Government Forestry and Woodlands Policy Statement

Incorporating the Government’s Response to the Independent Panel on Forestry’s Final Report

January 2013
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1. Ministerial Foreword

The Independent Panel on Forestry issued a clear challenge to Government and the nation as a whole last year. “As a society, we have lost sight of the value of trees and woodlands,” the Bishop of Liverpool concluded. We need to “grow a new appreciation of woods and forests”.

The Government shares this view and has embraced this challenge. Over the past six months we have listened to businesses, interest groups and the public about what we can do, as a nation, to value our woodlands more. In this statement we respond to the Panel’s report and outline how we will protect our trees, woods and forests and improve our woodland assets.

England’s Public Forest Estate will remain secured in public ownership – for the people who enjoy it, the businesses that depend on it and the wildlife that flourishes in it. We have rescinded the previous policy of disposing of 15% of the Estate and we will be providing sufficient funding in this Spending Review to ensure that high levels of public benefit can continue to be delivered. This includes £3.5m that we have specifically included in the Forestry Commission’s budget for 2013/14.

In the longer term, a new body will be created to hold the Estate in trust for the nation. The new body will have greater independence from Government and greater freedom to manage its resources and maximise its income but with the right safeguards in place to operate for the long-term benefit of people, nature and the economy.

We will help invigorate the woodland economy, bring neglected woodlands back into management and help to create jobs and growth. The industry’s new Action Plan, being developed under the energetic leadership of Dr Peter Bonfield, is one of the most exciting developments for the sector in a generation.

In line with our commitments in the Natural Environment White Paper, we want to do more than just maintain our woodland assets. We want to improve them. This will help everyone derive the greatest possible economic, social and environmental benefit from them, while ensuring that they are available, now and for generations to come. This includes working with landowners to maintain and, wherever possible, improve public access to our woods and forests. We will focus particularly on woods close to our towns and cities where the greatest number of people can enjoy them.

Most importantly of all, we need to look after this precious resource. Recent pest and disease outbreaks have underlined how deeply the nation cares about the health of our woodlands. Our most urgent priority is to protect what we have and help others do so. However, we must also take the long-term view by planning resilient new woodlands for the future, and expanding woodland cover where it will most benefit the economy, communities and the environment.

Government cannot and should not do this alone. The spirit of partnership forged by the Panel and more recently during the Chalara dieback of ash outbreak must continue – not least because many of the Panel’s ambitions are wider challenges for the sector and society as a whole.

I am in no doubt that the Panel has provided us with the perfect springboard for growing a new woodland culture. Its aspirations are compelling, its vision inspiring. It is now the responsibility of all of us to deliver on this promise.

The Rt Hon Owen Paterson MP
Secretary of State for Environment, Food and Rural Affairs
2. Executive Summary

We welcome the report from the Independent Panel on Forestry, published in July 2012. We share the Panel’s vision and aspirations and accept many of its recommendations in full. In particular, we agree with the Panel on:

- The need to develop a new woodland culture and a resilient forestry and woodland sector,
- The value of the Public Forest Estate, which will continue to benefit from public ownership, be held in trust for the nation and be managed by a new, operationally-independent body,
- The importance of protecting our woodland assets,
- The need to bring more woodland into active management and increase the extent of woodland cover in England,
- The need to help the sector to find its voice and improve its economic performance,
- The importance of preserving and maximising the social and environmental benefits provided by trees and woodlands, particularly in and around our towns and cities,
- The scope for developing new markets based around a better understanding of the value and potential of our trees, woods and forests,
- The value of retaining a skilled cadre of forestry experts within the public sector.

The Panel’s report underpins a refreshed Government forestry policy. This policy is based around a clear hierarchy of priorities: protecting, improving and expanding our public and private woodland assets. It also reflects key Coalition principles, such as economic growth, localism, deregulation, targeted government intervention and value for money.

Protecting our Trees, Woods and Forests – We are fully committed to protecting our woodland assets from the ever-increasing range and scale of threats. We are giving greater priority to tree and plant health than ever before. In addition, the Living With Environmental Change (LWEC) Partnership will use £4 million of Defra funding, £0.5 million of additional Forestry Commission funding and up to £4 million additional funding from Research Councils to do in-depth research into tree diseases to inform the way outbreaks are handled in the future. We have also established the Tree and Plant Health Biosecurity Expert Taskforce to review and advise on our strategic approach.

Improving our Valuable Woodland Assets – We are committed to sustaining, managing and improving our forests and woodlands so that they can contribute to economic growth and benefit people and nature.

To drive economic growth, we will:

- Work with landowners and others to increase the amount of actively-managed woodland and review progress in five years,
- Further reduce unnecessary regulation and red tape affecting the sector,
- Support the sector as it develops its new industry-led Action Plan,
- Work with the sector to explore the scope for exploiting economic opportunities, such as woodfuel markets and rural tourism,
- Encourage, where appropriate, local government and Local Enterprise Partnerships to take advantage of the opportunities provided by Government policies to realise the potential of local woodland assets.
To benefit people and communities, we will:

- Work with partners from across the sector to promote community involvement in the management of their local woodlands,
- Complete the delivery of the Big Tree Plant and work with the sector in seeking funding for possible future initiatives aimed at developing local access, individual potential and community cohesion through engagement with trees, woods and forests,
- Continue to look for ways to improve access to woodlands, particularly in and around our towns and cities.

To benefit wildlife and the natural environment, we will:

- Continue to implement the Natural Environment White Paper and Biodiversity 2020,
- Work to improve and restore our native and ancient woodlands and open habitats through renewing our commitment to the policies set out in the Open Habitats Policy and Keepers of Time,
- Publish an open habitat strategy for the Public Forest Estate,
- Encourage, where appropriate, Local Nature Partnerships to identify forestry as a local priority.

Expanding our Woodland Resource – We believe that there is scope for increasing England’s woodland cover significantly to achieve greater economic, social and environmental benefits. We expect that closer and more effective joint working between Government and the sector can deliver 12% woodland cover by 2060. We will:

- Work with the sector to find new ways of encouraging landowners to plant more trees where it best suits them and their local conditions,
- Develop further the voluntary woodland carbon market and other sources of investment that reflect forestry's low carbon credentials and wider public benefits to deliver a more wooded landscape,
- Pilot an initiative to reduce burdens on landowners who want to plant woodland by clarifying where a full Environmental Statement is unlikely to be required.

Realising More of our Woodlands’ Value – We are fully committed to valuing the many social and environmental benefits of woodlands and to developing new market opportunities to realise these. We will build on the good work of the National Ecosystem Assessment, the Natural Capital Committee and the Ecosystem Markets Taskforce to drive this forward by:

- Working with the Natural Capital Committee and the Office of National Statistics to develop a set of natural capital accounts for UK forestry assets and use this to inform the development of a set of natural capital accounts for the Public Forest Estate,
- Developing a woodland ecosystem market roadmap to bring together actions by Government and our partners over the next 5 years to (a) build knowledge (b) develop wider networks of collaboration and expertise and (c) implement mechanisms and projects to demonstrate good practice,
- Working with others to support the further development of markets in forest carbon and other ecosystem services such as water and biodiversity.
Governance and Structures – We want strong and resilient delivery arrangements that achieve better quality outcomes for the economy, people and nature. This includes simplifying our current structures and stepping back from any unnecessary day-to-day involvement. We will do this through:

- Retaining a core of forestry expertise within Government with the capacity to deliver a range of functions, duties and powers,
- Reviewing the Government’s forestry functions alongside the Triennial Review of the Environment Agency and Natural England,
- Working with the devolved nations to ensure that vital cross-border functions in areas such as research, standards and tree health can continue to be delivered centrally, where this is appropriate,
- Establishing via legislation a new, operationally-independent Public Forest Estate management body to hold the Estate in trust for the nation. It will be charged with generating a greater proportion of its income through appropriate commercial activity and with maximising the social, environmental and economic value of the assets under its care.

This statement is not the final word on everything. The Tree Health and Plant Biosecurity Expert Taskforce and the Triennial Review of Natural England and the Environment Agency, which will both report later this spring, will contribute to the broader picture of how the Government’s forestry functions and responsibilities will be delivered in the future. In addition, the Rural Development Programme, which has provided substantial funding for forestry in the past, is being re-negotiated in Europe. We do not yet know how much will be available to support forestry initiatives in the future, nor the priorities against which we will need to make funding decisions. We will consult on the new programme in late spring 2013.

It is, however, the first step in a longer process of working in close partnership with others to create a healthier, more resilient and sustainable forestry and woodland sector delivering long-term social, environmental and economic benefits for all. We invite the sector to commit to working with us to achieve this common goal.
3. Introduction

We agree with the Independent Panel on Forestry’s vision and aspirations. These have inspired our refreshed forestry policy for England, providing a new framework in which we can all deliver them.

We set up the Independent Panel on Forestry (the Panel) in 2011 to advise on the future direction of forestry and woodland policy in England and on the future role of the Forestry Commission in implementing that policy.

Under the leadership of the Right Reverend James Jones, Bishop of Liverpool, the Panel brought together senior experts from the land management, forestry, wildlife, charity and wood business sectors. Its final report in July 2012 contained 31 recommendations covering a wide range of issues, including: the future of the Public Forest Estate, other functions of the Forestry Commission, woodland creation and management, the economic development of the forestry sector, community involvement in local woodlands, payment for ecosystem services, and tree health – the importance of which became even clearer with the confirmation in the wider environment of *Chalara fraxinea* (dieback of ash) in autumn 2012.

We thank the Panel for its landmark report. We share its vision and aspirations. We agree that we need a new woodland culture based on a better understanding of the value and potential of our trees, woods and forests. We accept many of its recommendations in full. In some areas, we accept its aspirations but suggest alternative means for achieving them. Short responses to each of the Panel’s recommendations are annexed to this policy statement.

Immediately following publication of the Panel’s report, we said that the Public Forest Estate would continue to benefit from public ownership and promised that we would provide a full response to the Panel’s report. This statement fulfils that commitment and is the result of substantial joint work between Defra, the Forestry Commission and across Government. It also draws on the numerous positive and productive meetings we have held with a wide range of stakeholders since July and on the many helpful and constructive comments, submissions and survey responses we have received.

This statement goes beyond simply addressing the Panel’s specific recommendations. It responds to the Panel’s rallying call to the whole forestry sector. It sets a clear direction of travel for English forestry policy which is designed to place the sector on a more secure long-term footing so it is better equipped to identify and address its own needs. Government will play its part but will limit its role to what is really necessary and appropriate to facilitate the sector’s own progress. Many of the new commitments that we make in this statement will only happen if delivered in close partnership with the wider sector, which includes everyone with an active interest in England’s woodlands.

This statement is not the final word on everything. For example, the Tree Health and Plant Biosecurity Expert Taskforce and the Triennial Review of Natural England and the Environment Agency will report later this spring. Negotiations also continue on the future shape, size and direction of the Common Agricultural Policy, including the next Rural Development Programme. This statement does, however, set a fresh course for the future. It begins to describe the journey needed to create a new woodland culture. It marks an important step towards building a new relationship between Government and the sector.
4. Government Forestry and Woodlands Policy

We fully recognise the vital importance and high value of England’s trees, woods and forests. We are firmly committed to securing the maximum economic, social and environmental benefits from both public and private woodlands through a refreshed policy approach based around core priorities.

England’s trees, woods and forests are a vital national asset providing multiple economic, social and environmental benefits. Our objective is to ensure that this asset is protected, managed and enhanced so that these benefits can be both maximised now and realised in the future. Our forestry policy is, therefore, based on resilience. This means a forestry sector and woodland resource that keep growing, providing these multiple benefits; are financially sustainable and affordable; and are well equipped to respond to existing and future threats.

To achieve this, everything we do must be focused on achieving the following key objectives, in priority order:

- **Protecting** the nation’s trees, woodlands and forests from increasing threats such as pests, diseases and climate change,
- **Improving** their resilience to these threats and their contribution to economic growth, people’s lives and nature,
- **Expanding** them to increase further their economic, social and environmental value.

