

# CLIMATE CHANGE AND THE NATIONAL FOREST ESTATE

## SCOTTISH GOVERNMENT RESPONSE TO PUBLIC CONSULTATION ON FORESTRY PROVISIONS IN CLIMATE CHANGE (SCOTLAND) BILL

### Summary

A public consultation, *Climate Change and the National Forest Estate*<sup>1</sup> was published on 4 November 2008 with responses sought by 27 January 2009. This report is the Scottish Government response to the consultation.

The consultation paper sought views on (i) allowing the Forestry Commissioners to enter into joint ventures, (ii) allowing Scottish Ministers and Forestry Commissioners to offer leases and cutting rights over parts of the national forest estate and (iii) the potential role of a not-for profit trust. It also asked about other actions which need to be taken, or other changes in legislation that need to be made, in order to allow the public and private forestry sector to contribute to Scotland's target of reducing emissions by 80% by 2050.

The Scottish Government welcomes the general support for the proposals to allow the Forestry Commissioners to enter into joint ventures, with the intention of participating in renewable energy programmes relating to wind and hydro power on the national forest estate. The Scottish Government was also grateful for the wide range of other suggestions about how forests can contribute to the greenhouse gas emission reduction targets. However, the Scottish Government recognises the concerns about the options of offering long leases over substantial parts of the national forest estate and of using a not-for profit forest trust to hold the proceeds and/or the landlord's interest in the land.

Accordingly, Scottish Ministers intend to use the powers provided for in section 47 of the Bill to make an order allowing Forestry Commission Scotland to enter into joint ventures with developers and local communities to accelerate renewable energy development on the national forest estate. However, these powers will not be used to make an order that would allow Scottish Ministers and Forestry Commissioners to offer leases and cutting rights over parts of the national forest estate; the option of using a not-for profit trust in this context is also dropped. Scottish Ministers will now be seriously considering the other suggestions put forward by consultees for increasing forestry's contribution to meeting climate change targets.

### Introduction

1. Climate change is one of the most serious threats facing Scotland and the world. The most severe consequences include famine, drought and extinction of species. Urgent action is needed by all nations to avoid the most severe climate change.
2. The aim of the Climate Change (Scotland) Bill is to establish a framework to drive greater efforts at reducing Kyoto Protocol greenhouse gas emissions in Scotland. The Bill will create mandatory climate change targets to reduce Scotland's greenhouse gas emissions. This will signal

---

1

[http://www.forestry.gov.uk/pdf/forestryscottishclimatechangebill.pdf/\\$FILE/forestryscottishclimatechangebill.pdf](http://www.forestry.gov.uk/pdf/forestryscottishclimatechangebill.pdf/$FILE/forestryscottishclimatechangebill.pdf)

clearly that the Scottish Government is serious in tackling greenhouse gases and wishes to set a strong example to other countries in the global effort to reduce climate change.

3. The provisions in this Bill will set a long-term target to reduce Scotland's emissions of Kyoto Protocol greenhouse gases by 80% by the year 2050. Many of the policy measures required to meet this target will not require legislation to implement, but certain climate change mitigation and adaptation policies have been identified which do require legislation. The Bill contains provisions in Part 5 to allow these to be taken forward.

4. The substantial potential for using forests, and associated land, to help mitigate climate change by reducing net greenhouse gas emissions and storing (sequestering) carbon was highlighted in the 2006 Stern Report on the Economics of Climate Change. The Intergovernmental Panel on Climate Change's 2007 report on *Mitigation of Climate Change* identified mitigation options available to the forest sector. The prevention of deforestation is extremely important at a global level. The recently published policy on woodland removal reinforces the protection of Scotland's forest resource. Beyond this, there are other important opportunities for Scottish forests to contribute to mitigation.

5. A report for the Scottish Government by AEA Technology on *Mitigating Against Climate Change in Scotland: Identification and Initial Assessment of Policy Options* identified grant support for biomass and increasing forest area as high priority policies. The first report of the Committee on Climate Change has said that the forestry sector can make a potentially significant contribution to emissions reduction "by afforesting previously unforested areas, increasing the time a forest is kept standing before it is chopped down, and optimising forest density". It also highlighted the potential use of biomass from forests, in energy supply and substitution for energy-intensive products in construction.

6. Forestry Commission Scotland has recently published its *Climate Change Action Plan 2009-2011*; this examines in more detail the forest-related measures that can contribute to Scotland's green-house gas reduction targets. Opportunities include the creation of new woodlands, the increased use of wood for energy, managing existing forests to conserve carbon stocks, adaptation measures, actions to reduce the sector's carbon footprint and the increased use of sustainably produced wood for construction.

7. The consultation paper, *Climate Change and the National Forest Estate* explained that creating 10,000 hectares per year of new woodland cover in Scotland would lock up an additional 1.2 million tonnes of carbon (or 4.4 Mt CO<sub>2</sub>) per year by 2050, but would require increased funding. It suggested ways to use the assets of the national forest estate to provide this funding. Meanwhile, Scottish Ministers asked FCS to consider options for using the assets of the NFE to help fund forest-related climate change mitigation measures, while safeguarding other benefits delivered by the estate.

8. The consultation paper was published on 4 November 2008 with responses sought by 27 January 2009. The Analysis of the Consultation Responses, together with the responses themselves, was published<sup>2</sup> on 9 March 2009. This report is the Scottish Government's response to the views expressed in relation to each of the four questions posed in the consultation paper.

