

Wales Forest Business Partnership and Confor comments on Glastir Woodland Creation and Glastir Woodland Management

1. Glastir is an agri environment scheme targeted at bringing environmental benefits to Welsh farms. Woodland creation has been added (although GWC is still managed by the Forestry Commission) along with woodland management. It is our view that forestry requires different treatment to agriculture and it is inappropriate to attempt to influence both sectors through the same grant scheme.
2. Woodland owners have never had the benefit of a Single Farm Payment equivalent. The income from woods is primarily from timber sales and grant aid. Timber prices have been low for over thirty years discouraging owners from new planting or management. The recently closed Better Woodlands for Wales attempted to address that problem by injecting public money into support for those activities which often are neglected eg uneconomic thinning, formative pruning, infrastructure. The argument being that if a wood is properly set up and managed in the early years it will stand much more chance of being profitable and growing timber for use within Wales in the future.
3. The cost of BWW was not great at under £4 million a year. It was only in existence for four years yet proved to be popular and was encouraging good woodland management. Prior to this scheme grant aid was focussed on environmental improvements, as it is with Glastir, and the budgets were underspent year after year.
4. Welsh Government has a range of policies to support its aim to develop an economy based on sustainable development. Forestry can play its part in delivering these objectives but it must be given the right support encouraging those activities which owners are loathe to undertake because of the long pay back period. Support aimed solely at environmental gain will not result in commercially viable woods and instead of being one off, pump priming investment will be the first of many separate investments required by the same woodland.
5. We are concerned that Government is more concerned about meeting the rules of an out of date, EU funded scheme rather than thinking carefully how it might use the country's woodland resources in a cost effective way to meet its sustainable development agenda.
6. For example the restocking proposals under Glastir are grant aided at a very high rate. The grant aims at mitigating the challenges of climate change by diversifying species. In the higher altitudes owners are being forced, if they accept the grant, to grow untested species which may fail and even if they succeed may not produce

timber of a suitable quality. A choice has to be made whether to accept this grant and grow areas of timber which will never produce an income or forego the grant and plant a species with a known track record. We argue this choice is unnecessary and with some proper planning it is possible to design restock proposals which meet both the Government's and owners' objectives. Poor advice is being given by the Forestry Commission and the Glastir team is unwilling to listen to practitioners with experience.

7. Glastir Woodland Creation is being hampered by the following problems:
 - a. The traffic light planting map restricts where planting can be carried out. The map is inaccurate and based on old data. It is far too restrictive and needs to be redrawn. Despite many assurances this work is ongoing we have seen no evidence of any changes.
 - b. The grants for planting native broadleaves are significantly higher than the payments for planting conifers. The Forestry Commission claim there is no intention to discriminate in this way yet no changes are being made to the rates.
 - c. Land within a current agri environment scheme cannot be planted until the scheme has terminated. In order to capture an owner's enthusiasm to plant trees and not fall foul of proposed changes to the scheme under the new RDP to remove annual payments we propose any current agri environment schemes are amended to allow planting before the scheme terminates.

Glastir delivering Woodlands for Wales – The Gaps

Woodlands for Wales

The Welsh Assembly Government has committed to delivering the whole of this strategy. At the stakeholder group meeting on 7th December, stakeholders highlighted that some areas of the strategy appear to be missing from the current Glastir Woodland proposals.

It is absolutely clear in the following extracts from the Woodlands for Wales strategy that the Welsh Assembly Government values productive woodlands and needs them to deliver green jobs and carbon objectives.

Extracts from “A competitive and integrated forest sector”

“we recognise the vital role of Welsh timber in financing woodland management and in supporting the growth of Welsh forest industries, especially in rural areas. We also value the role of timber as a key renewable resource to support our sustainable development policies.”

“We wish to see a resurgence of economic activity in Welsh woodlands, which in turn could help to ‘kick-start’ a longer term commitment to sustainable woodland management and so help to deliver the other outcomes of this strategy.”

“Our plans to diversify the species mix and management of our own woodlands presents real challenges for the processing sector in Wales over the next 20 to 30 years.”

