

# Opportunities to increase the delivery of local community benefits and community wealth building from woodland creation in the South of Scotland – a scoping study

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# Executive summary

## Rationale

1. The purpose of this work was to research and test options to increase the delivery of local community benefits and community wealth associated with woodland creation activities in the South of Scotland. It was commissioned by South of Scotland Enterprise (SOSE) and Scottish Forestry (SF) in support of national and regional policy, including: the National Strategy for Economic Transition, and the (South of Scotland) Regional Economic Strategy, which incorporate community wealth building (CWB) as a principle; the current Implementation Strategy of Scotland's Forestry Strategy, which also foregrounds CWB; the Interim Principles for Responsible Investment in Natural Capital (IPRINC); and the Scottish Land Rights and Responsibilities Statement (LRRS) and associated guidance.
2. The focus on woodland creation shifts emphasis away from the better known benefits of managing existing woodland for community benefit, towards the opportunities provided by land use change. The focus on South of Scotland reflects a recognition that forestry is a key component of the economy of the South of Scotland, with around a third of Scotland's new woodland being created within the region, the majority of which is conifer. Finally the focus on 'community benefit' refers to something more specific than the more widely studied 'social benefit', and for the purposes of this work is understood to refer to local communities of place, and to intentional and jointly planned benefits. CWB is a developing policy area with a Scottish Government public consultation open at time of conducting this work, but is well defined in terms of five principles which contribute to retaining wealth in the area where it is generated.

## Activities

3. The study made rapid use of published literature and stakeholder interviews, to formulate testable ideas to increase community benefit and community wealth, when creating new woodland in the South of Scotland. A shortlist of ideas was assessed by the Steering Group and five models were selected for further development and testing at the stakeholder workshop: co-design of new planting projects; community ownership of assets; farm and small-scale woodlands; community benefit funds; and support for local jobs, skills and enterprise.
4. The desk study reviewed international and national evidence for best practice in relation to the project objectives. This was a rapid assessment of available literature, not a comprehensive review. While benefits and disbenefits are closely linked, it is important to avoid equating 'benefit' with 'avoided disbenefit'. Themes identified to move towards net benefit include strong community engagement, enabling communities to contribute to defining and delivering benefit and wealth; types of woodland that communities value and prefer to see in the local landscape (e.g. farm and small-scale woodlands, diverse woodland types); community land ownership whether for woodland creation itself, or as part of a joint venture or benefit sharing model; developing local employment and enterprise opportunities related to the proposed planting; community benefit fund models from the renewables sector; engagement with emerging investors and markets which support community benefit; development of partnerships between communities and private sector companies, NGOs and / or public sector.
5. Interviews with 48 stakeholders contextualise the ideas from the desk study, and provide a South of Scotland perspective, including areas of consensus and difference among stakeholders involved in, and affected by, new woodland creation. Most interviewees chose to focus initially on difficult

experiences, important to understand as routes to avoiding disbenefit – particularly through early and meaningful consultation and co-design. Potential benefits were identified by most interviewees as improved access, sympathetic landscape change, biodiversity, employment and skills development. Proactive approaches which go beyond simple consultation, include woodland management as a route to employment, and use of small areas of land for community / affordable housing. Community wealth was seen as relying on community ownership or control of the resource. These proactive approaches and community ownership were seen as demanding but attractive. Community benefit funds were more divisive, with industry seeing them as complex to manage. The report includes detail of stakeholders' attitudes to these ideas.

6. In the workshop, mixed groups of stakeholders assessed the models and collectively proposed and identified priorities for further consideration. Mixing stakeholders in a workshop setting was a helpful 'bridge-building' exercise, with representatives from a wide range of interest groups and sectors finding common ground and working proactively to explore potential approaches to delivering more community benefits from woodland creation.

## Conclusions

7. The project provided a rapid assessment of evidence, options and stakeholder perspectives, which will inform next steps as SOSE and SF consider key opportunities to develop a programme of support. They will also be reviewed by SOSE and Scottish Forestry to consider how they can best inform emerging national initiatives related to Land Rights and Responsibility Statement and the Interim Principles for Responsible Investment in Natural Capital.
8. While both benefit and wealth were considered at all stages, the boundary between the two is not rigid. Both are context specific, and need to be defined by the specific community related to a specific planting project. Community wealth derives benefit from resources under community control. There is less experience with community wealth, and while there is enthusiasm and interest, community perspectives indicate that attention to both approaches is important. Strategies which develop capacity, funds or assets (including land, woodland and housing) under community control, all contribute to community wealth.
9. The project contributes to several areas of national change. In the context of forestry as a natural capital investment, it is a time of growth and innovation. Previous experience in areas such as renewables and land reform point to the value of principles, guidelines and standards. CWB is also an active area of policy development and learning from this study may help inform those developments.
10. The project provided an evidence base of stakeholder support for the following options, to be considered for a future programme:
  - a. appropriate and effective approaches to delivering community benefits – including learning from existing experience, toolkits of models and case studies, piloting new approaches with willing partners, and a coordination role for public and industry organisations;
  - b. ensuring community interests are appropriately represented – through capacity building, finding ways to reward volunteer time, and funding and training local forest development workers; promotion of good practice by public and forest industry organisations; exploring ways to support facilitators / trusted intermediaries between companies and communities; more face-to-face meetings and workshops; exploring fit with local place plans and community action plans; addressing the cumulative impacts of successive planting applications on communities;

