



House of Commons
Environment, Food and Rural
Affairs Committee

The National Forest

Fourth Report of Session 2009–10

*Report, together with formal minutes, oral and
written evidence*

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Environment, Food and Rural Affairs Committee

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The current staff of the Committee are Richard Cooke (Clerk), Joanna Dodd (Second Clerk), Sarah Coe (Committee Specialist—Environment), Clare Genis (Senior Committee Assistant), Jim Lawford and Mandy Sullivan (Committee Assistants) and Hannah Pearce (Media Officer).

Contacts

All correspondence should be addressed to the Clerk of the Environment, Food and Rural Affairs Committee, House of Commons, 7 Millbank, London SW1P 3JA. The telephone number for general enquiries is 020 7219 5774; the Committee's e-mail address is: efracom@parliament.uk. Media inquiries should be addressed to Hannah Pearce on 020 7219 8430.

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Summary

Fifteen years on from its inception, The National Forest is a success story. It is delivering tangible environmental, economic and social benefits out of a bold vision to transform a 200 square mile swathe of the Midlands—much of which was suffering economic and environmental decline—through planting trees to create new woods and forests. Its achievement is not so much in trebling the proportion of land with tree cover to 18%, but that, in so doing, it has helped to regenerate the local economy, open up the Forest to greater public use and improve the natural environment.

The National Forest's success has been built on the commitment and skills of all its partner organisations. Moreover the National Forest Company has played a crucial leadership role to enable the project to deliver effectively the multiple benefits of forestry. However, for the full potential of the project to be realised, there needs to be a systematic approach to disseminating the company's experiences so that lessons learned in this, "The National Forest", can be exploited across England. Defra should also assess whether the small company model which underpins The National Forest concept can be effectively deployed elsewhere.

Growing a forest is a long-term project which only achieves its full benefits over many decades. For The National Forest to achieve its long-term potential it will require continuing Government commitment, including some limited financial support for many years to come to maintain the engagement and enthusiasm of all its local and national partners.

1 Introduction

Aims of the inquiry

1. The National Forest project was established in 1995 with the aim of creating a new English forest across a 200 square mile area, embracing parts of Leicestershire, Staffordshire and Derbyshire. The National Forest's purpose is to increase woodland cover to a third of The National Forest area, whilst demonstrating sustainable, multi-purpose land use, including growing timber, providing leisure and tourism facilities and developing natural habitats. Key features of The National Forest are its linkage of previously isolated ancient woodlands and the establishment of new nature reserves, as well as the provision of a framework for farm diversification and the regeneration of former coalfields. The work of The National Forest is greatly aided by the relationship between the National Forest Company (NFC) and the Forestry Commission and full details of this are set out in the memorandum from the Forestry Commission published with this report.¹

2. In November 2009, the Committee agreed to conduct an inquiry into how The National Forest project had developed over the past 15 years. It decided to consider, in particular, the implementation of the National Forest Company's Delivery Plan 2009–2014, especially with regard to:

- The funding arrangements, principally the Changing Landscapes Scheme, designed to encourage tree planting and the creation of wildlife habitats, and
- The economic, social and environmental benefits of the National Forest Company's activity.

3. This inquiry had the particular support of long-standing Committee member David Taylor MP, and his untimely death in December 2009 was a sad loss to both the Committee and this inquiry. His support for The National Forest project was highly valued by all those involved in its organisation.

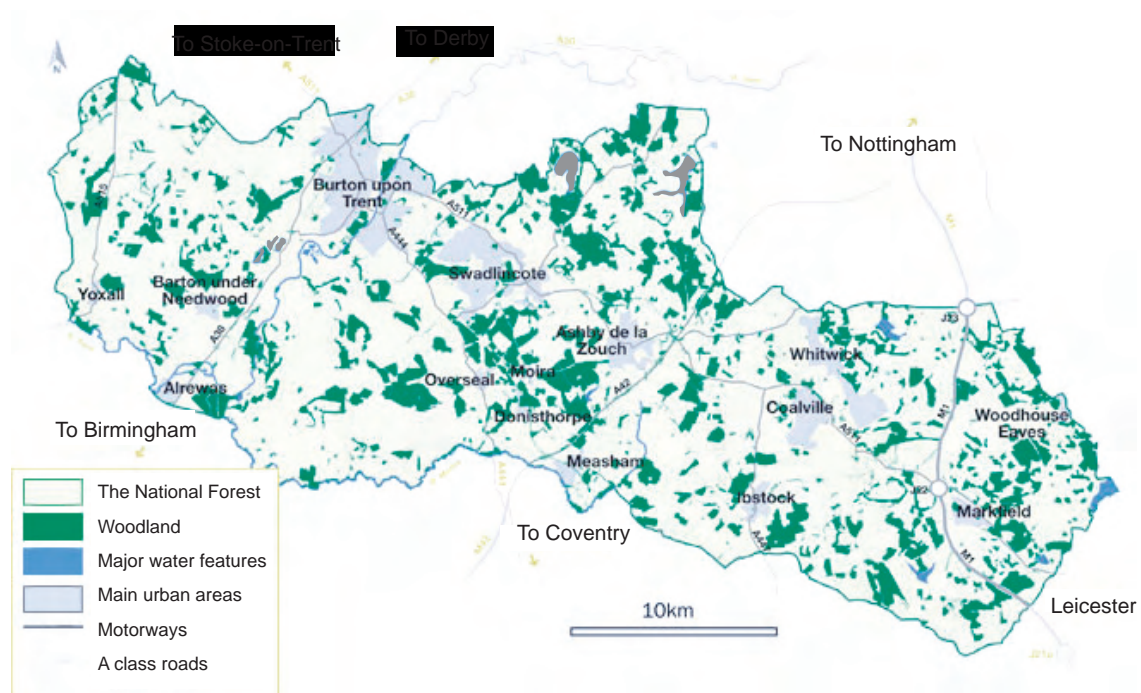
4. We received 14 written submissions and held two oral evidence sessions. The first was held on 20 January 2010 within The National Forest itself, at the Rosliston Forestry Centre, where we took evidence from a panel of Forest users, the National Forest Company, local councillors and members of the public. This session was preceded by a tour to see key locations within The National Forest. On 27 January 2010 we took evidence from Huw Irranca-Davies MP, Defra Parliamentary Under-Secretary of State (Marine and Natural Environment), and the Forestry Commission. We would like to thank all those who gave us evidence in person or in writing.

2 Growing The National Forest

The origins of The National Forest

5. The concept of a National Forest was first developed by the Countryside Commission in 1987. Its aim was to develop some 40,000 hectares (over 150 square miles) in the English Midlands in order to provide a “recreational and tourism resource, a means of reducing over-supply of agricultural land, enhancing landscape and wildlife interests and, in due course, contributing to the national timber supply”.² The area finally selected (see map 1 below) was chosen from a short-list of locations which included the Forest of Arden, Rockingham Forest, Sherwood Forest and the Wyre Forest/Severn Valley. Each area was assessed against a range of criteria including existing woodland distribution; opportunities for public access to the countryside; as well as its potential and actual economic activity.³ The Needwood—Charnwood area was chosen as, not only was there widespread local support, but, in the Countryside Commission’s view, it also offered the greatest opportunity for environmental improvement. In addition the area was characterised by significant economic and social hardship and was readily accessible to a large population.⁴

Map 1 – The National Forest



Source: *The National Forest Company Annual Report and Accounts 2008–09, HC 797, July 2009, pp 20–21*

6. To deliver The National Forest project, in April 1995 Defra established the National Forest Company (NFC) as a Non Departmental Public Body and a company limited by

2 The Countryside Commission, *Proposals for the creation of a lowland forest in the English Midlands*, April 1989.

3 *Ibid*

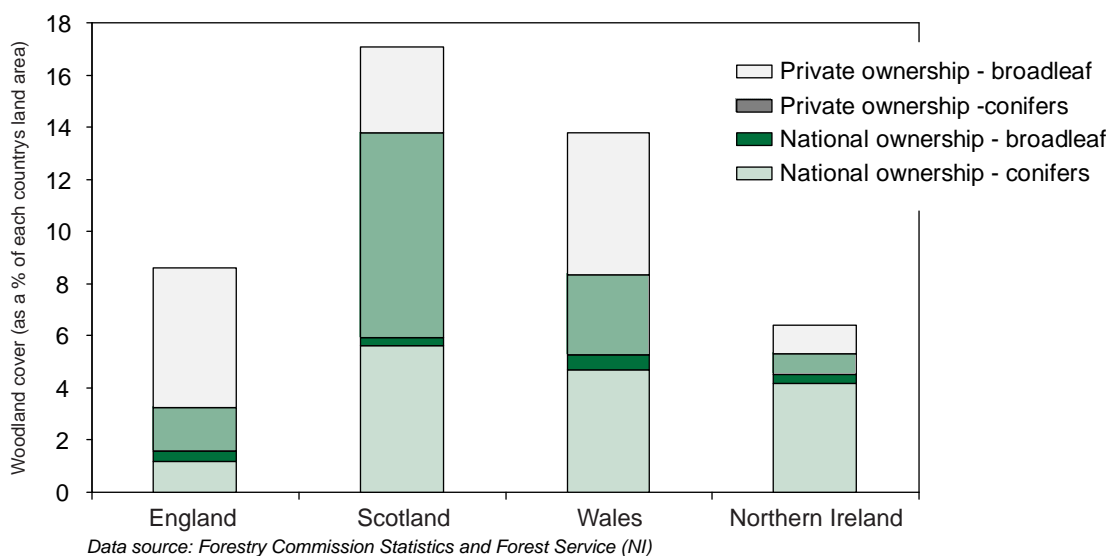
4 The Countryside Commission, *The National Forest: A proposal to Ministers*, November 1992.

guarantee.⁵ The NFC's role has been described as that of "catalyst and enabler" for the implementation of the National Forest's strategy.⁶ The rationale for adopting this unique model for delivering forestry objectives was that no public or private body at the time was considered to have the necessary remit or powers to embrace the project's wide range of functions and interests.⁷

Progress in new forest creation

7. Currently around 9% of England has woodland cover, equal to 1 million hectares, containing approximately 1.3 billion trees,⁸ (see graph 1 below).

Graph 1: The woodland resource in the UK



Source: *UK trees and forests*, POSTnote 275, Parliamentary Office of Science and Technology, January 2007.

8. In comparison, at The National Forest's inception in 1995, only some 6% of its area was wooded. A key objective for the forest was ultimately to increase woodland cover to around a third of its area. Over the past 15 years tree coverage has been trebled to 18%.⁹ The project, while covering just 1% of land in England, has delivered 10% of the nation's new woodland creation over that period.¹⁰ The National Forest's expansion has been achieved

5 Minutes of Evidence taken before the Environment, Food and Rural Affairs Committee, 5 December 2001, HC (2001-02) 432, Ev 21

6 The National Forest Company, *Concise Strategy + Delivering the Strategy 2004-14*, p 1.

7 Minutes of Evidence taken before the Environment, Food and Rural Affairs Committee, 5 December 2001, HC (2001-02) 432, Ev 21

8 *UK trees and forests*, POSTnote 275, Parliamentary Office of Science and Technology, January 2007. The Forestry Commission owns some 202,000 hectares of England's 1 million hectares of woodland, as well as 56,000 hectares of non-wooded habitats.⁸ Across the UK, 11.6% of land (2.8 million hectares) is wooded.

9 The National Forest Company, *Annual Report and Accounts 2008-09*, HC 797, July 2009, p 4.

10 Q 125

through a combination of direct acquisition of land by the NFC for tree planting, and the provision of grant schemes to incentivise landowners to plant trees on their own land.

9. The rate of new forest creation has levelled off in recent years, from a peak of 413 hectares in 2005–06 to only 121 hectares in 2008–09.¹¹ The Forestry Commission told us that while there had been a “slowing of the trajectory” the project was nonetheless still “making progress”.¹² The strategy for The National Forest 2004–14 assumed new forest would be created at a rate of 400–500 hectares a year.¹³ In 2009 the NFC halved this target to 200–250 hectares per year—equivalent to increasing woodland within the forest by 0.5% annually.¹⁴ At that pace, it will take around a further quarter of a century to reach The National Forest’s target of around a third woodland coverage.

10. The NFC considered forest creation to have been “the single most challenging aspect” of its operations in 2008–09,¹⁵ and it was therefore now seeking to balance “opportunistic” forest creation with a more “selective focus”,¹⁶ concentrating on connecting woodland areas and providing green infrastructure alongside new housing areas.¹⁷ NFC board member, Robin Pellew, said that the “hiatus” in creation had been partly due to economic factors, including high agricultural land and commodity prices, and partly due to the bedding down of the new grant scheme—the Changing Landscapes Scheme (CLS). We describe this scheme in the next section. However, he considered that forest creation would regain momentum to around 200–250 hectares a year.¹⁸ Huw Irranca-Davies MP, Parliamentary Under-Secretary of State, Marine and Natural Environment, said that the project’s long-term focus would enable it to over-ride fluctuations in land and agricultural prices over time.¹⁹

11. The NFC told us that it recognised that, at 18% woodland cover, there was still a long way to go to achieve a “coherent, forested landscape and maximise its benefits”, and that continued government funding would be “essential” to enable it to reach its 200–250 hectare target for new forest creation each year.²⁰

12. Despite recent challenges and the consequent relatively slow pace of planting, steady progress is being made in creating new woodland within The National Forest. It is essential that Defra continues to give the project sufficient financial support to enable the creation of at least 200 hectares a year of new woodland so that progress towards the target of around a third woodland cover is maintained and woodland corridors linking different sections of the Forest can be developed.

11 The National Forest Company, *Annual Report and Accounts 2008–09*, HC 797, July 2009, p 40.

12 Q 150

13 The National Forest Company, *The National Forest Delivery Plan 2009–14*, March 2009, p 7.

14 *Ibid*

15 The National Forest Company, *Annual Report and Accounts 2008–09*, HC 797, July 2009, p 8.

16 The National Forest Company, *The National Forest Delivery Plan 2009–14*, March 2009, p 6.

17 *Ibid*

18 Q 58, Mr Pellew

19 Q 112

20 Ev 11

Incentivising tree planting

Grant schemes

13. Nearly two-thirds of new forest creation to date has been achieved by providing incentives for land owners to plant trees.²¹ Currently the main grant schemes supporting new forest creation within The National Forest are the Changing Landscapes Scheme (CLS),²² for areas greater than 1 hectare, and Freewoods, a scheme for parcels of land which are smaller than 1 hectare.²³ These schemes provide a higher level of support than that provided under forestry schemes elsewhere in England. Natural England told us that The National Forest’s achievements have been helped by “greater rates of support for woodland creation than exist elsewhere”.²⁴ The Forestry Commission considered the CLS to be much more expensive than the average grant scheme in England but noted that it was comparable to schemes for areas of a similar complexity.²⁵

14. Under the CLS the average cost of new forest was £12,365 per hectare in 2008–09. This compares to only £2,800 per hectare,²⁶ under the English Woodland Grant Scheme applicable to broadleaf tree planting projects outside The National Forest,²⁷ and £3,150 per hectare rate payable under Natural England’s Higher Level Stewardship for new woodland created outside less favoured areas.²⁸ The NFC explained that its scheme paid a higher rate because it covered 100% of the costs of woodland creation and subsequent management for a ten year period, in order to reflect the fact that the new afforested areas provided wider public and environmental benefits.²⁹ The Minister considered that the CLS provided “high value, high quality interventions”, but he recognised that by paying the full costs of forest creation the scheme had the drawback of spreading the money available less widely.³⁰ The NFC stated that the CLS had proved to be an “attractive option” with landowners.³¹

21 Ev 22. In the 14 years 1995–2009, 5,425 ha of new forest creation have been secured—of this, 3,455 hectares (64%) has been through grants to landowners (Tender Scheme, Changing Landscapes Scheme and small scale schemes), 759 ha (14%) has been via land acquisitions and the balance of 1,211 ha (22%) via other means such as mineral or derelict land restoration.

22 The Changing Landscapes Scheme (CLS) was introduced in 2008 as a successor to the NFC’s Tender Scheme and funds 100% of costs for woodland creation and management. The Tender Scheme ran for 12 annual rounds but was replaced in 2007 following a review which concluded that, to meet EU requirements, a new scheme was required which used standard costs, with no premium for overall value to The National Forest.

23 The National Forest Company woodland creation webpages, www.nationalforest.org

24 Ev 54

25 Q 144

26 Ev 21. The basic English Woodland Grant Scheme payment is £1,800 per hectare, plus a further £1,000 per hectare for access and interpretation.

27 In 2005 the English Woodland Grant Scheme (EWGS) replaced the Woodland Grant Scheme. EWGS is supported via the Rural Development Programme for England and managed by the Forestry Commission on behalf of Defra. The aims of the EWGS are to sustain and increase the public benefits given by existing woodlands and to help create new woodlands to deliver additional public benefit.

28 Ev 21

29 Ev 22

30 Q 118

31 Ev 11

However, the 57.7 hectares of land included in the first full year is just below the lower end of the target range,³² and the CLS budget was under-spent by around a third.³³

15. The Changing Landscapes Scheme plays a central role in new forest creation so it is important that the incentives it provides are attractive to landowners. However, grant levels must be set so as to deliver value for public money and schemes should not aim to deliver extra hectares at any cost. It is important therefore that the success of forest creation is measured over the medium to long term, when any short-term impact on the uptake of grants caused by market fluctuations in land and commodities prices will have been evened out.

Inheritance tax regime

16. A member of the public expressed concern during our evidence session in The National Forest that the tax framework provided a disincentive to the development and retention of woodland, since woodland assets were less favourably treated for inheritance tax (IHT) purposes than agricultural assets.³⁴ Defra told us that IHT is payable on the value of woodland assets, both land and trees, but that there are a number of reliefs available. These include 100% relief for transfers of woodland on death provided the deceased owned the woods for five years, and 100% Business Property Relief for commercial woodland after two years ownership.³⁵ The details of the inheritance tax regime pertaining to woodland are set out in the memorandum from HM Revenue and Customs published with this report.³⁶

17. The complexity of the inheritance tax regime could deter those wishing to take up grants to plant woodland. It might also lead some landowners to remove trees as a precaution against their assets becoming liable to inheritance tax. We therefore recommend that HM Revenue and Customs, in liaison with Defra, publishes a clear and comprehensive guide on the inheritance tax relief available for woodland for dissemination within The National Forest and beyond. Although beyond the scope of this inquiry, we further recommend that Defra examines with HM Revenue and Customs whether the existing inheritance tax regime deters individuals from taking up or continuing woodland schemes or other long-term, environmentally-beneficial government schemes.

Land acquisition

18. Forest cover in England has been extended by some 30,000–35,000 hectares over the past decade, with direct land acquisition by the Forestry Commission accounting for around a tenth of this (some 3,500 hectares).³⁷ Direct land acquisition by the NFC accounts for a similar proportion (14%) of the extension of forest cover within The National

32 Ev 11

33 Ev 21

34 Q 79, Councillor Michael Stanton

35 Ev 36

36 Ev 68

37 Q 154

Forest—a balance which the NFC considers to be “about right for now”.³⁸ However, the NFC told us that in the past year it had been hard to acquire land at a price which represented “responsible use” of taxpayers’ money. It had acquired only 14 hectares of land for new woodlands in 2008–09, compared to some 66.5 hectares on average for each of the previous ten years.³⁹

19. Under the Financial Memorandum agreed with Defra, the NFC has a limit on the amount of land it may hold at any one time.⁴⁰ This limit is currently 300 hectares—a figure which Defra told us was set to reflect the average yearly acquisitions by the NFC.⁴¹ The company normally passes land acquired to partners, including the Forestry Commission and the Woodland Trust, for ongoing management. Sophie Churchill, Chief Executive of the NFC, told us that land availability had made it hard for the company to plant their own schemes and that “a little more flexibility about holding a land bank”, both in terms of numbers of hectares and the purposes for which it could be held, would enable it to respond more readily to opportunities for leasing or co-development with organisations wishing to make a carbon investment.⁴² Defra told us that the NFC could seek approval to hold more than 300 hectares, as well as asking for the limit set out in the Financial Memorandum to be adjusted when it was next periodically reviewed.⁴³

20. We recognise that the National Forest Company’s role is not to build up a significant land-holding on its own. However we consider the current 300 hectare limit on the amount of land it may hold at any one time to be unnecessarily restrictive. We recommend that Defra’s next review of the National Forest Company’s Financial Memorandum should include consideration of a higher limit for land holdings, as well as the provision of more flexibility over the purposes for which the company may acquire land.

38 Ev 22

39 Ev 21

40 The National Forest Company, *Annual Report and Accounts 2008–09*, HC 797, July 2009, p 24.

41 Ev 37

42 Q 48

43 Ev 37

3 Delivering environmental, economic and social benefits

21. In recent decades, increased interest in nature conservation and recreation has led to a national and international policy move, away from a narrow focus on timber production towards forestry that provides multiple benefits including social and environmental goods, as well as maintaining an economically viable forestry sector. Defra's 2007 *Strategy for England's Trees, Woods and Forests* reflects this approach and a key aim is to ensure that the country has a resource of trees, woods and forests in "places where they can contribute most in terms of environmental, economic and social benefits now and for future generations".⁴⁴ The National Forest's own strategy is aligned with this in its aims to provide a new landscape-scale forest which provides multiple benefits for the nation in the heart of England.⁴⁵

22. The value of this approach was endorsed in evidence we received which, almost without exception, welcomed the multiple benefits that The National Forest was bringing to the Midlands region. The Woodland Trust said that The Forest was a "spectacular success" in delivering economic, social and environmental benefits,⁴⁶ while Defra considered it to be an exemplar of the way in which "real multiple benefits...not simply woodland creation" could be achieved.⁴⁷ Local landowner Robin Neilson summed up the views of many of the members of the public from whom we heard when he said that it was an impressive and exciting project with "only benefits to come from it".⁴⁸ The Forestry Commission considered that a key priority for the project was realising the "full social, economic and environmental potential of the woodland resource" it has created for local people.⁴⁹ Defra told us that the NFC had developed a number of indicators to enable measurement of the project's environmental, social and economic progress,⁵⁰ but that the department recognised that it needed a more comprehensive assessment of the full benefits of the Forest and would be producing this in collaboration with the NFC in the next few months.⁵¹

23. We welcome the success of the National Forest Company in not just simply increasing The National Forest's land area but in delivering in parallel multiple environmental, economic and social benefits. We look forward to the early publication of Defra's comprehensive assessment of the full value of the project's benefits.

44 Defra, *A Strategy for England's Trees, Woods, and Forests*, June 2007, p 4.

45 Ev 26

46 Ev 60

47 Q 87

48 Q 16

49 Ev 37

50 The National Forest Company sets out a series of detailed indicators of social, environmental and economic progress in *The National Forest: an exemplar of sustainable development* published in June 2007.

51 Ev 36

Delivering environmental benefits

24. In 2008, 86% of people surveyed considered that The National Forest had improved the local environment,⁵² and much of the evidence submitted to this inquiry made specific reference to the project's environmental benefits. Defra considered that The National Forest was “a leading example” of sustainable development being delivered in practice.⁵³ The Forestry Commission considered that the project was assisting the delivery of Biodiversity Action Plan targets for native woodland creation,⁵⁴ as well as creating habitat networks which would help wildlife adapt to climate change. It particularly applauded the restoration and re-use of mineral workings and brownfield land. The NFC is developing sustainable approaches to management of existing woodland with the Forestry Commission,⁵⁵ as well as adopting a new action plan to develop habitats which maximise the benefits to be gained from connecting up green spaces.⁵⁶

25. The Leicestershire and Rutland Wildlife Trust considered that there had been an improvement in the environmental management of the project. Its early concerns that there was an over-emphasis on planting trees had been allayed such that it now considered that the NFC was developing some “excellent initiatives”.⁵⁷ The NFC told us that ecological site surveys confirmed that new woodland sites of 10–15 years of age were now supporting a range of common and some rare species not present in these locations previously.⁵⁸ An additional environmental benefit of The National Forest is that, in the view of the NFC, its creation is helping to “spread the load” of visitor pressure at well-established recreation attractions nearby. The company has a strategy of promoting more active use on “more robust sites” with less dense use encouraged on sensitive areas such as the Charnwood ancient forest area.⁵⁹

Combating climate change

26. The Secretary of State for the Environment, Rt Hon Hilary Benn MP, has said that as a nation the UK needs to plant a “very large number of trees” over the next 40 years to help tackle climate change.⁶⁰ However, Defra's *Strategy for England's Trees, Woods and Forests* stated that forest growth in England can make only a limited contribution to mitigating climate change and hence should be seen as a benefit not as a key driver of forest development.⁶¹ Nevertheless, the Government has set out its aspiration, in the *UK Low*

52 Ev 10. During June to September 2008 the National Forest Company undertook a survey of community perceptions. #995 people participated in citizens panels and some 202 further submissions were received from Forest residents.

53 The National Forest Company, *The National Forest Delivery Plan 2009–14*, March 2009, Ministerial foreword.

54 Ev 38

55 The National Forest Company, *Annual Report and Accounts 2008-09*, HC 797, July 2009, p 10.

56 The National Forest Company, *The National Forest Delivery Plan 2009–14*, March 2009, p 23.

57 Ev 61

58 Ev 24

59 Ev 23

60 “Hilary Benn welcomes Professor Read's report ‘A National Assessment of Forestry and Climate Change’”, Defra news release 272/09, 25 November 2009.

61 Defra, *A Strategy for England's Trees, Woods and Forests*, June 2007, p 24.

Carbon Transition Plan, to create 10,000 hectares of new woodland each year for 15 years.⁶² These growing trees would remove up to 50 million tonnes of carbon dioxide between now and 2050.⁶³ A report commissioned by The Forestry Commission has called for an additional 23,000 hectares of woodland to be planted annually for 40 years in the UK to reduce carbon emissions by 15 million tonnes of carbon dioxide a year by the 2050s (around 10% of the projected emissions at that time, assuming emissions reduction targets are met).⁶⁴ Defra has estimated that in 2008–12, The National Forest will absorb 43 million kilograms of carbon a year—14% of the region’s quota for the reduction of greenhouse gas emissions outlined in the Kyoto agreement and 0.05% of the nation’s contribution.⁶⁵

27. Natural England considered that “similarly ambitious projects” to The National Forest will be needed elsewhere to help mitigate against and enable adaptation to climate change.⁶⁶ Defra considered that the National Forest Company’s experience meant that it could provide a “useful test-bed” for the department’s forestry policies since it had enabled tree planting to be achieved at “the required scale and pace” and had gained valuable experience of working with the private sector.⁶⁷ The Minister told us that while Defra expected The National Forest to make a “significant contribution”, it was not on its own and bodies such as the Forestry Commission and local authorities would also be playing their part in delivering carbon reductions.⁶⁸

28. The National Forest’s direct role in helping to mitigate climate change will, in proportion to its size, be relatively small. However, if English forests and woodlands are to have a significant impact on mitigating climate change there will need to be national tree planting on an unprecedented scale. The National Forest can play a key role in this by passing on the benefits of its experiences to others contemplating National Forest style projects. Defra must ensure that work to implement the Government’s Low Carbon Transition Plan builds on lessons learnt by the National Forest Company, including enshrining broad environmental objectives such as enhanced biodiversity in any forest projects aimed at reducing carbon emissions.

29. A number of witnesses considered that the development of a value for carbon sequestered by trees would help to spur investment in new forests. The Woodland Trust believed that carbon-related financing could be a key source of revenue and recommended a change of government policy to enable the creation of tradable carbon credits for domestic forestry.⁶⁹ The Forestry Commission is exploring how a carbon mechanism could be used to attract a new strand of investment from those wishing to generate an income, or to demonstrate corporate responsibility.⁷⁰ It is developing a code of practice for forest

62 Ev 54

63 HM Government, *The UK Low Carbon Transition Plan*, July 2009, p 160.

64 National Assessment of UK Forestry and Climate Change Steering Group, *Combating climate change: a role for UK forests, synthesis report*, November 2009, p 1. Planting 23,000 hectares annually for 40 years would increase wooded areas by 4%—to 16% of UK land cover.

65 Ev 27

66 Ev 54

67 Ev 27

68 Q 98

69 Ev 60

70 Q 150

carbon projects which would establish a “very transparent, very credible, very respected” approach that could be rolled out when the Government was confident about wider international agreements.⁷¹ Currently tree planting in the UK provides only a voluntary mechanism for off-setting carbon emissions since off-sets generated within the UK are not accepted under international frameworks for reducing carbon emissions.⁷²

30. We welcome work by the Forestry Commission and others to develop a robust model for ensuring that investment in UK woods and forests delivers consistent carbon reduction outcomes. The development of such assurance regimes strengthens arguments that wider use could be made of UK tree planting in carbon offsetting schemes. We therefore recommend that Defra reviews with the Department of Energy and Climate Change the impact of the Code of Good Practice for Forest Carbon Projects, within one year of its inception, on the potential for tradable carbon credits to be developed for UK forestry projects.

Delivering economic benefits

31. A founding objective underpinning the Government’s decision on where to locate The National Forest was that the project should provide an opportunity to use forestry as a regeneration tool, hence the choice of an area containing many former mining communities. We received a lot of evidence that the project was succeeding in meeting this objective. The Leicestershire Rural Partnership considered that the NFC had “worked well to develop The National Forest as a place to live, work and visit during the last ten years”.⁷³ It rated the NFC’s business support programmes highly.⁷⁴ The Forestry Commission considered that The National Forest supported improvements and diversification of the skills base in the East Midlands’ forest and woodland industries, thereby increasing the sector’s contribution to the region’s “economic, social and environmental performance and sustainability”.⁷⁵ It also noted, perhaps more controversially, that increases in house prices in the area indicated the positive impact of initiatives over the past decade.⁷⁶

32. The NFC noted that a range of indicators demonstrated the improved economic health of The National Forest, including a significant decline in the proportion of the Forest’s population living in the 25% most deprived areas in England.⁷⁷ The area outperformed the regional average for economic growth between 1998 and 2006, with high levels of new business development.⁷⁸ The area’s tourism industry is now worth more than £270 million

71 Q 151

72 The Forestry Commission’s proposed Code of Good Practice for Forest Carbon Projects makes a distinction between ‘carbon offsets’ that can be traded on international carbon markets and ‘carbon reduction actions’ taking place in the UK. This is because, in common with most Annex 1 (developed) countries, accounting rules and the complexities of ‘Kyoto rules’ prevent tradable carbon offsets from being generated in the UK.

73 Ev 57

74 The National Forest Company operated the Woodland Economy Business Support (WEBS) programme from 2006–2008. Its new Making Woods Work programme has been established in partnership with the East Midlands Development Agency.

75 Ev 38

76 Ev 39

77 The National Forest Company, *The National Forest: an exemplar of sustainable development*, June 2007, p 25.

78 *Ibid*, p 22.

a year, with over 4,000 people engaged in it. Since 1995 more than 250 jobs have been created or safeguarded through forestry, farm diversification to forest uses, and woodland businesses.⁷⁹

33. Local residents gave us some examples of this positive economic impact during our evidence session in The National Forest. Emma Flatt, who runs a woodland contracting business, told us that her business was “completely interwoven in The National Forest”.⁸⁰ She had benefited from the Woodland Economy Business Support programme run by the NFC.⁸¹ Local landowner Robin Neilson told us that the woodland provided the “backdrop to allow us to attract people into the area”,⁸² and Councillor Heather Wheeler, from South Derbyshire District Council, told us that millions of pounds of income had been generated from tourists since the area had been “greened up”.⁸³

Development of wood fuel resources

34. Nationally, the Forestry Commission is adopting a strong focus on wood fuel as it considers that this provides a means of bringing income into landowners’ hands.⁸⁴ This is also a developing aspect of The National Forest and the NFC estimated that there is a potential wood resource to supply up to thirty-two 100 kilowatt systems in 2012 and 75 systems by 2032.⁸⁵ The company’s focus was now on “making the wood fuel and wood products demand and supply develop together”.⁸⁶ Robin Neilson told us how he had used a grant scheme to set up a wood fuel boiler to heat a 3,000 square foot office block using wood grown on his own land.⁸⁷ He noted, however, that supply was an issue since big users could take much of the local wood available so that “it very quickly runs out and it does not grow again for another 25 years”.⁸⁸

35. There are environmental and economic benefits to be gained from using locally-sourced wood for fuel. However, this requires the development of a stable supply to meet growing demand. We recommend that the National Forest Company publishes, with Defra and other partners, a strategy for developing a sustainable market which balances supply and demand for wood fuel within The National Forest.

Delivering social benefits

36. Ten million people live within an hour’s travel of The National Forest and a high priority for the NFC is to create a “welcoming and accessible recreation resource” for these

79 Ev 10

80 Q 1

81 *Ibid*

82 Q 6

83 Q 54

84 Q 134

85 Ev 9

86 *Ibid*

87 Qq 17 & 18

88 Q19

people, including the 200,000 local residents.⁸⁹ We received a great deal of evidence suggesting that this aim is being fulfilled, as in the past five years 1,731 hectares of fully open sites have been created.⁹⁰ The public can access 85% of The National Forest’s sites. The NFC is also developing a new long distance trail across the Forest, with the aim of bringing in 25,000 new visitors and £650,000 of new income every year.⁹¹ This will include accessible links off the trail to attract a range of users.⁹² Bodies such as Natural England commended the development of a number of significant visitor attractions, such as the Conkers and Waterside centres, which demonstrated best practice in infrastructure development.⁹³

37. The Forestry Commission considered that The National Forest played a valuable role in increasing the quality of life of those living in surrounding towns and cities.⁹⁴ It believed that the project had engaged local people with their environment and reconnected landowners with local users. Moreover, schools, community groups and businesses, such as Rolls Royce plc, had been successfully involved in the planting and maintenance of new sites.⁹⁵ However, the Commission told us that more progress could be made in enabling disadvantaged groups and ethnic minorities to gain the full benefits of public investment in the Forest.⁹⁶ Nonetheless, the proportion of participants in the Forest who come from socially excluded groups has now risen to 13%.⁹⁷

38. National Forest residents told us during our visit to the area that local people were now more aware of what the Forest can offer them and felt that it was now “very much part of their culture”.⁹⁸ Witnesses confirmed that those living in The National Forest area when asked where they lived said “in the Forest”—as opposed to nominating a named location. We heard that the NFC and local tourist information centres were working hard to attract people from across England,⁹⁹ although some residents considered that publicity could be improved.¹⁰⁰ The need to upgrade transport facilities, particularly public transport, was identified by some people as an issue to focus on in the future, for example to make it easier for people to visit Forest sites which were some distance from each other.¹⁰¹

39. We received evidence from the British Horse Society and the Federation of East Midlands Bridleway Associations arguing for an increase in the provision of connected, off-road routes for horse riders since this group was currently “severely disadvantaged” by

89 The National Forest Company, *The National Forest: an exemplar of sustainable development*, June 2007, p 32.

90 Ev 10

91 “The National Forest hits the trail”, National Forest Company forest scene newsletter, winter 09/10.

92 Ev 23

93 Ev 55

94 Ev 38

95 Ev 39

96 Q 145

97 Ev 56

98 Q 10, Ms Adams.

99 Q 28, Mr Beldon

100 Q 34, Ms Adams

101 Q 28, Mr Beldon

what was perceived to be the current fragmented network within The National Forest.¹⁰² The Society considered that the Forest's shortcomings reflected national government policies and wanted to see all access routes classified as bridleways since this status ensured that all those on foot, hoof or bike were entitled to use them.¹⁰³ The NFC's Chief Executive, Sophie Churchill, said that, while not all routes within the Forest were appropriate for horse riding, efforts had been made to improve provision for equestrians.¹⁰⁴ The company told us that it was committed to increasing the provision of access for all users, including promoting the provision of multi-user access through their Changing Landscapes grant scheme.¹⁰⁵

40. We urge the National Forest Company, in conjunction with its partners, to continue work to extend access to The National Forest to all segments of society, particularly to reflect the diverse make-up of its catchment area, and to work to balance the needs of all types of user. Improved transport provision, particularly to make facilities more readily accessible by public transport, should be a priority.

102 Ev 63

103 Ev 65

104 Q 158

105 Ev 52

4 Role of the National Forest Company

41. We received a range of evidence endorsing the work of the National Forest Company and the effectiveness of this unique model in delivering value for money. A 2009 review of The National Forest’s strategy found that there was widespread endorsement of both the strategy for 2004–14 and the leadership of the NFC in delivering it.¹⁰⁶ Defra told us that there was “strong support” for the role of the NFC to continue,¹⁰⁷ since it “enabled others to come together in a very focussed way”.¹⁰⁸ The company’s value was in its ability to be an “honest broker” which “delivered the aspirations of local people”.¹⁰⁹ Natural England considered that at the heart of The National Forest’s success was its clear and compelling vision, adequate and flexible funding arrangements and dedicated staff.¹¹⁰ Mr Hill-Tout, representing the Forestry Commission, had an open mind as to the exact institutional arrangements for forestry projects, since community forests have achieved results using a variety of different models.¹¹¹ However he noted that the NFC had achieved “full public support and co-operation from all the public agencies”,¹¹² using a dedicated team working long-term with local communities, landowners, businesses and local authorities.¹¹³ The Chief Executive of the NFC considered the company to be “small and nearly perfectly formed”,¹¹⁴ which enabled it to be a non-bureaucratic driver, trusted by partner organisations,¹¹⁵ and to provide an “effective means of driving what is a complex and long-term” project.¹¹⁶

42. Defra provided £3.6 million grant funding for the company in 2008–09 and £3.3 million in 2009–10.¹¹⁷ Over its 15 year existence, the NFC has received £44.3 million in government grant-in-aid.¹¹⁸ This funding has enabled the leveraging in of other funding streams and Forest projects have also received some £5.2 million in grants from third parties and £1.1 million of donations and sponsorship.¹¹⁹ The NFC calculated that around £40 million had been invested in forest-related projects by partner organisations and an additional £55 million has been secured through coalfield, urban and rural regeneration

106 The National Forest Company, *The National Forest Delivery Plan 2009–14*, March 2009, p 7.

107 Ev 26

108 Q 87

109 Q 92

110 Ev 54

111 Q 127

112 Q 125

113 Q 126

114 Q 39

115 Q 53

116 Ev 12

117 Ev 26

118 Funding for the National Forest Company is paid under Section 153 of the Environmental Protection Act.

119 Q 37. This figure of £5.2 million includes funding for projects for both NFC led and non-NFC led projects within The National Forest.

programmes.¹²⁰ The Minister said that the NFC was delivering in a “highly efficient way”.¹²¹

43. Given the success of the project, it is unsurprising that many witnesses, including the Woodland Trust, wanted to see greater use of the Forest’s example in informing national work.¹²² Natural England noted that there is potential for other organisations and government departments to use The National Forest in future as a “test-bed for and exemplar of multi-purpose forestry”.¹²³ The Forestry Commission considered that the NFC was “increasingly” sharing its experiences,¹²⁴ and recommended that it build on its good early work and pioneer new public/private partnerships for forest creation and management.¹²⁵ Defra considered that the knowledge and practical experience gained by the NFC in planning and developing the Forest could provide “valuable expertise” in the master planning process.¹²⁶

44. The National Forest Company has proved to be a highly effective vehicle for leading the creation of The National Forest, delivering good value for public money. It has demonstrated how a small, non-bureaucratic body can bring significant impetus to a partnership of organisations working together to deliver national and local strategies. While the National Forest Company’s success is due in no small part to the vision and commitment of its board, staff and partners which are not easily replicable by formula, we recommend that Defra considers whether the National Forest Company model can be applied to forestry projects in other locations. To ensure that the full benefits of the project are realised more widely nationally, Defra should also set out a detailed plan in the next 18 months for disseminating the lessons learned in The National Forest across England.

