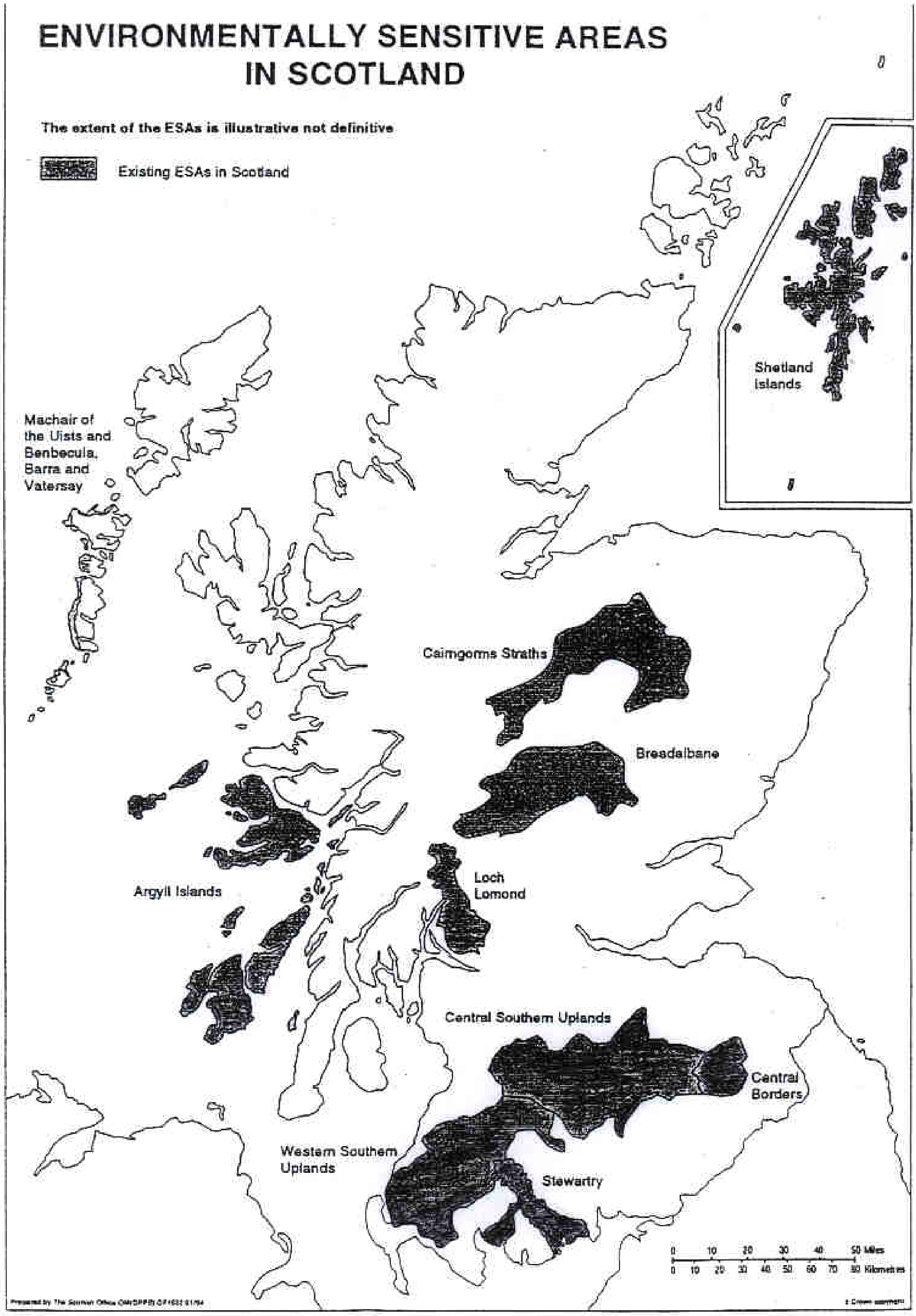
ENVIRONMENTALLY SENSITIVE AREAS
IN SCOTLAND
The extent of the ESAs is illustrative not definitive
Existing ESAs in Scotland
Shetland Islands
Machair of the Uists and Benbecula, Barra and Vatersay
Cairngorms Straths
Breadalbane
Loch Lomond
Argyll Islands
Central Southern Uplands
Central Borders
Western Southern Uplands
Stewartry
0 10 20 30 40 50 Miles
0 10 20 30 40 50 60 70 80 Kilometres

SCOTTISH POWER – 'RURAL CARE PROJECT'

5.14 Scottish Power have established a one-off £1 million Rural Care Project which covers their 7 operating areas in Scotland, Wales and England (Cheshire and Merseyside). Grants are made available by the company to a wide range of woodland projects which they expect could include:

- Woodland restoration, including the creation of new native woodlands, enhanced management of existing native woodlands and the naturalisation of existing non-native woodlands.
- Activities to enhance biodiversity and encourage increased richness in wildlife, flora and fauna.
- Creation of new improved public access to native woodlands with associated interpretation, sign-posting, education and awareness-raising activities.

