

**POLICY REVIEW OF WOODLAND CREATION IN ENGLAND UNDER
THE WOODLAND GRANT SCHEME
AND
THE FARM WOODLAND PREMIUM SCHEME**

CONSULTATION DOCUMENT

May 2002

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FOREWORD

Increasing woodland cover is one of the priorities identified in the England Forestry Strategy which was published in 1998. Among the mechanisms for achieving this increase are the Government's Woodland Grant Scheme and Farm Woodland Premium Scheme. These schemes pre-date the England Forestry Strategy by a number of years, the Woodland Grant Scheme having been launched in 1989 and the Farm Woodland Premium Scheme in 1992. The woodland creation aspects of the schemes were, however, last considered in the mid 1990s.

The time is now ripe for their review in the light not only of the England Forestry Strategy, but also of other developments that have taken place. Of particular importance and relevance are the establishment of the England Rural Development Programme in 2000 and, most recently, the publication of the Report of the Policy Commission on the Future of Farming and Food (chaired by Sir Donald Curry) which are charting a new direction for land management support away from production incentives towards a broader system of support for rural development measures and other payments in return for clear public benefits.

England has 8.4% woodland cover, compared with 16.9% in Scotland and 13.9% in Wales. Woodland creation is of interest to all of us, not just to farmers and other land owners or wood users but to everyone who benefits from the beauty and diversity that woodlands contribute to the environment and the many other public benefits they can offer – from recreation to renewable building materials and fuel. Therefore, as Chairman of the Review Steering Group, I very much hope that as many of you as possible will let us have your views on any or all of the issues raised in this consultation document.

ANTHONY BOSANQUET
Chairman of the Review Steering Group

REVIEW STEERING GROUP TERMS OF REFERENCE

“To review the objectives and operation of woodland creation grants in England under the Woodland Grant Scheme and the Farm Woodland Premium Scheme, particularly in the context of the England Forestry Strategy, UK Biodiversity and Habitat Action Plans, the Rural Development Regulation (Council Regulation (EC) No. 1257/1999) and the Structural Funds Regulation (Council Regulation (EC) No. 1260/1999), and to make recommendations to the Forestry Commission and the Department for Environment, Food and Rural Affairs by November 2002.”

PART 1 - OVERVIEW

1.1 This consultation seeks your views on the effectiveness and possible future direction of Government incentives¹ for woodland creation in England. The Woodland Grant Scheme (WGS), which is administered by the Forestry Commission (FC), provides grants for the establishment of woodlands². Where the woodland concerned is being established on agricultural land, WGS participants can also apply to join the Farm Woodland Premium Scheme (FWPS), which is administered by the Department for Environment, Food and Rural Affairs (DEFRA) and which provides annual payments to compensate for agricultural income foregone as a result of converting such land to woodland. Participants can join the WGS only or both the WGS and the FWPS (it is not possible to join the FWPS alone). There is thus a close relationship between the two schemes and it makes sense to review them together.

1.2 The consultation is aimed at anyone with an interest in **woodland creation in England** (responsibility for woodland creation in Scotland and Wales rests with the devolved administrations). For some people, this may be because they have themselves recently established, or hope in the future to establish, new woodland. For others, it may simply be that they enjoy the wider public benefits of increased woodland cover or that their businesses rely on woodlands or woodland products.

1.3 The document invites you to reply to a wide range of questions which, for convenience, have been broken down into two sections :

Section A : Policy Issues

This section looks at the wider context in which the present and any future government support for woodland creation must be seen. It includes the rationale and philosophy of providing grants to encourage woodland creation, the aims and objectives of the woodland creation grant schemes, targeting, the potential for regionalisation, the availability of advice, partnership projects and extension services and the relationship between the WGS/FWPS and other government schemes and incentives.

Section B : Operational and Administrative Issues Associated with WGS/FWPS

This section examines the continued validity of payment arrangements, scheme rules and administration arrangements and invites suggestions as to how they might be improved. The questions asked are made without prejudice to any decisions on the future of the existing schemes which may be taken in the light of wider policy issues such as those identified in Section A.

1.4 The initial stages of the review are being managed by a Steering Group whose members are listed at Annex 1. The responses to this consultation will be used by the Steering Group to inform their recommendations to DEFRA and the FC later this year. In the light of these, and other relevant considerations, DEFRA and the FC will consider what

¹ The Woodland Grant Scheme (WGS) and the Farm Woodland Premium Scheme (FWPS).

² There are also WGS grants available for the management of existing woodlands but this aspect of the WGS is currently the subject of a separate review being conducted by the FC. See FC Website at www.forestry.gov.uk/website/Oldsite.nsf/ByUnique/HCOU-4Z6K5N

changes to the woodland creation provisions in the WGS/FWPS are required. Detailed changes are likely to require further consultation, and the submission of a proposal to modify the England Rural Development Programme (ERDP) for approval by the European Commission. ERDP modifications can only be submitted once a year, and may take several months before they are approved. Therefore we would anticipate that any substantive changes resulting from this review would not be introduced until 2004.

PART 2 - INTRODUCTION

General Background

2.1 The Government's England Forestry Strategy (EFS)³ highlighted the wide range of environmental, economic and social benefits that can result from properly designed and maintained woodlands. This Government document indicated that the WGS would continue to be developed with resources targeted to meet national priorities and to reflect regional and local objectives. The key target areas at the England-wide level for woodland creation identified by the EFS are :

- the creation of larger woodlands, where they can bring greater benefits
- the creation of woodlands in the urban fringe
- the restoration of former industrial land
- reversing the fragmentation of ancient woodland.

The introduction of the discretionary approach to WGS involving a scoring system, introduced in 2000, was a deliberate step in this process. There is likely to be further movement aimed at giving regional interpretation to the EFS and this could result in increased discretion in the use and targeting of all woodland planting and maintenance grants.

2.2 The FC's "National Inventory of Woodland and Trees – England"⁴ found that the total area of woodland in England was 1,096,885 hectares or 8.4% of the total land area. While an increase on the little more than 7% woodland cover found in the FC's 1980 Woodland Census, this is still low when compared with the EU average of some 31%.

