

Extracts from the Progress Report by the Independent Panel on Forestry

The Purpose of this paper is to provide union members with highlights from Section 2 of the report and to gather your views on the statements contained here. Please feel free to contact me or your local representative with your comments and observations. The panel are continuing to gather further information, suggestions and comments before producing their final report in the spring of 2012.

As unions we still have the ability to meet with and discuss those issues affecting members and I have been invited to participate in the Independent Panel on Forestry National Workshop which will be chaired by the Right Reverend James Jones, Bishop of Liverpool. It will be held on 13 January 2012 in London.

Foreword:

Changes are in the wind as both Wales and Scotland look afresh at how the Forestry Commission can be best organised to match the ambitions of their countries post-devolution. These changes may have implications for the Forestry Commission in England and provide further impetus for the panel's work.

Many of the responses concentrate on the public forest estate and the immediate issues around the government consultation. This is understandable. As a panel they have been struck by the need to address these issues, but also to look deeper and wider and across a longer timescale. They need to look more deeply at whether the current set up for the Forestry Commission is the right one, more widely at all the forests and woods of England, and to think in terms of timescale which extends to the end of the century not just the end of the year.

Public Forest Estate

1. The net public expenditure on the public forest estate, some £20 million this year, appears very modest and delivers benefits far in excess of this. This level of funding is small in government terms and, to the panel, appears to represent very good value for money. For comparison, £250million was recently allocated by the Department for Communities and Local government to support weekly refuse collections.
2. The Forestry Commission has dedicated the majority of its freehold land as Access Land under the Countryside and rights of Way Act 2000, giving walkers statutory rights. Other users (including cyclists and equestrians) enjoy permissive access. Many respondents to their call for views felt that the Forestry Commission also put a lot of effort and investment into making it easier for them to visit their forests by providing well maintained paths, car parks, cafes and other facilities. This investment is reflected in visits; there were 317 million visits to woodlands in the year up to February 2010.

3. The public forest estate often sets a gold standard in recreational access. It also accounts for 44% of accessible woodlands in England with only 18% of the woods.
4. While there are private woodlands and forest estates that welcome and are open to people to visit, there are also many owners who view their woods as private property.
5. The panel is exploring how recreational benefits can be increased in the 80% of woodland not in the public forest estate, and they are exploring ways to achieve this through incentives. It is also important to address regional variation in the distribution of accessible forests.
6. While the panel's work is focused on woods and forests they believe these must be considered within a coherent strategy for the country's natural environment and as one element of a resilient ecological network across the country. Fens, meadows, moors, and heaths also provide valuable ecosystem services that enhance and complement those provided by woodland. The panel will look at where the priorities between the different forest and woodland activities that would be good for nature should lie, and how and where the biggest difference can be made. The panel will consider the scope to achieve these outcomes both on the public forest estate and in woods in private and other forms of public ownership, bearing in mind the value of enhancing and reconnecting habitats at a landscape scale. They will also draw on economics research to understand the potential impacts on other outcomes for the forestry sector.
7. The diverse nature of forest ownership, together with the multipurpose use of forests, results in many different business models. In the charitable sector, subscription and volunteering time may supplement grant income; in the private sector and the public forest estate, whilst there may be some income from recreational activities such as shooting and access opportunities, currently the contribution of timber income is crucial to financial viability. Even where timber is produced for the market, they have heard that many woodland owners and managers rarely make a profit.
8. The public forest estate plays an important role in the timber market in England – it is estimated to account for around 60% of English softwood sales in England in 2010 – and therefore has a big impact on timber supply to businesses and contractors that are dependent on home-grown timber. This provides relative certainty to its customers, allowing them to plan and invest with confidence. The panel would like to understand this relationship better, and to be sure that it delivers maximum benefits overall.
9. There is an exciting opportunity for the woodfuel market to contribute to the future viability of the industry and provide an incentive for the private sector to bring some of the undermanaged woodland into active management. Demand for woodfuel has increased, and the sales of domestic wood burning and multi-fuel stoves have more than doubled in UK and Ireland since 2005. A recent study also suggested that the woodfuel supply chain could generate £1billion GVA and 15,000 jobs in the UK by 2020. The panel have also heard concerns regarding the potential negative impacts of large scale bio-energy plants, which could threaten wood processing markets and risk imports of woodfuel from unsustainable sources. These risks reflect potential tensions between government objectives and policies.

