

Ref: FCDAG 10/2023

DAG Minutes: 12/10/2023**Location:** The Priory Rooms, Birmingham/ teleconference**Chair:** Joe Watts**Secretary:** Sarah Lawson**Attendees****DAG Members:**Graham Garratt (ICF) **GG**Poppy Sherborne (NFU) **PS**Richard Hunter (Confor) **RH**Ian Froggatt (Woodland Trust) **IF**Neville Elstone (ICF) **NE**Adrian Jowitt (Natural England) **AJ**David Lewis (RICS) **DL**Cheryl Lundberg (RFS) **CL**Online: Neil Douglas (RSPB) **ND**, Jackie Dunne (Confor) **JD**, Claire Douglas (RPA) **CD**Clive Thomas (Soil Association) **CT**, James Russell (Community Forests) **JR**, GrahamClark (CLA) **GC**, John Blessington (Local Gov) **JB**, Katherine Hawkins (Wildlife Trust) **KH****FC/Defra:**Joe Watts (FC) **JW**Penny Oliver (FC) **PO**Sarah Lawson (FC) **SL**Heather Gibbard (FC) **HG**Fjolla Morina (FC) **FM**Annie Weddle (FC) **AW**Gregory Valatin (Forest Research) **GV**Richard Bridge (Defra) **RB**George Butcher (Defra) **GB**Jim O'Neill (FC) **JO**Ellie Littlejohn (FC) **EL**Online: Richard Pannell (FC) **RP**, Chris Tomlin (FC) **CTo**, Rory Lunny (Defra) **RL**, JoannaThorne (Defra) **JT**, Zeke Marshall (Forest Research) **ZM****Apologies:**

Keith Jones (FC)

Steve Scott (FC)

Julian Ohlsen (SW AFG)

Hugh Loxton (Defra)

Anna Brown (FC)

Barnaby Coupe (Wildlife Trust)

John Bruce (Confor)

Nick Phillips (Woodland Trust)

Paul Orsi (Sylva)

Brian Fraser (HTA)

Simon James (Small Woods)

DAG Minutes

Welcome

JW opened the session and welcomed all.

EWCO & WCPG Update

AW presented the slides.

GG commented that with CS a frustration is that with large schemes you can only generate one claim at a time and querying whether new grant system will allow applicants to generate multiple claims. Also querying whether there will be an online portal to submit evidence for claims. Also will WD1 be subject to any further review in terms of longevity of payments, annual claims etc.

AW advised that the grant management system is initially internal system and claims are still done in same way. Also confirmed you can have multiple claims for EWCO. Also confirmed we don't ask for evidence for every claim but have the right to request it and is done over email.

PO confirmed the same extension to 15 years will happen with WD1.

AJ queried regarding EIA opinion with WCPG approval and advised that this might not sit well with those needing S28 advice as they can only be worked up on final proposals.

EL confirmed that it is on final proposal but whole process of WCPG is there to flush out any issues early on, so at the end we'll have a good idea of whether it's the right trees in the right place. We'd hope that the planning grant applicants are taking that proposal into EWCO and not amending the scheme. Appreciate that it's not always possible but we would look for them to be the same so it is a quick efficient process.

PS asked in terms of the decision about environmental equivalents, is there criteria that can be shared to assist with the transfer process.

PO advised that Defra have a project looking at this more generally in terms of scheme transitions. There are not currently any external comms so it's case by case at the moment but there will be wider guidance and a wider process.

DL commented it would be helpful for landowners/advisors if there were examples of completed templates to provide guidance on expected level of detail required. Also raised that there are no grants for anything under a hectare with the opportunities for

smaller scale planting and feels this would be welcome, appreciate it needs to be balanced with administrative costs.

AW noted the comment regarding the template and advised she would take this away. Planning grant for smaller scale planting has been discussed previously. Potentially will be within CS within the SFI but need to confirm if planning can be supported in that.