The Current Schemes

2.3 Current incentives for woodland creation include the FC's WGS and DEFRA's FWPS.

2.4 Since 1991 the aims of the WGS have been to :

- encourage people to create new woodlands and forests to increase the production of wood, improve the landscape, provide new habitats for wildlife and offer opportunities for recreation and sport;
- encourage good management of forests and woodlands, including their well timed regeneration, particularly looking after the needs of ancient and semi-natural woodlands;

³ "England Forestry Strategy : A New Focus for England's Woodlands" (Forestry Commission, December 1998) See FC Website at www.forestry.gov.uk/website/Oldsite.nsf/ByUnique/HCOU-4UCF8J

⁴ "National Inventory of Woodland and Trees – England" (2001, ISBN 0 85538 541 3). See FC Website at www.forestry.gov.uk/hcou-54pg9u

- provide jobs and improve the economy of rural areas and other areas with few other sources of economic activity; and
- provide a use for land instead of agriculture.

The WGS provides grants for establishment of new woodland on both agricultural⁵ and non-agricultural⁶ land which are payable in two instalments - 70% when planting is finished and 30% after 5 years.

2.5 Since 1997 the objective of the FWPS has been to :

- enhance the environment through the planting of farm woodlands, in particular to improve the landscape, provide new habitats and increase biodiversity. In doing this, land managers should be encouraged to realise the productive potential of woodland as a sustainable land use.

The FWPS provides annual payments for up to 15 years in order to compensate for loss of agricultural income as a result of converting agricultural land to woodland. FWPS payments are additional to the woodland establishment grants available under the WGS and entry into the FWPS is conditional upon the land concerned being converted to woodlands under the WGS. There is a joint application procedure for the two schemes.

2.6 The WGS and the FWPS are supporting a steady increase in woodland area in England. For example, in the last three years 1999/00 to 2001/02 14,987 hectares of new woodland (88% broadleaved and 12% coniferous) has been created in England with WGS assistance. Of this, 9,332 hectares (86% broadleaved and 14% coniferous) was also supported by the FWPS. During the same three year period, the average area of new planting for schemes benefiting from both WGS/FWPS has been some 3.8 hectares, while the average area of new planting for schemes benefiting from WGS only has been around 3.3 hectares.

2.7 The ERDP provides for total expenditure of £139 million on the WGS (including both woodland creation and the maintenance of existing woodlands) and £77 million on the FWPS during the 7 year period 2000 to 2006⁷. The aim is that over the same period 30,000 hectares of new woodland should be created with WGS aid, of which 21,000 hectares should also benefit under the FWPS.

Reasons for Holding Review Now

2.8 The woodland creation aspects of the WGS were last reviewed in 1994 and those of the FWPS in 1996. We are undertaking a further review now because much has happened since then, including the :

⁵ On agricultural land under Article 31 of Council Regulation (EC) No 1257/1999 and the England Rural Development Programme (ERDP)

⁶ On non-agricultural land under Article 30 of Council Regulation (EC) No 1257/1999 and the ERDP (outside Objective 1 areas); and for Objective 1 areas under Council Regulation (EC) No 1260/1999 and the Special Programming Documents (SPDs) for Cornwall/Isles of Scilly, Merseyside and South Yorkshire

⁷ These sums cover both new and on-going commitments under the two schemes.

- publication of the EFS in 1998 with its 4 key programmes of Forestry for Rural Development; Forestry for Economic Regeneration; Forestry for Recreation, Access and Tourism; and Forestry for the Environment and Conservation
- publication of the Urban White Paper⁸ in 2000
- publication of the Rural White Paper⁹ in 2000
- establishment of the ERDP¹⁰ in 2000 (of which both the WGS and the FWPS now form part)
- creation of DEFRA in 2001
- report of the Policy Commission on the Future of Farming and Food¹¹ in 2002.

These, and other developments, provide an ideal opportunity now for a further review of these two schemes. Also, holding the review now will enable its findings to feed into the Government's mid-term evaluation of the ERDP which has to be completed by December 2003.

2.9 As an additional strand in the review process, DEFRA and the FC have commissioned an economic, social and environmental evaluation of both schemes from a consortium led by independent consultants. The report of this evaluation is expected to be published shortly and will be placed on DEFRA's website at <http://www.defra.gov.uk/esg/economics/econeval/>.

2.10 Throughout this review, close contact will be maintained with those responsible for carrying out other, related, reviews, in particular the review of FC support for sustainable woodland management and the review of agri-environment schemes in England and also those responsible for policy on biodiversity, renewable energy, climate change and other relevant policy areas. Account will also be taken of the Government exercise to develop a Strategy for Sustainable Food and Farming.

⁸ "Our Towns and Cities : The Future Delivering an Urban Renaissance" – www.regeneration.dtlr.gov.uk/policies/ourtowns/cm4911/index.htm

⁹ "Our Countryside : The Future A Fair Deal for Rural England" – see www.defra.gov.uk/wildlife-countryside/ruralwp/index.htm

¹⁰ England Rural Development Programme 2000-2006 (PB5298). See DEFRA Website at www.defra.gov.uk

¹¹ www.cabinet-office.gov.uk/farming/index/CommissionReport.htm

PART 3 – HOW TO RESPOND

3.1 Part 4 of this consultation document sets out the issues on which we would welcome your views. There is no need for you to answer every question, but please raise any additional issues which you believe are relevant to the review.

3.2 If you are responding on behalf of a representative organisation, please state which people and/or organisations you represent. If your response is being given from a regional perspective, please tell us which region (see start of Part 4).

3.3 To facilitate analysis of responses, please ensure that your comments indicate clearly the numbered question to which they relate.

Deadline for replies

3.4 Replies should be sent by **Wednesday 7 August 2002** by either post, fax or e-mail (please use only one of these options) to the following address :

Nia Jones
Organics, Forestry & Industrial Crops Division
Department for Environment, Food and Rural Affairs
Area 5B, Ergon House, c/o Nobel House
17 Smith Square
London SW1P 3JR

Fax : 020 7238 6166

e-mail : woodlandcreationreview@defra.gsi.gov.uk

All replies will be acknowledged.

