

12 April 2017

EFRA SELECT COMMITTEE INQUIRY ON FORESTRY**Purpose**

1. To **update** the England National Committee on progress to date in responding to the Environment and Rural affairs (Efra) Committee report 'seeing the wood for the trees', and seek the committee's **support for, and input to**, the Forestry Commission's contribution to the response.

Background

2. In July 2016 the Efra Committee launched an inquiry into Forestry in England. Defra and Forestry Commission jointly developed and submitted complementary written evidence to the inquiry, and 75 submissions were received by the Committee in all.
3. Ian Gambles and Peter Freer-Smith gave evidence to the committee on behalf of Forestry Commission England and Forest Research respectively on the 6 December 2016. Forestry Minister Therese Coffey, and representatives of ConFor, Woodland Trust, the Royal Forestry Society, the Institute of Chartered Foresters, Country Land and Business Association and the National Forest Company also gave evidence on the 6 December 2016 and 7 January 2017.
4. The committee published their report on 21 March 2017. On the same day and separately, Natural England (NE) and the Rural Payments Agency (RPA) were invited to give evidence to the committee on Countryside Stewardship (CS). The committees' critical lines of questioning and the evidence NE and the RPA provided will therefore need to inform responses to the forestry report's significant references to CS.
5. Defra will produce a single Government response to the report, which is due by 20 May. The Defra forestry team is leading production of the response, with Forestry Commission working closely with them to provide relevant contributions. To allow for cross-government clearance processes, the full draft response will be submitted to minister Coffey by 20 April. The following discussion section describes current intentions for the response as discussed with the Defra forestry policy team and agreed within Forestry Commission, but prior to any confirmation by the Minister.

Discussion

The main areas of focus in the report were:

6. **Woodland creation**; with a request for Government to confirm the ambition to achieve 12% woodland cover by 2060 and challenging the current much lower rate of woodland creation. The response intends to re-state Government's support for that ambition, and to identify the initiatives already in place, or developing, to support it: CS woodland creation grant, Woodland Creation Planning grant (as part of the Forestry Innovation Fund), Woodland Carbon Fund, and the recent consultation on raising the threshold for afforestation EIAs (Environmental impact Assessments) in low sensitivity areas. It will also reiterate that this ambition can only be met with joint support from Government and from the private sector, whilst acknowledging the commitment and investment already made by those who have created woodland in recent years.
7. **Data and indicators** for woodland creation. Forestry Commission will be assessing what of the improvements suggested by the committee is achievable that will;
 - not duplicate data already published;
 - provide added value in terms of supporting improved monitoring or decision making;
 - clearly distinguish between corporate indicators, reporting on activities that are part of FC's remit, and gathering and providing data on activities which are the responsibility of other organisations.
8. **Countryside Stewardship** and calls for improvements to the forestry grants offer primarily focused on the processes (simplicity and transparency) and co-ordination between the organisations delivering the scheme (Natural England, Rural Payments Agency, Forestry Commission). This is a highly sensitive subject, to which the response will include an update on improvements already made and the outcome of the CS deep dive review that is about to conclude (with the findings of the review due to be shared with the Committee by 1 July). It is also likely to mention that any new approach to forestry incentives, and land use incentives in general will be designed as part of the development of any 'successor' to the current CAP. It might mention that this is unlikely to be in place on day 1 of EU Exit, and that CS may therefore remain for a transitional period still to be determined.
9. The Minister indicated during her oral evidence that the return to a **one-stop-shop** for forestry grants (i.e. delivered by Forestry Commission only) was unlikely. This would also contradict the strategic choices made in Forestry Commission to date, and the calls in the report itself, and in the ongoing work in Defra on Future land Use Policy, for future integrated wider land use policies and incentives.

10. On calls to improve the protection of **Ancient Woodland**, Defra will reiterate the intention to update and clarify guidance on how to deal with ancient woodland when assessing planning applications in the National Planning Policy Guidance (NPPG), and review the Natural England and Forestry Commission Standing Advice, in Autumn 2017. The response will also make it clear that action will depend on the outcome of the current consultation on Government's Housing White Paper led by DCLG.
11. On calls for improvements to Ancient Woodlands **data**, the meeting recommended by the Committee to address this will take place. Natural England will confirm that work is under way to broaden the scope of the Ancient Woodland inventory to include all woodland down to 0.5ha over the next two years. However assessments carried out to date by Natural England suggest it is very likely that increasing the frequency of the Ancient Woodland Inventory updates would prove extremely costly, and would therefore be unlikely to be approved by Ministers. Improved monitoring of loss of Ancient Woodland would equally be very challenging, as Local Authorities do not report and never have done on changes in ancient woodland related to planning decisions.
12. Promoting a better understanding of how active **woodland management** supports the delivery of a range of ecosystem services, including timber, remains essential for the forestry sector as a whole, and we will highlight in the report how this is supported on the Public Forest Estate by a range of initiatives, from 'guided' walks, to the 6,000 volunteers active on the estate.
13. In response to calls for Government to **actively support markets** (biomass and timber building) that will drive increased active management of the domestic woodland resource, Defra is working with BEIS and DCLG to assess how future policies could support this. A review of the RHI for biomass is very unlikely though, given the very recent review of the RHI by BEIS. Defra is discussing with DCLG the feasibility of introducing a UK timber-first approach into English housing procurement.
14. Regarding **forestry research**, the response will emphasise the commitment to spend 25% of research funding on knowledge dissemination activities, and existing collaborative work with the sector. The future for research funding in the context of EU Exit will be addressed within the limitations of agreed government lines, referring to the UK negotiating objective 'Ensuring the UK remains the best place for science and innovation'. It will highlight that for as long as the UK remains a member of the EU, bidding for competitive EU research funding remains possible, with Treasury having agreed to underwrite the payment of such awards beyond the UK's departure from the EU. To note however that there is anecdotal evidence from research colleagues that other EU partners are reluctant to become involved in bidding consortiums with the UK.

Resource implications

15. This work can be managed within existing resources.

Risk Assessment

16. The response to the report in itself does not impact directly on corporate risks but we will need to ensure it is aligned with existing Defra and Forestry Commission positions and lines to take to mitigate reputational risks.

Equality Impact Assessment

17. Not applicable.

Communications

18. The communications team has been made aware of the planned timetable for the response to the report to be published and will advise on appropriate communications handling.

Recommendations

19. The Committee are invited to discuss the Efra committee's report and to comment on the direction of travel for the response as described in this paper.

Steph Rhodes – Head of Policy and Strategy

3 April 2017