

**Written Response by the Welsh Government to the Report of the Climate Change, Environment and Rural Affairs Report entitled '*Branching Out: A New Ambition for Woodland Policies*'.**

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I welcome the Committee's report and the opportunity to discuss and develop the working arrangement proposals for the Welsh Government's response to it. Through their engagement with stakeholders, the Committee has produced a constructive report and many of the Committee's recommendations align with our thinking.

The Welsh Government woodland estate makes up a substantial share of woodland in Wales and as such is a significant asset to deliver a range of benefits for society. Representing around 7% of the land area of Wales, the woodland estate enables delivery of these multiple benefits. It is a tool for delivering our Natural Resources Policy priorities, including through testing new ways of managing woodlands in the context of threats to tree health and a changing climate.

The economic value of the wider benefits which trees and woodlands provide (such as improved air quality, their contribution towards health and well-being and, together with other measures, their role in helping to reduce the risk of flooding) are becoming better understood. Optimising timber production, alongside maintaining a forest resource for environmental and for social benefit, is at the heart of *Woodlands for Wales*, the Welsh Government's strategy for woodlands and trees in Wales.

The woodland estate is, therefore, a means for the Welsh Government and Natural Resources Wales (NRW) to demonstrate how sustainable management of natural resources can deliver benefits for today and, importantly, for future generations. The woodland estate is also an important social asset and contributes to a sense of identity at a local level.

As we move towards the UK's withdrawal from the European Union, there are opportunities to build on Wales' reputation for high quality goods and services, underpinned by resilient natural resources across both local and international markets. The Welsh Government would like to encourage a strong focus on improving processing and added value within supply chains across Wales to support our competitiveness. The resilience of our natural resources and the opportunities they provide have become even more important to Wales as we define a new place in the world.

I have set out my response to the report's individual recommendations below.

## **Recommendation 1**

### **The Committee recommends that:**

The Welsh Government must, as a matter of urgency, refresh its woodland strategy with the aim of significantly increasing planting rates. The refreshed strategy must include long term targets for woodland cover and must incorporate commercial forestry.

### **Response:**

#### **Accept in Principle**

The Welsh Government's 50 year strategy for woodlands and trees, *Woodlands for Wales*, was published in 2001 and revised in 2009. The Welsh Government agrees it is time for the strategy to be refreshed to better align it with the new approaches put in place by the Well-being of Future Generations (Wales) Act 2015 and the Environment (Wales) Act 2016 for the sustainable management and use of Wales' natural resources including its forests, woodlands and trees, for the present and future generations.

The strategy sets out the Government's long-term vision and outcomes for Wales' woodlands and trees. The strategy's accompanying 5-year action plan (to March 2020) sets a target of 2,000 hectares of new planting per annum. An update of the action plan has previously been submitted to the Committee.

A full public consultation will be required as part of the strategy's refresh. Therefore, the Welsh Government will develop consultation proposals by the early part of 2018 and look to conclude the refresh later in the year.

Increasing woodland cover and developing a competitive and integrated forest sector are, and will remain, key outcomes of the strategy, the delivery of which will be guided by the Natural Resources Policy and its area-based implementation. In addition, the Welsh Government's Decarbonisation Programme and the setting of the first carbon budgets under the 2016 Act, provides a significant opportunity for future woodland creation. The existing strategy already makes provision for the forestry sector and commercial woodlands (Chapter 5) however, this will be reviewed during its refresh.

#### **Financial Implications:**

Refreshing the strategy will not in itself result in a financial cost. Of course, any revised policies – particularly any that relate to significantly increasing planting rates – may carry additional costs and an evidence base needs to be developed in order to support future policy options. The financial implications of this proposal are not known at this time and will be assessed when the refresh proposals are being planned.

## **Recommendation 2**

### **The Committee recommends that:**

The Welsh Government must address the barriers to increasing planting, in particular by:

- Aligning the regulatory and funding processes, and providing additional guidance and support to applicants.
- Examining the potential for adopting a presumption of approval for applications in areas identified by the Woodland Opportunities Map as having a high suitability for woodland.
- Making the Woodland Opportunities Map more user-friendly to a range of different user groups, and linking it in with the land use planning system.