Queries

3.5. If you have any queries about the content of the consultation paper, please contact Nia Jones at the above address (tel : 020 7238 5559)

3.6. The consultation document is being sent to the organisations and individuals listed at the end of this document. It is also being made available on DEFRA's website at <http://www.defra.gov.uk> and on the England page of the Forestry Commission's website at <http://www.forestry.gov.uk> .

Publication of Replies

3.7 In line with DEFRA's and the FC's policy on openness, at the end of the consultation period, copies of responses received will be made publicly available through the main DEFRA library at 3 Whitehall Place, London SW1A 2HH. **We will assume that your response can be made available unless you indicate clearly that you wish all or part of it to be excluded from this arrangement.** The library will supply copies on request to personal callers or in response to telephone requests (tel : 08459 335577). Wherever possible, personal callers should give the library at least 24 hour notice of their requirements. An administrative charge will be made to cover photocopying and postage costs.

Code of Practice on Written Consultation

3.8 This consultation document has been produced in accordance with the Cabinet Office Code of Practice on Written Consultation¹². A summary of the criteria set out in the Code is at Annex 2.

Complaints

3.9 If you have any comments or complaints about this consultation process, other than comments on the consultation document itself, you may wish to take these up with DEFRA's consultation co-ordinator. He can be contacted as follows :

Grant Scott
Service Standards Unit
Department for Environment, Food and Rural Affairs
Room 547 Nobel House
London SW1P 3HX

Tel : 020 7238 5789

Fax : 020 7238 5376

e-mail : grant.scott@defra.gsi.gov.uk

¹² Code of Practice on Written Consultation (November 2000). www.cabinet-office.gov.uk/servicefirst/index/consultation.htm

PART 4 – THE CONSULTATION

GENERAL

This part of the consultation document sets out the issues on which we wish to seek your views. Please comment in full to explain your answers and include, where possible, evidence to back these up. You do not have to answer all the questions. However, in order to help us analyse the responses, ***it would be helpful if you would answer the following questions indicating whom you are representing, the category into which you fall and/or the area you are concerned with in preparing your response :***

(a) *Are you responding on behalf of an organisation? If so, which people and/or organisation do you represent?*

(b) *If you are responding as an organisation or an individual, which of the following categories best describes your interest, your organisation or your business :*

- non-farmer forest or woodland owner
- farmer forest or woodland owner
- forestry service provider (e.g. consultant, contractor or woodland initiative)
- timber/wood user
- farmer or agricultural business
- non-agricultural land-owner
- environmental interest
- recreational or social interest
- other (please specify)

(c) *If your response is being given from the perspective of a particular region, please indicate which of the following*

- East Midlands
- Eastern
- London
- North East
- North West
- South East
- South West
- West Midlands
- Yorkshire and Humber

In the following two sections, to help inform your response, background information is provided before most of the questions.

SECTION A : POLICY ISSUES

1. Rationale and Philosophy of Grants to Support Woodland Creation

Support for woodland creation relates to the Government's commitment to sustainable development and to meeting its international obligations. The rationale for public sector intervention in forestry is in terms of its contribution to rural development, and economic, environmental and social benefits. Without public sector intervention through the provision of grants, the costs of woodland creation with the potential for delivering the economic, environmental and social benefits that the public value would be unattractive to many landowners and hence there will be underprovision of new woodlands.

Q.1 Is the rationale and philosophy for central government support for woodland creation sound? If not, why not?

There is a range of criteria that could be relevant when constructing schemes to encourage woodland creation. For example, the grant level may be determined by the cost to the applicant of undertaking woodland creation, the value of public benefits that will be delivered and/or an appropriate incentive to encourage landowners to participate. Other considerations might include whether grants should be administered more locally (perhaps by offering block grants to woodland initiatives or community forests for them to disperse), regionally or centrally.

Q.2 What should be the key criteria in constructing a scheme to encourage woodland creation to generate public benefits?

There are many things that might be constraining woodland creation such as lack of advice, insufficient training, poor financial returns or inadequate grants.

Q.3 What are the main barriers to woodland creation?

In the context of the Modernising Government White Paper¹³, we are keen to hear your views on how DEFRA and the FC can work together with other Government Departments and Agencies in designing policy around shared goals and carefully defined results, rather than around organisational structures or existing functions.

Q.4 How might government departments and agencies work more effectively together to encourage woodland creation?

¹³ Cm 4310 of March 1999. See www.cabinet-office.gov.uk/moderngov/whtpaper

Q.5 Are the objectives of Government support for woodland creation sufficiently well integrated with those behind its support for other environmental measures? If not, can you suggest practical ways in which this integration could be improved?

2. Aims and Objectives of Woodland Creation Grant Schemes

The current aims and objectives of the WGS and FWPS are given in Section 2 paragraphs 2.4 and 2.5. These pre-date important policy documents such as the EFS, ERDP, Rural and Urban White Papers, UK Biodiversity Action Plans, the report of the Policy Commission on the Future of Farming and Food and also much of Government policy on, for example, renewable energy and climate change.

Q.6 Are the existing aims and objectives applying to WGS and FWPS still relevant? If not, how should they be updated?

3. Targeting

The key target areas for woodland creation identified in the EFS are set out in paragraph 2.1 above. The EFS states that the Strategy is not prescriptive – it sets out the framework for the Government’s continued support for forestry in England and will guide the targeting of resources for forestry in the future. The EFS goes on to say that the Government wants to see an increase in the role of forestry in the rural economy; an increase in the areas of woodland created on derelict and former industrial land as well as a reduction in the cost of creating this woodland; an increase in the area of woodlands available for access; and an increase in the area of semi-natural and native woodland together with a reduction in the fragmentation of ancient semi-natural woodland.

The discretionary WGS, with its associated scoring, was introduced in 2000 with a view to better targeting of resources towards delivery of the EFS. In April 2001, the FC published a consultation document as a part of the review looking at how the arrangements and scoring system were working. The FC has concluded that the discretionary/scoring approach is an effective means of targeting grant aid and will probably remain a feature of the WGS, subject to ongoing review in the light of developments. For example, in the light of last year’s consultation, up to 3 additional points are now available to reflect regional priorities.