120 Q 37

121 Q 119

122 Ev 59

123 Ev 54

124 Ev 38

125 *Ibid*

126 Ev 26

5 Conclusions

45. The evidence we received endorsed, almost without exception, the achievements of The National Forest over the past 15 years. Those living and working locally, as well as those visiting the area, have welcomed the economic, social and environmental benefits that the Forest has brought. We were pleased to receive such a positive picture of how an innovative approach can deliver national policy objectives effectively at a local and regional level, and we urge Defra to ensure that the lessons learned are fully exploited across England.

46. Clearly there are challenges to be met in continuing to create new forest at a sufficient pace to both meet local targets and help meet national climate change mitigation aims. The National Forest Company is well-placed to continue to meet these challenges, in collaboration with its partners. However, growing a forest is a long-term project and it is imperative that national and local commitment is sustained over the decades to come, both in terms of the relatively limited financial support which is required, and, more significantly, to maintain the enthusiasm and commitment of all the partners.

Conclusions and recommendations

Progress in new forest creation

1. Despite recent challenges and the consequent relatively slow pace of planting, steady progress is being made in creating new woodland within The National Forest. It is essential that Defra continues to give the project sufficient financial support to enable the creation of at least 200 hectares a year of new woodland so that progress towards the target of around a third woodland cover is maintained and woodland corridors linking different sections of the Forest can be developed. (Paragraph 12)

Grant schemes

2. The Changing Landscapes Scheme plays a central role in new forest creation so it is important that the incentives it provides are attractive to landowners. However, grant levels must be set so as to deliver value for public money and schemes should not aim to deliver extra hectares at any cost. It is important therefore that the success of forest creation is measured over the medium to long term, when any short-term impact on the uptake of grants caused by market fluctuations in land and commodities prices will have been evened out. (Paragraph 15)

Inheritance tax regime

3. The complexity of the inheritance tax regime could deter those wishing to take up grants to plant woodland. It might also lead some landowners to remove trees as a precaution against their assets becoming liable to inheritance tax. We therefore recommend that HM Revenue and Customs, in liaison with Defra, publishes a clear and comprehensive guide on the inheritance tax relief available for woodland for dissemination within The National Forest and beyond. Although beyond the scope of this inquiry, we further recommend that Defra examines with HM Revenue and Customs whether the existing inheritance tax regime deters individuals from taking up or continuing woodland schemes or other long-term, environmentally-beneficial government schemes. (Paragraph 17)

Land acquisition

4. We recognise that the National Forest Company's role is not to build up a significant land-holding on its own. However we consider the current 300 hectare limit on the amount of land it may hold at any one time to be unnecessarily restrictive. We recommend that Defra's next review of the National Forest Company's Financial Memorandum should include consideration of a higher limit for land holdings, as well as the provision of more flexibility over the purposes for which the company may acquire land. (Paragraph 20)

Delivering environmental, economic and social benefits

5. We welcome the success of the National Forest Company in not just imply increasing The National Forest's land area but in delivering in parallel multiple environmental, economic and social benefits. We look forward to the early publication of Defra's comprehensive assessment of the full value of the project's benefits. (Paragraph 23)

Combating climate change

6. The National Forest's direct role in helping to mitigate climate change will, in proportion to its size, be relatively small. However, if English forests and woodlands are to have a significant impact on mitigating climate change there will need to be national tree planting on an unprecedented scale. The National Forest can play a key role in this by passing on the benefits of its experiences to others contemplating National Forest style projects. Defra must ensure that work to implement the Government's Low Carbon Transition Plan builds on lessons learnt by the National Forest Company, including enshrining broad environmental objectives such as enhanced biodiversity in any forest projects aimed at reducing carbon emissions. (Paragraph 28)
7. We welcome work by the Forestry Commission and others to develop a robust model for ensuring that investment in UK woods and forests delivers consistent carbon reduction outcomes. The development of such assurance regimes strengthens arguments that wider use could be made of UK tree planting in carbon offsetting schemes. We therefore recommend that Defra reviews with the Department of Energy and Climate Change the impact of the Code of Good Practice for Forest Carbon Projects, within one year of its inception, on the potential for tradable carbon credits to be developed for UK forestry projects. (Paragraph 30)

Development of wood fuel resources

8. There are environmental and economic benefits to be gained from using locally-sourced wood for fuel. However, this requires the development of a stable supply to meet growing demand. We recommend that the National Forest Company publishes, with Defra and other partners, a strategy for developing a sustainable market which balances supply and demand for wood fuel within The National Forest. (Paragraph 35)

Delivering social benefits

9. We urge the National Forest Company, in conjunction with its partners, to continue work to extend access to The National Forest to all segments of society, particularly to reflect the diverse make-up of its catchment area, and to work to balance the needs of all types of user. Improved transport provision, particularly to make facilities more readily accessible by public transport, should be a priority. (Paragraph 40)

The role of the National Forest Company

10. The National Forest Company has proved to be a highly effective vehicle for leading the creation of The National Forest, delivering good value for public money. It has demonstrated how a small, non-bureaucratic body can bring significant impetus to a partnership of organisations working together to deliver national and local strategies. While the National Forest Company's success is due in no small part to the vision and commitment of its board, staff and partners which are not easily replicable by formula, we recommend that Defra considers whether the National Forest Company model can be applied to forestry projects in other locations. To ensure that the full benefits of the project are realised more widely nationally, Defra should also set out a detailed plan in the next 18 months for disseminating the lessons learned in The National Forest across England. (Paragraph 44)

Conclusions

11. The evidence we received endorsed, almost without exception, the achievements of The National Forest over the past 15 years. Those living and working locally, as well as those visiting the area, have welcomed the economic, social and environmental benefits that the Forest has brought. We were pleased to receive such a positive picture of how an innovative approach can deliver national policy objectives effectively at a local and regional level, and we urge Defra to ensure that the lessons learned are fully exploited across England. (Paragraph 45)
12. Clearly there are challenges to be met in continuing to create new forest at a sufficient pace to both meet local targets and help meet national climate change mitigation aims. The National Forest Company is well-placed to continue to meet these challenges, in collaboration with its partners. However, growing a forest is a long-term project and it is imperative that national and local commitment is sustained over the decades to come, both in terms of the relatively limited financial support which is required, and, more significantly, to maintain the enthusiasm and commitment of all the partners. (Paragraph 46)

Formal Minutes

Wednesday 10 March 2010

Members present:

Mr Michael Jack, in the Chair

Mr David Drew

David Lepper

Miss Anne McIntosh

Dr Gavin Strang

Mr Roger Williams

Draft Report (The National Forest), proposed by the Chair, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 46 read and agreed to.

Summary agreed to.

Resolved, That the Report be the Fourth Report of the Committee to the House.

Ordered, That the Chair do make the Report to the House.

Ordered, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No.134.

Written evidence was ordered to be reported to the House for printing with the Report.

[Adjourned till Wednesday 17 March 2010 at 2.30 pm

Witnesses

Wednesday 20 January 2010

Mr Richard Beldon, Ms Emma Flatt, Ms Louise Adams and Mr Robin Neilson	Ev 1
Ms Sophie Churchill , Chief Executive, Mr Simon Evans , Chief Officer and Mr Robin Pellew , Non-Executive Member, the National Forest Company and Councillor Heather Wheeler , Leader of South Derbyshire District Council	Ev 12
Councillor Michael Stanton, Ms Debbie Chesterman, Ms Monica Hudson, Ms Laura Parry and Ms Claire O'Reilly	Ev 24

Wednesday 27 January 2010

Huw Irranca-Davies MP , Parliamentary Under-Secretary of State (Minister for Marine and Natural Environment) and Mr Robin Mortimer , Director of Environment and Rural Group, Department of Environment, Food and Rural Affairs	Ev 27
Mr Paul Hill-Tout , Director England, Forestry Commission	Ev 42
Ms Sophie Churchill , Chief Executive, the National Forest Company	Ev 51

List of written evidence

1	The British Horse Society and the Federation of East Midlands Bridleway Associations	Ev 54
2	Department of Environment, Food and Rural Affairs	Evs 26, 36
3	Dorothy Morson	Ev 66
4	Forestry Commission	Evs 37, 39, 50
5	Natural England	Ev 54
6	HM Revenue and Customs	Ev 68
7	Jerry Tseng	Ev 62
8	Leicestershire Orienteering Club	Ev 67
9	Leicestershire Rural Partnership	Ev 56
10	Leicestershire and Rutland Wildlife Trust	Ev 61
11	The National Forest Company	Evs 8, 21, 52
12	Robert Woodward	Ev 61
13	Stephenson College	Ev 62
14	Woodland Trust	Ev 59

List of Reports from the Committee during the current Parliament

The reference number of the Government's response to each Report is printed in brackets after the HC printing number.

Session 2009–10

Third Report	Waste Strategy for England 2007	HC 230-I
Second Report	The work of the Committee in 2008–09	HC 148
First Report	Appointment of the Chair of Natural England	HC 68

Session 2008–09

Sixth Report	The Draft Flood and Water Management Bill	HC 555-I (CM 7741)
Fifth Report	Ofwat Price Review 2009	HC 544-I (HC 1023)
Fourth Report	Securing food supplies up to 2050: the challenges faced by the UK	HC 213-I (HC 1022)
Third Report	Energy efficiency and fuel poverty	HC 37 (CM 7719)
Second Report	Work of the Committee in 2007–08	HC 95
First Report	The English pig industry	HC 96 (HC 391)

Session 2007–08

Fifth Special Report	Energy efficiency and fuel poverty: written evidence	HC 1099
Eleventh Report	The potential of England's rural economy	HC 544-I (HC 155, 08–09)
Tenth Report	Badgers and cattle TB: the final report of the Independent Scientific Group on Cattle TB: Government response to the Committee's Fourth Report of Session 2007–08	HC 1010 (HC 1178)
Ninth Report	Draft Marine Bill: Coastal Access Provisions	HC 656-I (CM 7422)
Eighth Report	British Waterways: follow-up	HC 438 (HC 1081)
Seventh Report	Implementation of the Nitrates Directive in England	HC 412 (HC 1080)
Sixth Report	The Veterinary Surgeons Act 1966	HC 348 (HC 1011)
Fifth Report	Flooding	HC 49-I (HC 901)
Fourth Report	Badgers and cattle TB: the final report of the Independent Scientific Group on Cattle TB	HC 130-I (HC 1010)
Third Report	The work of the Committee in 2007	HC 250
Second Report	Climate change: the "citizen's agenda": Government response to the Committee's Eighth Report, Session 2006–07	HC 189
First Report	The UK Government's "Vision for the Common Agricultural Policy: Government response to the Committee's Fourth Report, Session 2006–07	HC 48

Session 2006–07

Eighth Report	Climate change: the "citizen's agenda"	HC 88-I (HC 189 07–08)
Seventh Report	British Waterways	HC 345-I (HC 1059)
Sixth Report	The Implementation of the Environmental	HC 694 (HC 1058)

	Liability Directive	
Fifth Report	Draft Climate Change Bill	HC 534-I (CM 7225)
Fourth Report	The UK Government's "Vision for the Common Agricultural Policy"	HC 546-I (HC 48 07-08)
Third Report	The Rural Payments Agency and the implementation of the Single Payment Scheme	HC 107-I (HC 956)
Second Report	Defra's Annual Report 2006 and Defra's budget	HC 132 (HC 522)
First Report	The work of the Committee in 2005-06	HC 213
Session 2005-06		
Eighth Report	Climate change: the role of bioenergy	HC 965-I (HC 131 06-07)
Seventh Report	The Environment Agency	HC 780-I (HC 1519)
Sixth Report	Bovine TB: badger culling	HC 905-I
Fifth Report	Rural Payments Agency: interim report	HC 840
Fourth Report	The Departmental Annual Report 2005	HC 693-I (HC 966)
Third Report	The Animal Welfare Bill	HC 683
Second Report	Reform of the EU Sugar Regime	HC 585-I (HC 927)
First Report	The future for UK fishing: Government Response	HC 532

Oral evidence

Taken before the Environment, Food and Rural Affairs Committee on Wednesday 20 January 2010

Members present

Mr Michael Jack, in the Chair

Lynne Jones
David Lepper

Dr Gavin Strang

Witnesses: **Mr Richard Beldon**, who works with businesses in The National Forest Area; **Ms Emma Flatt**, who runs a woodland contracting business; **Ms Louise Adams**, a local resident and Forest user; and **Mr Robin Neilson**, a landowner from Catton Hall, Derbyshire, gave evidence.

Q1 Chairman: Good afternoon, ladies and gentlemen. Welcome to this one-off evidence session for the Environment, Food and Rural Affairs Select Committee of the House of Commons inquiry into The National Forest. May I welcome all those who are about to give evidence, those who are going to give evidence a little later and those who have come to observe our proceedings. I thought I would start a minute or two before two o'clock because there are one or two things that I wanted to say by way of introduction and to explain how we are going to conduct the proceedings this afternoon. The Committee is always delighted when it can get away from the normal area where it takes evidence in the Portcullis House facility in the House of Commons. We are delighted to provide an opportunity for people outside Westminster not only to participate in what we do but also for people to have sight of what the Select Committee does. Our task is to shadow the work of the Department for Environment, Food and Rural Affairs and to look at the way they conduct their stewardship of policy, and write reports accordingly. For some who are assiduous readers of the newspapers yesterday or listeners to Radio Four you will possibly have picked up the fact that the latest report that the Committee has published on the subject of waste covered a broad area and attracted a fair amount of interest, particularly in terms of how we were going to deal with issues connected with litter. Today's inquiry arose because The National Forest came and talked about what they were doing. The Committee were anxious to return to an area where they had previously written a report and where there was broad spread interest amongst members of the Committee in the subject of forestry. I think it illustrates the fact that from time to time whilst the Committee may paint, if one can put it this way, on a big canvas, occasionally it is right to focus on a smaller scale activity like the work of The National Forest, which does not always get the national profile that perhaps it deserves. It would be remiss of me by way of introduction if I did not just say a word about a member of this Committee who would have been here today but who, sadly, died just after Christmas, and that is David Taylor, the Member for Leicester North West. Everybody on the Committee, and indeed in the House of Commons, had nothing

but the highest of regard for David. Public tribute has very properly been made for his work as a parliamentarian and we, too, as a Committee put on record our profound appreciation for his contribution to our work. The sad thing is that David and I had both announced our retirement at the next election and we often talked about what we were going to do. One of the passions of David's life was indeed The National Forest. I think he had an interest in contributing to its work after Parliament and should that have been the case he asked whether I would act as a referee for him. I was honoured to have been asked. I would have been delighted to have penned a glowing reference because he was a remarkable MP in the way that he involved himself in everything that was local. He was tenacious in everything he did, and certainly in the way that he conducted himself on our Committee, he did not let witnesses off lightly. So I suppose for some witnesses today that might be a relief, but for us it is sad that he is not here. Can I also record the fact that we are in Mark Todd's constituency and Mark also takes a great interest in the work of The National Forest. He, too, was a member of this Committee until a few years ago and I know continues to maintain an interest in the work that we undertake. Paddy Tipping, whose constituency also touches on the forest, is a great supporter of the work of the forest, and he would have been with us but he has been double manning another Committee and they have been looking at National Policy Statements in the field of energy and so he has reluctantly had to put his effort into that Committee, but I know in spirit and in mind he would be with us. We have a lot of parliamentary support and interest in the work of the forest. The way we are going to conduct this public evidence session, which I have to say for anybody who contributes, is on the record but what you say is protected by parliamentary privilege, we usually say at the end that what you say cannot be undone but what you do say will be down on the record, and for those who are unfamiliar with the process that is the way it works. May I just pay tribute to Mary Krelle who is here from Gurney's and who has the hapless task of recording for the next couple of hours everything that we say. The advantage of course is that you can read about it afterwards. The way we are going to conduct things

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in one minute more is that we will have three-quarters of an hour of evidence from a panel of users of the forest and then for approximately another three-quarters of an hour we will take evidence from the National Forest Company. I am delighted to see that the audience chairs are full because we have left some time at the end for contributions from members of the public. We always value the perspectives that you bring to our proceedings. Without further ado, may I first introduce the members of the Committee. You can see the names around here. The Select Committee is formed from all the major parties in the House of Commons and we try very hard in what we do to achieve our agreement by means of discussion and consensus. I want to introduce the first set of witnesses. We have Emma Flatt, who runs a woodland contracting business in the forest. Next to her is Richard Beldon, who works with a business in the forest area. Louise Adams is a local resident and forest user. Mr Robin Neilson is a landowner from Catton Hall in Staffordshire. Can I ask each one of you just to start by giving us a little pen picture from your standpoint about what are your main uses of The National Forest and perhaps you could provide us with some examples of why you think it is important either in your daily life or indeed in your business connections. I am going to ask Emma if she would be kind enough to start and respond to my first question.

Ms Flatt: I will try and keep it brief but really our business is completely interwoven in The National Forest. We established ourselves as a forestry business about five years ago. We chose The National Forest as a place to move to and set up our forestry business and from there we contacted the National Forest Company and gained business help and grants to help us in certain areas of our business. Really from that time we have always had contact with them, either working with them directly or through implementing grant schemes, so, yes, we have a lot of involvement with The National Forest.

Q2 Chairman: Just put some perspective on that. How many people do you employ and what kind of a forestry business is it?

Ms Flatt: There are two of us but then we work with other sub-contractors so it is like a network of sub-contractors really. We do not have any direct employees but we use a number of different companies to help us.

Q3 Chairman: What do you do with these two employees and your subcontractors?

Ms Flatt: That is what everyone asks us.

Q4 Chairman: Is it a secret?

Ms Flatt: It is a secret, yes! In the winter we design planting schemes, so we do consultancy, and then we implement those planting schemes. We actually do the planting work ourselves but then we sub-contract out any fencing work or machine-based work. It is amazing how many trees two people can plant in a day.

Q5 Chairman: So that is a good advertisement for somebody who is looking to have their own part of the forest. Thank you very much indeed. Richard?

Mr Beldon: Good afternoon. My name is Richard Beldon and I am a personal user and a business user of The National Forest. From a personal point of view, I run in the forest, I dog-walk in the forest, I cycle in the forest, I bird-watch in the forest. It is everything that I do and a lot of my personal hobbies involve a big part of the countryside and obviously The National Forest, because I live in Donisthorpe, is right in the hub of it. I like the woodland areas and the water areas. Over the last 15 years the turnaround has been incredible in some of the countryside in the local area particularly close to me where the pits were, if you like. From a business point of view, I run a local web directory that encourages local people to use local services. I only allow local businesses on the site within a 20-mile radius from where I live, which pretty much is The National Forest boundary, which is a lucky thing. It is two years old. I have 637 businesses on the site, ranging from small one-man-bands that run business-to-business operations, up to the Leicester Tigers, so it is as small and as broad as that. I see The National Forest as a great opportunity from a business point of view and a commercial point of view in the way of fund-raising, awareness, bringing people into the forest and the like.

Q6 Chairman: You have not managed to persuade the Leicester Tigers to come and do a bit of endurance training in the forest yet, have you?

Mr Beldon: I used to work up at Champney Springs at the health resort just up the road. I was a manager there for 15 years and they used to train with us regularly on site because we had an excellent facility for training but, no, they did not use any endurance training within the forest. Frank Bruno did.

Ms Adams: I suppose I use the forest as a recreational user. We moved to Moira about three or four years ago and the reason we chose Moira was because of where it was located and the atmosphere around it. I tend to go walking a lot, riding and, as Richard said, bird-watching and just using the area. When family come and visit, because they live in Manchester, they absolutely love it because there is no countryside like this around where my sister and everybody lives and they absolutely love it, so we spend an awful lot of time just playing in the forest areas really and exploring the free areas and also centres like this because they are just very different from all the other bits that are going on in other areas.

Mr Neilson: Firstly, can I welcome you to The National Forest. It is very nice to see some people from London up here to see what has been going on over the last 12 or 15 years. I have been involved with The National Forest since before it started. I sat on a CLA¹ committee to discuss the possible implications of The National Forest, and I have to say there were certain things that worried me about it, such as it may be designated as a special area with

¹ Countryside Landowner Association

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different planning controls and so on, and interference from outside bodies, but ever since I have been involved—and we started with two of the first Tender schemes, the first bits of planting in The National Forest at home—I have got nothing but praise and support for The National Forest, everything that it has done and that it is trying to do. Personally I have planted about 150 acres of woodland on our estate which is now replacing agriculture from the point of view of the business we run, which is leisure and recreational activities. We now attract as many people as we can on to the estate to run, cycle, have concerts, caravan rallies, trek, corporate, private, public, in any way we can, and the woodland provides the backdrop to allow us to attract people into the area.

Q7 Chairman: In terms of the sort of area from which you attract people to come and enjoy your facilities, how wide an area would you say it was?

Mr Neilson: The area of new woodland is 150 acres so another 150 acres. The area that the public use is about 600 acres and then the farming estate stretches beyond that.

Q8 Chairman: From how far away do the visitors who come to use it come?

Mr Neilson: Nationally.

Q9 Chairman: Nationally?

Mr Neilson: It is particularly because we have a lot of national events. For example, if it is a 24-hour mountain bike marathon we will attract people from Cornwall and Scotland and organised course events.

Q10 Chairman: That sounds like a mouthwatering array of activities. You have all made it very clear that you are in the forest working and living in it. Perhaps, Richard, I could start with you to give me a sense of how other local people view being in the forest. You are obviously an enthusiast, you are aware of its identity, but is that the case for others who live in the forest? Do they actually know that that is where they are and how do they feel about it?

Mr Beldon: I think it now has a national identity. The coverage in the local press that comes to the public—and I am looking at it from a consumer point of view now rather than a business—means they have more of an idea as to what it is doing. I think it has a visual impact now whereas 10 years ago it was not that visual to see. It was The National Forest but “where’s the trees?” Now you can actually see the trees. You used to see the signs and not see a lot of stuff and now you can come in and you can see the effect that the reforestation has had and the planting and the landscaping. It has had a massive impact and I think the locals are becoming more aware of what the forest can offer them as individuals. If I can add from a commercial point of view, I think that is still an area that can be grown in a huge way. They have tapped into it and they have started it and I think it is a case now of trying to broaden the impact that they have made already.

Q11 Chairman: So, Louise, what do your neighbours think about the forest? Do you meet each other and have a little chat each day, “How’s the forest doing?” or is it something that pops up occasionally in conversation? How much is it a part of life?

Ms Adams: My direct neighbour who I speak to quite a lot has lived in the forest all of her life, and so we have had quite a lot of conversations about how she views it because obviously it has changed an awful lot in her 80 years, and she is very enthused about everything that is going on because obviously she has seen a lot of changes from when it used to be all pit and everything to now it is all forestry. She really, really loves it. It is part of the reason why she has stayed here as it has changed. She has had conversations with me where she thought about moving on 10 or 15 years ago when she was widowed because she wanted to go to an area that had more amenities and everything, but because of what it was bringing in as the forest has grown up around her, she has wanted to stay. I think that is the same for a lot of my friends as well in the area. The friends that I have made very much feel that they have moved to the area, if they have moved into it, because of what it offers them: the countryside, the actual feeling of relaxation and of being in the environment rather than in the city centres and things like that. For a lot of people I know it is very much part of their culture and their feelings of what they want to do with their life.

Q12 Chairman: Robin, give us an answer to the question but perhaps with a focus on landowners. You said that initially you were a little sceptical for the reasons you have mentioned as to the credentials of the forest, but you then observed very positively what has happened. How do other landowners regard the forest as it is now?

Mr Neilson: I really cannot think of anyone that I have met, whether they are in the forest or out of the forest, that does not like the concept. In this overcrowded island with development around every corner a forest has to be the best thing to develop on your doorstep. Without any doubt, in my mind anyway, most people are very positive about the concept. Landowners obviously are usually encouraged to participate to give up land to the forest. I suppose I am surprised that more landowners have not given up more land to the forest. You cannot criticise the financial incentives but it is a hard one to crack and a lot depends on the commodity prices and things. They are certainly not critical of the concept but they may not be quite as involved as each other.

Q13 Chairman: We might well return to that. Emma, from the point of view of a small almost micro-sized business how do other smaller businesses view the forest?

Ms Flatt: It is how most people earn their money. Really The National Forest is made up of small businesses like us who work together to get bigger jobs done, so there is a whole network of bigger and medium-sized businesses but most forestry

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businesses are pretty small and everybody works together and, yes, The National Forest is very important to all of us. At the beginning when Nick and I set up our business we were travelling a lot further away. It just gets so inefficient having to travel halfway across the country to do work and now 80-90% of our work is in The National Forest. I think a lot of people feel the same, a lot of small businesses.

Chairman: Good. David?

Q14 David Lepper: You obviously love The National Forest for a range of different reasons. Can we think a bit about what the purpose of the forest is. The Department for Environment, Food and Rural Affairs says in its Strategy for Forest and Woodlands that there are three main aims: to provide environmental improvements; to provide economic regeneration; and to provide social benefits. Could I ask each of you in turn which you think is the most important of those three aims from your point of view or are they all equally important?

Ms Adams: I think they are all very important areas. I suppose for myself I would say the environmental aspect is very heavy on my part. I love seeing the fact that we are actually putting something back rather than taking everything away from it because I think a lot of things that we do detract from our country rather than add to it. I very much feel that the fact that we are planting and adding things back really means a lot to me.

Mr Beldon: I feel the same way. I could not pinpoint one that I feel is a stronger strap-line than the other. They all have an equal standing and create what The National Forest is and what it stands for. From the point of view of everybody that lives in it and visits it, I think all three have to be very strong. I do not think you can put one above the other and I certainly would not want to.

Ms Flatt: For me personally the environment is definitely the most important aspect of the forest. I know the others are very important in implementing it, but in terms of woodland covering this country, eco-system functioning, diversity and sustainability, it has to be the environment for me.

Mr Neilson: I have to add my voice to the others and agree. I think that it has to be financially viable. It has to bring economics to it because none of these things can work unless there is money to manage them and generate them, but they all fit together and I think they are all equally important.

Q15 Lynne Jones: During our little tour before we came here we have seen examples of how the forest has enhanced the natural environment. Having regard to the money that has been spent, has this been good value for money and can you think of any projects that you have really been impressed with that you felt were good and we ought to have more of this?

Mr Beldon: From my point of view I think Conkers was a jewel in the crown to start off with. It was something that was in a horrible piece of land that was reclaimed, it was just hummocks and hills, it had

no identity, no nothing, it was smack in the middle of the mining community, and they turned it into something that was in time going to be something for everybody. It was a great opportunity to say what The National Forest can do and something that could happen in quite a short time. It has doubled in size and it has doubled the sort of things it can offer from a business and a consumer point of view. It is not age-restricted, there is something there for everybody, it has good access for disabled people and educational purposes. It was spot on to users as something very early doors and I think it has gone from strength to strength. Again I think there are things that can still be done in that but, yes, for me that is it.

Mr Neilson: I do not think I can think of much that I do not like about it or anybody else does not like about it.

Q16 Lynne Jones: Has it been good value for money?

Mr Neilson: Yes, I really do. It is such an impressive and exciting project as a whole. Obviously it is going to take time and the word I keep using myself is it is “growing”; it is still a very young thing. I think there are only benefits to come from it and all the directions that it is going in, it is just going to improve. The benefits may come later having spent the money to start with, but it certainly looks as if it is going to bring enormous benefits to all concerned.

Ms Adams: I would say the area that I like most and use are the cycle paths because they have just opened up a load more around Moira and around the reservoir and they are connecting all of the individual areas which are planted up. They have gone through sheep fields into little parts of the forest. It makes the forest very cohesive, the fact that you can now go from one area to another, and it all connects and it makes it feel more unified. I think it is fantastic and that helps.

Ms Flatt: In terms of value for money firstly, I think someone has to make an investment at some point because forestry in this country has had a chequered past, let us say, and has always been managed on a very short-term basis. Our woods have been pretty much decimated. If you compare this country to European countries such as Germany and France you cannot really compare their woodlands to ours, and I think someone at some point has got to invest in the woodlands in this country and do it right. It is undoubtedly value for money but, again, it is a long-term investment, as forestry is, and the benefits may not be seen for a long time, but it is definitely good value for money. In terms of examples of benefits, I have helped on many community days that they have run at some sites at Moira and Shorth Heath—in fact I think Louise came to one—which everybody absolutely loved. You get people of all ages, children planting trees, people planting trees for commemorative purposes and everybody absolutely loves it. Then there are classes of school children through the grant schemes who come and help plant as well, so it involves people. Everybody is just so enthusiastic about it.

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Q17 Lynne Jones: Robin, could I ask a question just for you. We have heard about your woodfuel system. Could you tell us about that and whether it is a model that could be replicated and what the scope for extension of this kind of system is?

Mr Neilson: It is a very topical point at the moment—energy, the environment and global warming, et cetera—and anybody who has anything to do with forestry will know that there is a by-product, which is wood, and certainly for the first 50 years there is waste wood. The woodfuel burning industry is developing and growing up and I took advantage of a scheme that was up and running and put a wood chip boiler in, and it has been a huge success. It has run now for three years without a hiccup. We use our own wood from our own woodlands and in two years' time I will start thinning some of the first woods that were planted under The National Forest to use them for woodfuel for our wood chip boiler and we will be able to sell it to others as well as chips or timber, so as far as I am concerned it is a perfect match.

Q18 Lynne Jones: So how big an area is actually heated by the scheme?

Mr Neilson: It heats a 3,000² block of offices. In fact, it could do more; the boiler is bigger than that.

Q19 Lynne Jones: I am from Birmingham and one of the issues is access to supplies. Is that something that is being considered? Perhaps we ought to ask that of the Company in terms of making sure that if we encourage people to adopt these kinds of systems they will be able to get the supplies of fuel?

Mr Neilson: Supply is a tricky one because if you get some big users they will take most of the supply that is there which will leave the smaller users finding difficulty sourcing enough timber. I think some work needs to be done on how much wood chip could be produced from the woodlands. It very quickly runs out and it does not grow again for another 25 years. I think it is something one has to be wary of. There is no doubt that any woodland there is will go on producing for its lifetime.

Q20 Chairman: You focused on wood chips and we have seen examples of that when we did an inquiry into energy generation some years ago in South West Germany. On the Continent there is a big industry in wood pellets. Is that a technology which you could adapt to and have in future? Obviously going back to Lynne's point, a sack of wood pellets is a lot more portable than a bulk amount of wood chip.

Mr Neilson: That is the point—to reduce the bulk—and transporting chip around the place is very expensive, so to make it more economical, if you can pellet it, you can take it further and it is cleaner and it is easier to transport.

Q21 Chairman: Is that something which is being actively pursued within the forest area, because the impression I get is that you have a self-sustaining situation for your own business but that is, roughly speaking, where it is going to stay?

Mr Neilson: I think the pelleting will move with the demand so if there becomes a bigger demand out of the area then we can pellet wood chips and send them further out, but the technology is there, it is up and running. There happens to be a large pelleting factory that has just gone bankrupt for another reason. It was just on the outskirts but they were involved with miscanthus and they pelleted all sorts of stuff in there. They are not actually running but the technology is there.

Q22 Dr Strang: Two questions, if I may. First of all, what has been the main economic impact of the development of The National Forest in the area? Secondly, many businesses are closely and intimately linked to the forest, but where you have sought financial support from the National Forest Company how easy has that been and how good are they at providing support for local businesses?

Ms Flatt: Obviously I have felt a great economic benefit from The National Forest. I think they have been very careful. They have tried very hard to build up an economy. They ran what was called the WEBS programme for a number of years, which was the Woodland Economy Business Support programme, and that was what we started with. The biggest benefit to us was the management advice we got so we had a business adviser assigned to us who then made us write a business plan. Better than the grant and better than anything is really the writing of the business plan and having someone to connect us to all the other similar businesses in the forest, to make us all talk to each other and help each other. The grants obviously have been good. I found accessing the grants a very straightforward process but we did have to write a business plan, which I think you should have to to gain money, because it makes people think about what they are investing in. Obviously some people might have found that aspect more challenging but there was help available for people to write business plans.

Q23 Dr Strang: Richard, the main economic impact?

Mr Beldon: Certainly from an economic impact point of view my business is within The National Forest. I would not be here because I use that as part of my strap-line. It has had a massive impact for myself personally. I know a lot of businesses because I do a lot of business networking that similar to Emma have received support financially and, from a managerial point of view, whether it is a bit of forestry or woodland businesses or whether they be bush tracks or the like, and they have always found The National Forest a useful support tool for them. I am only just starting to find out how to use The National Forest to my advantage. I am certainly doing that now and want them to get the best out of me as well which can certainly happen. I see that as a two-way thing.

Mr Neilson: I think it has done the area an enormous amount of good. It is bringing people in as a tourist destination. There are a lot of new businesses springing up all the time to encourage this branding. Right on our doorstep we have the Armed Forces National Memorial Arboretum, which you may

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have heard about, which is growing hugely. It is an enormous success. One reason that came here was because of The National Forest. All the small businesses that are generated here and myself as well have benefited from the fact we have been able to take advantage of the grants and in turn bring more people into the area, so I think all round it has been a very good thing.

Q24 Dr Strang: Just a follow-up question to you, Robin. I heard you saying earlier to the Chairman that really all the landowners were sympathetic to the National Forest Company. I am just wondering whether there have not been any arguments in relation to the conflict of interest between growing trees on land and retaining it for agricultural production or other purposes? Has there been any great controversy or argument along those lines?

Mr Neilson: I cannot think of any conflict at the moment. If I happen to have a loud and noisy rock concert on my farm, my neighbour might complain because he did not like the music, or if it generates a lot of rabbits or something, but, no, there have not been any conflicts that I am aware of at all.

Q25 Chairman: In terms of support from the actual National Forest Company, to those of you who are in business, do you look to them or to other agencies for assistance in the first instance or at all? Obviously you are both very motivated.

Mr Neilson: Yes, it depends on how specialised the advice is. We are in the forest, part of it, involved with it. I have found them very, very helpful in the past. If you have a problem and ask them, if they cannot answer it, they will help and find out, and you are able to discuss with them general plans for the future of the forest and things.

Q26 Chairman: Does that include specifically discussions about the grant arrangements and future funding?

Mr Neilson: Yes, definitely. It is helpful to know where The National Forest is going, what they are doing, what they are planning, and then one might be able to fit one's own plans in with that and see if one can work together to benefit both sides.

Mr Beldon: From my point of view I went into The National Forest with very much an open book and said, "I want to help you as much as I can because of the business I am and the businesses that I support. What can you do?" We have had two very useful meetings in ways that can help The National Forest and myself on a commercial basis to raise their profile and would obviously be good for my business as well. I have had nothing but a very positive attitude. I asked to use their logo and they were very quick to say yes, it is fine. It was a very simple process but one that has had a massive benefit to my business, so I have got nothing but good news to say about the support from The National Forest from my point of view. I came in with a very open mind and they have been very supportive and no doubt will continue to do so.

Q27 David Lepper: Something like 10 million people are living within an hour of The National Forest and the National Forest Company does say it gives a higher priority to helping to improve access to the natural environment. Louise, you gave us some examples earlier of your family and visitors from elsewhere visiting. Could I ask each of you, do you feel that, in general, The National Forest is accessible to that wider public? Are there parts of it or are there particular projects within it where perhaps that accessibility could be improved? Louise, since you raised this issue initially, any further comment on that?

Ms Adams: I was going to say I have always found it really accessible and, as I say, family and friends that have come to visit have always found the areas that we have gone to really easy either to walk round and to use, because I have disabled members of my family, so the new paths that are being formed are very well structured, they are flat. There are obviously other aspects where they are more rural areas that are for more serious walkers and things like that. You need within the forest to create interest for different aspects of people. I think there is a mix of accessibility features around the forest.

Q28 David Lepper: So there is something for everybody?

Ms Adams: Yes.

Ms Flatt: I am probably not the best person to answer this question, in a way, as because I work in the forest and we drive around the forest, in my recreation time I do not actually go walking in the forest. I tend to sit at home and watch the telly! But from listening to friends I know a lot of people who cycle in the forest. That is on a very local level. I think probably one of the biggest challenges is making the whole forest accessible to everyone. Can you do that? I know The National Forest have talked about rail links and transport links and doing things that do not involve cars, but it is a very challenging area. However, the cycle trails are much loved by a lot of people; I know that.

Mr Beldon: I think the National Forest Company and the tourist information centres work very hard to try to get to people nationally and from within. The new brochure that has just come out is absolutely stunning, as I am sure you have copies. They are very, very good and if they get to the right sources they act as a perfect tool for people to see the bigger elements of what the forest is all about. I think the tourist information centres back had that up with more local information and things if you need it. Their website is very good. The people that I know that use it have not had any quibbles about finding places. The only thing, as Emma just intimated, is public transport to and from some of these places. They are quite far apart and if you want to go to the Arboretum, Conkers and something that is over the other side, to get to all three without any mode of transport of your own is very hard and is something that possibly could be addressed in the future.

Mr Neilson: There are two sides to this. One is the accessibility of the forest to people outside the area, which is nothing to stop anybody coming into the

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area to enjoy any bits that have public access. We are in an area which is well populated with a potential audience of, as you say, 10 million people, or whatever it is. I think anybody that sets up a business here is going to try and attract those people. Then inevitably there should be areas which are not open to the public because that is the side that generates a quiet wildlife habitat to protect species of birds and flora that can be left alone in peace.

Q29 David Lepper: I just wonder whether any of you can think of a particular project that you know about within The National Forest which might have attracted to the area the kinds of people who would not normally feel that they want to get out and about in the natural environment. Those who do feel strongly about the natural environment are likely to come here anyway. Can any of you think of a project which might have attracted those not normally attracted to an area like this?