“maintain national woodland production potential at current levels. We intend to achieve this by supporting the sustainable management of currently under-managed woodland, and by increasing woodland cover, whilst maintaining output for our own woodlands in the short to medium term.”

“Adding value to the timber currently available is just as important as increasing overall output”

“a thriving forest industry is important to the Welsh economy.” “These drivers (awareness of sustainability, carbon footprint) should lead to a greater demand for wood products including those that are both local (with lower carbon footprint) and sustainably produced.”

“WFBP is well established as an industry-led group actively trying to improve cohesion within the whole woodland sector”

“timber is a key renewable resource because its ability to store carbon contributes directly to reducing the carbon footprint of Wales.”

...”marketing locally-grown wood, both as a sustainable building material and for low-carbon fuel.”

“our priorities are adding value to Welsh-grown timber and locking up carbon in long-term uses.”

“A key challenge for the sector in Wales is a market dominated by imported timber, now and in the future. The properties of Welsh timber are such that the sector must continue to make the best use of what it has by innovation and product development through timber modification and other creative techniques.”

In addition the important role of forestry is mentioned in other Wales Assembly Government policies and papers.

The **Climate change strategy** introduces global deforestation and the need to act locally in Wales to reduce the impact of climate change.

It is important that Wales’ historical carbon sinks are retained because it is estimated that Welsh peat soils contain around 400 Mt of carbon. In addition, the agriculture and land use sector has the potential to reduce emissions in other sectors by providing low-carbon energy sources through forest biomass, biomass crops and biogas. Forest biomass can also yield low energy materials in the form of solid timber for substitution of materials.

- Expansion of woodland in Wales by increasing the average planting rate from about 500 ha to 5,000 ha per annum maintained over 20 years. This will expand the carbon sink and so off-set emissions. Secondary benefits will be obtained if carbon is locked in wood products (e.g. increased use of wood for buildings substituting for more energy intensive materials such as steel and concrete).
- Expansion of renewable energy production on farms - including biomass and biogas - to contribute to low-carbon energy production for on-farm and off-farm use.
- Greater emphasis on management of existing woodlands and forests to maximise net carbon capture.

The National Assembly for Wales Sustainability Committee’s Inquiry into the Supply and Demand for Woody Biomass. The Committee is keen to ensure that employment and carbon abatement are not adversely affected by changes in the market. It believes wood should be utilised for as long as possible to ensure the carbon is stored and only at the end of its useful life be burnt for energy in markets, local to the supply, to ensure carbon emissions are kept to a minimum.

It recommends:

- That all available biomass material from the Assembly government Woodland Estate is recovered and that existing unmanaged privately owned woodlands are brought under management by utilising incentives.
- That the Welsh Government promotes the use of timber in new builds and provides assistance for developers using timber to ensure British and European Building regulations are conformed to.

Both the Bionergy Action Plan for Wales and the Energy Policy Statement set out ambitious targets for potential bionenergy use in Wales of “at least 5 terawatt hours (TWh) of electricity from renewable biomass by 2020 and 2.5 TWh of useable heat energy by 2020”. These targets will require bringing unmanaged woodland into

production if they are not going to compromise green jobs and carbon storage in solid wood products.

The Economics of Ecosystems and Biodiversity (TEEB), listed as reference for A Living Wales Consultation makes the case for sustainable development where timber and biomass are ecosystem services along with water, soil, etc.

“The case for biodiversity as a business opportunity is perhaps most apparent in ecotourism, organic agriculture and sustainable forestry, where there is growing demand for ‘sustainable’ goods and services. More generally, some estimates suggest that sustainability-related global business opportunities in natural resources (including energy, forestry, food and agriculture, water and metals) may be in the range of US\$ 2-6 trillion by 2050 (in 2008 prices). If accurate, these projections suggest that the private sector will play an increasingly important role in natural resource management.