5.15 Amounts available from the Fund range from £500 to £20,000 per project. At present Scottish Power have no known plans to replenish the fund once all the money has been spent.

LEVEL OF FUNDING UPTAKE

5.16 It is not easy to establish the level of public expenditure support that existing small woodlands in South Scotland are currently receiving. The best information available is as follows.

FORESTRY COMMISSION

5.17 The Forestry Commission only record applications by the size of the operational area they relate to rather than to the total size of the woodland area. For example, a WGS application may be for a 5 ha operational area in a 100 ha wood and therefore for recording purposes the FC will have this application showing as only 5 ha. The tables below are therefore likely to over estimate the number of small woods. Felling data is excluded as this is covered by the restocking data. Thinning has also been excluded as most is thought to relate to part areas of larger woodlands. The applicant status is as stated by the applicant on the WGS form.

5.18 The FC have done an analysis of their WGS application records from 1992 to end of 2001 and the results are shown in tables 5.1 and 5.2 for the Scottish Borders Regions and Dumfries and Galloway Region respectively. The amount of grant paid on these woods cannot be easily identified because the data is recorded per scheme which usually involves a number of different components.

Table 5.1 WGS Schemes in SW Scotland Conservancy <10 ha
Dumfries & Galloway Region

	Activity Type			
Property Type	**New Planting**	**Restocking**	**Management**	**TOTAL**
Farm	387	33	29	449
Mixed Estate	206	48	35	289
Mainly Woodland	127	27	13	167
Private Residence	32	5	7	44
Recreation	9	1	5	15
Public Building	4	0	0	4
Industrial	3	0	0	3
Total	768	114	89	971
	Activity Type			
Owner Type	**New Planting**	**Restocking**	**Management**	**TOTAL**
Business	175	32	19	226
Personal	565	52	61	678
Voluntary	8	3	6	17
Public Ownership	6	25	0	31
Other	14	2	3	19
Total	768	114	89	971

N.B. The under 10 ha size limit relates to the WGS application and not the size of the wood.

Table 5.2 WGS Schemes in Lothian and Borders Conservancy <10 ha
Scottish Borders Region

	Activity Type			
Property Type	**New Planting**	**Restocking**	**Management**	**TOTAL**
Farm	602	83	89	774
Mixed Estate	258	53	42	353
Mainly Woodland	77	18	13	108
Private Residence	49	4	11	64
Recreation	12	2	7	21
Public Building	10	3	3	16
Industrial	5	0	1	6
Total	1013	163	166	1342
	Activity Type			
Owner Type	**New Planting**	**Restocking**	**Management**	**TOTAL**
Business	170	29	22	221
Personal	731	120	122	973
Voluntary	8	0	3	11
Public Ownership	9	2	3	14
Other	95	12	16	123
Total	1013	163	166	1342

N.B. The under 10 ha size limit relates to the WGS application and not the size of the wood.

5.19 In spite of the limitations of the statistics identified in para 5.16 a comparison of the statistics in Tables 5.1 and 5.2 indicates that there has been greater activity in small woodlands in the Scottish Borders Region than in Dumfries & Galloway over the last 8 years. This study is focusing on existing woodlands and therefore if the new planting applications are removed then the number of applications relating to existing woods falls to a maximum of 329 for the Scottish Borders (41/year) and 203 in Dumfries and Galloway (25/year).

SERAD

5.20 Analysis by SERAD of the ESA scheme plans in the Central Borders and the Central Southern Uplands operational on 1st June 2000 has provided the following information.

- There were 173 plans in the 2 ESA's which included woodlands of less than 1 ha that were being managed.
- The total area of woodlands being managed was 660 ha.

5.21 As the annual payment for managing woodlands in an ESA approved scheme is £80/ha/year, the total value of the grants being provided in June 2000 was £52,800/ year. There has in the past been a maximum ESA payment for any one farm, but under the new Rural Stewardship Scheme this limit is being removed.

SCOTTISH POWER

5.22 Details of the size and number of payments made to small woodland projects in South Scotland by Scottish Power under their Rural Care Project are not publicly available.

FUNDING AVAILABILITY AWARENESS

5.23 Discussions with consultees during the course of this study lead to the following two broad conclusions:

- **Professional Advisers/ Managers/ Consultants** were generally all aware of the availability of the existing grants for small woods, but they were not always sure of the exact rules of the scheme. However they knew where they could obtain the necessary information. This category also included full time staff on the larger estates in South Scotland.
- **Owner-Occupier Farmers:** Most consultees felt that owner occupiers of farms were aware that there were grants for small woodlands, but very few would know what they were. Most consultees felt that if a farmer really wanted some information on the grants available for small woodlands then they would be able to get hold of the information relatively easily via SAC, FWAG, a local forestry consultant or the Forestry Commission.

