

Ref: AFG 5/2021

AFG minutes: 26th May 2021**Location:** Webinar / teleconference**Chair:** Joe Watts**Prepared by:** Katie Booth**Attendees****AFG members:**

Andy Allen (WT) **AA**
Jackie Dunne (Confor) **JD**
Caroline Ayre (Confor) **CA**
David Lewis (RICS) **DL**
Graham Garratt (ICF) **GG**
Julian Ohlsen (SW AFG) **JO**
Neil Douglas (RSPB) **ND**

Neville Elstone (ICF) **NE**
Paul Orsi (Sylva) **POr**
Andy Shirley-Priest (RFS) **ASP**
Brian Fraser (HTA) **BF**
Graham Clark (CLA) **GC**

FC/Defra Group:

Alec Rhodes (FC) **AR**
Angharad Morgan (Defra) **AM**
Claire Douglas (RPA) **CD**
Crispin Thorn (FC) **CT**
Hugh Williams (FC) **HW**
Joe Watts (FC) **JW**
Rosa Amboage (FC) **RA**

Penny Oliver (FC) **Pol**
David Bole (FC) **DB**
Lucy Wyatt (FC) **LW**
Martin Fitches (FC) **MF**
Melanie Edgar (FC) **ME**
Emily Voss (FC) **EV**
Sam Pollock (FC) **SP**

Apologies

Adrian Sherwood (RPA)
John Blessington (Local Government)
Alisha Anstee (NFU)
Adrian Jowitt (Natural England)

Stan Abbott (WT)
James Russell (Community Forests)
Barnaby Coupe (Wildlife Trusts)

AFG Minutes

Welcome

JW welcomed the group.

Nature for Climate Fund – Promotion and Engagement

LW ran through slides.

DL raised that as this will cover all kinds of woodlands, from planting individual trees to agroforestry and woodlands over a hectare, landowners need a common source of advice, rather than having to figure out who to go to. **LW** acknowledged this is a valid point and we are trying to think about what is best for the landowner. FC cannot necessarily always give in depth advice on everything but can provide an overview and signpost to other sources where needed.

DL queried how his signposting would be done and whether there will be an approved list of agents/advisors. **LW** confirmed we will be directing people from the website to recommended advisors and contractors. If the website is not in place as quickly as we would like, then flyers will be provided to staff to hand out with this kind of details.

DL raised that there could be some controversy over who is included on the recommended list.

CA is looking forward to seeing the case studies and comms plans and raised that Lord Goldsmith has still yet to visit. **LW** confirmed she will pass that feedback on.

JD queried how we would deal with some of the potential negative impacts, particularly around fines from the RPA on woodland creation sites. Some projects that have been done well and would have been considered acceptable by the FC have been fined by the RPA. This occurs regularly and often without the FC's knowledge. **LW** will take this point away.

JD raised that it does not feel as if the Defra family are all singing from the same hymn sheet.

JW provided reassurance that for the schemes under our control we will be very clear about the control measures and the inspection process.

JD suggested that schemes should be inspected before claims are paid, as if issues are found 4 or 5 years later it has a big impact on landowners.

JO expressed concern regarding potential competition with the private sector if FC have a large group of advisors going out and speaking to clients and queried if the advisors will provide financial forecasts and carry out design work. He advised that the biggest challenge when talking to landowners is finding out what their objectives are, and not just what they think they are, which is not necessarily the same thing long-term. This team will need a lot of training to avoid unintended consequences. He raised that there needs to be some earned recognition of practitioners who are doing it well and they should be part of the solution. **LW** responded to confirm that the new roles are central

marketing roles and will not necessarily be out with the landowners. She explained that if Woodland Creation Officers (WCOs) support the planning, Woodland Officers (WOs) support when the woodland exists, the Business Development Advisors (BDAs) we are talking about will be the step before that. They will provide indicative models rather than detailed forecasts. There are 15 positions on 18-month fixed contracts. This is an initial trial to see what works or if the private sector or NGOs are doing a better job than our BDAs can. We are flexible in terms of the delivery mechanism.

JW referenced back to the point about earned recognition. There is no simple solution, but we need to look at how promotion sits alongside the private sector to stimulate and not displace it.

LW agreed that the intention is to drive business to the private sector rather than taking it from it.

NE noted in the chat that this is exciting stuff, all about the detail really, need the next level down, getting the right people with breadth/depth of knowledge but raised that the state producing a list of recommended advisors could be tricky. There will be some sensitivity around these third-party contracts and more clarity in the future would be helpful. This is the start of a conversation that should be regular to avoid treading on each other's toes. Can this be followed up regularly with this group or another?