EL commented that it would be something they were supportive of from a regulations point of view because the scheme size doesn't matter; the level of due diligence should still be completed.

ND commented regarding the Green Channel approach and asked if this would mean reverting to the WCPG checklist rather than using Peat & Wader guidance. Also, will this be for any size project in those low risk or potentially medium risk areas as there may be concerns if it's within proximity to e.g. RSPB nature reserve. Also commented that the 10 to 15 year increase on the maintenance payments was welcome.

AW advised scale would be a consideration in the application of the green channel in low and medium sensitivity areas but we are still exploring how we are going to be doing this which might involve piloting. We need to find ways to speed up the process and give land managers confidence but it is not the intention to ditch the guidance and unless we already know the land, the expectation is that we will still make a site visit to confirm a scheme can go down the 'green channel'.

EL also commented that although spatial data is key to informing what can go through that green channel, nothing replaces that onsite survey.

GC questioned the transfer from CS to EWCO and asked if that relates to Woodland Creation because can't do woodland creation through stewardship now and it is woodland management activities.

PO advised that it is mainly mid-tier who want to put land into EWCO.

KH asked if there is a timeline for transition from EWCO to ELM and how EWCO then sits alongside the updated CS2 offer.

JW advised the intention is that EWCO will transition into ELM but currently don't have a timescale. The key criteria is that there is a continuity of offer.

JR queried the WCPG changes and the reference to aligning with EWCO. As EWCO isn't the only delivery route as there is private finance and other government backed branch

offers so looking for confirmation that none of the changes will restrict the use of planning grant for other delivery options.

JW advised that the WCPG is a universal support and we are trying to align it so that ideas can be dropped into EWCO as simply as possible but still working with the idea that it's a universal support so it can be used for other planting grants not just EWCO.

JD offered thanks for recent work and the capital grant extensions and the WD1 extension. However flagged that currently WD2 offer is not on a par with other agricultural offers. Also commented that EWCO contract is awful and not at all easy for clients to use.

JW advised comments regarding WD2 will be picked up by **PO** later.

AW advised that the feedback regarding the contract was useful and will be taken away.

JO advised that this is something that they are looking at in the agroforestry section and they are taking the forest development type approach on how to manage agroforestry and might be something that could be translated in some form into output of more user friendly version.

GG asked for clarity on how the system will work and what are the aspirations for the applicant interface.

AW confirmed that it is still an internal FC system.

JW confirmed development internally initially but hoping customers will see the benefits. Would like an external online portal but this is an aspiration. Whether this is achieved through GMS or a later system is unknown at present.

Wader & Peat Guidance and Update on Woodland Condition Assessment (WCA)

CTo presented slides.

JO asked if there was a difference with scrub and woodland.

NE asked if scrub planting and wood pasture applies the same way on the map.

CTo responded that it is a point that has been raised by NE and FC teams. There is an outstanding action to meet with NE and look at upcoming scrub planting proposals and look at potential impact on wader populations.

GG asked if there is a definition of scrub when you are looking at composition and structure and state of management as feels as if it's being described as an homogenous state.

CTo commented that not intending to describe it as a homogenous state. Sees it as a transition towards woodland if left unmanaged.

JR commented that it is an important discussion. Many species being planted as part of scrub creation but are trees by FC definition. We're working to different standards and needs to be addressed so that as a sector we ensure consistency.

JO commented that there are unintended consequences to this – positive and negative. There are thousands of hectares of scrub created which is inadvertently opening the doors to more woodland creation in places where perhaps there shouldn't have been scrub.

JD echoed the above comments and advised that it has been a problem that the two Defra delivery organisations are working to different standards and it makes it difficult for land agents and owners to navigate.