- c. collaborative early planning or co-design: piloted with innovative willing partners, giving a particular focus to enhanced access; promoting through guidance and regulation;
  - d. Community Impact/Benefit Assessment: again, through piloting, toolkits and support from guidelines and regulation;
  - e. benefit sharing through community leasing or ownership: piloting and supporting schemes whereby investors donate or lease a small amount of land to communities for management and / or affordable housing;
  - f. community benefit funds: modelled on those developed in the renewables sector, these were viewed as interesting but challenging, areas for further consideration include developing consensus and guidelines for good practice; criteria affecting scale-appropriate expectations; sharing of income from carbon credits; inclusion of community benefit in calculations of additionality for e.g. the Woodland Carbon Code;
  - g. diversifying scales and types of woodland, building on tried and tested approaches for providing advice and support.
11. There was a high level of interest in the focus of this project, and in participating in interviews and particularly the workshop. This type of face-to-face interaction was welcomed, and suggests more activity along these lines would be helpful. This is a challenging area of land use change but on the evidence of this rapid assessment, it benefits from keen stakeholders, creative communities and a willingness to try new approaches. This constitutes a healthy basis for further development of this work.

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<sup>1</sup> Cover photos. Clockwise from top left: Tree planting at Talla (Borders Forest Trust); Craigdilly, Scottish Borders; Waterside Hill above Dalry, Galloway; Ettrick Valley, Scottish Borders (A. Lawrence)

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# 1 South of Scotland, new woodland and community benefit: the context

## 1.1 Project purpose and background

Scotland has ambitious woodland creation targets which will rise to 18,000 ha / year by 2024/25<sup>2</sup>. The National Strategy for Economic Transition highlights an important role for forestry as a key nature-based solution to help meet climate change objectives and ensure a sustainable supply of timber<sup>3</sup>. And, as highlighted in the Foreword to the Scottish Forestry Strategy Implementation Plan for 2022-25,

*Increasing tree-cover is a critical element of the transformation required to address the twin environmental crises. However, we must be careful that the transition is sustainable, fair, and just – the way in which we choose to use our land must be for the benefit of all, those living and working in our communities today, and future generations to come.*<sup>4</sup>

There is growing concern about potential imbalance between individual financial benefit, and community economic (and other) benefit. Forest expansion opportunities are increasingly attracting additional private investment. Forest management companies are reporting sharp increases in profits, and land prices are seeing unprecedented rises (John Clegg and Co., 2023).

The South of Scotland plays an essential role in meeting these national targets and forestry is a key component of the economy of the South of Scotland, with around a third of Scotland's new woodland being created within the region, including over half of all Scotland's new commercial conifer<sup>5</sup>. This level of investment offers new opportunities for CWB. While forest expansion already contributes to the national economy and job market, and various community benefit options exist, recent studies have called for the two to be more strongly linked<sup>6,7</sup>. A study of communities' experiences of new forest planting applications found that 'communities are not opposed to woodland creation *per se*, but are negatively affected by both the experience of consultation and the resulting afforestation schemes (Lawrence and Paterson, 2022).

SOSE and SF therefore commissioned this project to:

*appraise, articulate and test opportunities and options to increase the delivery of local community benefits and community wealth associated with woodland creation activities in the South of Scotland, in ways that support national, regional and local policy and strategies.*

It was commissioned by SOSE and Scottish Forestry with the aim of identifying potential routes towards a programme of regional projects that can be delivered under existing policy arrangements, as well as pointers to inform delivery of national policy. The work does not include assessment of the

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<sup>2</sup> <https://forestry.gov.scot/news-releases/positive-progress-on-tree-planting>

<sup>3</sup> <https://www.gov.scot/publications/scotlands-national-strategy-economic-transformation/>

<sup>4</sup> <https://forestry.gov.scot/publications/1413-scotland-s-forestry-strategy-implementation-plan-2022-2025/>

<sup>5</sup> <https://forestry.gov.scot/publications/1441-forestry-grant-scheme-statistics-november-2022>, Table 4. These statistics are totals from 2015-2022 based on the start of the current Forestry Grant Scheme.

<sup>6</sup> <https://sosrep.dumgal.gov.uk/article/21953/Regional-Economic-Strategy>

<sup>7</sup> Scottish Environment LINK (2022). UKFS: A call to enhance the 'people' theme. Available at: <https://www.scotlink.org/publication/ukfs-a-call-to-enhance-the-people-theme/>.

<sup>8</sup> Lawrence, A. and P. Tabor (2020). Stakeholder engagement to inform development of a Regional Woodland Creation Framework. Report commissioned by Scottish Borders Council. Southern Uplands Partnership / Borders Forest Trust. <https://forestry.gov.scot/publications/817-stakeholder-engagement-to-inform-development-of-a-regional-woodland-creation-framework-scottish-borders-pilot-areas-1-2>

opportunities and options in terms of delivering the national woodland creation target and achieving net zero.

## 1.2 Policy alignment

The project sits at the intersection between national and regional policies and strategies relating to land use, rights and responsibilities, response to the climate emergency, and the need for community benefit and wealth building to deliver a just transition. Whilst the language of CWB is relatively new in the Scottish context, it represents a coherent shift towards focusing on investment rather than simply deriving benefit from rural land use (in a similar way to the shift from thinking about ecosystem services, to thinking in terms of natural capital). This fit is reflected in the adoption of CWB across a raft of policy.