This clear hierarchy of priorities is the bedrock of our forestry policy, which is also informed by the Coalition’s wider key principles such as:

- **Economic growth** – our policies will promote sustainable growth, striking the right balance between maximising the value of our woodland assets, providing public benefits and protecting our natural environment,
- **Government should do what only Government can do** – we will provide the right legislative and fiscal framework within which the sector can pursue its woodland interests,
- **Deregulation** – the sector should be as free as possible to pursue its woodland interests and we should regulate only where and to the extent necessary,
- **Localism** – local authorities, businesses and communities know their areas and are best placed to decide their local priorities. We should facilitate, not dictate,
- **Partnership** – wherever possible we will work in partnership with the forestry and woodland sector,
- **Value for Money** – we want to spend public money as efficiently and effectively as possible in order to gain the best deal for the taxpayer.

These priorities and principles will govern our approach to identifying and addressing our responsibilities in relation to publicly-owned forestry assets as well as our broader role in relation to privately-owned woodlands and the wider forestry and timber sectors. The UK Forestry Standard will, of course, remain our benchmark for sustainable forestry management and woodland creation.
The Rural Development Programme currently plays a key role in supporting forestry. We want all elements of the Common Agricultural Policy to deliver greater environmental benefits at an overall reduced cost. We are actively negotiating in Europe over the future Rural Development Regulation to ensure that it enables positive action by rural land managers and communities and is able to help deliver a resilient woodland resource in England. We are considering how best to use funding available under the next Rural Development Programme (2014-2020) across the range of possible uses and will consult on it in late spring 2013.

The next Rural Development Programme could support woodland protection, management and creation as well as measures to support the supply chain to drive economic growth from our forests. We will provide more information over the coming months as the regulatory framework and available budget become clearer. In addition, we have commissioned research to help us further assess what interventions are most likely to achieve our ambitions for England’s woodlands and forests.

As the Panel said, forestry is a long-term business. Our refreshed forestry and woodlands policy, based on clear and sound principles, will enable Government to take the long view that is needed if our trees, woods and forests are to flourish in the years to come.
5. Protecting Our Trees, Woods and Forests

We are fully committed to protecting our trees, woods and forests from the ever-increasing range and scale of threats, so that our woodland assets are resilient and can continue to deliver a wide range of economic, social and environmental benefits.

Protection of our trees, woods and forests, especially our ancient woodland, is our top priority. Tree pests and diseases present a clear threat to our nation’s valuable woodland assets and the multiple benefits they provide. We have increased the priority given to plant health, and will look to learn lessons from other areas, including animal health.

*Chalara* dieback of ash has brought this issue into sharp focus in recent months and we have recently published an Interim *Chalara* Control Plan. However, this is just the latest in a series of pests and diseases threatening our trees. In the last 12 months alone, we have found and addressed new outbreaks of sweet chestnut blight, oak processionary moth and Asian longhorn beetle. This is on top of those already prevalent such as *Phytophthora ramorum*, *Dothistroma* needle blight and acute oak decline. We are also very aware of the number and severity of new threats from around the globe that could occur next and of the need to increase forestry’s resilience to these.

To safeguard our woodland assets, and the landscapes of which they are part, it is clear that we must radically reassess our approach. We need to put in place a much more robust, long-term plant health regime. That is why we asked Defra’s Chief Scientific Adviser, Professor Ian Boyd, to convene a Tree Health and Plant Biosecurity Expert Taskforce to review our strategic approach to plant health. This Taskforce published its interim report in December 2012 with recommendations which included strengthening biosecurity; improving strategic and tactical leadership for managing biosecurity risks; raising the level of preparedness and contingency planning; and increasing access to tree health and plant biosecurity data. It also advocated reviewing governance and legislation and addressing key skills shortages. The Taskforce will publish its final report in spring 2013. We will review the arrangements and resources needed for tree health in light of the final report of the Taskforce.

We are already giving a greater priority to tree health research with an additional £1m of funding. The Tree Health and Plant Biosecurity funding initiative was announced in September 2012 by the Living With Environmental Change (LWEC) Partnership. This will use £4m of Defra funding, £0.5m of additional Forestry Commission funding and up to £4m additional funding from Research Councils to do in-depth research into tree diseases to inform the way outbreaks are handled in future.

Government cannot win the fight against pests and diseases by itself. Industry, landowners, civil society organisations and the wider public all have a role to play to deal with these immediate threats and make our woods more resilient in the long term. Our collective response to *Chalara* dieback of ash shows what can be achieved when we focus our attention and work collaboratively. It is essential to build on this partnership approach.
Case study – *Chalara* dieback of ash outbreak

*Chalara fraxinea* is a fungus which causes dieback of ash trees and has already affected a high proportion of ash trees in northern Europe. It was discovered for the first time in the wider environment in Great Britain in a woodland in October 2012. With intense public and media interest, there followed an unprecedented rapid survey of 3,000 grid squares across Great Britain led by the Forestry Commission and the Food and Environment Research Agency with support from the Environment Agency and Natural England. Additional suspect sites were identified by the National Trust, Woodland Trust and the Country Land and Business Association and their members and from others via the on-line Ashtag application. Following scientific advice and stakeholder input Defra published an interim control plan for *Chalara* in December 2012.

Diseases are not the only challenge. Unsustainable populations of some deer species and grey squirrels have a significant impact on the successful establishment and regeneration of new woodland, woodland management, the quality of timber and the quality of woodland habitats. Similarly, invasive species such as *Rhododendron* can cause problems. We will continue to support landowners’ collaboration to ensure sustainable, well-managed wild deer populations, control invasive species and encourage natural regeneration.

Climate change is also a threat to our valuable woodland assets, both in itself and because it compounds the threat of pests and diseases. The long-term nature of forestry means we must act now to respond. We will work with the forestry sector to identify those species and provenances that will be resilient to pests and diseases and climate change to support a sustainable forestry sector. We welcome the Working Group led by the England Woodland and Timber Partnership which is developing a Climate Change Action Plan for the forestry sector in England. This will complement the climate change strategy and action plan being implemented on the Public Forest Estate.

New and better managed woodland also has a role in making our rural and urban landscapes more resilient to the effects of climate change. Our objectives for sustainable woodland creation and management will improve woodlands’ resilience to climate change and other threats and enhance its contribution to wider climate change adaptation. Carbon will be sequestered through the growth of new woodlands. The wood products that are harvested from England’s woodlands will help to reduce greenhouse emissions from the energy sector directly as woodfuel and from other sectors where timber replaces more energy intensive materials. In addition, our focus on protection will help to ensure that we can safeguard the large store of carbon in England’s woodlands.

To achieve our objective of protecting our woodland assets from the ever increasing range and scale of threats, we will:

- Give greater priority to tree and plant health than ever before,
- Review the arrangements and resources needed for tree health in light of the final report of the Tree Health and Plant Biosecurity Expert Taskforce.
6. Improving Our Valuable Woodland Assets

We are committed to sustaining, managing and improving our national woodland assets in ways that contribute to economic growth and realise benefits for people and nature.

Good for the Economy

Our overriding Government priority is to generate sustainable economic growth. We want all parts of the economy in all parts of the country to grow and flourish. This objective is as true for forestry as it is for any other business sector.

The forestry and primary timber processing sector contributes £1.7bn in gross value added (GVA)\(^1\) to the UK economy, supporting around 43,000 jobs\(^2\) In 2010 in the UK, it directly employed around 14,000\(^3\) people in more than 3,000\(^4\) separate enterprises, suggesting that the vast majority of forestry businesses are among the small and medium sized enterprises (SMEs) who are already benefiting from the action we have taken to exempt all SMEs from regulatory burdens.

Businesses in the forestry sector have also benefited from the Forestry Regulation Task Force’s thorough sector-led review of specific regulatory burdens. We accepted nearly all of the Task Force’s recommendations in the response we published in March 2012 and are now well on our way to implementing many of them. For example, we have published a new quick start summary of the UK Forestry Standard and guidelines aimed at enabling more landowners and businesses to understand and access the opportunities and benefits to be gained from effective woodland management. We will continue to seek further opportunities to simplify and reduce the burden of regulation.

Managing Our Woodlands

Over half of England’s woodlands are now managed under the UK Forestry Standard and the proportion continues to increase. A third of these managed woods are in public ownership. However, around 47%\(^5\) of woodlands, most in private sector ownership, remain unmanaged or under-managed. This can and should be addressed if we are to realise more of the economic, social and environmental potential that England’s woodlands have to offer. We remain ready and willing to work in partnership with the sector to bring more woodland into management.

Our priority will be management that increases the resilience of the woodland asset so that it continues to provide multiple benefits to society, such as helping manage flood risk, safeguard clean water supplies and conserve and enhance biodiversity. Key to this will be to increase the amount of woodland management driven by economic activity through the sustainable harvesting of wood products. This will benefit timber processing and support the growth of emerging local woodfuel markets as well as the development of businesses based on recreation and tourism.

Where woodlands are looked after through little or no management activity, we want this to be an active decision for the benefit of the woodland rather than something that happens due to neglect.

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\(^2\) Forestry Facts and Figures, Forestry Commission Table 12
\(^3\) Forestry Facts and Figures, Forestry Commission Table 12
\(^4\) Forestry Statistics 2012, Forestry Commission p131
\(^5\) Forestry Commission Sustainable Forest Management spatial data
To accelerate the rate of progress, the whole sector, including Government, must work better together to provide the advice and incentives that woodland owners need. The shared aim must be for all woodland owners to be aware of the potential benefits of managing their woodland and to know where to go for advice and help. They can then use this knowledge to set out their own plans for their woodland and act to deliver those plans. We have commissioned research to help us further assess what interventions are most likely to achieve our ambitions for the management of England’s woods and forests.

We estimate that this shared woodland management programme could bring around two-thirds of woodland into active management in the next five years, rising eventually to 80% if markets for wood products continue to develop as we believe they can. Increased woodland management can support new markets and new markets can drive woodland management, creating a virtuous circle of supply and demand. We will review the position after five years in conjunction with the sector to identify whether and what further joint action might be necessary to bring even more woodland into management.

It is vital that we have accurate, up-to-date information about the size, distribution, composition and condition of our woodlands. The current National Forest Inventory, which will be completed in 2014, will provide a record of key information about our forests and woodlands. This information will be useful for everyone involved in forestry and land management, planning, policy and business. Such high quality and reliable information is particularly important for business investment.

Developing the Sector

The forestry industry includes many strong and successful businesses and is well served by a range of organisations, such as the Confederation of Forestry Industry (Confor), UK Forest Products Association and Timber Trade Federation. Industry and the wider sector also gainfully come together through the England Woodland and Timber Partnership, the Institute of Chartered Foresters, the Royal Forestry Society and the Forestry Commission’s Regional Advisory Committees. However, it remains more fragmented than many other sectors. When the sector comes together and unites around a key issue such as the Independent Panel on Forestry, the Forestry Regulatory Task Force, the Forest Industry Safety Accord or responding to Chalara dieback of ash, it has a powerful and effective voice. We are keen to encourage further such industry-wide collaboration around a shared vision that allows the industry and the wider sector to speak with a unified voice.

Developing this vision and voice is key to the sector realising its full growth potential, along the whole wood supply chain from forest to consumer. We believe that a plan is needed to accelerate and drive the industry’s growth. We, therefore, warmly welcome the sector’s proposals for an industry-led and owned Action Plan.

Work on the Plan began in September 2012. Its focus is on finding ways to grow the market and make the most of the financial opportunities this provides to increase woodland planting and the area in developing sustainable productive management. Industry is keen to learn from those who, like the Olympic Delivery Authority\textsuperscript{6}, have successfully pushed at the boundaries of sustainable timber supply chains. A broad coalition of willing and proactive partners from across the sector is beginning to form around this shared aim.

To facilitate this objective, the industry has invited Dr Peter Bonfield, OBE, Chief Executive of the Building Research Establishment (BRE), to lead the creation of a clear roadmap to a new and successful future for England’s forest-based supply chains. Government is very supportive of this development and welcomes the involvement of Dr Bonfield. He will lead an inclusive process, drawing on the wide expertise of woodland owners, managers, buyers, processors, researchers, retailers, contractors, woodfuel suppliers, community groups and Government. Details of the organisations currently involved are on the Confor website (www.confor.org.uk).

We are excited by the potential that this plan offers the economy, the environment and society and we will play our part, working alongside industry, to deliver this over the coming months and years. We look forward to the initial outcomes of this work, which we expect to be published in autumn 2013.