The GAPS

I think we should state that we see state funding as a way of pump priming actions which lead to sustainable management. So if the state makes an investment at certain points there is a much greater opportunity that the woods will be economically viable in the future. Specifically, these actions are:

1. Infrastructure – it must be economically and logistically feasible to harvest, extract and haul the timber. We are often working with woods which either have no access in the case of woods which have received no management or inadequate access if woods have received little or low key management in recent years.
2. Formative pruning and cleaning – this must be done between years 8-15 ie early in the rotation when the prospect of future income is a long way off. If this window is missed the benefit cannot be gained at some point in the future.
3. 1st thinning – with the exception of spruce first thinnings are always at cost. As with formative pruning there is a window when the work has to be done (year 17-22) and again the prospect of income is still quite a few years away (it is not uncommon for 2nd thinnings to also be at cost). Failure to thin at the right time significantly impacts on the future log production. The reduced log volume means there is less potential to use Welsh timber in the construction sector. We should make this point very clearly and emphasize the cross referencing of the WAG policies.

Restocking of species with a commercial objective must be pursued. We should stress that failure to grant aid restocking may reduce the amount of timber brought to the market as owners attempt to identify the spikes in timber prices in order to pay for the restocks. Also, grant aid can be used to promote the widening of species selection. But this must be sensible and we need to have a much more detailed discussion on the interpretation of using a wider range of species. Intimate mixtures and LISS are both non starters.

Pests and diseases – the scheme can be used to promote the control of pests and diseases. The problems of grey squirrels and deer cannot be ignored. We should spell out that there is no point making substantial investment if it is going to be ruined in later years. It is unbelievable we have to make this point but it seems we do. The disease prevention measures can be introduced as and when they are needed.

Management plans – sensible management plans can be used to inform the owner, provide felling licences and create a platform for government support.

We should say that farm woods are a good potential source of wood fuel and their management will play an important part in meeting the woodfuel strategy. The most critical requirement here is infrastructure.

We should not be encouraging farmers down the LISS route. They do not have the experience or skill to make this work and most farm woods are too small and the ground too steep. Management of these woods must be simple and the farmer must see a quick return if he is to be encouraged to manage his woods in the longer term.

Somewhere we should draw a comparison between state and private woods. WAG woods have public money to do all of the above so why should private woods be treated any differently.

All of the above will create biodiversity and landscape benefits. Our management proposals do not exclude these benefits but instead they will be much more achievable.

There is a big challenge facing forestry in Wales - how to deliver true sustainable forest management across the forestry sector. Significant areas of under-managed forest remain and many proposed Glastir interventions are only likely to continue to yield benefit as long as continued public funding is provided, such as certain access and biodiversity benefits that are costly to maintain.

Most actions by public authorities do not explicitly support sustainable forest management, focusing instead on regulating or purchasing an environmental and/or social outcome without any assessment of the impact on the long-term sustainability of the forest.

- On the basis of long-term management planning, target grant and advice to support more owners in moving towards managing their forests on a self-sustaining basis.
- Forest management delivers environmental outcomes. It is understood that Axis 2 cannot pay for commercial operations, however the case can be made for loss making activities as was the case under BWW. A similar approach would apply with new forests.
- The following areas require support:
 - Infrastructure
 - Restocking (taking account of climate change, economic management and market demands)

- Uneconomic thinning
- Pruning / cleaning
- Pest management (grey squirrel, deer, rhododendron)

- Given the prominence of forest products in WAG strategies, more woodland needs to be managed and created.

- the revised applicants base circulated after the first stakeholder meeting is progress in the right direction

- Glastir woodland creation needs to focus on the future of these new woodlands grant.beyond the lifespan of the grant. The teething problems need to be dealt with, see below.

Can we reiterate that the grant for the mixtures is too low compared with the native woodland

- increase the homegrown share of wood used in Wales

- continue to work on procurement and adding value to Welsh timber

- acknowledge the hierarchy of timber use when providing incentives to the power generating industries.

Glastir Woodland Creation Contract teething problems

The industry has concerns with the contract that has been sent out to project officers.

Clients - The contract is unclear about who the project officers (PO) is working for: the applicant, the Forestry Commission or the Welsh Assembly Government. The FC is contracting for a range of work on behalf of applicants, though only paying for the submission of an application. POs then need to claim a fee (grant) from the Welsh Assembly Government. It appears the POs are recorded as recipients of grant by the WAG, hence the need for a CRN and the Fee Claim Form which requires action by the applicant. The applicant does not have a contract with either FC, WAG or the PO. If the Applicant withdraws, the PO is left with nobody to charge for the work that has been undertaken.