5.24 This section has shown that some public and privately sponsored funding has been provided, and is available, for managing small woodlands in South Scotland, but the exact amount cannot be identified. The indications are that the total is very small, and that it is constrained by the funds which SERAD and the Forestry Commission have available to support their schemes.

6. CONSTRAINTS ON SMALL WOODLAND MANAGEMENT

6.1 Discussions with consultees during the course of this study revealed that the constraints on the management of small woodlands in South Scotland are many and varied. An analysis of the information provided suggests that the constraints can be classified into four main categories: psychological; business priorities; financial and technical, and these are described in more detail in the rest of this section.

PSYCHOLOGICAL CONSTRAINTS

6.2 Most consultees felt that within the farming community there was a lack of interest and awareness of the benefits that small woodland can provide. Where farms are tenanted there is no reason for tenant farmers to take any interest in woods since they remain in the ownership of the landlord. On some owner occupied farms there is an interest in the small woodlands because of their contributions to shooting and fox hunting. On other farms, passed down through the generations, that has been a tradition of managing small woodlands. On most of the estates, owners often recognise that the woodlands need to be managed and they often employ professional managers to do this. It is dangerous to generalise on very limited data, but what is available suggests that perhaps up to 50% of all small woods in South Scotland are owned by owner occupied farmers who have little interest in or awareness of, the need to manage small woods.

6.3 A further factor which influences the degree to which small woods are managed is the age of the owner. There is no clear cut evidence on this and some is potentially conflicting. One farmer said that as he was handing over the running of the farm to his son, he had some more time to spend on improving the look of the farm and so he was prepared to spend some time and money on this. Young farmers are probably much more aware of the environment, and knowledgeable about woodlands than earlier generations, but one farmer said young farmers didn't have time to be interested.

BUSINESS PRIORITIES

6.4 Most owners of land perceive and act on the basis that their occupancy and use of the land is a business. Decisions about committing time and resources to managing small woodlands for whatever purpose have to be judged against the objectives and priorities of the owner's business. Agricultural advisers in particular were very clear that most farmers did not have the time or spare labour capacity in their farm enterprises which they could give to the management of small woods. Their main priority was the agricultural business.

6.5 The larger estates tend to be more diversified businesses and may therefore comprise more than tenanted or in-hand farms. Many have developed sporting activities, farm/ holiday cottage letting, and occasional value adding or outside contracting businesses. Small woodlands may contribute to these business activities, particularly shooting and holiday cottage lets where the overall amenity of the estate is important.

6.6 A number of farmers have a strong interest in shooting either because of a personal interest or as a way of increasing farm incomes by running it commercially. Where that is the case these small woods are very important. A number of farmers and estates are also interested in fox hunting and the small woods are important fox covets.

6.7 Most land owners are primarily focused on cash flow and the level of their annual income but the presence of small woods can have significant impact on the capital value of a property and may increase it by up to 30% (John Clegg & Co, 1993). A few farmers and landowners have recognised this and have planted small areas of trees. The quality and management of existing woods though was not identified in the earlier study as having any measurable impact on property values.

FINANCIAL COSTS & RETURNS

6.8 For owners of small woods who are interested in them and wish to maintain them for specific purposes, there are usually small but significant implications for the capital expenditure and cash flow of the farm or estate. In many cases the returns, often involving timber sales, can be very small or non-existent and they are frequently very long term. In some cases there may be no returns. Compared with other investment opportunities on the farm or estate, woods therefore tend to come down very low on the priority list. On the larger estates work on managing and maintaining small woods can be linked in with work on larger woods and therefore a degree of cross subsidy is possible. Farmers seldom have that opportunity.

6.9 A further disincentive for many owners of small woods who have not shown any interest in them, and are unlikely to have any technical knowledge about managing and maintaining them, is the cost of having management proposals prepared for them. If they are prepared to pay for this to be done, they often find there is a net cost associated with doing anything.

TECHNICAL CONSTRAINTS

6.10 Discussions with consultees have indicated that the technical issues associated with the management and maintenance of small woods tend to be of lesser importance to owners **initially** compared with their overall interest in small woods; their business priorities, and the financial implications associated with doing any work. The technical issues which were identified as being of significance on occasions depending on the type of wood and its location were:

❒ **Access**

6.11 Where owners of small woods also own adjoining land, which is frequently the case on farms, access is not often a problem, although where woods are along streams or on steep or rocky hill sides, it can still be a major difficulty.

❒ **Limited Markets**

6.12 Depending on the volume, quality and type of trees, some consultees felt that markets were limited and prices were poor, although this tended to be accepted as part of the poor economics of small wood management and maintenance.

❒ **Quality of Trees**

6.13 The quality of trees generally tends to be rather poor because management in the past has been poor or non-existent. The poor quality of trees seriously limits the marketing opportunities and the suitability of logs for particular markets.