In addition to developing the industry-led Action Plan, the sector is conscious of the need to improve its performance in terms of innovation and knowledge transfer and is in the process of establishing an Innovation Sub-Group under the auspices of the England Woodland and Timber Partnership. This Sub-Group is aiming to produce a sector-wide Innovation Action Plan by November 2013.

If the forestry sector is to meet future demand for wood products and provide the well-managed, resilient forests we want to see, it needs to have a workforce with the appropriate skills and the structures to deliver these skills in a cost effective and safe manner. To help achieve this, we will continue to work with industry and training providers to deliver the Forestry Skills Initiative which will train up to 45 new entrants to the forestry workforce. This work builds on the Forestry Skills Action Plan supported by organisations across the sector. In addition, Forest Enterprise will continue to deliver its current apprenticeship scheme which aims to employ and train 20 apprentices over the next two years at locations across the Public Forest Estate in England. These projects help to consolidate what is happening elsewhere, including the significant work that organisations such as Institute of Chartered Foresters and Royal Institute of Chartered Surveyors are undertaking to improve skills, disseminate knowledge and raise standards throughout the forestry and land management sectors.

Exploring New Opportunities

One potentially valuable area for further exploration, via the industry’s Action Plan, will be the further potential of the woodfuel market. Local renewable heat projects have the potential to provide an economic return to owners of even small areas of woodland, benefit many businesses involved in the wider forestry sector and address the energy needs of communities, especially those in more remote parts of the country.

There are currently around 600 woodfuel supply outlets across Britain selling to local markets. There is potential to do more, provided this market is not developed at the expense of other wood processing industries and does not create unfair competition for our home grown products. Undermanaged broadleaved woodland in particular could supply significant quantities of fuel without interrupting current supply chains. More effective management of our woodlands will also make a long-term contribution to our challenging climate change targets, through reducing reliance on fossil fuels and energy intensive materials.

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7 Biomass Energy Centre, National Biofuel Supply Database (www.woodfueldirectory.org/)
Case study – Confor Woodfuel Suppliers Group (WSG)

The Confor Woodfuel Suppliers’ Group (WSG) was established in 2011 and is affiliated to the Renewable Energy Association. It has around 40 members committed to supplying high quality, independently tested, fuel to end-users. The group is helping to build consumer confidence in the supply chain and increase the use of locally-sourced woodfuel. The WSG is working with Government to develop bioenergy sustainability standards to ensure energy markets deliver real carbon savings without damaging woodland habitats. It is estimated that in 2011/12 WSG members supplied around 350,000 tonnes of quality-assured fuel with a market value in the region of £35 million.

We launched the Energy for Growth Programme on 10 December 2012. Within this, we are exploring the potential for linking commercial initiatives in the forestry sector to the ability for alternative and renewable power generation projects to sign long-term Power Purchasing Agreements (PPAs) with central Government. These PPAs are intended to run for up to twenty-five years, and could, for instance, include biomass or energy from waste plants. The pilot procurement phase for Energy for Growth is intended to be launched shortly.

With the introduction of the Renewable Heat Incentive and the emergence of new funding opportunities such as the Green Investment Bank and the Rural Community Renewable Energy Fund, the scope for developing new initiatives around woodfuel is growing. We will work with the sector to help it realise the benefits of this emerging market. We are, for example, planning to give preferential treatment to woodfuel-based solutions brought forward under the Rural Communities Renewable Energy Fund and exploring with the National Parks the possibility that they might pilot locally-focused woodfuel initiatives in their areas.

The economic contribution of the forestry sector is not confined to timber and wood products. England’s woods and forests, both in public and private hands, are a significant contributor to rural tourism whose businesses have an annual turnover in the region of £32bn8. Businesses in the New Forest alone generated £211m9 in tourism income in 2011/12. We are exploring ways of developing this tourism potential further as part of a wider initiative to grow the rural tourism sector in line with the conclusions of the 2011 Rural Economy Growth Review.

Central Government is only one part of the public sector with an interest in the economic success of our woodlands. Local government owns and manages many thousands of hectares of woodland. We have given Local Authorities greater freedom and new powers under the Localism Act 2011 and published the National Planning Policy Framework to enable them to realise the economic, social and environmental potential of their localities, including the woodlands and forests they contain.

The Local Enterprise Partnerships (LEPs) that we have encouraged across the country to bring together Local Authorities and businesses to promote and support local economic development have real potential to drive growth in the forestry sector. A number of LEPs, for example the Marches, New Anglia and Cumbria partnerships, already recognise this and are exploring the scope for realising the potential of the woodland assets in their areas more effectively. We will ensure that LEPs have up-to-date information on forestry businesses and the positive role that these can play in the economic recovery.

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8  Turnover is for businesses associated with tourism on the Inter-Departmental Business Register based on whether their principal address is located in a rural area
9  Global Tourism Solutions (UK) Ltd. STEAM Model
Case study – Marches Timber Study to test Woodland Enterprise Zone Concept

The Forestry Commission is working with the Marches LEP and local businesses to explore the concept of ‘Woodland Enterprise Zones’, as proposed by the Panel. As well as quantifying the current value of the timber resource and forest industry in this area, the initiative will test the evidence base in order to identify potential areas that will enhance economic growth and create jobs via an increased demand for wood, wood products and woodland management in the Marches LEP area. The study will also identify any barriers limiting woodland management and sector development and how they might be removed with the help of a woodland enterprise zone. The results will be published in April 2013.

We recognise the importance of wood to the construction sector. However, it is important that material selection is project-specific and meets sustainability principles. The Wood for Good initiative is working closely with local authorities to promote the use of wood in construction, including for its low carbon potential. The Defra-funded Central Point of Expertise on Timber (CPET) will be supporting Wood for Good’s seminars for local authorities by providing advice on how to procure legal and sustainable timber in line with the principles of the Government’s Timber Procurement Policy.

We have also commissioned research aimed at developing a better understanding of wood products and their markets. The outcomes of this research, which is looking into barriers, potential future markets and possible interventions, will be published in summer 2013.

To achieve our objective of improving our woodland assets so that they can contribute more to economic growth, we will:

- Exchange knowledge with advisors from across the sector on how to take a low burden, risk-based approach to implementing the UK Forestry Standard,
- Work with businesses and civil society to increase the total capacity and capability available to provide targeted advice about woodland management,
- Publish research on the potential impact of different ways of incentivising landowners to manage and create woodland,
- Work with businesses on industry-led actions which increase the amount of timber being sold and which help woodland owners manage their woodlands,
- Look for opportunities to take advantage of new initiatives such as the Renewable Heat Incentive,
- Explore with the National Parks the possibility that they might pilot locally-focused woodfuel initiatives in their areas,
- Give preferential consideration to woodfuel-based solutions being brought forward under the Rural Community Renewable Energy Fund,
- Review the woodland management position in 5 years in conjunction with the sector and decide whether further joint action is necessary to bring more woodland under management,
- Work with industry to highlight opportunities for investment in new bioenergy and energy efficiency projects, including the development of suitable forest-based supply chains,
• Establish a register of forestry-related projects that are being supported by LEPs and disseminate examples of best practice and business opportunities widely across the LEP network,

• Publish the results of our research into wood products and their markets in summer 2013.

Good for People

People love trees. We recognise this and share the public’s enthusiasm for our nation’s trees, woods and forests, not least for the social benefits that can be gained from them. Trees are also good for people. Our trees, hedgerows, woods and forests contribute significantly to the quality of life in both rural and urban areas. Amongst other things, they enhance the local environment and biodiversity, support economic growth through regeneration, help mitigate the impact of climate change, assist in reducing air pollution and provide important health and educational benefits.

Health and Education

The Natural Environment White Paper recognised the value and potential for green spaces to support and contribute to everyone’s health and well-being. This is being reflected in the Public Health Outcomes Framework, which underpins the new public health duty of local authorities. The Natural Environment White Paper also recognises green space’s contribution to children’s learning. The Public Forest Estate provides high quality educational opportunities, and we are looking at ways in which we can make it even more readily available and attractive to groups as a learning location and resource through developing a more facilitated approach and a new education strategy.

We also recognise the valuable work done by both the Forest Education Network and the Forest Schools Association, who support the continued professional development of those involved in forest education, as well as the work done by organisations like the Wildlife Trusts across the country to support woodland learning. We welcome the pilot project, Natural Connections, in the South West which will test new ways of providing opportunities for teaching staff to become more aware of learning about, and within, the natural environment.

Case study – Norfolk Wildlife Trust

Norfolk Wildlife Trust is working to embed the Forest Schools approach. Seven years ago, the Trust set up a project partnership with Houghton Hall Estate and Norfolk Children’s Services. This provided an education room and a free minibus service to schools within a 25km radius enabling them to use the Estate for outdoor learning. The Estate pays for the heating and cleaning of the room, tree surgery and safety inspections of trees and woodland areas and provides the minibus and driver plus a bookings system. The Trust delivered the first Norfolk Forest School at Houghton and has subsequently trained more than 100 teachers in Forest Schools on the Estate from schools across Norfolk. It has sustained a level of education use at just over 1,000 pupils per annum, mainly at Key Stage 1.
Community Involvement

A true and sustainable woodland culture needs to be built from the ground up and must be based on the needs, interests and enthusiasm of local people. We, therefore, applaud the work of organisations like the Tree Council, Community Forests, Woodland Initiatives Network, Small Woods Association and the Woodland Trust in supporting and promoting community action on trees and woodlands. We also recognise the invaluable work done by the many groups around the country who play an important role in supporting the Public Forest Estate, as well as the growing potential for social enterprise to support community involvement in local woodland management.

This approach is fully in tune with our strong commitment to Localism. Communities interested in protecting or enhancing local trees and woodlands can benefit from neighbourhood planning and new community rights introduced by the Localism Act 2011. Additionally, the National Planning Policy Framework introduced the new Local Green Space designation. Local communities, through local and neighbourhood plans, can use this to identify green areas of particular importance to them for special protection. These could include woodlands. Where appropriate, the Community Infrastructure Levy and Section 106 agreements can fund green infrastructure, including trees and woodlands, in order to ensure development is sustainable.

The Law Commission is currently exploring the potential for giving legal recognition in England and Wales to conservation covenants. These covenants, which are used in other countries such as Scotland, the USA and Australia, enable landowners voluntarily to agree to binding obligations relating to the achievement of environmental or heritage objectives. They could be used to ensure that woodland cover and benefits valued by the community, such as access or biodiversity, continue to be protected in perpetuity. The Law Commission plans to publish a consultation on this issue in spring 2013.

The Big Tree Plant has successfully encouraged people and communities to plant more trees in England’s cities, towns and neighbourhoods by bringing together national tree-planting organisations and local groups. Within this, the Big Tree Plant funding scheme, run by Forestry Commission England, is giving £4m in grants to community organisations between 2011 and 2015 to support the planting of one million trees. We will work with the sector in seeking funding for a possible further future initiative aimed at developing individual potential and community cohesion through engagement with trees, woods and forests.

It is important for landowners and businesses to be aware of and understand the interests of their local communities and be willing to work with them wherever possible to their mutual benefit. We welcome B&Q’s recent initiative to help woodland owners engage with their local communities and we encourage others to do the same.

Access and Recreation

We want as many people as possible to be able to access green space, including woodlands, for exercise, leisure and recreational purposes and, in particular, we are keen to see greater multi-use access to woodland in and around our towns and cities. We will work with others to explore opportunities for increasing access. We believe that this is best done at the local level, for example through the further development of Rights of Way Improvement Plans.

We will continue to use the Woodland Trust’s Woodland Access Standard to measure progress. A new baseline will be available in early 2013 which will assist more effective targeting of access improvement initiatives in the future.
Local Government and the private sector are finding new ways of supporting and financing trees and woodland, often based on better valuation of wide range of services provided by urban trees through tools such as iTree. Birmingham City Council’s proposed Tree Bond seeks to link the financial benefits of biomass fuel with the established health and environmental outcomes of the urban forest, while the Atlantic Gateway Community Environment Fund will support environmental improvements in Merseyside and Manchester. We encourage the further development of such approaches alongside promotion of good practice in urban forestry, as occurs through the Trees and Design Action Group (TDAG) bringing together experience from across the built environment sectors.

