

FINANCE COMMITTEE CALL FOR EVIDENCE

DRAFT BUDGET FOR 2013-14

SUBMISSION FROM WOODLANDS TRUST SCOTLAND

1. The Woodland Trust Scotland welcomes the opportunity to respond to this call for evidence. We are part of the UK's leading woodland conservation charity. Our vision is for a UK rich in native woods and trees enjoyed and valued by everyone. We have three aims: to enable the creation of more native woods and places rich in trees; to protect native woods, trees and their wildlife for the future; and to inspire everyone to enjoy and value woods and trees. We own over 1,000 sites and have 300,000 members and supporters.

2. In Scotland our estate is managed by our own staff but much of the on-the-ground works is carried out by forest industry contractors. These contractors range from self-employed individuals, small, medium and large scale forestry contractors. Our objectives for woodland management are to improve biodiversity, provide space for nature to adapt to a changing climate, and provide welcoming and accessible woods to people. The sustainable management of Scotland's woods and forests relies on a healthy and vibrant forest industry.

Call for evidence questions

3. The issues raised in this response relate to questions 2, 3, 6 and 8 of the call for evidence. They are related to the themes of: sector resilience; public support for economic growth [and sustaining the existing economy]; preventative spend; and small business sustainable employment opportunities.

Background

4. The forestry sector is a significant contributor to the rural economy and provides much needed ecosystem services, tourism, and recreational benefits to urban communities. Forestry delivers a wide range of multiple public benefits and is excellent value for money for public investment.¹ It is estimated that the sector supports 40,000 jobs and contributes over £1bn to the economy. Public support through the Scottish Rural Development Programme (SRDP) contributes to valuable native woodland creation which in turn provides ecosystem services such as flood alleviation, soil management, improved air and water quality, carbon sequestration, and helps improve biodiversity and natural resilience to a changing climate. In addition it supports the provision of wood raw material which is a renewable and sustainable product.

5. The sector experienced significant difficulties after the introduction of the integrated Government grant scheme, SRDP. In the last two years momentum has gathered and is beginning to deliver the Government woodland planting targets

¹ Forestry Commission Scotland, 2008. *Research note – The economic and social contribution of forestry for people in Scotland*. Edinburgh. ISBN: 973-0-85538-772-3

which successive governments have supported. These targets are set out in the "Low Carbon Scotland: Meeting the Emissions Reduction Targets 2010-2022" document. Woodland creation also contributes to the Scottish Biodiversity Strategy, greening elements of SRDP, a number of health, recreation and tourism policies and strategies, the Land Use Strategy, and the Scottish Forestry Strategy.

6. Native woodland planting figures hit a 10 year peak of 5,700 hectares in 2012. This is the second best native woodland planting figure in 40 years (see table 1). For the majority of that time, native woodland has been the poor relation in woodland planting despite providing the broadest range of public benefits for public money. For the past few years, there has been a higher grant rate for native woodland planting in order to redress the balance and increase the native woodland proportion of the conifer/native split. Both types of planting have suffered during the SRDP delivery problems.

7. The present Spending Review plan contains a (level two) provision of £41.3m for FCS in 2013-14, £16.2m of which is Scottish money allocated to private sector grants. The £16.2m is bolstered by EU co-funding under SRDP of £19.8m to give £36m in total.

8. Forestry is a long term industry, be that for environmental or commercial returns. Consistent, sustained and up-front investment is necessary to secure continued woodland creation, wood product supply and other widely recognised multiple public benefits.

9. In Scotland, the majority of woodland creation comes from the private sector. This includes commercial forestry operations but also individual land owners and organisations like the Woodland Trust Scotland. Forestry Enterprise Scotland is responsible for woodland creation on the public forest estate and contributes approximately 1,000 hectares of the annual 10,000 hectare target.

Current position

10. There has been a high demand for grants in the last two years. This reflects the increased grant rates and a better understanding of the SRDP system following its early troubles. Demand for grants now exceeds the budget provisions for this current year and for 2013-14.

11. The Forestry Commission Scotland has received proposals for new woodland creation of over 8,000 hectares for next year. Combine this with existing commitments and the total demand for grant would approach £45m. This is a shortfall just under £10m.

What action is needed?

12. In order to meet the shortfall, additional national funding of £10m is required for 2013-14. This will enable grants to be issued to meet next years' national planting target.

13. We appreciate that increasing spending within the SRDP is complicated and that increasing one budget will impact on another. But we believe there are compelling reasons to do so.

14. First, it is important to keep momentum in the forestry planning and application cycle. Grant applications require detailed forest plans to be drawn up to ensure sustainability standards and regulations are met, and to ensure trees are planted where it is most appropriate. This can take up to three years. We have seen from recent history that gaps which break the funding cycle result in much reduced tree planting on the ground. This creates turbulence in the industry where a stop start existence is difficult to plan for. This affects commercial and non-commercial parts of the sector.

15. Secondly, woodland creation also delivers a number of non-commercial Government objectives. At a time when Scotland is failing to meet its biodiversity and Climate Change (Scotland) Act targets, maintaining the momentum in the forestry sector will help deliver across portfolios. Forestry is a relatively low cost and cost effective investment that is essential to rural communities, contributes to the national economy and tourism, and helps deliver for biodiversity and ecosystem services.

16. The Woodland Trust Scotland wishes to see continued commitment to woodland creation in 2013-14 and believes that without increased support, the positive progress of the last two years is at risk. Given that the current Common Agricultural Policy expires at the end of 2013 and that there is considerable concern that the new programme will not begin concurrently, it is even more pressing that the 2013-14 Scottish forestry budget is able to deliver as much as possible.

Table 1: Conifer and broadleaf woodland planting in Scotland 1971-2012

