

# **Partial Business and Regulatory Impact Assessment (BRIA) for Scotland's Forestry Strategy 2019-2029**

**A consultation document**

**September 2018**

**Title of proposal**

Scotland's Forestry Strategy 2019-2029 – A consultation draft

**Purpose and Intended effect**

This partial BRIA is intended to accompany the consultation document seeking views on a draft of Scotland's Forestry Strategy 2019-2029.

**Objective**

- By 1 April 2019, publish a new Forestry Strategy for Scotland that clearly articulates the Scottish Government's long-term ambition for forestry, ensuring that it delivers more economic, environmental and social benefits and meets the requirements of the Forest and Land Management (Scotland) Act 2018 ("the Act").
- These requirements include setting out a vision for forestry in Scotland and the Scottish Ministers' objectives, priorities and policies with respect to:
  - The promotion of sustainable forest management.
  - The creation of woodland.
  - The economic development of forestry.
  - Targets for planting trees.
  - The conservation and enhancement of the environment by means of sustainable forest management.
  - The realisation of the social benefits of forestry.
  - The acquisition and disposal of land (i.e. Scottish Ministers' forest land).
  - The production and supply of timber and other forest products.

**Background**

The first forestry strategy for Scotland was published in 2000, and established a framework of guiding principles for developing forestry in Scotland. These principles were based on the established economic, environmental, and social pillars of sustainable development. Developing this framework further, a second strategy was published in 2006. This was reviewed in 2011, and it was concluded that it remained 'fit for purpose'. When the second Land Use Strategy (2016-2021) was published, a commitment was made to review the forestry strategy to ensure it aligned with relevant Scottish Government policies and priorities. This commitment was carried through to the Forestry and Land Management (Scotland) Act 2018.

The Act does not set a deadline by which the new strategy must be in place. However, the Act commences on 1 April 2019 and it requires Ministers to have regard to the forestry strategy when exercising their forestry functions. It therefore follows that the strategy needs to be in place when Ministers begin performing those functions on 1 April 2019. The Act makes provision for what must be included in the strategy and how it must be prepared (including consultation requirements), reviewed and reported on. A key aspect of the development of the strategy is to ensure appropriate stakeholder consultation.

**Rationale for Government Intervention**

Government has played a pivotal role in forestry since the 1919 Forestry Act, which included the creation of the Forestry Commission and controls on certain activities. The new strategy is not changing the principle that there should be state involvement in forestry.

The strategy will set out the Government's long-term vision and priorities for forestry and provide the sector with the confidence needed to make the long-term investments and commitments required to ensure forestry in Scotland delivers increased environmental, economic and social benefits.

## **Consultation**

The draft strategy has been developed with input from a range of different government, third sector, academic and industry bodies. A Strategic Environmental Assessment has also been initiated. Furthermore, some of the elements included within the draft strategy have associated existing government commitments / policies / regulations in place which have already been impact assessed, including new regulations for felling and restocking and the Climate Change Plan targets for woodland expansion.

## **Within Government**

The draft strategy has been developed by Forestry Commission Scotland, on behalf of the Scottish Government. A wide range of directorates, agencies and non-departmental public bodies have been consulted during the development of the draft strategy, including:

- Agriculture and Rural Economy Directorate
- Environment and Forestry Directorate
- People Directorate
- Economy Directorate
- Equality Unit
- Planning and Architecture Division
- Scottish Natural Heritage
- Scottish Environment Protection Agency
- Historic Environment Scotland
- Forest Enterprise Scotland

## **Public Engagement**

During the development of the draft strategy, a number of representatives from relevant third sector and academic/scientific bodies have been consulted through a Reference Group:

- Central Scotland Green Network Trust
- Community Woodlands Association
- James Hutton Institute
- Scottish Environment LINK
- University of Edinburgh

A 10 week formal consultation on the draft strategy will take place to allow stakeholders adequate time to provide their views and feedback on the draft

strategy. Scottish Ministers will publish a report setting out the consultation process and the ways in which views expressed during that process have been taken account of in preparing the forestry strategy. A copy of that report will be laid before the Scottish Parliament.