LW will discuss with **JW** what the best forum will be, whether that be the AFG or a subset of it.

ND is keen to hear more about engagement with NGOs. Others may be interested and so he is happy to help **LW** link up with them. **LW** is happy to take up this offer of assistance.

JD mentioned in the chat that it was done really well with the Woodland Advisory Service by Cumbria Woodlands.

JW confirmed that **LW** has an open invitation to come back to the AFG at any point.

Nature for Climate Fund – Nurseries and Workforce & Skills

DB ran through slides.

BF welcomes the idea of capital grants and the innovation grant scheme. Has concern about what happens after the 3-year innovation grant, will there be capital grants available to take advantage of them? To take advantage of the investment as it comes out of profit it will need time to build. Nurseries need to be included in the improving skills work. Of the 21 million allocated, can it be confirmed what level is going to the public nurseries?

DB acknowledged there is a good argument for supporting nurseries over the long-term. There is a market failure in investment given the longer timescale the sector must deal with. **DB** confirmed that nurseries are covered by the skills development work. Confirmed a substantial amount of funding is going to public nurseries but will need to check if the exact figure can be given.

BF raised that Delamere had 4 million spent on it less than four years ago. It is interesting as FE is closing a nursery. There is a need to balance the private and public

sector. The sector needs confidence building. Landowners need to be confident trees will be put in the ground and this lack of confidence is the biggest barrier for the trade. This can only come from customers. Lifetime for plants is between two and four years and given the demands now, we have lost this season, **BF** does not believe the targets can be met this parliament. **DB** acknowledged his concern and agreed that we are trying to build confidence.

JD agreed in the chat with **BF**, commenting that "Absolutely Brian, when do we order trees given the complexity of the woodland creation grant application and the short duration of the agreements, It's very difficult".

JO is interested in the nursery notification system and queried if part of the funding could be used to help underwrite over production. Regarding the apprenticeships, has had issues with the politics of the Forestry Skills Forum (FSF). Is focused on graduate recruitment currently but keen to support the apprenticeships. Relies on sub-contractors for a lot of work and do not have direct labour, although this may change. This means it is not as easy as just saying we will take them on, we will need to work with sub-contractors or work as a cooperative to do so.

DB would like to pick up with **JO** offline as there are things that can be done together. Understanding plant production was talked about when developing the business case. The issue of underwriting over-production has been considered and is not an idea that has completely gone away. However, there is an issue over unintended consequences on the market and it needs to be discussed in further detail.

GG raised that for the forestry apprenticeship it is believed that it had gained technical approval, but funding was below what it could be delivered for. **GG** queried if reference to further education includes Higher Education (HE) and capacity for this?

DB confirmed the level six application put in with the FSF was put in funding band 3.4k. This has been appealed and the appeal is moving forward so hopefully we will get a new funding band award. There is only one university, the University of Cumbria offering the apprenticeship currently and we can talk to them about taking a cohort forward. **DB** has insufficient knowledge of HE to give a full answer but feels we need to focus on getting the level two and six apprenticeships into operation before we do more thinking about HE.

JD pointed out that the Lowther Estate takes on students and opened four placements for 16-year-olds and has put one through who got a place. Queried how such an innovation could be replicated. There will be an opportunity for those from the Lowther Estate to go on to a level two. A grant award from RFS is funding taking on a graduate. Can all the micro schemes be linked to maximise their impact? The RFS have recently changed CEO and so we need to engage with them. It is hard to manage the complexity as there are so many levels and different people involved as well as negotiating a difficult policy landscape.

NE raised that they have had contact from someone looking for an apprenticeship but there is no provider locally. He underlined the need for trained advisors. Currently their staff are paid 50% more pro-rata than WOs as this kind of golden handcuff is the only

way to keep them. We need to look at training the trainers with the National School of Forestry as we need a lot of staff this year. There is lots of activity in the short courses sector. We need to work out how we work with this and not out compete each other. There is a question over whether the state should intervene in this or not.

DB is aware of the need and there have been internal conversations about how to address this. There are no specific plans in place yet but there are plans for UKFS training and woodland creation will be a part of that. It will be some but not the whole story.

CA mentioned in the chat that "We are also working on a technical training hub to support micro businesses/contractors across the UK for technical training including planters, sprayers, contractors generally as there is seen to be market failure in capacity for delivering short courses at this time. The idea is at concept stage at the moment."

JW advised that **DB** also has a standing invitation to return to the AFG as plans develop.

