

REVIEW OF ARRANGEMENTS FOR CONSIDERATION OF FORESTRY GRANT APPLICATIONS: PROGRESS REPORT

1. In December 2016 the Scottish Government published the Analysis of the Current Arrangements for the Consideration and Approval of Forestry Planting Proposals. The report was warmly welcomed by the forestry sector and the Cabinet Secretary for the Rural Economy and Connectivity accepted, in principle, all 20 recommendations and added a further relating to the thresholds for Environmental Impact Assessment.

2. To implement the recommendations a Project Initiation Document was prepared in January 2017 and a Delivery Reference Group set up by Forestry Commission Scotland (FCS) with representatives from the sector and key consultees. The Group, which is chaired by the Head of FCS has met on 3 occasions. 6 workstreams to progress the implementation of the Review recommendations have been created.

3. This report reviews progress with the implementation of the recommendations and has involved meetings with the Project Manager, a range of FCS staff, Government Agencies and industry representatives. The work was carried out and written up in very short order so there may be some omissions, errors of fact and interpretation but the overall picture set out represents a fair assessment of progress.

4. First impressions were, firstly, that the Project Manager has a very sound understanding of the rationale behind the recommendations and is strongly committed to help drive forward changes not just processes but also approaches and behaviours which are captured in the concept of "culture". Secondly, the governance arrangements for implementation come across as a bit heavy handed and bureaucratic and, to an extent, indicative of the culture the recommendations were seeking to change. Thirdly National Office could have been more engaged in promoting better understanding and awareness of the recommendations of the Review and actively promoting elements of good practice, for example the excellent Confor guide on Stakeholder Engagement.

5. An analysis of progress with the recommendations of the Review are in the Annex to this note. There are 4 recommendations which are classed as complete or substantially complete; 14 where there has been some/good progress; and 3 where limited progress has been made. The middle category covers a broad spectrum of progress but is intended to reflect the efforts of FCS staff to take forward the recommendations.

6. The Summit on 24 May is very timely. It has been difficult to understand clearly what has happened in terms of delivering the recommendations of the Review and while there is a lot of paperwork with charts and diagrams, what is lacking is a clear narrative on progress with specific outputs to which the Cabinet Secretary can point. The emphasis appears to be on process at the expense of outputs leading to better outcomes which the entire forestry sector – public and private – is seeking to achieve.

7. Stakeholder involvement is critical in delivering the reform of the grant system, not just in terms of improving the processes for woodland creation but also addressing the underlying cultural problems which are certainly not unique to the FCS. So while there is a rationale for a Delivery Group, quite a lot of effort has gone in to servicing this Group arguably to the detriment of delivering, rather than talking about, change. There are better and arguably more effective ways in which different stakeholders can contribute to revitalised approaches to woodland creation and to large extent these are reflected in the

workstreams.

8. More could and should have been done by National Office to communicate the Review to FCS staff as well as identifying and promoting many of the recommendations such as the new approaches to EIA screening, the issues/action log and community engagement. There appears to be a recognition that the scale of challenge may have been underestimated and, as a result, insufficient resources allocated to delivery. However it has to be recognised that National Office has had a great deal on its plate, including providing input to the preparation by the Scottish Government of new forestry legislation (which has now been introduced in the Scottish Parliament), significant organisational changes affecting both National Office and the conservancies, continuing difficulties with grant payments and a range of BREXIT related concerns.

9. It is widely accepted that a number of the recommendations in the Review are not capable of early implementation. While the FCS and Agency staff thought that changes in behaviour and approach were happening, the industry felt this remained patchy, although their focus in recent months has been on planting. However with the planting season now over agents are turning their attention to submitting applications for woodland creation and, with recent changes to the grant regime and uncertainties over financial support for agriculture, there appears to be a growing interest in tree planting. The question is how FCS staff and the Agencies will respond to these pressures.

10. The prospect of the summit has been important in focusing minds and moving documents from final draft stage to publication. The protocols with the Agencies are a particular case in point and before summer recess leaflets on woodland creation should be published; these will be actively promoted by the sector at agricultural shows across Scotland. The strong forestry presence at this year's Royal Highland Show is very welcome. Other documents to be published over the next few weeks include the joint FCS/SEPA guidance on Ground Water Dependent Terrestrial Ecosystems which has been of major concern to FCS and the industry in some conservancies resulting in significant added costs and delay. The Strategy on Restocking on which Forest Enterprise Scotland, Confor and UKFPA have worked, will be published before the Scottish Parliament's Summer Recess, Finally the coming in to force of the new EIA Regulations which raises the threshold for screening on non-sensitive sites is a significant achievement.

11. Less tangible improvements are clearly being made, for example on the approach to training of FCS staff focusing much less on generic/corporate themes such as managing change and building relationships to embed more technical training, something which emerged strongly in last year's Review. The commitment of industry to support training is very welcome. It should not be forgotten, however, that the requirement for training also extends to the private sector and the Agencies.

12. However some issues have not progressed or nor progressed very far. The Central Team is not yet in place although the competition for the appointment of a Team Leader is now being actively pursued. Very limited/no progress has been made on the Accredited Agent front, planting targets for conservancies and the identification of a local authority to pilot an approach to large scale planting. In relation to the Accredited Agent there is support for the rationale, particularly the concept of Earned Recognition but it has not really moved forward.

13. Culture change remains a big issue – for FCS, the Agencies and the industry. There was an interesting comment made to the effect that those within the public sector

who are already effective and enthused by the changes will respond positively and indeed already are. But some remain resistant, arguably opposed, to embrace concepts such as pragmatism and proportionality. It is equally the case that some agents are not seeking to up their game in submitting better quality applications which is the underlying rationale for Earned Recognition/Accredited Agent status. There are no simple solutions but working together and understanding better different perspectives are the key not least as there is a shared objective across the sector to plant more trees that meet the UKFS.

14. It is perhaps worth mentioning some other issues that were raised in recent discussions. These included concerns, particularly in relation to consultation with local authorities that concepts such as cumulative effective and land use balance could begin to emerge as reasons for constraining woodland creation. Continuing problems around the payment of grants featured, including FCS loss of Paying Agency status, the RPID system being unsuited to forestry and delays in making payments. Confor raised again planning grants, an issue that was mentioned in the Review. The challenges of delivering new woodland are clearly much greater than in the past but concerns were raised about the extent to which recent forestry graduates had a real understanding of the technical issues involved in afforestation.

15. In summary, some progress has been made with the implementation of the recommendations of the Review and the May summit has been important in bringing certain areas of work to completion. There is, however, still much to do. The aim is to have the new approach to woodland creation with design approval distinct from the grant application introduced late 2017/2018. This will be supported by clear, focused and pragmatic guidance and while there are uncertainties on the home and European fronts, this is achievable but it will require strong leadership and improved resourcing. It is suggested that a catch up with the Head of FCS and the Project Manager be held in July and September with a more formal review in the autumn to provide the Cabinet Secretary with the necessary assurances that the reforms to the system of woodland creation are being delivered.

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