

Forest Services Board

Thursday 3 October 2019

How we bring more woodlands into management

Purpose

1. To agree Forest Services' strategy to bring more woodlands into management, including the effective delivery of woodland management plan and felling licence approvals.

Recommendation

2. We ask the board to consider four options and recommend that Option 3, 'do different' is supported. A summary of activities and breakdown of indicative costs associated with each option is included in Annex 1.
 - **Option 1: Wait and see** – take no additional action before the publication of the Tree Strategy. Cost = £0. No change in proportion of woodland in management (currently 58%).
 - **Option 2: Same offer done better** – increase investment in existing processes that incentivize owners to manage their woodland, invest in five new Woodland Officer posts. Cost = £1.5million over 5 years. 60% of woodland in management after 5 years.
 - **Option 3: Do different** – increase investment in existing processes that incentivise owners to manage their woodland, invest in 20 new Woodland Officer posts. Fund third-party organisations to communicate with owners not engaged with FC and conventional forestry agents. Coordinate a communications strategy aimed at different audiences to increase acceptance of woodland management and illustrate the benefits of active management on woodland condition. Cost = £7 – 10 million over 5 years. >65% of woodland in management after 5 years if market conditions remain favourable.
 - **Option 4:** Legislate and enforce – use legislation to compel woodland owners to actively manage their woodlands to protect or enhance carbon stocks and flows. Withhold any future loans and payments, including Environmental Land Management (ELM) grants, where woodland owners cannot demonstrate they are actively managing their woodlands. Cost £13 – 20million over 5 years. >65% of woodland in management after 5 years, increasing further in the long term.

Background

3. The Climate Change and Forestry position statement proclaims that the 'the time for action is now' and sets out three actions to help owners adapt their woods to cope with changing environmental conditions¹. The 2018 Tree Health Resilience Strategy² describes how we will ensure we have "healthier trees and thriving woodlands and forests". The 25 Year Environment Plan and Clean Growth Strategy commit government to improving woodland condition and increasing use of domestically grown timber. The UK has passed laws to become a 'net zero' carbon emitter by 2050. These commitments are not matched by detailed implementation plans. All require more woodlands and their carbon stocks to be actively managed.
4. Our current approach to encouraging more woodland management and to increase resilience in privately owned woodlands is not making the progress required to meet the aspirations of government and business. The most recent contextual changes to woodland in management are buoyant timber prices and the increasing impact of ash dieback. As trees die gaps in the canopy will appear, increasing light and temperature levels on the woodland floor, mimicking 'post thin' conditions. This could benefit some species, such as dormice and woodland plants, in some woods. However, it does not enhance long term resilience of woodlands and the role they play in climate change mitigation

Key facts

5. We have some control over the following factors that influence woodland management:
 - Woodland owners' knowledge of local markets
 - Woodland owners' knowledge of threats to woodland
 - Attractiveness of grants to woodland owners
 - Quality of service provided to woodland owners from the FC
 - Cost of "regulatory burden" to business
 - Capacity and capability of woodland agents

Options presented have the potential to change these factors. We have no control over other factors that influence owners' decisions such as international exchange rates and international and local timber markets.

Discussion of the alternative courses of action available

6. The forthcoming Tree Strategy is likely to stimulate discussion of what additional actions are required to bring more woodland into active management. It is likely that consultation with the wider forestry and land management sector will be undertaken leading to recommendations to government. The board may wish to

¹ Climate change position statement

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/829340/Managing_woodland_position_statement.pdf

² Tree Health Resilience Strategy <https://www.gov.uk/government/publications/tree-health-resilience-strategy-2018/tree-health-resilience-strategy-our-goals>

defer making a decision on woodland management options until after the strategy is complete. This course of action (**'Wait and see'**) will allow FS to carry on making incremental improvements to Felling Licence Online³ and improving our understanding of the management plan approval process until the strategy is published and alter course thereafter. However, this course of action does not address known short comings in our approach to woodland management until financial year 2021/22, assuming the Strategy is published in summer 2020.

