

Forestry Grant Scheme Riverwoods Recommendations to Partners

Date: 11/05/2023

Dear Riverwoods Partners,

As many of you already know, a public consultation on the Forestry Grant Scheme is open for comment until May 17th, 2023. The consultation is seeking stakeholder opinion on how to improve the grant scheme to better address the twin crises of climate change and biodiversity loss, adapt grant support to further stimulate woodland expansion, and open opportunities for greater community engagement.

Given resource constraint, we are not going to be able to put out a collective Riverwoods response. However, we want to ensure that voices specifically championing riparian woodland creation, restoration, and revitalization are represented in the consultation process. We are calling on all our partners to put forward an individual response with a unified message.

Your participation will serve to:

Raise awareness about the importance of riparian woodland restoration and the role it plays in promoting biodiversity, mitigating climate change, and supporting rural communities

Shape the grant scheme to better support the financial needs of riparian woodland restoration projects

Demonstrate our commitment to a multi-partner network approach to improve the health of our ecosystems

The consultation form is 17 questions long, although it is not required to fill out the form in its entirety. Consensus among members is that questions 1-8, and 15&16 are particularly salient to our mission.

The following text gives a summary of asks that can be used to guide your responses and aid with core messaging being conveyed. The information contained below was largely drawn from a paper agreed by the Riverwoods Delivery Group; Protecting Scottish Rivers with the Forestry Grant scheme (V6 2.12.21)

Summary of Asks:

1. **Complexity and Support for Plan Production and Forestry Cooperation Fund (FoCo)**

Engaging landowners, scoping sites, designing eligible schemes, and applying for grants is complicated and potentially expensive with only exceptionally keen farmers/landowners able to complete the very detailed application process.

The alternative is the use of a consultant at considerable expense and added to this may be the cost of surveys, all of which may not be refunded if the application fails.

The FOCO option has had limited uptake to date. It provides funds for groups of farmers to coordinate woodland planting effort, and this can be used to support local consultants, agents or eNGOs to draw up collaborative schemes. However, the FOCO application process necessitates obtaining signatures from four landowners who are willing to participate. This means that a lot of the facilitation/design work that the fund is designed to cover actually has to be done before the application process in order to secure a signature i.e., many landowners will not sign up until they have seen a scheme and a budget sketched out. The option could be refined to make it slightly easier.

Recommendations:

Streamline the application process with funding made available via, and integrated with, the FGS (Forestry Grant Scheme) application process for plan preparation and aid towards survey costs.

and/or

With reference to the above recommendation, review and streamline the FOCO parameters to allow this funding to be available for individual applications.

2. Value for Money Criteria (VFM)

The Forestry Grant Scheme 'Value for Money' criteria simply focus on timber production and the ratio of area planted to the cost of tree protection/fencing. Thus, the linear nature of riverside woodlands often means they score badly. There should be more value attached to wider benefits such as reducing water temperatures, flood alleviation, diffuse pollution control, biodiversity, providing ecological linkage, etc. that riparian woodland provides which aid in tackling climate change and biodiversity loss.

Recommendation:

Expand VFM scoring to recognise the wider benefits outlined below

3. Tree Planting Densities

The Forestry Grant Scheme generally requires broadleaved trees to be planted at 1600 stems/ha. However, best practice suggests densities between 550-1100/ha would be more suited to create the most beneficial habitat for river systems. Similarly, open ground allowance is limited to 15% of the overall design. Allowing flexibility on planting density and open ground allowance within recognised riverside areas would enable more and better-quality schemes to progress.

Recommendation:

Allow lower planting density option/s when environmentally beneficial to do so

4. Targeted Woodland

There have been recent changes to the Woods for Water target mapping element that are a significant step forward from previous versions in highlighting priority areas for planting. The target areas have also been increased to enable better larger schemes to be considered. This should be a positive step forward and time will tell as to the effect this has on aiding the expansion of riparian woodland.

However, the associated uplift grant payments are minimal offering little financial incentive and are further limited by the qualification parameters. (See Point 5 - Enhanced grant rate – below)

Recommendation:

Implement revised target area mapping and enable minor changes to occur on an ongoing basis to enhance viability of schemes.

5. Enhanced Grant Rate

To accompany the revised target area mapping, there is an uplift payment equivalent to 12.5% above basic area & maintenance payment rates that equates to £230/£34, respectively. Given that average riparian schemes are running at an average of 30-40% shortfall against the FGS, this uplift rate is too low to make a significant difference.