The Public Forest Estate has an impressive track record of finding new ways to fund and create new woodland close to communities, for example through partnerships with commercial and public sector bodies. These include the Thames Chase partnership; and the partnership with Transport for Greater Manchester to reduce the costs and traffic impacts of creating a new guided bus route by providing a tipping site for surplus material that will create new community woodland.

Case study – Thames Chase Community Forest

The Thames Chase Community Forest, part of the National Community Forest Programme, was established in 1990 as a major social, environmental and economic regeneration project. This partnership project is managed by the Thames Chase Trust, a charity run by a dedicated group of volunteers, and covers approximately 40 square miles around some of the most deprived areas of East London and South West Essex. To date, nearly 2 million trees have been planted to create many community woodlands close to where people live and work, often in places that were once derelict and inaccessible. Many partners have helped deliver the Thames Chase vision, including the Forestry Commission which estimates that it has to date attracted in excess of £4.6m of funding to create some 380 hectares of new green space. The local community has also been involved at every stage, including planning and planting trees.

To achieve our objective of improving our woodland assets so that they can deliver social and community benefits, we will:

- Work with the sector in seeking funding for possible future initiatives aimed at developing local access, individual potential and community cohesion through engagement with trees, woods and forests,
- Launch a new initiative to develop further the involvement of local communities with the Public Forest Estate,
- Contribute to a pilot project to test further social enterprise activities in woodlands,
- Provide guidance to assist Local Authorities in reviewing Rights of Way Improvement Plans, with a particular emphasis on woodland access improvements,
- Fund a pilot project to assess and improve the condition, quality, and connectivity of Public Rights of Way for woodland access by foot, cycle and horse,
- Continue to provide data for the Woodland Trust’s VisitWoods web gateway and work with the Woodland Trust to identify future funding,
- Help to support a sector-led Forestry and Planning network encouraging them to demonstrate how trees and woodlands contribute to sustainable development and help enable growth,
• Support the Royal Forestry Society to include an Urban Forestry category in their Excellence in Forestry Awards.

Good for Nature

Biodiversity is fundamental to resilience. Greater diversity of species, genetic variability and larger and less fragmented forest woodland habitats better integrated with other habitats all contribute to this objective.

Following the successful conclusion of negotiations on the Convention on Biological Diversity at Nagoya, we were one of the first countries to produce a strategy to tackle wildlife loss in our own country: Biodiversity 2020. Forestry and woodland management make significant contributions to the achievement of the outcomes our Biodiversity strategy sets out for England’s wildlife and ecosystem services.

We also welcomed the Lawton report, “Making Space for Nature”, when it was published in 2010 and set out our response in the Natural Environment White Paper. The key principles of the Lawton report underpin the Government’s approach to land use and are reflected in initiatives such as Nature Improvement Areas (NIAs) and Local Nature Partnerships, both of which promote local action to restore, support and improve the natural environment at a landscape scale. Where Local Nature Partnerships identify forestry as a local priority, as some already have, it will provide an excellent opportunity to drive forward change to support forestry in the local natural environment.

Case study – Nature Improvement Area

The Clough Woodlands Project, centred on the Dark Peak NIA, is a new initiative hosted by the Moors for the Future Project, supported by the RSPB, Environment Agency, Peak District National Park Authority, National Trust and the Forestry Commission, to demonstrate new ways of working and to show how land-use change at a catchment scale can be delivered using a partnership approach. There is a shared aspiration for woodland creation which will require close working with land managers in the headwater tributaries of the Upper Derwent catchment. The aim is to create at least 800 hectares of new high quality clough woodland by 2014 that will begin to restore ecological networks, mitigate flood risk, improve water quality and meet the shared objectives of the Dark Peak NIA partnership.

We recognise the value of our native and ancient woodland and the importance of restoring open habitats as well as the need to restore plantations on ancient woodland sites. We, therefore, confirm our commitment to the policies set out in both the Open Habitats Policy and Keepers of Time, our statement of policy for England’s ancient and native woodland.

As we set out in the Open Habitats Policy, open habitat restoration is necessary to create a balance of the right habitats and trees in the right places. During the 20th Century large areas of heathland, moorland, wetland and unimproved grassland were lost. We now need to restore some of these areas by converting selected woods and forests into open habitat to look after species such as the adder, sand lizard, woodlark, curlew and silver-studded blue butterfly, including helping them cope with climate change. However, we need to make balanced decisions about which woodlands are converted to minimise potential negative impacts on greenhouse gas emissions, local community participation, timber supply to local processors and costs of land management.
England’s 340,000 hectares of ancient woodlands are exceptionally rich in wildlife, including many rare species and habitats. They are an integral part of England’s cultural heritage and act as reservoirs from which wildlife can spread into new woodlands. Our native and ancient woodlands are subject to a wide range of pressures causing often slow and subtle declines both in habitat quality and in species diversity. The most significant of these are excessive deer browsing, non-native species and, as has come recently to the fore, tree pests and diseases.

The National Planning Policy Framework recognises the importance of the natural environment and biodiversity. It gives strong protection for habitats such as ancient woodland. This includes an expectation that planning permission should be refused for development resulting in the loss or deterioration of irreplaceable habitats, including ancient woodland and the loss of aged or veteran trees found outside ancient woodland, unless the need for, and benefits of, the development in that location clearly outweigh the loss.

The Framework is clear that if significant harm to biodiversity resulting from a development cannot be avoided (through locating on an alternative site with less harmful impacts), adequately mitigated, or, as a last resort, compensated for, then planning permission should be refused.

We announced in the Natural Environment White Paper that we would work with local planning authorities and their partners to test biodiversity offsetting as a way to compensate for harm resulting from planning decisions that cannot be avoided or adequately mitigated. This is being done through a number of pilot projects in Devon and elsewhere.

The Public Forest Estate plays a significant role in managing its woodland assets to a high ecological standard in line with the Natural Environment White Paper and UK Forestry Standard. It demonstrates how well-managed forests can also produce sustainable timber, support a wide range of businesses and help deliver benefits to society, such as improving nature conservation, increasing carbon storage and safeguarding clean water.

The Public Forest Estate will continue to fulfil the principles set out in Keepers of Time and we will publish an Open Habitats Strategy for the Estate in 2013. The Estate remains committed to improving the natural environment through participation in landscape scale initiatives, such as Nature Improvement Areas. In Dorset, for example, the Estate is working with Nature Improvement Area partners to develop opportunities to create additional lowland heathland in an area where this habitat type is recognised as internationally important.

To achieve our objective of improving our woodland assets so that they can benefit wildlife and the natural environment, we will:

- Continue to implement the Natural Environment White Paper and Biodiversity 2020, including by encouraging woodland management and creation that helps conserve and enhance wildlife,
- Work to improve and restore our native and ancient woodlands and open habitats through renewing our commitment to the policies set out in the Open Habitats Policy and Keepers of Time,
- Publish a strategy for Open Habitat Policy delivery on the Public Forest Estate to set out the future priorities for development and management of open habitats across the Estate,
- Encourage, where appropriate, Local Nature Partnerships to identify forestry as a local priority.
7. Expanding Our Woodland Resource

We believe that there is scope for increasing England’s woodland cover significantly to deliver economic, social and environmental benefits.

We want to see significantly more woodland in England. We believe that in many, although not all, landscapes more trees will deliver increased environmental, social and economic benefits. We particularly want to see more trees and woodlands in and around our towns and cities and where they can safeguard clean water, help manage flood risk or improve biodiversity.

Through selecting and planting appropriate species and having a sufficient diversity of species, woodland creation has a pivotal role to play in developing the resilience of our woodland resource to climate change as well as to pests and diseases.

Very significant progress has already been made. At the beginning of the 20th century England’s woodland cover was just 5\%\(^1\). Eight hundred years earlier, the Domesday survey indicated around 15\%\(^2\) cover but significant loss of woodland started over four thousand years ago in prehistory. Modern society has turned this around. Over the last ninety years woodland creation at an average of 5,000 hectares a year has reversed the decline of recent centuries. England’s woodland cover now stands at just over 10\%, around the same level as when Chaucer wrote the Canterbury Tales.

Woodland as a percentage of land area in England

In recent years the rate of progress in England has been between 2,000 and 3,000 hectares per year which, if it continued at this rate, would result in woodland cover of 11\% by 2060. We believe that this rate of planting can be accelerated.

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12 National Inventory of Woodland and Trees, reporting Ministry of Agriculture surveys [1871, 1924, 1947]; National Forest Inventory [2011].
In the early days of the reforestation effort, much of the progress was achieved through the state via the Forestry Commission undertaking woodland planting directly on publicly-acquired land. The Forestry Commission has continued to play a significant role in the establishment of new woodland but increasingly the state’s role has changed towards a partnership approach, for example through the creation of the National Forest and the Community Forests.

**Case study – The National Forest**

The National Forest was established by Government in 1991, tasked with demonstrating the benefits to be derived from multipurpose lowland forestry in an area of significant extractive industry scarring. Implementing a sustainable approach, embracing economic, social and environmental benefits, is at the core of its mission. Forest cover in the area has been increased from about 6% to about 19% with 8 million trees planted. The planted areas are, however, strategically planned so that forest sites, which include non-wooded habitats, form part of a mosaic in the landscape, thereby providing a richer experience for everyone and also economic benefits. More than 300 jobs have been created or safeguarded through forestry, farm diversification to forest uses and woodland businesses since 1990. This has been achieved in an area of about 6,500 hectares of forest, of which less than 300 hectares is owned by the National Forest Company itself. The National Forest Company, therefore, offers a valuable resource in terms of experience in how to bring forward a multi-facetted forested landscape producing a wide range of benefits. With its maturing woodlands, the National Forest will now be the focus for a long-term management programme, alongside continued woodland creation where it adds to the landscape and ecosystems.

However, non-Governmental landowners have always played a significant part in the drive to increase woodland cover. This role has increased so that in the past few decades nearly all the woodland created has been on land owned by individuals, businesses or civil society organisations, albeit largely supported by Government incentives. A key to future progress will be to encourage landowners to choose to plant trees where it best suits them and their local conditions and priorities, with the UK Forestry Standard providing a flexible, low burden benchmark for sustainability.

The views of local people and other interests are also important. The Woodland Potential Calculator initiative will assist landowners and local organisations to determine the type and quantity of woodland to be created in line with the key principle of ‘right tree in the right place’. Local Nature Partnerships working with Local Enterprise Partnerships and others, not least landowners, could also play an important role in helping to drive and shape new woodland creation. Central to this approach will be for as much new woodland as possible to be able to generate the income needed to make managing it financially viable.

**Case study – SCaMP: private sector-led woodland planting**

In Cumbria, United Utilities owns two large estates at Thirlmere and Haweswater. These catchments cover an area of about 16,000 hectares and are predominately high fell land. Through the Sustainable Catchment Management Programme (SCaMP), United Utilities is planting large areas of woodland and scrub to reduce erosion. By 2015, it will have planted in excess of 700 hectares, benefiting water quality and providing improvements for biodiversity and carbon capture. SCaMP is a public-private funded initiative. United Utilities provide the one-off costs and Rural Development funding is covering some of the cost of the planting works.
New delivery models are emerging for woodland planting and the benefits that flow from it. The voluntary carbon market is already providing funding for woodland creation, reflecting its contribution to meeting the UK’s challenging climate change targets. As the SCaMP initiative demonstrates, there is scope for other innovative water catchment-based schemes to reflect the wider services provided by woodlands. We are working with the Environment Agency and water companies to develop the regulatory framework so that it better enables such projects. These markets, along with other sources of investment that reflect forestry’s low carbon credentials, need to be developed further. The Woodland Carbon Task Force will continue to be a key forum to drive forward this work and we will look into further developing its breadth of focus.

In addition to the research we are conducting into the financial and regulatory mechanisms affecting woodland management and creation, we are also looking at introducing a new approach that would reduce burdens on landowners who want to plant woodland by clarifying where a full Environmental Statement is unlikely to be required. The pilot will develop a strategic screening process, working within the existing regulatory framework and associated environmental standards, which will identify appropriate areas for woodland creation where there would be a presumption in favour of planting. The pilot will also consider whether there are other aspects of the current regulatory and consultation processes for woodland creation that are not needed to ensure environmental and social benefits but do deter landowners from bringing proposals forward.