Mr Neilson: There are new businesses springing up all the time because it is The National Forest. Perhaps I can give one small example of somebody who lives in the area who rang me up and asked whether he could run llama-trekking days and initially I thought, "What a stupid idea. Why would you want to do that? Nobody is going to do that." Two or three years on he is up and running and having very successful llama trekking. It is the variety of things that you can do in a landscape with trees and access paths and things. On the access thing, The National Forest is in the process of trying to develop greater access to the forest with its cycle tracks, riding tracks, walking tracks, and to make the whole area much more accessible to anybody.

Mr Beldon: My point of view on that one is the diversity of the forest means there probably is never going to be one thing that has been the main dragging-in point. There are so many different things, so many little facets that it all trickles in nicely.

Q30 David Lepper: Anyone else?

Ms Flatt: I think the Wood Fair by the very nature of its name would appear to be an out-doorsy event, but I think a lot of people go who are not particularly out-doorsy and it is just a family thing or a nice day out rather than people thinking we have got to be involved in forestry or woodland. I think that is a very inclusive event and people do travel to go to it. I think it has been busier and busier every year. I do not know what the figures are but I think it is growing in popularity anyway.

Q31 David Lepper: Certainly as someone from the South East I am sorry that I missed the South East Axemen. I am interested in hearing what they do and I hope it is not too dangerous!

Mr Neilson: Here is another example of something that you probably noticed, bottled water.

Q32 David Lepper: Thank you for drawing that to our attention.

Mr Neilson: Taken from The National Forest.

Q33 Chairman: You have all spoken in very positive terms about the forest, what it means to you, what it does for your businesses where appropriate, but I just wondered as people who have observed and who are part of the forest in the various ways you have described, whether you felt that you were being involved in the further processes which will see the forest develop? Do you feel that you are in any way consulted by The National Forest about their current stewardship of the forest and their plans for its development? Richard, what about you?

Mr Beldon: I recently went to one of their networking breakfasts which do just that. They were telling people what they had done, they had planted X million trees in the last 10 years, and what their projections are for the next five or 10 years, the areas. They talked about a walk that goes all the way through The National Forest from the beginning to the end, one end to the other which is a continuous walk. Again, from my point of view, I can say that they have really tried to tell me and the people that went to that event, obviously for us to spread the word, as to what is going on within the forest from that angle.

Q34 Chairman: Louise, what do you think?

Ms Adams: I think the information is there if you want to find it because obviously throughout The National Forest we have the signage boards that are up saying this little bit of forest has this many trees, or whatever it is, or the bigger maps, but I think the general publicity probably is lacking a little because if you do not go out and find it, if you are Joe Public, I would find it quite difficult to find that information and the new things that they are doing. A lot of the stuff I have found in the forest is stuff that literally I have found. I have gone on a walk and I have seen another display board saying this part of the field is now open for walking and things like that. It is quite nice to explore and to find these places, but if you want to go somewhere then you may not necessarily know where you are going. I think trying to create some more publicity for the general public just to be able to navigate themselves around and find out what is open and what is going on.

Q35 Chairman: As a community in the forest do you feel that the National Forest Company makes an effort to reach out and say, "Look, what do you think should be happening?" You have given some very good examples of ways you could see the services you use being improved, but when it comes to The National Forest's own plans (a) are you aware of their future thinking and plans and (b) if you are, do you have any opportunity to feed back into the Company about what it is going to do in the future?

Ms Adams: I am aware of what they want to do in the future and I know how to feed back, but I do not know whether that is because I am interested and therefore have taken an active role in trying to find that information, because I know that is how I found it. I have not stumbled upon it. I have actively gone

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out and looked at that information. I think that could be true about most things. If you want to know something you go and find it. Very rarely do you find information about something that you do not want to know about.

Ms Flatt: I am on the Woodland Economy Working Group meeting, when I can, and so is Robin as well, and that is a very inclusive process. It is open to anyone really but it tends to be forestry consultants, landowners and a mix of people where we are asked questions by The National Forest, what we think about certain issues, what should be raised, our ideas on certain things, and we get to directly feed back into what they are doing here, about what their plans are, and things, and that is open to anyone. Again, most of us would be forest businesses or landowners.

Mr Neilson: I am amazed that we all seem to agree on everything. I am longing to find something that I disagree with. I think you are absolutely right. Finding or imparting information is always very difficult to people because you can advertise things as much you like but still people have not a clue what is going on. For those who want it, it is there, and if people want to be involved, they can be involved, and I know what is going on because I am interested and I am part of it and it is all there, but it really depends how interested people are in finding it.

Q36 Chairman: Are you happy with the pace at which the forest is developing, because I think that we see from some of the evidence that we have had (and there are reasons for it) that the pace of development has slowed down? The impression I get is that living within more straitened means and doing what you do but doing it to the highest quality is the ethos that guides the future, but over a period of

time, and it has been quite a long time since 1991 that you have got to where you are, do you think it is moving at the right pace? All of you have spoken in very positive terms, but if you want the same dynamic to be there then you have got to continually be moving forward. Do you think the pace of moving forward is right or too slow?

Mr Neilson: It is a good question and I suppose we would all like things to go faster than they are, but I think it is now developing a momentum of its own as the trees actually become significant, because the big question for the last 10 years has been “Forest? What forest?” It is there but you cannot see it. It is growing and, as I say, we have got some at home now that are 15 years old and you do not miss those. Those are things you can do. You can get woodfuel out of them and do leisure and recreation things, so it is happening on its own. As for putting more trees in, it is just a matter of persuading more farmers to give up land to put more trees in.

Chairman: Thank you all very much indeed for opening our proceedings. If you were the customers of a company, I think they would be absolutely over the moon with customer feedback, but, in a way, you are customers of the forest and those who have a responsibility for it are going to be next on the witness stand to give us the benefit of their views to our questions, but I am sure that they are very reassured (if they were not before they certainly should be afterwards) by what you have had to say. I cannot recall as far as the Committee is concerned having four witnesses who all literally sing from the same hymn sheet with such a positive view about the subject that we have under inquiry, so thank you all very much indeed for giving of your time and your views. You have given us a very useful start to our inquiry. Thank you very much.

Memorandum from the National Forest Company (TNF 04)

KEY MESSAGES TO 2014

- Keep creating The National Forest.
- Make the most of what we’ve created.
- Communities are at the heart of everything.
- Telling the story.
- A national exemplar.

The National Forest Delivery Plan 2009–2014, March 2009

EXECUTIVE SUMMARY

- The National Forest is a demonstration for the nation of all the benefits of multi-purpose forestry.
- It achieves against environmental, economic and social objectives.
- Its exemplar role spans sustainable development, policy influence, European landscape leadership and being a testbed for forestry and climate change.
- Forest creation continues through a range of complementary mechanisms.
- Management of the woodlands, public engagement and communication about the Forest are increasing priorities.
- It is a long-term example of carbon absorption and has a leading role in testing new mechanisms for tree-planting for combatting climate change.

- It faces a range of challenges as the Forest matures and requires consistency of support to make the most of the immense green asset invested in to date.

1. THE PURPOSE OF THE NATIONAL FOREST

1.1 *Original idea*

1.2 The idea originated in the late 1980s from the Countryside Commission and the then Conservative Government. A new forest for the nation was to be established demonstrating all the benefits of multi-purpose forestry.

1.3 A competition was held and various options in the Midlands were put forward. 200 square miles were chosen, with a population of 200,000, close to major cities with a population of 10m. Remnants of ancient forests were deliberately included, plus the degraded Leicestershire and South Derbyshire coalfield, together with other, mixed land use, including towns, villages and agriculture.

1.4 The development of The National Forest soon gained cross-party support.

1.5 The Forest contrasted with purely commercial plantations. Its purpose was to speed coalfield and rural regeneration, increase public understanding of forestry, combine commercial and non-commercial woodlands through planting predominantly native broadleaf on a large scale and stimulate new economies in wood-related activity and tourism.

1.6 The National Forest is a largescale and long-term regeneration project, led by landscape change and forestry. It is unique in combining the forestry focus of the Forestry Commission, the biodiversity and landscape aims of Natural England and the community, economic, cultural and development features of major regeneration schemes.

2. OBJECTIVES OF A MULTIPURPOSE FOREST FOR THE NATION

2.1 Woodland cover at the outset was at about 6% and the aim is for around a third of the area to be converted to Forest use. Each “green” site on the map is a blend of trees and other habitats, with the proportion varying according to the site.

2.2 The National Forest is funded by central Government as an exemplar project for the country, with opportunities for all to learn from it.

3. ENVIRONMENTAL, ECONOMIC AND SOCIAL ACHIEVEMENTS

3.1 The National Forest is a sustainable development, rather than a pure forestry, project. Appropriate forestry, with well-managed woodlands into the future, is its spine and “licence to operate”: its success is then measured by how forestry is used to deliver both national policy objectives, (sustainable communities and climate change mitigation and adaptation amongst them) and local aspirations across economic and social, as well as environmental dimensions. In 2008, The National Forest won the Sustainable Development UK award for the transformation of the central area of the Heart of the Forest.

3.2 *Environmental*

3.3 Landscape-scale change

Forest cover is now at 18% from 6%; c6,000ha have been created, with new public access and new biodiversity habitats. The future shape of a connected Forest is beginning to emerge, in which types and density of cover will vary but there will be a coherent landscape, a mosaic of land uses framed by forestry. A more resilient, sustainable landscape, with diverse habitats, will be better able to adapt to climate change.

3.4 Woodland management, fossil fuel substitution and climate change mitigation

A long-term approach is being taken to establishing a woodland management culture in the Forest, to maximise the value and quality of the woods. A market is being developed for local wood-based products. Alongside, the carbon abatement contribution of National Forest woodland has been calculated and this enables sponsors to quantify the carbon contribution of their sites.

3.5 It is estimated that the potential woodfuel resource is sufficient to supply up to 32 100kw. systems in 2012 and 75 in 2032. The focus is now on making the woodfuel and wood products demand and supply develop together, across the diverse woodlands of the Forest.

3.6 Conservation and heritage habitat

As woodland coverage has continued to increase, in demanding market conditions, at the same time, in the last five years, 452ha of conservation and heritage habitat have been created or brought into management.

3.7 *Economic*

3.8 Economic investment and woodland economy

The tourism economy is now worth over £270 million a year and over 4,000 people are engaged in the industry; over 250 jobs have been created/safeguarded through forestry, farm diversification to forest uses and woodland businesses since 1995.

3.9 Forest Creation through mineral and development and planning gain

Some 20% of The National Forest has been created through mineral and development planning gain. The National Forest will continue to work with the grain of the economic regeneration of the area, ensuring green benefit from extraction industries and growth.

3.10 *Social*

3.11 Access

85% of sites are publicly accessible and in the last five years alone, 1,731ha of fully open sites have been created. With 10m people living within an hour and a half of The National Forest, many of its walkers and users are from urban areas and complement, in their diversity, the resident population, which often appreciates The National Forest in terms of the local wood, on the doorstep.

3.12 Community involvement and support

86% of respondees to community perceptions research said in 2008 that The National Forest has improved the local environment whilst 84% rated the standard of major sites as good or very good. 40,000 children participate in environmental visits to the Forest annually and partners deliver a wide range of innovative means of engaging people in the Forest, from tree planting to volunteering and courses on a wide range of forest-inspired activities.

3.13 *National Exemplar role*

3.14 Policy influence

This is across a number of policy areas as evidenced in this memorandum, including but not restricted to PSA 28, for a healthy natural environment. One recent example is securing a joint commitment across local authorities to 30% green infrastructure for all developments exceeding 10ha, particularly to meet the needs of sustainable urban extensions.

3.15 National status

The National Forest is one of the first three organisations in the UK to produce an action plan for the European Landscape Convention; it is a test bed for national research, and is the setting for the Forestry Exemplar Study on trees and green infrastructure, led by the Forestry Commission and DCLG. The National Forest Company's 2007 publication "*A Sustainable Development Exemplar*" disaggregated national sustainable development indicators and was the first of its kind.

3.16 Climate change testbed

The National Forest Company works with businesses wanting to reduce their carbon footprint. It is participating in a long term national research project with Forest Research, on species adaptation.

4. FOREST CREATION TO 2014 AND BEYOND

4.1 *Forest creation schemes*

The National Forest Company has always innovated to keep creating the Forest, within a model of diverse land ownership and through the voluntary participation of landowners. As cover increases, so does the challenge of finding land for the high quality planting that will contribute to the strategy to 2014. The Delivery Plan to 2014 includes the annual target range of 200—250ha which increases cover by around 0.5% a year. It will take something over 20 years to reach the target of around a third woodland cover.

4.2 To achieve the demanding annual target, a range of approaches is used.

4.3 The main grant mechanism is the Changing Landscapes Scheme, introduced in 2008 as a successor to the Tender Scheme. It funds 100% of costs, on the basis that there is ecological and public benefit, no element of co-financing and that it delivers landscape, recreation and community involvement. In its first

full year it has proved an attractive option with participating landowners, delivering 57.7ha. However, the average application size to date has been 7.2ha, suggesting that market conditions are such that big sites are less likely to come forward quickly.

4.4 The National Forest Company also acquires land for forest creation. It identifies a long-term strategy for each acquisition, often disposal, but it may hold up to 300ha at any one time, which includes land needed for business sponsorship. The indicative target for acquisition in 2009–10 is 70ha. The majority of woodlands and the larger part of The National Forest therefore remain in private ownership. Partners such as the Forestry Commission have been less able than previously to joint fund acquisitions, but this intention is retained in the Concordat between NFC and FC. FC and other partners such as the Woodland Trust and Wildlife Trusts remain important owners of sites passed on after acquisition by The National Forest, for management and development.

4.5 Alongside land acquisition and CLS, the National Forest Company also offers a cost-effective approach to a wide range of small scale schemes: small woodlands, free to the landowner, high quality urban landscaping, community amenity planting, planting through planning and minerals and parkland, sometimes as part of other schemes such as higher level stewardship.

4.6 In summary, the NFC has a number of complementary approaches to achieve its annual target. The larger part of its grant in aid goes into funding Forest creation.

4.7 *Forest creation and partnership working*

4.8 Whilst the NFC funds forest creation schemes, it relies on the Forestry Commission in the consultation process on CLS applications and on Natural England in ensuring synergies with stewardship schemes and cross compliance. Contractors and agents are also vital to Forest creation. The NFC, with only 18 full time equivalent staff, works through and with partners and individual landowners to achieve all its objectives.

4.9 *Forest creation and wider public and biodiversity benefit*

4.10 Planting is increasingly complemented by trails and connected paths. In the Heart of the Forest area, where the transformation has been most dramatic, reclaimed land has been opened up, with a five mile circuit, increased signage and a range of sites, some more on the “wild side” than others, to satisfy a range of demands. There will be an ever stronger focus on ensuring that as wide a range of people as possible access the Forest, supported by major infrastructure projects such as a high quality cycle centre and a long distance trail.

4.11 To create biodiversity and access benefit on a large scale, the National Forest Company is pioneering software to evidence where to target Forest creation, to achieve maximum connectivity. The challenge is then to convert this to a successful campaign to engage key landowners on the ground.

4.12 *Forest creation and management*

4.13 Increasingly, a coherent approach to management across all the woodland is seen by NFC as the other dimension of forest creation. A Woodland Owners’ Club, links with contractors and the use of contracts are all important tools in achieving this.

4.14 *Forest creation and non-public sponsorship*

4.15 The Read Report on the role of UK Forests in Combatting Climate Change stated that 10% of carbon emissions in 2050 could be locked up through 23,000ha pa planting across the UK, representing an increase in woodland cover from 12% to 16%. This ensures a cycle of young woodlands, which are the most efficient in absorbing carbon.

4.16 No extra public funds have been identified to support the extra planting involved; however the likely non public sources include charities, corporates, individuals and planning gain.

4.17 Given The National Forest’s experience to date of planting through the private sector, with the aim of carbon abatement if not formal offsetting, it is well-placed to test new mechanisms which Government hopes to develop to achieve increased planting and net carbon reductions.

5. SUMMARY: OPPORTUNITIES AND CHALLENGES TO 2014 AND BEYOND

5.1 *Continuing to create The National Forest*

At 18% cover, there is still a long way to go to reach a coherent, forested landscape and maximise its benefits. Food production, housing growth and the long term nature of predicted further reclamation will all create challenges in maintaining momentum. Quality landscape change is the shared focus of NFC and partners: the investment to date must not be jeopardised in this next stage, particularly as growth is resumed.

5.2 Continued Government funding to enable 200–250ha pa is the essential to enable steady progress towards a third woodland cover with “the right trees (and other habitats) in the right place”.

5.3 *Making the most of what we have created*

Clearly, as a bigger green asset is created each year, the means to manage it and make the most of it are critical. Further capital investment, led by the private sector, is also required. The National Forest Company has a key role over the next decade in catalysing and co-ordinating this, particularly given constraints on public sector investment.

5.4 *Communities are at the heart of everything*

Public support for and involvement in The National Forest is very strong, as described above. However, there is no room for complacency given a constantly changing population. More and more needs to be done to ensure that woodlands have the appropriate involvement of all those beyond NFC who can look after them in perpetuity.

5.5 *Telling the story*

One comment from consultation on the Delivery Plan to 2014 was that the “gameplan” for The National Forest needs to continue to be clearly stated. Telling the story to a varied audience is challenging for a small company but the NFC does work with local authorities and voluntary organisations to ensure that the 200,000 residents of the Forest are as aware as is possible of the Forest “on their doorstep”.

5.6 *Long-term governance and organisation*

The National Forest Company is an efficient means of driving what is a complex and long-term area-based project: in 2008–09, grant in aid from Defra was £3.6 million and leverage of non GIA income was £750,000, which does not include other investment to partners within the Forest. (There was £90 million investment from other sources, compared with direct investment of £24 million, between 1995 and 2006).

Stability in governance and organisation continues to reap benefits in delivery. However, the NFC has always been forward-looking and it is active in considering the long-term mechanisms most likely to guarantee the legacy of the Forest in perpetuity. These need to be developed whilst the National Forest Company as an NDPB completes the creation of the Forest over the next 20 years.

Dinah Nichols

Chair, National Forest Company

January 2010

Witnesses: Ms Sophie Churchill, Chief Executive, *Mr Simon Evans*, Chief Officer, and *Mr Robin Pellew*, Non-Executive Member, the National Forest Company; and *Councillor Heather Wheeler*, Leader of South Derbyshire District Council, gave evidence.

Q37 Chairman: We welcome our next group of witnesses for another 45 minutes of questions. Can I welcome Sophie Churchill, Chief Executive of the National Forest Company. May I take this opportunity, Sophie, of thanking you and your colleagues for laying on a splendid lunch here today and for providing us with a very useful introductory tour. We welcome also Simon Evans, who joined us this morning and gave us a very useful commentary on the forest. He is one of the three Chief Officers of the Company. They are joined by Robin Pellew, who is one of their non-executive Directors but who I know from conversation just before we started has a particular interest in matters connected with timber. From an organisation involved with but not part of The National Forest we welcome Councillor Heather Wheeler from South Derbyshire District Council. You are very welcome to come and join us. Can I ask Sophie Churchill if you could just for the record tell us over the time the forest has been in existence how much has actually been spent in terms of investment, how much has that levered in in terms of non-public monies to assist with the work that you are doing, and can you give us a thumbnail sketch of what you think you have achieved since you started?

Ms Churchill: You will be aware that the bulk of our funding is grant-in-aid directly from Defra which is indeed the reason why we can meet today. In the 14 years from 1995 to 2009, the National Forest Company has received £44.3 million in grant-in-aid. In addition to that, it has received for forest use, not necessarily therefore all going through National Forest Company-led projects, £5.2 million in grants from third parties towards specific forest projects and £1.1 million of donations and sponsorship. Beyond that, we calculate, but it is not possible to do this entirely accurately, around £40 million has been invested in forest-related projects by partner organisations. Beyond that, over £55 million has been secured through coalfield, urban and rural regeneration programmes.

Q38 Chairman: Has anybody attempted to do what I might call a cost:benefit study? You have listed these things which are impressive by virtue of gain but in terms of the wider economic impact if we were looking to say are you good value for money, has somebody done such a study?

Ms Churchill: It is challenging to find a comparator because, going back to the second part of your question, the forest is a hybrid. It is something larger

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than an area based economic regeneration programme: it has bigger economic aspirations than an area of outstanding natural beauty, but it has not got the control or the planning authority of a National Park, so it is an unusual animal, and I think that is why the designation is unique and why The National Forest is looked at as a hybrid. We have done our own analysis of national sustainable development indicators which are gathered nationally and we have disaggregated them to The National Forest. They showed up to 2006 for example that economic growth was faster in The National Forest area than it was in the surrounding area, for their respective counties, for example, and the suggestion there would be that there has been acceleration of recovery from mining and from economic deprivation. We are about to re-do those figures.

Q39 Chairman: Just looking at the figures, doing a quick back-of-the-envelope calculation, you have averaged about £3 million a year over that period of time. How many of you are there who represent the National Forest Company?

Ms Churchill: The Company is small and nearly perfectly formed, we hope. It is certainly not going to get much bigger in the next few years, I suspect. There are 20 of us on the pay roll of whom four are not full-time, so for example with our community regeneration and involvement, our participation is led by a part-time member of the team and we have to work in such a way that she galvanises a lot of other activity. We currently have one other member of staff who is with us temporarily and he is recruited to walk the long-distance trail and to check that out, but he is not permanently with us.

Q40 Chairman: He has not finished his walk!

Ms Churchill: He has long legs though. We appointed him on the basis of very long legs!

Q41 Chairman: We are moving into a period where all government departments are going to be looking very critically at their budgets. What has Defra said to you over the current public spending round, which effectively started at the beginning of the last financial year? What prospects do you have up to 2011?

Ms Churchill: We will be included in the disciplines of the Department. We have no reason to think that we have any big change or difficulty in the coming year. We expect to be asked to continue to demonstrate our efficiency, particularly in 2011, 2012, 2013, but there is no indication that we would be in any more difficulty or at any more risk than others. Last year, Chairman, when we consulted on the last five years of our Strategy 2014, we very clearly made the point that although the hectareage that we are going to do each year, 200–250 hectares, is certainly lower than the glory days of 400 to 500 that we have done, per hectare that is getting very expensive and we must get bangs for our bucks with each hectare that we do. It is the point that you made in your summary to the last session that we will have take care in how we do that. I think that argument

has been well taken by Defra. There is an expectation that we demonstrate that the structure of the forest that we are creating is maximising the policy needs of the Department—climate change, resilience and landscape change.

Q42 Chairman: In terms of the goals that you agree with Defra, are there any areas where you are struggling to meet what you have told them you are trying to do?

Ms Churchill: I would say the area for continuing work and challenge is one that I do not think anybody has cracked in the country, and that is to—and I have experts to my left here—achieve landscape scale change in a way that connects up the landscape you have already got in the most resilient way for climate change, which might not be trees everywhere: it could be scrubby grassland. It could be going to landowners more directly than we have done up till now and saying, “Look at our map. Look at what we can offer you. If you play with us this would make an enormous difference to completing the job.” We are talking about intelligent landscape change, connectivity. We have some very clever software to do it, but that is a task of conversion into implementation, I would say.

Q43 Chairman: Let me push you a bit further on this because there are discussions and you can pick a number as to what there may be by way of constraint on departmental budgets. We did Defra’s Annual Report. They have a target of saving in the current period about £375 million. They have done about £325 million but they have got to find the difference. Everything that they are going to do could well be squeezed. Have you made any contingency plans if you do get squeezed for a 10 to 15% budget cut?

Ms Churchill: We are clearly looking actively at how that could be accommodated. What we would want to achieve out of that would be not losing masses of capacity to continue to physically create the forest. Having said that, a hectare under our Changing Landscapes scheme at the moment might cost £12,000. If our target is 250 hectares a year, you can see there is a sum there whereby you could lose some hectares, and on a budget of £3.5 million you could begin to make some savings there, but the critical thing would be do we retain the staff capacity, the intelligence and the marketing and communication capacity, on which the previous panel has touched, so that the momentum can keep going.

Q44 Chairman: Robin, can I ask you as a non-executive member of the board, somebody tasked with challenging and keeping an eye on what the executive members are doing, are you satisfied that proper plans are in place if times do get difficult in the way that we have just been discussing?

Mr Pellew: Yes, there are plans in place at the moment to try and reduce reliance upon the grant-in-aid by actually becoming financially more self-supporting. These are now beginning to mature. If you look at the Annual Report for 2008–09, you will see that the amount of money coming in through donations and sponsorship has doubled. We have

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appointed now a team of people with a head of development specifically to explore how we can capitalise upon the goodwill there is out there in the community and the business opportunities and the corporate sponsorship opportunities, opportunities for donations, legacies and so on, in order to be able to build up a greater degree of financial self-sufficiency. An element of the dynamics of this is that creating the woodland itself is expensive, but forestry is an extremely long-term business, and if there is one major strategic priority that certainly exercises the non-executives it is how we maintain the momentum over the very long term. We have a target of one-third of woodland creation and we will achieve that at the current rate of striking in the next 20 to 30 years. Then we have the management and maintenance in perpetuity of The National Forest. How is that to be funded? We cannot rely on government and grant-in-aid for that sort of area.

Q45 Chairman: Can I ask a point of information. You have an ability to hold and own a quantity of land, some 300 hectares of land. Are you allowed to use that land only for the purposes of planting forestry and other directly associated activities or is the opportunity there for you to consider some element of property development or other economic use for the land, bearing in mind the mixed nature of activity within the forest boundaries?

Ms Churchill: I think that could be a discussion to be had for the future.

Q46 Chairman: Can you answer my question specifically. Are you empowered to be able to use that land for other than forestry?

Ms Churchill: No.

Q47 Chairman: But it is something that you might think about?

Ms Churchill: Particularly after the Reid Report in terms of making best use of private sector investment. Where, for example, in the totality of a piece of land there was a very big carbon investment being made, we might want to sell on part of the land in order to raise enough capital to do something which is evidently going to assist with the total carbon sum, for example, or, as Robin said, help The National Forest in perpetuity. I think there is certainly a need in the future to think more flexibly about how we milk the assets we put in.

Q48 Lynne Jones: In their memorandum the Woodland Trust raised the issue of carbon financing and, obviously, if you are creating woodlands you are offsetting CO₂. It is perhaps beyond your powers to do this but is this a way in which we could have forests financed in perpetuity and how should we go about doing that? What recommendations would you think we should be making in terms of allowing that to happen?

Ms Churchill: One pinch point before that is simple land availability. We have found it harder to plant our own schemes of late partly because land is not available. One recommendation would be a little more flexibility about holding a land bank perhaps

of a greater number of hectares and for more flexible purposes because one would then be ready to respond to private sector and other interests around the carbon investment that they could make, so you have land ready in order to lease it or to co-develop it with the private sector because of the carbon benefit they are going to get. The land bank is one thing. The other thing, clearly, is whether UK forestry will be counted formally as part of carbon offsetting. That is edging towards some kind of position post-Copenhagen but it did not get as far as we would need it to get to. Certainly the Reid Report would not just be talking about corporates. There are also charities and other NGOs² and we have a track record of working with the Wildlife Trust and the Woodland Trust, so there are other bodies that we know how to work with where that carbon argument could be implemented more strongly than it is now, but that does depend on a wider legislative framework.

Mr Pellew: You say what are the things which the Committee could possibly do to assist us on this. We are very sharp and I am very impressed at the way in which the Company works with business to explore opportunities for carbon sequestration and to tick the carbon box for reduced carbon emissions and indeed for their corporate social responsibility budgets. What limits us is the fact that in the UK, tree-planting is not formally accredited as a carbon offset system under the Clean Development Mechanism and Kyoto and so on whereas if you plant your trees in Guatemala or Indonesia, it is. If there is anything which we would benefit from at the parliamentary level it is how can we encourage a mechanism whereby temporary forests and tree-planting which has a significant carbon sequestration benefit can actually be formally accredited, which would give us much more leverage when working with companies to actually invest in creating The National Forest.

Mr Evans: There are also other effective mechanisms that other people run like the Milton Keynes Park Trust. They were endowed with development assets from which they actually maintain an income to help maintain the green space within the new town in perpetuity, so there are different models of approach that could be applied here to help the forest in the future in different guises.

Q49 Chairman: Councillor Wheeler, can I turn to you. We heard in our tour this morning of the very diverse nature of the forest. We also heard of the important role which local authorities played in working with the Forest Company to help them achieve their objectives, particularly in the context of appropriate development within the forest. What do you think the local authorities within the forest have gained over time with the creation of The National Forest?

Councillor Wheeler: As you have been driving around, you have seen the changing nature. This used to be an old mining area. When I first got involved in this back in 1995 with the Single

² Non-Governmental Organisations

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Regeneration Budget we changed Swadlincote woodlands, that area particularly, and we did not get that SRB budget because of jobs. It was very, very unusual. We actually got it on an environmental basis for cleaning up the area and greening the area. Out of that new forest we raised £27 million for every £1 million of public money. It was absolutely huge. It was probably the best price per price private to public money investment there has been in the country. It has been a huge success. We built on what happened in Swad and we have taken it and around here you have seen the new buildings that are coming up down there. We have some industrial work units there and they are going to be greenest industrial work units that you will ever find. That has been the ethos that we have done. I have looked on this, once we have kicked in on the environmental side, as looking at the regeneration and creating jobs, but jobs that will be very sustainable for the future.

Q50 Chairman: I am just interested when you talk to your colleagues in the Local Government Association in these glowing terms do other people say, "Can we have one of those?"

Councillor Wheeler: I just say to them, "You can't; we are unique"! It is a most interesting thing. We are incredibly proud in South Derbyshire. We toyed with the idea of whether we should change the name of the Council to The National Forest Council. The difficulty for us of course is that it does go over three or four other places.

Q51 Chairman: You would not mind taking them over as well, would you?

Councillor Wheeler: I could not possibly comment. This is on the record, is it not, what a shame!

Q52 Lynne Jones: There is a plan for another new forest in the Hertfordshire area, is there not?

Councillor Wheeler: Yes, but do you not think it is going to be a bit more chi-chi? We are more robust up here!

Q53 Chairman: I think that raises an interesting question and perhaps I can put it to Sophie Churchill. A cynic might say why on earth do you need to have a National Forest Company to deliver a forest. Why can we not just get partners together, enlightened landowners, local authorities, why do we have to have a special company to do it? Put bluntly, could it not have happened without you?

Ms Churchill: Perhaps it could have done and partnerships are often very successful, but they are successful where you have very strong leadership, and I think because of the boundaries being drawn around landscape and land use they naturally fell across local authority boundaries, and therefore it helped having one small and non-bureaucratic driver which was trusted equally by those authorities, and did not find fear or favour with any of them, and was definitely not a bloated regeneration partnership in the traditional sense, and was clearly accountable elsewhere. We feel our accountability very strongly in two directions. Firstly, absolutely locally; if it is not playing locally,

it is not playing. Then also back to Defra but in the middle also our organisation partners. I think the proof of the pudding is in the eating. The Company has not expanded. It has not had problems in terms of accountability or bureaucracy and I think it is going to drive the thing forward.

Mr Evans: The Company has an unusual basis. It cuts across the social, environmental and economic aspects of the Forest. We are not, in one sense, tied to any particular sector but actually we are one organisation that can pull all those sectors together at the hub of things. It helps to have a single focus so that people can actually rally around the Company and regardless of what hat they wear they know, because of the multi-purpose objectives of the forest, there is an aspect of it that suits them.

Q54 Chairman: Councillor, can I say I sense that you have a very good relationship with the Company but in terms of the time that your Council has been dealing with the Company, not everybody agrees with everybody on local authorities about everything, so if somebody had said, "Blimey, I don't really like those people at The National Forest, couldn't we have the Forestry Commission doing that?" have you ever had a conversation where somebody has been openly critical of the National Forest Company and suggested another partner ought to be running the show?

Councillor Wheeler: In all honesty, we work terribly closely with the Forestry Commission as well as the National Forest Company, plus the excellent family that run this place for us as a business. We have expanded so much now with the Derbyshire Economic Partnership as well. We have not had a row. I think the identity and people being so close to it is important. We mentioned about The National Forest water here. Dave Smith, who owns and runs that, is sitting at the back of the hall. It is a very close family-run thing. One of the things that has grown up so well, once we have hit the environmental impacts so hard, we have cleaned up the area and we have greened up the area, now we are looking at millions and millions of pounds of tourist money. South Derbyshire is a very funny place. Out of our local economic spend and income 27% is manufacturing but 27% is tourism. I think that is unique and it works because we work as friends.

Q55 Chairman: Can I just ask you about objectives, Sophie, in terms of the forest. Over time each year you will obviously set your annual objective and your objectives over each one of the three years of public expenditure programmes. Can you put your hand on heart and say we have achieved what we have set out to do or have there been any areas where you have not performed according to plan?

Ms Churchill: In the last couple of years I think non-executives and ourselves would all have said that we would have liked to have hit a higher level within our targets for pure forest creation. We will this year I think. We confidently expect to hit our target. We had one year where we were in transition between the former Tender scheme which, frankly, got outdated

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and needed to be refreshed, and we had one year in negotiation to set up the Changing Landscapes scheme, and that created a hiatus in the forest creation figures. Other than that, my view would be that it is a question of doing things better and better and more deeply and more widely. I would echo what Louise Adams said in the panel earlier that we must keep making sure that as many residents in The National Forest know the game plan and know where we are heading. We are a small company. We are not funded to do big marketing and publicity campaigns. We have agreed this year to try to put something through the door step of each resident. That will cost us in cash terms £20,000—10 pence per resident, but a lot of staff time. That is to give you an example of where there are some targets we would really like to up and deliver, but it is costly for us.

Q56 Chairman: I suppose there are two bodies in this country that have a high profile as far as forestry is concerned. One is the Forestry Commission and the other is you. You have a lot of notable achievements to put before people. Are you consulted by others who want to learn from your model? In terms of good practice, in terms of the management and development of forestry, how do you make your lessons learnt available to others? Do you think you provide a position of leadership which others respond to in this area?

Mr Evans: I think increasingly through best practice on the ground and dissemination of that through a number of levels really. We have good contacts with national organisations at a national policy level, so there is a common approach in strategic thinking between the forest and for example the Forestry Commission in terms of objectives. We do a lot of work more locally with specialist working groups. We have a number of these in the forest related to access and recreation, nature conservation, the woodland economy, planning, tourism and community activity. There is a spider's web of activity behind each of those themes for a network of organisations to actually tell us things and for us to tell them things as well in terms of sharing experience. We do a lot of work on the research front as well. This falls into a number of different categories. We are a national leader for example in terms of the European Landscape Convention. Our expertise there has helped shape that nationally through Natural England's work. Through our sustainable development work with Defra, the little booklet of indicators that Sophie has mentioned previously, this was done as an exemplar for Defra to be able to share with its wider family and smaller organisations as to how they could record and promote sustainable development. We do a lot of work with Forest Research for example and social forestry research, climate change and tree provenance. There are various ways of sharing experience from a strategic national level right to the local with organisations, but also through the actual work we do in the monitoring and recording of that and research-related activity.

Q57 Dr Strang: You made reference to the Forestry Commission's Reid Report which was obviously a very interesting document which makes a case for an expansion of forestry. It was recommending that we should increase forestry cover by 23,000 hectares a year and if that can be achieved, then a 4% increase in forestry cover in 40 years would make an additional 10% contribution to reducing levels of carbon emissions. Against that background, do you not feel—or perhaps you are doing this—that is the cue for you and others in positions like yours to be taking advantage of that argument and making the case for more support and more of what you do?

Ms Churchill: We would be very proud even if we carried on at the rate we are doing now that we would be contributing a hundredth of that extra hectare a year, which is a contribution. It is also encouraging that the Reid Report, whilst talking about coniferous planting, fast-growing conifers—and if you are just planting for carbon that is what you would do—says that, nevertheless, a mix of broad-leaved trees will make a significant contribution as well. We have no anxiety that to adopt that approach means radically changing the kind of landscape change that we are trying to achieve, so that is encouraging. It is a rallying cry but I do come back to what Lynne was suggesting that it is about finding new mechanisms by which we can release land, we can find the incentives for the private sector, and that goes back to what Robin says about the carbon offsetting being legitimate in the UK. From our point of view, it is also true that we must not collapse The National Forest into a carbon abatement project. It has always been part of its rationale but we have to hold on to that balanced, integrated strategy which we have talked about this afternoon. We are certainly ready and willing and if there is a national task group that really starts to unpack the “how” question, which was not addressed in the Reid Report, we would want to be leading on that.

Mr Pellew: The Reid Report makes a very strong case for getting more trees in the ground, as it were, but The National Forest is so much more than just planting trees. In the context of climate change the real model which The National Forest provides is how can you take a landscape which has been pretty bashed and battered by extractive industries and all the rest of it (because it is not a vibrant, healthy landscape) and make it much more resilient to the impact of climate change? Tree planting therefore is not just a question of getting trees in the ground. It is being much more strategic in your thinking about where to put them, not just in terms of landscape and biodiversity enhancement but in terms of how can you create the corridors, the connectivity, the wildlife migration routes so that the landscape itself is much more adapted to be able to accept and tolerate the impact of climate change. That is what we are doing now. We have the very sophisticated geographic information system tools which enable us to highlight where would we get the best bang for our bucks for planting trees in terms of producing a more resilient landscape. If we can start being more strategic in our thinking and planning about where

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to put the trees, then I think the social benefit to the country, both in terms of the heart of England having greater resilience and the model it provides for elsewhere, is where the prime value will lie.

Q58 Dr Strang: In relation to 2008–09, the Company said that forestry creation was the “single most challenging aspect” of your work. Would you like to say a little more about that? What are these issues that make it such a challenge?

Ms Churchill: There is plenty more land to go at in The National Forest. We have not run out of land that we could plant on, not by any means, and Robin Neilson alluded to that in the earlier panel. Of course, as time goes on, there are more sites, particularly large sites, that simply we have got our hands on and we have planted, for example the big mining sites. There are some sites which we know will come forward in time, as we saw this morning when we looked over that landfill site, but they are not there yet. Then in terms of agriculture—and again this has been alluded to—if people feel buoyant about arable and what they are doing, that is a very good thing. We have no compulsory powers and if people want to carry on planting and using their farms in the traditional way, then that is what they will do, and we will only get perhaps marginal pieces of land within the farms. We also had internal issues with transition from one scheme to a newer one and this always takes time to bed down and so on. This year we have introduced a new smaller scale woodland scheme called Freewoods and that has proved very popular. The Changing Landscapes scheme is bedding down and land acquisition waxes and wanes. We cannot control that, we cannot dominate the market, but sometimes suddenly you have a 60-hectare possibility and on a target of 250 hectares things can shift quickly. There is still lots to play for but it has just felt pretty tight the last couple of years or so.

Mr Evans: One thing I would add to that, with the recession and development and development-related landscaping and green infrastructure, obviously the slow-down means we are getting less of a drip feed from development with that annually as well, but because green infrastructure is writ large in terms of future growth, we do see great potential with that into the future in terms of hectares and getting it right.

