

Written evidence submitted by the National Forest Company (TPW0057)

Efra Select Committee call December 2020

Established in 1995, the National Forest Company (NFC) is responsible for leading the creation of the National Forest, working in partnership with landowners, businesses, public, private and voluntary organisations and local communities to deliver and champion the shared vision for the Forest. We are a charitable company limited by guarantee, governed by our Articles of Association and overseen by our Board of Trustees. We receive funding to assist in the delivery of the National Forest from Defra, which is our sponsor department, as well raising income through fundraising. We have been planting trees and woodlands for 25 years and believe that the lessons learned in the National Forest are an important contribution to the discussion about the Government's tree planting ambitions and targets.

- 1. Are the UK Government's targets for increasing forestry coverage, and tree planting, for England and the UK sufficiently ambitious and realistic?**
 - 1.1. A significant increase in tree planting and woodland creation is a necessary component of the nation's response to the challenges of climate change and biodiversity decline. There are a number of different targets and ambitions that have been set out regarding tree planting. The Government's manifesto commitment is to deliver 30,000 hectares of tree planting per year in the UK by 2025. Defra's 25-Year Environment Plan contains the aspiration to increase tree cover in England from 10% to 12% by 2060. More recently, the Nature for Climate Fund is seeking to increase tree planting in England to 10,000 hectares per year. These targets are ambitious, but they reflect a recognition of the seriousness of the situation we find ourselves in and the urgency of addressing it.
 - 1.2. Figures for the year to March 2020 show that a total of 13,460 hectares of tree planting took place in the UK, with 2,033 hectares in England. Based on these figures, it is clear that it will be challenging to hit current targets. But it is not impossible if we invest in the necessary structure and funding to make it happen. The challenge will be to ensure that trees are planted in the right place.
 - 1.3. The National Forest Company (NFC) has been contributing to UK tree planting for nearly 30 years. In this time, 9 million trees have been planted as part of over 7,500 hectares of forest habitat creation across the 200 square miles of the National Forest. The transformation of the National Forest has only been possible through a significant and ongoing investment of public and private funds together with the support of a broad partnership of stakeholder organisations and communities. We have built strong relationships with local communities and businesses. We have developed innovative and flexible incentives schemes to support the creation of forest habitats and the provision of benefits to local people. And we have supported a thriving tourism sector built on the woodlands growing across the Forest. This work has seen coverage of forest habitats increase from 6% (well below the England average of 10%) in the early 1990s to over 21% in 2020, while still leaving land for future growth and a productive farming industry. Despite this, we have recognised that we need to do more.
 - 1.4. As we look to the next 25 years of the National Forest, our emerging vision acknowledges the challenges that our society, economy and environment face. It identifies the way in which the creation of a Forest, and the engagement of people and businesses in it, can help us meet these challenges. It has seen us more than double our targets for annual forest creation from 100 hectares a year to 200-250 hectares. To do this we are investing in the capacity needed to increase our engagement with landowners and to make better use of our own landholdings.

And we are developing innovative approaches to mapping and evidence that allow us to prioritise our activity where it will have the most benefit to the public.

- 1.5. The model of the National Forest is designed to be scalable, and the lessons that we have learned can be applied across the country to stimulate and support tree planting. In the year to March 2020, 102 hectares of forest habitats were created within the National Forest, representing 0.2% of its total area (50,280 hectares). If this were to be scaled up to the whole of England, 0.2% represents more than 26,000 hectares. We recognise that this is not a fair comparison and that conditions vary dramatically across the country, but it is illustrative of what can be achieved if we can bring the collective effort of people, the public and private sectors together in the way we have achieved in the National Forest.
- 1.6. It is also the case that, in the National Forest, we are on track to double annual forest creation this year to c200 hectares using a combination of grant schemes, land acquisition, planning gain and other measures. This is even more remarkable when we are already at a coverage of more than 20% of land area. This reflects the increasing effort, finance and focus being brought to bear on tree planting and gives hope that the government's targets are achievable and realistic.
- 1.7. *The National Forest Company would be pleased to provide the EFRA Committee with further details on how the National Forest has been so successful with forest creation.*