---

<sup>2</sup> <http://www.forestry.gov.uk/fcsclimateconsultation>

## **Joint Ventures for renewable energy programmes on the national forest estate**

9. The consultation paper asked “what are your views on allowing the Forestry Commissioners to enter into joint ventures, with the intention of participating in renewable energy programmes on the national forest estate?”

10. There were 368 responses to this question. 70% expressed positive views on this option, although a number added caveats; 15% expressed negative views. The remainder appeared to be neutral or undecided. A number of respondents were positive about joint ventures in relation to wind or hydro power, but expressed concern about Forestry Commission Scotland entering into joint ventures for biomass-related projects as this could create a conflict of interest in terms of wood supply. There was interest in using these powers for local, small-scale, projects as well as larger-scale projects.

### **Scottish Government Response**

Scottish Ministers intend to use the powers provided for in section 47 of the Bill to make an order allowing Forestry Commission Scotland to enter into joint ventures with developers and local communities to accelerate renewable energy development on the national forest estate.

## **Leases and cutting rights over parts of the national forest estate**

11. The consultation paper asked “what are your views on allowing Scottish Ministers and Forestry Commissioners to offer leases and cutting rights over parts of the national forest estate?”

12. There were 469 responses to this question. 72% expressed negative views on this option and 12% expressed positive views. The remainder appeared to be neutral or undecided. Concerns about this option included fears that the proceeds would be diverted away from forest sector; that there would be a loss of social and environmental benefits; that there would be adverse impacts on staff, local employment and wood supply; and that leasing would represent poor value for money. Respondents also made a wide range of suggestions about requirements that should be built into any leases. While some of the concerns expressed by stakeholders could be addressed through appropriate lease conditions, these could adversely affect the value of a lease.

13. Given the strong negative views expressed by consultees, the Scottish Government has decided against taking this option forward. A number of respondents who opposed large-scale leases suggested that there should nevertheless be powers to allow for small-scale leasing of parts of the national forest estate to communities; however, given that any powers under the Climate Change (Scotland) Bill could only be used in relation to climate change, this is something that would be better addressed through a different legislative vehicle.

### **Scottish Government Response**

Scottish Ministers do not intend to use the powers provided for in section 47 of the Bill to make an order allowing leases and cutting rights over parts of the national forest estate. Accordingly they will propose an amendment to delete sub-section 47(4).

## **A not-for profit trust**

14. The consultation paper asked “what are your views on (i) transferring the proceeds from leases and cutting rights to a not-for profit trust, for investment in woodland creation; (ii) transferring the landlord’s interest in this land to a not-for profit trust; and (iii) Ministers stipulating the constitution of such a not-for profit trust?”

15. There were 313 responses to this question. Although the question was sub-divided, most respondents gave a general reply to all three sections. 66% expressed negative views on this option, although a small number of these were only negative about the suggestion that a trust should act as landlord; 16% expressed positive views. The remainder appeared to be neutral or undecided. Respondents who expressed negative views generally considered that a trust would be unnecessary, given that the national forest estate is already in public ownership. However, there were a number who considered that a trust could provide a useful mechanism for ensuring that proceeds from a lease were not diverted away from the forestry sector.

### **Scottish Government Response**

Given the decision not to proceed with the leasing option, there is no need for further consideration of transferring the proceeds from a lease, or the landlord’s interest in the land, to a not-for profit trust.

## **Other actions and changes**

16. The consultation paper asked “are there other actions which need to be taken, or are there other changes in legislation which need to be made, in order to allow the public and private forestry sector to contribute to Scotland’s target of reducing emissions by 80% by 2050? If so, please outline what these are.”

17. There were 311 responses to this question. Most respondents who answered this question focussed on actions directly relevant to increasing the contribution of forestry to reducing net green house gas emissions, although a number raised more general issues. A number of themes emerged from the responses, including:

- the need to regard woodland expansion as one of a range of opportunities for forestry in relation to climate change – others include sustainable use of timber, and adaptation;
- the need to consider woodland expansion in the broader context of rural land use in Scotland;
- the need to give priority to improving delivery of the Scotland Rural Development Programme (SRDP);
- the opportunity to increase funding from the national forest estate, for example by enhancing the existing repositioning programme (through which forests with low levels of public benefit are sold so that the money can be used for reinvestment to create woods with greater public benefit);

- the opportunity for generating revenue from renewable energy projects and through a carbon-offset scheme;
- the suggestion that the tax regime for forestry should be reviewed (recognising that this is a matter for the UK Government).

### **Scottish Government Response**

The Scottish Government is grateful for these suggestions and will carefully consider how best to take them forward.

Forestry Commission Scotland's *Climate Change Action Plan 2009-2011* already provides a framework for taking advantage of opportunities for forestry to contribute to climate change mitigation, and to adapt to climate change. The *Scottish Government's Rationale for Woodland Expansion* further explains how woodland expansion can best contribute. In addition, the Scottish Government's current land use study will assess the current and potential contribution of land in Scotland to food production, energy provision, rural development, woodland expansion and biodiversity protection.

Work is in hand to improve delivery of the forestry elements of the SRDP, and the Scottish Government has also initiated a wider review of the SRDP.

After about 5-10 years, additional income from renewable energy projects is expected to provide necessary levels of new funding for forest-related climate change measures. For the shorter-term, the Scottish Government will give further consideration to developing the use of existing arrangements (introduced in 2005) whereby areas of the national forest estate with low public benefit are sold to fund the creation of new woodlands. It will also give further consideration to opportunities for developing a carbon-offset market for forestry; and to improvements that should be made to the tax regime for forestry.

**March 2009.**