### 1.2.1 Community Wealth Building (CWB)

In Scotland, CWB has been incorporated as a general principle across national and regional policies. At the time of writing this report, the Scottish Government is conducting a consultation which invites a ‘wide range of views on the changes that are required to grow local wealth and give communities a greater stake in the economy.’<sup>9</sup>

That consultation defines CWB as

*an approach designed to tackle long-standing economic challenges and transform Scotland’s local and regional economies by considering the ways in which the public sector, in partnership with the private, third and community sectors, can ensure more wealth is generated, circulated and retained in communities and localities.*

Specifically in the area of woodland creation, the current Implementation Plan (2022-25) for Scotland’s Forestry Strategy 2019-29 includes the priority actions:

- *Work with the forestry sector and communities to promote the principles set out in the Land Rights and Responsibilities Statement and improve the opportunities for communities to be involved with the development of forestry proposals and plans;*
- *Develop and implement a framework for increasing forestry’s contribution to the delivery of local community benefits and community wealth building.*<sup>10</sup>

The National Strategy for Economic Transition also indicates a CWB approach to a wellbeing economy:

*Our Community Wealth Building approach will use public and private investment through procurement and other means to create new employment opportunities, help local businesses to expand, and place more assets in the hands of local people and communities.*<sup>11</sup>

The SOSE Regional Economic Strategy (RES) and associated Delivery Plan embed CWB as a core principle to meet its ambitious, transformational strategy, which sets out “a bold vision for the future South of Scotland – to be Green, Fair and Sustainable by 2031”. The South of Scotland Regional Economic Strategy identifies Shared Prosperity and CWB key objectives:

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<sup>9</sup> <https://consult.gov.scot/economic-development/community-wealth-building-consultation/>

<sup>10</sup> <https://forestry.gov.scot/publications/1413-scotland-s-forestry-strategy-implementation-plan-2022-2025/>

<sup>11</sup> <https://www.gov.scot/binaries/content/documents/govscot/publications/strategy-plan/2022/03/scotlands-national-strategy-economic-transformation/documents/delivering-economic-prosperity/delivering-economic-prosperity/govscot%3Adocument/delivering-economic-prosperity.pdf>

- *Building wealth which better benefits the local economy, our communities and people (Community Wealth Building)*
- *We are committed to moving ahead in an inclusive way, building on new models of developing our economy which put wellbeing at their centre, delivering sustainable and lasting growth that benefits all.*<sup>12</sup>

### 1.2.2 Interim Principles for Responsible Investment in Natural Capital

In 2022 the Scottish Government issued the Interim Principles for Responsible Investment in Natural Capital (IPRINC).<sup>13</sup> This advised that natural capital investments should deliver public, private and community benefits, contributing to a Just Transition; that current and future increases in land and ecosystem services should benefit local communities and that investment and management decisions should support CWB by reinvesting value in local economies to their long-term benefit. The principles include:

- Investment that delivers integrated land use
- Investment that delivers public, private and community benefit
- Investment that demonstrates engagement and collaboration
- Investment that is ethical and values-led
- Investment that is of high environmental integrity
- Investment that supports diverse and productive land ownership

### 1.2.3 Land rights and land use policy

In the wider context of Scotland's range of land reform policies, the Scottish Government issued the Land Rights and Responsibility Statement (LRRS), updated 2022. The draft Land Reform Bill<sup>14</sup> seeks to put the LRRS statement on a statutory footing for large-scale landowners while serving as voluntary best-practice guidance for holdings of all sizes.

The core values of the statement are the need for land use to contribute to public interest and wellbeing, balance public and private interests and support a just transition to net zero. The statement also highlights the need for more local communities to have the opportunity to own, lease or use buildings and land which can contribute to their community's wellbeing and future development.

The LRRS indicates three areas in particular which are relevant to increasing community benefits from land:

- more diverse pattern of land ownership and tenure, with more opportunities for citizens to own, lease and have access to land.
- more local communities should have the opportunity to own, lease or use buildings and land which can contribute to their community's wellbeing and future development.
- meaningful collaboration and community engagement in decisions about land.

## 1.3 Project approach

The study design had three strands: a rapid evidence review (desk study), stakeholder interviews, and a stakeholder workshop. The desk study and interviews were designed to inform and structure the

<sup>12</sup> <https://sosrep.dumgal.gov.uk/article/21953/Regional-Economic-Strategy>

<sup>13</sup> <https://www.gov.scot/publications/interim-principles-for-responsible-investment-in-natural-capital/>

<sup>14</sup> <https://www.gov.scot/publications/land-reform-net-zero-nation-consultation-paper/pages/6/>



workshop designed to invite stakeholders to assess and comment on the models, and express views on best ways forward., so that while we present the detailed findings of these first two strands, they are not intended to be the last word on the subject, but rather to help formulate ideas for testing through the final component, the workshop. Thus, the workshop serves as opportunity to validate or add nuance to the ideas identified in the desk study and interviews. The study was completed in only nine weeks; the desk study and stakeholder interviews were conducted simultaneously, to formulate testable ideas to increase community benefit and community wealth and specifically relate them to new woodland in the South of Scotland. A shortlist of ideas was assessed by the Steering Group and five models were selected for further development and testing at the stakeholder workshop. The invitation list for the workshop was intended to be inclusive of a wide range of stakeholders, and the workshop method mixed stakeholders to encourage discussion and record diverse views and experiences. Hence the project outputs and conclusions reflect a three-step filter applied to evidence, stakeholder experience, and workshop discussion, and provide a robust platform for informing and supporting future work in the region.