2. Are the right structures in place to ensure that the UK wide target for increasing forestry coverage is delivered?

- 2.1. There is currently a range of legislation, strategy and mechanisms under development that have the potential to significantly impact on rates of tree planting in England. The production of a Tree Strategy for England is to be welcomed and the introduction of new funding streams such as the Nature for Climate Fund will support significant increases in activity. Other new initiatives include the requirement to deliver biodiversity net gain through the planning system, the new Environmental Land Management Scheme (ELMS) and the development of Local Nature Recovery Strategies. However, timetables for the delivery of these latter initiatives do not align and there is an apparent lack of integration between them, thereby creating a real risk that beneficial synergies are missed and avoidable conflicts created.
- 2.2. The establishment of local partnerships to produce Nature Recovery Strategies for their areas (usually counties) is to be encouraged. These Local Nature Recovery Strategies (LNRS) will be opportunities to consider how best to prioritise activity for the natural environment. They will identify the locally important habitats and species, mapping out where they currently are and where activity to restore them should be focused. This is a particular opportunity for trees and woodlands as it will allow for the assessment of where they will have the most beneficial impact for people and the environment. However, LNRSs are currently at the pilot stage, with conversations in counties outside of the pilot areas only just beginning. So, it is unlikely that these will be in place before the middle part of 2021 at the earliest.
- 2.3. Conversely, biodiversity net gain is being pushed through at pace, with demand for its implementation growing from planning authorities and developers. But the details of the approach are still being finalised even as it is being used. There are two key areas of concern. Firstly, the current metric used to calculate the value of biodiversity significantly undervalues woodland and trees when compared to open habitats such as grasslands. Secondly, without a completed LNRS for an area, decisions about what sorts of biodiversity offsets are provided, and where, will not be informed by evidence of local priorities and opportunities. This risks not only reducing the volume of tree planting that could be achieved, but also planting those trees in places where they will not have the maximum impact.

- 2.4. In addition, the recent Planning White Paper includes proposals that run contrary to the aspirations for tree planting. With no strong provision for planting trees where they can provide most public benefit (e.g. in relation to flood mitigation and water management, health and wellbeing, air quality, biodiversity etc) and proposals for a crude zoning policy for land use, there is a real danger that trees are not prioritised and rather than being integrated into development to provide green infrastructure, are simply planted in areas of least population.
- 2.5. *The National Forest Company would be pleased to present our mapping data to the EFRA Committee to demonstrate how we are ensuring that new forest habitats are created in the right place and to provide maximum public benefit for public money.*
- 2.6. With the majority of land in private ownership, it is essential to engage these landowners in tree planting if we are to achieve the Government's targets. Our leaving the EU has led to the biggest shakeup of agri-environment funding the farming sector has seen in a generation. With the removal of the Basic Payment Scheme and in the introduction of ELMS, the way in which farmers are rewarded for good stewardship of the land is being led by the principle of public funds for public goods. This is admirable and to be supported. However, for ELMS to succeed in delivering a step change in tree planting on private land, it needs to overcome some significant barriers.
- 2.7. Over the past 30 years, the NFC has developed a strong and successful relationship with the farming sector. But we still struggle to engage all parts of the sector and are working with partners such as the NFU and CLA to better understand why. Within farming, tree planting and woodland creation is often seen as not only taking land out of production, thereby reducing income, but also devaluing the land itself. The average price of farmland in the National Forest is in the region of £10,000 per acre, yet the value of mature woodland is estimated as £5,000 to £6,000 per acre. To address this perceived disparity, it is important that ELMS properly identifies the public good that arises from woodland. This should include consideration of market services, such as carbon sequestration, and non-market services, such as biodiversity and the health benefits that arise from access to woodland. These goods can then be assigned values and the appropriate public funds paid for those goods that do not have an identifiable market.
- 2.8. *It is also important that locally tailored incentive schemes such as those designed for the National Forest are retained alongside ELMS. Such schemes have been shown to increase uptake, provide local tailoring of priorities such as woodland, and ensure value for money in leveraging private investment.*
- 3. How effective is the co-ordination between the four nations on forestry issues, including biosecurity, plant health and other cross-border issues?**
 - 3.1. The NFC only operates within England and is therefore not in position to comment on this.
- 4. Why were previous ambitions for increasing tree planting in England not met and what lessons should be learned?**
 - 4.1. The reasons why previous ambitions were not met are varied. However, a significant barrier continues to be the perception that tree planting reduces income and the value of the planted land (see para 2.7 above). Most landowners use land to derive income and that income, from farming, is often unpredictable. While some landowners are willing to offer up less productive areas for tree planting and other habitat creation, often for altruistic reasons, the switching of productive land is usually a business decision and, therefore, must make sense financially. More often than not, the incentives being offered through Countryside Stewardship or the England Woodland Grant Scheme were either seen as not being generous enough or as too restrictive and onerous.