Given the long-term nature of forestry and the significance of the Year of Young People 2018, we will also look for ways to ensure that particular focus is given to the views of people under 35.

### **Business Engagement**

The following business organisations and industry groups have been engaged with during the development of the draft strategy, via structured discussions and a Reference Group:

- Association of Deer Management Groups.
- Confederation of Forest Industries.
- Institute of Chartered Foresters.
- National Farmers Union Scotland.
- Scottish Land and Estates.
- Scottish Forest and Timber Technologies Industry Leadership Group.
- United Kingdom Forest Products Association.

The Reference Group was formed to supplement and facilitate wider consultation and liaison activity associated with the strategy, by providing views on the developing themes, and insight into the reactions of others. Its role has also been to provide input to increase the effectiveness of the formal consultation process, which will take place between September and November 2018. No concerns have been raised regarding adverse impacts on businesses as a result of the strategy.

### **Options**

#### **Option 1: Do Nothing**

An assessment like this usually requires consideration of a ‘do nothing’ option. The Scottish Government could choose not to publish a new Forestry Strategy for Scotland.

However, the Scottish Government has committed to publishing a new Forestry Strategy. Following the commencement of the Act on 1 April, 2019, in order for Scottish Ministers to be able to exercise their new forestry functions, a forestry strategy must be in place that meets the requirements of the Act (the previous strategy, published in 2006, does not fulfil these requirements). Therefore, the “Do nothing” approach will not be a viable option.

## **Option 2: Publish a Forestry Strategy for Scotland**

A new Forestry Strategy is published on 1 April, 2019 that meets the requirements of the Forest and Land Management (Scotland) Act 2018.

### **Sectors and groups affected**

The Forestry Strategy will provide a framework for action. It is the actions that support the implementation of the strategy that will impact on people in Scotland, and not the strategy directly. For some, the impact of these potential actions will be direct, e.g. through increased use of woods and forests or the availability of grants to plant trees, for others it will be more indirect, e.g. through enhancements to our air quality.

Actions that could flow from the strategy will impact on forestry businesses, from the people collecting the seeds to create a forest through to the timber processor, creating wood products.

The main forestry businesses affected comprise land owners, forest management businesses, tree nurseries, other businesses focused on tree planting, managing and harvesting, as well as wood fibre processors. These businesses range in scale, from artisan furniture-makers, family-owned contracting businesses and community-based biomass enterprises, to UK-wide woodland management companies and multi-million pound panel, pulp, paper and sawmills operating internationally. They produce a range of wood products including sawn timber, fence posts, oriented strand board, medium-density fibreboard, particleboard, pallets, biomass chips and pellets, and bark.

Others sectors that may be affected are recreation and tourism, agriculture, fisheries, construction, energy, as well as businesses focused on deer and other game, and hauliers and other transporters of timber.

## **Benefits**

### **Option 1: Do Nothing**

There would be no staffing resources and associated costs required.

### **Option 2: Publish a Forestry Strategy for Scotland**

As outlined previously, a Forestry Strategy for Scotland will be required if Ministers are to be able to carry out their forestry functions (as detailed in the Act) on 1 April, 2019, when the Act commences. It will set out the government's ambitions for forestry and provide a vision, objectives and priorities for 'modern' forestry in Scotland that are 'fit for purpose' and address the major issues facing the sector. For example, since the last forestry strategy was published in 2006, the pace and scale of tree pest and disease incursions in the UK has escalated markedly.

This will have a number of significant benefits for the sector and all people in Scotland, including providing:

- A framework for action to ensure Scotland's forests and woodlands are managed sustainably and deliver more economic, environmental and social benefits.
- Greater confidence to investors, forest owners and managers, and the public regarding Government's long-term commitment to, and vision for forestry.
- A clearer articulation of the relationship and linkage between Scotland's Forestry Strategy and other key Government commitments and policies (e.g. the National Outcomes, the Programme for Government, the Economic Strategy, the Land Use Strategy, and the Climate Change Plan), to help develop a more joined-up approach and support the delivery for the Scottish Government's purpose and National Performance Framework.
- A stronger rationale for government investment in forestry and the benefits of forestry for the people of Scotland, thereby securing greater buy-in from a range of stakeholders to Government's ambitions and priorities for forestry.