We estimate that Government and the sector working together towards this shared objective could achieve 12% woodland cover by 2060, an average planting rate of 5,000 hectares per year, provided private investment in woodland creation increases in line with our expectations.

To achieve our objective of expanding our woodland assets, we will:

- Work with the sector to find new ways of encouraging landowners to plant more trees where it best suits them and their local conditions,
- Pilot an approach that would reduce the regulatory burden on landowners who want to plant woodland by clarifying where a full Environmental Statement is unlikely to be required,
- Introduce a carbon registry and a group scheme for the Woodland Carbon Code, support further work on carbon accounting in wood products and underpin new woodland planting in guidance to businesses on reporting greenhouse gas emissions and reductions,
- Consider the inclusion of a new tree canopy cover metric as a complement to woodland cover reporting in the National Forest Inventory (NFI) when the next cycle of the NFI is reviewed in 2014.
8. Realising more of our Woodlands’ Value

We are fully committed to valuing the many social and environmental benefits of woodlands and to developing new market opportunities to realise these benefits. This approach is at the heart of developing Government policy and will generate added benefit for the sector.

Woodlands have value across many sectors of the economy and society. We are supporting further work to assess these values to explore new ways of enabling the outputs of woodlands to be recognised and valued in markets.

English woodlands already play an important part in the growth of the UK forest carbon market and in ground-breaking projects that use land management to improve water quality, reduce flood risk, enhance biodiversity and adapt to impacts of climate change. Such markets help to demonstrate the fundamental role of natural capital in sustaining economic development and the need to protect and enhance this capital for future generations.

The Government has been at the forefront of work to value ecosystem services. This is an important step to help ensure that the contribution of our natural capital to our economy and welfare is properly recognised. This is demonstrated in the National Ecosystem Assessment (NEA) and, following the Natural Environment White Paper, in the establishment of the Natural Capital Committee (NCC) and the Ecosystem Markets Task Force (EMTF).

We welcome and accept the advice the NCC published in December 2012 supporting the valuation of ecosystem services and the development of natural capital accounts. We also welcome the published Office of National Statistics’ roadmap on ‘Incorporating Natural Capital into the UK Environmental Accounts’ that includes plans to develop a set of natural capital accounts for UK forestry assets. We will use this to develop a set of natural capital accounts for the Public Forest Estate.

The most developed area of non-market ecosystem service valuation and market development with regards to forestry is greenhouse gas (carbon dioxide) abatement. Trees absorb carbon dioxide, storing it as carbon in wood and, where timber is extracted, in wood products. We are supporting the woodland carbon market through further development of the Forestry Commission’s Woodland Carbon Code. The Code has already generated over 40 woodland creation projects across the country to increase carbon storage in England’s woodlands.

We also look forward to the work of the Ecosystem Markets Task Force which will report in March 2013 on the most promising opportunities for business that could be realised through an enhanced approach to the natural environment, including woodlands. Research suggests that business and communities may be motivated to invest in ecosystem markets for philanthropic and reputational reasons, to reduce running costs and mitigate risks to their operations and to realise new business opportunities. There is also evidence of a wider, international growth in investment markets which secure social and environmental benefits.
The development of markets for the provision of ecosystem services, therefore, has the potential to help deliver the vision for forestry. Government has an important role, along with partners in business and the civil society, to facilitate the development of these markets and demonstrate their potential. To this end, we are developing an action plan to support the use of payments for ecosystem services. This will consider a number of areas where further work is needed to help these markets develop, for example:

- The use of financial mechanisms to attract funding to social and environmental purposes,
- The development of standards and the identification of best practice to support balanced economic, environmental and social outcomes, and maintain investor confidence,
- The provision of information on both the potential scale of new woodland-based markets and the investment returns that they can deliver,
- The establishment of networks of expertise, making links with and drawing on the expertise of other sectors,
- The scope to realise opportunities if and when the Land-Use, Land-Use Change and Forestry sector is brought within the EU’s emissions reduction targets.

To achieve our objective of realising more of our woodlands’ value, we will:

- Work with the Natural Capital Committee and the Office of National Statistics to develop a set of natural capital accounts for UK forestry and use this to develop a set of natural capital accounts for the Public Forest Estate,
- Develop a woodland ecosystem market roadmap by summer 2013 to bring together actions by Government and our partners over the next 5 years to (a) build knowledge (b) develop wider networks of collaboration and expertise and (c) implement mechanisms and projects to demonstrate good practice,
- Work with other organisations and initiatives to support the further development of markets in forest carbon and other ecosystem services such as water and biodiversity.
9. Governance and Structures

We want strong and resilient delivery arrangements that achieve better quality outcomes for the economy, people and nature. This includes simplifying our current structures and stepping back from any unnecessary day-to-day involvement.

The Forestry Commission has done an excellent job over nearly 100 years, creating and managing the Public Forest Estate as well as promoting and supporting the wider forestry sector in this country. However, reforms are now needed, not least to reflect recent and upcoming changes in the way in which forestry issues are managed in the devolved nations.

The Triennial Review of Natural England and the Environment Agency and the Tree Health and Plant Biosecurity Expert Taskforce will both impact on the wider context in which forestry policy sits when they report later this spring. Once they have reported, we will present a definitive picture of future forestry policy delivery arrangements. In the meantime, we set out here what forestry functions we think Government should have in England and our objectives for those best delivered at Great Britain level. We also reaffirm our commitment to the Public Forest Estate and set out our broad plans for how this valuable national asset will be managed in the future.

The Public Forest Estate

The Public Forest Estate is an important public asset which is greatly valued by its many users. It is also a major player in the timber industry in this country. We have already made clear our commitment that the Estate will continue to benefit from public ownership. We can now confirm that we intend to establish a new, separate Public Forest Estate management body to hold the Estate in trust for the nation.

We will give it greater freedom to achieve a sustainable financial position and manage its resources to best effect within a clear long-term remit to maintain and enhance the land, trees and other assets under its care. This will include recognising both the integrity of the overall Estate and the unique historical, environmental and cultural characteristics of the living, working landscapes in its individual forests and woodlands, such as the New Forest and the Forest of Dean.

This will take time, as legislation will be needed to develop Forest Enterprise England into the kind of independent, entrepreneurial body that we want to see. We do not believe that it is necessary to prescribe at this stage the exact shape and structure of this new body, but we want to be clear about our ambitions for it and the direction of travel we intend to take over the coming months.

We intend that the new body will be operationally independent of Government, which will play no direct role in its day-to-day affairs. However, as the new body will be the manager of publicly-owned assets and the recipient of Government funding, it will be accountable to Parliament through the Secretary of State for Environment, Food and Rural Affairs.

The new body will have clear statutory duties, powers and functions focused on maximising the economic, social and environmental value of the Estate, including a requirement that it should improve the financial sustainability of the Estate. These duties, powers and functions will be supplemented by a public-facing charter that summarises how the body will deliver its statutory remit. We will work with stakeholders as we develop detailed plans for the new body, but key features might include:
• The ability to hold the assets (ie the land and trees comprising the Estate) in trust for the nation,
• A demonstrable independence from day-to-day Government control,
• A Board with clear lines of financial accountability and a responsibility for effectively overseeing the body in delivering its remit,
• A group of expert Guardians, including community representation, established to advise the new body and hold it to account,
• The ability to hold and invest funds associated with specific projects or programmes, such as endowments,
• The ability to undertake non-forestry activities where appropriate, eg renewable energy, mineral extraction, agriculture and industrial lettings of land and premises,
• The ability to buy and sell land, subject to clear conditions relating to maintaining the integrity of the overall land holding and the value of the public benefits delivered by the Estate,
• The ability to enter into joint ventures and partnerships to develop commercial opportunities,
• The ability to establish subsidiaries to undertake specific functions in line with the body’s broad purposes.

The Government will support the new body to the level required to secure its long-term success, but has a clear expectation that it should become as financially self-sustaining as possible over time. In addition to generating additional income through commercial activity, including partnerships and joint ventures, this may include exploring further the helpful ideas suggested by stakeholders such as greater use of voluntary action and other community-led contributions and the development of national or local sponsorship opportunities. Any Government investment will be predicated on the delivery of agreed outcomes set out in a multi-year framework agreement covering both commercial performance and the delivery of public benefits such as access and biodiversity.

The new body will need to work closely with stakeholders at both the national and local levels. At national level, we would expect the new body to have well-developed arrangements for working effectively with partners from the business, and civil society sectors, including looking for opportunities for joint ventures and other partnerships wherever appropriate. We would expect the body to consult on its plans and proposed direction of travel, although we do not believe that it would be practical or cost effective to consult stakeholders annually. We envisage instead the new body having a multi-year rolling plan, linked to its Government funding, and that this should be the subject of consultation.

At the local level, we consider that Forest Enterprise England management teams already do a good job in engaging with surrounding communities and other stakeholders but recognise that there is scope to do more. We will expect the new body to develop clear arrangements for working with businesses, charities and communities at the local level, building on the best current practice, for example at Thetford. This will involve working effectively with friends groups and other existing or potential partners in the area and tailoring arrangements, within an agreed national engagement framework, to the needs and capacities of particular locations and communities.
Case Study – Friends of Thetford Forest

Friends of Thetford Forest is a voluntary organisation set up in 1995 to increase understanding, knowledge and enjoyment of Thetford Forest and to encourage community involvement. Run by volunteers, its membership stands at just over 1,200, including local businesses. Friends works in partnership with the Forestry Commission to help deliver the benefits of the Public Forest Estate, including monthly conservation tasks to improve wildlife habitats; day-to-day management of the nationally important Lynford Arboretum; providing information at the Visitor Centre and checking walking trails. It has also been involved in archaeological investigations and the restoration of heritage sites. Through grant applications, Friends has estimated that it has raised over £200,000 for specific projects and in 2012 alone contributed in excess of 3,100 volunteer hours to tasks within the Forest.

We believe that the Public Forest Estate should continue to deliver a high level of public benefits. These benefits, such as safe and well-marked public access, rich biodiversity and high quality recreational facilities, are fundamental to the integrity of the Estate and contribute significantly both to the rural economy and to wider Government social and environmental priorities. The Public Forest Estate should also continue to be an exemplar of sustainable forest management practice, including having a leading role in demonstrating practical application of climate change adaptation measures.

It is unsustainable to expect the Public Forest Estate to finance itself or provide funds back to Government through land sales which simply serve to diminish the value of its asset base. We are, therefore, rescinding the previous policy of disposing of 15% of the Public Forest Estate. We will also provide sufficient funding to ensure that high levels of public benefit can continue to be delivered over the remainder of the current Spending Review period. This includes the £3.5m which we have specifically included in the Forestry Commission’s budget for 2013/14 to make up for lost sales income.

In the longer term, we expect the Public Forest Estate to be placed on a more secure and sustainable financial footing through greater entrepreneurial activity. Pending the establishment of the new body, Defra and Forest Enterprise England will continue to explore its financial needs and identify opportunities to generate additional income from the Estate, so that we can reach an appropriate funding settlement with the new body when it is established that will enable it to deliver a high level of public benefits while maintaining and enhancing the value of the land, trees and other assets under its care.

Government’s Forestry Functions

We are clear that Government needs to retain a core of forestry expertise with the capacity to deliver a range of functions, duties and powers, including, for example:

- Championing the clear vision, priorities and aspirations of our refreshed forestry policy,
- Helping create the conditions that incentivise its delivery, including through a better targeted and integrated Common Agricultural Policy and Rural Development Programme for England,
- Enabling the sector to protect, improve and expand England’s trees, woods and forests through light touch regulation, grants, other incentives and advice,
- Providing Ministers and the sector with high quality, joined-up forestry science, research, innovation, practical knowledge and expertise,
- Providing the sector with a strong customer-facing resource to support and advise it effectively at the local level to help meet local needs.
We are equally clear that the structural and organisational arrangements required to deliver such functions need to change to be sufficiently strong and resilient to deliver Government’s forestry priorities and statutory obligations in the short and longer term. Some functions may best be delivered closer to Government, by Defra Ministers, while others may be better delivered at arm’s length from Government so that they have the necessary degree of independence.