CTo presented slides on Peat Guidance

JD questioned how will the Forest to Bog tool be used

CTo advised that currently it's being used in felling licences. It's not mandatory – it's advisory and gives an indication regarding areas that are not suitable for replanting and where it should go back to into a peatland. Need the funding to catch up with technology to offer it as an option to landowners and to be able to look at other income streams that can be used.

CTo presented slides on WCA

NE wanted to make sure that the App links into the training packages that Cumbria woodland have developed with the Woodland Trust especially on woodland condition and woodland management.

ACTION: CTo advised that he will contact **NE** regarding the training as it sounds interesting and keen to link up.

GG commented that as an initial response as a forester would be to want to know that it is going to be a good return on my time. How does it relate to the woodland

management plan that has taken months to produce. It would want to know it's in a context where time is going to be rewarded and not just a bureaucratic burden.

CTo responded that regarding the issue of the accessibility and being a burden to use, if that's the case then project has failed as the aim is to make it a more simple and streamlined process. It's not intended as bureaucratic burden but as something to support practitioners.

CT commented regarding the Woodlands Into Management Innovation Funding that has a project called Whole Farm Trees Plan in partnership with Sylva Foundation. One of the things being done is thinking about Woodland condition and will be running 30 pilots in England so may be an opportunity to pilot the tool in partnership with this.

ACTION: CTo commented that sounds interesting and will contact regarding this.

JD advised that there are concerns over this because assessing woodland condition is done as a matter of course but not based on one aspect. Concerns that this is coming at it from one angle and concerns over how it might impact the whole of management planning and how its going to influence silviculture.

CTo advised that not intended to replace woodland management planning but to support it. It's going to be a requirement in CS that woodland condition assessment is carried out and it will be able to deliver BNG aspects and in a more accessible way. Not intended to replace silvicultural practice but to support it.

ND asked around the plans for it to be linked to the Woodland Wildlife toolkit.

CTo confirmed that it will be linked into the Woodland Wildlife toolkit. Where areas are scoring moderate or poor it will link across the toolkit and look at potential solutions.

Update on Consultation Reform

EL presented slides.

GG asked from competence and quality assurance point of view if someone has a conflict resolution role, will there be training for FWAC members and will all members be expected to participate or will it be voluntary?

EL advised that if changes do result in more disputes then additional training will be required but as it's slightly different topic to consultation reform and would rather return to the group and discuss in more depth.

RB commented that in terms of EWCO the customer experience is not always well regarded and there are slight concerns in terms of the phraseology in terms of pushing back. For smaller sites the opportunity cost already for applicants is quite significant and therefore need to think about support offered and the pushback as applicants have commented that they find the regulatory stage difficult.

EL commented that it's important to remember that what we are doing around consultation is nothing new. We are introducing optionality and asking people to evidence their research when preparing their proposals. In some areas of the country there have been longstanding issues where some proposals aren't to standard and a lot of time has been invested to get them to that stage (as we really do want the applications), however we need find a balance between being supportive and managing our staff resource to process the applications. For those struggling we would encourage them to get an agent to assist with their proposal. We need to do a better job of saying what we need from people.

RB commented that if there is a small site the opportunity cost for somebody is pretty limiting.

JW commented that we must be proportionate in expectations from applicants depending on their site and scale of what they are asking for.

CL asked about whether there is any existing or likely to be any pre-engagement with county archaeologists to help reach a better understanding of the regulations and to know where the filtering point is where something is likely to be rejected. Also commented that it may be beneficial to collate a register of regular dispute/conflict topics. This would be helpful as a network to share this and would be useful for learning the outcomes as well.

EL confirmed that in terms of setting out key parameters we have been engaging and updates have been communicated through the process.

AJ commented that the template letters for consultation stuff but NE haven't seen them yet.

EL confirmed that they are still in progress but will be contact in due course.

JD commented that we're trying to get people to apply for woodland creation and undertake management planning but the word that causes issues is reject. The change with consultation is welcomed and the trajectory, but need to be careful with reject and how it is delivered.

