

FWP 27

Ymateb gan : CLA Cymru  
Evidence from : CLA Cymru

## Introduction

The CLA represents landowners, farmers and other rural businesses. We represent over 31,500 members who own and manage over 10 million acres of rural land in England and Wales.

## Executive summary

- There is a need to look at forestry in the context of land use. The Well-Being of Future Generations Act and the Environment Act aim to deliver the sustainable management of natural resources (SMNR) for the use of current and future generations. This will not be achieved by looking at land activities and businesses in isolation.
- As legislation becomes more integrated, it is important that strategies and policies around important land uses such as forestry follow suit.
- Forestry has a fundamental contribution to make to the strength of the rural economy.

## General comments

1. Woodland and forestry (“W&F”) are a significant land use in Wales that contribute to the economic, social and environmental resilience of our natural resources and rural communities. They are essential aspects of Wales’ landscape and one of the oldest and largest sectors of the rural economy.
2. It has long been acknowledged that productive management and increased woodland coverage would contribute many long term benefits to SMNR; trees have an essential role to play in climate change mitigation, flood alleviation, habitat creation and connectivity and recreation opportunities amongst others.

3. The industry is also one of rural Wales' most important: forestry sector data from 2014 shows GVA of £455.7m<sup>1</sup> compared to food and farming GVA of £1,630m<sup>2</sup> on roughly 10 times the land area<sup>3</sup>.
4. To achieve and enhance the potential benefits of forestry and woodland in Wales will require an integrated approach to land use, policy and regulation. This potential has, and will continue to be wasted by the lack of clear vision and direction from government in delivering the multiple benefits of managed woodland and forestry.
5. Woodland for Wales needs a radical, fundamental overhaul aligning it to the SMNR principles and the integrated land use policy envisioned in the Environment Act<sup>4</sup>. As it stands, there is nothing adversely questionable in the strategy or action plan, but this in itself is part of the problem. The generic, directionless nature of Woodland for Wales means that policy and interventions tinker around the edges of achieving positive, progressive change. The lack of clear, concise vision and deliverable goals leads to disjointed activity that seeks to do everything but achieves little.
6. CLA policy sees W&F managed for purpose. Trees are an asset – an important natural resource that requires active management to realise its full potential. In a UK of no natural forests, our forestry and woodland, including ancient semi-natural areas, deliver the most economic, environmental and social value both to their owners and society when they are actively managed.

## Key Themes

### *Responding to Climate Change*

7. Welsh Government has been ambitious in its response to the challenge of Climate Change, adopting progressive legislation and targets for decarbonisation of all sectors of society. If these targets are to be met, climate change must become a central driver for all policy development and delivery including the woodland and forestry sector. Not just for decarbonisation but also for mitigation measures.
8. W&F is a sector that has a lot of potential to deliver against climate change goals; as a carbon-sink through management or increasing tree coverage, as a sustainable construction or manufacturing material, and as a source of renewable heat and energy. Decarbonisation of the industry through local supply chains and networks

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<sup>1</sup> <http://gov.wales/docs/statistics/2014/141113-woodlands-wales-indicators-2013-14-en.pdf>

<sup>2</sup> <http://gov.wales/statistics-and-research/priority-sector-statistics/?lang=en>

<sup>3</sup> <https://assemblyinbrief.wordpress.com/2016/09/26/welsh-farming-facts-and-figures/>

<sup>4</sup> <https://naturalresources.wales/media/678317/introducing-smnr-booklet-english.pdf>

should also be explored. The climate in Wales is ideal for softwood timber growth and more should be done to reflect this.

### *Woodlands for People*

9. F&W management is a key sector of employment in rural Wales with around 10,000 jobs supported<sup>5</sup> – a figure which more than doubles when timber processing and secondary industries are included. Recently, there has also been a significant proliferation in small, local wood–fuel businesses, often as part of an existing agricultural or rural enterprise.
10. Job safeguarding and creation is an important measure of economic prosperity, however, this is an issue in the rural economy where jobs created tend to be fewer in number over a larger area, but which often have a proportionally higher impact on the local economy. More suitable, proportional job creation targets should be considered as a measure of success.
11. F&W has an important part to play through recreation and access to green spaces. This access is a key objective for health boards in Wales and the draft National Natural Resources Policy. Local opportunities to achieve this can and should be mapped through Area Statements. Natural Resources Wales (“NRW”) have an open access policy for Welsh Government Woodland Estate with a diverse range of activities being undertaken: walking; cycling; school visits etc. Many of these opportunities are available because NRW have planned routes with public amenities available. The private sector should have the same opportunities with enabling policies such as planning, and potentially, financial support, being aligned to make recreation opportunity delivery more desirable.