Any new approach will need to be resilient, sustainable and, as highlighted by Chalara dieback of ash, have the capacity to respond effectively in a crisis. It will need to continue to have cross-sector partnership at its heart enabling Government to listen to the sector and draw on its expertise. It will also need to be appropriately resourced, while rightly seeking new opportunities to maximise efficiency and value for money, for example through consulting on whether or not we should be charging for more of the services provided.

We are, therefore, considering the functions currently delivered by the Forest Services Directorate within the Forestry Commission alongside the work to review the functions and form of Environment Agency and Natural England as part of the Triennial Review. This work is separate to but following the same principles underlining that review, namely better integration, greater affordability and improved service to achieve better quality outcomes for the environment, economy and society. We will confirm the organisational arrangements through which Government’s forestry functions will be delivered after the Triennial Review reports its preliminary conclusions in spring 2013.

Cross Border Cooperation

We recognise the importance of adequate and integrated provision to support cross border cooperation in Great Britain, particularly on key areas such as research, statistics, inventory, standards, tree health and international issues, where this represents the most efficient and effective means for their delivery. The Forest Research agency of the Forestry Commission plays an important role in helping to meet the forestry research needs of the UK Government, the devolved administrations and the sector.

Within the context of increased devolution, integrated and collaborative working will depend on the degree to which the relevant forestry authorities in the respective administrations perceive efficiencies and benefits in doing so. Given the significant changes that are already happening in respect of forestry delivery in Wales, we are working closely with the devolved administrations to establish a refreshed basis for future cross-border working.

To achieve our objective of having strong and resilient forestry delivery arrangements that achieve better quality outcomes for the economy, people and nature, we will:

- Retain a core of forestry expertise within Government with the capacity to deliver a range of functions, duties and powers,
- Confirm the organisational arrangements through which the Government’s ongoing forestry expertise and functions will be delivered in the future after the Triennial Review reports its preliminary conclusions in spring 2013,
- Work with the devolved nations to ensure that vital cross-border functions in areas such as research, standards and tree health can continue to be delivered centrally, where this is appropriate,
- Establish a new, operationally-independent Public Forest Estate management body to hold the estate in trust for the nation and manage its resources effectively to maximise the value of the land, trees and other assets under its care.
10. Conclusion

This statement is the first step on a longer journey. Working in close partnership with others, we will create healthy, resilient and sustainable woodlands that are good for people, nature and the economy. We invite the sector to work with us to achieve this common goal.

This statement reaffirms our strong commitment to England’s trees, woods and forests. It also sets out the core principles underpinning our refreshed forestry policy and provides a clear hierarchy to determine priorities and focus resources for the future.

We cannot make funding commitments ahead of the agreement of the new Rural Development Programme. Nor can we predetermine the outcomes of the Triennial Review of Natural England and the Environment Agency and the Tree Health and Plant Biosecurity Expert Taskforce, both of which could have implications for how the Government’s forestry functions and responsibilities are delivered in the future.

Nevertheless, this document is a full and substantial response to the Panel’s report, providing a clear direction of travel for the future. We highlight a range of positive actions already in hand, such as the work we are doing with others to recognise the natural capital value of our woodlands and the steps we are taking to implement and build upon the recommendations of the Forestry Regulation Task Force. We also announce a significant number of new steps, including giving greater priority to tree health issues, the development of the industry-led Action Plan intended to improve the sector’s economic impact and commercial performance and the establishment of a new, operationally independent body to own, protect and manage the Public Forest Estate on behalf of the nation.

Over the coming months we will:

- Develop, in collaboration with stakeholders, initial plans for the new Public Forest Estate management body,
- Consult on options for using the funding available under the next Rural Development Programme,
- Support the sector as it develops its action plan,
- Agree with partners across the sector how to accelerate the rate of woodland creation and increase the amount of woodland brought into active management,
- Implement the numerous, wide-ranging commitments contained in this statement,
- Finalise our views on the organisational arrangements through which the Government’s forestry and tree health functions will be delivered in the future.

These are only the first steps in a much longer journey that everyone needs to take together to turn the Panel’s vision and ambitions into reality, not least in key areas such as woodland management. We in Government cannot and should not do this on our own. We are ready and willing to work with all partners from across the sector, including businesses, landowners, civil society bodies and community groups, to support and promote the new woodland culture envisaged by the Panel.
We need everyone from across the sector to make a similar commitment, so that we are all firmly and clearly bound to a common cause. We want, therefore, to conclude this statement by inviting all sector partners to set out publicly what they propose to do over the coming months and years to help deliver the Panel’s aspirations. Together we will grow a new woodland culture fit for future generations.

In order to begin the process of growing the new woodland culture that the Panel advocated, we will develop more detailed plans for the steps we intend to take to implement all elements of this response, including clarifying those points where it is not currently possible to provide a definitive view.
## 11. Annex – Responses to Individual Recommendations

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<tr>
<th>Panel Recommendation</th>
<th>Government’s Response</th>
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<tbody>
<tr>
<td><strong>Recommendation 1</strong></td>
<td>We agree that society should value trees, woodlands and forests for the wide range of social, environmental and economic benefits they provide. The Government will work alongside business, community and civil society partners to develop the “woodland culture” that the Panel advocates. The Government is at the forefront of developing the ecosystem valuation approach and implementing it in policy appraisal and development.</td>
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<td>We urge society as a whole to value woodlands for the full range of benefits they bring. We call on Government to pioneer a new approach to valuing and rewarding the management, improvement and expansion of the woodland ecosystems for all the benefits they provide to people, nature and the green economy.</td>
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<td><strong>Recommendation 2</strong></td>
<td>We agree and will continue our efforts to drive the development of markets that recognise the true value of the ecosystem services delivered by our natural assets, including our woodlands. This will include taking advice as appropriate from the Natural Capital Committee.</td>
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<td>Government as a priority needs to adopt policies, and encourage new markets, which reflect the value of the ecosystem services provided by woodland. These include carbon storage, flood protection, biodiversity and habitat provision, and wider ecosystem services. In doing so, it should build on advice from the Natural Capital Committee.</td>
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<td><strong>Recommendation 3</strong></td>
<td>We agree that communities have an important role to play in valuing and supporting their local trees, woodlands and forests. The new body responsible for managing the Public Forest Estate will be expected to work closely with community groups. We will confirm the organisational arrangements through which Government’s wider forestry functions will be delivered after the Triennial Review of Natural England and the Environment Agency reports its preliminary conclusions in spring 2013 but here too we expect positive engagement with community groups and woodland initiatives to continue. We will continue to explore opportunities for promoting and supporting community action, for example through working with the sector in seeking funding for a possible future initiative aimed at developing individual potential and community cohesion through engagement with trees, woods and forests.</td>
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<td>The work of community groups and woodland initiatives should be supported by the evolved Forest Services organisation through grants and other support, and by the Public Forest Estate management organisation engaging with local communities across its whole Estate.</td>
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<td><strong>Recommendation 4</strong></td>
<td>We agree that green space contributes to health and wellbeing. This is reflected in the Public Health Outcomes Framework, which underpins the new public health duty of local authorities, and which specifically includes an indicator relating to the utilisation of green space for health and exercise. The importance of green space is also recognised in the proposed guidance intended to support Local Health and Well-being Boards’ development of Joint Strategic Needs Assessments for local areas.</td>
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<td>That Local Health and Wellbeing Boards implement their public health duties by investing in local access to nature and woodlands.</td>
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<td><strong>Recommendation 5</strong></td>
<td><strong>We agree</strong> that children should have the opportunity to learn about their natural environment, including about trees, woods and forests, though it is, of course, for schools to decide on what is best for them and their pupils. We have made it easier for schools to teach outdoors and we are working to reduce further the bureaucratic burdens that can deter schools from undertaking school trips. Schools can choose to use the Pupil Premium funding to support disadvantaged children on school trips, including visits to woodlands and forests.</td>
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<td>Government should produce an action plan to deliver the Natural Environment White Paper's recommendations on reconnecting people and nature. Education authorities and early learning centres should ensure every child has an element of woodland-based learning that will, for example, encourage woodland owners to create a partnership with a local school.</td>
<td>The Natural Environment White Paper (NEWP) sets a long-term vision, providing a supporting and enabling framework for all to work with. The Government wants to allow partners and local areas scope to determine their own contributions, rather than attempt to micro-manage this. While we do not propose to produce a detailed action plan, good progress is being made in a number of areas to deliver against our NEWP commitments on reconnecting people and nature. This includes setting up the Natural Connections Demonstration Project to support schools in providing learning experiences in local natural environments; launching the first phase of the ‘My Environment’ web portal; and establishing a National Outdoors for All Working Group to improve access the natural environment for people living in deprived areas, the elderly, those with physical or mental health disabilities and people from black and minority ethnic communities. We also publish regular updates on progress.</td>
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<td><strong>Recommendation 6</strong></td>
<td><strong>We agree</strong> that as many people as possible should have access to green space including woodland or to a wooded area close to where they live. We will continue to work with landowners as well as businesses, civil society bodies and community groups to explore opportunities for encouraging greater access to existing woodland and to incentivise the creation of new woodland in accessible locations, including in and around our towns and cities.</td>
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<td>Government and other woodland owners to give as many people as possible ready access to trees and woodlands for health and well-being benefits – this means planting trees and woodlands closer to people and incentivising more access to existing woodlands.</td>
<td>We will be providing guidance to Local Authorities in reviewing Rights of Way Improvement Plans and funding a project to look at Public Rights of Way for woodland access.</td>
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<td><strong>Recommendation 7</strong></td>
<td><strong>We agree</strong> that the quantity and quality of public access to woodland should be increased where appropriate. We will continue to work with landowners and others to extend access.</td>
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<td>Measurably increase the quantity and quality of access to public and privately owned woodlands, by incentivising provision through a combination of paths or open access, particularly where this delivers greatest public benefit; and by:</td>
<td>We will also continue to use the Woodland Trust’s Woodland Access Standard to measure progress. A new baseline will be available in 2013 for measuring access improvements. This will allow more effective targeting of future access improvement initiatives.</td>
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<td>• Government seeking to increase significantly the population with access to a wood within close proximity of their home. Progress in meeting this ambition to be reported regularly, using the criteria in the Woodland Access Standard.</td>
<td>We will continue to provide data for the Woodland Trust’s VisitWoods web gateway and work with the Woodland Trust to identify future funding.</td>
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<td>• Providing a single web gateway for information about access to woodlands open to public visits.</td>
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<td><strong>Recommendation 8</strong></td>
<td><strong>We agree</strong> that trees and woodlands should be valued at the local level. We share the ambition for local councils and communities to plan positively for the protection and enhancement of their local environments, including trees and woodlands; to recognise the wider benefits of their local natural assets; and to support sustainable economic growth. Neighbourhood planning and new community rights introduced by the Localism Act 2011 provide new opportunities for this.</td>
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<td>Planning policy and practice should:</td>
<td>Additionally, the National Planning Policy Framework introduced the new Local Green Space designation. Local communities, through local and neighbourhood plans, can use this to identify for special protection green areas of particular importance to them, which could include woodlands. Where appropriate, the Community Infrastructure Levy and Section 106 agreements can fund green infrastructure, including trees and woodlands, in order to ensure development is sustainable.</td>
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<td>• Ensure woodland creation, tree planting and maintenance is part of the green space plan for new commercial and housing development.</td>
<td>We will continue to explore ways in which we can encourage and support local authorities to maximise the benefits provided by their local trees and woodlands. For example, through encouraging the sector to engage with existing planning networks to communicate how trees and woodlands can contribute to sustainable development and help enable growth; highlighting best practice though supporting the Royal Forestry Society to include an Urban Forestry category in their Excellence in Forestry Awards; and encouraging partners to find solutions in response to the forthcoming report on barriers to tree planting in urban areas.</td>
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<td>• Integrate tree and woodland strategies into Local and Neighbourhood Plans.</td>
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<td>• Encourage local authorities to look creatively, and across boundaries, at the use of S106 agreements, biodiversity off-sets and particularly the Community Infrastructure Levy. These levers could produce green space schemes, including trees and woodland that make a significant difference to the landscape as a whole.</td>
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<td>• Lead to more Local Plans encouraging woodland-based businesses, including those based on leisure and tourism that are appropriate to their location and enhance natural capital.</td>
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<td><strong>Recommendation 9</strong></td>
<td><strong>We agree</strong>. We welcomed the Lawton report when it was published in 2010 and set out our response to it in the Natural Environment White Paper. The key principles of Lawton underpin the Government’s approach to land use and are reflected in initiatives such as Nature Improvement Areas and Local Nature Partnerships, which both promote local action to restore, support and improve the natural environment at a landscape scale.</td>
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<td>Government to ensure that land use creates a coherent and resilient ecological network at a landscape scale, by integrating policy and delivery mechanisms for woods, trees and forests in line with the principles set in the “Making Space for Nature” report.</td>
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| **Recommendation 10** | **We agree** that the next Common Agricultural Policy should enable us to provide the right incentives for woodlands. The Rural Development Programme currently plays a key role in supporting forestry. We want all elements of the Common Agricultural Policy to deliver greater environmental benefits at an overall reduced cost. We are actively negotiating in Europe over the future Rural Development Regulation to ensure it enables positive action by rural land managers and communities and is able to help deliver a resilient woodland resource in England. We are considering how best to use funding available under the next Rural Development Programme (2014-2020) across the range of possible uses and will consult on it in late spring 2013. The next Rural Development Programme could support woodland protection, management and creation as well as measures to support the supply chain to drive economic growth from our forests. We will provide more information over the coming months as the regulatory framework and available budget become clearer. In addition, we have already commissioned research to help us further assess what interventions are most likely to achieve our ambitions for England’s woodlands and forests. |
| Government funding through the Common Agricultural Policy (CAP) to ensure that incentives for woodland management and creation are integrated with agricultural incentives, to achieve improved ecosystem outcomes on a landscape scale. | |