❒ **Bureaucracy**

6.14 Some owners of small woods are put off from doing anything to their woods, or employing others to do something by the prospect of having to spend time in meetings and filling in forms for what they consider to be a peripheral part of their business. The fact that this may give them an opportunity to receive a small grant is not necessarily perceived to be a sufficiently attractive carrot.

❒ **Landscaping Restrictions**

6.15 Several consultees did refer to the fact that they had wished to fell some trees in their woods (and to plant some more trees) and they had been prevented from carrying out their plans because they were told by the FC that it would be unacceptable because of the impact on the landscape. While they understood the reason, they felt that they had to live with the consequences rather than the people who made the decision!

❒ **Availability/ Absence of Appropriate Equipment**

6.16 There is a trend towards the use of highly mechanised harvesting systems for use in the larger conifer woodlands. These operations are designed for large scale production in order to provide large volumes of roundwood at low cost at the roadside. These types of machines are totally unsuitable for work in most small woodlands, both in terms of being able to transport them to the site and because timber volumes are generally so small. With a move towards felling smaller areas of trees in woodlands at any one time for landscape reasons, these larger machines are becoming increasingly inappropriate. There are very few contractors, who have small scale equipment or horses which are suitable for working in small woods.

❒ **Absence of Reliable Motor Manual Cutters**

6.17 Where tree felling is carried out in small woods it is usually necessary to fell trees with a chain saw, but with the focus of the larger companies on introducing mechanised harvesting systems, many of the cutters with motor manual skills have tended to leave the industry. Those that do remain are not necessarily perceived as totally reliable. This makes it difficult for small woodland owners to find contractors who are both willing and reliable to work in small woods.

LESSER ISSUES

6.18 The consultee sample was relatively small and it may therefore not be totally representative, but it would appear that the following are not perceived as particularly significant constraints on the management and maintenance of small woods.

❒ **Information on Woodland Management**

6.19 Consultees generally felt that small woodland owners did not have the time or the inclination to learn about the management of small woodlands. If owners were interested they would be most likely to want to obtain or buy in the information from other people.

❒ **Absence of Woodland Management Skills**

6.20 While it has been suggested in the past that owners of small woodlands could manage their own woodlands if they had the necessary skills, many of the consultees felt that the majority of owners have neither the inclination nor time to learn these skills. When required they would prefer to buy them in.

❒ **Poor Contractor/ Merchant Experience**

6.21 No consultee mentioned that this was, or has been a factor to their knowledge. However owners generally tend to have little knowledge of timber prices and they would therefore be unable to judge how prices they were paid for timber equated to prevailing market prices.

❒ **Confusion About Information Sources**

6.22 While this study has found that small woodland owners generally have little knowledge themselves about small woodland management and grant availability, consultees felt that if an owner was interested it would not take them long to get the information they required from the network of agricultural and forestry advisers in South Scotland or from the FC or SERAD.

OVERALL SITUATION

6.23 The current level of small woodland management in South Scotland is determined by a wide range of factors. It is possible that perhaps owners of up to half the small woodlands in South Scotland are aware of or place some significance on their woodlands, and the constraints on their management tend to be predominantly financial and in some cases technical ones. The latter two are in many cases closely related. For the other woodland owners it would appear that creating an awareness, interest or justification for managing small woodlands on their land is the largest and most immediate constraint. If this is removed, then the key issues are likely to be financial and/or the technical ones listed in paragraphs 6.10 to 6.17.

7. PRODUCT MARKETING & MARKETS

7.1 For the vast majority of owners of small woodland, the production of wood and wood products to generate income tends to be a secondary objective (section 3). Any income generated from timber or wood product sales can provide useful income to help meet other objectives. This section of the report briefly describes the type of products currently produced from small woods and some of the marketing issues, and it then identifies the main markets for woodland products in South Scotland.

WOODLAND PRODUCTS

7.2 There are very few small broadleaved woods in South Scotland which have the potential to produce coppice material or non-timber products which can be a feature of woods in the south of England. Small conifer woodlands in South Scotland which were often planted to provide shelter or act as a screen have little to offer other than timber products.

7.3 The marketing of trees or roundwood from small woodlands is largely handled by woodland managers or consultants, but because of the small volumes and access difficulties across fields, it is more difficult to attract timber buyers. Some farmers directly negotiate the sale of timber to sawmillers or timber merchants. Relatively little of the timber comes on the open market. Occasionally parcels of timber are advertised in the Forestry Commission's bi-monthly WoodLots magazine.

7.4 Consultees are finding it difficult to find experienced reliable contractors with appropriate equipment who were prepared to harvest timber from small woods. The perception was that these contractors were leaving the industry because of the low timber prices that were prevailing throughout Scotland. It is anticipated that this problem will get worse in the future.