### **Response:**

#### **Accept in Principle**

The Welsh Government is working to address barriers to increasing woodland planting in line with delivery of the key outcomes set out in its strategy. The Government is working closely with NRW to improve alignment of regulatory processes, in particular, the Environmental Impact Assessment (Forestry) (England and Wales) Regulations 1999 (as amended) with the Glastir Woodland Creation application process to facilitate the successful progression of woodland creation proposals.

The Welsh Government will work with NRW and partners to improve the application process. We will explore ways to allow for longer application periods and advance notice of Expression of Interest windows under Glastir or any future replacement scheme.

The Welsh Government is committed to continuous improvement of the Woodland Opportunities Map. Our aim will be to ensure more useful information is provided to applicants to enable them to proceed with more certainty about whether a proposal is likely to be approved. However, the map cannot be a substitute for detailed planning of individual applications to ensure they meet the required standard for sustainable management, including an evaluation of the species and the habitats which may be impacted, by planning woodland creation accordingly.

As we take forward the process of identifying important habitats and species under sections 6 and 7 of the Environment Wales (Wales) Act 2016, the Welsh Government will ensure guidance on these is consistent with sustainable management of natural resources, which gives priority to ensuring habitat and ecosystem resilience in the future, consistent with the principles of sustainability set out in the Well-being of Future Generations (Wales) Act 2015.

The development of Area Statements and taking forward the local delivery of the Natural Resources Policy will provide an opportunity to embed the

Woodland Opportunities Map in local delivery and decision making by landowners and regulators alike. The Welsh Government expects statements will give a clear indication locally about where new woodland should be created.

Area Statements will have a strong link to local planning and, as required by the Well-being of Future Generations (Wales) Act 2015, we expect Local Service Boards to take account of the opportunities to create new woodland as they contribute to the development of land-use planning in their respective areas.

### **Financial Implications:**

Whilst the Welsh Government owns the Woodland Opportunities Map, NRW hosts it on the 'Lle' web portal. The cost of hosting the map is met within the departmental budget. There may be an opportunity to consider transferring responsibility for the map to NRW linked to their delivery of Area Statements so management and the evidence and information to support it are kept in one place which can be looked into.

NRW currently meets the cost of undertaking environmental impact assessments for forestry. A review of environmental impact assessment and strategic environmental assessment legislation is underway by officials in the context of EU exit and any changes to legislation would need to be considered in light of wider policy and administrative needs for these regimes as a whole.

### **Recommendation 3**

#### **The Committee recommends that:**

The Welsh Government must specify how it will use trees and woodlands as a nature-based solution to flooding, and facilitate expansion of the Woodland Carbon Code.

#### **Response:**

##### **Accept in Principle**

The Welsh Government considers this recommendation is in line with our aspirations and policies for a catchment-based approach to natural flood risk management. We have accepted this in principle because the National Strategy for Flood and Coastal Erosion Risk Management is being updated and we will seek to ensure this that sets out the place of tree planting and woodland management in a catchment based approach.

Whilst natural flood risk management should be considered when appraising a flood scheme, it may not always be the best solution or may work better in combination with other alleviation methods, such as peatbog restoration, pond creation or establishment of grassland buffers. Tree planting would rarely be used alone in a flood intervention as it does not provide the certainty hydrologists and engineers seek to ensure a 'set' reduction in risk. Whilst we

are still learning how and where trees are best used for flood risk management, we agree with the report's conclusions regarding planting the upper catchments are likely to bring benefit to reduce flood risk. We want to see natural flood risk management considered as an option for reducing flood risk and, as such, natural flood management approaches are eligible under the Welsh Government funded flood risk management programme. Flood risk benefits are likely to be seen through non-flood risk specific initiatives, such as forestry planting.

The Woodland Carbon Code is a voluntary regime and uptake ultimately depends on decisions by project developers to use it. A key requirement of participation in the code is the tree planting schemes which register with it must be voluntary actions rather than be something the landowner is required to do. This is because of the principle of 'additionality', payment for ecosystem services must be instrumental in deciding whether the project goes ahead. If there is a legal requirement to restock trees (such as restocking conditions in a conditional felling licence), the test would not be met because the planting in these circumstances would not provide any additionality or additional gain, no new woodland is being created.