## 2 Desk study: evidence review of community benefits associated with new forest planting

The desk-based component included a review of approaches to defining and evidencing community benefit and CWB in relation to forestry, and a rapid evidence review of national and international literature to provide indications of ‘current good practice’. Key words for searches included: ‘community wealth building forest\*’, ‘community and / or social benefits forest planting’ and ‘community benefits wealth natural capital’. The study was conducted in a short time period and this section should not be treated as a comprehensive literature review. Instead it is a selection of evidence judged to be most relevant to the project context and purpose balanced with an acknowledgement of the enormous international literature on the benefits (or otherwise) for communities, of forestry, new planting, and / or forest ownership.

### 2.1 Definitions

#### 2.1.1 Community

For the purposes of this project we understand “community” as the local geographical community.

#### 2.1.2 Community benefits

The terms benefits, ecosystem services, values and preferences are interlinked, and ‘community benefits’ can mean different things to different people. We have not unpacked this aspect of a huge literature, and instead used the work of the Scottish Land Commission on developing a definition of the term, reflecting a need because ‘Delivering community benefit from natural capital development and investment is at an early stage in Scotland’ (Scottish Land Commission, 2022a).

This leads to a working definition (Scottish Land Commission, 2022b):

*Community benefits are packages of intentional benefits, arising from investment in natural capital enhancement, creation, and restoration projects, provided on a negotiated basis for the long-term benefit of the geographically local community.*

We summarise the components of this working definition in Box 1.

Examples of community benefits include creating new local jobs, improved infrastructure, funding for community groups or projects, development of new enterprises, climate change adaptation and mitigation, allocating surplus land to local housing, procuring services locally, volunteering and recreation opportunities, and increased visitor numbers thereby supporting the local economy (Scottish Land Commission, 2022a).

### Box 1. Proposed principles for delivery of community benefits from natural capital projects

(summarised from Scottish Land Commission (2022b) [our emphasis])

- delivered **to and with the geographically local community** that will be affected by, or can influence, the planned natural capital project.
- considered **early-on** in project development and integrated into natural capital projects
- rooted in **engagement** with the community and in an **understanding** of local needs and priorities.
- **agreed** with the local community – using **established and constituted community groups** where practicable – and aligned with local strategic and development plans, where available. Written agreements are recommended and seeking professional advice may be helpful.
- a **considered and deliberate** element of natural capital projects and **in addition to** the inherent public benefits, such as clean air and water.
- **proportionate to the scale** of the project and to the impact of the project on the local community.
- **clear and identifiable**, monitored and evaluated, with regular public reporting on progress.

### 2.1.3 Community wealth building (CWB)

Scotland’s ‘five pillars’ model of CWB draws directly on the original concept<sup>15</sup>. CWB is an internationally recognised model developed by the Democracy Collaborative in the United States and championed by the Centre for Local Economic Strategies in the UK. It seeks to transform local and regional economic systems to enable more local communities and people to own, have a stake in, access and benefit from the wealth an economy generates. The approach works with local anchor organisations across five interlinked pillars: Spending, Workforce, Land and Property, Inclusive Ownership and Finance.<sup>16</sup>

This is a concept and approach in development and we found it useful to unpack the definition (section 1.2.1) through a range of commentary which reflects expectations:

- This approach empowers communities and strengthens local economies, keeping wealth where it is generated. (Scottish Land Commission, 2022b)
- “buy from social enterprises and support local businesses of all types.”<sup>17</sup>
- “developing more local and social enterprises ... embedding fair work and ensuring investments deliver true benefits for local people ... and placing more assets in the hands of communities.”<sup>18</sup>

<sup>15</sup> <https://democracycollaborative.org/>

<sup>16</sup> <https://www.gov.scot/policies/cities-regions/community-wealth-building/>

<sup>17</sup> <https://www.surf.scot/scotregen/what-does-community-wealth-building-mean-at-a-community-level/>

<sup>18</sup> <https://scottishbusinessnews.net/community-wealth-building-key-to-creating-stronger-scottish-communities/>

- “resources do not represent community wealth unless communities own and control them” (Kelly and Ratner, 2009)
- The aims are to tackle long-standing systemic and structural inequalities within our economy and communities. Done well, CWB will develop increased excellent job opportunities, business growth, community-owned assets and shorter supply chains creating greater resilience and supporting net zero ambitions.<sup>19</sup>
- Local authorities, enterprise agencies, charities and others are being encouraged to embrace the concept as a means by which to support local businesses and jobs while encouraging responsible investment to retain wealth locally.<sup>20</sup>

## 2.2 Forests and community benefits – the context

### 2.2.1 Communities and forests

There is a vast literature on the social benefits of woodlands and forests, from values and perceptions to material, well-being and emotional benefits, and empowerment to participate in defining those benefits. This is partly steered by the inclusion of social outcomes in the definitions of sustainable forest management. In the UK, researchers have drawn attention to both spatial variation of benefits (Burke et al., 2021), and social variation in access to benefits (O'Brien and Morris, 2014; Morris et al., 2011).