7. **'Same offer done better'** includes activity described above and further invests in improving internal processes involved in management plan and felling licence approval. This option will improve knowledge of existing guidance across the organisation. It will improve how we interpret and communicate guidance to woodland owners and agents. Capacity will be strengthened by the appointment of five Woodland Officers. However, the fundamental offer to woodland owners remains unchanged and it is unlikely that improvement of the existing model of operation alone will result in significantly more woodlands being managed in either the short or medium term.
8. **'Do different'** requires us to develop new ways of encouraging owners to manage their woodlands. This option recognises that CS grants are useful to those owners that are already managing woodlands and to some new to managing their woods but have not appealed at sufficient scale to the thousands of owners who we need to take action if woodland resilience is to be improved at a landscape scale. The option recognises that we are struggling to accelerate woodland creation and management simultaneously and takes steps to address this by creating 20 new Woodland Officer posts. The option consolidates FS as the government's forestry experts. It shows we have the confidence to empower other organisations to reach owners that we have failed to influence in the past. 'Do different' would put us on the front foot, ahead of the development of the tree strategy, and would help us build momentum to complete actions committed to in the climate change position statement. Lessons learned from the successful delivery of previous strategies and incentives (e.g. 2007 Woodfuel Strategy⁴, Woodfuel Woodland Improvement Grants) suggest that influencing the behaviour of owners requires significant resources, consistent messaging from government and favourable market conditions. This option addresses the first two points directly and compliments the 25 Year Environment Plan pledge to work with Grown in Britain to supply more timber to the construction sector (how this will be achieved is not yet clear). This option would require more input from the existing programme team to coordinate activity across the organisation and third party contacts. Of the four options considered we regard this as having the best chance of stimulating levels of behaviour change required to meet government objectives. We estimate it would lead to more than 65% of woodland area being defined as 'actively managed' by 2025.

³ To fell trees in England a felling licence is required. We are moving applicants from submitting paper forms to using an online process. This will increase efficiency and improve the service we provide in the medium term.

⁴ The strategy aimed to bring an additional 2 million tonnes of wood to market by 2020. This is likely to be achieved. The Renewable Heat Incentive has encouraged more harvesting activity in woodlands. To date, RHI payments have exceeded £1billion, several £ million of woodland grants and equipment grants have also developed the woodfuel supply chain.

9. **'Legislate and enforce'** assumes net zero becomes the overriding priority for all government departments. The overall objective of this approach is to maintain or increase the rate of carbon sequestration rate in English woodlands via increased levels of management. It recognises that changing behaviour through 'soft' interventions such as outreach programmes and grants is expensive and the long term results uncertain. Instead it uses legislation and more regulatory intervention to increase levels of woodland management. It would be an eligibility **requirement** for ELM that all woodland on a holding would be managed, as a minimum, to protect carbon stocks from disease and climate change (this would be the **new** regulatory baseline that would be expected to be complied with before payments for public benefits could be entertained). This would include proof of deer and squirrel management to reduce damage to growing stock (biodiversity benefits are secondary). The current felling licence regime would be replaced by a national 'allowable cut' covering a period of a few years and based on data contained in the National Forest Inventory. The concept of 'allowable cut' is well established internationally and has been used by countries such as Norway to increase carbon stocks during the 20th century^[1]. After the cumulative volume of planned felling in each given time period reaches the allowable cut no further felling would be permitted. To ensure continued and forecastable flow of timber to market, woodland owners who notified FC of their 'intention to fell' but did not act, would be penalised (perhaps by providing a returnable bond at time of felling application that would be returned when felled). Government would intervene to ensure timber was harvested in years where few 'intentions to fell' were received. A range of grants would be available to help owners restock woodlands but only with fast growing species. A training programme designed to make woodland owners familiar with their new obligations, and the basics of forest management would be in place. Field teams and Earth Observation would be used to ensure harvests and restock take place. Basic mensuration data would be collected by government from a wider range of sample sites to build a more informed picture of changes to carbon stocks and flows. Increased capacity to process and summarise data may be required. A comprehensive communication and behaviour change strategy would be in place to address anticipated backlash from land owners, conservation groups and some forestry businesses. Although most woodland in England would remain in private ownership, it would be managed in a way that meets current national and international policy ambitions to use forestry to slow the rate of climate change. It would also allow government respond quickly to future outbreaks of disease or pest. This type of management approach is used in some countries where most forest is publicly owned^[2]. This option is high risk, requires significant political backing, a completely new approach to licencing and is likely to alienate some government agencies such as Natural England and conservation bodies such as the RSPB and may put off the very woodland managers we wish to manage their woodlands.