While we maintain this voluntary principle, the Welsh Government fully supports the Woodland Carbon Code and will work to expand its use and address the barriers to the uptake of the Code. Where applicants apply for grant for new woodland planting, we will consider whether we should make it a requirement that they must register with the Code. Currently, registration with the Code, the first step to generating and selling carbon credits, is required only for the 'Native Woodland - Carbon' option within Glastir Woodland Creation. As all woodland creation ultimately serves the purpose of carbon sequestration, it may be appropriate to extend this provision to all woodland planting in Glastir and any future replacement scheme. Registration with the Code does require extra effort by the landowner and, for very small woodland areas, this may be disproportionate, so we will give consideration to whether a group registration scheme can be established as part of any replacement woodland creation scheme application process.

#### **Financial Implications:**

These are not known at this time.

#### **Recommendation 4**

##### **The Committee recommends that:**

The Welsh Government must commit to ensuring a minimum of 20% urban tree canopy cover, to be addressed through Local Well-being Plans and Area Statements.

**Response:  
Decline**

A single target is unlikely to be helpful in taking forward our policies or achieving the goals the Committee wants to deliver. Each urban area in Wales is different. The average canopy cover for Wales, by Local Authority area is 16.3%, with the highest cover in Torfaen (23.2%) and the lowest in Denbighshire (11.7%). The process of drawing up Local Well-being Plans and Area Statements, involving Local Service Boards in decision making, is the mechanism set out in the Well-being of Future Generations and Environment Wales Acts as the delivery mechanism for targets to meet local needs and priorities. Setting an additional goal, as recommended by the committee, would prejudge the local decision making process envisaged by this legislation.

The Welsh Government does consider some form of location-specific indicator of achievement should be available to those drawing up Local Well-being Plans. Accordingly, we support NRW's work to measure canopy cover and will explore ways to monitor changes in canopy cover from the baseline established in the canopy cover report, '*Tree Cover in Wales' Towns and Cities*'. This evidence will inform Local Service Boards and assist them in setting local targets.

The Welsh Government will work with NRW and Local Authorities to expand use of the iTree Eco tool for monitoring urban trees and woodlands in and around towns through '*Taking Forward Wales' Sustainable Management of Natural Resources*' the Welsh Government is consulting on measures to enhance protection of ancient, heritage and valued trees. We also look forward to receiving advice from the Law Commission on this subject.

**Financial Implications:**

A repeat of the canopy cover report, '*Tree Cover in Wales' Towns and Cities*' by NRW would cost in the region of £30,000.

There would be no direct financial implications from rejecting this recommendation.

**Recommendation 5  
The Committee recommends that:**

Woodlands can be an effective tool for regeneration and engaging local communities. The Welsh Government must harness this and, as a starting point, should:

- Increase support to community woodland groups.
- Assess the potential of developing a National Forest Company to help regenerate the south Wales valleys.
- Ensure that woodland education is incorporated into education policies.

**Response:**  
**Accept in Principle**

Current funding for community groups is provided via the Welsh Government core grant. Following an open and competitive application process, funding of nearly £22 million was awarded to 16 organisations (out of 61 applicants) over a 2.5 year period (1 October 2015 - 31 March 2018). A number of the successful organisations have an interest in forestry/woodland related activity. For example, Llais y Goedwig were successful in securing just under £340,000 to deliver mentoring and support for the start-up of community woodland groups and to develop capability and to build capacity. Similarly, Coed Cymru received funding of £449,000 over the same period to build capacity, to assist in the delivery of a range of objectives in the Welsh Government's strategy for trees and woodlands and to support the important role that woodlands can play in implementing integrated natural resource management.

The current funding arrangement comes to an end in 2018 and the Welsh Government is considering the steps it should take to provide such funding in future. The Welsh Government cannot prejudge future decisions to offer grant funding to specific organisations. Core funding grants will be considered for organisations sharing similar goals and priorities to our own, who are seeking to deliver the same outcomes and who have proposals for work in the priority areas. We will be working with current core and wider third sector organisations over the coming months to co-design the next round of core funding. However, it is likely the priorities for funding will align more closely with the priorities of the Natural Resources Policy.

There is potential to take forward measures to enhance the use of trees, woodlands and forests as part of Valleys regeneration projects. A significant area of forest in the south Wales Valleys is already in public ownership and is managed by NRW with a strong focus on delivery for local communities. In areas where communities have said they want to have direct involvement in woodland management, NRW has put in place measures to provide opportunities to engage, including the Mynediad scheme. These public forests also support economic development locally, by providing a reliable supply of forest products to sawmill and bioenergy plants. To ensure fairness to all, these products are offered to market in a fair, open and transparent way and other opportunities to use the forests need to be offered in a similar fashion.