Alongside this refocusing of CAP (2013-2020), we urge that grant schemes, such as the England Woodland Grant Scheme funded through the Rural Development Programme for England, should continue to be available to incentivise woodland expansion and management and other outcomes that are good for people, nature and the economy.
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<td><strong>Recommendation 11</strong></td>
<td><strong>We agree</strong> that there should be a significant increase in sustainable woodland management and would like the proportion of woodland with a UK Forestry Standard compliant management plan to reach the Panel's 80% target over time.</td>
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<td>Government, working in partnership with the forestry and land management sectors, should proactively offer every woodland owner advice on multi-benefit woodland management, prioritising woods greater than five hectares, with a view to increasing the area of woodland with a current UKFS compliant management plan, from around 50% to 80% of the total, over about the next ten years.</td>
<td>To accelerate the rate of progress, we want the whole sector, including Government, to work together to provide the advice and incentives that woodland owners need. The shared aim should be for all woodland owners to be aware of the potential benefits of managing their woodland, to know where to go for advice and help with management, to use this knowledge to set out their plans for their woodland, and then act to deliver those plans. We will not set a strict threshold for prioritisation based on an area limit, such as five hectares, but we will prioritise our work where it is most likely to result in more sustainable woodland management.</td>
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<td>We estimate that this shared woodland management programme could bring around two-thirds of woodland into active management by 2018. We will review the position in five years in conjunction with the sector to decide what further action might be necessary.</td>
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<td><strong>Recommendation 12</strong></td>
<td><strong>We agree</strong> that our native and ancient woodlands are important and recognise the benefit of open habitat restoration to create a balance of the right habitats and trees in the right places. We confirm our commitment to the policies set out in both the Open Habitats Policy and Keepers of Time. We will also publish the Open Habitats Strategy for the Public Forest Estate.</td>
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<td>Government should reconfirm the policy approach set out in the Open Habitats Policy and Ancient Woodland Policy (Keepers of Time – A statement of policy for England's ancient and native woodland).</td>
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<td>This should be supported through incentives to private woodland owners and a refreshed commitment to delivery on the Public Forest Estate.</td>
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<td><strong>Recommendation 13</strong></td>
<td><strong>We agree</strong> that there is real scope for Local Nature Partnerships (LNPs) and Local Enterprise Partnerships (LEPs) to identify and address local needs and priorities in areas such as habitat restoration and protection, climate change adaptation, access and recreation, woodland protection, management and creation, as well as timber business development. Defra and the Forestry Commission already work closely with both LNPs and LEPs and will continue to develop these relationships further.</td>
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| Local Nature Partnerships and Local Enterprise Partnerships, working with Forest Services, should identify:  
• and promote landscape scale initiatives for bigger and better connected habitats, with greater resilience to climate change;  
• and promote opportunities for greater local access;  
• and promote opportunities to expand the production of timber;  
• trees and woods in need of better management, and areas which require woodland expansion to deliver ecosystem services;  
• woodland habitats that warrant greater protection, and work with Natural England to secure these as Sites of Special Scientific Interest;  
• those parts of forests in need of restoration to nationally important habitats. | |
| **Recommendation 14** | **We agree** that local authorities should recognise the importance of trees and woodlands. We set out in the National Planning Policy Framework strong protection for habitats such as ancient woodland. This includes an expectation that planning permission should be refused for development resulting in the loss or deterioration of irreplaceable habitats, including ancient woodland and the loss of aged or veteran trees found outside ancient woodland, unless the need for, and benefits of, the development in that location clearly outweigh the loss. Local plans need to be consistent with the principles and policies set out in the Framework and the protection afforded to ancient woodland is a material consideration in decision making on planning applications. |
| Planning policy and practice should:  
• Reflect the value of ancient woodlands, trees of special interest, for example veteran trees, and other priority habitats in Local Plans, and refuse planning permission for developments that would have an adverse impact on them.  
• Encourage local authorities to take professional forestry and arboricultural management advice where planning applications affect trees and woodlands | Local councils are aware of their statutory duties in regard to tree preservation orders (TPOs) and conservation area legislation. They make significant investment in securing arboricultural advice. Councils will need to consider how adequate tree services can continue to be provided, for example through greater cooperation and pooling of resources. We introduced streamlined TPO regulations in March 2012, cutting red tape and costs and making the system fairer for all concerned. |
### Panel Recommendation

**Recommendation 15**

The National Forest Inventory to complement annual woodland planting statistics by recording actual progress towards net increase in woodland cover, and:

- include a report on extent of woodland habitats, including specifically ancient woodland, which should inform reviews of policy, such as SSSI designation.
- include a record of open habitat restoration from woodland.

### Government's Response

**We agree** that it is vital that we have accurate, up-to-date information about the size, distribution, composition and condition of our woodlands. The current National Forest Inventory – which will be completed in 2014 – will provide a record of key information about our forests and woodlands of use to many people and organisations involved in forestry and land management, as well as in the wider world of planning, policy development and business investment.

Forestry Commission England reports on trends in key indicators arising from the National Forest Inventory and other data via its indicator framework. The extent of ancient woodland is reported by Natural England. Improvements to the Ancient Woodland Inventory, such as those currently underway in Southeast England which are looking at woodlands down to 0.25 hectares, will further improve our understanding of the extent of ancient woodland habitat. Natural England is scoping the feasibility of rolling out this improvement more widely.