## **Costs**

### **Option 1: Do Nothing**

There would be significant legal, reputational, political, environmental, social and economic costs for Scotland if Ministers were unable to carry out their forestry functions because a Forestry Strategy was not in place on 1 April 2019.

Beyond this, failing to provide the sector with a cohesive strategy, long-term vision, objectives and priorities for action could have a detrimental effect on its future growth and development. Forestry is a long-term business and the benefits to potential investors, land owners and managers of having a clear statement of commitment from Government are therefore significant. Without their buy-in, the full range of benefits that forestry can provide may not be effectively realised.

This would not be in alignment with the Scottish Government's ambitions for the sector or its aspirations for increasing sustainable economic growth. It would also result in social, environmental and economic costs to businesses and people.

### **Option 2: Publish a Forestry Strategy for Scotland**

There has been a long history of Government setting the strategic direction for forestry, especially since the establishment of the Forestry Commission after the First World War. A new Forestry Strategy is a continuation of that established approach, providing focus for action and assurance to businesses on the direction of travel.

The strategy is high level and will not directly impact on business operations or impose any additional burdens or duties on the sector. Following the public consultation, a full BRIA will be developed to assess the costs and benefits of the final strategy.

### **Legal aid impact test**

It is not anticipated that the strategy will have any effect on individuals' rights of access to justice through the legal aid fund.

### **Enforcement, sanctions and monitoring**

#### **Revising the strategy**

The Act requires that Scottish Ministers must keep the Forestry Strategy under review, and may, if they consider it appropriate to do so, revise the strategy.

If the Scottish Ministers have not revised the forestry strategy within the period of 9 years, beginning with the day on which the strategy was last published, they must revise the strategy.

#### **Reporting on the strategy**

The Scottish Ministers must, as soon as practicable after the end of each reporting period\*, prepare and publish a report setting out:

1. Progress made in the reporting period in respect of the objectives, priorities and policies included in the forestry strategy;
2. An assessment of the extent to which funding and support provided by them has assisted in achieving such progress;
3. Steps taken in the reporting period to keep the forestry strategy under review.

The Scottish Ministers must lay a copy of each report prepared and published under this section before the Scottish Parliament.

\* "reporting period" means the period of 3 years beginning with the day on which the forestry strategy was last published and each subsequent period of 3 years.

### **Implementation and delivery plan**

A 10 week consultation on the draft strategy will be conducted to allow stakeholders adequate time to provide their views and feedback on the draft strategy and its associated draft/partial impact assessments. Feedback gathered during the consultation will inform the final strategy and the final BRIA.

### **Summary and recommendation**

Based on the analysis above and on the fact that, to enable Ministers to carry out their forestry functions when the Act fully commences on 1 April 2019, a forestry strategy that meets the requirements of the Act must be in place, the Scottish Government recommends the adoption of Option 2.

The principles of Government setting strategic direction for forestry in Scotland are well established. There are expected to be no significant costs associated with publishing this strategy and doing so will realise substantial benefits to society and businesses by allowing Ministers to carry out their duties and by setting a clear strategic direction for the sector.

### **Declaration and publication**

I have read the partial Business and Regulatory Impact Assessment and I am satisfied that (a) it represents a fair and reasonable view of the expected costs, benefits and impact of the policy, and (b) that the benefits justify the costs. I am satisfied that business impact has been assessed with the support of businesses in Scotland.

Signed:

A handwritten signature in black ink, appearing to read 'Fergus Ewing'. The signature is written in a cursive style with a large loop under the 'F' and 'E'.

Date: 13/09/18

**FERGUS EWING**

Cabinet Secretary for Rural Economy and Connectivity





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