme and secure project sponsors for woodland creation

- Develop the offer for the transfer of carbon reporting rights to businesses seeking to reduce their carbon footprints

- Engage with local planning authorities and other agencies to embed woodland creation through developer contributions and Allowable Solutions and support RFfL

- Investigate further the potential for securing long-term investment from pension funds and financial institutions, as well as the potential for Tax Investment Funding (TIF) and the use of Green Banks

Recommendations relating to national policy and EWGS

- Position RFfL to access voluntary/compliance carbon markets that develop at domestic or international level

- Allow more flexibility within EWGS to simplify the process for landowners

- Consider the potential for a lower level of basic grant that can then be topped up through purchase/transfer of carbon reporting rights

- Consider the registration of schemes such as RFfL within a woodland area as a single project under the Woodland Carbon Code (WCC) (It is understood that a group scheme is currently being piloted and that this approach may be considered acceptable)

15. Appendix 1

The Rockingham Forest for Life Steering Group

Environment Agency	Dan Curtis
Environment Agency	Paul Hunt
Forestry Commission	David Bole
Groundwork Northamptonshire	Simon Mutsaars
King West	Mike Holland
National Farmers Union	Paul Tame
Natural England	Nicola Orchard
Natural England	Suzanne Perry
Northamptonshire ACRE	David Scudamore
Northamptonshire County Council	Alison Parry
Northamptonshire NHS	Julia Johnson
North Northamptonshire Joint Planning Unit	Andra Bowyer
North Northamptonshire Joint Planning Unit	Karen Gadomski
River Nene Regional Park Community Interest Company	Michel Kerrou
River Nene Regional Park Community Interest Company	Neil Monaghan
Rockingham Forest Trust	Stuart Taylor
The Wildlife Trust, Northamptonshire	Oliver Burke
Woodland Trust	John Brown

RIVER NENE REGIONAL PARK COMMUNITY INTEREST COMPANY
c/o Northamptonshire County Council, PO Box 163, Second Floor
County Hall, Guildhall Road, Northampton, NN1 1AX

T: 01604 367648 **F:** 01604 366696 **W:** WWW.RIVERNENEREGIONALPARK.ORG

Registered in England and Wales . Company Registration no: 6286982
Registered Office: Anthony Collins Solicitors LLP, 134 Edmund Street, Birmingham, B3 2ES
VAT Reg No: 947 4389 75