

2016/17 Statement on Sustainable Economic Growth

Increased focus on forestry is reflected in the Programme for Government, which devotes a section to forestry that frames the rationale for much of the work we've done this year. This increased profile and ambition for forestry has resulted in many changes in our priorities and how we work.

In September 2016, as part of the forestry devolution process the Scottish Government undertook a consultation on "The Future of Forestry in Scotland". It closed at the end of November with **over 600 responses** from the sector, stakeholders and members of the public. The consultation outlined plans for: the future organisational structure of Forestry Commission Scotland (FCS), the introduction of the Forestry Bill and the future of cross-border arrangements.

The Forestry Grant Scheme (FGS) is now in its second year of running, and is receiving significant interest, with applications with a combined value of £76 million already submitted, and £59 million approved. These grants include 13,053 hectares of woodland creation (10,065 hectares approved), as well as grants for the management of existing forests. Final planting levels in Scotland for the 16/17 season are still likely to be suppressed as the industry gears up following the transition to the new grant scheme, however the levels of interest for 17/18 are very encouraging – especially for more productive schemes.

Jim Mackinnon CBE was appointed to identify opportunities for simplifying and speeding up the Forestry Grant Scheme approval process for woodland creation. The report made 21 recommendations that have now been condensed into six work streams which we are now taking forward supported by a joint stakeholder Delivery Group.

Another piece of work which supports increasing woodland creation applications is the introduction of the Highland Target Area. This responds to a previous shortage of native woodland applications in this region by making this option more attractive to landowners.

Being one of very few industries with a net carbon reduction, removing around 10 million tonnes of CO₂ each year in Scotland, forestry has been identified by Scottish Ministers as a key opportunity for further carbon reduction. This is why woodland creation targets have been increased. The Draft Climate Change Plan lays out a stepped approach to reaching **15,000 hectares of woodland creation** per year by 2025. This support for woodland creation has been backed up with resource, too, with an increase in budget for woodland creation from **£30 million to £34 million** for 2017/18. This signals significant political support for woodland creation and forestry in general.

We have seen an ongoing increase in the growth in timber harvesting in the last year and the forecasts look positive for this growth to continue. We recognise the challenges this brings to transport infrastructure and as such have continued the work of **The Strategic Timber Transport Fund**. We have also seen a boost of an additional £5 million being added to the budget for next year. In the last year we've seen a number of schemes approved and delivered which provide community, social and environmental benefits through the strengthening of public roads and reduced disruption by timber haulage.

Tree health remains a priority, with a number of aerial surveys being undertaken across the year. *Phytophthora ramorum* has been identified in new stands, including within both National Parks. However, over 80% of remaining larch in Scotland isn't showing visible signs of infection and so the current policy of early detection and robust action does appear to have been effective in slowing down and reducing the severity and scale of new outbreaks.

We cannot forget the importance of public engagement with tree health and the "Keep it Clean" campaign is now in its second year, continuing to inform members of the public and encourage them to brush off dirt and mud before every woodland visit in order to help maintain healthy forests.

Community involvement at all levels is crucial to our work and we're now approaching our third year of running the **Volunteer Community Champion** programme. This encourages diverse groups, with the assistance of Community Champions, to truly engage with forests. We've also supported numerous events, such as an International Peace Day tea party event at Castlemilk Woods, where a range of diverse communities came together to present and share each of their cultures' tea and hot drink traditions as well as participate in outdoor activities.

Finally we have also seen the completion of the National Forest Land Scheme which was supported by FCS staff, and the development of the new Community Asset Transfer Scheme (CAT) which will be operated wholly by FES. The National Forest Land Scheme (NFLS) was a ground-breaking scheme developed by FCS that was much praised in the development of the new CAT Scheme for broadening asset transfers from the public sector to communities. On the back of this we have seen the continued rise of community woodlands which we continue to support