10. There may be opportunities for forest owners to benefit from additional income through developing markets as carbon or flood protection services. Such models are in their infancy but experiences from other countries may help to inform development in England.
11. As a panel, they are in the early stages of their discussion of the relevant economic issues. They have yet to come to any conclusions but the vision for the future is of a profitable, vibrant forestry sector providing varied employment opportunities and delivering a wider range of benefits to more people.
12. Business models need to be viable for the future and whilst timber, fuel and other products will remain key, they cannot continue to underwrite the other ecosystem services that society gets from forests. These benefits need to be supported in their own right.
13. By land area, the public forest estate is only 18% of England's woods and forests. However, in terms of what this means it clearly has a far greater role than this simple statistic would suggest.
14. The panel believe there is an important continuing role for a national public forest estate in England. It is right that the way in which this tremendous asset is managed and used should evolve to reflect people's aspirations and wider challenges like climate change. The managers of the public forest estate should strive to be exemplars of managing land for social, environmental and economic benefits, and inspiring other landowners to do the same.
15. The panel want this expectation to be enshrined in how the public forest estate is managed for the future, and for the benefits to be felt by a far greater number of people.
16. The public forest estate needs to be managed for the long term, and in a way that allows it to adapt and evolve. This includes being able to respond to the threat of climate change and the need to decarbonise our economy. There is already a need to address disease and shift biodiversity loss to gain. The public forest estate has to continue to be responsive to the wider context, whether this is changes in the global economy; or challenges facing local communities. Going forward, it is right that land should be able to be bought and sold in pursuit of greater benefits from the estate as a whole. What should not happen is for land to be sold to make up for a shortfall in income, as has happened in recent years, as this undermines the viability of the estate.
17. But the public forest estate is more than just a large area of land owned and managed by the state. It is a wonderful asset that could, and should, deliver so much more for the nation. While the public forest estate is only 18% of our woodlands, it constitutes over one third of the woodland area in active management in England. Positive action for people, nature and the economy on the public forest estate can be achieved far more readily than in most other woodlands, if the will and ambition is there. The panel believe that greater access to capital investment, and new structures to allow individuals, community groups and local organisations far greater involvement in how their local woodlands are managed, could unlock a new and exciting future for the public forest estate.

18. The Forestry Commission is the largest single timber producer in England, supporting jobs and businesses through the timber supply chain. The panel recognise the need for consistency and scale across the public forest estate, so that businesses can plan and invest with confidence. They want to understand whether this is working in a way that delivers maximum benefits.
19. Everyone should look to the Forestry Commission to innovate and lead by example; acting as a centre of gravity within local communities for advice, skills development and business innovation.
20. Forestry, in common with other pressures facing our society is not a single-generation issue. The economic and ecological timescales of woodland management are simply not in step with electoral cycles. The number of forestry policies that have been brought forward over the last 50 years – within the lifetime of a single tree – bear witness to this. We need to describe a new relationship between the public forest estate, public institutions and the public within which these different timescales are a source of strength and security, rather than of tension.
21. The panel want the ownership of the public forest estate in England to be secured for the future; with accountability mechanisms that extend upwards to political institutions (that ideally would adopt a cross-party position) as well as outwards to wider society, in order to harness the high degree of public interest in its management and future direction.

Forest Enterprise

22. Forest Enterprise England operates a mixed business model – it is neither fully-funded by government, nor financially self-sufficient. £20 million comes from the government via the Forestry Commission budget; which, in turn, is funded by the Department for environment, Food and Rural Affairs. To the panel, this funding of the public forest estate appears to represent very good value for money.
23. Now is the right time to review and consolidate this position. In the panel's final report they will reflect on the purpose of the Forestry Commission and the legislation that underpins it. The panel will look at the scope to develop new commercial income streams on the public forest estate as well as increase existing ones; and how payment for ecosystem services (for example carbon storage) might play into a future income mix.

Forest Services

24. Forest services is the part of Forestry Commission focused on creating the right conditions to encourage all landowners and managers to protect, improve and expand the woodland resource in England.
25. It administers the English Woodland grant scheme, which provides around £30 million a year to woodland owners in support of woodland creation and targeted management activities³⁷; as well as setting and enforcing the regulatory framework within which these activities take place. Importantly, Forest services members of staff work on the ground with woodland owners, giving them tailored support and advice.

