

WHAT THE SCOTTISH BUDGET 2024/25 MEANS FOR WOODLAND CREATION

The forestry and wood processing industry employs more than 25,000 people in Scotland and adds £1 billion in value to the economy every year. Confor (www.confor.org.uk) is the representative body for the industry, speaking up for sustainable businesses all along the supply chain, from tree nurseries to sawmills and wood-panel manufacturers.

Background

The Scottish Government has a long-standing policy of increasing forest cover to 21% of the total area of Scotland by 2032 (the current figure is around 19%). This is set out in *Scotland's Forestry Strategy 2019–2029* and has cross party support, having been debated and approved by Parliament in February 2019 and again in November 2022.

To achieve this goal, the Forestry Grant Scheme (FGS) offers financial support for the creation of new woodland and the sustainable management of existing woodland, and to ensure Scotland is on track, the Scottish Government has set annual targets. These targets were set out in the Forestry Strategy but have since been increased as part of plans to fight climate change and achieve net zero by 2045.

For 1 April 2023 to 31 March 2024, the target is 16,500 hectares (ha) and for 2024-25, this rises to 18,000 ha – in line with the annual woodland creation targets set out in the Scottish Government's Climate Change Plan.

New woodland planting figures and targets are:

Planting season	Target (hectares)	Actual planted area
2017/18	10,000	7,140 ha
2018/19	10,000	11,210 ha
2019/20	12,000	10,860 ha
2020/21	12,000	10,660 ha
2021/22	13,500	10,480 ha
2022/23	15,000	8,190 ha

This table shows that the amount planted has been falling each year since the Scottish Forestry Strategy was introduced in 2019. As the agreed target has risen, the gap between the target and what is actually planted has increased year on year.

In 2016, in response to a suggestion from Confor about learning lessons from the planning process, the then Forestry Minister Fergus Ewing MSP asked former Scottish Government Chief Planner Jim Mackinnon to examine the system for creating new woodlands and suggest improvements to help government achieve its targets. The Mackinnon report was published in early 2017 and initial improvements followed. In recent years there has been concern in the sector that the improvements made have since been undone.

Following publication of the First Minister's Programme for Government in April 2023 the Cabinet Secretary for Rural Affairs, Land Reform and Islands Mairi Gougeon MSP pledged that "by 2026 I will have... increased woodland creation in Scotland to 18,000 hectares per year, sequestering carbon for decades to come, delivering biodiversity gains and ensuring a reliable supply of raw material for the timber processing sector."

In June 2023 with publication of figures showing only 8,190 hectares of new woodland had been created out of Scotland's then national target of 15,000 ha, the Scottish Government recognised that action was needed to get Scotland's tree planting back on track, and the Rural Affairs Secretary agreed to chair a Scottish Forestry Summit with industry leaders and land management bodies.

Confor participated in the Woodland Creation Summit held in December 2023 and is fully supportive of the process. At the time of writing, clear outputs from the summit are still being worked up but are expected to be published shortly.

Scottish Government budget 2024 to 2025

Despite the statement of support for the planting targets made in April 2023 and the raised expectations from the forestry summit that planting would increase (it was announced that a modern-day record of 13,100ha of planting had been approved for the 2023-2024 planting period so far), the budget announced on 19 December 2023 saw funding for woodland creation in 2024/25 cut by 41% from the current year.

Cabinet Secretary Mairi Gougeon MSP has advised that the funding allocation of £39.2m for woodland creation (out of a total budget of £45.4m) would "help create over 9,000 ha of new woodland", around 50% of the Scottish Government target and far short of what it is hoped will be planted this year. The balance of around £6m is expected to be available for woodland management activities.

The Scottish Government has stated that this year's budget was prepared against the backdrop of a tight financial settlement with the UK Government and that overall funding has been

targeted at the NHS, education and justice with significant cuts to the rural affairs, economy and transport & net zero portfolios.

Cross party support and a climate change imperative

Since 2016, there has been broad and repeated political consensus in Scotland on the need to increase levels of forest cover through woodland creation. In addition to very clear economic and biodiversity benefits, the Climate Change Committee has consistently made the case for higher levels of tree planting to achieve net zero and fight climate change. This has been accepted by every political party with the 2021 manifestos showing broad alignment on this issue.

There is also clear evidence that both the Scottish and UK public overwhelmingly support more tree planting as a means of fighting climate change. In the most recent survey undertaken in 2023 84% of UK residents surveyed agreed or strongly agreed that “A lot more trees should be planted”.

Impacts

Confor recognises that public funding is tight and there are many calls on the public purse. That said, the sums of money involved are very small and the benefits delivered are significant – not least when we reflect on the fact that 2023 was the hottest year on record and Scotland has already experienced devastating flooding this winter, including the recent tragedy in Brechin. More trees in upland areas can help reduce the impacts of heavy rain and also fight climate change through carbon sequestration.

The woodland creation target for 2024/25 is 18,000ha. In reality this will be very difficult to achieve as there is insufficient capacity in the system, whether that is Scottish Forestry approving enough applications or the supply of young trees. In light of this, and given pressures on the budget, **we propose that funding to support the planting of a minimum of 14,000 ha of new woodland creation should be provided in the budget approved by MSPs.**

The difference between a budget for 9,000ha and 14,000ha and the carbon and employment impacts are estimated to be:

- **A revised budget of £67.4m (increase of £22m over proposed budget)**
- **This will secure or create 900 jobs according to Scottish Forestry economic analysis**
- **Lock up over 900,000 tonnes of carbon dioxide by 2045**

It is important to note that if the cut goes ahead, it will have longer term impacts – seed collection and growing of young plants, as well as the training and recruitment of professional

foresters cannot be turned off and on like a tap. Jobs will be lost, investment will be cut, seed collection and planting will reduce, and **the sector will take many years to ramp up again to come close to meeting the planting target** – with further significant consequences for achieving net zero, supporting biodiversity recovery and a just transition to a low-carbon economy.

Confor recommendations

There is an old saying that the best time to plant a tree was 20 years ago and the second-best time is now. With this savage cut to funding, ‘now’ will be postponed for many years.

It is essential that a clear message is given that Scotland values its forests and does not want to abandon the long-term Scottish Forestry Strategy that the Scottish Parliament has debated and endorsed on two occasions since 2019.

Confor urges MSPs to review the budget as presented and work together towards securing at least the funding required to deliver 14,000ha of woodland creation in 2024/25 - £67.4m, alongside a clear commitment that planting and funding will rise to 18,000ha as soon as possible.

Yours sincerely,



Stuart Goodall

Chief Executive, Confor

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