When we focus in on *community* benefits, the range of evidence becomes much more limited. Examination of community benefits tends to focus on community forestry, but evidence in that area is mixed at a global level. Rigorous systematic evidence reviews find little consistent evidence of benefits. One review concludes that real empowerment of communities has been only partial, and where it has taken place, the benefits are more often ecological than socioeconomic (Charnley and Poe, 2007). A more recent analysis of 643 cases in 51 countries found that although most reported positive environmental and income-related outcomes, forest access and resource rights were often negatively affected by policies to formalise community forest management (Hajjar et al., 2021). Achieving benefits while maintaining or enhancing rights is thus challenging.

In the context of the UK, there is little repeatable, systematic evidence of the impact of community forestry on communities' well-being. Lawrence and Ambrose-Oji (2015) used a broad definition of 'community forestry' to produce findings attributable more generally to the relatively weak evidence for community benefit of UK forestry. They reviewed 70 studies (covering 681 evaluation cases) and found they pointed to positive impacts in the biophysical domain but only limited evidence of impacts in the social domain. Most evidence captured by social indicators focused on outcomes rather than process (such as engagement). Only a few included evidence of economic benefit at local scale.

A wide range of studies on equity of access to social benefits of forests, whether international or UK focused, highlights the need for proactive policies to ensure the less empowered also benefit (McDermott, 2009; O'Brien and Morris, 2014). A framework to examine how local equity is affected by changing global value of ecosystem services distinguishes between the distribution of benefits and costs, equality of access to decision-making, and the contextual conditions which define that access to decision-making procedures, resources and benefits (McDermott et al., 2013).

Literature on CWB and forestry is scarce. One study from the USA, on 'Community forests as a wealth creation strategy for rural communities', suggests that community wealth is rarely achieved as an

<sup>19</sup> <https://www.landcommission.gov.scot/our-work/good-practice/community-wealth-building>

<sup>20</sup> <https://scottishbusinessnews.net/community-wealth-building-key-to-creating-stronger-scottish-communities/>

outcome (Lyman et al., 2014). Studies from Canada which reference community wealth focus on jobs and income generation (Blockhus et al., 1995; Teitelbaum, 2012), overlapping with definitions of community benefit. Those which focus on 'wealth' highlight community ownership or secure tenure, community enterprise, and local wood-based businesses.

A study of four community forests in the Eastern U.S. is a useful parallel with some of the aspiration of Scottish community ownership (Hovis et al., 2022). It identifies a mix of benefits, some of which fit within the concept of wealth: better protected and more resilient biophysical resources, enhanced social capital, enabled local and indigenous knowledge in forest management and governance, and increased economic resources from timber and NTFP production. The study highlighted challenges which include: funding local employment and access; recruiting and retaining community members in participatory decision making; balancing the need to attract visitors with concerns about resource protection; and increasing visibility as a community forest.

In reviewing international experience we noted a tendency to refer to community engagement as a means to avoiding disbenefit. For example:

- Some portray 'community forestry' e.g. in Canada primarily as a route to reducing conflict (Luckert, 1999; Bullock and Hanna, 2007);
- Community forests in the Eastern U.S. have often been formed to protect forest land from development and protect associated common-pool resources. (Hovis et al., 2022)
- Thinking on property rights has evolved to recognise rights to direct and indirect benefits, leading to the idea of 'compensated exclusions' in natural resource governance (Sikor et al., 2017).

While these are important issues, community benefit is clearly more than simply avoiding or compensating for conflict, loss of rights, or loss of previous benefits.

### 2.2.2 Communities and afforestation

"What's good for national governments, the forestry industry, and global consumers is not always good for local communities." (Charnley, 2005)

Focusing in on the specific question of community benefit from *new* forest planting, the evidence shows widespread experience of tensions between communities and plantations. Examples include:

- afforestation policy in Spain has improved timber provision and carbon sequestration but may undermine regulating ecosystem services; 'more comprehensive landscape management approaches' are needed which reduce these trade-offs between ecosystems services and provide for multiple objectives (Pérez-Silos et al., 2021);
- corporate control over land in Chile resulting in displacements and the end of local uses of ecosystems as they are replaced by monocultures (Gerber, 2011);
- conflict in Chile between plantations and smallholders at multiple levels: the material impacts on smallholder livelihoods; underpinned by a more values-based level of conflict: legitimacy of land use and a perceived erosion of rurality (Braun, 2021);
- land ownership concentration, loss of customary rights of resource access, rural displacement, and socioeconomic decline in neighbouring communities; lack of local quality jobs which stimulate community development (Charnley, 2005);
- inappropriate siting of woodland with negative landscape impacts;
- beneficiaries include large rural landowners who sell or lease their land to forestry companies, and people who are able to find jobs in the forestry sector;

- loss of farms and employment, causing families to move away and affecting the social capital of the community (Stewart et al., 2007);
- aesthetic, landscape and environmental pollution impacts with social consequences (McDermott, 2012);
- eviction of local farmers and forest users by governments and plantation companies; economic pressures compelling farmers to sell land for plantation development (McDermott, 2012);
- commercial forestry viewed unfavourably in landscapes where it has not occurred historically (Ní Dhubháin et al., 2009).

Similar concerns are expressed in relation to natural capital investments, for example:

- under earlier labels, such as REDD+ and Clean Development Mechanism approaches to avoided deforestation and new planting (Skutsch et al., 2014; Zomer et al., 2008) with a focus on tensions around benefit distribution (Mahanty et al., 2012);
- a study which examined 171 project design documents to identify expected co-benefits of Woodland Carbon Code projects, found that only about 7% are considering community benefit (Koronka et al., 2022);

Not all stakeholders are in favour of community benefits. One forester and solicitor, in an article explaining carbon credits, describes conditions requiring community benefit as implying that ‘a landowner is thus held hostage to considerations quite unconnected to the efficacy of carbon capture’ (Wallace, 2021).