[2] Natural Resources Canada overview of sustainable forest management policy
<https://www.nrcan.gc.ca/our-natural-resources/forests-and-forestry/state-canadas-forests-report/timber-being-harvested-sustainably/16494>

Resource Implications

10. A fully costed plan will be developed and presented to the board at a later date once a preferred option is chosen. Illustrative resource implications of the three options are shown in Table 1, Annex 1.

Strategic Risks

11. The following strategic risks may be realised if current levels of woodland management are not increased in the next 5 years:
- FS/1 Failure to discharge FS's role in reducing tree pests and diseases' impact to tolerable levels.
 - FS/2 Forest Services lacks the resources needed to meet delivery expectations. *[in particular commitments made in climate change position statement and Tree Health Resilience Strategy].*
 - FS/4 Failure of the FC in its fundamental protection role (excluding Pests & Diseases) *[anthropogenic climate change probably the biggest medium/long term threat to woodland condition in England at present]*
 - FS/12 Inadequate forestry incentives and delivery mechanisms in RDPE 2014-20
12. The role of how increased levels of woodland management could be used to mitigate or control risks FS/1, FS/2 and FS/4 is not reflected in the risk register. The static nature of the proportion of woodland in active management suggests FS/12 has been realised. Evidence in this paper suggests that there is a reputational risk associated with the lack of progress made to bringing more woodlands into active management in recent years

Equality Analysis (EqA)

13. No diversity implications have been identified as options have been developed.

Communications

14. The recommended option would require the development of a new programme of communication and influencing activities to generate behaviour change amongst landowners. Aligning increased levels of woodland management to 'net zero' needs careful handling. Increased felling will decrease carbon stocks in the short term but suitable restocking and regeneration has the potential to increase carbon sequestration and carbon stocks in the long term. Third parties may advocate abandoning timber production to increase forest carbon stocks in the short term.

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Annex 1. Status of current programme, actions and indicative costs associated with each option.

Programme status.

The 'Managing resilient woodlands' programme includes around £1.5 million of staff time. In the region of £0.5 million is spent on Countryside Stewardship woodland management planning grants (around 500 plans are approved each year with plans lasting 10 years). Basic information on the condition of the programme includes:

- The proportion of woodland in active management has plateaued at around 58% despite high timber prices.
- 0.46 million ha of woodland are in some form of government grant scheme.
- There is a slight declining trend in the area of existing woodland receiving grant.
- The area of woodland covered by stand-alone felling licences has increased from 60,000ha in 2014 to 79,000ha today.
- A new system for applying for, approving and issuing felling licenses (Felling License Online) was introduced in the second half of 2018 – allowing woodland owners and agents to apply online for the first time. The proportion of applications being made on line has continued to increase with about 70% now doing so. Whilst the new system will benefit applicants and saves time in initial FC processing, problems with slow speeds for internal FC users has meant we have yet to see the efficiency/service time improvements originally anticipated.
- On current approval rates we estimate that 3,400 felling licences will be approved in 2019/20 compared to 2,200 in 2018/19.
- We aim to approve 85% of felling licence applications with 77 days of receipt, we currently approve 61% in this timeframe.
- We do not know how long it takes us to approve woodland management plans.
- We are unable to meet the management plan service standard⁵ commitment to approve 80% of woodland management plans within seven weeks of receipt.
- We do not know how many felling licences or management plans are implemented every year, and to what effect.
- We do not have the capacity to 'chase' more woodland owners to resume woodland management and also deliver our CS and statutory obligations.
- The recently published Public Opinion Survey of Forestry shows a downward trend of public acceptance of tree felling, even if replacements are planted⁶.

⁵ The service standard was developed from private funded projects to improve the time taken to draft and approve woodland management plans. Although these projects were unsuccessful, lessons learned were applied to FS process in 2017 but have fallen out of use as our priority has been to improve woodland creation approval process.