Councillor Wheeler: To add a bit from the Council point of view, we are very robust where there are Section 106 agreements. If you are in The National Forest and if it fits the criteria then Sophie is knocking on the door because we are making that part of the planning permission. It is as simple as that.

Mr Pellew: I think it was unfortunate that we launched the Changing Landscapes scheme, the successor to the Tender Scheme, at a time when wheat prices hit £140 a tonne and every farmer, instead of thinking about trees, was ploughing up and sowing even the most marginal parts of his farm. With margins now tighter, with the Changing Landscapes Scheme now bedding in, with increased promotion of it, primarily by word of mouth by

those who have actually experienced it, I think we will see a substantial increase in the area coming forward for planting through the grant scheme. The board would be pretty optimistic about that in the future. There has been a hiatus where it was very difficult to acquire land because of the high prices and landowners were reluctant to plant trees because of high agricultural commodity prices when our existing grant-in-aid scheme was terminated, and that hiatus was reflected in the fall of forest creation, but I would anticipate that we are going to see it pulling away again to a stable level of somewhere around 200–250 hectares per annum. We could do a lot more than that if we were to chase land prices but we do not want to do that. We have to be quite careful in the market that we are not seen to be regarded as being an easy play in order to buoy up prices at auction or privately, so we are very rigorous in the way in which we control our bid prices and how we value. The increasing emphasis will be on grant-in-aid rather than land acquisition.

Q59 Chairman: Can we just probe and pick up on a point that Gavin touched on which is the Changing Landscapes grant scheme which you have at the moment. Give me an idiot’s guide to it. I have 20 hectares of land. I want to convert it into forest. I knock on the door. What is the offer?

Mr Pellew: Why do you want to do it?

Q60 Chairman: Because I have read your wonderful publicity. I read the evidence in Select Committee and was bowled over by the enthusiasm and felt so moved that I wanted to join in.

Mr Pellew: Quite seriously, whether your motivation for wanting to do it coincides with good value for money for the public purse is one of the first things which would be considered. We have to have a degree of reassurance that we are spending public money on a planting scheme which benefits the private owner, because they have retained ownership, in a way that does reflect good value for money.

Q61 Chairman: That is what I was trying to get at because I am a little confused. Changing Landscapes means funding something different to what you are using the land for at the moment. I wanted to explore in more detail, having changed the landscape, what happens then because you were talking about the mind-set of landowners against the background of extremely high prices for wheat. Given that the use of forestry or land for forestry purposes is as, you quite rightly canvass, a long-term activity, the long-term projections are first of all that we are going to have to produce more food and, if that is the case, the pressure on the world’s food systems are such that the margin for error becomes narrower and therefore you could see a series of price spikes in the future, and it depends on how you gamble in terms of the return on your piece of land as to what you are actually going to do with it. What I am not clear about is what you get if you do have a scheme which passes the test of beneficial public use, et cetera, once you have changed it and you have established your

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forest, what happens then? Just take me from the beginning. I have got the tick in the box. I have passed the Pellew test. I am in through the door. I am okay.

Ms Churchill: You would only have passed the Pellew test if Mr Pellew had actually looked at your scheme at a board meeting. The schemes are actually approved by directors of the Company and they are approved against criteria which directors have agreed, and those would include scoring against contribution to landscape, climate change, public access, and so on. In principle, it is competitive because we have a finite amount of money. One year, praise be, we might have 15 schemes and we might not be able to fund them all: there is a points system. That is transparent. The costs are against standard costs which also apply with the Forestry Commission and their planting. So it is straightforward: yes/no. At that point if all goes ahead and we like the scheme, a contract is entered into between the National Forest Company and that landowner. That contract obliges them to implement that scheme and look after it for a 10-year period with the possibility of extensions thereafter for management and so on. At that point there is no argument. If you have thought about it hard and you produce a scheme which is acceptable and contracts are signed, then that is the business of your land for that time.

Q62 Chairman: So the funding that is provided is to fund the scheme of initialising the forest development and subsequent maintenance for a 10-year period?

Ms Churchill: Yes, and there is a payment on completion of that initial works of 80% of the total amount. There is a further payment of 20% after five years. If it had been on agricultural land, there is an element of income foregone which is also paid depending on the species and so on. Then there is an inspection regime which is led by members of the Company.

Mr Evans: It is fair to say that the design of schemes can be really flexible as well because they only have to have at least 50% trees. Within that 50% you can have open ground as well. If you have a 10-hectare site you could do as little as three hectares of woodland planting. Alternatively, if the landowner wants to do more they can do more. Within the open space element it means that you can design something that is very flexible to suit your own circumstances and landscape business, so that might include recreational features. It could include management of existing woodland. It is not blunt in terms of it is just a scheme for planting trees. It is very flexible in terms of its design to suit the circumstances of a landowner.

Mr Pellew: This morning I was looking at sites which either have been approved or are about to be approved or they are considered sufficient for the Landscape scheme, and I was impressed in all of them by the sensitivity with which the landowner or the agent had actually determined where all the trees were going to go and where there was going to be agriculture. The one particular scheme which immediately comes to mind is along a stream, where

the low-lying land which has standing water on it is going to go into the scheme and the lower mid slopes up to the top is going to remain in agriculture. They are going to braid the stream itself and they are going to put in ponds and scrapes to produce wetland. It will produce an extremely nice wet woodland with a bit of parkland along the edge and hedges and so on. You feel that the motivation for the farmer doing this is that this is a bit of unproductive land which he can diversify and put into this form of use which will make it visually more attractive and so on, but there is a big public benefit out of this. It is creating very good habitat for nature conservation and wetland and so on and it is actually enhancing the landscape, and I feel quite comfortable, as a non-executive director, recommending that that sort of scheme goes ahead. There is a potential competition between woodland and arable agricultural land in those circumstances for the farmer or the landowner who does not want to lose his best land but has a bit of poor quality land which is non-productive which he can put to public benefit.

Q63 Chairman: This new scheme has been going for a year now. Did you fully spend the budget last year?

Ms Churchill: We have a global budget for forest creation which would include a mixture of the Changing Landscapes scheme and land acquisition small-scale schemes, and in the last year we slightly underspent, but I will have to get back to you with the precise figure. I do not have that now.

Q64 Chairman: When say you slightly underspent was that on the global total?

Ms Churchill: Yes, the global total for forest creation purposes.

Q65 Chairman: Is the situation that you have spent everything and there is a queue of people at the door or is the situation that you spent because the market, if you like, was in balance between what you were trying to achieve and what was offered? In other words, is the scheme attractive enough to keep the flow of land coming up for approval sufficient to enable you to achieve your objectives—because you said earlier that you were moving at a slower pace, and I wanted just to be clear whether that slower pace was because the land flow had slowed down, and one might conjecture that the scheme is not quite as generous as it should be, or was it, as Robin Pellew was just indicating, a reflection of the changed agricultural circumstances? Give me a feel for the relationship between the money available and the flow of land to use it.

Ms Churchill: I would say in the last couple of years the flow of land has been a greater constraint than the availability of money to fund potential Changing Landscapes schemes. However, I would also say that at £12,000 a hectare, if you bear in mind that our total grant-in-aid is £3.6 million and that does everything including our staff costs, and our staff costs are not running costs as such, they are also people actually delivering tourism in the forest, so they are project people, but if you conjecture £12,000 a hectare, trying to do 250 hectares a year and a total

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grant-in-aid budget of £3.6 million, we are in a situation of potential volatility about whether we have enough to spend or too much or too little depending on land availability.

Q66 Chairman: Why did you change from the Tender scheme? Was the Tender scheme judged not to be giving good value for money?

Mr Pellew: The Tender scheme fell out with the European Union, let us put it that way. It was deemed as being inappropriate for us to continue with and we were requested to produce an alternative, which is what we have done.

Q67 Chairman: Why did it fall out with the European Union? What did it think it was, a state aid or something?

Mr Pellew: This could get quite complicated.

Q68 Chairman: You have got 30 seconds! I will tell you what, drop us a note on that because I do not think the detailed guts of it are central. I was just anxious to find out whether it is an economically driven change or whether there was another motive behind it, and I think you have made it clear there was another motive behind it.

Mr Pellew: It was due to competition rules and so on. I will try to answer the previous question about the balance between available funding and land supply. To a certain extent, it is volatile because the situation changes according to the demand for the grants from the private landowners. If the private landowners do not want to put trees in because they are doing very nicely out of existing agriculture because commodity prices are high, then obviously there is less coming forward and the land then becomes the limiting factor. Assuming that agricultural prices remain fairly stable, if they were to continue in the future at the current level, then I think that the Changing Landscapes scheme has the opportunity to expand quite significantly to the extent that our available finances to support all the good schemes coming forward will become limited. That will become the constriction.

Ms Churchill: If I may add another source of funding in the future, which relates to our tour this morning, and which Simon is very much involved in, and that is green infrastructure, ie putting in compensatory, good-quality green links and open spaces because there is growth in South Derbyshire or wherever else. That will not just be a nice added aspect of what The National Forest does. That could become a central plank of how we complete the forest, particularly if we get it right and we do those connections in those villages in the right way. There could be new sources of funding that follow that.

Chairman: Time is getting short so I am going to ask if you would drop me a note just to compare your structure of grant funding with that of the National Woodland Creation grant so we have a clear distinction because under some circumstances people in the forest area might look at that compared with yours. I would like to ask Lynne if she could ask some of her questions please in the next five minutes.

Q69 Lynne Jones: I know, Sophie, you said earlier that the scheme must not collapse into a carbon abatement project and you made some very important points about resilience which means I can skip some of my questions. Could I just say that the Forestry Commission published their report calling for an additional 23,000 hectares of land to be planted annually to offset carbon emissions but The Government's Low Carbon Transition Plan is talking about 10,000 hectares a year. There is somewhat of a difference there. Would you care to comment on whether it is realistic to have such targets and, if we do, which is the one that you think we should be going for, the Forestry Commission's or the Government's?

Mr Pellew: You are going to pass this one to me, are you! I am not sure if I am in a position to be able to comment on whether a target of 10,000 or 20,000 or 30,000 hectares or whatever is the correct amount in terms of the carbon sequestration and the contribution towards balancing the UK's carbon output. What I would say is that it is very easy just to dream up a figure without actually putting in place the mechanism and indeed the money to be able to deliver it. The bulk of UK land is basically privately owned, and so if you are going to be looking for rates of forest creation at that level there has got to be sufficient incentive provided for the landowners to actually engage meaningfully in that process. To a certain extent, I think that the scheme that we run, the grant-in-aid that we run, although at a much smaller scale, could act as a model to show what those incentives might be, and if you were to roll out a similar type of scheme like we are doing in The National Forest at the UK national level to all landowners, I can see that that might contribute considerably towards your total.

Q70 Lynne Jones: If your rate of 250 hectares a year were scaled up nationally, what would that be equivalent to?

Mr Pellew: We are 200 square miles. I am not quite sure what the land surface area of the United Kingdom is but we are probably about a hundredth of the UK and we are contributing about a hundredth of the target.

Q71 Lynne Jones: That is the Forestry Commission target?

Mr Pellew: Yes.

Q72 Lynne Jones: You said about being a model. There is this proposal in Hertfordshire for a new forest. Have you been involved in that?

Ms Churchill: I believe that is the Woodland Trust's new large forest around St Albans, and that would certainly be, according to their information, the single biggest new continuous block of woodland, so it is a block of woodland.

Q73 Lynne Jones: It is a completely different model then? They have a good site?

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Ms Churchill: It is a different kind of thing really, yes.

Q74 Lynne Jones: In terms of when you are measuring your success in conserving the environment, what are your indicators? How do you measure your success?

Mr Evans: We have a range of those. To kick off with we have our Forest Strategy which is government-approved and that is a 10-year strategy. We were halfway through that last year and we have a new delivery plan, so there is a measurement against that. We have a Biodiversity Action Plan, which is put together with conservation partners, so there is annual monitoring against targets for that specifically for biodiversity. We have sustainable development indicators which look at land-based things such as woodland cover, public benefits such as amounts of public access, proximity of access to where people live, and economic indicators as part of that. There is a range of factors like that against which we report. We have our own geographic information system so spatially that helps us to produce our beautiful maps of what is happening where. That is backed up by information behind that in terms of who has done what, so the figures that we quote are always conservative figures and we can hold our hand up and say, "Come and have a look; this is how it was calculated this year."

Q75 Lynne Jones: I know you covered it during our visit this morning but can you explain how you decide what habitats to develop where and whether your move to more habitat management is changing your allocation of resources?

Mr Evans: First of all, the starting point is we do not plant where there is existing good habitat, full stop. There is a consultation process that is in place with local authorities and conservation organisations so those sorts of schemes do not pass muster. Secondly, there is a variety of landscape in habitat terms. Just in broad terms, a heathy-type character in Charnwood, wetlands in the Trent Valley and neutral grasslands in Needwood. If a landowner is designing a Changing Landscape scheme in a wildlife habitat we would expect them to pick up the relevant habitats in their area for creative activity, so it is not just anything anywhere; it is tailored to suit the place. That is very important to us as well.

Q76 Lynne Jones: Could I ask Councillor Wheeler how effectively is the environmental work of your local authority, or what you know of other local authorities, integrated into the work of The National Forest?

Councillor Wheeler: Very closely integrated. Zoe Sewter, our Open Spaces Officer, is here today. We work very closely with Sophie. We are finally going to get after 20 years a new golf course that is on old mining land, and one of the most important things about it has been working out where the trees are going to go. The whole point is it all fits together because you get the best use out of the land by joining in partnership with the National Forest Company, making sure that you get really good use of land, best benefit to the people, and having Sophie

and her team's solid background of environmental principles behind us, it has just been a joy to work with.

Q77 Chairman: I want to pick up on the chicken and the egg because local authorities are approached by people who want to develop land, and the Forest Company, if you like, waits for people to come to the door and say, "We have some land that we want to develop." How do you bring things together so that the regeneration aspirations within the Council's remit to influence—you might say, "We would like to do something there,"—link in with what The National Forest objectives are?

Councillor Wheeler: Let me start and then Sophie finish off because one of the things I have been finding so frustrating is that, as you probably appreciate, The National Forest is not all of South Derbyshire. I would much prefer it if it was but Sophie keeps saying to me, "Let me do what I have got first and then we can talk about it," but that is the point, people are knocking on the door because people want to live here because it is so beautiful. That is the absolute difference. The change since 1995 is just incredible.

Mr Evans: In terms of planning link-up, our strategy is commented on by the local authorities, so they are giving their comments on what we are putting out and are feeling comfortable with that. We make comments on the local development framework to weave National Forest policies in. When developers want to do something they will often come to our door and say, "Local authority X has suggested we talk to you. We want to do X amount of green infrastructure. What does that mean? Tell me what you want?" We have those discussions with developers and we are in direct contact with the local authorities there to try and achieve the same objective.

Q78 Lynne Jones: We talked about finance and land constraints but what about skills? Are there skills constraints and what are you doing about it? What should be done?

Ms Churchill: In term of forestry and land-based skills, there are training and development opportunities through The National Forest. We have a new course this year led by the British Trust for Conservation Volunteers which is taking people who are out of the labour force who want to get land-based skills. The National Forest Company is very pleased to support that financially to make that happen, but as one of the players. Then we addressed this morning hedge-laying which came up earlier and so on. Where I might say we have some big challenge, for all of us, is the green master-planning and then implementing it across different districts and different areas. We have very, very committed local authorities but none of them are big. You really need one excellent and visionary leader, one excellent and visionary head of planning and development and environment and you need a very dynamic person, an urban designer and/or a planner. That is uneven across the forest. We have a job to do to keep our skills up to speed, because things are

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changing, and to have an evenness of aspiration and skills in this area of taking growth and not jeopardising The National Forest that we have put in. I would say that is a big area.

Mr Pellew: Very briefly two points as a non-executive director. The first one, which is slightly critical, is we have a very good story to tell here. It is a great success. I think there is a huge amount that has been achieved. As a non-executive Director, I genuinely find it inspirational and I cannot think of many NDPBs³ in which I have been involved where I would actually use the word “inspirational”. The criticism I would make is that we need to do more to promote the model elsewhere. There are lots of places I can see where you have got deprived populations, blighted landscapes, where the model which has been developed here would be applicable, in the Midlands, the North of England, Scotland, the Welsh Valleys and so on. I think that more could be done both by the Company and by the Government in order to promote the experience here and to transplant it elsewhere. That is one point. The second point, which has been touched upon, is that the forest has now begun to develop a sense of its own identity. If you meet people attending a Plant A Tree event and you say to them, “Where do you live?” they are just as likely to say, “I live in The

National Forest,” as they are to say, “I live in South Derbyshire.” They say that with a real pride because it has achieved this sense of geographical identity and sense of place. It is manifest in the branding with lots of smaller SMEs now using the name. Estate agents are using it as a “detached bungalow in The National Forest” to sell the thing. This is beginning to build a momentum. Companies now want to move in here because it is easier for them to recruit employees because they are in The National Forest. It feeds upon itself and this is how the thing is now beginning to expand in terms of the social and economic benefits coming in, because it has gone past critical mass, maintained momentum and this sense of identity as a place which is terribly important. It is nebulous but it is fundamental to the success. The trans-location of the experience here has to identify what are the ingredients of creating that sense of place so that you could do the same elsewhere. If that could be done it is a very precious commodity.

Chairman: Robin, I think that is an elegant summary of what we have discussed with the panel. I would like to thank you all very much indeed for your evidence. I have let the questioning go on a little more because we were exploring some very important areas. I am conscious that I did say that if there were any members of the audience who would like to make a personal contribution there would be time at the end for that to be done.

³ Non Departmental Public Bodies

Supplementary memorandum submitted by the National Forest Company (TNF 4A)

EFRA COMMITTEE—FOLLOW-UP QUESTIONS

(A) *What was the level of underspend against the forest creation budget for 2008–09? What was the underspend on the CLS scheme (are the two the same)?*

The original target for Forest creation for 2008–09, as contained in the 2008 Corporate Plan, was 215–265ha. The breakdown of this included a range of 60–80ha for CLS and 100–120ha for land acquisition.

The respective indicative budgets for the CLS and land acquisition were £600–800k and £800k–£1 million.

Actual expenditure on CLS in 2008–09 was £388,068, an underspend of £212,000 against the lower end of the target and budget range. It delivered a creditable 51ha in its first year of operation.

The additional problem was finding land to acquire at a price which represented responsible use of taxpayers’ money. Only 14ha of land for new woodlands were acquired, the lowest annual total since the NFC’s first year of operation, 1995–96. The average rate of land acquisitions for the previous 10 years has been 66.5ha. Expenditure on land acquisitions in 2008–09 was £366,842, an underspend of £233,000 on the lower end of the target range.

A range of other activity was therefore funded including a key acquisition of existing woodland in the Heart of the Forest Park and support for the woodland economy. In addition, to make best use of the budget for the purposes of creating and maintaining a high quality Forest, the Company also maximized inspections on existing sites.

(B) *What are the comparative figures for the grant provides (by hectare) under CLS and under the Forestry Commission/EWGS grants?*

The average cost per hectare of CLS last year was £12,365 per hectare, considerably above the English Woodland Grants Scheme level of £1,800 per hectare at the standard rate for mainly broadleaf planting outside The National Forest plus a further £1000 for access and interpretation. Farm Woodland Payment is also available alongside ewgs on ex agricultural land. Inside The National Forest, community forest areas and some other areas, £3,800 per hectare is now available through additional contributions, although in The National Forest the option of CLS means that a non ewgs route is preferred by landowners. The Natural England HLS rate is £3,150 per hectare for woodland creation outside less favoured areas.

The additional cost reflects the ability of CLS to pay 100% of costs for creation and subsequent management for the whole 10 year period. This not only includes woodland creation but the wider public and environmental benefit of schemes, which include other habitats, (eg new water bodies), public access and a contribution to the major ecosystems and landscape gain of The National Forest. The schemes offer the integration of habitat and conservation measures, sometimes intensively, but unit costs for work are standardised and are the same as those used by FC and NE: FC costs are aligned with NFC through the FC Standard Working Costs Steering Group which includes membership from NFC.

Higher costs under CLS are reflected in the comprehensive coverage of costs over the 10 years, not just the creation costs as in ewgs which tend to focus on initial establishment works. Some of these costs relate to fencing, to protect individual management compartments.

(C) Since the project's inception, what proportion of forest creation has been through land acquisition compared to providing grants for landowners to plant trees? What would you consider to be the ideal balance?

In the 14 years 1995–2009 5,425ha of new Forest creation have been secured. Of this 3,455 (64%) has been through grants to landowners (Tender Scheme, CLS and small scale schemes), 759ha (14%) has been via land acquisitions and the balance of 1,211ha (22%) via other means eg mineral/derelict land restoration.

The ideal balance depends on capacity to maintain quality in land owned by the Company and more effort is now going into this in terms of immediate management and long-term mechanisms. It also depends on the level of disposals of land acquired by the Company: this may reduce if it is preferable in the short to medium term to retain more land for corporate sponsorship.

The balance above is right for now and will be kept under review.

(D) How does NFC decide to whom land will be transferred and who then assesses on an ongoing basis how its management is meeting objectives for The National Forest?

Ownership depends on the future management objectives for the site: for example, where these are wildlife related, it would be expected that a Wildlife Trust might take on the site: where a mixture of commercial and amenity, the Forestry Commission.

The NFC's Land Acquisition policy states:

“In all cases of disposal, the NFC will ensure that land is only released to appropriate and competent organisations. The new land owner/leaseholder will be subject to conditions aimed at protecting the public interest and to ensure that the long-term objectives of The National Forest are met. These will include the need for the following:

- A management agreement covering site development, management and long term use in accordance with an agreed plan.
- A positive covenant requiring the completion of agreed works within a specified period and the incorporation of requirements set by sponsors and/or external funders.
- A restrictive covenant, including appropriate clawback, whereby a proportion of any increase in value following disposal or development is returned to the NFC”.

Compliance with such management agreements and covenants is monitored on an ongoing basis by NFC officers.

(E) What mechanisms are in place for collaboration with the Forestry Commission on environmental approaches, such as biodiversity improvement and sharing management best practice?

The NFC has three-year national level concordat with the Forestry Commission, which sets out common goals under 10 themes. This includes the sharing and promotion of best practice in all aspects of site management.

The concordat forms the strategic foundation for the partnership between the two organisations, manifesting itself in the close working relationship that exists at officer level. FC officers sit on many of the NFC's Working Groups, making significant inputs into how we deliver biodiversity enhancement, community engagement, public access and tourism development. This leads to a healthy exchange of new information and for partnership delivery of specific projects (eg the family cycling centre and management of sites in the Heart of the Forest Park).

In addition, the NFC and FC have an annual management agreement at a regional level, setting out agreed partnership working on site development and management, the development of the woodland economy, the control of pests and diseases, the promotion of woodland management and community involvement, environmental education and healthy living programmes, all in The National Forest.

This is in addition to collaborative research eg on climate change adaptation and species choice which contributes to best practice in the long term.

(G) *Given that 10 million people live within an hour and a half of the Forest, are there any risks of specific sites being overwhelmed by visitors to the detriment of the habitats?*

The Forest's creation is helping to "spread the load" of visitor pressure at existing, well-established recreation attractions such as Bradgate Park and Beacon Hill Country Park. In strategic terms, the National Forest strategy advocates more active use on more robust sites, such as those created from derelict, mineral and worked land. More informal and less dense use is encouraged in more sensitive areas such as Charnwood. The risk referred to in the question is recognised and addressed through a differentiated approach to the sites of the Forest.

This sensitivity is also reflected in the Changing Landscape Scheme, the scoring criteria (published on the NFC website) stating:

"There is an expectation that access is provided with every scheme but there are instances when access does not have to be provided to parts or all of a site eg important conservation & habitat feature(s), reasonable privacy or security considerations, isolation and/or impracticability in terms of public access/connection to existing routes, or public safety next to roads, railways, waterways, hazardous industrial operations."

However, given that not all sites within the Forest were created under the CLS (or its predecessor, the Tender Scheme), public access has to be carefully managed to avoid damage. This is easier to achieve on some sites than others, which is why it is important the NFC continues to work with partners to create and promote new publicly accessible sites within The National Forest. This will have the dual benefits of further expanding the network of woodlands available within the Forest and also helping to dilute visitor pressure.

Outside individual sites/woodlands, it is however imperative to continue to promote the recreational value of the wider countryside. The National Forest covers 200 square miles, within which are large areas of land accessible via footpaths, bridleways and other public rights of way. By promoting and enhancing this network, visitors and residents will be able to enjoy hundreds of miles of varied countryside beyond the promoted "sites". This is a vital part of the green infrastructure of the Forest and a significant contributor towards promoting an active, healthy lifestyle to residents and visitors alike.

It is important to note that no-one would have been visiting the Forest as a destination 15 years ago, so it is an achievement to be asking this question!

(H) *How much will it cost to develop the long-distance trail? What additional benefits will this bring in terms of extending access beyond those groups who are traditionally forest users?*

The cost of developing the trail will be determined in autumn 2010 when the initial design and infrastructure needs have been determined.

The trail is certainly intended to bring to the Forest a large number of people who would not otherwise consider it for weekend walking and it will have spurs to enable the urban populations to get into the Forest more easily. Accessible links off the trail will also be designed to attract a range of users.

However it is also the case that the trail will naturally attract those already with an interest in reasonably sustained physical activity; intensive work will continue to be undertaken elsewhere by the NFC and partners to continue to promote widening use, including in the Heart of the Forest Park, eg via community based projects, the cycling centre and training and social enterprises for land management.

(I) *As habitats become established are there programmes for reintroducing specific species to habitats—could you give examples if so please*

The reintroduction of species is a complex (and often controversial) topic. Within the Changing Landscape Scheme, there is the option for planting of Biodiversity Action Plan species such as black poplar and bluebell. However, it is tenuous to describe this as a reintroduction as the site involved may never have previously supported either species. In addition, it raises questions of where the reintroduced plants have been sourced from as well as whether the site has suitable conditions (eg soil types, aspect and water levels) to support them.

More broadly, people tend to think of reintroductions in terms of larger animal species, with examples being the much-publicised reintroduction of beavers to Scotland and the very successful release of red kites in Rockingham Forest. Both are iconic species that have raised significant interest in both the species and the areas into which they have been released. But projects of this nature require very careful consideration and years of preparation.

The NFC is not averse to the concept of reintroductions, but would need to consider many factors before proceeding with such a project. Firstly, it is vital that the correct habitats and/or conditions are available to allow the reintroduced species to flourish. In 2009, the NFC was contacted by an organisation to see if there were any suitable sites within the Forest for the reintroduction of red squirrels. Such a project would be a huge boost to the Forest, both for the reintroduction of such a charismatic species and also for the additional interest it would generate in the Forest itself. However, on discussing the habitat requirements necessary for a successful reintroduction, it quickly became apparent that the Forest does not currently contain suitable habitats in a sufficient quantity to make such a project a viable option. Given that the welfare of the animals is paramount, we obviously agreed that the Forest is not an appropriate location for red squirrels.

In short, while there are no such projects currently underway, the NFC is open to the concept of reintroducing species to The National Forest as long as they are the right species, in the right place for the right reasons. Meanwhile ecological site surveys also confirm that new woodland sites of 10–15 years are now supporting a range of common and some rare species which were not present in these locations previously. This shows that if habitat creation is right then species will return of their own accord, even if over a long period of time. This is another example of The National Forest being a long-term project.

(J) Please give a further note on the discontinuation of the Tender Scheme

The Tender Scheme ran for 12 annual rounds to 2007 and was the pre-eminent means of Forest creation in that time. It was agreed by Defra's predecessors and the Treasury as the most effective means to create largescale landscape change.

However by the mid 2000s, forestry and in particular co-financing of forestry by the EU had come to the fore, partly through its inclusion in the Rural Development Programme for England. The Tender Scheme therefore needed to be reviewed in the light of these developments. This revealed that whilst the Board assessed schemes against value for money the regime for payments was not based on standard costs for infrastructure.

The view of the EU was that a successor scheme was necessary which was based on standard costs and allowed no premium for overall value to the Forest; it agreed that 100% of costs could be paid on the basis of the ecological and public benefit. To meet state aid requirements there are limitations on the commercial benefit available to landowners.

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Witnesses: Councillor Michael Stanton, Ms Debbie Chesterman, Ms Monica Hudson, Ms Laura Parry and Ms Claire O'Reilly, gave evidence.

Q79 Chairman: You have all sat very patiently and very politely. If there is anything that anybody did want to say, if you would be kind enough to identify yourself for the record and let us have your views in a crisp manner.

Councillor Stanton: My name is Michael Stanton. I am afraid I have rather a gripe. I have 170 acres of forest. Most of it is 10 years old, a little bit more is 11 years old. Being of a certain age I feel I ought to get my affairs into line before I shuffle off this mortal coil, which I am trying to do at the moment, but my legal and accountancy adviser tells me that I do not have any inheritance tax relief on my forest element. That troubles me a certain amount because basically if I have not, neither has anybody else. That will mean that the value of the forest will virtually go to nothing. The situation at the moment is I have a few years left and I could fell my forest and turn it back into agriculture. If you put the value of land at about £6,000 an acre, for £6,000 on one particular acre I could turn it back into agriculture and then my farming enterprise can be relieved for the next generation. I am rather worried about the situation and I wonder if you have a comment or could take that into consideration.

Q80 Chairman: The last thing that any member of the Select Committee should do is to offer expert advice on anything, particularly tax matters! However much we might think we know about it, it is always a dangerous area. I think you raise a very interesting and important point and three things can happen as a result of your raising it. Firstly, it is on the record. Secondly, we will produce a short report with some appropriate comments, and also, because you have raised the question, we can ask the question of the relevant government department what is the answer, and if you care to make certain

that our staff have your address as well as your name then we can make certain that you get a response from HM Government to the point you have made because I think it is a very interesting and important point, and thank you for making it.

Councillor Stanton: Thank you very much.

Q81 Chairman: Is there anybody else in the audience who would like to make a comment?

Ms Chesterman: I am Debbie Chesterman. I am the centre manager here. Just going back to the first session, I think it was a question that David asked about any projects that increased accessibility in terms of encouraging groups into the forest that you would not normally expect to see. I am also the manager of a project called Get Active in the Forest which basically does exactly what it says on the tin. It is funded by the National Forest Company as well as South Derbyshire District Council and the primary care trust. We promote physical activity opportunities within the forest. We also work with a lot of different groups, including BME groups, so for example we had a group of Asian men walking this morning. We had a sculpture trail developed on the site working with the Afro-Caribbean community and also the Chinese community. We also work with adults with learning difficulties who come to the centre, Access help in the gardens and they have created a mosaic. Also adults with mental health problems and young people with mental health problems. The opportunity that the forest has given us has created centres such as here where we can use what we have got outside to attract people in that maybe, as you say, would not normally access this type of area.

Chairman: Thank you very much indeed. Perhaps you should have asked, David, what they could do for MPs!

20 January 2010 Councillor Michael Stanton, Ms Debbie Chesterman, Ms Monica Hudson,
Ms Laura Parry and Ms Claire O'Reilly

David Lepper: Particularly retiring MPs!

Q82 Chairman: Your name is?

Ms Hudson: Monica Hudson and I am a local volunteer. I am going to do a very unusual thing and tell you my age: I am nearly 70. My age group resented the forest when it first was mooted to come here until the historians like myself got together and we mapped out the area and we have used heritage and the forest money to say what was here and now the forest could cover it. Once we had got these heritage groups together we were then quite for the forest because our children and our grandchildren will have some more work. Thank you very much. And please keep it local. The forest group team know that we are all different people in the forest. My husband was a miner and spent 50 years where Conkers is now. So please keep it local.

Q83 Chairman: Thank you very much for your contribution. Is there anybody from this side of the hall? If we could have the microphone at the front.

Ms Parry: My name is Laura Parry and I am from the Woodland Trust. I know we have mentioned it a couple of times but I really wanted to re-emphasise, we use the term “inspirational” for The National Forest and I think that is something we really do value. We are saying we need to do more of this elsewhere. We need to know how we can do it and where we can do it. It is just to say thank you for what has already happened and we really do think that it is the way of the future.

Q84 Chairman: Excellent. Thank you very much for your contribution. Now the lady on the front row.

Ms O'Reilly: I am Claire O'Reilly and I work for Derbyshire County Council as Countryside Access Improvement Officer. I wanted to emphasise again the partnership links between The National Forest and local authorities and also the importance of public access which I know is on your remit. Derbyshire County Council is a huge area. We put resources into The National Forest area for two reasons. One is that The National Forest has created that sort of demand and there is a need for people to see what is going on and people want to come here, but also because you said why should The National Forest exist as a company, why cannot local authorities do it? We will come down here because there is a National Forest Company. There are officers who have that local knowledge, that local connection, that we can work with to deliver that. So we see the fact that there is some public access going on and we see lots of potential for more because The National Forest is here.

Q85 Chairman: Thank you all very much indeed. It is genuinely a real pleasure for the Committee to hear personal testament from local people about any of our inquiries. We always try very hard to say that our activities are both transparent and indeed open to anyone, but not everyone takes up the opportunity to put in their two penny-worth, so I am very grateful to members of the audience for putting their own perspective on all of these matters. What you have said will form part of our little report on these activities. Can I thank again both our panels of witnesses because I think you have helped, in your own ways, to make the subject live for us and to give us a better insight of not only what has been achieved and what it means for the local community but, more importantly, some of the challenges that you face, which I think a report from the Committee can underscore for those who come after because we are now in the dying weeks of the current Parliament. We hope there will be sufficient time for us to write up our views as a result of this. It will serve as a benchmark by which future policy in this area can be judged. May I close by thanking the centre very much indeed for their hospitality in providing this facility and in providing us with an excellent lunch. You should have seen the smiles on the faces of Members when they learned that chips would be available! We have thoroughly enjoyed this whistle-stop tour around The National Forest. Thank you all very much for coming and being part of this inquiry. I know that you will look forward to seeing the report. For those who are not necessarily able to purchase a copy one can be viewed free of charge in due course on the Committee website. Thank you very much indeed for coming this afternoon and thank you for your contribution to our inquiry. I know that if David Taylor had been here, he too, would have been delighted with what has happened here today.

Ms Churchill: On behalf of all of us, not just the National Forest Company but indeed all those who live and work in the forest, it has been a day of delight. It has been very, very nice to have you here. The National Forest, whilst it relies on all sorts of goodwill has always very much benefited from Westminster's interest and involvement, but not always a sighting of you, so it is much appreciated and may the next few weeks and months and retirements and everything else go very well.

Chairman: Thank you very much indeed. This is where the Committee's road show comes to an end because we will not be doing another one of these. I cannot think of a better place to end our run, so thank you very much.

Wednesday 27 January 2010

Members present

Mr Michael Jack, in the Chair

Mr David Drew
David Lepper

Miss Anne McIntosh
Mr Roger Williams

Memorandum by the Department for Environment, Food and Rural Affairs (Defra) (TNF 05)

EXECUTIVE SUMMARY

Defra and its predecessors have sponsored the National Forest Company since it was set up in 1995. The National Forest Company is transforming the landscape across the Midlands working towards the Government's original aim of a new 200 square mile multi-purpose forest for the nation in the heart of England. The National Forest Company has demonstrated that the National Forest Strategy's strategic outcome of a new landscape scale forest providing multiple benefits can be achieved. In doing so it is providing practical evidence of the type of forestry envisaged in the Government's Strategy for England's Trees, Woods and Forests. The National Forest Company has kept pace with the development of Government policies (eg on adapting to and mitigating against climate change) and has continued to add value, particularly in relation to sustainable development. The National Forest is an important resource for communities in terms of outdoor recreation, education and employment. The Changing Landscapes Scheme that enables woodland creation and all the associated benefits is key to the implementation of the National Forest Delivery Plan.

NATIONAL FOREST COMPANY—NON-DEPARTMENTAL PUBLIC BODY AND COMPANY LIMITED BY GUARANTEE

1. The National Forest Company leads the creation of The National Forest, a new, wooded landscape for the nation across 200 square miles of central England. The National Forest Company was established as a Non-Departmental Public Body (NDPB) by the Government in April 1995. It is sponsored by Defra which means they have received £3.3 million in the current financial year through a grant in aid settlement (this was £3.6 million in 2008–09. The Spending Review 2004 baseline was £4.1 million but the Zero Baseline Review agreed a cut of £0.5 million pa on the grounds that the Forest could still be delivered with less planting. This gave a new baseline of £3.6 million).

2. Grant in aid is paid to the Company under Section 153 of the Environmental Protection Act 1990. In addition over the last five years they have attracted £555,603 in donations and sponsorship.

3. The Company's primary function is to work with partners to deliver the Government approved National Forest Strategy 2004–2014—the vision for the Forest. Woodland cover at the outset was at about 6% and the aim is for around a third of the area to be converted to Forest use. This is now well under way with woodland cover having increased from around 6% in 1991 to 18% in 2009, already more than 7 million trees have been planted. The Company completed a review of the National Forest Strategy in early 2009 and the revised Delivery plan, covering the period 2009–14, was approved by the Government in March.

4. The National Forest Company has broad aims that encompass economic regeneration and embraces community participation in that process. 86% of respondees to community perceptions research said in 2008 that The National Forest has improved the local environment whilst 84% rated the standard of major sites as good or very good. The National Forest has demonstrated that it is possible to achieve economic, social and environmental benefits by intelligent landscape transformation in a defined region in a relatively short timescale. The three grant mechanisms including the Changing Landscapes Scheme that helps achieve the creation targets are important in delivering these aims. Of equal importance, is the Company's partnership working with regional and local bodies and communities, for example, in developing a sustainable tourism strategy for The National Forest.

5. Defra supports the National Forest Company's efforts to assist local authorities in co-ordinating and strategic master planning for Green Infrastructure as part of the two proposed Growth Areas within the Forest. This planning is essential to ensure that high quality Green Infrastructure is an integral part of those new communities and provides the widest range of economic, social and environmental benefits. The knowledge and practical experience gained by the National Forest Company in planning and developing the Forest can provide valuable expertise to the master planning process.

6. The National Forest Delivery Plan sets out the relationship between the National Forest Company and Defra. Defra and the National Forest Company worked together on the actions in the Delivery Plan to ensure these met Defra's national objectives on areas such as: access, recreation and sport; biodiversity; regeneration and economy; and agriculture. The Plan was endorsed by Ministers in March 2009. The Governance role of the National Forest Company was considered as part of the Review of the National Forest Strategy. There was strong support for the role of the National Forest Company to continue as

outlined in the strategy and the NDPB and company status were seen to be effective. As part of the delivery plan, however, it was agreed that the National Forest Company Board and Defra would keep the Governance under review in the period to 2014.