This attention to the issues has contributed much thought to possible solutions, some of which may be suitable in the south of Scotland. An international review of the issues proposes better engagement with communities, more diverse scales of planting including with existing landowners, and development of benefit sharing mechanisms (Charnley, 2005). Attempts to improve relations are seen in the WWF-supported New Generation Plantations programme which advocates good governance and shared value.<sup>21</sup> The Scottish Land Commission’s discussion paper on community benefits from investment in natural capital, suggests that ownership, management motivations, and finances affect delivery of community benefits; that good engagement is essential, and that partnership and access to mixed sources of finance can help (Scottish Land Commission, 2022b). Between these two ends of a spectrum – widespread and longstanding international experience, and the novelty of rapid change in Scotland – are clear pointers to good practice in our own context.

Finally a wide range of studies, from global reviews to empirical studies of tensions in Australia to leading examples of natural capital investment in the UK, highlights the value of collaborative governance: partnership working among landowners across scale; and between stakeholders within local and regional areas (Johansson, 2018; Brown, 2002; Scottish Land Commission, 2022b). While outwith the immediate scope of this project, it is a point raised by stakeholders and we return to it in the conclusions.

## 2.3 Desk study findings: themes of good practice

### 2.3.1 Community engagement

A basic prerequisite for good relationships around land use is effective engagement or participation.

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[https://forestsforward.panda.org/areas\\_of\\_action/improving\\_forest\\_plantations\\_management/new\\_generation\\_plantations/](https://forestsforward.panda.org/areas_of_action/improving_forest_plantations_management/new_generation_plantations/) [New Generation Plantations | WWF \(panda.org\)](#)

The starting point for effective approaches to community benefits is in engaging openly with the community. (Scottish Land Commission, 2022b)

The Scottish Land Commission also notes that this enables alignment with local plans.

More widely there is an enormous literature on both understanding and evaluating the effects of good participation. Relevant points include (Buijs and Lawrence, 2013; Iversen et al., 2022; Reed, 2008):

- there has been a tendency to frame forestry as ‘rational’ and community responses as ‘irrational’, but research highlights that all stakeholders bring values and emotions to their decision-making;
- engagement can be classified on a spectrum from ‘top-down’ to ‘bottom-up’; no single approach is correct but rather, the approach needs to be chosen to fit the context;
- conflict itself is a form of engagement, albeit not always a welcome starting place;

Good engagement is referenced in overviews of better community-plantation relationships. Charnley (2005) advocates:

- taking local peoples’ needs and concerns into account when establishing industrial plantations;
- open and continuing communication between the forestry company and the communities;
- expanding the role of local communities in decision-making about where to site plantations, what to plant, associated infrastructure development, access rights, and training and employment opportunities.

In-depth research in Australia highlights ways to improve community engagement [CE]. One paper explores the relationship between corporate culture and CE adoption, and found that while many employees believed CE was essential for operations, it was constrained by lack of resources, skills, trust, strong industry voice, and understanding when CE was necessary. The authors propose strategies for enhancing adoption of CE in corporate culture including: incentives for staff to engage with stakeholders, better relationships with stakeholders, tools to gather feedback and measure their social licence to operate, CE skills development among forestry professional, and developing more effective stakeholder identification and engagement strategies (Gordon et al., 2013a; Gordon et al., 2013b).

These suggestions (from global reviews and from the detailed experience of Australia afforestation companies) are remarkably similar to those advocated in recent research reports on community engagement in new woodland creation in Scotland. Recommendations include the urgent development of clear and agreed guidance on community engagement and its incorporation into the Forestry Grant Scheme, and addressing significant gaps in communication to improve relationships.

Both the international and the Scottish studies point to engagement that goes beyond clear communication of forest planting intentions, and involves communities in design of the woodland and access, as well as its potential contribution to local economy. The Scottish study includes the recommendation to “start with a (nearly) blank map”. It is important to note that this recommendation was proposed by a forest agent, who had won an award for New Commercial Woodlands<sup>22</sup> which included exemplary community engagement. The only preconditions he took to community meetings were the soil maps. This resulted in highly effective integration of popular footpaths and wildlife habitats.

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<sup>22</sup> Succothmore, in <https://www.sfw.co.uk/previous-winners/>

One example of relevant stakeholder-based research in Cumbria is summarised in Box 2. This is a specific focus on the much wider topic of trust, which is addressed in a study of community relations arising in certification of plantations. McDermott (2012) concludes that trust needs to come before, rather than be seen as the result of, certification:

*The presence of ongoing controversies across all certification schemes highlights how no scheme provides a guaranteed social license to operate. Rather the support and trust of local to global stakeholders may be better viewed as a pre-requisite to, rather than a predictable outcome of, certification.*

**Box 2. Why understanding stakeholder perspectives and emotions is important in upland woodland creation – A case study from Cumbria, UK**

- The study is based on the recognition that stakeholder conflict is a significant barrier to woodland creation in upland areas in the UK.
- The authors identify different values and motivations among farmers, the environmental and forestry sectors, and advocate recognition of those priorities to help in understanding each other and being able to work together successfully.
- They see a need for reappraisal of consultation processes, to better engage with a wide range of stakeholders and develop approaches rooted in mutual understanding, participation and collaboration.