JW confirmed that we need to think about the word reject and how we are positive in our pushback.

GC commented that it is important to have clear guidance for applicants to make expectations clear. The rejection thing could send a wrong message so need to be careful. Asked if there were aspirations to have targets on turn around times on applications.

EL commented that the changes will hopefully allow the applications to be processed more promptly but obviously there are many other things involved processing a grant application beyond consultation.

RB confirmed that this being looked at in terms of a customer standard and expectations around processing times.

JB commented that over time schemes have generally got better and welcome better guidance. However, need to remember that there is public money involved and need to have a direct way of consulting with local communities. The Public Register is ineffective. The local communities are the people who live with the schemes and if don't consult directly with local community that's a huge democratic deficit. Would rather go back to local rather than just professional.

EL commented that she totally agrees and local consultation is very important and isn't being removed. Agreed that Public Register needs to be improved when resource and money allows. We could be getting more useful information on there but to confirm public consultation is important and will do that through the Public Register.

ND asked if the project size is a consideration or are any and all projects potentially contacting for advice.

EL responded that consultation procedures are the same for all proposals, regardless of size.

IF asked if the reform gives more onus to the professional judgement of the Forestry Commission.

EL confirmed that this would be case. Expecting Woodland Officers to utilise the in-house resource and for them to make those decisions.

Feedback regarding the Cashflow prototype app

GV presented slides.

DL commented that it is an important and timely project but it's also extremely difficult to pull off and fears there's a risk of being too simplistic and will be hard to find balance between being simple enough for landowners but sophisticated enough to get something meaningful. There are so many variables such as the site and economic factors that affect establishment costs and harvesting costs. Trying to compare agricultural and forestry income is extremely difficult. Referred to couple of studies including the RICS professional standards guidance note on the valuation of woodlands including planting land and study by Cumulus Consultants.

CT provided links: <https://www.soilassociation.org/media/24798/woodland-and-trees-in-farmed-landscapes-report.pdf>
<https://www.soilassociation.org/causes-campaigns/a-ten-year-transition-to-agroecology/evidence-hub-agroecological-farming-land-use/>

GG asked who is it for? Is it for landowners? Asked if spoken to accountants and rural surveyors to understand how they value things such as the way the land is taxed. Where does land depreciation which is a capital consideration sit within cashflow. Feel confused about what it is trying to achieve and how it works.

RH doesn't feel it is for large scale schemes but for the smaller scale and worry that it is too basic that people aren't going to get an answer. The timescales of planting now and looking at revenue in 30-40 years time isn't realistic. People are planting for reasons other than end value and need to be looking at other things like BNG.

GV responded that there is a question about whether BNG will become part of the app and may be incorporated at some point.

NE commented that he has concerns over giving financial advice and looking at financial conduct authorities stuff and seeing how close we get to that.

JW commented that this started from agents asking for some indication of cash flow to give some indication to clients of what they might expect. So this was in response to a request to have this financial part.

JD echoed comments regarding who is it aimed at. Think there is a gap in forestry for providing more examples and case studies that influence people. Most people that want to do woodland creation are looking at the cash flow in terms of managing budgets.

ND asked if the app had already been circulated and also asked about the invite to participate in a workshop and in terms of the Financial Conduct Authority maybe a consideration to approach them separately.

GV commented that the App can't be seen yet and not able to share but will be looking to find people who would be interested in testing it once we are at the right stage but this won't be until at least next year.

CT commented that he shared similar concerns and observations that have already been shared particularly about the micro approach, so in terms of the idea that it may be able to support at an individual level that needs to be much more integrated with what else is going on at the estate/farm. Those interactions between different enterprises will generate value. Also there is something in terms of the macro level in terms of the bigger picture and looking at woodlands positively in the farm landscape. Do have concerns about who the audience is.