Q.7 How might the WGS and the FWPS be modified further to better achieve the woodland creation aspirations of the EFS?

4. Regionalisation

At present, the WGS and FWPS are essentially operated on an England-wide basis. The question arises as to whether – and, if so, how – they should be subject to regional targeting in order to take account of the specific circumstances in each region.

Q.8 How might the woodland creation schemes be made more responsive to regional priorities? For example, should each region be allocated an indicative grants budget and be given discretion to target that resource in ways that best meet regional priorities, subject to an overall England-wide framework?

5. Advice, Partnerships and Extension¹⁴ Services

Over the last few years the Government has recognised the value of supporting partnerships as a means of promoting woodland creation and sustainable woodland management. The Government has supported many projects, including Yorwoods, Anglia Woodnet, and the South West Forest. It has also provided financial support in the 12 Community Forests and the National Forest.

Q.9 Should the Government place greater emphasis on supporting partnerships as a mechanism to promote woodland creation (and management) and provide information, advice, training and other support for woodland owners, agents and contractors? (This could mean that less money is available for planting grants.) If so, please comment on how this might be achieved and what criteria you would use in determining priorities.

The Government is keen to encourage woodland creation which will yield public benefits. In order to achieve this, there needs to be good awareness of the WGS and the FWPS among potential applicants.

Q. 10 Is current awareness and understanding of WGS/FWPS adequate? If not, what additional information and promotion is required and how should it be delivered?

FC Woodland Officers provide a certain amount of technical advice on woodland creation in the context of discussing with actual and would-be WGS applicants their proposals. Some DEFRA (formerly MAFF) funded generic advice relating to the FWPS in the conservation context - including promotion of the benefits and opportunities available from farm woodlands – has been available in recent years through ADAS. However, advice from the FC and that funded by DEFRA is generally tied to the WGS/FWPS and neither department is in a position to offer other detailed technical advice on a one to one basis. Professional advice is available from consulting businesses involved with forestry/woodlands and in many areas woodland initiatives (e.g. the South West Forest, Cumbria Woodlands and Northwoods) offer advice and information.

Q. 11 Is current advice provision and dissemination of best practice sufficient? If not, how should this be improved?

¹⁴ Extension might be defined as the “organised exchange of information and transfer of skills for a specific purpose”.

A range of different levels and types of training is available from, for example, the FC's Forestry Training Services, agricultural colleges, and woodland initiatives. The ERDP's Vocational Training Scheme provides funding for training that contributes to an improvement in the occupational skill and competence of farmers, foresters and others involved in conversion of their farming and forestry activities.

Q. 12 Is there adequate provision of accessible training for those wanting to participate in woodland creation? If not, how could provision of such training be improved?

6. Relationship between WGS/FWPS and other Government Schemes and Incentives

The WGS and the FWPS are just two of seven land based schemes under the ERDP. The others are listed at Annex 3. The Policy Commission on the Future of Farming and Food¹⁵ has said that it would be sensible to roll other land management grants into the existing agri-environment schemes, (i.e. Countryside Stewardship Scheme and Environmentally Sensitive Areas) and has particularly mentioned the FWPS (and, by implication, the WGS) as a possible candidate for such integration. This recommendation is being considered as part of a separate review of the agri-environment schemes which is currently in progress. Consultees may nevertheless wish, in the context of the present woodland creation review, to respond to the following questions.

Q.13 Should WGS/FWPS become part of a single integrated agri-environment/land management measure or should we seek greater co-ordination and complementarity between the agri-environment and other land use measures? If so, why and how?

Q.14 How could the WGS and the FWPS be better co-ordinated with other incentive schemes outside the ERDP framework, for example English Nature's Wildlife Enhancement and Reserves Enhancement Schemes, National Park grants and funding from Regional Development Agencies?

It is a Government priority, as identified in the England Forestry Strategy, to promote the establishment of woodland on brownfield land. Former mineral workings provide one example of such land. Over the 12 year period 1982 to 1994, the average rate of restoration of mineral workings in England was 3,310 hectares per year, of which just 151 hectares per year or 4.5% was restored with a woodland end use.

¹⁵ <http://www.cabinet-office.gov.uk/farming/index/CommissionReport.htm>

Q.15 How should the WGS be used more effectively to support economic development, urban renaissance and brownfield regeneration objectives.

Q.16 How may the WGS be enhanced to persuade mineral and landfill operators to choose woodland as the after-use option?

Land which is being converted to woodland as a planning condition is not, at present, automatically excluded from the WGS. It could be argued that, since such land would be converted anyway, additional incentive in the form of WGS aid is neither necessary nor appropriate.

Q.17 Should land which is being converted to woodland as a planning condition, be eligible under the WGS? On what grounds should it be excluded or included?

It is sometimes suggested that the Government should only grant aid the creation of new woodland if there is evidence of appropriate stewardship of existing woodlands on the same estate or holding.

Q.18 Should woodland creation grants be conditional upon appropriate stewardship of existing woodlands on the holding? If so, why and how?

Conditions laid down in the WGS contract must be kept for 10 years after the date of payment of the first instalment of grant (or 5 years after payment of Fixed Payment in the case of natural regeneration).

Q.19 Should Government take further steps to ensure that newly created woodlands are managed over a longer period to deliver the expected public benefits? If so, what steps?

SECTION B : OPERATIONAL AND ADMINISTRATIVE ISSUES ASSOCIATED WITH EXISTING WOODLAND GRANT SCHEME AND FARM WOODLAND PREMIUM SCHEME

The following questions are asked without prejudice to any decisions on the future of the existing schemes which may be taken in the light of wider policy issues such as those identified in Section A.

7. General

What do you think are the guiding principles in designing and managing a scheme to encourage woodland creation? For example you might want a minimum amount of paperwork, full use of electronic communication and rapid processing of applications. It is

necessary to balance any desire for rapid processing with the need to provide stakeholders with an appropriate opportunity to comment on and influence applications.