7. The National Forest Company's experience of delivery is a useful testbed for Defra policies particularly in light of the recent publication of the Read Report (an assessment of the potential of the UK's trees and woodlands to mitigate and adapt to climate change), as the National Forest Company has enabled tree planting at the required scale and pace. If the drive for woodland creation pulls in new finance, the National Forest is potentially an area that could be targeted for planting and may make it easier for the National Forest target of 33% of woodland cover to be achieved. The National Forest Company's experience of working with major private sector companies to create woodlands will also provide valuable experience to Defra and the Forestry Commission in relation to delivering the recommendations in the Read Report.

8. The National Forest represents a physical demonstration of the UK's obligations to reduce atmospheric carbon. In 2004 the National Forest Company commissioned a report by the Centre of Ecology and Hydrology in order to more fully understand the implications of tree planting on mitigating the effects of environmental pollution. In the period 2008–12 the National Forest area will be absorbing carbon at the rate of 43 million kilograms a year. This is equivalent to 14% of the amount of the region's quota for the reduction of greenhouse gas emissions as outlined in the Kyoto agreement and 0.05% of the nation's contribution.

9. Defra considers that the National Forest Company has demonstrated that the National Forest Strategy's strategic objective of creating a new landscape scale forest with a variety of habitats providing multiple benefits at national, regional and local level can be achieved. Working with regional and local authorities, local communities and other stakeholders it is well placed to continue and to maintain and grow the forest in the remaining period of the Strategy to 2014.

OVERVIEW OF FORESTRY RESPONSIBILITIES IN ENGLAND

10. The Committee may wish to be aware of forestry roles undertaken by Forestry Commission and Natural England.

11. The public forest estate is owned in England by the Secretary of State (Defra) and entrusted to the management of the Forestry Commission as part of its statutory duties under the Forestry Act 1967 (as amended). Forestry policy in England is set out in A Strategy for England's Trees, Woods and Forests published in June 2007.

12. There is an MOU between FC and NE to avoid duplication of effort (please see [http://www.forestry.gov.uk/pdf/MoUv1Sep05.pdf/\\$FILE/MoUv1Sep05.pdf](http://www.forestry.gov.uk/pdf/MoUv1Sep05.pdf/$FILE/MoUv1Sep05.pdf)).

January 2010

Witnesses: **Huw Irranca-Davies MP**, Parliamentary Under-Secretary of State (Minister for Marine and Natural Environment) and **Mr Robin Mortimer**, Director of Environment and Rural Group, Defra, gave evidence.

Q86 Chairman: Good afternoon, ladies and gentlemen. Welcome to the second and final part of the Committee's short inquiry into The National Forest. We are going to start just two or three minutes before the advertised time; there is obviously a vote at four and I hope, Minister, that we can conclude our questioning before then so we can all go off and vote without disrupting matters too much. We were just speculating, having ourselves visited the Forest, as to whether you have visited the Forest. We could not find a little plaque saying "Huw has been here", but have you been?

Huw Irranca-Davies: I have indeed. I have actually planted a tree right outside the Youth Hostel there. While I was there I not only looked at what they have achieved on the ground but also at some of the jobs they created through the timber production as well. There is no plaque but there is a tree with my name on it.

Q87 Chairman: I think perhaps with all the different tracks and pathways that are being created there will have to be one that says "Irranca Way" and then

everybody will say, "Who is this Irranca?" We had an excellent visit and we came away having enjoyed what we saw, particularly in terms of the public participation. We took evidence on the record in the Forest and we were delighted that the public turned out and with the contributions that were made. In fact some of the points that we will be raising with you, Minister, in a moment or two arose directly out of points raised by members of the public which I think shows the advantage of going out of here occasionally and in this case hearing from forest users as well as those directly connected with The National Forest. We thoroughly enjoyed the lunch; we were very politically healthy and correct, specifically the chips were really good. Anybody that goes there is sure of a delightful response from the culinary point of view. I think it would be a good idea if, for the record, we reminded ourselves a little of the history of The National Forest and I am sure in preparing for this and, indeed, your visit you would have asked the question, "What was the rationale of why was the Forest established in 1995? Why was the

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East Midlands the site?” Something scratches at the back of mind to say there were a number of sites that were considered and ultimately it was the East Midlands that won. Given that your Department then inherited responsibility for dealing with it perhaps you could start with a little historical background note for us on that subject.

Huw Irranca-Davies: Indeed, as best I can I am happy to do that. The establishment of the National Forest Company was seen very much as providing an exemplar of the way in which we could deliver real multiple benefits, not simply woodland creation—as you no doubt saw when you went up there—but also the whole aspect of community engagement, wider environmental benefits, the tourism benefits, the woodland jobs that that might create, the farm diversification that that might link to and so on, and to do it in a way that we did not set up an organisation to trump everybody else; we looked for an organisation which could enable others to come together in a very focused way. As you rightly said, there were several areas that we looked at but, of course, the overriding imperative was which area had the most value that could be added in all those multiple objectives. I do not know the reason why this particular area was chosen but clearly what we have seen, not only on the development of woodland creation but also on community engagement—bringing together local authorities, partners on the ground, regional consortia—has really worked extremely well so whoever took that original decision made the right one; it has absolutely worked.

Q88 Chairman: It was remiss of me not to welcome also your colleague, Robin Mortimer, who is the Director of Environment and Rural Group in Defra. We are delighted to see you here, Mr Mortimer. I wonder, because civil servants always know the background to things that ministers get themselves involved in, if you can help us at all about why it was that the East Midlands won out over the alternatives?

Mr Mortimer: Broadly we were looking for an opportunity for forestry to be used as a regeneration tool; I think that is what was seen as so innovative at the time about The National Forest. I cannot recall the shortlist of areas, but I do know the East Midlands was a prime site because of being a former mining area and having a lot of rural and urban areas which were in need of regeneration. That was the reason why it won out over the others.

Q89 Chairman: It might just be helpful if you could look back in the archives and perhaps drop us a note about that because everything you have said is entirely compliant with what we heard when we visited and what we saw, but just for the record, so that this report does contain that historic element, I think for those who read it it would be helpful to have that information. Over the time that the project has been running I would be very interested to know how Defra has evaluated the progress that has been made; in other words, if you go back 15 years what were the hopes and aspirations and how, if you like,

on an annual basis have you then subsequently monitored whether it has achieved what it set out to do?

Huw Irranca-Davies: We set a duty here that the National Forest Company, as a company limited by guarantee, would also have the duty to report to Parliament and to produce its annual reports and accounts and those are laid before Parliament. Of course successive ministers, not only myself, have taken a very deep, personal interest in how this project develops and the success that it has. Its original ambitions were indeed stretching and if we look at what has been achieved since 1995, we had woodland cover at the time of around 6% of the area. As has been described by Robin, these are areas which are a mix of urban and rural, a mix of former coal field areas and despoiled areas, and we have moved now from 6% to 18%, tripling the woodland cover which is quite an achievement. In addition to that, as you rightly said, this has also been a huge community engagement project as well. One of the measures of success that we hold very strongly to is when you look at levels of local people’s response to it and you have 86% of people saying that it has improved the environment on their doorsteps, in their local area. Looking across at Roger, we both have areas that we know as former coal field areas, if we had that sort of response we would be waving the flags and so on.

Q90 Chairman: Going back, I think it is very interesting in projects to see what were the hopes and aspirations and what were the benchmarks that were identified at the beginning and then over time see how they have evolved. Again perhaps I might ask Mr Mortimer to do a little research for us on that because I would be interested to know whether the evaluations that have been undertaken have changed. If there is one characteristic about this, it is that it is a long-term venture. Here we are talking about something that was established in 1995 and we are now effectively the best part of 14 years on, and one of the themes that runs through the strategy for the Forest is what is going to happen until it ultimately realises its full potential both in terms of the forestry plantings and indeed the regeneration project, and it is quite unusual to find something that is such a long-term project. The Minister has defined some of the very important achievements but what I would like to know is what were the original aspirations—compare and contrast—and has the method of evaluating it from the Defra standpoint changed over time? That will obviously determine whether you think it has achieved its strategic objectives or not. Something on that would be very helpful indeed.

Mr Mortimer: I can help a little bit with that now and then write you a note. In a sense you are right, one of the key characteristics of it has been its singularity of focus and purpose over a long period. That is a good example of that across government. One of the aspirations at the outset was four to five thousand hectares of woodland over a 10-year period and that has basically been achieved. I suppose our evaluations have been both

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quantitative—have the woodland creation targets been met? and the answer is yes—and qualitative in terms of participation, habitat restoration, biodiversity, recreation—where the measures are slightly less specific and clear, but in some ways that is where the Forest has added most value and been seen as a real exemplar in some of those broader benefits beyond simply the hectareage which is our core measure.

Huw Irranca-Davies: Perhaps it may be of assistance, in terms of the previous question as well, to note that even with that success the East Midlands—this probably harks back to why it was originally chosen—is still the least wooded area of the whole of England. What we are looking at in effect is something like a 30-year project really to do this. It is not recognisable yet as a full blown forested woodland as we would normally recognise but the progress is just what we were anticipating.

Q91 Chairman: Why do you think it is that the model has worked? Some people said that all you need is to get together is the local authorities, they could have done all this; you did not need to set up a company, you did not need to put this organisation in place. Why do you think this model has worked and the other ones were never chosen?

Huw Irranca-Davies: We do see good interventions on a local level in other areas but nothing on this landscape scale, nothing on this big regional scale. When we look at the ambitious ideas we had for tourism regeneration—for transforming the image of an area based around a national forest from an area, as we have just touched on, is still the most denuded in terms of woodland coverage—we felt strongly that this sort of model to bring people together who shared that same idea but did not have a structure in which to bring it together (it is worth pointing out, as you say, why does this model succeed and not others?), I think part of the success is that it is not a huge bureaucracy with teams of people doing this, that and the other. If you look at each tangible area—whether that is regeneration or woodland creation and so on—you are essentially talking about one person who then goes out to bring people together and work with them to make it happen.

Q92 Chairman: Another suggestion might have been, “Why didn’t you give the Forestry Commission the job?” Is it because the Company, if you like, can hold the ring from all partners and is not the creature of any?

Huw Irranca-Davies: I think you are right in saying that and the Company is seen as an honest broker with a tremendous amount of good will to bring people together and it is not seen as an organisation with its own agenda that is different from local people. It is an organisation that actually delivers the aspirations of local people. Is it a useful model? Is it the best model? I think it has proven in what it has done that it has certainly worked in this instance. We were always interested, I think, in seeing whether this

sort of model was appropriate for a real landscape scale development of this type. I think for this instance it has absolutely proved it is right.

Q93 Chairman: You have spoken very positively about the model; from time to time do you review the structure and the governance arrangements within the model? Again we became aware, as you did, that you have full-time employees but you also have a board, non-executive directors of the company and it follows very business-like principles in what it does. However, organisations facing new challenges, if you like, sometimes to have new structures to deal with them. Do you regularly review the structure and governance side of The National Forest? If you do, what conclusions have you drawn?

Huw Irranca-Davies: Yes, as part of the annual reporting function—which we have of course with not only this but also with our other NDPBs as well—we constantly keep under review the performance and also the efficiency in which they deliver the objectives that we have set. Certainly our conclusions are that with the quite lean structure—yes, having a good representative board, then having a team of essentially 20 members of staff who do discrete areas, no bloated bureaucracy—that we have a high degree of confidence that it is actually working very effectively. However, we do always keep it under review to see whether progress can be made. It is hard for us to see, as we have looked at it—especially over the last couple of years when I have looked at it—how you could make it much more efficient or much leaner because essentially it goes out to others and gets them to deliver much of the work. It is not doing the work; it is others who are doing it.

Q94 Chairman: One of the things that we found which was very interesting was the way in which the people who lived within the Forest identified with the Forest. It had become very much a focal point for forestry and the benefits that were surrounding it, but I just wonder again if it had been used as an exemplar of good practice to inform other forestry based activity within the UK—whether that be private or public—and if there are any examples to show how what has been learned in the Forest already has been passed round and applied elsewhere.

Huw Irranca-Davies: There are a few interesting examples here. For all the praise that I have rightly given to the National Forest Company, we also have good examples coming out of the Forestry Commission Estate as well, but the examples are on community engagement, particularly the examples around delivering a multiplicity of benefits through not only woodland creation but a diverse habitat creation, how that can lead to regeneration, how that ties into jobs—250-odd jobs directly within the timber side of it—and there will be more to come.

Q95 Chairman: I am sure you are not implying that it is full of odd-job men because I do not think it is.

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Huw Irranca-Davies: Sorry, 250, approximately, jobs rather than odd jobs! I think there are messages here, and also I have to say how we take forward on a Defra-wide basis issues of combining objectives of woodland creation, different habitat creation, biodiversity objectives and all of this and also engage the community at a very local level. As you rightly say, Chairman, the community feel it is theirs. I go on holiday on the canals going through the National Forest Company area and when you go along the canals you have the massive signposts as you walk into an area saying, “You are now entering The National Forest”; it is a huge symbol of pride I think.

Q96 Mr Williams: Perhaps I ought to declare an interest in that I am in receipt of grants from the Forestry Commission for tree planting; I am not quite sure how much it impinges upon this inquiry. Unfortunately I was not able to go with the Committee when it visited the Forest but I am told that witnesses considered that all the objectives of The National Forest were equally important and some of those were carbon reduction and biodiversity. What should be the top priority for The National Forest?

Huw Irranca-Davies: I think the original conception—and it is still the over-riding conception—is this creation of, as it says on the tin, The National Forest. However, within that it would be misleading to think that that is at the exclusion of others because The National Forest is also an extremely diverse environment; it has immense diversity of ponds, swales and open spaces as well, but also all the other objectives as I have said. If you were to take one and say, “On what does it all hang?” it is certainly the creation of this National Forest in the most woodland denuded area of England. However, that is not to the exclusion of the others. In fact, to come back to the Chairman’s point, it is the ability of The National Forest to deliver on a range of objectives which is the great learning experience for this.

Q97 Mr Williams: If you thought carbon reduction was the priority—and some people nowadays for all the reasons that we are very well aware of would say that—there is probably one species that is better at sequestering carbon than any other and you could say, “Well, let’s just have that one species and we’ll do a really good job on carbon reduction, and biodiversity might be the minor partner in this”. Is that an approach that could be justified?

Huw Irranca-Davies: No, but you touch on really a pertinent and live debate that is going on not only within Defra but externally as well. We have just come out of the UK-Brazil conference that we arranged here in London on biodiversity and one of the themes that emerged from that across a consensus of over 50 countries—developing nations and developed nations, large and small—was this issue of how we can pull together what are sometimes portrayed as conflicting strands of climate change and biodiversity or woodland habitat with other habitat? I really think we need to

move the agenda on and we can see it here in the National Forest Company and also in some of the work the Forestry Commission is doing as well where you do tackle those carbon reduction targets—quite rightly—but we also recognise that we need to protect our biodiversity not least because of our imperatives under climate change adaptation and mitigation. One of the things we do know is that we are going to provide not just fixed points in a landscape in terms of protecting our habitats and species but the ability of them to move from place to place, and curiously The National Forest is going to be an integral part of that as are our national parks, but also non-designated areas. So should one be over-riding? The National Forest Company is the National Forest Company but it was set up to do a lot more than that and all of them are important. I know that the board listening to me saying this now will want me to say that they are all important; we want them all delivered on.

Mr Mortimer: It is a technical point in a way but I think that is one of the reasons why Defra has been working hard on eco-system valuation techniques to try to put values on all of these things, because in one sense the carbon benefits tend to be some of the easiest to quantify, but actually when we do the analysis it is the multi-purpose forestry which delivers the maximum number of benefits through recreation, biodiversity and carbon together. I think it would be wrong to approach forestry with that single purpose because we would not realise such significant benefits.

Huw Irranca-Davies: The value of clean water that comes out of this, the value of water retention in terms of flood alleviation and risk management—all of those benefits for good environmental structure—also save money for local and national government down the line.

Q98 Mr Williams: The Reid Report that was produced or commissioned by the Forestry Commission basically set out that we need 23,000 hectares of new forest in order to make a contribution towards carbon reduction and yet, as I understand it, the target for The National Forest for new plantings or re-establishment has been reduced by 50% to about 200 hectares. That would be less than 1% of the national target according to the Reid Report. How on earth are we going to achieve that nationally if The National Forest is actually cutting back on its target and only contributing 1%?

Huw Irranca-Davies: The National Forest will make a significant contribution. The National Forest in 2009 had a slight delay in bringing forward its latest scheme in grants there but, even with that, developed with eight landowners something like 41 hectares of land and there is a fair degree of confidence with the National Forest Company that this year that will be somewhere between 80 and 100 and that will gain momentum as well. However, they are not on their own in this. We have a wider forestry and woodland strategy as well that takes in not only the public estate of Forestry Commission but also the idea of what we do in the urban environment. You can make quite an impact on the streets of London by planting

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along the streets as well. It is how we deal with it in its entirety across the UK. The National Forest Company will make a contribution to that but it cannot be seen in isolation from the wider Forestry Commission and also what we can do in partnership all the way down to local authorities.

Q99 Mr Williams: Should it not be seen as a leader in this activity? If you then say, “We’ll reduce the target by 50%”, that is not a very good message, is it?

Huw Irranca-Davies: I see what you are saying, but we are on a long-term trajectory here with the National Forest Company even though we do see them as an exemplar. If we can in this period already have doubled the coverage in this most woodland denuded area and we still have quite ambitious plans as well, meanwhile probably come March we will have further details on that broad implementation in our climate change plan which will show further development of our thinking of this on a UK basis. Yes, they are an exemplar and I think we can hold them out and say, “Well, look at what we’ve done on a landscape level area”. The interesting aspect here is whether you can take what has been done here on this one model and find other ways of having local authorities and regional authorities working together to replicate this sort of approach, not necessarily calling it “National Forest Two” but putting the same things in motion in their area.

Q100 Mr Williams: Perhaps you could tell us how Defra is supporting the development of the use of National Forest wood as a biomass fuel.

Mr Mortimer: The woodfuel strategy is the broad strategy across the country. Obviously The National Forest can participate in that. We are working with the woodfuel strategy; it is being led by the Forestry Commission and you may want to ask Forestry Commission colleagues in the session after this about its implementation, but that is the broad framework within which we are operating.

Q101 Mr Williams: My impression of broadleaf woodland across Britain is that it is very poorly managed. A lot of it could do with better management and part of that would be taking out very poor timber for use as biomass. Before that the product had no economic use, but we have the opportunity now to increase the management of our woodlands by this type of practice. Can Defra not be a bit more enthusiastic about it with a bit more get up and go and give us not only sustainable heat but better managed woodlands?

Huw Irranca-Davies: We are very enthusiastic about it and actually using woodland because of the benefits it has for carbon reduction, particularly in locally generated schemes as well which the National Forest Company actually do quite a lot of already. You are probably right in saying that particularly in the early years of woodland schemes the focus possibly was not on quality as on getting schemes up and going and now what we need to do increasingly is make sure those are harvestable, that they are producing the right sort of wood in the right place that can be used locally or regionally as well, so it is

getting better. We are very keen on this and the National Forest Company—once again on the issue of being an exemplar—does show exactly how it should be done. We are not talking about transporting wood over great distances; it is locally sourced, locally harvested and used locally as well for energy generation, including curiously in the Youth Hostel that I went to where of course they have state-of-the art woodchip boilers.

Q102 David Lepper: I want to concentrate on the economic and social aspects of the strategy underlying The National Forest. You have referred already to how successful it has been in helping to regenerate a former coalfield area and we heard a lot of evidence of that on the day. We also heard about how the Company has been able to bring together or work with a whole number of different district borough councils, county councils and two RDAs¹ in doing its work. Can you tell us how Defra works with other departments here in government to help take forward that work, particularly, for instance, Communities and Local Government? I am also thinking about any work that might be done with Business, Innovation and Skills in terms of encouraging apprenticeships that might be helpful in taking further that regeneration work.

Huw Irranca-Davies: It is an interesting point because I think by and large what we do—having established and keeping the National Forest Company under review in its reports and its reporting function to Parliament—is that we monitor the performance but we do not get involved as Defra on the ground, if you like, because one of the things that we have felt is that the NFC is actually very good at doing that local engagement and regeneration with the local authorities and the private sector as well.

Mr Mortimer: I think the main route through there for us would be via the regional development agencies and the Defra funding that goes into the RDAs’ single pot. We certainly play a part working with BIS² and CLG³ in looking at how the RDAs can pursue regeneration with an environmental focus or use the environment as a mechanism for regeneration. The RDAs are obviously the main delivery bodies but we work with BIS and CLG to set the framework for their activities.

Q103 David Lepper: What about the issue about ensuring that for the future the skills are being developed on the ground, particularly with young people, to enable the successful work that is going on now to continue into the future and perhaps attract other people into the area to take up that kind of work?

Huw Irranca-Davies: Interestingly one of the things that they have done both on a community level and on a regeneration level is worked with local partners to develop those skills. The sorts of things we are talking about are woodland harvesting, energy creation and so on which they have done hand in

¹ Regional Development Agency

² Department for Business, Innovation and Skills.

³ Communities and Local Government

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hand with local partners and developed the skills with local partners. The chap that I met there who had now started his own business up had been through locally arranged training and so on and if and when he grows his business—as I am sure he will as more woodland comes on stream—he will also then be training up local people. It may be interesting, as you take evidence from the NFC⁴ themselves, to ask them that question: what do they do on the ground?

Q104 David Lepper: You were suggesting, Mr Mortimer, that maybe there are lessons that could be transferred from the success of The National Forest project to regeneration in other parts of the country and ways in which RDAs and local authorities can use not necessarily woodlands and forestry but green spaces generally. Could you say a little more about what Defra does to try to encourage that thinking?

Mr Mortimer: If I could start by saying the Forestry Commission as well is a big partner in this and I think there are other excellent examples of partnerships with regional development agencies. The Newlands Project in the Northwest is a good example of where the Forestry Commission partner with the Northwest Development Agency to develop green space, not just woody green space but green space in general. That is very much the emphasis that we put on regeneration in our discussions with CLG. I suppose broadly our approach would be to look at it from a green space angle rather than just forestry and we are working with CLG, for example, on revisions to the planning guidance which is currently being looked at on how to promote green space in regeneration projects in general. That would be the way we tend to come at it.

Q105 David Lepper: Is that kind of linked working at the level of officials such as yourself, or is there a ministerial link between the departments to support that work?

Huw Irranca-Davies: No, there is a ministerial steer that that is the direction that we take it forward, but it is done with agreement at official level. I think the ministerial steer on this has been firmly accepted.

Q106 Chairman: There is one question that arises out of this and I was just refreshing my memory looking at the last annual report of the Forest. It very clearly points to the fact that, for example, in 2008-09 the grant-in-aid was set at £3.6 million for your Department, but the report does not seem to quantify the leverage effect. In other words, there has been a lot of activity on the back of that and over the time that the Forest has been going what work has Defra done to calculate the rate of return on the investment that it has made in the Forest?

Mr Mortimer: That is a very good question. I do not know the answer but we can certainly look into it and give you some information on it.

Q107 Chairman: The reason I ask that question is that your Department is responsible for putting a lot of money into a lot of things. Minister, you quite rightly drew our attention to the question of valuing the outcomes of environmental projects and certainly in the context of the environmental programmes which Natural England run on behalf of Defra they have recently produced a publication which addresses that very issue. The reason I am interested in focusing on this is that the competition for public funds in the years to come is going to be very intense, and in terms of the rate of return for the use of the money here my intuitive guess is that it will be quite high. If you were to quantify in not just the on the ground physical activity but also the value of the carbon—because there is this wonderful term “the social cost of carbon” which circulates which implies to the community there is a value of having carbon effectively sequestered in this context in timber—and therefore going beyond the rate of return, if you added in those things, there would be an even greater return to the public for the use of the money. If you are able to help us by quantifying that, it might also be interesting if there is any comparator work done, because I would like to think that the rate of return to the public on this investment might be at a higher number than in others. I think it would actually be very useful if you can provide us with some economic data to address that issue.

Huw Irranca-Davies: I think we would be happy to take that away and look at what we can do now, but you touch rightly on quite an important issue because, who knows, on the back of the work that we are doing on eco-systems services, it might well be at some point in the near future that we are able to quantify not only the standard benefits that we can identify and derive a number of jobs, economic impact, tourism regeneration but also to say the value that has been derived from the enhancement and quality of this environment in so many ways. I do not think we are entirely there yet but certainly we will go away and see what we can do, particularly on the carbon point you raise, and write to you with a note. I suspect that your gut feeling is right, which is that this really does deliver in a very efficient way and you are also right in saying that as we go down the line we are going to have to look increasingly at all our agencies and all our models of working to see how we can deliver even more value for less as we go forward.

Q108 Chairman: Certainly I was impressed by some of the examples of leverage of private investment that had come in on the back of it and if you add all that up and you say that the pump-priming is the public funding, therefore in strict economic terms I would imagine the rate of return could be quite impressive.

Huw Irranca-Davies: Yes.

Q109 David Lepper: The other issue I wanted to deal with was the social strands of the strategy and with a new national park in my own area—for which thank you very much, Minister—I am very interested in what we heard last week about the successful ways in

⁴ The National Forest Company

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which it seems that the Company and those working in The National Forest have been able to attract people living outside the immediate area—great enthusiasm from those living in the area but also outside the area—particularly people from different ethnic backgrounds and across the age ranges, to come and experience the woodland and open spaces who might not have done before. I wonder if you see a role for Defra in helping to pass on perhaps to the National Parks and the Coastal Access Path as well the lessons that might be derived from The National Forest in terms of attracting that wider participation.

Huw Irranca-Davies: That is a very good point because, as we have just come out of the year celebrating the 60th anniversary of the National Parks, I was privileged to spend quite some time in National Parks and saw, for example, the Mosaic Project which has had huge success in getting people who, either for cultural or other reasons, felt excluded or indifferent to National Parks and coming in to see them. Of course the National Forest Company is not part and parcel of the National Parks family, but it may well be that there is a good issue here to take stock of to share best practice right across the family of these organisations because there are some extremely good examples of best practice both in community engagement and in bringing in people who would not normally visit an area which we should be disseminating wider. I think Defra does have a role and we do do that to a large extent. We do it particularly, for example, within the National Parks family through ENPAA,⁵ the organisation bringing National Parks together. I am not sure we do it as coherently. We hold up the example of the National Forest Company but I am not sure that we do it in a way that brings these models forward into the wider Defra family.

Mr Mortimer: Certainly one of the values of the National Forest Company is that it is an exemplar in many areas, so we are always keen to use the experience elsewhere. Colleagues from the National Forest Company are involved in quite a lot of those broader agendas. If there is more we can do, then we are certainly interested to hear the Committee's views on that.

Q110 Chairman: Let us move on to one rather specific question. We were asked by a witness last week about what he felt was a perversity—as he described it—of an impact on the tax rules. He was contrasting the situation that if you have farmland, that is allowable under inheritance tax, in other words your farm can be passed on to your successors, but he was conjecturing that if you had forest, that facility was not available. He felt that in terms of the long term encouragement, because obviously it takes time for the forest to mature, that this was unfair and inconsistent. First of all, are you aware that problem exists?

Mr Mortimer: I think you can pass on a forest under inheritance tax laws but we ought to just double-check it.

Q111 Mr Williams: I am not an expert on inheritance tax but, as I understand it, woodland is exempt under inheritance tax laws. One of the things I am very concerned about—and I go back to this issue about so much of our woodland is badly managed—you could use this exemption under inheritance tax to put a condition on that exemption would not be allowed unless there was a sustainable management plan agreed for the forest or woodland. I think then you would get some public benefit for the tax break that is allowed on woodland and I think that is something the Government could stick in the next budget.

Huw Irranca-Davies: We will take that away, Mr Williams.

Q112 Chairman: I think it would be helpful if you could, perhaps in concert with HMRC, get a definitive note on the inheritance tax status of the forest because, if nothing else, we will probably be able to track back the gentleman who asked the question and at least show him the value of asking it, that he will get a definitive answer either by means of correspondence from us or in the report. It was a small but important point. Just moving back to the bigger picture, certainly we are aware that one of the reasons why progress on planting has been difficult is that if there is a buoyant market for agricultural land, then clearly landowners and farmers are less likely to find the grant structure attractive enough to move from mainstream agriculture to longer term forestry. I think that one of the comments that the NFC made to us, certainly as far as 2008-09 was concerned because of that background, was that advancing the cause of plantings was what they described as their single most challenging aspect of their operation. I wonder, as you monitor over England's forestry, whether that was a factor that was East Midlands specific or whether it was more general in terms of advancing the cause of afforestation.

Huw Irranca-Davies: My feeling would be it is not East Midlands specific; it is a UK feature and it is also a cyclical feature as well. We know over time in different sectors of the arable market and the livestock market those fluctuations will affect not only woodland creation but also sometimes the type of uptake of other stewardship options as well. I think the important, salient feature to pin down here is that this is again very much a mid- to long-term project, as are our environmental schemes as well, that will deliver benefits in the long-term over-riding those fluctuations in land prices and agricultural prices. It is probably worth saying as well that of course this stands alongside the 1.3 million hectares we now have in agri-environment schemes and the same sort of concerns are expressed about that: will they be sustainable? Our evidence has been that they are, even with those fluctuations. The next year comes around or the year after and they drive forward and of course on the woodland creation schemes, the 10-year agreements on agri-environment schemes, similarly the long-term agreements. It is not East Midlands and I think it will ride through that in the longer years to come.

⁵ English National Park Authorities Association

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Q113 Chairman: I think, given the excellent start the project has had, it would be sad if were to end up almost treading water because the rate of planting has dropped back. The chart on the last five years of the annual report tells its own story, if you like. The peak of planting was 413 hectares in 2005-06; the figure for 2008-09, notwithstanding the strategy of doing a little bit less reflecting practicalities of finance, we are down to 121 hectares. Whilst they have concentrated on quality you still need a quantitative element. Somebody looking at that as a piece of statistics would say it is going to disappear into nothing, but I do not think that will be the case. One of the issues that was brought up was the size of a landholding which the Forest at any one time is allowed to have. Can you explain how it was decided that 300 hectares was the correct number for the landholding? How did you decide that?

Mr Mortimer: I do not think I would want to hazard an answer on the specific number, but I could give you a general point.

Q114 Chairman: I want an answer on the specific number. Somebody somewhere wrote a submission to ministers that said, "We recommend that the minister agree that the Forest has a holding of 300"; 300 came from somewhere. Where did it come from?

Mr Mortimer: You are going to test the filing situation at the Department of the Environment here. I will look into the question.

Q115 Chairman: The reason I ask that question is that in days gone by I used to ask questions like that and I can remember when a number in question was seven and the civil servant said, "Well, 10 is a bigger number; five is a smaller number; seven is in between". This indicated that there really was not a clear logic; it just happened to sort of feel right.

Huw Irranca-Davies: Chairman, we will go back and dig out our archives on that. I would only say that in my experience—I hope it was not different previously—where we have options over the niceties of particular figures or ranges I certainly always ask officials to give me the rationale behind why, if there is not a pure science to it. Let me be able to stand up and explain why our judgment was. We will go back and try and dig this out.

Q116 Chairman: The serious reason for asking that question obviously is that you can never tell when parcels of land might suddenly become available and if the Forest wanted to move forward but for whatever reason it had not got the resource to carry the planting forward but it could perhaps do a deal for the land, then it might want to go above. I think it would also be useful to know whether there is any flexibility in that 300 figure once you find out where it came from and what is surrounding it.

Mr Mortimer: I am not aware it has been a constraint to date but certainly we would be happy to look at it if it were a constraint.

Q117 Chairman: That will be a mystery to be revealed. In terms of the balance within the Forest, when you talk about a forest some people would

imagine—perhaps as I had done—a dense piece of woodland that goes on as far as the eye can see, but once you have been to the Forest you understand that there is a diversity of use of land. Do you think the Forest at the present time has got the balance right between the areas which are going to be or have already been afforested and the remaining areas, where appropriate, which are used for agricultural purposes? It is clear that soil types differ within the Forest to a degree that affects the agricultural side, but do you think we have got the balance right?

Huw Irranca-Davies: It has got much further to go, as I am sure everyone will acknowledge, in terms of woodland creation, but aside from the woodland creation it is worth mentioning, not least in terms of agriculture as well, that something like 51 miles of hedgerows have been planted as part of habitat recreation but also providing those essential borders for farms, and 57 miles of existing hedgerows have been brought back into proper management. That is quite an achievement. There is also near enough 1,500 hectares of habitats of a diverse nature which have been brought back into proper management. Have we got the balance right? We do know that we are on this mission to create more woodland. We also know that we do not want that to be done at the expense of farm and food production locally. I think the NFC has a very good grip on where it can work with landowners to identify those parcels of land that would be appropriate for it. There is more to be done, but I do not think it necessitates squeezing out agricultural land. One of the things we learned with the voluntary scheme that we are doing with the NFU and with other partners on a national basis is that some of the most significant gains we can have in habitat, in biodiversity and protecting species are where you do it in-field as well as simply putting things aside. I think that approach would be as applicable here as it is on a national basis.

Q118 Mr Williams: In terms of the grant schemes that are available both in the Forest and more broadly really across England, I am given to believe that there are six different specific grant schemes available under the English Woodland Grant Scheme. The complexity of the thing is one issue for people who might want to be involved finding their way through this sort of complexity. Has Defra assessed the value for money offered by The National Forest schemes such as the Changing Landscapes Scheme compared with some of the other ones such as the Forestry Commission's Woodland Creation Scheme or the Higher Level agri-environment scheme? You have all these things running; how do you keep a track on it and how do you keep a track on what is best value for money out of all these different things that are available?

Huw Irranca-Davies: The point on different schemes is a pertinent one but one we probably cannot escape from. Jim Fitzpatrick, my fellow minister who deals primarily with the agricultural and production side (I deal with predominantly the environment side), and we both sit down because, as you know Mr Williams, I have responsibility for environmental stewardship schemes and Jim, of course, also has the

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cross-over with cross-compliance schemes which also have an element of habitat within them and so on. So there is a complexity there and some of it we cannot escape from, but we do regularly sit down and see what we can do to streamline some of these and make it simpler. That includes information when farmers are confronted with different things, who gives them the advice? Is it the RPA officials on the ground? Is it other Defra officials? Is it the land managers working hand in hand with Defra? We can work on that. The interesting thing with this approach which is different is that it is 100% grant compared to some of the others. There are pros and cons to that. The pro is that you can look at very high value, high quality interventions which might not otherwise happen but of course the big drawback of that is you cannot spread the money as wide, but what you can do is make some really significant impacts on denuded land quality areas and turn them into woodland. As you have probably seen on your visit, it is not easy pickings going for the obvious areas; some of these are deliberately going for some of the most challenging areas to turn into woodland. I think it is appropriate here that we do have that capacity for the NFC to say, "We can 100% fund it and we can make that choice", but they do have the flexibility, if they want it, to say, "We can change that, we can take a different approach and pay 80%" or whatever. We are stuck, I am afraid, to some extent through cross-compliance with slightly different schemes. The important thing for a farmer or another land manager is that when they turn for advice they have the good quality advice cutting through that.

Q119 Mr Williams: Having talked to some of my colleagues who went on the visit to The National Forest—and I do regret not having been able to take that opportunity—there is no doubt there is very valuable and good work going on in The National Forest, but in times of strained public finances these are all questions of priority. Is there a danger that investing so much in The National Forest just does not allow enough resources to be allocated across the country for forestry work?

Huw Irranca-Davies: No, because this is not a sacrifice. I do not balance up whether or not we should keep the funding going into the NFC or we should look at the broader issues of woodland creation either within the Public Forest Estate or elsewhere. One of the things that the Committee will be aware of—as we already confirmed in the PBR—is one thing we are looking at in terms of efficiency across government is reviewing all arm's length bodies, the strategy and putting the frontline first, the idea behind smarter government because we are going to have to do this. There are something like 120 arm's length bodies across government. We are carrying out our own internal review at the moment, and I do not want to pre-empt what may be said in

the budget either, but we are consciously looking across how we deliver this multiplicity of objectives that we rightly have in a very efficient way. As you look at the NFC, my argument would be that it is delivering in a highly efficient way. If you look at aspects of the Forestry Commission estate they are delivering wide public benefits on their estate. However, we have to take some rational decisions here and when we bring forward Defra's version of all our arm's length bodies then that is the sort of thing we are looking at, how do we use the best examples of delivery, value for money, multiple objectives, long-term sustainability and take that forward into what are challenging economic times?

Q120 Chairman: Just to conclude on that note, I think the term "long term" is very important. The work that The National Forest does, it seems to me, is not benefited by a short-term tap on, tap off approach which can sometimes typify public expenditure, particularly at a difficult time. Do I get the clear understanding, Minister, that your Department recognises that this is a long-term project and has got to be sustained? Everybody recognises there are always better ways of doing things but, in other words, a £3.6 million grant in aid is not something you are going to find yourself chopped down to nothing.

Huw Irranca-Davies: No, absolutely. We have the strategy now going out to 2014. We are carrying out this arm's length review, as all government departments are; we are focused on these imperatives of delivering the outcomes and, where we can, delivering the outcomes better; we are focused on efficiencies in terms of value for money and also serving the customers better, including all these local people who have seen so many benefits. We have the 2014 horizon, not necessarily in terms of the National Forest Company but more broadly, when we come to the budget report as well, but rather than pre-empt it the assurance I can give you is that the benefits that we are seeing delivered here and in other parts of the Forestry Commission Estate and the non-public estate as well, we know we have to keep on delivering and deliver more to hit the carbon targets that Mr Williams was talking about, to hit the habitats imperatives that we have, the biodiversity imperatives, the flood alleviation imperatives, so we have to try to deliver more for less.

Chairman: That is very good. I hope that you might be able to persuade the Defra board at some stage to go and meet in the Forest so that they can have a little flavour of what we have all seen so that when they actually come to make these crucial decisions they can do it from a highly informed basis and also to feel the beneficial vibes—if one could put it that way—from having been in the Forest. Mr Mortimer, Minister, thank you very much indeed for your contribution to our inquiry.

**Supplementary memorandum submitted by the Department for Environment, Food and Rural Affairs
(Defra) (TNF 05A)**

Q1. *How did The National Forest project originate? Please could you provide a brief history of the decision making process leading up to the selection of the area to become The National Forest?*

A. I understand that the National Forest Company have supplied the summary of the consultants' report on the New Midlands Forest produced for the Countryside Commission in 1989 and this provides all the information the Committee requires.

Q2. *What were the original Government objectives for the Forest and how was delivery against them monitored? Has this changed over time?*

A. The Government adopted the proposal for the National Forest in October 1990 and agreed that its aim should be to create and demonstrate a modern multi-purpose lowland forest that would meet multiple environmental and economic objectives.