- 4.2. This is another reason why the National Forest grant schemes have been so effective, as they have been simple to enter into, provide timely administration, recognise the true costs and benefits of tree planting, and provide proactive encouragement and support from a dedicated team.
- 4.3. Outside of commercial land uses, many of the groups and organisations that have traditionally driven tree planting have struggled for funding following a decade of budget constraints. For example, the NFC has traditionally worked successfully with Local Authorities to support tree planting on public land, often in the urban settings where trees can have the most positive impacts for communities. However, our grants require match funding from recipients and Local Authority budget cuts have made it harder for them to find the funds to match our grants. This has resulted in far fewer Local Authority-led schemes being brought forward. We are proud that all of our Local Authority partners are committed to tree planting but they are faced with difficult decisions about where to prioritise limited budgets and tree planting is understandably a lower priority than caring for our communities and providing much-needed public services.
5. **In relation to increasing forestry coverage in England, what should the Government be trying to achieve? For example, how should the following policy objectives be prioritised?**
- Mitigating or adapting to climate change.**
 - Promoting biodiversity and nature recovery.**
 - Increasing biosecurity and plant health.**
 - Improving human well-being and health.**
 - Protecting natural and cultural heritage.**
 - Food security.**
 - Creating commercial opportunities from forestry, tourism and recreation.**
 - Any other priorities?**
- 5.1. For too long, tree planting has been seen as an ‘either/or’ scenario: food production or tree planting; income generation or tree planting; growth or tree planting. This perception is incorrect and needs to be challenged at the highest levels. Tree planting can not only take place alongside all of these things, but it can enhance them. The request to prioritise the above topics only underlines this perception. We should be asking how best we can utilise tree planting to deliver ALL of these outcomes, not asking which ones are more important.
- 5.2. A requirement to plant green spaces within new development should not be seen as a threat to the financial viability of those developments. The integration of trees and natural greenspace within housing development creates a better living environment for the people who live in them, and this will be reflected in the demand for these houses and, therefore, their value. We have seen how developers within the National Forest, where tree planting is required through planning policy, have used the Forest message as a positive part of their sales pitch.
- 5.3. These planning policies have been in place for more than 25 years and provide a model for other parts of the country. The policies require 20% or 30% of the land area of new developments in the National Forest to be secured for forest related habitats. In a heavily populated area of lowland England, this approach has still enabled significant housing growth, industrial development and agricultural production alongside the creation of the National Forest, highlighting how multiple benefits can be achieved.
- 5.4. This should be reflected in the Government’s national planning guidance, making tree planting not just a material consideration in specific locations such as the National Forest, but across the whole country, reflecting the model in the National Forest that has delivered up to 20% of forest creation. While the principle of biodiversity net gain is to be applauded, the mechanisms for its delivery must be tailored to ensure that they deliver the gains that the

nation needs, rather than the ones that provide value for money for the developer. If the nation needs trees to be planted, national policy should be bold in prioritising this. This should include extending the ambition to deliver trees to major infrastructure projects to ensure that tree planting opportunities are prioritised and funded.

- 5.5. Outside of the planning system, there is need to challenge the perception that tree planting is a negative land use for farmers. The UK appears to be lagging behind many of our neighbours in the use of agroforestry, where trees are integrated into farming practices. This approach to farming includes planting of trees within or alongside traditional crops, with the trees either enhancing the productivity of that crop (e.g. increased shelter or pollination) or providing a crop in their own right (e.g. for their fruit). The NFC is working with partners such as the CLA and NFU to investigate opportunities for promoting agroforestry within the National Forest.
- 5.6. As Defra continues to develop the ELMS incentive programme, it must keep to its premise of public funds for public good. To do this, it is important to properly identify what those public goods are and what markets exist for those goods. Where there is a clear market, linkages need to be made between ELMS and those markets to integrate them better (e.g. carbon trading). Where markets are not clearly identified (e.g. health and wellbeing), the public purse should be funding those goods. In this way, farmers will see tree planting as not just positive stewardship of their land, but also as a business choice that supports income generation for their families. If we do not make tree planting an attractive option for landowners, we will struggle to hit our targets.
- 5.7. Finally, it is important to recognise that the current targets and ambitions for tree planting are time limited. Tree planting is a long-term proposition; we will not see many of the benefits for years to come. Therefore, we need to be thinking beyond these targets to what happens next in the coming decades. In the short term, it will take time to put the pieces in place to deliver the step change in tree planting that we need. These current targets should be seen as getting the nation 'up and running' on tree planting: to put in place the structures and the resources to make it happen, to build an understanding of the need for trees and the multiple benefits that they bring. The next set of targets can be far more ambitious as we will not be going from a standing start. So, while it is important to think about the targets for the next five years, we must begin to think about the future ambitions. In this way, we will build a long-term solution to the long-term threats that we are facing. There will be no quick fix for climate change. It has taken generations to get to this point; it will take a generation to repair the damage.