EWCO update

AR ran through the slides, starting with a land registration update.

GG raised that whenever they make a CS claim he must check every land parcel for changes and queried if there is any way of moderating the need for the RPA to re-map so often.

AR advised that work was done on this a couple of years ago and it had been hoped we had got to the point where unsolicited changes to land parcels had stopped. He acknowledged we will need to pick this up again if it is continuing to be an issue. As FC are administering EWCO then we can use our mapping to help facilitate things.

PO confirmed in the chat that we have recently raised the mapping issue again with RPA.

GG confirmed that the RPA are good as responding to fragmenting but are re-mapping to a level of detail that is unhelpful. He suggested that perhaps there should be some level of tolerance allowed on the area agreed.

AR confirmed this is understood and we worked on that basis for the woodland creation scheme. He queried if the need for re-mapping is to align with existing OS mapping.

GG cannot explain what the logic is but now tends to underclaim to avoid an accidental overclaim due to changes in the valid area.

AR confirmed we hope to build in more flexibility to cope with a tolerance.

JO has come across less issues lately but agrees with **GG**. Gave an example where they had 6-year-old, well-grown woodland that RPA had mapped as arable fields. He queried why they could not check with the landowner prior to making any changes. He also queried if we are using the RPA's process, can we accept agents authority registered as part of that process?

AR confirmed that would not be possible as we will not have the level of visibility to be able to flag agents in the RPA system for EWCO. We will however always try to tie back to any previous agent authority we have been given.

JO raised that they would need to link in future, ideally so that just the RPA website would be used for the authorisation. Client's think they have given authority and are then asked for it again.

AR requested a conversation with **JO** offline so he can better understand the detail and try to make the process as smooth as possible. **JO** is happy to discuss.

YW confirmed in the chat that "EWCO areas for claim will sit on our systems and not be unduly affected by changes in the RLR" and also confirmed that because Rural Payment agent permission don't cover felling so we would still need two sets of permissions".

JD acknowledged that they are used to having to get land registered with the RPA so that is not a problem but raised that it may take more time than you would think to get the correct area if the lines have been changed. Will not know how challenging it will be until they try but are used to the system.

SP advised in the chat that "Views on whether it's worth relaxing the land registration deadline to pre-claim rather than pre-application would be welcome. Keen to know the degree to which that's helpful or not".

GG advised that "I would be nervous about waiting to the claim stage in case there was an issue jeopardising payment".

SP responded that "I think we'd strongly recommend pre-application but I suppose we don't want to hold up agreements either. Tricky! Perhaps it's about guidance."

JD advised in the chat that "I think apply prior to application with the hope that it is all through by agreement stage".

JD asked in the chat "Yvonne is that how the FWP areas are managed?". **YW** responded "yes farm woodland payment polygons sit above the RLR and we track and adjust claims from our side so you don't have to".

Following the update on payments it was agreed that **RA's** notes from the benefits workshop will be shared with the wider AFG.

Following the first updates on previous AFG feedback, **JO** raised the historically if planning permission required woodland to be created then it would not be eligible under CS and queried what the EWCO view is on this.

AR confirmed that if woodland creation is required via planning or any other regulations then it would not be eligible for grants under EWCO.

Following the update regarding natural colonisation, **ND** asked about eligibility for supplementary payments and whether there is an update. Does any planting supplement rely on contact with or being adjacent to existing woodland and how does it apply?

AR confirmed that the whole approach is designed to be as flexible as possible. To use natural colonisation (NC) as a method the site must be within 75 metres of two viable seed sources, but you could also choose to do supplementary planting, it is up to land managers to decide if that is an appropriate option. NC could be incorporated as one part of a scheme. The payment is not a supplementary payment, rather they would get the standard cost items and maintenance. If the scheme is a good one, they will also get additional contributions. There is no specific NC payment.

ND queried if schemes will then be eligible for ongoing management or cost-based payments, it sounds like the latter.

AR advised it is hard to answer as we would be looking for remedial planting, if necessary, in year ten. The idea is that by then there will be the option to transition into other areas of support and we need to work with ELM.

JW confirmed that by year ten there will be a stocking minimum and it will be the agreement holder's responsibility to make sure this is met. We see NC as part of a palette available for people to use when developing sites, another tool to use to increase diversity.

JO raised concerns about liability as most schemes by year ten will not be covered by felling license controls. Are we asking for longer-term defects liability for woodland owners as opposed to most schemes?