As NRW develops Area Statements, the Welsh Government expects they will seek to align their forest resource planning process with these. This should enable local communities to identify opportunities where local economic development can be enhanced, while respecting the need for fairness, openness and transparency.

The Welsh Government is consulting about whether there is a need to remove legislative barriers which might prevent communities from being given greater control over their local woodlands. The *Taking Forward Wales' Sustainable Management of Natural Resources* consultation will run to 30 September and

we will consider the responses to the consultation and the need for further legislation in light of those.

The Welsh Government created *Plant! A Tree for Every Child* in 2008 and this is managed by NRW and Coed Cadw (The Woodland Trust in Wales). There are now sites right across Wales which have been planted with nearly 300,000 native broadleaf trees for every child born and adopted in Wales.

On 20<sup>th</sup> July, the Ministerial Taskforce for the Valleys published its plan, *Our Valleys Our Future*. The plan includes a commitment to explore the development of a Valleys Landscape Park. This will help communities to work with the public sector to maximise benefits from the area's natural resources. This may include community development of woodland, developing employment and training opportunities through green infrastructure and the use of locally sourced timber in the creation of 21<sup>st</sup> century homes.

The Welsh Government recognises the unique value of outdoor learning and the many benefits it brings for children including supporting the development of healthy and active lifestyles; developing problem solving skills; and understanding and respecting nature and the environment in which they live. The National Curriculum, through a variety of subjects, already gives learners the opportunity to gain knowledge of the natural world in various outdoor settings – such as through geography or science fieldwork or visits to historic or religious sites. It therefore recognises the value to children developing their skills, knowledge and understanding through being involved in a range of experiences including activities in the indoor and outdoor learning environments.

### **Financial Implications:**

Funding for Llais y Goedwig is currently £339,020 and for Coed Cymru it is £449,000 over a 2.5-year period. We will engage those organisations/groups in the co-production to shape and form any future funding streams so they are better informed and able to apply for any future funding rounds.

All other costs are met from programme budgets.

NRW is likely to identify that greater working with communities would entail increased cost and staff resources.

### **Recommendation 6**

#### **The Committee recommends that:**

The Welsh Government must extend and better manage access to public woodlands, especially for marginalised groups. NRW should examine options for recovering costs from user groups for certain recreational activities in the woodlands it manages.



**Response:**  
**Accept in Principle**

The Welsh Government agrees with the sentiment of the recommendation, however, it has reservations over the appropriateness of implementing certain charging regimes on its estate.

NRW has operational responsibility for the Welsh Government's woodland estate, including an important responsibility to balance the priorities for providing access to different groups. These responsibilities are subject to the Welsh Ministers' overarching strategic policy over the use and promotion of access and outdoor recreation across Wales.

The Welsh Government is committed to developing a simpler, less onerous framework for access, which facilitates consistency in the opportunities available for participation in different activities and appropriately communicates to all interests their responsibilities and duties.

The Welsh Government is currently consulting on a number of proposals which seek to deliver its commitment to manage Wales' natural resources more sustainably to deliver lasting economic, social and cultural, as well as environmental benefits, to ensure the continued prosperity of Wales. These include proposals to increase the opportunities for outdoor recreation for a wider range of activities on access land and the public rights of way network near to where people live. A key aim is to ensure that people can access green and blue space for responsible recreation regardless of their means and abilities.

Woodlands are highly valued for the health, well-being, social and economic benefits they provide in relation to outdoor recreation. They are often hubs for shared-use paths and multi-user activity, which is free at the point of use. The Welsh Government is keen to see this continue and extended to other areas.

The Welsh Government has reservations about charging for recreational activities because of the potential barrier, especially for marginalised groups. Provision of amenities or services enhance the access experience and are particularly valued by those who traditionally make less use of the countryside for recreation, including those with mobility issues, people from deprived communities and families with young children.

**Financial Implications:**

The financial and legal requirements for improving, maintaining and promoting public access to the Welsh Government woodland estate will be met from NRW's budget.

## **Recommendation 7**

### **The Committee recommends that:**

The Welsh Government should clarify its timetable for bringing forward proposals on access reform.

### **Response:**

#### **Accept in Principle**

The Welsh Government's current consultation, '*Taking Forward Wales' Sustainable Management of Natural Resources*' contains proposals for updating the legislative framework for public access to the outdoors. The consultation is due to close on 30 September. The extent and nature of the responses received will determine the next steps.