### *Competitive and Integrated Forest Sector*

12. In Wales, despite operating on a significantly smaller proportion of land, the sector has comparable GVA to that of agriculture. Yet agriculture is still considered the backbone of our rural economy, communities and heritage even though forestry historically played a significant role alongside agriculture. The 20th Century saw a great deal of change fundamentally affecting the forestry sector. Woodland that was managed at scale by an estate with tenant farmers working agricultural land shifted to owner–occupier farms with scattered patches of unmanaged woodland; subsidies created a divide between farmer and forester, as farming beneficiaries sought to

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<sup>5</sup><https://naturalresources.wales/forestry/forest-industry/forestry-statistics-forecasts-and-surveys/?lang=en>

maximise their claimable agricultural area. Forestry incentives created large areas of tax-break planting that attracted large amounts of external investment often at the expense of local communities.

13. The mutual benefits of farming and forestry have been lost. The cultural identity of rural Wales is fundamentally based on farming, and the forestry community needs to establish how to integrate with this structure. We must stop setting forestry against farming, it does not have to be an either/or situation, many farmers are already also woodland owners. The farming sector needs to look at the benefits that forestry, especially collaborative planting and management, can deliver to their existing farm businesses to improve resilience and potentially provide additional income streams. Forestry and farming must learn to work alongside each other again and government must provide the knowledge, advice and support to break down barriers and deliver beneficial, sustainable land use change.
14. Forestry is a sector with significant growth potential. Welsh timber mills are not working to full capacity; output would increase with more stability of supply. The rise of biomass, although distortive for timber markets due to tariffs artificially raising prices, has breathed a new lease of life into the F&W sector. There is now a plethora of SMEs offering firewood or woodchip to local communities and many opportunities to improve the local supply and use of timber.
15. Local collaborations and partnerships also present opportunities to stimulate the active management of smaller, less accessible areas of woodland and the use of local timber supplies. Under-utilised areas could be identified through Area Statements as of potential benefit to local wood-fuel suppliers or as tourism ventures.
16. Timber-built housing is a game-changer for the sector. Diverting as much of the available resource into higher value end-use not only improves resource efficiency and locks up embedded carbon for longer, it also potentially makes woodland ownership and management more profitable and therefore more attractive. The shortage of affordable housing in Wales combined with a steady push towards more sustainable building materials and methods is already producing positive change in both the public and private sectors.
17. Integration is not just about trees in the ground – it's also about the enabling policy and regulation that supports active silviculture. Accessibility, especially for timber extraction, is a fundamental concern and planning policy and funding opportunities must be supportive of these wider necessities.

18. One of the key future challenges identified by the Future Generations Commissioner is economic change – shifting to an economy fit for the future. Current economic development hinging on attracting big investment and companies to operate in Wales is not as sustainable or valuable as utilising and fostering the resources and opportunities that we exist in Wales. The F&W sector could make a significant contribution to overcoming this challenge if Welsh Government policy and intervention can align behind delivering key outcomes such as timber-framed buildings.
19. Economic strength and competitiveness is not just about timber availability. Timber is an international commodity and it is often easier to import good quality timber from overseas than harvest some areas of inaccessible planting in Wales. Overall, this actually weakens the industry – as more attention is focused on sustainable industry, carbon accounting and fully-costed supply chains, it will be important to have domestic supplies and markets.
20. Work needs to be done to integrate and strengthen local supply chains at both ends of the market; forestry and timber and woodland and firewood.

### *Environmental Quality*

21. F&W already makes a very positive contribution to Wales' landscape, heritage and biodiversity. It is a fundamental component of the patchwork of land use so distinctive to Wales and provides important habitat and connectivity between wildlife habitats.
22. Forestry is a long-term industry and much of the commercial tree planting happened in decades before environmental impacts were realised. This issue was successfully addressed with the introduction of UK Forestry Standard that delivers a high level of environmental stewardship to the management and planting of F&W.
23. One of the challenges of adopting a land use strategy that looks to achieve multiple benefits is the notion that every habitat of land use has equal value. This will only lead to the stagnation of land use and the rural economy. As Welsh Government and NRW implement the Environment Act, in particular Area Statements which will look at local evidence and opportunities for SMNR, they must be bolder in prioritising certain activities or habitats over preserving current land use in aspic. An area of woodland or forest must intrinsically have more value than fields of bracken or rushes and should be given more weight as a favourable outcome.