WOODLAND PRODUCE MARKETING

7.5 The small woodlands in South Scotland are varied both in size, structure and species content. On the lower ground and along the sides of rivers and burns, the woods tend to be either broadleaved, or mixtures of broadleaves and conifers. The volumes of roundwood that are harvested from small woods in any one operation tend to be small and the quality is generally poor, although there can be a few broadleaved trees which are of exceptional quality.

ROUNDWOOD TIMBER MARKETS

7.6 The principal product from small woods in South Scotland is roundwood. This may be bought directly by the sawmills or by timber merchants. The bulk of the roundwood tends to be of small diameter or be unsuitable as sawlog material. This may be left on site or extracted and taken by lorry to one of the small roundwood using mills such as Egger UK Ltd at Hexham & Auckinleck or Nexfor at Cowie. In some situations the small roundwood may be chipped and left on site, alternatively it may be cut up for firewood for sale locally although the market for firewood is not large in South Scotland because of the small population and ready availability of wood.

7.7 There are thought to be a few hobby craftspeople who are producing wood products such as bowls from broadleaved roundwood, but the total volume used is not thought to be large.

7.8 There are a number of sawmills located in South Scotland who may purchase logs from small woods. The names of the mills and the type of material they predominantly use are shown in Table 7.1 broken down by Region.

Table 7.1 Names of Sawmills Operating in Scottish Borders and Dumfries & Galloway Region

Scottish Borders Region	Dumfries & Galloway Region
Predominantly Conifer Users	
Abbey St Bathans Timber	James Jones & Sons Ltd
Agraspark Ltd	Portequip Ltd
Ashkirk Timber Co	Carronbridge Sawmill Ltd
J & J Law	Forrest Estate
Harestanes Sawmill	Creca Sawmill
Blainslie Sawmill	Rammerscales Sawmill Ltd
ATR Products	Forest Garden PLC
Bowmont Sawmill	Hoddan & Kinmount Estates
	A G King Ltd
	Hunter Wilson Ltd
	R & D Reid Ltd
	R Carruthers
	R & J Baty
	Canonbie Sawmill
	James Kingham

	Kerr Timber Products Ltd Lockerbie Sawmill Oakrig Sawmill Penkiln Sawmill Howie Forest Products Ltd
Predominantly Broadleaved Uses The Borders Woodschool	 Galloway Timber Ltd McConnel Wood Products Ltd

7.9 The larger sawmills, such as James Jones & Sons Ltd, Howie Forest Products and Forest Garden PLC, focus on using large volumes of Sitka Spruce and will have little or no interest in buying roundwood from small woods scattered throughout South Scotland. There are only three sawmills which use predominantly broadleaved roundwood. The principal constraint on their activities is cash flow and capital rather than a shortage of suitable logs.

THE MARKETING CHALLENGE

7.10 The major challenge facing the owners of small woods in South Scotland is to find markets for the low grade broadleaved and conifer logs and to obtain prices for all types of logs which are sufficiently attractive to meet their price expectations and to provide sufficient income to meet any management costs associated with the woods.

8. EXPERIENCES OF OTHER WOODLAND INITIATIVES

8.1 There have been up to 100 different woodland initiatives in Britain which have been directed in some way or other to the establishment and/or management of small woodlands. Four woodland initiatives and the Forestry Commission in England were contacted with the aim of finding out where initiatives had been successful; where there were difficulties, and how the design of the initiatives might have been improved. These were:

- Yorwoods, in Yorkshire.
- NorthWoods, the Upland Northumbria Woodland Initiative.
- Working Woodlands in Devon.
- Welsh Marches Initiative.
- Forestry Commission.

8.2 The comments of the individuals contacted in each Initiative are not separately identified since each discussion was carried out on the understanding of confidentiality so that it would encourage an open and frank discussion. In a number of areas the comments from those involved with the different initiatives were very similar or the same. The key areas that were identified were the following:

- **Clear Objectives Needed**

8.3 In setting the objectives for a woodland initiative, such as one involving small woodlands, it is vital to clearly identify and understand the problem which the initiative is designed to solve. It is important that if there is more than one objective that they are internally and mutually consistent and can be realistically achieved.

8.4 It was suggested by more than one consultee that there had been a focus on wood marketing in several initiatives on the assumption that the problem facing farmers was one of inadequate local wood markets, when in reality the problem was often to make farmers and small woodland owners aware of the justification for managing their woodlands. Awareness raising was expensive, required sustained effort and was often difficult to measure. One initiative was specifically directed at developing timber markets rather than woodland management and it was able to successfully provide grants to support a wide range of small businesses involved in utilising timber that already existed in the area.

❒ **Objectives Need to Inform Choice**

8.5 Once the objectives are identified carefully attention needs to be given to identifying the actions that will achieve the objectives. The actions also need to be realistic and focused on areas of activity which can make a real difference. Too wide a selection of activities can result in the resources being spread too thinly without there being any measurable overall impact.