- To enhance and create a diverse landscape and wildlife habitat.
- To create a major recreation and tourism resource.
- To provide an alternative productive use for agricultural land in a manner that meets environmental objectives.
- To contribute to the national timber supply.
- To stimulate economic enterprise and create jobs.
- To stimulate community involvement and educational use of the Forest.
- To contribute to wider environmental objectives such as a reduction in carbon dioxide in the atmosphere.

The original *National Forest Strategy 1994–2004* set out how the objectives for the Forest were to be delivered. The National Forest Company reported annually on implementation of the Strategy. In 2003 the NFC undertook and, had independently verified, an audit of the 1994 Strategy. The audit identified activities and targets which remained relevant and also those which were no longer relevant. The findings were incorporated into the current *National Forest Strategy 2004–2014*.

In addition to reporting annually on implementation of the key objectives the NFC, as required by the Strategy, carried out a mid strategy review in 2008–09. This included an audit of progress which confirmed the continued relevance of the Strategy and a public consultation with residents and partners which identified new priorities and ways of working. These include an increasing focus on maintaining what has been created to make the most of the Forest's expanding assets. The revised Delivery Plan, which I approved last March, sets out how the NFC, working with its partners, will continue to implement the Strategy including taking forward new streams of activity in the period to 2014.

Q3. *Defra provides £3.6 million grant in aid, however the project levers in considerable amounts of funding. What is Defra's calculation of the rate of return on its investment in the Forest and how does this compare to other similar projects? Can you quantify the value of the project in broad terms, including economic value added?*

A. The National Forest Company's "*Much more than trees*" research report in 2004 updates the earlier "*National Forest: Social and Economic Impact Study 2001*". The 2004 study identified a number of headline indicators which give a broad profile of the socio-economic health of The National Forest. *The National Forest Sustainable Development* published in 2007 further refined the indicators and identifies and reports on 20 environmental, social and economic indicators. However we do not have a comprehensive current valuation of the project. We recognise the need to undertake a more comprehensive assessment of the full social, environmental and economic benefits of the Forest and we will work with the NFC to produce this in the next few months.

Q4. *What is the position with regard to the inclusion or exemption of woodland assets (in respect of land and of timber) for liability for inheritance tax? Is this an issue that has been raised with Defra by landowners and has Defra raised this with HMRC?*

A. Inheritance Tax (IHT) applies to both the land and the trees. Inheritance Tax is charged, at death, on the net value of a person's estate (their assets less their liabilities) immediately before death, and in respect of gifts made within the prior seven years. Transfers made between three and seven years before death may qualify for what is known as Taper Relief. This effectively reduces the amount of Inheritance Tax payable. For the current tax year, Inheritance Tax affects those individuals with estates worth over £242,000 (known as the nil rate band). Any value over this limit is charged at a flat rate of 40%. Certain exemptions may apply that could reduce the value of the estate. There are also certain reliefs that could reduce the tax payable.

Woodlands (both timber and land) managed on a commercial basis (ie for a gain) will be eligible for 100% Business Property Relief after two years ownership so that no tax would be payable. Any CGT liability on the asset which has been held over or rolled-over will be extinguished. If a woodland were gifted as a business property before death, the Business Property Relief would continue provided the donee retained the

woodland in the same condition until the donor's death or for a period of seven years after the date of the gift. Amenity woodlands attract Agricultural Property Relief if they are also occupied in conjunction with agricultural property. This relief is attracted, depending on the circumstances, at 100% or 50%. Woodlands of outstanding scenic, historic or scientific interest may qualify for Heritage Relief allowing a conditional exemption from inheritance tax.

There is a specific relief for transfers of woodland on death, provided the deceased has been the beneficial owner of the woodlands for at least five years immediately before death or became beneficially entitled to it by gift or inheritance. However, this has become less important since the introduction of 100% relief for businesses that qualify as relevant business property. When a woodland in the United Kingdom is transferred on death, the person who would be liable for the tax can elect to have the value of the timber, that is, the trees and underwood, (but not the underlying land) excluded from the deceased's estate. Instead, tax is charged on the future net proceeds of the timber, if it is sold, given away, or disposed of before the land on which it was growing is transferred again on another death. Deduction against the proceeds can be claimed for costs of sale, and costs of replanting within three years of sale. The rate of tax chargeable on the disposal is found by treating the taxable amount as the top slice of the deceased's estate. For this purpose, the deceased's estate includes any sale proceeds or value charged to tax on previous disposals since the death. Once the timber has been transferred again on another death, tax is not chargeable on later disposals. The woodland relief is not available for (1) an outright lifetime transfer; (2) a transfer by a close company; (3) woodlands held on discretionary trust; (4) woodlands which are on agricultural property.

This issue has not been raised by landowners with Defra and the Department has not raised it with HMRC.

Q5. What is the rationale for the exact figure of 300 hectares as the limit to the landholding by the National Forest Company at any one time? Is there any possibility for flexibility in the application of this?

A. The figure of 300 hectares is a delegated limit in the Financial Memorandum between the NFC and the Department. I understand that the origin for the actual figure was based on average yearly land acquisition by the NFC adjusted to minimise the number of occasions when they would need to seek approval from the Department. The Financial Memorandum allows the NFC to seek approval from the Department to hold more than 300 hectares at any time. In addition the Financial Memorandum is periodically reviewed and if the NFC consider the limit needs to be adjusted then they can propose this as part of the next review.

February 2010

Memorandum submitted by the Forestry Commission (TNF 02)

EXECUTIVE SUMMARY

This memorandum outlines the Forestry Commission's comments relating to The Environment, Food and Rural Affairs Committee evidence session on The National Forest.

The Forestry Commission has supported the work of The National Forest since its inception and looks forward to continuing to do so as it adapts to new challenges presented by climate change and the pressures on public finances.

The recently refreshed Concordat between Forestry Commission England and the National Forest Company sets out our shared objectives and partnership arrangements and is attached at Annex A.

The key priorities we see for the National Forest Company over the coming years are to:
—realise the full social, economic and environmental potential of the woodland resource it has created for local people; and

- add value and pioneer new innovative arrangements for creating and sustainably managing woodlands within an integrated landscape scale approach.

INTRODUCTION

1. Forestry Commission England welcomes the opportunity to provide advice and views on The National Forest. In this memorandum we focus on the principle aspects of the National Forest's work and highlight areas where The National Forest can make the greatest contribution in future to national and local priorities.

STATUS, FUNCTIONS AND ORGANISATION OF THE COMMISSION

2. The Forestry Commission is the non-ministerial Government department responsible for advising on and implementing forestry policy in Great Britain. It is a cross-border public authority responsible separately to Ministers in England, Scotland and Wales and collectively on GB functions. Forestry is a devolved matter and in England the Commission reports to the Secretary of State for Environment, Food and Rural Affairs. The Commission is headed by a Board of Commissioners, whose principal duties and powers are defined in the Forestry Acts 1967 and 1979.

3. The Commission manages the public forest estates in each country, offers grants for expanding, regenerating and managing forests and regulates tree felling. It also provides advice to Ministers, undertakes and commissions research, sets standards for good forestry practice and protects Britain's forests from pests and diseases. In England the public forest estate amounts to approximately 250,000 hectares, equivalent to about one fifth of the country's woodlands.

THE NATIONAL PERSPECTIVE

4. Overall, the National Forest plays an important and valuable role in delivering the Government's 2007 Strategy for England's Trees, Woods and Forests¹ (ETWF). It is making particularly valuable contributions to woodland creation and climate change targets, biodiversity and ecosystem services, and increasing the quality of life of those living in surrounding towns and cities.

THE REGIONAL AND LOCAL PERSPECTIVES

5. The National Forest continues to play an important role in the social, environmental and economic development of both the East and West Midlands Regions. In particular:

- Its regional importance as a partner for the Forestry Commission, and as an established delivery body, recognised across the forestry sector. It has built up a wealth of experience which it is now increasingly sharing with others as well as delivering its own objectives.
- Its contributions to regional working and connections to regional bodies eg the West Midlands Woodland and Forestry Forum (National Forest Chief Executive is the vice chair) and its Working Woodlands project in the East.
- Regional Forestry Framework partnership working/reporting; liaison/sharing information with other partners such as Forest of Mercia and Greenwood; and contributing to the Forestry Exemplar Project and Green Infrastructure Strategy Developments.
- Contributions in respect of planning, working with Local Authorities generally, developers, land-regeneration and restoration expertise and in fundraising.
- The forest as an established location for visits from professional organisations and societies; it is also expanding its relevance and liaison with the private forestry sector particularly with woodland owners and managers.
- Its relevance in respect of woodland economy and creation, with associated resilient habitats linked to the UK Low Carbon Transition Plan² (LCTP) and woodfuel agendas.
- In supporting improvements and diversification of the skills base in the East Midlands forest and woodland industries, thereby improving their viability and increasing the sector's contribution to the region's economic, social and environmental performance and sustainability.

WOODLAND CREATION AND CLIMATE CHANGE

6. The National Forest has created an impressive woodland resource over a very short period of time. This resource now has the potential to provide renewable locally supplied woodfuel and construction timber in the coming years.

7. Further woodland creation to reach National Forest targets will need a new approach to engage new landowners, businesses and investors. There is a real potential and need for the National Forest Company to build on some good early work and pioneer new, public/private partnerships for the creation and sustainable management of woodlands as set out in the UK Low Carbon Transition Plan and the Renewable Energy Strategy.

BIODIVERSITY AND ECOSYSTEM SERVICES³

8. The National Forest is making an important contribution to the delivery of Biodiversity Action Plan targets for native woodland creation.⁴ It is also creating "landscape scale habitat networks" which will enhance the likelihood of wildlife adapting to, and moving with, climate change. This involves buffering, linking and expanding surviving remnants of ancient woodland, in particular in the Charnwood area, by creating new habitat around them.

9. Successful action is being taken to reverse the decline in some "woodland specialist" birds, as species such as willow tit are thriving in the scrub woodland created, or arising, on reclaimed colliery spoil.

¹ <http://www.defra.gov.uk/rural/documents/forestry/20070620-forestry.pdf>

² http://www.decc.gov.uk/en/content/cms/publications/lc_trans_plan/lc_trans_plan.aspx#

³ Such as soil conservation and water management.

⁴ For further information please see: Working with the grain of nature. A biodiversity strategy for England 2002.

10. The National Forest is actively creating new flood management woodland in the lower catchments of rivers vulnerable to flooding, which is also valuable habitat as ‘wet woodland’. Woodland created alongside such rivers in arable landscapes can significantly improve water quality by reducing nitrate levels (for both wildlife and human water supplies).

11. Finally, The National Forest’s strong engagement with the restoration and reuse of mineral workings and brownfield land over a number of years is highly valued.

QUALITY OF LIFE

12. The National Forest has been contributing to driving up the role of trees, woods and forests to increase quality of life, a major aim in the ETWF Delivery Plan.

13. The National Forest has created more accessible woodland in close proximity to target populations, including those living in deprived areas. Reports on increases in house prices in the area indicate a positive impact of initiatives over the past decade.

14. Through the creation of new accessible woodland The National Forest has engaged local people with their local environment and reconnected landowners with local users. Moreover, schools, community groups and businesses, such as Rolls Royce, have been successfully involved in the planting and maintenance of new sites.

15. The National Forest runs several successful outreach programmes focusing on recreation infrastructure and education services. The Heart of the Forest Foundation visitor and education centre (“Conkers”) offers high quality environmental education programme for local children. The National Forest works closely with and supports the aims of the Heart of the Forest Foundation. The National Forest was also one of the first forests to engage with the health agenda, demonstrating leadership.

16. Forestry Commission England would welcome closer working with The National Forest to learn about how both organisations can sustain visitor numbers, particularly in the current economic climate.

17. Finally, we welcome The National Forest’s engagement in the planning system and more recently exploring the opportunities for working within the housing growth agenda and developing its role (and the role for trees and woodland) within green infrastructure. Both are crucial to delivering ETWF.

CONCLUSIONS

18. The Forestry Commission looks forward to working with the National Forest Company to deliver the complementary objectives of the new National Forest Delivery Plan 2009–2014 and the Government’s Strategy for England’s Trees, Woods and Forests Delivery Plan 2008–2012. The continuing focus will be on a joint approach to maximising the quality and quantity of benefits arising from the growing woodland resource.

19. Accordingly we believe the National Forest Company should continue to deliver the objectives of the Delivery plan by:

- realise the full social, economic and environmental potential of the woodland resource it has created for local people; and
- add value and pioneer new innovative arrangements for creating and sustainably managing woodlands within an integrated landscape scale approach.

January 2010

A Concordat between the National Forest Company and the Forestry Commission England, 2009 to 2012 (TNF 2B)

PURPOSE

This is the third three-year Concordat between the National Forest Company (NFC) and the Forestry Commission England (FCE). It sets out how the two organisations will work together to deliver the complementary objectives of the new *National Forest Delivery Plan, 2009–2014* and the *Strategy for England’s Trees, Woods and Forests Delivery Plan 2008–2012*. In common with both documents, there is a continuing focus on new woodland creation in The National Forest, but this is complemented by a joint approach to maximise the quality of, and benefits arising from, the growing woodlands in the area to benefit local people, businesses and visitors to the Forest.

The Forestry Commission England. The Forestry Commission in England is recognised and respected as an international leader in sustainable forestry. The reputation of the FCE has been built on expertise and the ability to achieve results that benefit people’s lives.

These benefits include the unique public forest estate. Here, millions of visitors enjoy a wide range of recreational activities. As well as timber forests, the FCE successfully manages native woodlands and other important habitats for wildlife and conservation such as heathlands and bogs. Building on this, the work of the FCE is also increasingly benefiting people through improvements to their environments—close to where

they live and where they work. In achieving all these benefits FCE works with many partners—as a facilitator, as an enabler, and, through the English Woodland Grant Scheme, as a funder and on the land which it owns. This is achieved through targeting resources to focus on areas of greatest opportunity and need, working in partnerships to create a framework for positive action and by the involvement of local businesses and communities.

The National Forest Company leads the creation of The National Forest, a new, wooded landscape for the nation across 200 square miles of central England. The National Forest Company was established by Government in April 1995. It is a non-departmental public body sponsored by the Department for Environment, Food and Rural Affairs (Defra). The National Forest Company:

- Attracts and uses resources for ambitious, sensitive and imaginative forest creation.
- Provides the setting for new businesses, recreation, tourism and an improved quality of life.
- Enhances wildlife and biodiversity.

The National Forest Company works through working partnerships with landowners, businesses, public, private and voluntary organisations and local communities to fulfil the shared vision for the Forest. It promotes the widest possible participation in and enjoyment of the Forest. As the Forest matures, the Company promotes at international, national and local levels the experience and knowledge emerging from this inspiring and ambitious project.

Since 1995, progress on the creation of The National Forest has been impressive. Tree cover has increased from 6% to over 18% involving the planting of over 7 million new trees on almost 5,500 hectares of land.

STRATEGIC CONTEXT

THE FORESTRY COMMISSION ENGLAND

The Delivery Plan for the England's Trees, Woods and Forests Strategy (ETWF) is intended to provide guidance and support for delivery at regional and local levels, including through the Regional Forestry Frameworks (RFF). It follows the five aims of the ETWF:

A Sustainable Resource: to provide and protect a sustainable resource of trees, woods and forests in places where they can contribute most to society, by providing the right scale of tree and woodland cover in the right locations; and to ensure management in the most appropriate way, to maximise their current and future value to our environment, economy and society.

Climate Change: to ensure that existing and newly planted trees, woods and forests are resilient to the impacts of climate change and also contribute to the way in which biodiversity and natural resources adjust to a changing climate.

Natural Environment: to protect and enhance the environmental resources of water, soil, air, biodiversity and landscapes (both woodland and non-woodland) and the cultural and amenity values of trees and woodland.

Quality of Life: to increase the contribution that trees, woods and forests make to the quality of life for those living in, working in or visiting England.

Business and Markets: to improve the competitiveness of woodland businesses and promote the development of new or improved markets for sustainable woodland products and ecosystem services where this will deliver identifiable public benefits, nationally or locally, including the reduction of carbon emissions.

THE NATIONAL FOREST COMPANY

The new Delivery Plan for The National Forest to 2014, was published on 30th March 2009. It has five complementary themes:

1. Keep creating The National Forest: a lower but still ambitious Forest creation target of 200—250 ha a year, with more linking up of existing woodlands.
2. Make the most of what we've created: a focus on quality in all aspects of the Forest, its sites and attractions, including management of existing woodlands.
3. Communities at the heart: doing more to ensure that local communities know, love and are involved in their part of the Forest.
4. Telling the story: communicating more to more people, about the big picture for The National Forest and about local sites.
5. A national showcase: The National Forest has a lot to tell others about its successes, as well as things it can learn from others.

Working with partners: this will be essential if the objectives of the new delivery plan are to be fulfilled. The next section of the Concordat outlines ten key ways in which the NFC and the FC will work jointly to further develop and promote The National Forest

KEY THEMES FOR THE CONCORDAT

By continuing to work together on issues of common interest, our two organisations will achieve more. This Concordat identifies a range of areas for co-operation and joint action, and sets the agenda for further key actions which each partner may take forward individually, furthering our shared objectives for the Forest area. This joint approach will be taken forward through an annual Action Plan.

KEEP CREATING THE NATIONAL FOREST

1. *Grants and Incentives.* We will continue to work together to promote woodland creation; through the Changing Landscapes Scheme and (where applicable) the English Woodland Grant Scheme.
2. *Land Acquisition.* There is an aspirational target for a 1,000ha Forestry Commission England estate in The National Forest. At present the area extends to just under 700ha. Joint acquisition will continue, commensurate with available budgets. The National Forest Company and the Forestry Commission England will facilitate the involvement of external funders and sponsors in this process to increase the resources available. The aspiration will be to add 30—50 ha of land annually to the Forestry Commission England landholding over the period of the Concordat.

MAKE THE MOST OF WHAT WE'VE CREATED

3. *Management of existing woodlands.* We will work together to promote best practice in all aspects of woodland creation and management (including the control of pests and diseases) over the full range of conditions found in the Forest area, including restoration sites. We will ensure that best practice is promoted amongst the wide range of National Forest landowners, through web-based information, leaflets, publications, workshops and demonstrations. In addition, we will promote the contribution that woodland creation makes to achieving local, regional and national sustainable development objectives. We will jointly develop local communities' understanding of, and engagement in, good woodland management to ensure local "ownership" of The National Forest long-term.

4. *Developing the woodland economy.* We will work together to support the development of a sustainable local woodland economy, based on wood products, wood energy and the contribution that woodlands make to leisure, tourism and diversified farm businesses. This will include the provision of training, advice and support for woodland owners and woodland businesses in the Forest.

5. *Sustainable tourism.* We will work together to exploit the visitor potential for jointly owned sites in the Forest and develop actions and programmes to minimise the negative aspects of tourism in terms of access to sites and activities on them.

6. *Access and recreation.* We will work together to maximise good quality public access and high quality, accessible sport and recreational opportunities in the Forest in order to improve the health and quality of life of local residents and to underpin the development of the tourism economy. This work will include site development, quality standards, signage and interpretation. We will develop business models to ensure that new facilities are sustainable.

COMMUNITIES AT THE HEART

7. *Environmental education.* We will work together to continue to develop environmental education and volunteering programmes, on jointly owned sites and through wider partnerships.

8. *Local communities and woodlands.* We will work to secure a sound legacy of a well-valued and well-understood Forest through deeper community engagement on jointly owned sites.

TELLING THE STORY

9. *Promoting our achievements and engaging new audiences.* We will work together to demonstrate the achievements of the Forest in environmental, social and economic terms. We will jointly host dissemination events as appropriate. Locally, we will ensure that local communities are aware of and involved in plans for the development and management of jointly owned sites.

A NATIONAL SHOWCASE

10. *Testbed for national research.* We will work together to test developing and current approaches to forestry, including; climate change adaptation, landscape connectivity, woodfuel and community involvement. This includes working with Forest Research on species adaptability.

MEANS OF DELIVERY

The National Forest Company will continue to focus most of the annual grant in aid allocation from Defra on Forest creation. The Forestry Commission England, subject to resource available, will support joint land acquisitions and site development.

In addition, the Forestry Commission England will promote the availability of woodland improvement and management grants in the Forest area, aimed at maximising the benefits of existing woodlands and, where eligible, those maturing woodlands created under the National Forest Tender Scheme.

In addition, we will work together to identify and pursue additional sources of funding to support joint land purchase, special projects and the overall development of the Forest. This will include local, regional, national, Government/European and private sector funds and the green infrastructure programmes associated with growth point proposals in the East and West Midlands.

MONITORING AND KEEPING IN TOUCH

The Concordat will cover three years from 2009 to 2012. The Chief Executive of the National Forest Company and Forestry Commission Director (England) will meet once a year to review progress, reporting to the Chairs who will meet periodically, as deemed necessary. Half yearly monitoring meetings will take place between the appropriate Forestry Commission England Regional Directors, the Forest Management Director and the National Forest Company Chief Officer Land and Project Development.

Lord Clark of Windermere
Forestry Commission England (Chair)

Dinah Nichols
National Forest Company (Chair)

October 2009

2009–10 ACTION PLAN—*We will work together to:*

1. Enable woodland creation in The National Forest, by promoting the Changing Landscapes Scheme and supporting systems to enable it to operate according to national standards and requirements and through the completion of a new joint land acquisition.
2. Implement the agreed partnership approach to encourage the management of existing woodlands in and around The National Forest through a consultancy project and, on FCE sites, to support the NFC in the completion of a “State of The Forest Review” as a basis for promoting best practice management in the future.
3. Implement the agreed partnership approach to encourage the installation of woodfuel heating systems and the development of woodfuel supply chains in and around The National Forest.
4. Introduce the Making Woods Work programme (subject to approval by emda), to support the development of the woodland economy, including networking, collaboration, access to regional business advice and grants and the development of The National Forest Wood Fair and related trade events to promote woodland management and product development and to seek engagement from AWM to promote the woodland economy in the West Midlands area of the Forest.
5. Continue the planting of the new Hartshorne community woodland, ensuring areas are retained (if appropriate) for future business sponsors and for Tree 4 All, to enable 20 planting days in winter 2009–10.
6. Commence the development of the off-road cycling centre and associated facilities, at the Hicks Lodge Country Park, including detailed design planning permission and engagement with the local community. Expertise will be brought in to make this a national example of “easy entry”, high quality cycling for families.
7. Continue to provide a fuel supply for the woodfuel heating system at Rosliston Forestry Centre and to help promote the system to visiting groups and work in partnership with the NFC and SDDC to further develop Rosliston as a “centre of excellence” for community forestry, including the construction the new workshops.
8. Identify opportunities on FCE and NFC sites to development local community engagement and management programmes.
9. Identify and develop opportunities for the provision of Green Infrastructure associated with growth point development in and around Burton upon Trent, Swadlincote and Coalville.
10. Develop practical means to extend woodland/country park management in the Heart of the Forest, including collaboration with other landowners, training and skills development.

August 2009

Witness: Mr Paul Hill-Tout, Director England, Forestry Commission,

Q121 Chairman: Could I welcome Mr Paul Hill-Tout who is the Director of the Forestry Commission for England. I am glad you were able to be here for the earlier session so at least you know what the Minister has said and you have some idea of the areas of interest that we are involved in. Could I ask you at the outset, you are a body with a long and honourable history of work in the field of

forestry in this country and you have to fight very hard for the resources that you have to do the excellent work that you do, but do you see in any way The National Forest as a rival or strictly as a partner and a friend?

Mr Hill-Tout: Very much, I would stress, as a partner and a friend, a very novel development prompted and led initially by the Countryside

27 January 2010 Mr Paul Hill-Tout

Commission where, in all honesty, our focus was elsewhere at that time in terms of bringing the value of woodlands closer to where people live and we have evolved a very close working relationship which is one of building upon their strengths—the networks that they have created with local people—so that we can add value to them in terms of the various skill sets that we have and the range of delivery mechanisms that we have available.

Q122 Chairman: You have a memorandum of understanding which defines the relationship between the Forest and yourselves. Can you just give us an insight as to what that actually covers?

Mr Hill-Tout: That looks at the whole range of our interactions in terms of supporting each other in achieving The National Forest strategy which we work through in terms of the different kinds of roles that we play. We provide support and guidance in terms of taking forward the England's Trees, Woods and Forests strategy; the regional forestry frameworks for East Midlands and West Midlands in terms of how The National Forest can play its part there; what role we should be playing in terms of our grant-giving functions, our regulatory functions and, increasingly, the role that we have been playing through the Forestry Commission Public Forest Estate in helping to deal with some of the more complex issues of landholding and provide a critical mass of landholdings to support them in their wider work.

Q123 Chairman: Could you clarify one thing. You are obviously involved in management issues of the Forest and you do do certain work in the Forest. Do you receive an income from the Company in respect of that work? Are they, if you like, a customer of yours?

Mr Hill-Tout: I can say we do not receive any income from the National Forest Company, no.

Q124 Chairman: I was talking about the Forestry Commission, not you personally.

Mr Hill-Tout: Indeed. We are clear with the National Forest Company what their roles are and what our roles are and under the concordat over the years with their evolving grant scheme we have committed certain elements of the grant schemes that we are responsible for to invest alongside them. We have also committed to make funds available where we can for acquisitions, running costs on the Estate and our staff time. All of that comes as free, gratis, you might say, as part of our partnership. That is what we bring to the table in areas in discussion with them where we feel we can add value.

Q125 Chairman: In terms of appraising what has happened over the last 15 years, as the sort of big brother in terms of forestry, do you think that the project has been successful, particularly from the forestry standpoint. If so, why?

Mr Hill-Tout: I think it has been extraordinarily successful. Looking first of all at one very basic statistic, the total area that The National Forest occupies is a fraction of less than 1% of the land of

this country, yet it represents 10% of all woodland creation taking place in England over that time. It has taken place in a manner which has had full public support and co-operation from all the public agencies as I think you have seen and local people. Historically—and we have experience of this—it is very difficult to manage that scale, intensity and speed of land use change and maintain public support. They have subsequently adapted to the growing strategy priorities over the last 15 years so, for example, they have been a very, very active partner in the development of the England's Trees, Woods and Forest strategy over the last few years and the specific areas where they are going to provide leadership in for the coming years.

Q126 Chairman: Let me ask about differences. You have alluded to the fact about how important the area is in terms of forestry creation. In terms of the way that forest is created within The National Forest, what are the things that differ in the way that they do it from other areas of afforestation?

Mr Hill-Tout: I would say the single most important role that the Forest brings to bear is a dedicated team that is working long-term with local communities, local landowners, local businesses and local authorities where they understand and translate national policy priorities into terms that work for that locality and get local buy-in. They are not unique in that respect. We have similar examples with the Community Forest Programme that was launched roughly at the same time, also initially led by the Countryside Commission. I would say the National Forest is the single largest example and best example of that kind of approach. As we look into the future, I can see no way in which major woodland creation or integrated land management strategies could be taken forward in a concentrated manner without that sort of dedicated local team.

Q127 Chairman: You would be a strong advocate of having, if you like, a forest company because obviously, as you will have gathered from our previous line of questioning, we asked if you need the company, could you not do it by co-operation, and in a way you have hinted that there are other models of co-operation in terms of the Community Forest Project which parallels some of the achievements, but the sense I got was that you thought the NFC, because of their focus, was the best of the models.

Mr Hill-Tout: I think what is important is that there is a dedicated, long-term team there. I have an open mind as to the exact institutional arrangements and, for example, the Community Forests have quite a variety of different models that have evolved over time in their relationship with local authorities, their relationship with ourselves, regional development agencies, but a team on the ground with a long-term perspective connected locally is vital.

Q128 Chairman: Do you use it all as an exemplar of good practice when you are trying to move forward the Forest's agenda in other parts of the country? Obviously there is so much that comes out, but I

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suppose the biggest difference is also the add-on of the economic regeneration side rather than the strictly forestry gains. Do you use it as a beacon of good practice?

Mr Hill-Tout: We have a number of examples where research is taking place there. We have a Forestry Research Agency so we have links there. Across the various themes of the England's Trees, Woods and Forests strategy The National Forest is playing a role in hosting events, sharing experience with others and the Company has shown itself to be very, very open in sharing experiences, providing platforms for others and disseminating new techniques and practices.

Q129 Chairman: Could we find somewhere else examples of what the Forest had done and, through the processes you have described, those ideas being adopted outwith of the Forest?

Mr Hill-Tout: Yes, absolutely.

Q130 Chairman: Are there any examples you might be able to give us?

Mr Hill-Tout: Some of the work in terms of community engagement and community participation has been particularly important, I think, and also some of the work in terms of the more complex regeneration issues too. I would cite those as examples of where they have been on the leading edge.

Q131 Chairman: Is there anything being done which is what I might call novel, almost from the test-bed standpoint—perhaps even something you are doing within the Forest—which would have wider application?

Mr Hill-Tout: I think probably you have picked up evidence here of some of the work with local industry and bringing in private finance. We do a lot of this on the Forestry Commission Estate in terms of bringing in private finance, but certainly what we are striving to do all the time is find market-based mechanisms for delivering public goods in the long term. We believe that that is the right kind of sustainable course. There is a role for public finance, but if we can find ways to bring market funds, that is very helpful. I think there are some good examples; we have seen examples of sponsorship from Jaguar and other areas where the Company has brought that in. I think that is good experience which will bode well for some of the challenges we have ahead in terms of tackling some of the issues to which, I think, in the discussion with the Minister earlier on you were alluding in terms of the challenges of woodlands across England and the challenges in a difficult public expenditure environment.

Q132 Chairman: Does the model have wider application? Obviously our inquiry is focused on England, but is there the possibility of doing this kind of thing in Wales or Scotland with such focus as the NFC have got within the East Midlands?

Mr Hill-Tout: Today my scope only lies within England, but in a former life we have equivalent models, the Central Scotland Countryside Trust for

example, working to tackle regeneration between Edinburgh and Glasgow, which has a number of similar characteristics and we have some not dissimilar work with partners in the Valleys in South Wales.

Q133 David Lepper: You heard the discussion earlier initiated by Roger Williams about the role of our woods and forests and carbon reduction. From the Forestry Commission's point of view, which environmental priority do you think should be the top priority, carbon reduction or biodiversity improvement?

Mr Hill-Tout: Neither; they are the same. I will expand on that. We have done single objective forestry in our first 60 years. For the last 20 years we have been working through what sustainable forest management means and how to work through the reconciliation of economic, social and environmental objectives which are expressed through the UK Forestry Standard and a whole suite of environmental and social guidelines for forestry that we have built up over the last 20 years. For example, as we look at the work we are doing now with the Low Carbon Transition Plan, we are very clear that there is no conflict and there is no need for great prioritisation here. In taking those principles forward we can find ways in which woodlands—both existing woodlands and new woodlands—can make a really positive contribution to climate change mitigation, adaptation and carbon and, at the same time, sustain and enhance our environment.

Q134 David Lepper: One of the issues that Roger Williams also touched on was the standard of management of our woods and forests nationally. From what you have just said—and I welcome what you have just said—it does suggest widespread good management which perhaps may not be the case. What is the role of the Forestry Commission in working with The National Forest and others in trying to improve standards?

Mr Hill-Tout: If we look at what standards mean and the extent to which, for example, the UK Forest Standard is satisfied, first of all we can say the woodlands of England are very well protected. With the regulatory framework we have here there is a negligible amount of illegal felling taking place and what we have is followed up very, very rigorously. I have no fears on that front. The challenge has been not to stop people doing bad things but to get more people doing good things. We have been very successful with the larger forest areas and the coniferous woodlands over the last century and I think they are in very, very good heart. In terms of the smaller, more fragmented, broadleaf woodlands, the mechanisms that we have used up to now in terms of the Public Forest Estate and the range of grants have not been totally successful in tackling some of those challenges. We have to see those, like with The National Forest, in an integrated landscape scale approach. Grants and associated bureaucracy by themselves are not going to motivate landowners, so our focus is coming very strongly

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onto the woodfuel agenda because it is a means of bringing income very tangibly into the hands of owners and it can also work at a great variety of scales; it can work simply in a one-hectare little copse for a farmer to power all their fuel requirements, or at a large forest scale. It works with the grain of the woodlands and the landscapes of this country which, again, The National Forest now typifies. We see that as a really exciting opportunity to bring income to landowners in a flexible, adaptable way, motivate them to manage those woodlands more actively and, at the same time, contribute to national objectives.

Q135 David Lepper: I am glad you went on to the woodfuel issue. Just concentrating on that specifically, does the Forestry Commission actually provide support to The National Forest and/or elsewhere in the country to help develop that both local and national strand of woodfuel policy?

Mr Hill-Tout: We conceived and are leading the development of England's woodfuel strategy and for that we have identified the potential to generate two million tons of extra wood from our existing woodlands per annum by 2020. In order to do that we would need to double the area of private woodlands that are being actively managed, many of which have progressively gone out of management since the industrial revolution when the products they used to produce were no longer required. In terms of the support we are putting in place, we have been putting together a package with the regional development agencies around Axis 1 and Axis 3 of the Rural Development Programme, working very closely with them to build our partnerships and support systems in each of the regions and we have started doing work with the East Midlands region as well. It is quite a long haul because there are quite a lot of woodlands that we have not been engaged with in an active way for a long time and we are starting it again.

Chairman: We will have to adjourn our proceedings now for the division and when we come back I would just be interested as to how wide an area you can contemplate this smaller scale use of woodfuel because obviously there is the carbon footprint of transporting it; in the context of the Forest you can see the intermingling of the forest areas with habitable areas and therefore there is proximity but over longer distances there is a haulage element. We will come back to that, if we may. The Committee stands adjourned for the division.

The Committee suspended from 4.15pm to 4.35 for a Division in the House

Q136 Chairman: I had been asking a question about the carbon footprint of the use of woodfuel in the various ways that it manifests, because obviously within the context of the Forest one can see that a localised source makes sense but if one is looking at it from a more general point of view, there could be some difficulties, so would you like to pick up the thread from there?

Mr Hill-Tout: We see the focus in terms of the role of wood in renewable energy very much around the issue of local heat. Our vision is that the wood fired

central heating system you have, and the warmth you are experiencing can be enjoyed while looking out at the woodland that has provided it; that same woodland where you might walk with your dog at the weekend is providing you heat and warmth. Local supply chains, local contractors and local markets are working with the grain of your local woodlands.

Q137 Chairman: We had quite an interesting exchange when we went to the Forest on this. One of our witnesses, Mr Neilson, said (I will quote from the evidence): "Supply is a tricky one because if you get some big users they will take most of the supply that is there and will leave the smaller users finding it difficult sourcing enough timber. I think some work needs to be done on how much wood chip could be produced from the woodlands; it very quickly runs out and does not grow again for another 25 years. That is quite a long time to wait for a delivery really. I think it is something one has to be wary of. There is no doubt that any woodland there is will go on producing for its lifetime."

Mr Hill-Tout: That is a very, very fair point. Most of the forest industry in this country for the last 50 years has been built up around larger forest areas, particularly coniferous forest areas, geared to large pulp and paper, pallet board mills and saw mills with long distance haulage and large scale mechanised operations. That has worked well for the forests created in the middle part of the last century; it does not work well for the great majority of the woodlands of England which are, on the whole, small scale broadleaf woodlands. The drive that we are now pursuing is about establishing a business and delivery model that works with the grain of those small woodlands, broadleaf woodlands whose yields and scale are smaller and where the economics, machinery, systems and access are different at that point. Likewise in terms of the work we do on the Public Forest Estate, we are making more timber available in smaller quantities to foster local, smaller scale players that can work in with the woodfuel markets.

Q138 Chairman: Does that type of enterprise lend itself to a sort of embryo wood pellet system because in places like Austria it has become almost pan-European in the business that it does? I just wondered if there was any merit in gathering together the available resource, turning it into pellet which is highly portable which gets around some of the distribution problems.

Mr Hill-Tout: Wood pellets tends to be viable if one looks across the continent and work that is going in Scotland in association with a saw mill where the residues of the saw mill can be utilised in a large scale operation. There are a number of examples around the country now where saw mills are investing in pellet plants, but without that saw mill the economics of setting up a pellet plant are really not cost effective.

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Q139 Mr Williams: It is quite a long time since I have looked at the Forestry Commission stuff, but can you just tell us how does the Forestry Commission relate to Forest Enterprise?

Mr Hill-Tout: Forest Enterprise is part of the Forestry Commission. In England we have an agency called Forest Enterprise that manages the Forestry Commission Public Forest Estate and it is staffed by Forestry Commission staff. It is basically just an internal administrative arrangement which is governed by a Next Step's agency framework document.

Q140 Mr Williams: Can you tell us about the partnerships that the National Forest Company has for delivering its economic objectives?

Mr Hill-Tout: I do not know them in detail but I would say, on a broader front, is that the way we see the economic objectives building up the woodland resource, the timber producing capability, its work on promoting The National Forest as a destination and really good work in term of a focal point for tourism which would have been inconceivable 15 years ago, that people want to visit this area in significant numbers based around the Conkers Centre and centres we have at Rosliston and elsewhere. So you have the timber work and the tourism work and also, I think, the other side of the coin is regeneration work that has been transforming the landscape, so from areas that looked quite blighted, quite run down, they have been transformed. I think there is good evidence that we have seen in The National Forest and elsewhere where that this simply improves values and, is attractive to inward investment, providing places where people want to live. I think we have all seen examples of significant new housing taking place in the area and areas have been identified as growth zones. I think it would be inconceivable to have imagined that to have taken place 15, 20, 30 years ago in some of the areas of The National Forest.

Q141 Mr Williams: In amongst those partnerships what role does the Forestry Commission play?

Mr Hill-Tout: If you look at the tourism aspect, some of the largest landholdings now in The National Forest are owned and managed by the Forestry Commission. We have built up a portfolio of just under 800 hectares, so we are engaged with some of the biggest centres. Beyond that we are also working very closely with the Company in terms of building up a more integrated recreation corridor, so longer distance routes be they for walking, cycling, horse-riding, et cetera, so that as part of an integrated landscape approach to recreation and tourism we are all collaborating with each other to make that come to pass.

Q142 Mr Williams: As the Forestry Commission, you are building up partnerships with the local authorities; are they successful?

Mr Hill-Tout: Yes. I would stress in The National Forest we work through and with the National Forest Company. Their key value-added is that they are on the ground all the time with a significant

skilled team and so they have a lot of the local intelligence and networks. We work through them rather than setting up our separate links. Elsewhere in the country we have very well developed partnerships with a whole range of recreation providers, tourism providers and particularly regional development agencies who have placed a great deal of store on the role of woodlands in tourism.

Q143 Mr Williams: Would you like to take over that National Forest Company?

Mr Hill-Tout: It occurs to me many times, but we are very, very content with the existing arrangements. We have very similar relationships with the Community Forests and we believe it works very well whereby they provide the platform and the networks and we can come in with our distinctive skills and delivery mechanisms and add value to that alongside them. The bottom line is that the arrangements work at the moment and change has to be justified; I do not see the need for any change.