### **Financial Implications:**

No direct financial implications – administrative costs of stakeholder engagement are met from programme budgets.

## **Recommendation 8**

### **The Committee recommends that:**

The Welsh Government must address the constraints on the commercial forestry sector, in particular by:

- Facilitating coniferous woodland creation and commercial operations on both public and private land.
- Promoting to the farming community the commercial and other benefits of planting trees on agricultural land, and enabling farmers to do this through additional, simple and flexible grant payments.
- Providing and promoting training in forestry, woodland management and woodland planning.

### **Response:**

#### **Accept**

The Welsh Government recognises the need to enable greater planting of productive woodland in order to enable Wales to meet the needs of future generations. Creation of woodland at scale requires co-operation, collaboration and involvement of a range of interested parties and to facilitate this, the Welsh Government has established a Co-operative Forest Planning Scheme under the Welsh Government RCRDP (2014-2020).

The Welsh Government is committed to playing its part in woodland creation, working with forest industries, although, in accepting this recommendation, notes forest industries must also do more to work collaboratively with landowners, NRW and regulators to make the investments on which their industry relies. The scale of investment required to meet future needs is

significant and public and private sectors will need to work together to make it happen.

The Welsh Government is committed to working collaboratively with the farming community and with NRW to ensure farmers are aware of the opportunities from creating and managing woodland areas on their land. The Welsh Government recognises farmers have a choice about how they manage their land and for many, the changed circumstances brought about by EU exit will be a significant challenge.

The opportunity to use woodlands for shelter, for timber production and to enhance their holding while generating future income may be significant for some farmers with the skills and the desire to grasp it. Investment in woodland is a very long-term activity and, unless the farm already has significant mature woodland areas, it may not produce a regular return in the way livestock can.

Through the Land Use Sub Group, the Welsh Government is working with a range of stakeholders, including farming unions, environmental bodies and commercial forestry representatives. The Group is working to ensure that all land use, including small and large scale afforestation, is considered as part of the bigger picture of land use going forward. The practical difficulties of all aspects of diversification into tree planting, including consenting procedures and training, are being considered and issues collated to improve scheme delivery in future.

Through '*Taking Forward Wales' Sustainable Management of Natural Resources*' we are consulting on the future regulation of felling to make the system more flexible provided this does not result in a net reduction of woodland area in Wales.

The Welsh Government provides and funds training in forestry, woodland management and woodland planning through Farming Connect and the Welsh Government RCRDP, which also provided support for 'Focus on Forestry First'. There are a wide range of forestry education and training providers operating in Wales, such as NRW (through their national scheme 'Cyfle' which provides support and management of work experience placements, volunteers, under- and post-graduate placements and apprenticeships), LANTRA, who provide a range of certified forestry courses and also those provided by Wrexham Glyndwr and Bangor Universities, as well as the industry's professional body, the Institute of Chartered Foresters.

### **Financial Implications:**

The budget for Round 1 of the Co-operative Forest Planning Scheme (Welsh Government RCRDP (2014-2020)) is £180,000.

Round 2 will be run in Autumn 2017 and the budget is in the region of £300,000. There is no commitment to continue funding this Scheme after 2 rounds.

The current Expression of Interest round of funding for Glastir Woodland Creation (Welsh Government RCRDP (2014-2020)) closes on 25 August with a total budget of £1.7 million.

A further round of Glastir Woodland Creation will be run from 26 February – 6 April 2018 and this will have a budget of £1.7 million.

Continuation of support for woodlands and forestry is dependent on a decision in respect of the replacement for both Pillars of the CAP.

### **Recommendation 9**

#### **The Committee recommends that:**

The potential for growth in the commercial forestry sector should be actively supported by Welsh Government. In particular it should:

- Agree with the forestry sector ambitious targets for Wales to become increasingly self-sufficient in timber production and less reliant on imports.
- Consider changing the building regulations to promote the use of timber in construction.