❒ **Outputs Must Be Measurable & Achievable**

8.6 It is important to define the outputs so they clearly relate to the actions and objectives since these tend to be the focus of the staff's attention and ultimately the criteria against which the success of the project is measured. It is useful if some of the outputs can be achieved relatively quickly and easily in order to assist in building up the morale of the team delivering the initiative. Typical outputs of existing initiatives are:

- Farmers Contacted
- Roads constructed
- Timber volumes subsidised
- Sheep sheds built
- BAP habitats projected
- BAP habitats managed
- Study visits made
- Woods brought under management
- Marketing grants provided
- SME's assisted
- Training days provided
- Seminars held
- Advisory visits made

❒ **Widespread Partnership Support**

8.7 This is recognised to be essential as many of the issues that need to be addressed also involve other Government Departments or organisations. Initiatives benefit from having funding from a range of partners since it focuses partners' attention.

❒ **An Integrated Land Management Approach**

8.8 Woodland initiatives seldom only concern just trees in practice. An integrated land management approach has usually been found to be of greatest benefit. It is suggested that a small woodlands initiative might benefit from a pooling of public funds from individual organisations since this would make it easier to follow an integrated land use approach.

❒ **Good Quality Staff Necessary**

8.9 The overall success of an initiative is very much dependent on the skills, experience and quality of the staff appointed to run the initiative.

❒ **Adequate Funding & Resources Needed**

8.10 It is necessary for the Initiative to be adequately funded at the outset otherwise the staff spend most of their time trying to secure future funding rather than delivering the Initiative's objectives.

❒ **Engage the Wider Community**

8.11 Several of the initiatives have had technical outputs, such as the number of woodland owners visited, or volume of timber sold, but these are probably too narrowly focused. There need to be more clearly defined links to the social, environmental and economic framework in which the project is, or will be, operating in. Managing woods on their own may be perceived to be a "good" thing but if it delivers nothing else there may be little justification in setting up such an initiative with public funding.

❒ **Monitoring of Progress**

8.12 Partners will wish to monitor the progress of the initiative immediately it starts and it is therefore important to set up these systems from the outset.

PROJECT DESIGN

8.13 The ultimate success of any woodland initiative, like any other project, will depend on its initial design. It is therefore worth spending time and money at the outset in ensuring that any new initiative is well designed.

PART 2

CONCLUSIONS

9. NATURE & SCOPE OF POTENTIAL DEVELOPMENT OPPORTUNITIES

9.1 There are some 31,191 woodlands of less than 10 hectares covering a total area of 48,989 hectares spread across South Scotland. This section is as much about protecting the benefits which small woods currently provide, since unmanaged woods degrade and disappear over time, as it is about identifying and improving them. In this section the main development opportunities that these woodlands can provide the regional economy of South Scotland with are identified.

ECONOMIC DEVELOPMENT OPPORTUNITIES

GENERAL TOURISM

9.2 The tourism sector is seen strategically as an important opportunity for developing and strengthening the economy of South Scotland and the aim is to encourage visitors to stay longer and to increase their expenditure during their stay. Small woods are an extremely important part of the rural landscape which is one of the most significant experiences identified by visitors who travel in or through South Scotland by car.

"GREEN" TOURISM

9.3 At present rural tourism such as walking, golfing, cycling and horse riding, is a relatively small proportion total tourist activity in South Scotland, but its significant potential has been recognised. The development of cycle and walk ways linking small woods on private land in the South Scotland countryside could help to draw in visitors who may wish to stay locally in the area either with farmers offering bed & breakfast or in the small towns spread across the region.

DIVERSIFYING & STRENGTHENING FARMING BUSINESSES

9.4 For those farming businesses who have not yet sort to diversify their agricultural business, small woods can provide a useful opportunity for developing on farm diversification activities such as game shooting, rearing and releasing pheasants, as well as improving the visual appearance of a property in order to offer attractive self catering or B&B facilities for visitors. Well managed small woods can also add to the capital value of a property which may allow increased borrowing for other farm or non-farm activities.

STRENGTHENING & DEVELOPING EXISTING WOODLAND MANAGEMENT & HARVESTING BUSINESSES

9.5 Increased owner interest and resource commitment to small woodland management is likely to feed back directly to increased activity levels for local woodland management and harvesting businesses. Although increased activity in only a few woods will contribute very little, if much wider activity levels are achieved a measurable impact could be expected.

STRENGTHENING & DEVELOPING EXISTING WOOD PROCESSING BUSINESSES

9.6 There are a number of small sawmills operating throughout South Scotland. Increased management of small woodlands is likely to bring more logs onto the market, although volumes overall will still remain relatively small, and more local sourcing of logs may help local businesses to remain competitive. This may help local transport firms.