⁶ Public opinion of forestry <https://www.forestresearch.gov.uk/tools-and-resources/statistics/statistics-by-topic/public-opinion-of-forestry/> "30% agreed or strongly agreed that "Trees should not be felled in any circumstances, even if they are replaced" up from 17% in 2009"

Actions and costs associated with each option

Option 1: Wait and see

- Take no *additional* action to bring more woodlands into management until the English Tree Strategy has been published. However we would **continue** work to improve uptake and performance of Felling Licence Online and management plan process trackers.
- Accept that no substantial change in the area of woodland in active management will occur in the short term.
- Accept that our systems and/or lack of capacity result in a sub-optimal customer service.

Option 2: Same offer done better

In next 12 months:

- Reinstate woodland management plan service standard.
- Using outputs from the ongoing resilience review, develop training courses for Woodland Officers, Field Managers and other staff groups so that FS is able to provide a more consistent and pragmatic interpretation of guidance.
- Create five new Woodland Officer posts to add capacity to woodland management activities in each FS Area.
- Implement woods into management communications plan (plan currently on hold as we are unable to respond to increased levels of demand for our services).
- Accept that the area of woodland in management will not change significantly.

Option 3: Do different

In next 12 months:

- Reinstate woodland management plan service standard.
- Using outputs from the ongoing resilience review, develop training courses for Woodland Officers, Field Managers and other staff groups so that FS is able to provide a more consistent and pragmatic interpretation of guidance.
- Create the first of 20 new Woodland Officer posts to add capacity to woodland management activities in each FS Area. Woodland Officers would be responsible for developing collaborative deer and squirrel control partnerships in their areas. (It is assumed that many existing Woodland Officers will need to remain focused on woodland creation).
- Implement woods into management communications plan (plan currently on hold as we are unable to respond to increased levels of demand for our services).

In addition, as part of the 2020/21 business planning cycle, develop costed options for the following areas of work:

- Act on recommendations made by ongoing enforcement Review. This may include changes to primary legislation including the Forestry Act (something that previous

Secretary of State Gove supported in principal). Develop our existing risk-based approach to regulation and inspection, reduce regulatory and administrative burden, reinvest staff time on proactive tasks that change the behaviour of owners and generate 'new business' for FS.

- Redesign FS woodland management plan offer – consider developing complimentary approaches to encourage owners to plan woodland management (perhaps looking towards the ELM scheme). Consider developing 'Woodland Management Plan Online' facility or for further integration of third party services with FLO (e.g. Sylva Foundation 'Myforest' management tools⁷ and Grown in Britain Certification).
- Develop a deemed thinning licence process applicable to non-designated 'low risk' woodlands.
- Consider how a 'trusted owner' scheme could be used to fast track felling licence and management plan approval process.
- Develop a different approach to outreach - use of non-government organisations with a track record of innovation and fresh thinking to change behaviour of woodland owners not attracted to grants. Use third parties to nudge active but unengaged owners into the regulatory process. This action could increase the proportion of woodlands defined as 'managed' by Forest Services. Independent research suggests in some parts of the country 70% of owners are harvesting firewood from their woodlands often in the absence of felling licences or management plans⁸. Third parties could include Sylva Foundation, Grown in Britain, yet to be created Forest Management Associations. Some projects would be run nationally and some will be run by Area teams who are better placed to design projects best suited to local partners and woodland types.
- Accelerate the use of Earth Observation in the regulation of forest management
- Place more emphasis on upskilling agents and contractors to ensure that management plans and forest operations are efficient and comply with UKFS and enhance woodland condition. Long term ambition to develop customer focused 'UKFS compliant' list of contractors. Could be hosted by FISA.
- Using outputs from the ongoing resilience review, develop training courses for Woodland Officers, Field Managers and other staff groups so that FS is able to provide a more consistent and pragmatic interpretation of guidance.
- Initiate 5 year communications plan that aims to reverse trend in public opinion of tree felling, honestly and clearly describes the threat posed by diseases that are already present (e.g. ash dieback) and those that might arrive (e.g. Xylella, emerald ash borer). Secure backing of Wildlife Link a coalition conservation bodies representing 8 million people. Where possible work with new organisations

⁷ Myforest management tools <https://sylva.org.uk/myforest/home>

⁸ Research suggests that levels of thinning without a licence might be significant. Using third party organisations to nudge these owners into applying for a licence or using woodland management planning tools. "an estimated 70% [of owners] were taking firewood out of their woodlands, in most cases without a felling licence"
https://ec.europa.eu/agriculture/sites/agriculture/files/external-studies/2010/supply-wood/england_en.pdf

such as Extinction Rebellion to promote taking action that puts our woodlands in a better, more resilient condition.