Fees -There is lack of clarity as to what work is undertaken on behalf of the Forestry Commission and what work is done on behalf of a Client. According to Rachel Chamberlain if POs introduce a Client to the system, they are free to arrange to charge for any of the work that is done, but if an applicant is referred to a PO by the FC then no other fee is allowable. However the Contract makes no reference to other charges by the Project Officer at all. At the same time the Glastir Woodland Creation rules state quite clearly "POs shall not charge landowners any additional fees for any services associated with Glastir Creation".



Glastir Woodland Element analysis for Glastir stock take

Wales is one of the least wooded countries in Europe, with woodland covering only 15% of the land area, compared to the EU average of 37%.

190,000 ha (62.5%) of woodland is privately owned of which 36% is conifer woodland, the main source of home-grown timber for the processing sector and the rest is broadleaf, mostly native, in small, fragmented blocks and mostly located on farms. Around 90,000 ha of woodlands are unmanaged. This is a lost opportunity to improve the woodland for habitat and produce firewood or timber and store or displace carbon.

Growing trees is a long term investment and the returns are low due to poor commodity prices over the last thirty years. Sitka spruce and Douglas fir are currently the only crops with good enough returns to justify investment in woodland. State intervention through grant aid is a way for the Government to purchase activity in woodland which will deliver its desired outcomes.

The private woodland sector believe that forestry, including commercial forestry, can contribute to Welsh Government's aim to build an economy based on sustainable development.

Sustainably managed forestry hosts many different supporting services including photosynthesis, decomposition, nutrient recycling, carbon and water cycling. Forestry helps regulate the climate and contributes all of the following cultural services: the appreciation of nature, contributing to an individual's mental, physical and social well-being, recreation and tourism, education, training and inspiration for all ages, plus employment and voluntary work. Finally, forestry is also a provisioning service, providing wood and other natural materials, as well as renewable sources of energy.

The array of Welsh Government policies requiring more sustainable sources of building materials, energy sources, and sustainable employment which contribute to the resilience of the local and Welsh economy, climate mitigation measures and increasing climate resilience in Wales, clearly show the need for a thriving sustainable forestry sector.

The [Briefing paper on the future of forestry in Wales](#) examines the central role of forestry in delivering many of the Welsh Government's sustainable development objectives.

Grant aid is a way of pump priming sustainable management. [Delivering Woodlands for Wales – The Gaps](#) details the particular actions which need to be taken in a woodland to make it economically viable in the future.

Government may take the view that woodland owners should be responsible for making the full financial investment required to maximise a woodland's commercial return. However, experience has shown that with a long period of low commodity prices owners are unwilling to invest on the basis of an improved price, and therefore return, in several decades time. As a consequence time critical operations may be ignored with the result that there will be less timber for construction, poorer biodiversity and less attractive woods for the nation to enjoy.

The Glastir grant rates, particularly for restocking, are sufficiently generous to encourage owners with productive, commercially viable woodlands to choose to maximise their grant income by undertaking "greening" operations which could result in their woodlands ceasing to be commercially viable. These woodlands would then become largely reliant on grant aid for future management.

There are also implications for future supplies of Welsh grown timber. The private woodland sector in Wales restocks approximately 1,000 ha per year. Glastir will reduce productivity by about 15%, i.e. 150 ha per year. Assuming volumes of 300 m³ per ha, production reduces over 10 years by 45,000m³. The implications of the Glastir Woodland Management grants need to be assessed within the wider scope of sustainable development and the Wales Woodland Strategy.

1) The scope of Glastir is too narrow

Woodlands for Wales covers environmental, social and economic measures (sustainable development) as well as the mitigation of climate change. Glastir focuses solely on the environment. The Better Woodlands for Wales grant scheme offered a tiered grant structure, with the highest rates for activities most strongly connected with delivering Woodlands for Wales objectives (notably restoration of ancient woodland, transformation to continuous cover forestry, and work towards social objectives).

