

FARMING

Now's the time to plant trees as Government boosts incentives



As the Government boosts its support for woodland planting and carbon trading, land agent and surveyor expert **Hugh Townsend** takes a closer look at the small print details

THE Forestry Commission have recently announced a range of new grants which are aimed at encouraging Woodland Creation.

English Woodland Creation Offer (EWCO)

This scheme is set to replace the Woodland Carbon Fund (WCF), which was closed to new applicants on March 31 this year.

Both schemes fund the capital cost of planting new woodlands, plus a period of maintenance after planting. However, the new EWCO scheme has two key differences from the old WCF.

Firstly, under most circumstances WCF would only fund planting costs at a standardised rate, intended to be approximately 80% of actual costs. However, the new EWCO is to have a "100% intervention rate". That is, it is intended to cover all planting costs, up to a maximum amount per hectare. We do not yet know this amount, but it is likely to be more than the £6,800/ha cap under the old scheme; it may match the old scheme's £8,500/ha cap for special target sites.

Secondly, the old WCF provided maintenance payments in the form of a £1,000/ha one-off payment five years after planting, whereas the new scheme will offer an annual payment for the 10 years immediately following planting. We do not yet know the form this new payment could take. It may be annual flat rate like in the WCF's Countryside Stewardship alternative (where this was £200/ha per annum) or it may vary from site to site according to the exact works funded.

The new EWCO can also provide additional payments over and above planting costs in the following circumstances:

1. When the planting creates new native woodland or expands existing native woodland;
2. When the planting creates additional habitat for red squirrels;



► The new English Woodland Creation Offer (EWCO) will cover all tree planting costs, up to a maximum amount per hectare Alex Antonelli/RBG Kew

3. When public access to the woodland will be provided;
4. When the woodland would improve water quality or help reduce flooding;
5. When the woodland is close to an urban area.

The Forestry Commission also announced that some people who have signed up to other woodland creation schemes providing less funding may be able to move to the EWCO.

Other incentives

While the EWCO is the headline scheme announced, there are several other changes to funding:

1. The Woodland Creation Planning Grant is to be integrated with the EWCO and also to be tailored more closely to helping claimants apply to attain saleable Carbon Units with the Woodland Carbon Code;

2. The upcoming Woodland Creation Partnership was reiterated as an alternative to direct capital grants for planting. This allows landowners to lease land directly to Forestry England, who will then create woodland on it. The aim of this scheme is to minimise financial and time commitment for the landowner, as rather than requiring them to pay to plant trees and then reclaim the money afterwards, all costs and risks associated with planting will be borne by the Forestry Commission, who will also pay rent to the landowner. The landowner may also be able to claim and sell the Carbon Credits generated from the woodland, although this must be negotiated with Forestry Commission;
3. The Local Authority Treescapes Fund is to receive more funding, which may then "trickle down" to landowners in the form of grants

from their local authority for small-scale planting;

4. Greater funding has been given to the Trees For Climate Scheme delivered by the Community Forest Trust, which is to fund five new "community" woodlands;
5. Additional funding has also been given to the Urban Tree challenge, which funds planting individual trees in towns and cities.

TCS Brokerage

These announcements suggest a broad increase in the value and volume of planting incentives. At TCS Brokerage we are seeing growing interest in carbon credits from a variety of buyers, including from businesses supplying services under contracts which require strong environmental performance, including Government contracts and interest international investment banks. This

increased demand may further raise the viability of woodland planting as a farm/estate diversification, with the value of carbon PIUs and units likely to rise.

We are also seeing an increased number of projects from landowners with relatively less productive areas. These can be transformed into short-term cash injections with the help from these new grants to cover the impending funding gap between the reducing BPS and the full introduction of ELMs. For those who have considered planting trees but dismissed this as uneconomical, now may be the time to think again.

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