AR acknowledged this is a good point and advised the plan is to have a 15-year obligation period across the board. This should then take most schemes into a licensable size so they will be covered by the regulations. However, he acknowledged that NC schemes could be in danger of not being licensable by year 15. We would need to look at EIA or PIA regulations to provide cover for this. They would be treated as woodland and therefore subject to land use change.

JO raised concern about the possibility of offers being made without conditions that mean people could deliberately let a scheme fail. **AR** acknowledged this is a good point.

PO queried whether the requirement by year ten was trees and not shrubs.

AR confirmed that by year ten we want 60% woody cover (trees or shrub/bramble) but in addition a minimum stocking of 100 tree stems per hectare we can assess.

PO agreed it is complex but good work.

GG raised that it would be good to have an image of what 60% woody cover looks like, as at ten years there will still be fragmentation, it will not be dense cover. He also raised that broadleaves will not be at minimum felling size by ten years so he is not too concerned that NC applicants will have an unfair advantage. He queried if there is an arbitrary rule regarding stocking of the land (with livestock).

AR confirmed we can adjust stocking and it is flexible, so where it meets objectives, supplementary planting could be done if appropriate. The door is open for people to do this.

AR advised **GG** in the chat that "Hi Graham, we'll think about how we can help with a picture or diagram of 60% cover. We want to be as clear as possible on what is expected so everyone has the same understanding".

JW clarified that the query was over whether if someone had 100% cover, they could put cattle in and reduce this to 60%.

GG commented that certain scenarios would mean that biodiversity gain would be seen, and you can graze if afforesting.

SP confirmed that you would need to look at BPS guidance, but it would be up to the landowner.

SP then advised **GG** in the chat that "This guidance from Ops Note 42 is about CS but I imagine the same or similar will apply to EWCO: "There may be exceptional circumstances in which animals (including pigs, cattle and sheep) are permitted to graze for time limited periods in agreed areas of new or existing woodlands. This must be agreed in writing with the FC Woodland Officer and the FC National Office team. The applicant will need to be clear regarding the nature of the proposal, how it will benefit the woodland and how their actions comply with UKFS guidelines. The applicant will also need to consider in advance how their proposals may affect their BPS payments." Ops Note 42 is due to be updated for EWCO launch!" (for schemes that claim BPS, for others it is about the agreement outcomes being met).

JD queried in the chat "what needs are there for BPS compatibility?".

Pol responded to advise "same as for CS, WCF etc. - ON42 guidance will be updated to cover EWCO as well as the other schemes".

AR moved on to talk through responses to some more of the previous AFG feedback.

JD raised that it is not clear how the approach fits with FC's statutory duties, which clearly sets out FC's support for production of timber and timber products and queried how this could not be included.

AR confirmed that we are not saying that you cannot use schemes to produce timber, just that there is no specific support for that. Such schemes could still be eligible and could apply for standard and additional payments.

CA commented in the chat "Stunned...that we have no real carbon scheme to support timber production, 80% import figures forecast to rise to 95% if we don't plant and use more of our timber. We need to get real people about our timber needs".

CA raised that she had heard today that FC would be looking at a 20% cap on conifers.

JW confirmed there is not an explicit cap and **CA** requested this in writing.

JW went on to confirm that we will be monitoring what comes in as we are being scrutinised very closely. **CA** raised concern that this was very worrying for industry.

JW advised he was happy to have a discussion offline and **CA** agreed.

ND raised that public money should be for public goods and that there is a lot of interest in how the mechanisms to monitor the schemes will work and how they may be adjusted in future. There is a need to understand how it will work in practice.

PO mentioned that on a webinar last week Scottish Forestry discussed a small loan scheme they have to help landowners with upfront costs and queried if there is a reason that the UK government cannot do this if Scotland can. In the chat **PO** provided a link to the information - <https://forestry.gov.scot/support-regulations/forestry-grants/small-woodland-loan-scheme>.

AR confirmed he would need to investigate it as he had only heard about it yesterday however, as applicants must demonstrate additionality they cannot be paid in advance. Loans have not been planned for as part of our business case, but we could look at it.

JW confirmed we expect the grants will be enough rather than looking at advance finance. We would not wish to go there if it could be avoided.

DL raised that if landowners are trying to evaluate woodland creation as a new land use option, they will need all the facts. As the carbon market is developing so quickly it is hard to value and not knowing what will happen with ELM makes things difficult to evaluate. Therefore, he is keen to understand the assumptions used as it could be a stumbling block until more clarity is there.

AR confirmed we will share the notes and recording of **RA's** session to shed light on the methods used and confirmed we tried to make best use of the budget we have.