Q144 Mr Williams: Do you think the National Forest Company have adopted the right approach in allocating resources such as grants in order to provide maximum regeneration benefits to get real value out of public money?

Mr Hill-Tout: Picking up from the Minister's evidence earlier on, we all recognise that the rates of grants available for The National Forest are higher than available elsewhere but we are certainly satisfied, when justifying it elsewhere, that we are dealing with some particularly complex and intractable areas and if I look at regeneration issues we have really good benchmarks elsewhere, for example with our work with the Newlands Project in the Northwest, our work in East London as well in the Thames Chase Community Forest. We are dealing with these sorts of sites and it is comparable sums of money that are getting involved so it is important to compare like with like; much more expensive, you might say, than the average grant scheme in England but comparable for areas of similar complexity. Also I think the team is being able to add value to that so the proportion, for example, of woodland owners who have a long-term commitment to public access, for example, is much greater than we have elsewhere. That is not just because of money, it is because of the effort that the company puts in to building up a sense of confidence and trust with the landowners that public access is something they can live with and will not harm their wider interests.

Q145 David Lepper: You talked about recreational tourism in answering Roger William's questions just now and you also mentioned the issue of working with landowners to perhaps allay some of their fears of greater access to the countryside. I spoke earlier when the Minister was here about what we heard of the work in The National Forest to attract people into the Forest itself who might not otherwise come to a wood or a forest or any open space. Do you feel

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there is more that the Forestry Commission could do to work with The National Forest to encourage that work?

Mr Hill-Tout: I think a good start has been made both by The National Forest and in the relationship we have, but I think that can go further. As we see it, one of the big objectives is to realise the full social objectives of the Forest as it matures. Right at the heart of that is building the connections with people who live in the area to the next stage, drawing others in and ensuring that the woodlands are benefiting a full cross-section. For example, as part of our wider performance measures—and we are doing work with The National Forest on this—we have identified a suite of places around the country where we are doing really in-depth studies looking at the catchment area for that woodland, the diversity of ethnic groups, for example, and disability group, then establishing to what extent the people who are coming to the woodland are representative of the local community, and if they are not coming why are they not coming? I feel that the Forest Company and ourselves can take that to another level. If you look at the catchment area of the Forest there are many disadvantaged groups and a great variety of other ethnic minorities, and more progress can be made by both of us in ensuring that that catchment population fully benefits from the public expenditure that has been invested here.

Q146 David Lepper: Can you tell us where those five areas are?

Mr Hill-Tout: I can send you a note on those. It is being taken forward by our Forest Research Agency to make sure the whole methodology is sound.

Q147 David Lepper: When do you expect that work to be completed?

Mr Hill-Tout: It is an on-going process. What we are establishing at the moment is the baseline of where we are and how that relates to the catchment areas, and then that challenges us to address the gaps—because there are gaps—and we are not just here to cater for the As and the Bs; we are looking to cater for the whole cross-section of our community.

Q148 David Lepper: There is no particular timescale?

Mr Hill-Tout: No; it is a baseline work at the moment and then we can show the progress we are making in the coming years in closing that gap.

Q149 David Lepper: Could I return to what you mentioned in reply to Roger Williams just now about allaying the fears of landowners. When the Countryside Access legislation was going through Parliament I think a very real worry was about balancing the conservation aspects of that legislation and conservation more generally with wider access and with 10 million people living very close to The National Forest you feel that there that balance has been struck.

Mr Hill-Tout: I believe so. Both in terms of work in the Company and our own work on the Public Forest Estate I think we have built up sufficient

experience to recognise really sensitive habitats, recognise how one can channel and zone the more intensive public use so that these two areas do not come into conflict. I think, reflecting back, a lot of these woodlands were arable land or were brownfield land, so I do not think we should load them with saying that these were incredibly endangered habitats. They are incredibly resilient with good guidance and good practice and I think that is what the Company is providing

Q150 Chairman: One of the issues that we raised earlier with the Minister was this question of land availability and the juxtaposition between land for forestry and land for agriculture. I think the Minister gave a clear view that if there were problems in the Forest they were not just typical to the Forest. I think there was a bit of concern that the rate of re-forestation had slowed down and there was a dialogue about persuading private landowners to come to the party because from their point of point it represents a long term and almost irreversible commitment to using a piece of land for afforestation. Would you like to give us what I might call a critical but expert appraisal as to how you see the situation within the Forest in terms of availability of sites, the attitude of private landowners making their land available and the question of the rate of progress? I picked out the table from the annual report and, whilst again we received a perfectly rational explanation as to why the Forest at the moment had slowed down, you do need some critical mass if you are going to achieve a significant increase year on year of the afforested area.

Mr Hill-Tout: As the Minister alluded to, clearly we are all subject to macro-cycles in relation to agriculture and the demand for land. I know that prices for land in The National Forest area have increased dramatically and obviously landowners look at that very acutely in terms of the various alternative uses they have. I think in any long term initiative of this kind there are only so many years you can actually work with the landowners. You have the low hanging fruit, the slightly higher fruit and then you are really struggling. I think one has to stand back and say that unless one comes up with a radically new proposition that attracts landowners that were not attracted first time round, there is a law of diminishing returns. The company, Ministers and the strategies are being very pragmatic in recognising that. There is a slowing of the trajectory; it is still making progress but it is also very responsibly recognising there is a fabulous new resource that is coming on stream. This presents new challenges and I think one of the leadership roles of the Company is actually to make sure that once one has created a woodland that is not the end of it; to realise the full benefits you have to invest in those woodlands and create the connections. I feel it is right for them to be shifting the emphasis more to that; we are doing the same thing nationally. Coming back to the issue of under-managed woodlands, I was saying to ministers some years ago that I could not justify the

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amount of public money going into the creation of woodlands when people were challenging us as to whether the existing woodlands were in good health and shifting the emphasis. I would say is that for the Company and ourselves nationally I talk about a next leap forward; I do not believe that leap forward is going to be achieved just through more grant or higher levels of grant. We are already talking a 100% and more than a 100%. I think we have to work together to find new opening. The area that we are looking at is in the Low Carbon Transition Plan published back in July. It is about developing an operational model for our carbon markets which we believe could attract a whole new strand of interest in terms of not only an income stream for people just looking at the bottom line but for those individuals and businesses who are interested in their corporate reputation and corporate social responsibilities et cetera, and if they have a scheme which has real integrity, backing by government and has international credentials and wish to be associated with it.

Q151 Chairman: Am I not right that, for example, in the context of the Kyoto agreement within national boundaries you cannot count against your international obligations carbon sequestration which you do yourself, which always seems to me to be bit sort of cockeyed because any increase in carbon sequestration on a global basis seems to me to be better than none at all, and whilst I understand the point you make that from the corporate standpoint this block of forest is sponsored by X and retaining Y tons of CO₂ is a good thing, we are living in a new world now, Copenhagen *et al.* Do you think there is a need for government to re-examine the international accounting for carbon to allow a more flexible approach which builds on what you have just enunciated?

Mr Hill-Tout: Absolutely. There is a dialogue in government at the moment and there is a dialogue internationally—as we have seen at Copenhagen—of people really reflecting on the existing accounting arrangements for carbon: are they helpful, are they supportive? From a domestic point of view we will no doubt take some time to resolve all of those matters. What we are focusing on is making sure that as and when that is resolved we have a credible, respected approach. That is why the Forestry Commission GB-wide has been developing a code of practice for forest carbon projects so that any of the baggage of slightly dodgy, if I may say so, schemes that may have taken place around the world can be cleared away and that there is very transparent, very credible, very respected ways of doing it that is consistent with our regulatory framework and that those are then ready to roll as and when government is able to be confident about the wider international agreements because one of the great things of climate change and forestry is that it is very long term. We have to make investments in new models that are going to serve us in the decades and generations to come.

Q152 Mr Drew: I do not know how much this relates to The National Forest because I did not go last week, but I have been there in the past and there were things that worried me about forestry. You will remember in the 1980s we have various schemes which involved enticing entrepreneurs, pop stars, footballers and so on to buy up forestry, has that all worked its way through?

Mr Hill-Tout: Absolutely.

Q153 Mr Drew: So that has all gone, but we still have these scam operators out there. I have had this in other respects with pockets of land that have been bought up, split up, sold off to very gullible people who think they are going to get development on that land. Is it a worry that there are people who are not all doing it for altruistic reasons; it is useful thing to own a bit of forestry.

Mr Hill-Tout: I would be glad to pick up on both of those and certainly the latter one could be relevant to The National Forest and the way it develops. First of all, just to clarify things, there is a kind of formative period in my career back in the 1980s, all the activities you are referring to in the 1980s in terms of the tax arrangements, et cetera, they came to an end in 1988 with the tax changes which took woodlands out of the tax system, as alluded to earlier on. The big difference since then is that in addition to our regulatory responsibilities, we have worked through the full implications of Rio in 1992 and what sustainable forest management means. We have now a whole suite of guidelines in the UK Forestry Standard so that can never happen again. If anybody is not compliant with the UK Forest Standard they will not get any grants and they will not be allowed to fell trees. That is the first thing. In terms of your reference to Woodlands for Sale, I know people have a variety of views around there. Another way of looking at is that Woodlands for Sale and the majority of people involved in selling woodlands now are tapping into a level of interest that people have in woodlands. It is a lifestyle choice and people are saying, “Well, actually I would like to own a woodland rather than buying a yacht”. We could look upon this as being a really negative trend and it can lead to fragmentation. But if we look at it in another way we have new money and new people coming into woodlands showing interest and passion for their woodlands, many of them very active. It is a strong trend in Kent at the moment and it is conceivable that it could become strong in The National Forest if we look to the decades ahead. What we would like to do instead is to work with them to try to get forest plans for the whole forest area and get the various lots all buying into that big package so things like deer management, for example, could be done in a coherent way—it would not be possible with little one acre plots in amongst the woodlands—and that there is an integrated forest plan and if you look on their website, for example, you will see a whole series of references. If anybody wishes to buy a wood, here are the sources of expertise and advice and they do actively encourage people to contact the Forestry Commission, contact the Small Woodlands Owners

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Association, et cetera, to learn what they need to know about owning and managing a woodland responsibly.

Chairman: We are coming towards the end of our formal questions but I just wanted to put one person in the room on notice that if they had time we have one further question, Sophie, to put to you, if you do not mind, at the end, about 10 minutes. We had some response to the public evidence session and there is an issue which I would like to put to you on the record if you are able to answer about matters connected with equestrian activity in the Forest. You may want to reflect on what we have heard, but I would for the sake of the fact that we have had a submission on it at least like on the record to put it to you. So that is a forthcoming attraction which I hope is convenient to you, Sophie.

Q154 Mr Williams: In promoting the expansion of wooded areas, how much does the Forestry Commission do in terms of actually buying land and how much in terms of encouraging other land owners to plant?

Mr Hill-Tout: Over the last decade we have acquired some 3,500 hectares of land and created new woodlands. That is in comparison with an estate of a quarter of a million hectares in England. That work has been concentrated on brownfield land and urban community woodlands where we feel the Public Forest Estate can add real value. In the similar period of time we are looking at about 10 times that, probably around about 30,000 or 35,000 hectares of woodland in total that have been created over the last decade. So I suppose the Public Estate has been contributing about 10% to woodland creation in this country over the last decade, which is actually about the same amount as The National Forest.

Q155 Mr Williams: The Forestry Commission have been selling land off as well and there has been criticism of the Forestry Commission from private forest owners and woodland owners that it has all got a bit out of hand and now it is all this biodiversity and access stuff and landscape quality and actually the hard business of producing timber which is important to this country has been left behind altogether. How do you answer that?

Mr Hill-Tout: I think one has to take a long term perspective on this. You could say in terms of the issues that we were alluding to earlier on in the 1980s that we had a singular focus on timber production. What we have been doing is getting a long term sustainable perspective on this which is ensuring that the creation and management of woodlands support and enhance other objectives and trying to take landowners with us on that journey. I am very alive to the kind of comments you have just been making, but what I would say is that as we look over the years the grant schemes have been taken up and landowners are working with us in terms of legal felling. We have been working through a recent Hampton review of our regulatory arrangements and there seems to be broad support for the approach we are taking. As I alluded to earlier on

terms of developing new markets, we give as much attention to the development of new market opportunities—new income generating opportunities—as we do to ensure responsible, environmental and social standards. I hope in the next few years, now that we have got those environmental and social standards sound, that through things like woodfuel, maybe carbon markets, et cetera, we can bring forward new sources of income which reassure landowners who might have felt that we have lost the plot.

Q156 Mr Williams: One of the criticisms that is made in Wales is that you are trying to move to this continuous felling thing rather than clear felling, and that you will never ever produce enough timber by doing this.

Mr Hill-Tout: We are now fully engaged with devolution arrangements and we have some interesting developments in England, Scotland and Wales that are different. I am very conscious that continuous cover movement is very, very strong in terms of the objectives of the administration in Wales. That is not so strong in England. It does take place but it does not have quite the same strategic emphasis and you will not see it mentioned with quite such prominence in the England Trees, Woods and Forest strategy.

Q157 Mr Williams: Before the Chairman rules me completely out of order for going completely away from what we should be talking about, could I just finish by asking how are the decisions made between the National Forest Company and the Forestry Commission about which land acquired by the Company is going to be transferred to the Forestry Commission and who then assesses on an on-going basis how its management is meeting The National Forest objectives?

Mr Hill-Tout: First of all almost everything starts with National Forest Company here who have tremendous intelligence in terms of opportunities to acquire land in the first place. We often have a discussion about whether land should go into the National Forest Company's holding or go straight through to us. We have always said that in the context of the wider remit of the Company if they want to pass landholdings on to us then we are prepared to take that forward as long as we have the appropriate resources to do so. I am not aware at the moment of any kind of pressing issues there, but we are ready and willing, if it is appropriate, to take on elements of the National Forest Company's holding and to incorporate them with the Estate that we have built up. These would however, still be managed in accordance with the wider strategy in The National Forest which the Company leads.

Chairman: Thank you very much indeed; I think that has been a very useful juxtaposition in terms of, if you like, big brother might create the wrong impression but in terms of forestry you are the big organisation compared with The National Forest, but I am very grateful to you for putting an important perspective onto the work they are doing and I think importantly from our standpoint

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explaining the relationship that you have with The National Forest which I think, from what you are saying, is a very healthy one but which is also forward looking in terms of the challenges and strategies which will have to be adopted in the future, particularly in the context of carbon sequestration to carry on making progress. Thank you very much indeed for giving evidence.

Supplementary memorandum submitted by the Forestry Commission (TNF 02A)

ADDITIONAL EVIDENCE REQUESTED BY THE ENVIRONMENT, FOOD & RURAL AFFAIRS COMMITTEE ON 27 JANUARY 2010 FROM PAUL HILL-TOUT, FORESTRY COMMISSION ENGLAND

As one of its Comprehensive Spending Review targets for 2008–11, Forestry Commission England has undertaken to:

Develop a methodology, set a target, then measure an increase in:

- visits to and engagement with local woodland;
- quality of experience;
- personal and social benefit;

for a series of selected sites, as an indicator of woodlands' contribution to Quality of Life.

The work is being undertaken in partnership with Forest Research, the Forestry Commission's research agency.

The three sites selected for this performance measure are:

- Ingrebourne Hill Community Woodland, part of Thames Chase Community Forest in the London Borough of Havering.
- Birches Valley Forest Centre, part of Cannock Chase in Staffordshire.
- Bentley Community Woodland, part of the South Yorkshire Community Forest in Doncaster Metropolitan Borough.

A "local catchment" of potential site users for each location was defined, mapped and profiled using the Woodland Trust's "Woodland Access Standard" for locally accessible woodland and available social data.

During the first year (2008–09) baseline data was collected through on-site interviews at each location to build up a visit, visitor, quality of experience and benefits profile of site users.

In parallel, off-site surveys were commissioned within the local catchment to establish a picture of woodland visits among local communities and establish what might be preventing some people from visiting and enjoying their local woodlands.

First year research showed that the established woodland at Birches Valley was visited by a substantially higher proportion of its local catchment population than the newer community woodlands at Ingrebourne and Bentley. In contrast, a greater proportion of visitors to Ingrebourne and Bentley were actively engaged with those sites. Quality of experience at all three sites was fairly high and a consistently high proportion of local people at all three locations felt that both they personally and their community benefited from the woodlands in terms of health, well-being and quality of life.

Early results suggest non-use of local woodlands may be associated with low incomes, disability and ethnicity, with gender and age being less influential. Lifestyle choices are also significant, with a substantial proportion of respondents suggesting that visiting local woodlands was less important than many other activities. An interim report of the first year research could be made available.

Analysis of second year survey data is being carried out now and a full report of the study will be published in March 2011. We are currently considering the most useful way in which the findings might be converted into an indicator of "social condition" that would allow us to monitor and evaluate the increasing social value of new community woodlands to local people. A full report for the three year's of research will be available April 2011.

The results of this work will enable us: to better characterise and quantify the individual and social benefits of community woodlands; to identify appropriate measures to enhance the quality of experience and range of benefits they deliver to local communities; and to target our efforts to share those benefits more broadly in society.

27 January 2010

Witness: Ms Sophie Churchill, Chief Executive, National Forest Company, gave evidence.

Q158 Chairman: I would now like to recall an earlier witness to the stand. I am sorry to bounce Sophie Churchill, the Chief Executive of The National Forest, in inviting her to come back. I am sorry that we did not give you prior notice to this, but my attention, Sophie, has been drawn to the evidence of which you now have a copy. I would not expect you to have read every detail but, as you can see, a lady called Vicky Allen has produced a fairly lengthy paper in which she puts on record on behalf of the British Horse Society, the Federation of East Midlands Bridleway Associations and obviously herself an agenda for the horse and its use in the Forest. In the early part of the note she principally says, “I had hoped that as a result of the Forest there would be an increase in connected off-road riding routes”, implying that perhaps the Forest had not delivered to equine users their hopes and expectations. She then goes on to define more clearly the requirements for safe use of the Forest by riders and questions what is currently available and provides a series of conclusions as to the types of facility which she would consider important, particularly in terms of bridleways, their routing, sign posting, information to the riders, questions of payment for access and so on and so forth, and then contrasts the wish-list with what is available now. I think what she is saying is that she had hoped for more; she would like some indication as to what are the forthcoming attractions. I wondered if you were able to say a few words about this and, if necessary, respond in a little bit more detail in writing.

Ms Churchill: Thank you for the opportunity. First of all, I should say that Vicky Allen is a member of our access and recreation working group; she regularly comes and her views are very much welcomed and taken into account alongside those of other users of the Forest. As you can imagine, as is reflected on the ground, there are very lively discussions about different users. The first point I think we would make is that what we are trying to do is to provide an equitable and balanced facility across 200 square miles for users who have different needs. I am very prepared to put on record the fact that horses and horse riders are not suitable for all our routes. We have talked about minority interests; we have talked about young people, people who are less able and it simply would not be appropriate for horses to be able to use all the routes in the Forest, nor, however, would it be appropriate for mountain bikers to use all the routes and so on. It is a juggling act which we are trying to pursue all the time. I am very glad that Vicky Allen has acknowledged the increase in provision which she does within her paper. She also very clearly states—and quite understandably—that it is off-road and connected routes that horse riders really want and, as we have said this afternoon, we are moving towards a more connected forest and there will be more off-road facilities, and if we have our long distance trail there will be loops off that which will be for particular users. I am very clear that we are not trying to produce a 200 square mile dog walkers’

paradise; that would not be success in terms of recreation access for the Forest. However, I think she should be reassured that the more we connect up the Forest, the more we have loops off a long distance trail, the more opportunities there will be. I should also put on record the fact that under our Changing Landscapes Scheme and the public benefit that is provided through that 100% funding that we have talked about this afternoon, we are not permitted, therefore, to assume that business benefit can come from 100% publicly funded project.

Q159 Chairman: The case that is made out here is that there is considerable interest from the horse riding community in “exploiting”—in inverted commas—the resource that is the Forest and one of the things you made very clear to us, for example when you were talking about mountain biking, was that there were people now springing up with businesses to deliver bicycles to riders with all that goes with it. Is there a possibility that the same thing could happen in terms of equestrian facilities?

Ms Churchill: One of our early large scale agricultural diversification schemes was where a whole farm went over to forest use and that is where we have carriage riding and we have a large and successful livery stable there run in effect by the ex-farmer’s wife—he is no longer a farmer—and that is her business. So from there those stabled horses can enjoy bridleways and indeed that large ex-farm site. That is entirely appropriate. I guess that Vicky Allen would wish that there were many more inter-connected sites like that, but we do have to go with what the private landowner wishes to do and with the constraints of our publicly funded scheme.

Q160 Chairman: I notice that one of the points she makes is that she says it is impossible to devise a route for a social ride event without either including a high proportion of roads in the route or getting special permission to use private land. Do you envisage in terms of the extension of the connected pathways, which you certainly mentioned when we visited, that ultimately her wish will be granted because you will be able to offer something which is compatible with horse use but which will be a bit more extensive, which is the sense I get from her submission.

Ms Churchill: I would hope to a growing extent that would be the case. We know from other parts of the country, for example the Ridgeway, that there has been a voluntary segregation of users there because it is not a route that is suitable for everybody to use all the time. I do not think we are in a position to give carte blanche to say that those routes that open up would, a 100% of the time, be available for horse riding. We would have to manage the interests. As for the roads issue, the Committee has seen the area; we are not in a rural idyll, we do have a lot of roads and many of us, if we are cycling for example, have to use roads some

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of the time, but the proportion of road that you use compared with off-road, is getting better all the time.

Q161 Chairman: I know from my part of Lancashire when I go out for my Sunday morning bicycle ride, I often encounter those on horses and we all have to have due regard and respect for each other and it works quite well. I would not want to trespass too much into an area which I do not know. You have given us a general overview and, in fairness, without the opportunity to prepare in detail, but I wonder if, for the benefit of the Committee, you could study the paper in a little more detail and if there are any additional points that you would like to respond to we can include that in the evidence that will be published along with our report. As Vicky Allen has taken the time and trouble to build on what was said at the meeting, I think it would be very helpful to put a formal response from your good selves into the report.

Ms Churchill: I would be very happy to do that. I note also that she does say that the shortcomings of The National Forest are rooted in government policies so it may be that we would consult with our Defra colleagues in preparing our response.

Q162 Chairman: Thank you very much. Ms Allen will know that on the record her concerns have been aired and that a further response will appear as part of the evidence in the report. Thank you very much, Sophie, for making yourself available without notice to conclude on that point. This brings to an end this short and highly focused piece of work. The Committee will now work very hard and produce a report. I would probably envisage that that will come out some time in early March. Can I thank on the record everybody who has contributed and in particular those who made our visit last week so worthwhile both from the point of view of what we got out of it but also the enjoyment that we had in visiting the Forest and getting to know it a little bit. Thank you very much indeed.

Ms Churchill: We enjoyed it too, thank you.

Further supplementary memorandum submitted by the National Forest Company (TNF 04B)

- The National Forest Company is committed to increasing the provision of access for all users. It seeks to work with riders from across the Forest to ensure that the needs of local riders are recognised.
- Horse access has been established on 46 privately-owned sites via the Tender Scheme.
- Permits are often used on sites due to the increased wear that can occur from riding (eg churning up of paths) and subsequent maintenance costs. The concept of a standardised ‘Forest-wide’ permit has been raised, but delivering and administering such a scheme would be complex and costly. The mechanism by which it could be delivered is still being investigated.
- Ms Allen raises concerns about access being removed from sites when Tender Scheme contracts expire. Of the 61 sites where contracts have ended (Rounds 1 to 4 of the scheme), just one 5ha site has seen a total closure of public access. Due to changes in contract durations, the next site contracts to end will not be until 2024.
- Where the NFC has direct control over the development of sites/schemes, it seeks (where feasible/appropriate) to provide multi-user access routes (including for horses). Examples include the new Conkers Circuit (8km), Hicks Lodge (1.5km), Poppy Wood (2km) and Hartshorne (1km linking two existing riding areas).
- The NFC continues to promote the provision of multi-user access through the new Changing Landscape Scheme. Under the scoring criteria for the CLS, three criteria are given special weighting (ie are scored double), one of which is ‘Public & Other Access’. Achieving the highest score for access requires a scheme to provide “90% permissive access, including facilities for other users eg horse riders, cyclists and people with impaired mobility”.
- While it encourages landowners to provide horse access, the NFC cannot (and should not) “force” the provision of horse access onto landowners. This would be counterproductive across the whole range of the NFC’s work, as the ethos is for forest creation through voluntary agreement.
- There is a perception among many landowners that allowing horse access brings with it increased costs, risks and hassle. For example, on one site in the Forest, the irresponsible actions of a rider nearly led to the injury of a child. Concerns over future risks led to the removal of all horse access on the site, despite the intervention of NFC staff.
- In 1995, bridleways accounted for 6% of rights of way in the Forest, compared to a national average of 13%. The NFC continues to recognise that more bridleways are needed, as do the three county council Rights of Way teams that cover the Forest. Unfortunately, budgetary constraints within local authorities make the delivery of an integrated network of bridleways an extremely unlikely proposition.

- As a result, the NFC has convened a working group of local riders to identify priorities for new local riding links and to then work in partnership with (rather than at odds with) the county councils to seek to achieve them. By prioritising the most important and/or viable opportunities, the NFC and county councils can work more efficiently.
- It should also be noted that riding is not the only equestrian activity in The National Forest. There is a strong carriage driving presence within the Forest. Catton Hall is a major carriage driving venue, hosting international competitions; while the NFC supports the annual Midlands Driving Trials at Grangewood. This sport is growing within the Forest and was featured on a recent edition of the BBC's Country Tracks.
- In an ideal world, the NFC would like to see a multi-user link (not just for horses) between every settlement. This would create network of paths that would offer a sustainable alternative to car travel and add greatly to the goals of healthy living, open access and tourism generation. We recognise that this is an ambitious goal, but one worth aspiring towards. Access provision, like the creation of the Forest as a whole, is still a 'work in progress'. Every small addition has the potential to add to a better connected and more extensive network in the future.

January 2010

Written evidence

Memorandum submitted by Natural England (TNF 01)

SUMMARY

- The National Forest demonstrates that a bold and ambitious project can be achieved when it is supported by sustained public funding and a long term commitment from Government. A measure of its success is its having achieved the first Defra national award for sustainable development.
- There has been a transformation of land use across its 200 square miles, including an increase in woodland (from 6% in 1991 to 17.5% in 2007) and in other habitats (5% to 5.5% over the same period). It has also created new recreation and access opportunities (80% of woods planted between 1995 and 2006 have some form of public access, 489km of trails were created during the same period).
- There are lessons to be learnt from The National Forest about how to work with communities to achieve major landscape scale change. We believe that similarly ambitious projects will be needed elsewhere as we evolve our landscapes to mitigate against and enable adaptation to climate change. The role of trees and woods is increasingly recognised as being important for carbon sequestration, as contributing to shade in urban areas, acting as windbreaks, reducing soil erosion and slowing down the run-off of water in catchments. Consequently the Government has now set out its aspiration, in the Low Carbon Transition Plan, to create 10,000ha of new woodland a year. Future projects will need to include those elements that we believe have been crucial to The National Forest's success:
 - A clear and compelling vision;
 - Adequate and flexible funding arrangements; and
 - Dedicated staff.
- Natural England recognises, however, that the achievements of The National Forest have been helped by greater rates of support for woodland creation than exist elsewhere. We are not aware of a study to compare the effectiveness of the tender schemes with other relevant funding mechanisms and recommend that this is a priority in light of the Government's desire to increase the amount of woodland cover in England.
- There is potential for other organisations and Government Departments to use The National Forest in future as a test bed for and exemplar of multi-purpose forestry. The recent review and the new delivery plan demonstrate their flexibility and adaptability to new priorities. More links should be made with the England's Trees Woods and Forests delivery plan as this provides the vehicle for demonstrating and recording how The National Forest contributes to this agenda.

The funding schemes, principally the Changing Landscape Scheme, designed to encourage tree planting and the creation of wildlife habitats

1. The National Forest's Tender Scheme was a bespoke scheme that provided an economically attractive level of incentive, particularly on agricultural land. This secured the planting up of many of the larger areas of new woodland. That scheme has now been replaced by the more modestly resourced Changing Landscape Scheme but it remains competitive compared to alternative funding schemes.

2. The Changing Landscapes Scheme will remain necessary for enabling further woodland and habitat creation. The National Forest has recently developed a GIS-based habitat connectivity mapping system, to target landscape scale broad habitat creation and management activity, with a particular focus on climate change adaptation. The mapping system will be an important tool that can also be used by partner organisations to help focus biodiversity grants schemes and assess the connectivity benefits of individual projects.

3. Looking forward there is scope to achieve even more effective delivery of habitat improvement. For example, the West Midlands Biodiversity Partnership has produced a 50 year biodiversity vision and opportunity map. A similar exercise is taking place in the East Midlands. These maps will identify, in detail, the best places for expanding priority BAP habitats, which will complement The National Forest's mapping work. The next step is to agree priority areas for working on joint projects that will achieve further landscape scale changes.

4. Where a project does not fit the Changing Landscape Scheme criteria, for example because it lacks any tree and woodland component, the Higher Level agri environment scheme (HLS) run by Natural England, provides a complementary tool for improving the environmental infrastructure, and improving recreation and access opportunities. Some areas, like Charnwood, are already target areas for HLS and we have collaborated on a successful special project aimed at restoring the parkland landscape in the Melbourne area.

The economic, social and environmental benefits of the first decade of The National Forest Company's activity

ENVIRONMENT

Landscape

5. The UK Government is signed up to the European Landscape Convention (ELC) which aims to take a holistic approach to landscape planning, management and engagement; and to connect people with place. The landscape-led approach of The National Forest and its wide ranging objectives mirror these ELC principles. The National Forest has been a pioneer in engaging with the ELC, being one of the first organisations to produce an ELC Action Plan and the only organisation, to date, to have rolled out this delivery “on the ground”. Early engagement with The National Forest also helped shape Natural England’s thinking on how ELC Action Plans could be developed and its exemplar role is reflected in national ELC guidelines.

Biodiversity

6. The National Forest has played a leading role in maintaining and enhancing biodiversity value across The National Forest and it has an excellent record in implementing the Biodiversity Action Plan (BAP) targets. A review of the Forest Action Plan has begun, in line with the England Biodiversity Strategy framework, and its habitat creation opportunity mapping work leads the region and is significant nationally.

7. For example, woodland cover, the key target for The National Forest, has almost trebled from 6% to 17.5% between 1991 and 2007 (compared to the national figure for woodland of 9.4% of England in 2007¹). 1,300ha of other habitats have been created or brought into management, helping to reverse past habitat and species losses. For example, 82km of new hedgerows have been planted and 91km of existing hedgerows have been brought back into management. Nine priority species feature in The National Forest BAP and good progress had been made against the targets. For example, 17 otter holts were installed and otters have now returned to the Trent and Mease Rivers. 194 ponds, scrapes and larger water bodies were created or brought back into management, supporting the Ruddy Darter Dragonfly and 103 new Black Poplar sites were planted. This sustainable landscape change is being achieved on farmland and through reclamation of derelict and post-industrial land.

SOCIAL

Growth Points and Green Infrastructure

8. The National Forest is influencing and working with the Green Infrastructure Strategies and partners to secure at least 30% greenspace associated with major new developments that fall within the Forest area. It is a partner in the 6C’s growth point (the cities of Nottingham, Leicester and Derby and counties of Derbyshire, Nottinghamshire and Leicestershire), contributing both to major strategic green infrastructure and outdoor facilities (major cycle centre, long distance trail) and to the development of plans and strategies.

9. The provision of good quality accessible green infrastructure and green space can make a real difference to the anticipated mortality arising from the expected changes in climate. For example, there is a proven urban heat island effect with a linear relationship between increase in temperature and mortality. Studies of areas with up to 38% tree cover have shown temperature reductions of 1–3°C. During very hot weather green spaces, particularly those with tree cover, are cooler and that cooling effect can extend up to 100m beyond the boundary.

Access

10. Natural England’s research shows a significant correlation between the influence of The National Forest and the extent to which local communities have access to green spaces. 90% of new and existing woodlands provide public access as a core element of the funding agreement under the Tender Scheme. As a result, by 2006 approximately 63% of the Forest’s population lived within 500m of an accessible woodland of 2ha or more in size and 100% lived within 4km of an accessible woodland of at least 20ha. This compares to national figures of only 10% and 55% respectively.

11. We support The National Forest’s intention to broaden their measurement of public access beyond just woodland, using the Accessible Natural Greenspace Standard (provides a set of benchmarks for ensuring access to places near to where people live and includes all types of green space). This should help the targeting of priority access improvements, especially towards more deprived communities.

12. The National Forest has developed a number of significant visitor attractions, such as the Conkers and Waterside Centres. This infrastructure development demonstrates best practice, providing facilities suitable for a wide range of users.

¹ Countryside Survey: England results from 2007

Community engagement

13. The National Forest's work is making a significant difference to getting local people actively involved with the natural environment, enjoying the opportunities on their doorstep and encouraging people to take care of their health. For example between 2000 and 2006, 8,600 people have been involved in The National Forest's Walking the Way to Health and Get Active schemes.

14. Community engagement in the project overall has grown annually from 2,400 people in 1995 to 13,400 in 2006. Involvement includes conservation volunteering, health and environmental education. Lifelong learning for adults is also increasing and the new annual Walking Festival will attract more people from nearby cities and towns.

15. The National Forest was chosen to help regenerate an area of the East Midlands that was suffering from significant economic decline and is part of a wider set of regeneration influences on the area. The proportion of the Forest's population living in deprived areas has declined significantly since 2000, and it seems likely that the creation of The National Forest has played a part in this reduction. The proportion of people from socially excluded groups involved in National Forest activities has risen to 13% of total participants.

ECONOMIC

Inward investment

16. The National Forest Company has directly supported the growth of employment in tourism and the woodland economy and the Forest has benefited from £115 million investment in regeneration between 1995 and 2006.

Visitor facilities and tourism

17. Investment in the natural environment can have a positive impact on related industries such as tourism. Increased and better publicised public transport and visitor facilities, such as "Conkers" and the Waterside Centre with horse-riding, walking and cycle routes, have increased numbers for both local access and recreation as well as tourist visits from further afield (7.35 million visitors in 2005, up 8.6% from 2003). A new youth hostel, forest lodges and other overnight accommodation are increasing visitor capacity and encouraging longer stays: visitor spend is up by 8.7% to £249 million.

Woodfuel and climate change mitigation

18. The role trees and woodlands play in climate change mitigation through carbon sequestration is increasingly recognised, for example in the Government's aspiration to create 10,000ha of new woodland a year in the Low Carbon Transition Plan and the Read Report "*Combating Climate Change—a role for UK Forests*"

19. The National Forest's goal of increasing woodland cover from a below average total of 6% to around 33% (they have already achieved 18% and the current yearly target of 200–250ha will achieve an annual increase of c. 0.5%) demonstrate one means by which a substantial increase in woodland can be achieved. The project has also secured the engagement and commitment of the local population, and contributed to the creation of new habitats and new recreation opportunities, which suggest that aspects of the model are worth considering if the scale of increased woodland creation set out in the Government's Low Carbon Transition Plan is to be achieved.

20. The National Forest, working with the Forestry Commission, is promoting the demand for wood-fuel and the installation of wood-fuelled boilers. This will make an important contribution to the Government's Woodfuel Strategy, as an alternative source of carbon-light renewable energy. It is estimated that the potential wood-fuel resource within the Forest will be enough to supply up to 75 100Kw systems by 2032.

January 2010

Memorandum submitted by The Leicestershire Rural Partnership (TNF 03)

EXECUTIVE SUMMARY

1. The Leicestershire Rural Partnership (LRP) works to ensure the future sustainability of rural settlements and communities within Leicestershire by establishing targeted schemes of support, providing funding to delivery partners, influencing policy decisions at a local, regional and national level, and ensuring co-ordination across a range of organisations delivering in rural Leicestershire. The NFC is represented on the LRP's Management Board.

2. We consider that the NFC has worked well to develop The National Forest as a place to live, work and visit during the last ten years. Within our response we highlight the Woodland Economy Business Support (WEBS) and Making Woods Work (MWW) programmes.

3. The WEBS programme, delivered by the NFC in partnership, achieved significant benefits to the woodland economy by providing capital grants, training opportunities and helping to establish networking between different forestry businesses. We consider that the successor MWW programme will continue to develop networking, collaboration and marketing opportunities, and support the growth of the annual National Forest Wood Fair as a premier sector and visitor event.

4. We welcome the priorities contained within the new National Forest Delivery Plan, 2009–14 especially those focusing on sustainable tourism, transport, and community engagement. It is considered that delivery against these priorities will help to ensure the future sustainability of The National Forest as a place to work, live and visit.

LEICESTERSHIRE RURAL PARTNERSHIP FULL SUBMISSION

5. The Leicestershire Rural Partnership (LRP) was established in 1993 to enable partners to work more effectively together to deliver improved services meeting the needs of our rural communities. This has been achieved through a range of public, private and voluntary organisations coming together to share knowledge, experience and resources. The LRP has a formal membership of 22 organisations, including The National Forest Company, with working links to a further 20. To guide our work we established a 20 year Vision which identifies that,

In 2026 rural Leicestershire will be made up of thriving and sustainable, safe and secure, communities, towns and villages, each of which will have at least one key community resource. It will be recognised locally, regionally, nationally and internationally, for its:

- Thriving communities.
- Economic activity.
- Profitable and entrepreneurial businesses.
- Access to services and facilities.
- Diverse and well-managed countryside.
- Ability to develop skills.

6. To ensure that we achieve this Vision we have developed the Leicestershire Rural Strategy, 2007–14. Most recently we updated our Rural Economic Priorities, 2009–12 which identified the need to:

- Support Market Towns and Rural Centres as Economic Hubs.
- Support the Growth of Small Businesses within Rural Areas.
- Develop Rural Sectors (inc. equestrian, land-based and food and drink).
- Improve accessibility to employment, training and key services.
- Increase the availability of affordable Rural Housing.

7. In addition to developing and influencing strategy the LRP has successfully secured external funding to run delegated grant schemes. This includes the Rural Business Support Programme, 2006–09 and the current programme—INSPIRE Leicestershire, 2009–12. A key priority within these schemes has been to ensure financial support to help redevelop redundant rural buildings to provide, for example, managed workspace, office accommodation and farm shops. Funding is also available to support the visitor economy by providing grants to hospitality businesses, bed and breakfast accommodation and small tourist attractions.