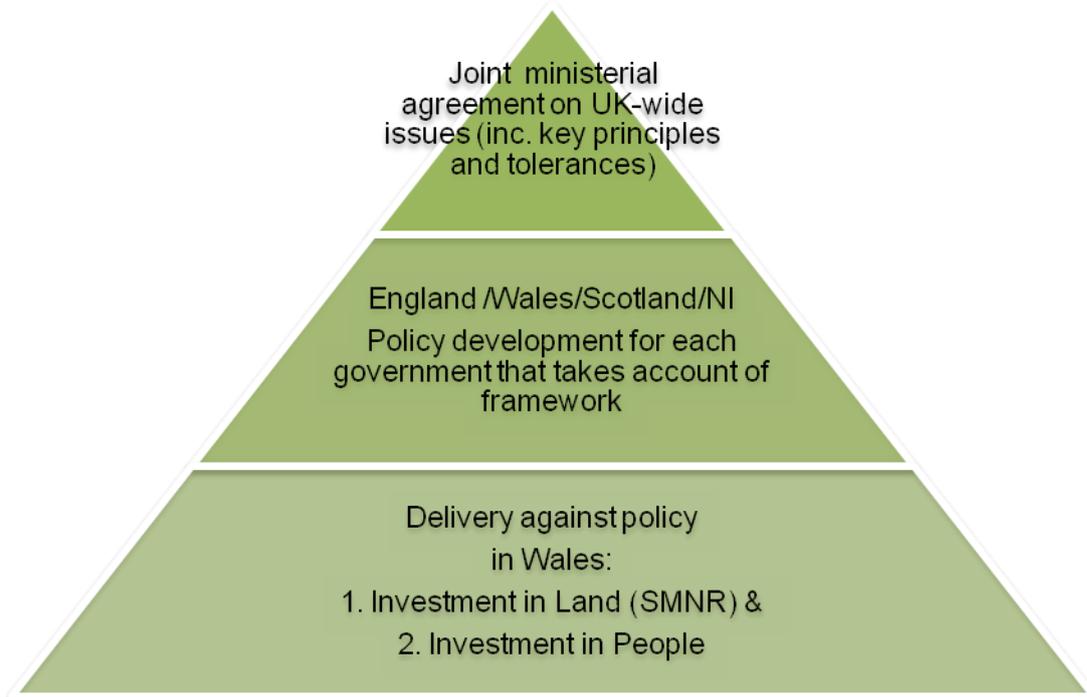
24. This philosophy works in both directions – there is a presumption through policy and felling licences that once an area is tree-covered, it must always be so. This approach stagnates land use and deters owners from bringing forward land for afforestation.

## Conclusion

Welsh Government is currently failing to deliver against these themes because their policy approach lacks vision, direction and integration. The sector has been damaged by unrealistic, single issue targets that reflect this lack of vision. Brexit offers an opportunity to address this problem in a positive way.

### CLA post Brexit vision

In the post-Brexit world, many fundamental matters such as budget allocation and trade are not devolved to the Welsh Government and some areas, such as plant and tree health and R&D may see greater benefit from working collectively at a UK level. CLA has therefore identified the need for a UK Framework for Food, Farming and Environment through which the UK's four constituent governments can agree high-level principles and budget tolerances against which tailored delivery mechanisms can be developed:



With regard to policy and intervention in Wales, CLA has proposed a two-pronged approach to the future based on the recognition that land-owners and managers are uniquely placed to deliver a range of public benefits valued by society and government in return for public money

### ***Investment in Land:***

Using the framework of the Environment Act, farmers, land-owners and land managers would be able to enter into arrangements with government to deliver public benefits as identified nationally in Natural Resources Policy and locally in Area Statements.

### ***Investment in People:***

Hybrid model of policy and intervention support for the rural economy across Welsh Government's Rural Affairs and Economy portfolios to deliver knowledge and advice; training and skills; facilitate innovation, competitiveness and integrated supply chains; add value to existing businesses and encourage alternative ventures; provide financial services, loans and capital grants. Covering the rural sector linked to the land-based funding of natural resources management, but also tourism, food and drink, renewable energy, connectivity, infrastructure, etc.

#### **In Summary**

- Brexit is a unique opportunity properly to align forestry within an integrated land use policy. The CAP gave supremacy to food production as a land use without regard to beneficial land uses such as forestry. This can be redressed as the UK and Wales develop their new post Brexit strategies.
- Much of the regulation around forestry was designed to address decades-old problems that are no longer relevant. The system is antiquated and needs to be updated so that forestry is seen as a profitable, productive asset and land use.
- F&W policy in Wales lacks vision and direction. Without clarity of destination, it's difficult to figure out the journey needed to get there. At present, policy is trying to deliver everything to everybody thereby failing to achieve the economic, social and environmental benefits actively managed F&W can deliver.
- Welsh Government must work with the NRW and the private sector to set out a clear vision for the future and set realistic goals and targets. Once we know where we're going, we can develop integrated interventions to deliver the vision.