#### **Response:**

##### **Accept in Principle**

The Welsh Government is already working with the construction sector to encourage and increase the use of timber in construction. The ambition to be self-sufficient is not readily achievable or particularly desirable for several reasons. Firstly, Wales produces significant excesses of timber and wood products which it does not use domestically. The location of forests in relation to demand in Wales means it is often more sensible to meet demand in Wales by using timber from England and vice versa because of the long land border and the location of processing facilities along the border. It is more important to focus on:

- Local supply chains, where timber transport can be optimised so costs and CO2 emissions can be minimised.
- Use of timber first, irrespective of its origin, in housing and other construction to establish supply chains and market drivers for sustainable materials.
- Use of timber in the context of a circular economy, where we focus on design for its recovery, re-use and recycling when the first use product is decommissioned.

The Welsh Government is working with the construction industry to examine the extent to which current building regulations or planning guidance may be a barrier to greater use of timber. Early evidence suggests that changing established custom and practice within the construction industry and procurement practice offers greater scope to see progress in this regard.

The Welsh Government's new Innovative Housing Programme will make available £20 million over 2017-18 and 2018-19. It is part of our 20,000 affordable homes target and has been designed to align with the requirements of the Future Generations (Wales) Act 2015. Schemes using timber, particularly Welsh timber, will be welcome. Whilst this initiative is not intended to promote any specific type of construction, it is entirely possible that 'non-traditional' approaches to the design and delivery of new housing could include solutions which make greater use of timber. Schemes that have submitted an application for financial support will be assessed against a rigorous framework of criteria designed to deliver sustainable development and homes which remain fit for purpose throughout their intended life.

### **Financial Implications:**

No direct financial implications – administrative costs of managing stakeholder involvement only are met from programme budgets.

### **Recommendation 10**

#### **The Committee recommends that:**

The Welsh Government should reintroduce the Glastir Woodland Management Scheme and ensure that planting meets the UK Woodland Assurance Standard.

### **Response:**

#### **Accept in Principle**

The available funds for the Welsh Government RCRDP (2014-2020) are currently fully committed, including an allocation for future windows for the Timber Business Investment Scheme. The Welsh Government supported woodland management under the previous RDP through Glastir Woodland Management (GWM) and this included re-stocking grants to diversify woodlands. However, when the scheme was launched support was focussed on the restoration of Plantations on Ancient Woodland Sites (PAWS), bringing unmanaged woodland into active management and encouraging a move away from clear-felling to low impact silvicultural systems.

The outbreak of *Phytophthora ramorum* (*P ramorum*) necessarily caused GWM to prioritise re-stocking options to mitigate the risk of land-use change, where a Statutory Plant Health Notice had been issued, and to help woodland managers to mitigate the risk of their larch being infected and the risk of further spread of the disease. This meant the vast majority of the GWM budget went to re-stock. Under this Rural Development Programme, given the pressure on financial resources and in agreement with the industry, tackling *P ramorum* and new woodland creation were given priority. However, the Welsh Government will explore opportunities to re-prioritise resources to allow for limited opening of the Glastir Woodland Management Scheme.

The UK Forestry Standard (UKFS) sets out what is required for woodlands to be sustainably managed. However it does not, by itself, provide the means for the woodland owner or manager to demonstrate to their customers they are complying with the standard. To fill this gap, the UK Woodland Assurance Standard (UKWAS) provides a “compliance standard”, setting out a set of requirements and stating what practical evidence of activities and management practice is needed in order compliance can be independently audited and a certificate awarded by certification bodies like Forest Stewardship Council (FSC) or Programme for Endorsement of Forest Certification (PEFC).

While compliance with UKWAS is desirable and is encouraged, having FSC or PEFC certification for timber or other forest products like venison, can help the owner gain market access, can provide higher prices for timber sold and is evidence of sustainability in biomass markets. However, UKWAS is a third party certification scheme and participation in it involves a cost to the woodland owner. In woodlands of less than 10 hectares, which accounts for around a third of Welsh woodland, it is often not cost effective in terms of the return to the owner from greater market access or higher prices.

Making compliance with UKWAS a condition of Glastir Woodland Management or planting schemes is likely to undermine its uptake by smaller woodland owners. The UKFS, on which the UKWAS certification scheme is based, provides a standard against which woodland planting and woodland management schemes can be verified. Our aim is to ensure woodland owners who prepare a forest management plan to demonstrate compliance with UKFS can use the plan as part of the requirements they will face if they choose voluntarily to participate in the UKWAS to gain third party certification.

The Land Use Sub Group is working to ensure all land use, including the management of existing woodlands, restoration of PAWS, strategic eradication of invasive non-native species and stock exclusion (if appropriate), is considered, along with all other land use.