(Iversen et al., 2022)

### 2.3.2 Community values and preferences for woodland types and scales

These different values referenced in the previous section affect not only a need for community engagement, but also the types of forests planted. This need to negotiate the place and type of forestry is widely recognised where democratic process steers the course of land use. Australia is a case in point where ‘Plantation forestry continues to operate in contested social landscapes and has to continually negotiate its shape, scale, place and practice.’ (Stewart et al., 2011).

As with social benefits, there are many studies of societal preferences for woodland types and structures (e.g. Edwards et al., 2012). This work is applied through a body of research particularly in Ireland where public resistance to rapid coniferisation has prompted a range of studies on public preferences. One study looking for ways to intensify forest management in Ireland found that ‘none of the currently used forest management intensities are accepted by a majority of participants’ [because they are all more intensive than participants prefer] (Duesberg and Ní Dhubháin, 2019). Another concluded that public support for future afforestation would require:

*the establishment of mixed species forests with large reserve areas, which are managed under a non-clearfell harvesting system. In addition the public should have access to these forests and basic recreational facilities should be provided.* (Upton et al., 2012)

In the UK, public opinion about forestry has been surveyed since 1995.<sup>23</sup> Less attention has been focused on *local* preferences, of the communities who live in the landscapes. However a range of reports from Ireland and Scotland responding to the current heightened debate about land use, highlight the importance of context. In these areas of rapid expansion of commercial conifer forest, local values consistently reference native woodland, broadleaves, and more diversity of woodland

<sup>23</sup> <https://www.forestresearch.gov.uk/tools-and-resources/statistics/statistics-by-topic/public-opinion-of-forestry/>

types (Carroll et al., 2009; Lawrence and Tabor, 2020; Lawrence and Paterson, 2022, O'Leary et al., 2000). These preferences have been shown to *increase* with education:

*respondents with higher knowledge levels have stronger preferences for establishing mixed and broadleaf forests rather than conifers. This would suggest that educating the general public about forest management might increase their support for specific forest management issues. (Upton et al., 2012)*

Preferences are also cultural and related to preferences for maintaining agricultural land use. Research from Australia highlights that changing make-up of the local community influences land use preferences:

The shift from 'production' to 'lifestyle' landscapes ... reflects a transition in community expectations for forestry - a profound change that is likely to require quite different approaches to management. Landholders may be more likely to be interested in forestry with multiple values, including both timber products and environmental services. (Race and Stewart, 2007)

A range of policy and research approaches advocate for strong connection between meeting net zero targets and attention to woodland creation within existing cultural preferences and landscapes (Burke et al., 2021). In Wales it is recommended that government 'explore the alignment of both public and private investment to enable the scale of investment necessary for substantial afforestation on Welsh farmland (*preferably without transfer of land ownership*)' (Newman, 2021 [emphasis added]). And in Scotland, a ClimateXchange report summarises the benefits, including farm diversification, of silvopastoral practices (Saunders et al., 2016).

The links to community benefit are implicit: in areas of rapid afforestation, communities prefer diverse and smaller scale woodlands. The Woodland Expansion Advisory Group concluded 'we particularly identify farmers (including tenants and crofters) and communities as having a valuable role in providing a more diverse range of benefits from woodland' (WEAG, 2012). Furthermore the body of work referenced in the next section, on local small scale businesses, links such enterprise more closely to managed broadleaved and mixed woodlands, than to large scale conifer forests.

There is room for more research in this area. For example the review of Making Local Woods Work, involving over 150 woodland social enterprises, found that social enterprises using *existing* woodland were less concerned about species composition than about size. Those using the wood for social services (children's play, Forest School, mental health support etc.) could make productive use of very small areas. Those relying on wood products needed larger areas (Lawrence et al., 2018). Linking community preferences with economic productive value, especially in the case of new woodland creation, still needs further attention.



### 2.3.3 Jobs and enterprise

The connection between new forest planting and jobs has at best mixed support from data and research. Studies already mentioned, including Charnley (2005) [global review] and Braun (2021) [Chile], note that local employment is not common but important for those who benefit.

In Scotland, there is little published evidence to support the idea that woodland creation does, or could, create significant local employment, nor the contrary view that it undermines local employment. National (UK and Scotland) statistics on forest employment are reported at UK and GB scales.<sup>24</sup>

Highly forested nations provide more detailed insight. For example in Canada ‘local benefits’ are often treated as synonymous with jobs (Benner et al., 2014). Some countries attempt to protect local jobs with laws which require timber to be milled close to source, or which prioritise local residents in forest work (UNECE/FAO, 2020). In Canada, community forests performed better than the private sector at delivering local jobs (Benner et al., 2014). However a range of studies highlights job insecurity in forest employment. For example one study shows how relations between the forestry sector and resource dependent communities have “exacerbated longstanding issues of dependence, vulnerability, and disparity” (Martin, 2014). And as with much of the literature, the focus on harvesting may not have maximum relevance in considering support for jobs when woodland creation is proposed.

Difficulties with data and its interpretation are common across Europe (Metzker et al., 2021). A major study of challenges and opportunities for plantation forests in Europe refers to jobs as part of a route to ‘gain social legitimacy’ but does not analyse the localness of the jobs (Freer-Smith et al., 2019). A UN study of the forest sector workforce across the UNECE<sup>25</sup> region mentions local jobs only in relation to particular case studies; job statistics are presented at national level (UNECE/FAO, 2020).