CREATION OF NEW BUSINESSES

9.7 Improving the management of small woods in South Scotland provides a potential opportunity for starting up new rural craft or hardwood sawmilling businesses. Small woodlands brought into management will generally only provide products in small volumes and scattered throughout South Scotland. The type and scale of new activity that could be generated could be important at the local level, but less so at the regional level.

SOCIAL DEVELOPMENT OPPORTUNITIES

RURAL SKILLS TRAINING

9.8 A number of the older workers in South Scotland who have rural skills are retiring or giving up and there are very few young people coming into the rural sector with the necessary skills to take their place. As there are areas of deprivation in a number of rural towns in South Scotland, and limited job opportunities, some of the work involved in improving the management of small woods could be carried out as part of a training programme for young and unemployed people in South Scotland.

HEALTH IMPROVEMENT

9.9 The Government has announced its determination to improve the health of people in Scotland, and in particular to encourage people to take part in more physical activities. Although likely to be of lesser importance to people in South Scotland compared with people living in the urban areas of the Central Belt, the creation of easily accessible paths linked to existing, or new small woods around the small towns in South Scotland may make a small but significant long term contribution towards an improvement in the health of people in South Scotland.

COMMUNITY INVOLVEMENT

9.10 The majority of the existing small woods in South Scotland are in the private sector and therefore the opportunities for community involvement will be limited. However there may be opportunities in managing existing woods around towns and villages and in the creation of new small woods.

ENVIRONMENTAL DEVELOPMENT OPPORTUNITIES

LOCAL BIODIVERSITY ACTION PLANS

9.11 Small woods which are classified as native or ancient semi natural are of particular importance for their biodiversity and are likely to feature in the Local Biodiversity Action Plans. Small woods are also often very important since they can help to provide corridors for wildlife, and occasionally flora, to use between different wildlife habitats. With relatively few changes in the structure and species composition of a small wood, it can result in a significant increase in biodiversity.

IMPROVING THE COMPETITIVE ENVIRONMENT

9.12 This study has focused on the existing small woodlands in South Scotland, but there will be some opportunities for increased tree planting in and around towns on a rather larger scale than is offered by the SNH/ Local Authority small grant scheme. There may be opportunities to link in existing small wood and to create new access paths. This may further improve the visual appearance of towns and villages in South Scotland which may encourage more tourism and attract new investment from outside the area to the larger towns.

CARBON SINKS

9.13 There has been much discussion about the introduction of carbon taxes and the need to establish carbon sinks to absorb some of the carbon released into the atmosphere which is thought to be one of the factors causing increased global warming. Trees are very effective in locking up carbon through photosynthesis and the existing small woods in South Scotland will be making a small contribution to this process.

CONCLUSIONS

9.14 The development of woodlands which are small and scattered across an area as large as South Scotland will not by their very nature provide high profile large scale development opportunities, but this section has shown that the development of small woods can make greater contributions to the economic, social and environmental framework of South Scotland than has been the case in the past.

10. OBSTACLES TO REALISING DEVELOPMENT OPPORTUNITIES

10.1 Small woods are numerous and well scattered throughout South Scotland and their owners, who are mostly in the private sector, have a wide variety of objectives for the use of their landholding and their small woods. Even within a land holding an owner's objectives of management for individual small woods may vary. In identifying the obstacles to realising the development opportunities for small woods in this section, it is therefore inevitable that generalisations will occur and that only the most significant can be presented.

MIS-MATCH BETWEEN PRIVATE & PUBLIC COSTS & BENEFITS

10.2 Seen in a broad economic context the present state of management of small woods in South Scotland is in many cases a reflection of market failure in that the cost and benefits of owning small woods for an individual in South Scotland do not match the type and size of the costs which the public incur and the benefits they receive. For example, the landscape and biodiversity benefits of small woods which the public generally appreciate are provided by individual woodland owners who have to meet most, if not all of the costs of this provision without any support from public funds. Public and private benefits which woodlands provide may also not coincide in that an individual owner may value the woods because they improve shooting opportunities while this provides no direct benefits in which the public can share or in many cases have an interest in. **Market failure is therefore the central key obstacle for improving the economic, social and environmental benefits which small woods in South Scotland can deliver.**

AWARENESS & PROFILE

NO INTEGRATED PUBLIC SECTOR POLICY OR OPERATIONAL FOCUS ON SMALL WOODS

10.3 Individually public sector organisations, such as the Forestry Commission and SNH, are fully aware of the important contribution which small woods can provide, but this does not necessarily cover all public sector organisations such as the SAC, the Tourist Board, the Councils and Scottish Enterprise. Even though some individuals at the operational level in these organisations may recognise the contributions which small woods can make, this is not reflected at the strategic, policy and budget setting levels.