### **Financial Implications:**

The Welsh Government RCRDP (2014-2020) funds are fully committed through to the end of the Programme in 2023. Funds can only be made available for re-introduction of a Management Scheme by withdrawing them from other parts of the Programme. A further £4 million is currently scheduled for future rounds of the Timber Business Investment Scheme.

Glastir Woodland Management has not opened under the Programme yet in part because the industry had agreed with the Welsh Government an order of priorities that has focussed on woodland creation and restoration. It also represents least value for money because the receipts from timber sales have been boosted in the order of 20% by exchange rate shifts since the EU referendum. This represents a windfall estimated as being in the order of £100million over the Programme period.

Officials are considering the case for reintroducing the Glastir Woodland Management Scheme in light of EU exit.

### **Recommendation 11**

#### **The Committee recommends that:**

The Welsh Government must work with stakeholders to ensure its tree health strategy demonstrates the lessons learnt from the outbreaks of Ash Dieback and Larch Disease.

#### **Response:**

##### **Accept**

The Wales Tree and Plant Health Steering Group (which includes a range of stakeholder representatives) regularly meets to review updates in respect of the tree health strategies for Wales. Operational Response Teams for both *P ramorum* and *Chalara* meet to review the latest information on *P ramorum* infection and *Chalara* outbreaks and they feed this information back to the Steering Group.

The Welsh Government intends to review the functions of the Tree and Plant Health Steering Group and its membership to ensure it remains fit for purpose as we face increased challenge from tree diseases. The refresh of the *Woodlands for Wales* strategy will also consider our response to disease outbreak in light of the evidence from science and the continued impact of climate change and of the decision to leave the EU.

The Welsh Government will consider whether changes to legislation are needed in response to developing disease threats and work closely with DEFRA and the Scottish Government to combine our efforts to combat disease.

#### **Financial Implications:**

The full financial implications will be assessed as part of the review.

### **Recommendation 12**

#### **The Committee recommends that:**

The Welsh Government must improve delivery of the Woodlands for Wales strategy, in particular by:

- Addressing the barriers to woodland creation as a matter of urgency.
- Revising the strategy by early 2018 and specifying how it will support and be supported by the Well-being of Future Generations (Wales) Act 2015, the Environment (Wales) Act 2016, and the Natural Resources Policy.
- Improving the transparency and power of Woodland Strategy Advisory Panel to drive the strategy forwards.

**Response:**  
**Accept in Principle**

The Welsh Government has accepted, in principle, the recommendation (Recommendation 1) to review barriers to woodland creation. The strategy will be refreshed in line with the Natural Resources Policy, with emerging Decarbonisation Strategies and with the development of Area Statements by NRW. However, the timeline for publication of these strategies, together with the need for public consultation around a refreshed strategy is likely to take this work well into 2018. We will bring forward consultation proposals by the early part of 2018 and look to conclude a revised strategy later in that year.

The Woodland Strategy Advisory Panel performs an important set of functions on behalf of Welsh Ministers. As well as acting as an advisory panel to support the Welsh Ministers' development of forestry policy, it also supports the Welsh Ministers to handle the determination of felling licence appeals under forestry legislation.

**Financial Implications:**

The review of the strategy will require time and resource to complete, the details of which are not as yet known. The financial implications will be assessed as part of the review.

**Recommendation 13**  
**The Committee recommends that:**

As recommended in the Committee's report on the future of land management in Wales, the Welsh Government must ensure that future funding should be based on sustainable outcomes. This approach could be supported by innovative methods such as payments for ecosystem services and pension fund investment in green infrastructure.

**Response:**  
**Accept**

As noted above, the Welsh Government agrees that mechanisms such as payments for ecosystem services have a role to play in future funding models. The Woodland Carbon Code (Recommendation 3) has a key role as an exemplar which is paving the way for this kind of mechanism. It also helps us to identify potential barriers, such as the low market price of carbon and the need to find means to address them.

The Welsh Government is working to ensure woodland management and planting is integrated with all other land use to meet environmental, economic and well-being goals.



The final report from the Glastir Monitoring and Evaluation Programme (GMEP) will be used to determine which land use measures have been most successful. This evidence will be used to help to inform the design of support mechanisms going forward.

**Financial Implications:**

These are not known at this time.

**Lesley Griffiths, AM**  
**Cabinet Secretary for Environment and Rural Affairs**