Q.20 What should be the guiding principles in designing and managing schemes to provide government support for woodland creation?

8. Payments

The current WGS/FWPS woodland creation grant options and rates are summarised in Annex 4.

Q.21 Is the range and level of WGS payments appropriate? If not, how should they be changed?

Over the last few years, and particularly since the publication of the EFS in 1998, the FC has offered a growing number of targeted supplements or challenge funds to encourage woodland creation of a particular type and offering particular public benefits in specific areas (see Annex 4). In general, these are regarded by the FC as effective measures to target resources to “buy” public benefits.

Q.22 Should the Government continue to use mechanisms to target WGS to meet high priorities such as tender schemes, challenge schemes, locational premia, Better Land Contribution and Community Woodland Contribution? If so, which are most effective and which should be changed or abandoned? Should different mechanisms be adopted?

For broadleaved woodlands there is currently a difference in WGS payment rates depending on the size of the woodland being created (see Annex 4). This differential is based on the higher costs per unit area involved in establishing smaller woods.

Q.23 Should the Government continue to apply grant banding where there is a differential in the rate of WGS payments for broadleaved woodlands dependent upon the area of woodland created? How might it be beneficially changed?

Currently 70% of the WGS new planting grant is paid once the planting has been completed with the remainder paid five years thereafter, provided that the woodland is satisfactorily established.

Q.24 Is the phasing of WGS grant payments appropriate? If not, how should it be changed.

The FWPS implements article 31(1) of Council Regulation (EC) No. 1257/1999 (“the Rural Development Regulation”) which provides for payment of an annual premium per hectare to cover loss of income resulting from the afforestation of agricultural land. FWPS grant rates are therefore based on average estimated income foregone as a result of converting agricultural land to woodland. The current rates are set out at Annex 4.

Q.25 Are FWPS grant rates appropriate? If not, how and why should they be changed?

FWPS payment rates are differentiated according to the use of the land before its conversion to woodland and according to whether or not the land concerned is in a Less Favoured Area. (For current categories see Annex 4.)

Q. 26 Should there continue to be different FWPS payment rates according to the different categories of land use before conversion? If so, are the present categories still appropriate?

FWPS payment rates are currently the same regardless of whether planting is predominantly of broadleaf trees (does not include trees which are likely to be harvested within 30 years of planting) or predominantly of conifers (including fast growing broadleaves such as poplars). However, since 1992, annual payments are made for 15 years in the case of predominantly broadleaf plantings but for only 10 years in the case of predominantly conifer plantings, reflecting the fact that conifers take less time to reach maturity and therefore to yield income and other benefits. It is recognised that these periods are far less than those needed for the trees to reach maturity. Payment rates are therefore determined on the basis of expected income foregone (as a result of converting agricultural land to woodland) for some 30 years in the case of predominantly broadleaf plantings and 20 years in the case of predominantly conifer plantings. The annual payment rates are then “front loaded” to reflect the fact that they are being paid out over a shorter period of time. The EU Rural Development Regulation¹⁶, under which the FWPS annual payments are co-financed from EU funds, allows for annual income foregone payments for a maximum period of 20 years.

Q. 27 Should there be different FWPS payment rates, or different durations of payments, for predominantly conifer plantings and for predominantly broadleaf plantings? If so, what form should this difference take?

9. Scheme Rules

At present, land entered under the FWPS may not be used for any agricultural purpose, except in the first year following direct seeding (i.e. where woodland is established by seeds which are sown with another crop which may be harvested in the first year after seeding). This is primarily because FWPS payments are based on assumptions that agricultural income is foregone as a result of woodland creation. It would be

¹⁶ Council Regulation (EC) 1257/99, Article 31.1, 2nd paragraph, 2nd indent

administratively very difficult (and more costly) to adjust such payments on a case by case basis in order to take account of new or continuing, but perhaps variable, sources of agricultural income from land converted to woodland.

Q.28 Should provision be made for support of agroforestry (e.g. allowing the commercial cultivation of crops or grazing of livestock within woodland being created with WGS/FWPS grant aid)? If so, please comment on any ideas you may have about how such a provision might be administered.

The UK Biodiversity Action Plan commits the Government to a series of actions and targets for the expansion and management of native woodland habitats, and the conservation of species that depend on them. Woodland creation under the WGS and FWPS has an important role to play in funding the actions needed to meet BAP targets.

Q.29 How could the WGS/FWPS be refined or developed to assist the delivery of BAP targets?

New native woodlands can create considerable biodiversity benefits, particularly if they are linked to existing native woodlands. Woodland establishment using natural colonisation can be the preferred way of achieving this objective but there is sometimes a mismatch between the period needed for natural colonisation and the typical timeframe of WGS contracts.

Q.30 Should better provision be made for the support of woodland creation by natural colonisation? If so, how?

The maximum total area per application allowed under the FWPS is 200 hectares for all types of land and 40 hectares for unimproved land per farm business. The aim of these maxima was to remove the risk that a few very large plantings could absorb all the limited funds. The lower maximum for unimproved land reflected the environmental value in its present state of much of such land. However, since that lower maximum was imposed afforestation of agricultural land has become subject to environmental impact assessment¹⁷.

There is no upper limit on the size of application under WGS, but if an application greater than 300 hectares were to be submitted the normal fixed rates of grant would not apply. In such cases, the level of grant to be paid would be negotiated between the FC and the applicant.

Q. 31 Should there continue to be an upper limit on the size of single applications under the FWPS? If so, are the present limits of 200 hectares (for all types of land) and 40 hectares (for unimproved land) still appropriate?

¹⁷ The Environmental Impact Assessment (Forestry) (England and Wales) Regulations 1999 (SI 1999/2228). See also FC Website at www.forestry.gov.uk/website/Oldsite.nsf/ByUnique/HCOU-4U5GES

Until 2001 the above maxima were applied, not only to single applications, but also to the cumulative effect of multiple applications from a single business. However, with effect from 1 October 2001 DEFRA has been prepared to consider FWPS applications which would take the business concerned over the cumulative 200 and 40 hectare limits provided the applicant makes a suitably justified case. As with the maximum limits per application (see Q.31 above) the availability of funds is an issue in relation to limits per business.