RB commented that his understanding is that it is aimed at the inexperienced landowner with smaller plots. It's not being put out for the larger landowners who will pay for that expertise. Then need to look at what is the motivation which is rarely primarily financial, but it is a consideration and in which case you are providing a bit of a steer. It would seem better to have a more simple input rather than making it more complex which steers it towards those larger investors.

FM confirmed that the idea was to give people that sense of what the costs are and to provide some transparency around this. Also trying to bring together all the layers they can get through EWCO which currently can be accessed through some private companies. So we are trying to democratise the access to this information and provide people with some idea so they can then investigate further.

DL commented that he fully supports that particularly for smaller schemes landowners need help and support where they can't justify the costs of paying for advice, however it may be more beneficial to have several case studies that properly show the financial implications as well as other benefits rather than an app based on too many assumptions.

GV responded land values isn't part of the app at the moment neither are the other opportunity costs apart from those from agriculture and existing farm income.

In terms of the audience, we were focusing on those who aren't sure what woodlands can provide and don't have the experience and we would be looking to provide some useful information for decision making, not to provide forecasts of financial income but to emphasize that there are different elements that are important to consider. There are defaults that are assumed as a scenarios tool not a forecasting tool. The defaults can be changed by the user depending on what they want to assume in terms of underlying costs and prices in the future.

Very happy to have links and case studies that would be useful to explore. The difference between the impact on the land where you create woodland as opposed to the wider area is an important one.

FM confirmed that they are working on case studies and two have been published. We are working on more looking at different types, sizes of woodland.

<https://www.gov.uk/government/publications/woodland-creation-financial-case-study-10-hectare-site>

<https://www.gov.uk/government/publications/woodland-creation-financial-case-study-100-hectare-site>

JW commented that if anyone around the group is willing to help test the app or have any further ideas or suggestions please get in touch.

ELM Update

PO and **RP** presented slides.

NE commented that it is a big miss that nobody from agriculture transition in Defra is at the meeting. Also queried that the only ecosystem service payment with potential for this is PAWS. Currently failing in the percentages getting into management. Unless we look at this, EWCO isn't going to work. Also in terms of water, wildfire question whether they need to be separate rather than just all part of a woodland management plan.

PO commented that there has been a lot of discussion about different plans and the challenge is: do we want to have loads of plans or, consider how much could a woodland management plan cover.

JD echoes what **NE** said and feels unaware of what is coming down the road for woodland management planning. As an agent want to submit an application that is right and to reduce the toing and froing but this has increased. Also behind this you don't share your value for money calculations. The other question is who are you wanting to apply for this? Are you wanting whole holding schemes for all woodlands? If we produce UKFS standard plans there should be an option for support for the whole plan. I don't know if we are going to 10-year CS ELM schemes and if so we need 20 year plans. Also I would like to know where things sit with timber production as this is still missing.

PO commented regarding timber production as it seems a bit tricky to fit into the grant aid support area but some of the silvicultural transformation, species mix and infrastructure stuff helps support that.

KH queried the resilience element of WD2 offer and asked why it is optional as opposed to core and non-optional.

PO commented that those that are coming into WD2 are those that are already engaged and we want to have an option that will engage people that we aren't already talking to. With the resilience supplements it is the plan that we have something to support people that want to undertake a longer-term silvicultural transformation.

CT commented that he agreed with the idea that we need a whole farm approach rather than it just being a menu and losing that bigger picture and getting lost in the complexity. It may be that this is planned in the background but it's not made visible.

GG commented following **JD**'s comments that wouldn't want whole holding applications to be the default and there would need to be flexibility.

CL commented that infrastructure is one thing that may crop up in the capital grants but that at the moment it's way too low which is a barrier to managing small farm woodlands. Also building the wildlife and other plans into the woodland management plan would be a more holistic approach and would be preferable to creating a number of separate plans.

PO advised regarding the rate for infrastructure and 40% intervention that we are looking at whether we can change the intervention rate. In terms of whole holding plans, this is something that has been talked about on and off but it's not the current direction of travel.