- Review structure and responsibilities of FS to ensure that Area teams have the capacity and capability to accelerate both woodland management and woodland creation simultaneously and in a consistent manner across England. Recruit any additional field staff accordingly.

Option 4: Legislate and enforce

In next 12 months:

- Reinstate woodland management plan service standard.
- Using outputs from the ongoing resilience review, develop training courses for Woodland Officers, Field Managers and other staff groups so that FS is able to provide a more consistent and pragmatic interpretation of guidance.
- Create the first of 30 new Woodland Officer posts to add capacity to woodland management activities in each FS Area (acknowledging many existing Woodland Officers will need to remain focused on woodland creation).
- Implement woods into management communications plan (plan currently on hold as we are unable to respond to increased levels of demand for our services).

In addition, as part of the 2020/21 business planning cycle, develop costed options for the following areas of work:

- Develop new approach to wood regulation and licencing, based on an 'allowable cut process'. Learn from processes in place in other parts of the world.
- Develop and deliver training materials to describe new approach to FC, other parts of government and the forestry sector.
- Accelerate the use of Earth Observation in the regulation of forest management
- Place more emphasis on upskilling agents and contractors to ensure that management plans and forest operations are efficient and comply with UKFS and enhance woodland condition. Long term ambition to develop customer focused 'UKFS compliant' list of contractors. Could be hosted by FISA.
- Using outputs from the ongoing resilience review, develop training courses for Woodland Officers, Field Managers and other staff groups so that FS is able to provide a more consistent and pragmatic interpretation of guidance.
- Work with Defra to ensure ELM payments are made only where the landowner can demonstrate woodlands are managed to protect carbon stocks.

Table 1: Indicative additional cost implications of the three options:

Option:	2020/21	2021/22	2022/23	2023/24	2024/25	Total
Wait and see	No additional spend	No additional spend*	No additional spend*	No additional spend*	No additional spend*	£0
Same offer done better	Staff spend: £100k	Staff spend: £250k	Staff spend: £250k	Staff spend: £250k	Staff spend: £250k	£1.5million
Do different	Staff spend: £100k IT development: £100k Project spend: £200k Communication and behaviour change £300k	Staff spend: £250k IT development: £200k Project spend: £300k Communication and behaviour change £300k	Staff spend: £500k IT development: £200k Project spend: £500k Communication and behaviour change £500k	Staff spend: £750k IT development: £200k Project spend: £500k Communication and behaviour change £500k	Staff spend: £1million IT development: £100k Project spend: £750k Communication and behaviour change £500k	£8 million
Legislate and enforce	Staff spend: £500k Project spend: £250k IT development: £100k Training owners: £100k Communication and behaviour change: £200k	Staff spend: £1million Project spend: £250k IT development: £250k Training owners: £100k Communication and behaviour change: £200k	Staff spend: £1million Project spend: £250k IT development: £500k Training owners: £250k Communication and behaviour change: £500k	Staff spend: £1.5million Project spend: £500k IT development: £500k Training owners: £500k Communication and behaviour change: £500k	Staff spend: £1.5million Project spend: £500k IT development: £500k Training owners: £1million Communication and behaviour change: £500k	£13 million

**Tree Strategy likely to recommend additional resources for woodlands into management/resilience work*

- Indicative costs have not been budgeted for or included in business planning exercises to date.
- One additional Woodland Officer post in FS is assumed to cost £50k per year.
- Project spend includes budget to support additional posts in existing organisations as well as costs for development and expansion of existing mapping software and woodland management planning/certification projects.
- Project spend would be awarded via competitive tender covering multiple years. It is envisaged that consortia would bid for work.