Q. 32 Should the cumulative limit be dropped altogether? What would be the advantages and/or disadvantages of doing this?

The minimum total area per application allowed under the FWPS is 1 hectare per farm business. However, the areas to be planted need not be contiguous provided they total at least 1 hectare. The 1 hectare minimum reflects the fact that very small plantings are likely to produce more limited environmental benefits than larger plantings (unless linked to other woodland habitats); income foregone from very small sites is likely to be low; and the administrative and processing costs for small applications are disproportionately high in terms of hectareage of woodland plantings. There is no formal minimum size per application under the WGS but normally the proposed woodland would have to be a quarter of a hectare in area and at least 15 metres wide to qualify. Payments under the Countryside Stewardship Scheme are generally available for individual and small groups of trees that are not eligible for forestry grants.

Q. 33 Are the present 1 hectare minimum for FWPS applications and the 0.25 hectare working minimum for WGS woodland creation applications still appropriate? If not, what revised minima (if any) should apply and why?

The scoring system which, since 2000, has been used to consider the acceptability of applications for woodland creation in England under the WGS, awards additional points to applications which allow public access. However, public access is not a mandatory condition of grant and applications which score highly on other aspects may be accepted even if they make no access provision. Under the recent Countryside and Rights of Way Act woodlands are not included among the land types over which the public will gain a right of access. However, a dedication scheme is being developed that will enable land owners legally to make available their woodland for public access in perpetuity.

Q.34 How could the woodland creation grants be modified to encourage the provision of more public access to new woodlands?

Q. 35 Should public access be made a condition of grant for woodland creation? If so, what sort of exemptions might apply and what would be the result of this new policy?

The FWPS is open to applicants who, either personally or through a manager, run an agricultural business that includes the land to be converted to woodland. Those not running an agricultural business are unable to apply (although, once in the scheme, participants do not have to continue to run an agricultural business). For the purposes of the scheme, keeping horses for recreational or sporting purposes and fish farming are not considered to be agricultural activities. The land to be planted must have been in agricultural use for the three years prior to the application to the join the scheme. Types of land excluded from the scheme include the following :

- (a) non-agricultural land, including land used primarily to graze horses not used for agricultural purposes;
- (b) unimproved land outside the Less Favoured Areas (LFAs);
- (c) land which forms part of a National Nature Reserve;
- (d) common land;
- (e) land at a time when it is rented out by the applicant to another person for their exclusive occupation; and
- (f) land resumed from a tenant by means of a contestable notice to quit which was the subject of a counter-notice by the tenant (except where the Agricultural Land Tribunal has consented to the operation of the notice to quit on “greater hardship grounds”) or an incontestable notice to quit where the land was resumed for development purposes.

The definitions of “agricultural” and “agricultural use” are consistent with the definitions contained in the Agriculture Act 1947 and the Farm Land and Rural Development Act 1988. Some of the other conditions are governed by other legislative provisions e.g. relating to National Nature Reserves and tenanted land.

Q. 36 *Should the eligibility rules for the FWPS be changed? If so, how and why?*

Q. 37 (General) *Are there any other rules that, if changed, could improve uptake and delivery of the existing schemes? If so, please describe and explain how they might be improved.*

10. Scheme Administration

It would be helpful to have your views about the way WGS and FWPS are administered and how administration could be improved.

Q. 38 *From your perspective, are there any problems associated with WGS/FWPS scheme administration? If so, how could these be reduced or rectified?*

Since 1997 the WGS and the FWPS have been the subject of a joint application procedure. A single completed application form covering both schemes is submitted to the FC who arrange for DEFRA to be consulted on the FWPS aspects as appropriate. There is also a joint claims procedure as far as the first claim under both schemes is

concerned (in practice this means that a participant does not need to submit a separate FWPS claim form to DEFRA until five years after planting since the first claim form covers the first five annual FWPS payments). However, there are still effectively two different schemes, run by two different Departments and governed by different legislation.

Q. 39 Should the WGS and FWPS be administered as a single scheme by one Government Department? What would be the pros and cons of such an approach?

The FC places information about all WGS (and also, therefore, all related FWPS) applications for woodland creation on its Public Register, copies of which are widely circulated by e-mail and can also be accessed on the FC's website¹⁸. The Register is produced weekly and includes brief details of all cases which have reached "Firm Proposals" stage in the previous 4 weeks. Once an application appears on the Register (it remains on the Register for four weeks), any interested member of the public, organisation or authority can obtain from the FC copies of the completed application form itself and of any accompanying map. The Register also lists applications when approved. In addition, for new planting applications above certain size thresholds the FC consults the Local Authority and for applications that might impact on Sites of Special Scientific Interest (SSSIs) or Scheduled Ancient Monuments (SAMs) English Nature or English Heritage are consulted. In all cases of new plantings, the FC also notify the County Archaeologist.

Q. 40 Are the consultation arrangements that currently apply to WGS (and any related FWPS) applications adequate and effective? If not, how should they be changed?

Other than the normal Parliamentary Ombudsman (for allegations of maladministration) and judicial review procedures applying to all Government departments, there is no formal mechanism for appealing against rejection of an application to join either the WGS or the FWPS where the application is rejected because it does not meet the standards set out in the UK Forestry Standard, it does not meet the eligibility criteria of either scheme or it does not meet the points score set by the FC. In the case of the WGS, however, planting applications in respect of which there are unresolved objections from statutory consultees may be referred to the FC's Regional Advisory Committees (and subsequently to the Forestry Commissioners and the Forestry Minister) for decision. (It is worth noting that, in England, there have been no such cases referred to a RAC in the last three years.)

If there is disagreement between the FC and a WGS participant, once admitted into the Scheme, regarding whether or not the agreed Plan of Operations has been adhered to or about the standard or extent of work done, either party can ask for the matter to be decided by an arbitrator chosen from a panel of arbitrators agreed jointly by the FC and the Institute of Chartered Foresters.