PS asked about the process and how this would be integrated into the wider SFI CS options and built into the same system.

PO commented that the process is the bit we know less about at the moment. We've done a lot of work on the content and we are now working with colleagues in Defra and RPA on the process side, but the vision will be that it will be through the same portal.

IF commented about some of the capital items for wildfire and how you assess the appropriateness of some of the actions at the point of getting a CS application.

PO responded woodland management plans are being looked at through a separate project. It is a starting point but we are looking at how we get better connected with the management plans into what is currently Higher Tier applications. Although it looks a bit bitty but we have tried to create a more pick and mix approach so that people can build

the agreement to be relevant to their woodland. We are on a journey to improve it following feedback and this is our next stage.

ACTION: CT to talk to group regarding the Whole farm level plans project which went live 1st October and explain rationale at next meeting and then bring back emerging results.

JO presented slides on Agroforestry plan.

GG asked for some clarity regarding the first page in terms of do you mean landowner/applicant/occupier and do you need SBI name?

AJ asked overarching question regarding what we are trying to achieve. There is a lot of work going on about the motivations and how it fits into landowners' wider business but questioned whether we are making it complicated when all we really want is to have the trees in the landscape.

JO keen to demonstrate how it's useful for us and for the landowner. Need to make it attractive and grab their attention and we get the benefit if they do the scheme.

GB commented that they are keen to be flexible. The agroforestry plan is not mandatory; however we will offer money for it. We are targeting those that have heard about agroforestry and may like the idea of going through the plan and looking at the questions they should be thinking about.

JD queried that wood pasture and parkland are lumped together as there are differences and how can this be managed. Also raised that a problem that has been encountered is that the trees and woodland sit within the estate not the farm and not the tenant farm.

JO agreed that the wood pasture and parkland point is valid and should be separated. In terms of woods on estates one of things we are looking at is how we look at land values, tax, land use codes. When applying to do agroforestry it changes the land use code but it is still an agricultural practice so you are not changing the land use. There is a commitment to look at applications up to 400ha as being a non-permanent land use change in the hope that this will result in more people wanting to apply.

CT agreed that need to explore the interface between what you need and what the farmer needs. Also asked who else is the plan being tested with because it may be worth contacting some emerging professionals that have done some agroforestry designs.

DL advised looking at the form it might be worth clearly defining what agroforestry is. Also it would be useful to have some clarification on what might be subject to felling regulations.

ND asked about the EIA thresholds and whether they are new thresholds.

JO confirmed that they are not new thresholds.

RB queried with the idea that for more complex ones you need more information and less for simpler ones and whether that will be clear in the process when completing it. Also echo **CT**'s comments regarding conducting user research.

JO confirmed that if you have a simpler plan the non-applicable parts would be greyed out so it is suitable for applicant. In terms of looking at how the felling licences applies to this, looking at issuing certificate when you take out agroforestry scheme which will need to be produced when you fell the trees and if you can't it will be treated as normal woodland, which will put the onus back on the owner. This is subject to policy approval.

GB advised they are keen to make it clear what the regulations are. The guidance document will cover a lot of this.

ND asked whether the intention is to use this alongside the woodland carbon code.

JO advised there have been questions around how we can include this in carbon calculations when it's non-permanent and it's a tough question but we feel strongly that we will get more agroforestry than if we made it permanent.

JD commented that regarding felling licences for covering field trees and hedgerow trees has been difficult to navigate and feel we need to look at a simpler solution because the number of letters and inspections have increased in the last few years.

JO requested that any further feedback is sent to him.

AOB

JD from chat: Future topics for agenda: FLA use of variance for species change, FLA inspection planning

JW advised the group that the next meeting is 23rd November. Also the proposed dates for the 2024 meetings have been sent out and unless there are any issues these invites will be sent out in due course.

Meeting ended 15:00