LACK OF OWNER AWARENESS OF SMALL WOODLANDS

10.4 A major issue arising from this study is that perhaps up to 50% of all small woods may be on owner occupied farms and that many of these farmers do not have any interest or feel they have time to do anything with their small woodlands. The key obstacles to improving owner awareness are:-

- ❒ **Farm Business Development Opportunities Not Identified Sufficiently**: With many farms facing a severe squeeze on their profits, an integrated whole farm approach to identifying business opportunities involving the role of small woods may not always be taken! This can include an appreciation that woodlands can add to a property's capital value.
- ❒ **No Clear Relevant Justification for Managing Individual Small Woods Provided**: Many farmers are understood to see little justification in spending their money on managing small woods. Different farmers will face different circumstances, but it is important that the full range of benefits that small woods can provide are correctly and clearly identified in a way which is appropriate to the individual farmer's circumstances.
- ❒ **An Absence of Farmer Demonstration Woods**: There are no demonstration woods scattered throughout South Scotland where farmers can see the impact of leaving woods unmanaged and can compare this with taking positive management action to deliver different objectives.

LACK OF PROFILE OF SMALL WOODLANDS IN SOUTH SCOTLAND

10.5 Although everyone consulted during the course of the study was fully aware of small woods their profile overall in relation to the wider economic benefits they can contribute through tourism, for example, is not well known or recognised. This needs to be more widely known by the general public in order that more public funding can be justified.

FINANCIAL COSTS

UNCERTAINTY OF GRANTS

10.6 Grants are available from the FC & SERAD to help owners of small woodlands meet the costs of managing them. These are perceived as increasingly becoming discretionary since SERAD's ESA and CPS Challenge Funds. The FC's grants are also perceived as being only available on a "take it or leave it" basis depending on what a Woodland Officer feels about a particular Scheme although in reality this reflects the outcome of the consultation process. There are no differential levels of financial support depending on the degree to which a particular scheme meets the FC's own criteria.

NET COST OF WOODLAND OWNERSHIP/ MANAGEMENT

10.7 All the consultees identified, almost without exception, that a major constraint for owners in managing small woods well was the net cost even after allowing for grants from the FC or SERAD. Small woods can require small amounts of annual expenditure as well as large intermittent items of capital expenditure such fence repairs or new fences, access tracks etc. There is seldom little significant income generated from timber sales. This is a major deterrent for most farmers to more active small woodland management.

ADVISORY VISIT/ MANAGEMENT PLAN COSTS

10.8 Most farmers do not have the knowledge, skill or time to prepare management plans for small woods. They therefore have to buy this skill in if they decide they might want to be involved in bringing their small woods into more active management. This cost is often a further deterrent to taking any action, particularly as many farmers suspect that managing small woods is uneconomic and they will be required to commit further expenditure in implementing any management plan that is proposed.

LIMITED GRANTS FOR WOODLAND IMPROVEMENT AND ACCESS CREATION

10.9 The FC provide grants of up to 50% for work which will improve the conservation value of, or access to, woods. Owners still have to find the other 50% of the cost which they might see as delivering little benefit too them. The grant also does not cover repairs to dykes, the creation of new external footpaths, signage etc.

BUREAUCRACY

10.10 The felling of trees and any grants for managing or planting trees associated with small woods requires forms to be filled in, and possibly a site visit, for what are perceived by farmers and estate owners to be quite small scale activities and relatively small amounts of money. Rather than spend time on what was a relatively low priority in relation to their other business activities, they tend to feel it is easier to do nothing.

TECHNICAL OBSTACLES

NO CONTRACTORS FOR SMALL SCALE HARVESTING

10.11 Volumes of roundwood to be harvested from small woods are generally small and access may be difficult. Consequently large modern harvesting equipment is not suitable. There are very few, if any contracting businesses who have either the expertise or the equipment to undertake harvesting and extraction of logs from small woodlands in South Scotland. Most of the tree felling has to be carried out using motor manual methods and it is increasingly difficult to find reliable qualified people to do this.

PUBLIC ROAD ACCESS LIMITS

10.12 Many small woods can only be accessed by using minor public roads which often have bridges with weight restrictions on them.

DIFFICULTIES OF MARKETING SMALL VOLUMES OF ROUNDWOOD

10.13 It is often difficult to find markets for small volumes of often low quality roundwood that can come from small woods. Magazines, such as WoodLots, are available for selling occasional or specialist parcels of timber, but otherwise there is no co-ordination of the small scattered volumes of timber that arise from small woodland management.

FINANCIAL WEAKNESS OF SMALL WOOD PROCESSING BUSINESSES

10.14 There are markets for woodland produce in different parts of South Scotland, but the existing mills are not necessarily in a financially secure position. Many are faced with significant additional costs to meet Health & Safety and business regulations. There are a very limited number of rural craftsmen in South Scotland so the opportunities for adding value and diversifying are not as great as they could be. There are also many more mills using conifers than broadleaves and if more mills existed for using the latter the marketing opportunities for small woodland owners would be greater.