In the case of the FWPS, if it is decided to postpone, reduce, withhold or recover payments to a person after they have been admitted into the scheme or to terminate their participation in the scheme, there is a statutory requirement for the appropriate Minister to provide the person concerned with written notification of the reasons for his/her decision

¹⁸ www.forestry.gov.uk/forestry/HCOU-4U4J2Q

and to afford that person “an opportunity of appearing before and being heard by a person appointed for the purpose by the appropriate Minister.”

Q. 41 Are current appeals mechanisms adequate and appropriate? If not, what changes would you like to see and why?

The Government places a high priority on the effective delivery of services. As part of the modernisation of those services the target is to enable all of its dealings with the public to be done electronically by 2005. DEFRA/FC aim to provide facilities for their customers to make scheme applications and claims on-line (over the internet) by that date.

Q.42 If electronic systems to deal with woodland grant applications and grant claims were to be made available, would you be likely to use them? If not, why not? What might encourage you to use such systems?

Q.43 Finally, if there are any other issues or points which you want to raise about woodland creation which could have a bearing on this review, please make your views known.

**POLICY REVIEW OF WOODLAND CREATION IN ENGLAND UNDER THE
WOODLAND GRANT SCHEME AND THE FARM WOODLAND PREMIUM SCHEME**

Steering Group Membership

Anthony Bosanquet	Chairman and non-executive Forestry Commissioner
Ann Dolphin	Department for Environment, Food & Rural Affairs
Richard Pow	Forestry Commission
Mark Thomasin-Foster	Country Land & Business Association
Rob Green	Countryside Agency
Keith Kirby	English Nature
Richard Howell	Environment Agency
Peter Wilson	Forest Industries Development Council
Richard Smith	Forestry & Timber Association
Dougal Driver	Institute of Chartered Foresters
Ross Kennerley (or Debbie Bartlett)	Local Government Association
John Vaughan	National Community Forest Partnership
Andrew Clark	National Farmers Union
Kenneth Bartlett	Royal Institution of Chartered Surveyors
Matthew Rayment	Wildlife & Countryside Link (Royal Society for the Protection of Birds)
John Tucker	Wildlife & Countryside Link (Woodland Trust)

THE CONSULTATION CRITERIA

1. Timing of consultation should be built into the planning process for a policy (including legislation) or service from the start, so that it has the best prospect of improving the proposals concerned, and so that sufficient time is left for it at each stage.
2. It should be clear who is being consulted, about what questions, in what time scale and for what purpose.
3. A consultation document should be as simple and as concise as possible. It should include a summary, in two pages at most, of the main questions it seeks views on. It should make it as easy as possible for readers to respond, make contact or complain.
4. Documents should be made widely available, with the fullest use of electronic means (though not to the exclusion of others), and effectively drawn to the attention of all interested groups and individuals.
5. Sufficient time should be allowed for considered responses from all groups with an interest. Twelve weeks should be the standard minimum period for a consultation.
6. Responses should be carefully and open-mindedly analysed, and the results made widely available, with an account of the views expressed, and reasons for decisions finally taken.
7. Departments should monitor and evaluate consultations, designating a consultation coordinator who will ensure that lessons are disseminated.

OTHER LAND BASED SCHEMES UNDER THE ENGLAND RURAL DEVELOPMENT PROGRAMME (ERDP)

The Countryside Stewardship Scheme – This makes payments to farmers and other land managers to enhance and conserve English landscapes, their wildlife and to help people enjoy them. It operates outside Environmentally Sensitive Areas which have their own scheme (see below).

The Environmentally Sensitive Areas scheme – Since 1987 this has provided financial incentives to encourage farmers to adopt agricultural practices which safeguard and enhance parts of the country of particularly high landscape, wildlife or historic value.

The Energy Crops Scheme – This provides grants towards the costs of establishing energy crops (including short rotation coppice) or for the establishment of producer groups set up to supply short rotation coppice for energy end uses.

The Hill Farm Allowance – This provides compensation to hill farmers for the difficulties of farming in less favoured areas and is designed to ensure that agriculture continues to make its irreplaceable contribution to rural society and the managed environment of the English uplands.

The Organic Farming Scheme – This provides financial help during the conversion process to organic farming and encourages the expansion of organic production.

GRANTS FOR NEW WOODLANDS UNDER WGS AND FWPS

The WGS and the FWPS form part of the ERDP (co-funded under the Guarantee Section of the European Guidance and Guarantee Fund (EAGGF)) and, in the case of woodland creation on non-agricultural land, the Objective 1 Single Programming Documents (co-funded under the Guidance Section of the EAGGF). Funds from the EU make an important contribution to woodland creation grants in England. Schemes and payments under them have to be in accordance with the EU rules which apply to the measures concerned.

Woodland Grant Scheme (WGS)

Grants for New Woodlands

1. The current grants for **new planting** are £700 per hectare for Conifers, £1350 per hectare for broadleaves in woods up to 10 hectares and £1050 per hectare for broadleaves in woods greater than 10 hectares.
2. For the creation of new woodlands by **natural regeneration**, a Discretionary Payment is paid to assist with the work required to encourage natural regeneration. This will cover 50% of agreed costs. When an adequate stocking is achieved, a Fixed Payment equivalent to the rate for restocking grant will be paid.

Supplementary grants to new planting grants

3. For planting on arable land, improved grassland or other cropped land (not eligible for Arable Area Payments Scheme) a **Better Land Contribution** of £600 per hectare is payable. A **Community Woodland Contribution** of £950 per hectare is available for the creation of new woods close to towns and cities, with public access. A **Community Forest Premium** of £600 per hectare is available for new planting in the Community Forests.

Other grants for new planting

4. In addition to the above, in selected areas where new woodland creation is particularly welcome, there are a number of Challenge Fund or Tender schemes in operation. For England these are:
 - New Native Woodlands in National Park
 - JIGSAW (a Challenge Fund aimed at encouraging expansion and linkage of fragments of semi-natural woodland)
 - National Forest Tender Scheme (operated by the National Forest Company using funds provided by DEFRA)
 - South West Forest Challenge Fund

Farm Woodland Premium Scheme (FWPS)

5. FWPS payments are additional to the woodland establishment grants available under the Woodland Grant Scheme (WGS). Entry into the FWPS is conditional upon the land concerned being converted to woodland under the WGS. Since 1997 **the FWPS annual income foregone payment rates** have been as follows:

<u>Land category/land use before conversion</u>	Outside the LFA £/ha	LFA (DA) £/ha	LFA (SDA) £/ha
Arable land	300	230	160
Other improved land	260	200	140
Unimproved land	Ineligible	60	60

Footnote : LFA = Less Favoured Area, DA = Disadvantaged Area, SDA = Severely Disadvantaged Area.