The NFI monitors changes from woodland to other land uses. As part of the Open Habitats policy we are further upgrading our ability to report on open habitat restoration via Forestry Commission England’s indicator framework. Natural England also report on area of non-woodland priority habitat and its condition.
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<td><strong>Recommendation 16</strong></td>
<td><strong>We agree</strong> that there should be significantly more woodland cover in England. We believe that in many, although not all, landscapes more trees will deliver increased social, environmental and economic benefits to society. We particularly want to see more trees and woodlands in and around our towns and cities and where they safeguard clean water, help manage flood risk or improve biodiversity. The recent rate of progress has been between 2,000 and 3,000ha per year, which would reach 11% woodland cover by 2060. The Panel's recommendation implies a 500% increase on this rate sustained for the next 47 years. This is unlikely to be achievable or affordable. We, therefore, agree that 15% is a reasonable level of woodland cover to aim for although not within a specified timescale.</td>
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<td>Government to commit to an ambition to sustainably increase England’s woodland cover from 10% to 15% by 2060, working with other landowners to create a more wooded landscape.</td>
<td>To accelerate the rate of progress we want the whole sector, including Government, to work together to create the conditions that facilitate private investment in woodland creation. We judge that this shared programme could achieve 12% woodland cover by 2060, an average rate of 5,000ha per year, provided private investment in woodland creation increases in line with expectations. We will work with the sector to develop new ways of encouraging landowners to plant more trees where it best suits them and their local conditions and pilot an approach that would reduce the regulatory burden on planting by clarifying where a full Environmental Statement is unlikely to be required.</td>
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<td>Recommendation 17</td>
<td><strong>We agree</strong> that tree pests and diseases present a clear threat to our nation’s valuable woodland assets and the many benefits they provide. We are, therefore, increasing the priority given to plant health and will continue the partnership approach demonstrated with the sector’s recent response to <em>Chalara</em> dieback of ash. We will put in place a much more robust, long-term plant health regime.</td>
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<td>Government should speed up delivery of the Tree Health and Plant Biosecurity Action Plan by additional investment in research on tree and woodland diseases, resilience and bio security controls.</td>
<td>We have asked Defra’s Chief Scientific Adviser, Professor Ian Boyd, to convene a Tree Health and Plant Biosecurity Expert Taskforce to review our strategic approach to plant health. This Taskforce published its interim report in December 2012 and will publish its final report in spring 2013.</td>
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<td>In recognition of the greater priority now given to tree health and the specific actions we are already taking to address this, such as increased funding for plant health research, we will provide additional funding to support surveillance and response to threats. The amount needed will be decided in light of the Taskforce’s findings.</td>
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<td>We are also addressing the wider protection of our woodland resource beyond tree health by welcoming the England Woodland and Timber Partnership developing a Climate Change Action Plan for the forestry sector in England and by continuing to facilitate landowners to collaborate to ensure sustainable, well-managed wild deer populations.</td>
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<td>Recommendation 18</td>
<td><strong>We agree</strong> that a plan would help to accelerate and drive the industry’s growth. We, therefore, warmly welcome the sector’s proposals for an industry-led and owned Action Plan.</td>
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<td>We urge Government, woodland owners and businesses to seize the opportunity provided by woodlands to grow our green economy by strengthening the supply chain, and promoting the use of wood more widely across our society and economy. These and other actions should be set out in a Wood Industry Action Plan.</td>
<td>Work on the Plan began in September 2012. Its focus is on finding ways to grow the market and make the most of the financial opportunities this provides to increase woodland planting and the area in sustainable productive management. A broad coalition of willing and proactive partner companies is beginning to form around this shared aim.</td>
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<td>To facilitate this objective, the industry has invited Dr Peter Bonfield, OBE, Chief Executive of the Building Research Establishment, to lead the creation of a clear roadmap to a new and successful future for England’s forest-based supply chains. He will lead an inclusive process, drawing on the wide expertise of woodland owners, managers, buyers, processors, researchers, retailers, contractors, woodfuel suppliers, community groups and Government.</td>
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<td>We will play our part by supporting the industry’s development and implementation of this plan. We look forward to the outcomes of Dr Bonfield’s work, which we expect to be published in autumn 2013.</td>
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<td>Recommendation 19</td>
<td><strong>We agree</strong> that the sector should look at all appropriate sources of potential investment. We established the Green Investment Bank (GIB) to provide financial solutions to accelerate private sector investment in the green economy. It has a range of strategic priorities for the current spending round period which include non-domestic renewable energy generation. Initial discussions with the GIB about the potential for investing in woodfuel and other bioenergy projects have been positive. We intend to build on these in conjunction with the sector.</td>
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<td>Recommendation 20</td>
<td><strong>We agree</strong> that there is potential for Local Enterprise Partnerships (LEPs) to develop initiatives to promote forestry and improve the wood industry supply chain in their areas. We are exploring the potential for woodland enterprise zones through a pilot scheme with the Marches LEP. We expect that LEPs would be entitled to bid into any future Regional Growth Fund or other schemes for wood industry-focused initiatives. We will ensure that LEPs have up-to-date information on forestry businesses and the positive role that these can play in the economic recovery. To facilitate this, we will establish a register of forestry-related projects that are being supported by LEPs and will disseminate examples of best practice and business opportunities widely across the LEP network.</td>
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<td>Recommendation 21</td>
<td><strong>We agree</strong> that local planning authorities, developers and their architects should consider how locally-sourced materials can make a strong contribution to local character and distinctiveness. We set out in the National Planning Policy Framework that planning policies and decisions should aim to ensure that developments respond to local character and history, and reflect the identity of local surroundings and materials, while not preventing or discouraging appropriate innovation. We have held initial discussions with the Timber Trade Federation and have commissioned research aimed at developing a better understanding of wood products and their markets. We will publish more on this in summer 2013.</td>
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<td><strong>Recommendation 22</strong></td>
<td><strong>We agree</strong> that there is potential for further developing the carbon market. Our climate change policies support a robust global market through international negotiations, principally through the United Nations Framework Convention on Climate Change. Our robust position on the European Union’s Emissions Trading System also aims to strengthen carbon markets, to bring them in line with the floor price for carbon that Government announced in the 2011 budget.</td>
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<td>A policy approach to support the carbon price is needed. Government should establish a single recognised methodology to account for the full greenhouse gas benefits of using wood and timber products and permit its use as part of carbon accounting. Clear guidance should encourage the use of wood as a sustainable construction and manufacturing material.</td>
<td>We will seek to realise opportunities for the forestry and timber sector, if and when Land Use, Land Use Change and Forestry is brought into the EU’s greenhouse gas emissions reduction targets. In time, these policy initiatives will feed through to landowners receiving realistic market payments for the carbon sequestration associated with new woodland.</td>
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<td><strong>Recommendation 23</strong></td>
<td><strong>We agree</strong> that Government needs to retain a core of forestry expertise with the capacity to deliver a range of functions, duties and powers, including, for example:</td>
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| Forest Services should evolve to become a public body with duties, powers and functions to champion, protect and increase benefits from trees, woodlands and forests that are good for people, good for nature and good for the green economy. Relevant duties currently placed on the Forestry Commission and its Commissioners should be maintained in the evolved Forest Services organisation. | • Championing the clear vision, priorities and aspirations of our refreshed forestry policy.  
• Helping create the conditions that incentivise its delivery, including through a better targeted and integrated Common Agricultural Policy and Rural Development Programme for England.  
• Enabling the sector to protect, improve and expand England’s trees, woods and forests through light touch regulation, grants, other incentives and advice.  
• Providing Ministers and the sector with high quality, joined-up forestry science, research, innovation, practical knowledge and expertise.  
• Providing the sector with a strong customer-facing resource to support and advise it effectively at the local level to help meet local needs. |
<p>| In carrying out these roles, the evolved Forest Services will pioneer the Ecosystem Services approach. It will work with Government and its researchers as they value the full range of services our woodlands deliver. It will use this evidence to pull in and target resources to deliver the best social value from woodland creation and sustainable woodland management in England. It will work with Government, landowners and others to find new ways for owners to profit from the value their woodlands generate. Its activities will include working with other environmental bodies, organisations and businesses to enhance biodiversity and improve ecosystem services across landscapes. | We will provide the necessary resources to ensure these forestry functions are carried out, while continuing to look for the most efficient and cost-effective delivery mechanisms. We will confirm the organisational arrangements through which Government’s forestry functions will be delivered after the Triennial Review of Natural England and the Environment Agency reports its preliminary conclusions in spring 2013. |</p>
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<td><strong>Recommendation 24</strong></td>
<td><strong>We agree</strong> that it is important to ensure that there is adequate and integrated provision to support cross border cooperation in Great Britain, particularly on key areas such as research, statistics, inventory, standards, tree health and international issues, where this represents the most efficient and effective means for their delivery. The Forest Research agency of the Forestry Commission currently plays an important role in helping to meet the forestry research needs of the UK Government, the devolved administrations and the sector.</td>
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<td>That the new organisational landscape should make specific provision for international and cross-border arrangements, working closely with the devolved Parliaments on sustainable multi benefit forestry implementation, research and in the international arena.</td>
<td>Within the context of increased devolution, integrated and collaborative working will depend on the degree to which the relevant forestry authorities in the respective administrations perceive efficiencies and benefits in doing so. Given the significant changes that are already happening in respect of forestry in Wales, we are working closely with the devolved administrations to establish a refreshed basis for future cross-border working.</td>
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<td><strong>Recommendation 25</strong></td>
<td><strong>We agree</strong> that the Public Forest Estate should continue to benefit from public ownership. We also agree with the Panel that a separate Public Forest Estate management organisation should be established and given greater freedom to run the management of its forests to best effect within a clear long-term remit to maintain and enhance the land, trees and other assets under its care.</td>
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<td>We propose that the Public Forest Estate should remain in public ownership and be defined in statute as land held in trust for the nation. A Charter should be created for the English Public Forest Estate, to be renewed every ten years. The Charter should specify the public benefit mission and statutory duties, and should be delivered through a group of Guardians, or Trustees, who will be accountable to Parliament. The Guardians will oversee the new public forest management organisation evolved from Forest Enterprise England.</td>
<td>We intend that the new body, which will be evolved from Forest Enterprise England, should be operationally independent of Government, which will play no direct role in its day-to-day affairs. However, as the manager of publicly-owned assets and the recipient of Government funding, its Board will continue to report to Parliament through the Secretary of State for Environment, Food and Rural Affairs.</td>
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<td><strong>We agree</strong> that the Public Forest Estate should hold the assets in trust for the nation. It will be set up by new statutory arrangements, and will have a public-facing charter that summarises how the body will deliver its statutory remit. We are also exploring the scope for establishing a separate group of expert Guardians, including representatives from community groups, to advise on and support the delivery of the body’s remit.</td>
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### Panel Recommendation

**Recommendation 26**

The new English public forest management organisation will have statutory duties, powers and functions, expanding on those currently placed on the Forestry Commission and Commissioners, set by the legislation that creates the Charter. Its main purposes will be:

a. To sustain and maximise the public value of the Estate, in terms of wildlife, access, recreation, education and cultural heritage;

b. To maximise the natural capital value and secure sustainable yields from the asset of the Forest Estate over the long-term including by:

   i. being an exemplar of sustainable woodland management including production of high quality timber;

   ii. being an exemplar in conservation of wildlife, woodlands and associated habitats;

   iii. being an exemplar in large-scale open habitat and ancient woodland restoration across the Public Forest Estate;

   iv. promoting quality access to woodlands for a wide range of activities consistent with the other purposes;

   v. engaging communities in developing and achieving the Estate’s goals;

   vi. expanding the Estate where this improves the capacity of the Estate to deliver more public benefits, and in consultation with local people;

   vii. working in partnership with others to grow local woodland economies and act in circumstances of market failure where the benefits of doing so outweigh the costs.

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### Government’s Response

*We agree* that the new body should have a range of agreed statutory duties, powers and functions, which will be set out in legislation. We are happy to take the Panel’s suggestions as the starting point for further discussion with stakeholders as the new arrangements are developed.
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<td><strong>Recommendation 27</strong></td>
<td><strong>We agree</strong> that the new body should be incentivised to generate maximum value from the Public Forest Estate within its core purposes. We, therefore, propose to give it the commercial freedoms and incentives to achieve this with the long-term aim of making the Public Forest Estate as financially self-sustaining as possible.</td>
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<td>The public forest management organisation should be explicitly tasked, and incentivised, to get as much value as possible from its assets, in order to invest even more in the public benefits they deliver. This should include the ability to buy and sell land where this serves those wider purposes. This should not be at the expense of its core purpose of sustaining and enhancing the public value of the Estate. Any development project or land sale must fully justify any environmental or social risk or cost by enabling more valuable investments, for example by creating woodlands close to where people live. Decisions on major projects and land sales should have stakeholder consultation at their heart, and where judgements are finely balanced, the Guardians (led by their mandate), should be involved.</td>
<td><strong>We agree</strong> with the Panel that the new body should be able to buy and sell land where this serves the core purposes of the organisation and delivers public benefits. We also agree that major projects and land sales should be consulted upon, but do not want to fetter the commercial freedom of the new body by requiring it to consult on each and every proposal. One of the roles for Guardians might be to ensure that any significant projects and land transactions proposed by the management body are in line with the remit and interests of the Public Forest Estate.</td>
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<td><strong>Recommendation 28</strong></td>
<td><strong>We agree</strong> that the new body should be as independent as possible, while continuing to benefit from public ownership. Government must retain oversight of the new body and give it direction, not least because it will be responsible for public assets and continue to receive public funding for the foreseeable future.</td>
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<td>Within the ten year terms of its charter, the public forest management organisation will be run independently from Government. It will not be subject to Government direction except in matters where it delivers international obligations on behalf of Government or in cases where Parliament feels the body is acting outside, or failing to deliver, its “mandate”. It will have the scope for partnerships and demonstrations of good practice beyond its own Estate. The Charter will need to be accompanied by a framework agreement to ensure clear accountabilities and responsibilities.</td>
<td>However, we do not intend that the Government should have any close day-to-day involvement in the management of the Estate and accept the Panel’s suggestion that the body’s statutory responsibilities should be accompanied by a multi-year framework agreement to ensure clear accountabilities and responsibilities and to set out the public benefit activities to be delivered and associated funding arrangements.</td>
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<td><strong>Recommendation 29</strong></td>
<td><strong>We agree</strong> that the new body’s accounts should be subject to audit scrutiny in the normal way and that the wider value of its assets should be reflected in its accounting arrangements.</td>
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<td>The financial accounts will be scrutinised by the National Audit Office (NAO) in the normal way. In addition we recommend the Natural Capital Committee, or successor, advise the NAO on how to use the natural capital approach to judge whether the best management and investments are being made to meet social, economic and environmental goals, and whether the natural capital is being grown sustainably. This will draw on the balance sheet of economic, social and environmental capital based on the comprehensive valuation we recommend.</td>
<td>We recognise that a set of natural capital accounts for the Public Forest Estate may be a useful tool and so will use the work of the Office of National Statistics and the advice of the Natural Capital Committee to inform the development of these.</td>
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<td><strong>Recommendation 30</strong></td>
<td><strong>We agree</strong> that the new body should have well-developed and effective relationships with stakeholders at both the national and local levels. At national level, we would expect the new body to have well-developed arrangements for working effectively with partners from the business and civil society sectors, including looking for opportunities for joint ventures and other partnerships wherever appropriate. The body should consult on its plans and proposed direction of travel, although it would not be practical or cost effective to consult stakeholders annually. We envisage instead the new body having a multi-year rolling plan, linked to its Government funding, and that this should be the subject of consultation. Forest Enterprise England management teams already do a good job in engaging with local communities and other stakeholders but we agree there is scope to do more. We will expect the new body to develop clear arrangements for working with local businesses, charities and communities, building on best current practice. This will involve working effectively with friends groups and other existing or potential partners in the area and tailoring arrangements, within an agreed national engagement framework, to the needs and capacities of particular locations and communities.</td>
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The new public forest management organisation should enable stakeholder consultation on its annual corporate plan. At a local level the public forest management organisation should see consultation and partnership with friends’ groups, charities, businesses and others as central to its way of working, benefiting from their experience and helping to draw in additional resources to support local projects. This could include community management and partnership agreements. |

| **Recommendation 31** | **We agree** that it is unsustainable to expect Forest Enterprise England to continue to finance itself through land sales which simply serve to diminish the value of its asset base. We are, therefore, rescinding the previous policy of disposing of 15% of the Public Forest Estate. We will also provide sufficient funding to ensure that high levels of public benefit can continue to be delivered over the remainder of the current Spending Review period. In the longer term, we want to see the Public Forest Estate placed on a more secure and sustainable financial footing through greater entrepreneurial activity. Pending the establishment of the new body, Defra and Forest Enterprise England will continue to explore its financial needs and identify opportunities to generate additional income from the Estate, so that we can reach an appropriate funding settlement with the new body when it is established that will enable it to deliver a high level of public benefits while maintaining and enhancing the value of the land, trees and other assets under its care. |

Ahead of any long-term funding arrangements, some financial breathing space should be provided for the existing organisation to enable it to make strategic (rather than emergency) operational and investment decisions. We want to see the current level of benefits from the Public Forest Estate continue to be delivered without it being forced to sell land to balance the books. |