RA confirmed she is happy for the documents to be shared with the AFG and for any further queries to be sent to her. **RA** acknowledged that it was a difficult task and had to be based on our best guess but that the offer will be reviewed annually to make sure we deliver the outcomes we want to see. We will also keep an eye on the natural capital markets and make sure we are supporting those streams. Lots of modelling was done and she is happy to discuss the details. **RA** will be working closely with **LW** on case studies to show how the offer works against different land use changes and how it works with the options of using public and/or private finance. **RA** would welcome AFG input into the most valuable topics for these case studies.

JD advised in the chat that there are "quite a few landowners sitting on the fence at the moment waiting for ELMS".

Pol advised in the chat that "We are sharing our work with ELM folk working on payment rates".

JD thanked **RA** in the chat and advised "I wish I'd known there could be a transition from WCF to EWCO as I have been waiting since December 2020 to apply for this".

AR acknowledged that responses to any further feedback are being worked up.

JD asked if there is a date for launch and **AR** confirmed it will be very soon and should be out by the time the AFG meets again. **JW** reiterated this by confirming it is imminent.

JD confirmed it will need to be a few months before the planting season. **AR** confirmed it will be asap and we are down to the final points of detail.

NE asked if anything further can be leaked to membership to warm people up. **JW** confirmed that now we need to point to the launch of the England Tree Action Plan (ETAP) and what was said about EWCO being imminent as part of that and as soon as we can be more open, we will. The content on the gov.uk site in terms of EWCO is what can be used. **SP** shared the link in the chat - <https://www.gov.uk/guidance/england-woodland-creation-offer> and **PO** confirmed in the chat that "the Nature Moment info is in the public domain".

England Trees Action Plan

MF ran through the slides.

NE asked about timescales for deer and squirrel strategies.

CA queried in the chat if there will be an implementation plan.

MF responded that we are working on implementation planning now and are aware these are critical to delivering our overall objectives. They will be brought forward over

the next year and a key part will be consulting with stakeholders to make a difference as quickly as we can.

GG advised that he found the ETAP not an easy read, rather wordy and vague. The initial impression is that it feels unfinished. He queried if there will be an interpretation issued to make it more accessible.

MF confirmed it is the framework in which we work. Every line has a long commitment and a huge amount of work that sits under it. It is now about how we articulate the implementation plan and put meat on the bones. Breaking it down will give the opportunity to be more concrete.

GG queried how it will work for tenant farmers. **MF** advised that it should be taken as a policy commitment from government but a lot of the detail as to what this looks like is still to be worked through.

JO raised the need to unlock private finance and investment into skills, training and rural employment. There needs to be a commitment that with the supplements, conifer planting will not be disadvantaged, as it can meet a lot of the objectives. He made a plea to make sure the right schemes are taken forward to achieve these objectives.

JW confirmed that well-designed woodlands whether broadleaf, conifer or a mix can be supported by EWCO. The level of additional contributions a scheme may receive is based on the public benefits it will deliver.

ND raised that it feels like a milestone rather than the start or end. There are a lot of pledges and lots of ongoing discussion will need to take place. What is the mechanism for these discussions, will it be via the AFG or a mix of approaches?

MF confirmed we are looking with Defra at the stakeholder group to steer this. Different parts will be relevant to different groups. There will be an overarching group of stakeholders and a commitment on coming to smaller groups or the AFG to drill down into specifics.

ND advised advance notice is valuable if it can be given.

CA welcomed the content and advised that industry is set to work with you but reiterated that there is a need to deliver productive softwood as well as hardwood.

NE advised in the chat that "Suggest there is a need for a review of both governance and engagement."

AOB

JW advised that Hannah Dawson will present at the next meeting on the topic of tree health and asked if anyone had any questions or comments on the paper that had been distributed. There were no comments. **JW** requested that questions be sent in ahead of the next meeting if there were any.

JD commented in the chat that "Poor support for ash dieback being offered in the Tree Health Pilot - very disappointed".

Pol advised in the chat that at the next meeting there will be an ELM update as well.

JW advised we are proposing a break in August and a further meeting in September. He requested thoughts as to whether we should move back to physical meetings, potentially later in September and requested thoughts be submitted by email. It will probably be held in Birmingham as a central location if there is sufficient interest. It will run 10-3 as a more substantive meeting.

Responses to this in the chat as follows:

PO "yes - the odd physical meeting would be great".

JD "Sept may not be good for me if the RFS Finland tour goes ahead. Be good to meet though".

GG "It would be nice to start meeting in person again".

CA "Easy either way".