Secondly, the uplift rate only applies if 50% or more of the scheme lies within the recognised uplift areas. This could limit the size of the scheme where maximising income is a priority.

Recommendation:

Offer significantly better uplift grant payments beyond 12.5% as financial incentives for riparian schemes.

Remove the 50% eligibility rule to allow any areas within the recognized uplift area to be eligible for uplift payments and the equivalent area out with, if it is a connected native woodland compartment regardless of overall scheme size.

6. Fencing

FGS offers a standard rate (£7.60/m) or in recognised areas an enhanced rate (£9.90/m) for deer fencing. FGS grant rates are fixed during the overall FGS scheme lifetime and this allows no flexibility against increased capital costs incurred, thus reducing the effective intervention rate making schemes less attractive financially.

Fencing is one of the most significant costs incurred and currently the grant rates don't reflect the prescribed 80-85% intervention rate against current actual costs of £17.00-£23.00 depending on deer fence specification. This is particularly true in very remote areas where significant access issues exist and/or airlifting materials is the only option.

It would be useful if woodland officers had the ability to offer an enhanced uplift where really good schemes warranted it.

We would expect to see a preference for planting on sites with proactive deer management taking place and management plans in operation.

Recommendations:

Offer greater flexibility on deer fencing uplift grant rates taking into consideration individual scheme restrictions.

Enable flexible standard fencing grant rates to address fluctuations in actual capital costs

7. Stock Watering and Water Gates

The fact that alternative watering is not an eligible item under FGS can be a major disincentive to farmers planting trees. AECS (Agri Environment Climate Scheme) grants do cover stock watering (pipework, troughs etc.) but are difficult to qualify for without a large and comprehensive whole farm scheme (costly and risky to draw up).

Also, there is currently no capital option for the provision for water gates that can be costly and time consuming to the landowner both for installation and maintenance but are critical for comprehensive riparian woodland schemes.

Recommendation:

Make stock watering and water gates an eligible cost under FGS

8. Agri-Environment Climate Scheme (AECS) Grazing Anomaly

AECS requires only a minimum 3m water margin but can go up to 20m on either side of a water margin in certain cases. Individual trees can be planted, but the grant conditions stipulate that the area needs to be left open to occasional grazing which severely damages or kills the trees.

Recommendation:

A derogation of the Agri-Environment Climate Scheme (AECS) occasional grazing condition to allow trees and riparian edge vegetation to fully establish.

9. Basic Payment Scheme (BPS)

Landowners and farmers should continue to receive financial support on areas planted through FGS or in AECS via BPS. This is a significant positive. However, planting delivered via alternate funding may then negate the land being eligible for BPS which can be a significant negative for farmers and landowners and prevent planting from occurring.

Recommendation:

Continue to allow the Basic Payment Scheme to be claimed on areas of land under the Forestry Grant scheme (FGS) or the Agri-Environment Climate Scheme (AECS) but also on schemes delivered out with FGS and AECS funding

10. Maximising External/Private Finance

FGS funding is designed to cover around 85% or so of eligible costs. This means that at least 15% of the actual capital costs need to be found elsewhere, and it is increasingly possible to find funding through carbon sequestration brokers operating under the Woodland Carbon Code. This funding can

often provide much more than 15% funding and in certain situations may actually be able to provide the majority. The development of green financing will likely be another significant source of external funding in the near future. However, the FGS administration system makes it difficult to take advantage of these situations.

Recommendation:

Adjust the administration systems to allow variable FGS grant rates to lever in more private finance and lower cost to the taxpayer

11. Forestry and water guidelines

Forestry and water guidelines have been a positive step in rectifying historic issues. The riparian zone within commercial softwood plantations are now relatively large and have considerable potential. However, the guidelines are often interpreted as a means to *avoid* negative impact on water/water courses rather than setting out proactive steps to deliver multiple benefits for both new plantations and restock sites.

Recommendations:

Produce better and more positive guidance to ensure maximum benefit is achieved.

Instruct Forestry Scotland to ensure officers interpret guidelines to obtain maximum benefit for riparian areas.

Below is the link to complete the online consultation response form.

[Consultation Response Form](#)

If you prefer, a headed letter will also be accepted as a consultation response. The appropriate contact is:

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Operational Delivery

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