8. The LRP has supported the NFC's former Woodland Economy Business Support (WEBS) programme, 2006-08 and currently are helping to deliver their new Making Woods Work programme. The LRP also responded to the consultation on The National Forest Strategy, 2004–14—mid-term review. Finally we also supported an unsuccessful bid, led by the NFC, to secure funding through the Rural Development Programme for England, 2007–13 to establish a Local Action Group as part of the LEADER approach.

9. We are working closely with the NFC to ensure that the support and funding we respectively have available is signposted appropriately to ensure maximum benefit within the Leicestershire areas of The National Forest. We consider that the NFC has worked well to develop The National Forest as a place to live, work and visit during the last ten years. The development of The National Forest Youth Hostel and caravan site is a significant achievement. The continued development of The National Forest's visitor economy will be enhanced by the forthcoming development of The National Forest Cycling Centre.

10. We consider that the WEBS programme was highly successful, as supported through the independent evaluation outlined below, and believe that the Making Woods Work programme will deliver similar benefits to the woodland economy. It is often noted that it is difficult to engage and support woodland and forestry businesses through mainstream business support (eg Business Link). The targeted and specialised support which has been made available is regarded as critical to develop ensure growth with the sector to support the business themselves and the wider rural economy within The National Forest.

WOODLAND ECONOMY BUSINESS SUPPORT (WEBS)

11. The WEBS programme, delivered in the Leicestershire and Derbyshire areas of The National Forest, aimed to develop new and existing forest related businesses within the East Midlands area of The National Forest by offering woodland and forest specific support and advice to woodland businesses, capital grants for new developments, woodland skills training, signposting to other business support providers, as well as free wood feasibility studies to local organisations considering installation of wood fuel boilers.

12. The programme awarded a total of £166,000 across 39 individual grant awards, supported the creation of five new businesses, helped to create or safeguard 24.5 jobs, provided training for 78 candidates, and provided a total of 23 wood fuel feasibility studies.

13. An independent evaluation identified that the WEBS programme, “not only impacted upon individual businesses but is also seen to have contributed positively towards wider social, economic and physical impacts many of which will only become evident in the longer term”. It contributed significantly to the development of The National Forest economy by providing a range of business support activities. The findings from this research suggested that most businesses seek support locally and would not tend to seek business support from mainstream providers without significant encouragement.

14. Furthermore, the Programme provided practical business support and generated excellent networking opportunities encouraging businesses to increase their business knowledge and confidence, gain motivation, improve their sustainability and become more professional, and improve their publicity and marketing. For some businesses, the support provided through WEBS has also led to an increase in employment and of turnover.

15. Through a survey of WEBS beneficiaries the majority envisaged that their business would grow over the following 12–24 months with opportunities focusing mainly around the growing public interest and awareness of The National Forest and alternatives to fossil fuels, the growing public desire to buy locally and also the growth of the new woodland.

16. Finally the evaluation noted that there was ongoing demand and support for continuing a project like WEBS. Many businesses identified that it was essential and that in future support could be extended to cover other National Forest based sectors including sustainable tourism, education and training, arts and crafts, and food and drink.

MAKING WOODS WORK (MWW)

17. The Making Woods Work programme, funded by the NFC and emda, and delivered in the Leicestershire and Derbyshire areas of The National Forest, will deliver some elements of the unsuccessful LEADER bid and will build on the successes achieved through WEBS. We consider that this will be a highly successful programme and demonstrates the need for continued targeted support for the forestry and woodland sector. The agreed outputs for the programme include 150 businesses supported to improve their performance.

18. Through an appointed co-ordinator the programme will, alongside supporting the woodland economy, encourage greater collaboration and integration with other business sectors including tourism, energy, craft, sustainable construction, food and drink, and leisure and recreation. It will build upon the existing networks of woodland owners, managers, contractors and diversified farm businesses to ensure the continued growth and sustainability of The National Forest woodland and visitor economy.

19. Whilst the programme will not have access to capital grants, efforts will be made to ensure that there is signposting to relevant funding available elsewhere including the Rural Development Programme for England, Business Link (Solutions for Business), Leicestershire County Council and Leicestershire Rural Partnership.

20. Through WEBS support was provided to the annual National Forest Wood Fair which is held within Beacon Hill Country Park, Leicestershire. This support will be continued through the MWW programme. This is a key visitor attraction showcasing the woodland economy of The National Forest with the number of visitors increasing year on year. The event brings together a range of woodland contractors, managers and landowners, and local producers (food, crafts and woodland products).

NATIONAL FOREST STRATEGY, 2004–14

21. As part of our response to The National Forest Strategy, 2004–14—mid-term review, we commented on the need for a continued dialogue with Leicestershire County Council’s Passenger Transport Unit to ensure sustainable transport options within the Forest for residents and visitors, that the NFC should work closely with the Community Forums, administered through Leicestershire County Council, to ensure close engagement with local residents, and we endorsed the view that the NFC will have an important role in relation to the provision of green infrastructure in relation to proposed housing growth associated to Coalville.

22. Through the new *National Forest Delivery Plan, 2009–14* we consider that the NFC has identified the correct priorities for the future development and management of The National Forest. We especially welcome the following actions:

- Development of a sustainable tourism strategy for The National Forest (T20).
- Development of a National Forest Transport Strategy (TR3)—we recommend that consideration should be given to ensuring a range of rural transport initiatives (Action TR3) and that discussions are held with Local Highways Authorities who are developing future Local Transport Plans.
- Community involvement in managing woodlands (C13)—we recommend that this is developed alongside existing community engagement structures—including Community Forums.

23. We hope that the above comments will be useful to the EFRA Committee as part of their inquiry.

4 January 2010

Memorandum submitted by The Woodland Trust (TNF 06)

1. The Woodland Trust welcomes the opportunity to submit evidence to this inquiry. We are the UK's leading woodland conservation charity. We have three aims: to enable the creation of more native woods and places rich in trees; to protect native woods, trees and their wildlife for the future; to inspire everyone to enjoy and value woods and trees. We own over 1,000 sites and have 300,000 members and supporters.

2. We own 17 sites within The National Forest area. We contributed to the original vision for The National Forest back in the 1990s and have been involved with delivery of the project from the outset.

3. Our comments are focused on the two main areas of interest identified by the Committee but also encompass some broader points about woodland creation in general.

4. SUMMARY

4.1 We believe that The National Forest has been a great success to date and that the original Tender Scheme proved the catalyst for engagement of a wide variety of landowners with woodland creation. The result has been an excellent showcasing of the value for money woodland offers with its ability to deliver across a wide range of policy agendas.

4.2 The project has demonstrated well that where appropriate incentives are put in place, landowners will take up tree planting rather than seeing this as a poor alternative to food production. Moving forward, we need to be striving for similar integration of forestry and farming as part of a new approach to land management.

4.3 We believe the project needs to remain firmly focused on getting the trees in the ground and continue to adopt ambitious targets.

4.4 Given the need to significantly increase woodland cover in the UK, we need to be looking at applying the lessons of The National Forest's success elsewhere in the country in a similarly inspirational fashion and addressing the question of funding for an ambitious expansion of native tree cover nationally.

5. *The funding schemes, principally the Changing Landscape Scheme, designed to encourage tree planting and the creation of wildlife habitats*

5.1 We believe that the original Tender Scheme was very successful in engaging a variety of landowners with the project. It demonstrates that with the right incentives in place, private landowners will engage with tree planting and not regard it as a poor substitute for food production in terms of remunerative land use. Indeed it has been the catalyst for the successful diversification of numerous farm businesses. This fits with our own view that we need to be thinking in terms of new models of land management where woodland creation is integrated with farming and wider area regeneration programmes.

5.2 The Tender Scheme's evident success in getting trees in the ground and people involved means that we were sorry to see it replaced. It is possibly too early to judge the success of the Changing Landscape Scheme. It does however adopt a more prescriptive approach which we feel needs to be balanced against the need to encourage innovation, engage a wide variety of landowners with the project and promote a diverse range of approaches.

5.3 Whilst it will undoubtedly be challenging to maintain the previous rate of progress we believe The National Forest should continue to pursue ambitious annual planting targets and avoid becoming too preoccupied with the management of existing woods for timber or woodfuel. Rather it should continue to stay focused on expansion and upon the delivery of the widest range of economic, social and environmental benefits to the nearby community and beyond.

 FUNDING WOODLAND CREATION

5.4 It is important to think in terms of how more funding for woodland creation in general can be secured—both in The National Forest area and beyond. The Read report published in November 2009 has called for an extra four per cent of the UK's land to be planted over the next forty years at a rate of 23, 000 hectares a year to lock up greenhouse gas emissions.² The Woodland Trust itself wishes to see a doubling of native tree cover to deliver a wide variety of benefits to society and improve on our present very low national levels of woodland cover—12% in the UK and only 8.6% in England compared with 44% for Europe as a whole.

5.5 Given the pressures on the public purse it is vital to look at a variety of measures to fund woodland creation. As well as a reorientation of the existing Woodland Grant Scheme (WGS) to place a greater emphasis on woodland creation, we need to look at how to increase take up of existing schemes such as HLS through minimizing bureaucracy and increasing understanding. It is also important to act on the evidence of The National Forest Tender Scheme that when adequate funding is put in place the benefits of woods across a range of policy agendas will be effectively delivered.

5.6 Given the importance of carbon as a policy driver we believe that carbon related financing can be a key source of funds for future woodland creation and it is important to unlock the potential which exists in this area. Removing the barriers to this should be seen as an integral part of the wider shift to a low carbon economy and society. This requires a change of policy to enable the creation of tradable carbon credits from domestic forestry. We believe that doing so has huge potential for raising new private finance for woodland creation.

5.7 Planning is another important area to look at for releasing funding in terms of Section 106 and other planning related measures, not least conservation banking. Although relevant across the country, The National Forest area, given its emphasis on economic regeneration, would seem a likely location for targeted action under future conservation banking models. There are willing landowners, a core of expertise and Indicative Planting Areas within an area which, unusually for the UK, is characterized by its willingness to contemplate woodland creation on a significant scale.

6. *The economic, social and environmental benefits of the first decade of The National Forest Company's activity*

6.1 We believe that The National Forest has been a spectacular success to date. It demonstrates very effectively the ability of woodland creation to deliver a wide range of economic, social and environmental benefits simultaneously and is a useful model to take to other parts of the country.

6.2 The planting of nearly eight million trees, an increase in woodland cover in the area of 12% and the improved quality of life for the local population across a range of indicators is a tribute to the dedication and effectiveness of the team in place since the early 90s. It provides a good example of what a sustained, properly resourced and energetic team can do to achieve regeneration by using habitat creation as the main vehicle.

6.3 The lessons that can be learned and applied elsewhere in the country are numerous but certain aspects stand out, notably: a clear plan; good resources; a passionate team and a supportive local community.

6.4 As The National Forest Company's 2007 report "The National Forest—an exemplar of sustainable development"³ shows it is making real the concept of sustainable development with economic and employment rates higher in the Forest's districts than the regional averages, the forest proving a positive factor in helping to combat climate change and strong evidence of public engagement with the forest through recreation and tourism. As was acknowledged by the Minister at the time, the NFC is to be congratulated for setting itself the ambitious challenge of being an exemplar of sustainable development. In doing so it showcases the value of woodland creation in general.

6.5 From a biodiversity point of view, the benefits of the woods are often at their strongest where the woods are linked up. For example, our own Martinshaw Wood at Ratby links well with the two surrounding woods—Pear Tree and Burroughs—to form the largest continuous area of woodland in the Forest at 157ha and the wildlife value has been increased as a consequence. We believe connectivity should continue to be at the heart of thinking when it comes to the wildlife side of the Forest and are pleased to see this highlighted as a priority for action in the 2009–14 Delivery Plan.

6.6 The contribution of The National Forest to the health agenda could be built on through its engagement with the exciting national NHS Forest project which is evolving at the moment. This is a visionary project to plant 1.3 million trees for the benefit of patients and staff, focusing mainly but not exclusively on the NHS estate across as many sites as they can find. The NHS Forest aims to encapsulate the NHS's recognition of the links between a high quality environment and human health, of the direct links between patient recovery and the proximity of green space and the NHS's desire to reduce its carbonfoot print via a number of pathways including the planting of trees. A limited number of pilots are currently taking place throughout the UK.

² Forestry Commission (2008) "Combating climate change—a role for the UK's forests"

³ National Forest Company (2007) "The National Forest—an exemplar of Sustainable Development"

BUILDING ON THE NATIONAL FOREST'S SUCCESS ACROSS THE COUNTRY

6.7 We need to move away from seeing woodland creation as a “nice to” and instead recognise its role as a key, value for money tool in meeting a range of major contemporary policy challenges. These benefits range from carbon sequestration to reducing major flood events and the improvement of public health—both physical and mental—through shaping healthier and more attractive places where people will want to live, work and spend their leisure time. For example, research shows that 85% of the population do not have a wood within easy walking distance of where they live⁴ indicating the work which needs to be done to increase woodland cover as a key plank of creating genuinely sustainable communities.

6.8 In addition to the evaluation work carried out by The National Forest Company, there is an abundance of evidence of the benefits of trees and woods generally, which should inform a more ambitious commitment by government to the expansion of native woodland cover. Government can provide political leadership through bringing together the public private and voluntary sectors but can also set the tone through the creation of new “national woodlands” in each of the four countries of the UK. These sites, which could be paid for by the proceeds of sales of some of the Forestry Commission’s sites which provide minimal public benefits, could act as flagships for a wider new push on woodland creation. Such projects should seek to rekindle the spirit which informed the creation of the existing National Forest alongside continued support to ensure that the latter goes from strength to strength.

January 2010

Memorandum submitted by the Leicestershire and Rutland Wildlife Trust (TNF 07)

The Leicestershire and Rutland Wildlife Trust is very supportive of The National Forest and has been involved with it since the beginning.

The Trust’s remit is for nature conservation and we believe that The National Forest offers tremendous potential for enhancing biodiversity in one of the most ecologically impoverished areas in Britain. In the early years we were concerned that too much emphasis was being placed on tree planting, which might not necessarily benefit wildlife. Our hope had been for a “patchwork” landscape, the design of which would ensure the survival of old meadows and other existing good wildlife habitats, create new habitats and knit all of these into one functioning entity. This would allow wildlife to move through the landscape, assist with adaptation to climate change and provide a wonderful place for people to work and experience nature.

We are delighted that in recent times The National Forest has improved its approach to nature conservation and has started to develop some excellent initiatives. The Trust works closely with National Forest staff, who are very helpful and professional.

January 2010

Memorandum submitted by Robert Woodward (TNF 08)

I am a member of the Ramblers Association and act as a liaison officer for the Leicestershire and Rutland Area on The National Forest Access and Recreation Working Group, which meets two or three times per year.

As a user group the RA provide valuable insight of walkers’ experiences, aspirations, practical route design and feedback of site conditions and opportunities for enhancement.

The RA is very active in the drive to encourage more people to take up walking especially as family groups. Already in the Area that I represent, we lead about 1,000 walks per year, which are advertised in local press, retail outlets and public places. A lot of the walks are undertaken in The National Forest area. We participate in the annual Forest Summer Walking Festival, creating and leading walks alongside other user groups.

The Forest development has made a big impact in the East of the Forest Area because of the regeneration of the defunct coal mining sites. What was once despoiled land and derelict buildings have been transformed into really beautiful countryside with tree variety, new amenity facilities, recreation areas and wildlife habitat. Close to my area we have the Sence Valley Forest Park, once an opencast coal site, now undulating land with lakes, fishing, scenic views, walks, toilets, venue for Summer events. In similar manner there have been many new and improved areas now benefiting local residents, as well as the occasional visitor, with a more pleasant environment.

We look forward to further developments such as the creation of a Long Distance Trail, because the walking community will travel to take up the challenge and in doing so discover other attractions and we will not be slow to publicise it and get more people involved.

⁴ Woodland Trust (2002) “Space for People”

More planning and funding is required to establish better public transport links to key points, car parking, signage and publicity.

I hope you find these comments useful in your review.

January 2010

Memorandum submitted by Jerry Tseng (TNF 09)

You have invited comments with the question:

How does The National Forest help open up woodland to the public, conserve the environment and regenerate the local area?

My response:

From the derelict coalfield and an area blighted by unemployment the new National Forest has created a sense of wellbeing.

The communities in the emerging Forest feels far more alive and thriving, they seem to have a sense of place, identity and a growing future.

Trees and the environment they create speak of long term improvement rather than the short term materialism of the recent years.

The evidence on the ground suggests that The National Forest has achieved a huge amount since its creation from encouraging tourism, employment, amenities to local communities and a sense of pride.

The existence of The National Forest continues to offer a strong emphasis to provide the area with a purpose and direction. Far more than the bureaucratic, directionless local authorities.

January 2010

Memorandum submitted by Stephenson College (TNF 10)

I am writing in response to your request for views to be expressed in relation to the Parliamentary Inquiry into The National Forest.

The engagement of The National Forest with the Local Strategic Partnership of North West Leicestershire helps to ensure that the initiatives of the Forest, aimed at enhancing its contribution to the locality, are communicated effectively to stakeholders.

The integration of the work of The National Forest with the Skills Agenda and support being offered to individuals to aid recovery from the impact of the recent recession is extremely valuable and helps to promote social cohesion and economic prosperity.

The National Forest's contribution to the sustainability agenda is, and will be, significant and its existence will help bring complex issues "alive" for local people.

January 2010

Memorandum submitted by The British Horse Society (BHS) and the Federation of East Midlands Bridleway Associations (FEMBA) (TNF 11)

I attended the public session at Rosliston but felt there was too little emphasis on the issue of recreational access to the Forest, particularly for those other than walkers.

1. I have been asked to make the national response to this consultation on behalf of the British Horse Society (BHS) in combination with the response from the Federation of East Midlands Bridleway Associations (FEMBA).

2. Horse riding and horse keeping are sustainable and healthy activities that contribute significantly to Government policies. The British Equine Trades Federation survey of 2005 indicated that 75% of riders are female, thus helping to redress the gender participation balance in sport. It also estimated an annual spend per privately owned horse of £2,166, virtually all of which directly benefits the rural economy. This figure seems conservative but using it indicates that 500 horses generate more than £1 million p.a. Many parishes on the Forest will house over 200 horses. BHS membership figures for 2009 show an increase, so equestrianism continues to be a growing recreational activity in spite of the "credit crunch".

3. During the 1980s I rode extensively in the area of (what is now) The National Forest east of the R. Trent. I currently ride fairly regularly in the E of the Forest—Swithland Woods, Bradgate Park and Beacon Hill and Broombriggs Country Parks. I devised a *Round the Boundaries of Leicestershire & Rutland* riding route which goes through the Forest. Last year I led a one-day ride across the Leics part of the Forest from Woodhouse Eaves to Overseal. So I can claim to know most of the Forest well as a riding resource.

4. The suggestion in 1990 that there might be a national forest and that the Leics/South Derbys/Staffs area was competing for the project, was one of the factors that led me to found the Leicestershire & Rutland Bridleways Association (LRBA) early in 1991. This has grown to one of the largest bridleway groups in the country.

5. On behalf of FEMBA, I have been a member of The National Forest's *Access & Recreation Working Group* since The National Forest was awarded to its current site and a three-year investigative period began into the viability of the project.

6. I hoped that, as a result of the Forest, there would be an increase in connected off-road riding routes.

What horse-riders want

7. They want to ride on roads as little as possible. Rural roads are particularly unsafe, and they are especially unsafe for vulnerable road users such as equestrians.

8. Therefore riders want a reasonably continuous network of off-road routes that will, nevertheless, take them from place to place, and (usually) back to where they started.

9. Riders are happy to share with other users as bridleways are the original multi-user right of way (RoW) catering for walkers and cyclists as well as ridden horses. This may mean that riders have to slow down when meeting other users and sometimes tolerate surfaces less than ideal for the horse's feet/legs (with which human feet/legs share many physical requirements) in the cause of ease-of-maintenance. Nevertheless, sharing tracks in honeypots, such as the country parks mentioned in para 3, has not resulted in any inter-user accidents being recorded by the parks.

What was available for riders

10. Early on, I undertook a RoW survey for The National Forest to see what was available for riders. The answer was "*not much and not connected*". The whole area is characterised by:

- few, and isolated, bridleways/byways;
- "dead-end" bridleways or byways that become footpaths after a few hundred yards, often with a similar short higher right length at the other end, particularly in NW Leics District; and
- very difficult to make an attractive recreational ride in The National Forest because most routes involved a high proportion of roads.

11. My conclusions pointed to:

- the need to provide new routes for riders who were severely disadvantaged by the current fragmented network;
- a high horse population partly due to the pit pony "legacy" in the old mining areas (and a land inheritance system leading to small paddocks in the wider Coleorton area, with an estimated average of one horse per paddock) and also due to the Forest's location near to centres of population/economic activity. Horse-keeping was and still is at a high level *and* widely spread across the area with only a few larger centres e.g Markfield, nr Ashby, Catton;
- some mechanism to encourage, if necessary force, connectivity to repair the fragmented network. One tender scheme was on land with two dead-end bridleways. A field-edge link between them would have been much better value than a permit scheme round two fields separated by a locked gate but The National Forest Company lacked the means or the will to enforce the Best Value solution;
- bridleway routes should be provided rather than footpaths as being inclusive rather than exclusive;
- a mechanism for prioritising links that would improve suggested long-distance or circular promoted routes;
- a mechanism for insisting on "behind-the-hedge" multi-user routes wherever the *landholding* (not necessarily the tender site) abutted a road, as a means of getting vulnerable users of the Forest's generally narrow and busy roads and acknowledging that the Forest would, of itself, increase tourist traffic especially in "leisure hours";
- ideally, created routes should become Definitive Rights of Way so that usage encouraged during the life of a tender scheme was not suddenly withdrawn. The initial 10-yr tender scheme life was hardly enough for the site to be created and known about;

- a means of “saving” routes should the sites revert to agriculture;
- a mechanism to prevent landowners from charging for access for which they had already been paid from taxpayers’ money. Unfortunately Forest Enterprise was at that time only allowing riders into many of its woods if they bought permits, so National Forest landowners thought this was acceptable; and
- a warning that too many permit schemes would make it too burdensome and expensive for local riders, who would “vote with their hooves” and limit their usage of such schemes.

It was not deemed expedient to translate these recommendations into policy. Doubtless the Company felt constrained by Govt attitudes and policies at the time.

What is available now?

12. More site-based riding and slightly more connectivity. Of the 46 sites in the Forest’s 2005 Riding leaflet (47 with the new *Conkers Trail*):

- 22 sites require the purchase of either permits or keys. No other group of casual recreational users has to purchase permits.
- 12 of the 16 sites W of the A444 require permits.
- 21 sites have no links to the bridleway network other than by road.
- 4 sites have no horsebox parking and no links to network.
- 10 sites have no horsebox parking, no links to network *and* require permit/key.
- 28 sites in total have no horsebox parking on-site or nearby. Some car parks have height barriers to deter “travellers”; at other sites planning permission was refused for *any* parking.
 - There is a small number of other sites not listed on the leaflet.
 - Post-mining restoration has resulted in some additional definitive bridleways.

13. PERMANENCE:

- Only seven of the 47 riding sites are in public or semi-public ownership and can be deemed permanent. The other 40 are at risk from change in ownership or policy.
- There is no “lien” on the grant-aided land to ensure that sites continue to provide the (non-tree) public benefits that led to the site being grant-aided, for at least the life of the tender scheme or other agreement. At least one site was sold during the life of the tender and the new owners withdrew the public access.
- Although tender scheme life is now a more useful 25 years there is no means of ensuring that public benefits continue. As many trees will then be mature enough to fell, there is a great risk that the sites will be withdrawn. (Especially if the inheritance tax issue raised at Rosliston is genuine.)
- There has been a growth in small businesses such as livery yards and tack shops. Yards relying on a nearby tender scheme for off-road riding could die if that access is removed.

14. PARKING AND PERMITS

- The lack of connectivity and the generally busy roads (industry and tourism) means that even Forest-based riders are often forced to “box” to sites they wish to enjoy. This turns a “sustainable” activity into an “unsustainable” one.
- The lack of box parking means riders may not be able to use local sites and potentially overloads sites that provide such parking.
- Along with the permit schemes this makes riders feel that they are, in practice, unwelcome in the Forest in spite of the contribution riding makes to the rural economy.
- Several permit schemes have “died” due to either administrative difficulties or lack of take-up, or a combination. This often means that riders no longer have the access promised by the tender scheme.
- Where there is a cluster of permit schemes reports indicate that riders are either not joining any scheme or joining only the one that offers them the most benefit.
- An attempt by The National Forest Co to set up a Forest-wide permit scheme under the aegis of the Toll Rides Off-Road Trust (TROT) failed. Reasons unknown but presumably substantial.

15. SOCIAL RIDES AND PROMOTABLE ROUTES

- It remains impossible to devise a route for a Social Ride event without either including a high proportion of roads in the route or getting special permission to use private land.
- Promoted routes need to be freely available without having to buy permits and preferably on definitive bridleways.

- There is only one published circular riding route and that is only partly in the Forest (the *Horseshoe Trail* around and NE of Foremark Reservoir). The newly-opened *Conkers Trail* provides a second, although it is less satisfactory for horse riders than walkers or cyclists.
- The *Round the Boundary of Leics* route where it goes through the Forest is about 60% on roads with the several miles between Staunton Harold Reservoir and Boothorpe relieved only by one short behind-the-hedge length on a tender scheme.
- The *Mercian Way*, devised by FEMBA in the mid-90s to link the High Peak with Sherwood Forest, Rutland Water and The National Forest, had special difficulties in the Forest. In spite of a few minor improvements around Ibstock it remains unpublished due to hoped-for alternatives to busy roads not yet being available from mine/quarry restoration schemes or from tender schemes in Derbyshire and Staffordshire.

OVERALL CONCLUSIONS

16. These are that:

- (a) The National Forest has had a beneficial effect on the environment, in particular the area of the NW Leics Coalfield where the landscape had been significantly damaged. This has therefore made the area more attractive to live in and as an employment base: many of those so attracted are horse owners or riders.
- (b) The National Forest has greatly assisted in securing substantial regeneration grants in competition with other areas.
- (c) It has also improved access to the countryside both directly through tender schemes and by positively influencing the climate of opinion towards providing access to land.
- (d) Regrettably, it has not worked so well for horse-riding which contributes so significantly to the rural economy. The “Woody Tree” campaign to bring the Forest to the area and Forest publicity in subsequent years raised expectations amongst riders. They see the extensive access given to walkers and feel they have been short-changed, although in one or two localities e.g. Bagworth Heath, significant improvements are acknowledged.

SUGGESTED REMEDIES:

17. These are that:

- (a) We applaud The National Forest’s recognition that connectivity between sites is a major issue for the future and trust that this can be applied, under its new system, both to links between sites and the gaps in the Rights of Way network, particularly the higher rights network.
- (b) The National Forest is an exemplar of the *national* disconnectedness of the higher rights of way network. In view of the higher growth of traffic and accident rates on rural roads the Government should put more emphasis on provision for higher rights users—otherwise known as *Non-motorised Road Users* or *Vulnerable Road Users*.
- (c) It should be a requirement of any rural/environmental grant or subsidy that a behind-the-hedge route for the non-motorised is provided wherever the *landholding* abuts a road.
- (d) Government policy nationally should stipulate “bridleway” status i.e. foot/hoof/bike, as the minimum for route-based access. We applaud the Greenways policy of Derbyshire County Council in this respect. This does not mean that all routes should be “constructed” to an urban or semi-urban standard. There is a place for this but the ubiquity of mountain-type bikes means that much leisure cycling can take place on rougher surfaces such as are commonly found on rural routes.
- (e) Government agencies—which includes The National Forest Company—should be encouraged to focus on providing access for more types of user rather than ever-wider access for just one type—walkers who already have so much. This is likely to be route-based rather than “open” so more easily integrated into land management.
- (f) It should be made easier for highway authorities to create needed links to and between attractions such as country parks. They are usually deterred from this by believing that landowners will demand huge sums in compensation. We support compensation but believe this should be subject to regulation by the District Auditor mechanism.
- (g) We also recognise that public access imposes costs on land occupiers and that an ideal mechanism would be “rent” in exchange for a) the access itself and b) for maintenance. The National Forest’s tender scheme and HLES are steps in this direction. Access to the countryside for recreation would be greatly facilitated if farmers perceived it as a means of reducing the overdraft rather than yet another burden.

In short, we feel that the shortcomings of The National Forest are rooted in Government policies, that they are typical of the wider national picture, and that Government policies need re-thinking so that better value is gained from public spending in the areas overseen by the Department.

Vicky Allen

24 January 2010

Memorandum submitted by Mrs Dorothy Morson (TNF 12)

I respond as a resident of South Derbyshire for 38 years, as a local teacher involved with Environmental Education and as the representative of Derby and South Derbyshire Ramblers on the Access and Recreation Forum of The National Forest. I write this as there was insufficient time at the meeting for me to give my remarks because of your tight time schedule.

I have nothing but praise for the work of The National Forest Company. I have witnessed positive landscape change in the district as a result of their work. I can remember attending inaugural meetings about the “birth” of the forest and feeling rather sceptical about the management of the trees. It was easy to plant them but what of their future with so little background in forestry in the area. The National Forest has shown through its work that I had nothing to doubt.

As for the regeneration of the area; I am sure that you saw for yourselves the positive benefits in the area on your visit on Wednesday.

I am a user of The National Forest on a daily basis unless on holiday. The developing forest has become an important part of my life—walking with friends and family, leading Health Walks and walks for the Environmental Education Project and the Ramblers. I am proud to say that I live in The National Forest and I would like to point out more of the social benefits of the development that you may not have picked up on Wednesday.

Get Active in the Forest based at Rosliston Forestry Centre has developed an excellent programme of weekly health walks and themed walks. These are lead by volunteers and attract a wide variety of residents from the community. In addition outdoor activities are provided for local schools; again catering for all school ages.

The National Forest Walking Festival now in its third year of planning caters for a wide range of interests. We offer short walks valuing the environment and heritage of the area and also longer walks attracting regular walkers from throughout the East and West Midlands.

Environmental education has flourished as a result of the South Derbyshire Environmental Education project and the work of the education team at the local National Trust property, Calke Abbey. We welcome primary school children to our sessions from a wide range of backgrounds. Next week our contribution the Tree for All run by the Woodland Trust begins. Children will be travelling from inner city schools in Birmingham and Derby in addition to more local places. Team activities are at the heart of this work. This work has been in place since the early days of the Forest and will continue as long as there are places to plant. The education project provides learning and socialising opportunities for deprived family groups too. All local schools value the woodland areas and as time progresses College courses need to be more in evidence to provide training for employment in forestry and related businesses.

To continue to develop walking access within the Forest more money needs to be made available to maintain basic infrastructure—all ability trails, repair and maintenance of existing stiles and gates and signage to ensure a wider access for all. I, particularly, value the permissive paths that have been established giving new places to walk. However I do notice that the wide ranging views beyond South Derbyshire are disappearing now the trees are growing. The National Forest Company are aware of this issue and intend to consider it in future plantings.

I also value the new booklet issued by The National Forest Company, the Web site, the new Tourist Information Centre at Swadlincote and Forest News. There are plenty of places to access information about activities and events in the area. A weekly page in the Saturday edition of the Burton Mail about ‘What’s on’ gives the local community a wide variety of activities to choose from.

The National Memorial Arboretum, Calke Park, the new Youth Hostel and Conkers circuit are places I tell people about and encourage to visit. The developments by all partners involved in The National Forest are definitely providing value for money.

January 2010

Memorandum submitted by Leicestershire Orienteering Club (TNF 13)

I would like to make some observations re the parliamentary inquiry into The National Forest Company. I have served for 10 years on The National Forest Access & Recreation Working Party and my emphasis is obviously on the issue of recreational access to the Forest. I wish to comment particularly on the impact for walking and other use on foot which are sustainable and healthy activities that contribute significantly to Government policies in particular in fighting obesity.

I am also Chairman of the Leicestershire & Rutland Area of the Ramblers Association and a key player in organising the sport of orienteering within Leicestershire.

The suggestion in 1990 that there might be a national forest and that the Leics/South Derbys/Staffs area was competing for the project, was well received locally on many levels. It was expected it would be a boost to local economies and help remove the worse excesses of the old coal mining works, but our interest and the reason we campaigned for the Forest being located here was for the improved facility for access and recreation. The late David Taylor and I (he was Area President of the Ramblers) have been delighted with the progress and improved opportunities locally and that organisation is to mark his passing by holding a David Taylor memorial walk through the areas of the Forest he came to love.

The RA local area now organise over 1,000 walks each year of varying lengths and targeted at all sections of the community and a good proportion of these use “new” area of the Forest at least in part.

As an orienteering group we have mapped over 70 areas within the Forest and with financial support from the NFC and local authorities we have introduced permanent public orienteering courses in nine locations near to more heavily populated areas. Permanent public participation and educational permanent courses are essential to get the wider populous out into the woodlands taking exercise and enjoying the fresh air and nature’s wonders. With support from the NFC and other institutional input, the Orienteering Club has made good progress on these provisions. Within the period 2008–13 the ambition is to create orienteering possibilities within 5 kilometres of any large conurbation hopefully including all those with a senior school.

If we take the major conurbations to be Newtown Linford, Woodhouse Eaves, Coalville, Markfield, Groby, Ratby, Ibstock, Ellistown, Heather, Ravenstone, Donisthorpe, Moira, Measham, Netherseal, Overseal, Ashby, Swadlincote, Woodville, Whitwick, Bagworth, Thornton, Melbourne, Smisby, Hartshorne, Ticknall, Burton, Lullington, Edingale, Cotton, Linton, Rosliston, Walton on the Trent, Tatenhill, Barton-under-Needwood, Alrewas, Yoxall, Hoar Cross, Needwood and Newborough, only the last 5 are now thought to be outside this range and Alrewas only by a few hundred metres. All those not provided for are in the Staffordshire (Needwood) area of the Forest and the NFC will need to involve Clubs or Local Authorities from the West Midlands to further progress the matter.

Numerous other areas within the Forest are used for higher level events and indeed the new Forest has now grown to such an extent that we staged a British Championships within the Forest this year. This all attracts “spend” into the local community and helps publicise the new Forest to a wider audience.

I also serve as Chairman of the County Local Access Forum set up under the CRoW Act and can only say loudly and clearly that all local organisation I have dealings with having an interest in outdoor recreation feel as one that the work of The National Forest Company to date has been a very real boom to the area and good value for money.

That is not to say there could not be improvement and that there is not still a lot to be done.

Some mechanism to improve connectivity and formal access is required. The fragmented network of permissive paths and formal rights of way could be much improved by the creation of links. In addition parts of the Forest allow access down proscribed routes but for those interested in the flora and fauna and those wishing to explore, wander or indeed orienteer, more completely open access would be welcome. The right to wander at will was provided under CRoW but some publicly funded parts of the new Forest do have more limited access. The type of access is critical. Some early schemes claimed to provide access but merely meant a path through or alongside from which walkers could look in.

Another area causing some problem for the orienteers is that of the administration of permissions. To an extent this also affects other users like horse riders who have to have licences.

Organisations putting on formal events to try and encourage wider usage do have responsibilities which require risk assessments, insurance cover etc and at present that means formal written permission from each of the landowners. As the Forest has been developed piecemeal (for otherwise good reasons) this may mean having to approach as many as six different owners in a small geographical area, which can be a logistical nightmare, and some form of Forest wide permission system or common licensing would be a great benefit. NFC should endeavour to persuade all tender scheme applicants to allow full informal access to individuals and groups to avoid the need for specific permissions for each use of every area.

Further I would like a system whereby created routes could become Definitive Rights of Way, possibly after a given trial period, so that usage encouraged during the life of a tender scheme or higher level stewardship scheme could not be suddenly withdrawn. This will of course mean more money to compensate land owners but perhaps the time has come to divert more money to getting better and longer lasting rights to what has been created in priority over creating more Forest until such time a public funding makes both a possibility.

It should also be made easier for highway authorities to create needed links by simplifying legislation and by setting up a mechanism for arbitration and assessment of realistic compensation as opposed to allowing land owners to seek ransom monies.

To summarise, The National Forest has had a beneficial effect on the environment and local economy making the area more attractive to live in or visit and as an employment base and should be funded to be able to continue its excellent work. Most of the shortcomings of The National Forest are outside their control and government policies need some re-thinking so that better value for money from the public purse can be obtained. One specific area which would assist greatly would be for the Ordnance Survey to be encouraged to be less restrictive about the use of their maps to promote activities within the forest. Non profit making bodies and local authorities trying to provide maps to encourage usage face fairly heavy restrictions and considerable fees.

Wearing my other hat I do feel more could be made of the Local Access Forum as an arbiter, or first culling level, of claims and counterclaims as regards links and rights of way diversions etc.

Roy Denney

29 January 2010

Memorandum submitted by HM Revenue and Customs (TNF 14)

INHERITANCE TAX RELIEF FOR AGRICULTURAL AND WOODED LAND

Thank you for your letter of 25 January. You ask about the inheritance tax (“IHT”) liability position for wooded land compared to non-wooded land.

A number of reliefs are potentially available for wooded land, subject to all relevant conditions being met. First, “agricultural property relief” (“APR”) is available when agricultural property has been occupied by the transferor for the purposes of agriculture throughout the period of two years ending with the date of transfer. For these purposes “agricultural property” normally means agricultural land or pasture; however, it also includes woodland occupied with agricultural land or pasture where the occupation is ancillary to that of the agricultural land or pasture. The relief is a full exemption from IHT.

As you mention in your letter, we accept that land used for short rotation coppice (ie a perennial crop of tree species planted at high density, the stems of which are harvested above ground level at intervals of less than 10 years) is agricultural land used for agricultural purposes.

Should APR not be available then “business property relief” (“BPR”) may be available. This is also an exemption from IHT for certain types of business and business assets of trading companies that have been owned as such by the transferor throughout the two years immediately before the transfer. In the case of forestry businesses, relief would be available against the value of the land and trees transferred.

More generally, transfers that take place over seven years prior to death are also exempt from IHT.

You ask about woodland relief. This provides for deferral of an IHT charge (if an election is made) in relation to timber as a long-term commercial crop. The value of trees or underwood are not charged to IHT until such time as the whole or any part of the trees or underwood is disposed of when they are then brought back into charge with IHT being charged on the value at the time of disposal. The relief does not extend to the value of the land.

In 2007–08 fewer than 100 estates declared having timber and woodland amongst their total assets.

HMRC has made no formal assessment of the impact of the IHT regime as an incentive to create and retain woodland and forested land.

Finally, it may be helpful if I explain that whilst HMRC has responsibility for implementing and maintaining IHT, policy development is undertaken by HM Treasury. I am happy to provide suitable contact details should the EFRA Committee wish to discuss any proposals or recommendations with regards to the current regime. In the meantime, I can confirm that this reply has been seen by colleagues in HMT.

2 February 2010