6. The Government reviews FWPS grant rates at least once every 5 years. The most recent review was carried out in 2001. It concluded that the above rates continued to provide a fair incentive for farmers wishing to diversify into woodland creation and that it remained appropriate to set differentiated rates depending on the category of land used. It also concluded that, pending further consideration of the structure and rates of the grants (as part of the current policy review of woodland creation), no changes to the grants would be proposed at that stage.

GLOSSARY

CAP	Common Agricultural Policy
CSS	Countryside Stewardship Scheme
DA	Disadvantaged Area
EAGGF	European Guidance and Guarantee Fund
ESA	Environmentally Sensitive Area
DEFRA	Department for Environment, Food and Rural Affairs
EFS	England Forestry Strategy
ERDP	England Rural Development Programme
EU	European Union
FC	Forestry Commission
FWPS	Farm Woodland Premium Scheme
LFA	Less Favoured Area
RAC	Regional Advisory Committee
SDA	Severely Disadvantaged Area
SPD	Single Programming Document
SSSI	Site of Special Scientific Interest
WGS	Woodland Grant Scheme

LIST OF CONSULTEES

ACRE
ADAS
Advantage West Midlands
Alba Trees plc
Anglia Woodnet
Arboricultural Association
Association of Drainage Authorities
Association of Landscape Management
Association of Local Government Archaeological Officers
Association of Local Government Ecologists
Association of National Park Authorities
Bidwells
Black Environment Network
Black Grouse Recovery Project
Bowland Initiative
British Association for Shooting and Conservation
British Biogen
British Deer Society
British Ecological Society
British Horse Society
British Trust for Conservation Volunteers
British Urban Regeneration Association
Building Research Establishment
Butterfly Conservation
Central Association of Agricultural Valuers
Central Council for Physical Recreation
Centre for Ecology and Hydrology
Church Commissioners
Community Forest Secretariat
Co-operative Union
Co-operative Women's Guild
Council for British Archaeology
Council for the Protection of Rural England
Country Land and Business Association
Countryside Agency
Crown Estate
Cumbria Broadleaves
Dartmoor National Park Authority
Deer Initiative
Defence Estates
Disability Rights Commission
East Midlands Development Agency
East of England Development Agency
Egger (UK) Ltd
English Heritage
English Nature
English Partnerships
English Tourist Board
ENTRUST

Environment Agency
Euroforest Ltd
Exmoor National Park Authority
Farmed Environment Company
Farming and Wildlife Advisory Group
Federation of Rural Community Councils
Federation of Small Businesses
Food Hazard Research Centre
Forest and Arboriculture Safety and Training Council
Forest Education Initiative
Forest Industries Development Council
Forest of Avon
Forest of Marston Vale
Forest of Mercia
Forestry and Timber Association
Forestry Contracting Association Ltd
Forum for Rural Children and Young People
Fountains plc
FPD Savills
Friends of the Earth
Game Conservancy Trust
Government Office for London
Government Office for North West and Merseyside
Government Office for South East
Government Office for South West
Government Office for the East Midlands
Government Office for the Eastern Region
Government Office for the North East
Government Office for the West Midlands
Government Office for Yorkshire and Humber
Great North Forest
Great Western Community Forest
Greenwood Community Forest
Groundwork
Heritage Lottery Fund
Highways Agency
Hill Farming Initiative
Home Grown Cereals Authority
Horticultural Trades Association
House Builders Federation
Institute of Chartered Foresters
Institute of Ecology and Environmental Management
Institute of European Environmental Policy
Institute of Field Archaeologists
John Clegg and Co
Lake District National Park Authority
Landscape Institute
LANTRA
LEAF
Learning through Landscapes
Local Government Association
London Development Agency

Marches Woodland Initiative
Meat and Livestock Commission
Mersey Forest
Moorland Association
National Association for Areas of Outstanding Natural Beauty
National Association of Tree Officers
National Beef Association
National Farmers Union
National Federation of Women's Institutes
National Federation of Young Farmers Clubs
National Forest Company
National Sheep Association
National Silvopastoral Network
National Trust
National Urban Forestry Unit
Natural Environment Research Council
North East Forestry Action Group
North West Development Agency
North Yorkshire Moors National Park Authority
Northumberland National Park Authority
One North East
Open Spaces Society
Organic Farmers and Growers Ltd
Parrett Catchment Project
Peak District National Park Authority
Plant Life
Quarry Products Association
Ramblers Association
Red Rose Community Forest
Royal Agricultural Society of England
Royal Forestry Society
Royal Institute of British Architects
Royal Institution of Chartered Surveyors
Royal Society for the Protection of Birds
Rural Agricultural and Allied Workers
Rural Stress Information Network
Salmon and Trout Association
SGS Environment
Small Farms Association
Small Woods Association Ltd
Soil Association
South East England Development Agency
South West Forest
South West of England Regional Development Agency
South Yorkshire Forest
Sports England
Strutt and Parker
Tees Forest
Tenant Farmers Association
Thames Chase Community Forest
Tilhill Forestry
Timber Research and Development Association

Tree Council
UK Agroforestry Forum
UK Forest Products Association
University of Central Lancashire
University of Newcastle-upon-Tyne (Centre for Rural Economy)
University of Oxford (Oxford Forestry Institute)
University of Reading (Department of Land Management and Development)
Watling Chase Community Forest
Wildlife and Countryside Link
Wildlife Trusts
Women's Food and Farming Union
Wood Panel Industries Federation
Woodland Trust
World Wide Fund for Nature UK
Yorkshire Dales National Park Authority
Yorkshire Forward

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