The current incentives offered by Glastir will result in the following outcomes:

- Commercial growers ignore the scheme and maximize the area under a single species, Sitka spruce.
- Commercial growers accept the high restocking grants, reduce the area growing productive species and leave Government with an ongoing liability for future management.
- Owners of smaller woods are not enticed by purely environmental grants and leave their woods unmanaged.

Solutions:

- Do not let WG's interpretation of EU rules or WG's own agri-environment scheme rules limit the potential scope of Glastir.
- Storing carbon and improving water quality are objectives of Glastir. Forestry can contribute to these aims through the planting of productive conifer species which reduce water run-off and by encouraging the thinning of conifers early in the rotation so that more timber can be used in construction thereby embedding carbon.
- Farmers wishing to plant new woods on land currently under an agri-environment scheme have to wait until the scheme has terminated by which time EU rules may have changed. Encourage planting by amending the agri-environment scheme prior to its completion.
- A competitiveness grant - In January 2011 Forestry Commission Wales submitted a [Glastir Paper on improving the economic value of woodlands and forests](#) to Rory O'Sullivan. Confor offered support in developing the proposal. FCW also stated that they were seeking to develop "a range of measures to provide an integrated support package from training and information through to capital grants for woodland management and machinery." This work needs to be developed in parallel to Glastir, so that the woodlands of Wales continue to contribute to sustainable development.

2) Lack of clarity

The first application window has closed yet stakeholders remain unclear what the rules are, how the layers work, what the qualification criteria are and how the grants are to be applied. To compound the problem, staff contradict each other and the Q&A answers on the scheme's website.

An application process where the applicant has no way of judging whether the application will be successful and, if so, what work this will entail is a considerable barrier to the success of the scheme and wastes applicant and civil service time.

Solutions:

- All staff to use the published Q&A when dealing with enquiries
- Engage with stakeholders - these professionals can offer pragmatic solutions as well as providing information back to the forest sector and land owners. Confor welcomes the scheduling of a stakeholder group meeting in June. Please circulate scheme design information by email prior to the meeting.
- Change the application process so that an applicant is able to gauge whether s/he will be successful and understands the nature of the work that will be required.

3) Restocking

The Glastir prescription for restocking sites over 400m requires 30% of a secondary species for under 5 ha increasing to two secondary species for over 5 ha with a minimum of 10% native broadleaves. In addition managed open ground will not be grant aided even if it is a scheme requirement. A limited number of species will grow successfully in the uplands of Wales and, as a result, much of the restocked area will be under non-productive species with serious implications for the financial viability of the wood and feedstock for the processing sector in the future.

Solutions:

- Forest Research is studying the properties of alternative species to Sitka spruce, with good resilience to a changing climate. These new species will need to be introduced gradually over time so that the sawmilling industry can adapt and owners can be reassured that they are making viable choices.
- In order to encourage owners to reduce coupe size which will meet water management objectives Glastir restocking measures need to be applied at a forest level rather than a coupe level and sites above 350 m on non-mineral soils must be treated in the same way as sites above 400 m for the species percentages. Open ground should be accepted as a secondary species where it clearly offers biodiversity benefits.

4) Glastir woodland creation

The Climate Change Commission for Wales reported in January that “393 applications for the [GWC] grant have been submitted, covering an area of 1,100 ha. Of these, 232 applications have been approved, covering an area of 687 ha. Given the potential of woodland creation to act as a carbon sink (rather than simply reduce emissions as in other sectors) the current levels of woodland planting are insufficient, being much less than the annual target of 3000 ha per annum set for Glastir and the aspirational target to plant 5000 ha per year suggested by the Land Use and Climate Change Group. It will be important to review uptake of the grant.”

Solutions:

- The traffic lights map and the approval process needs reviewing. The presumption must be in favour of woodland creation and the CCW staff dealing with applications must be encouraged to be proactive.
- The grant rates need reviewing to ensure that the emphasis on woodland for carbon is appropriate. Forest Research must be involved in this process.
- Payments for income foregone must be preserved now and going forward.

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