Forest Research

26. Forest Research is the Forestry Commission's research agency, and is a GB-wide body. It provides much of the evidence base and scientific advice to inform forestry policy and practice. Two thirds of its income is derived from the Forestry Commission; with the remainder sought from external sources.
27. The final report will consider whether public money being spent beyond the boundaries of the public forest estate is cost effective in delivering the right level and mix of social, environmental and economic benefits, in the right places, and to as many people as possible. The panel have commissioned economic analysis to consider these issues within the framework of the full range of public benefits that can be derived from all woods.
28. The broader forestry context is also potentially changing, as the Welsh and Scottish governments explore bringing Forestry Commission operations in their countries under the full control of their devolved governments. The Welsh government has announced their intention to create a single body made up of the Forestry Commission Wales, Countryside Council for Wales and the Environment Agency Wales.
29. We need to be ready for the impact of these changes in England. In the final report, the panel will consider what organisational arrangements might work best for the Forestry Commission as a whole, in a post devolution landscape. The panel will also look at which activities are best carried out at GB level (for example, the setting of woodland management standards, research and innovation, and plant health monitoring and disease response) and what might work best as a local response to landscape and community needs.

Woodlands in private, charitable and other forms of public ownership:

30. The panel recognise the importance of woodlands that are owned by private, charitable, local authority and community organisations in maximising the potential benefits of English forests; after all, they make up more than 80% of forests by area. They also know that there are a number of issues that make it challenging to deliver some of the desired outcomes, including the diverse ownership, the fragmented nature of these forests and difficulties for managers of small scale woods to build up the knowledge and skills necessary to manage woods in a multipurpose way. The panel will take these issues into account when developing their vision of the future and the possible future business models. At this stage in their work they have devoted less time to consideration of private sector forestry, than they have to the public forest estate.
31. The proportion of unmanaged or undermanaged woodland in the private sectors means that we will not achieve the aims unless we address the underlying issues. The development of the woodfuel market is one way in which more private woodlands may come under active management, but to achieve its potential there may be a need for advice to owners to enable them to access markets. The panel will also consider what other changes are needed to get more woodland into management.

Delivering greater access

32. The value of access is clearly demonstrated not only by work such as the National Ecosystem Assessment but also by the response to the call for views. There are owners that are happy to give access to their forests. Others allow informal access for local people. For some any access causes issues, either because it is important to them to retain their privacy or because there are costs associated with access.

These can include providing infrastructure, managing competing uses and potential liability.

33. The panel will be exploring ways to incentivise, rather than compel, private forest owners to open up more of their estates for public access. We will also be looking at how more access can be built in from the start to new forests and woodland.

Long term financial viability

34. The panel recognise the need to ensure the long term financial viability of all sectors of English forestry. They will look to understand how effective grant schemes have been and how they could be improved. For example, they know that there are particular challenges to financial viability for small woodlands and are keen to address these issues especially as small woodlands play a special role in many communities. However, they have also noted that profit is not always the primary motivation, particularly for small woodland owners. Information and advice services may have an important role in helping small woodland owners both to manage their woods and access markets, as might designing grant and certification schemes that appeal more broadly. In addition the panel will look at the potential for additional income opportunities to enable woodland owners to benefit from the delivery of public benefits, such as carbon or flood protection.

Next steps: continuing the journey

This progress report reflects the journey of the panel's work to date. They are excited by the challenge before them, as they work to deliver their final report to the Secretary of State next spring.

They have drawn much inspiration from the visits they have undertaken to forest and woodland locations around the country, and they will be making further visits during the course of their work. In addition to drawing on the call for views, they have commissioned a variety of research reports and workshops, spanning history, ecology and economics, which will all inform the work of the panel. They have commissioned a review of work on access and community engagement. The panel will continue to meet with different groups and test out their ideas.

The panel hope that this progress report helps everyone to understand more about their work to date, their initial thoughts about the sort of vision needed for forests and woods, and therefore for forestry policy in England. The panel are not specifically seeking comments on the progress report, but as ever, they remain open to ideas and suggestions that the work of the Independent Panel on Forestry may stimulate.