6. Are the right policies and funding in place to appropriately protect and manage existing woodlands in England? How will prospective changes to policy and legislation effect this?

- 6.1. Like many of our most important habitats, woodlands take decades of growth to reach the point where they have the most value. Ancient woodlands are the pinnacle of this, having been present since at least 1600. These habitats cannot just be replaced and, therefore, require a high level of protection. Far too often, mature trees and woodlands are lost with the promise of new trees being planted in their place. But such a simplistic like-for-like replacement fails to take into account the fact that the benefits those trees provide will not be accrued within many of our lifetimes. Therefore, our focus must be on a hierarchy where protection of existing woodland is the priority and consideration of compensation for loss only given when all possible alternatives have been exhausted. Ancient woodlands should be considered an irreplaceable resource like other heritage features. We should treat the loss of an ancient woodland with the same seriousness as we would the loss of a Norman church; they are both intrinsic and valuable parts of our nation's heritage and character.
- 6.2. Biodiversity net gain, as is currently being rolled out to the planning system, is based on a hierarchy of avoid – mitigate – compensate. It is essential that all possible approaches to avoid or mitigate the loss of woodland (and other valuable habitats) are exhausted before accepting

its loss and seeking to compensate for it. Our planning authorities must be empowered and instructed to enforce this hierarchy before entering into discussions about biodiversity offsets. As discussed above, woodlands can be integrated into new development to add value and beauty.

- 6.3. The emerging Tree Strategy for England should support this effort, requiring areas to have their own local tree strategies and to reflect this in their wider duties. But they must be given the support and, where necessary, the resources to ensure that they have the capacity and the skills to do this. Not every Local Authority has access to a suitably qualified tree officer to advise them.
- 6.4. Within the National Forest, we have spent the last five years promoting woodland management. We recognised that, at a time when many of our earlier woodlands required their first thinning, few of our woodland owners had the knowledge, skills or resources to undertake this necessary management. The NFC established a new post within the team to specialise in woodland management; to support and educate woodland owners about woodland management; and to administer a new Woodland Management Grant to fund operations that would otherwise be loss-making. This has been a huge success, with the grant oversubscribed every year and the proportion of woodlands in management rising from 40% to over 80% in five years, whilst the national average has remained static at around 59%.
- 6.5. These grants are designed to work alongside the existing Countryside Stewardship woodland improvement grants, rather than compete with them. Our grants are intended to support habitat management in new and establishing woodlands rather than the mature woodlands covered by Stewardship.
- 6.6. In a wider context, we would prefer to see investment being made into the creation of markets for the products that arise from woodland management rather than subsidise the management itself. This has the dual benefit of establishing a thriving 'forest economy' for local contractors and suppliers while also making woodland management a financially viable operation for woodland owners. To this end, we now have a post within the NFC dedicated to supporting the woodland economy and a range of pump-priming grants that support local forestry businesses to grow their company through the purchase of equipment and training. We are also working in partnership with Brooksby College to develop a series of forest apprenticeships.
- 6.7. It is through supporting sustainable woodland management, developing a thriving woodland economy, and engaging communities in managing their local woodlands that we will secure a long-term future for our trees and woodlands.

7. Summary

- 7.1. We are at a point where we are poised to make a real change to tree planting and woodland creation that will benefit generations to come. The right mechanisms are being developed, but we need to make sure that they are the best-designed they can be to deliver the outcomes we need. We need to properly resource the communities, landowners and organisations that can deliver this change. We need to establish the markets for the goods that accrue from woodlands so that woodland creation and management becomes a viable economic activity. And we need to integrate trees and woodlands into our towns, our cities, and our lives.

- 7.2. ***All of this is already being trialled within the National Forest and we would invite the Select Committee to visit the Forest to see for themselves.***