Forest Policy Group has engaged with this question in Scotland through a range of projects and consultancies. A conference at Birnam in 2016 showcased the role of small and local forestry businesses in sustainable forest management (Lawrence, 2017; Forest Policy Group, 2016); a number of small, community and social enterprises demonstrated job creation, and one highlighted that mixed forest management can lead to more ‘jobs per log’ than ‘logs per job’, reversing the usual metric. Only one of the featured businesses was engaged in woodland creation (Knoydart Forest Trust). Follow-up work commissioned by Forestry Commission Scotland highlighted the scarcity and patchiness of data about localness of forestry jobs and businesses, and lack of information about impact (i.e. ‘benefits’) (Lawrence et al., 2017). This in turn led to two studies by John Clegg Consulting and FPG, which provided an ‘estimate that there are some 6,255 people working in small-scale woodland enterprises, generating and spending some £69.8 million pounds per annum’ (Watt and McGhee, 2018) and a survey of businesses which indicates that “about 80% of the expenditure that small woodland related business owners and their families make is undertaken locally” (McGhee and Watt, 2023).

In addition to small local businesses, research attention has also focused on the role of community and social enterprise. In Scotland, community ownership and community enterprise are often closely linked. Barlagne et al. (2021) assessed impacts of a community forestry social innovation initiative leading to provision of new products and services. Lochcarron Community Development Company acquired the forest from FLS. The evaluation identified positive impacts of innovation in governance and forest management including revitalisation of a rural area and the empowerment of the local

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<sup>24</sup> <https://www.forestresearch.gov.uk/tools-and-resources/statistics/forestry-statistics/>

<sup>25</sup> UNECE = United Nations Economic Commission for Europe and includes 56 members states from Europe, North America and Asia ([unece.org/mission](http://unece.org/mission))

community; members of the community now discuss project ideas, identify opportunities for grants, and apply for funding. A study by Forest Research identified three main barriers to community enterprise development: start-up costs, woodland and business management skills, and bureaucracy. Research was insufficient to support or reject the hypothesis that social and community enterprises produce more and diverse benefits from woods. The study recommended that policy enable communities to find innovative solutions to securing the capital, technical and legal advice they require (Ambrose-Oji et al., 2015).

Making Local Woods Work<sup>26</sup> was a UK-wide project funded by the Big Lottery Fund, which supported development of over 50 woodland social enterprises. An evaluation based on site visits and interviews with every participating enterprise found them to have much in common with other small and medium businesses in contributing to the bioeconomy. It concluded 'WSEs are inherently diverse: income sources range from woodland products to social services based in the therapeutic forest environment; they value profit, social and environmental benefits to varying degrees. Support mechanisms therefore needs to take a flexible and client-led approach' (Lawrence et al., 2020). Some of these social enterprises were planting new woodland; examples are provided in the evaluation report (Lawrence et al., 2018).

### 2.3.4 Community ownership of assets

As noted above, community wealth is linked with community ownership and control of resources (Kelly and Ratner, 2009). While research shows one or two examples from outwith Scotland, such as the effect of community acquisition on establishment and management of woodlands in Galicia, Spain (García et al., 2014), Scotland is quite a unique situation and we focus on that in this section.

Scotland has a range of land reform and community empowerment legislation and policy to support community acquisition of assets. There are about 250 community forests and woodlands in Scotland. The Scottish Land Commission has published six case studies to illustrate current community benefit delivery through natural capital developments, including Ardura and Sleat, both of which are community owned forests (Scottish Land Commission, 2022a). Community benefits demonstrated by these two cases include: tree nursery, hydro scheme, access to locally produced sustainable wood fuel, health and wellbeing benefits, education and recreation benefits, improved access and trails, cultural heritage information and restoration of derelict sites; economic benefits including part-time employment as a machine operator and one-off contracts with local businesses including artists, ecologists, and education providers. There are additionally a number of case studies of community woodlands, available for example through the Community Woodlands Association website.<sup>27</sup>

Two caveats are evident in reviewing the evidence. Communities rarely buy unforested land for planting. And the experience of acquiring assets has been a difficult one, fraught with stress, enormous amounts of volunteer time, and complex processes sometimes requiring multiple simultaneous applications for land purchase, funding, and planning permission (Mc Morran et al., 2018). Perhaps most woodland is purchased from FLS through the Community Asset Transfer Scheme<sup>28</sup> and before that the National Forest Land Scheme. When purchasing land from private owners, negotiated sales appear to be more successful than Community Right to Buy (Mc Morran et al., 2018).

In the south of Scotland two notable recent acquisitions include:

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<sup>26</sup> <https://www.makinglocalwoodsworld.org/>

<sup>27</sup> <https://www.communitywoods.org/case-studies>

<sup>28</sup> <https://forestryandland.gov.scot/what-we-do/communities/community-asset-transfer-scheme>

- Muirdrochwood, 48.7 ha of mostly conifer plantation, to ‘help address social issues of depopulation, an ageing population and a lack of outdoor facilities in the area, along with enhancing the diversity of the forest’; the initial application to purchase 324 ha was approved by FLS but was felt by the community to be too ambitious at this stage<sup>29</sup>;
- Langholm Initiative purchased 4250 ha of moorland from Buccleuch Estates, in two separate stages, and with a high profile public fund-raising effort. Some of this land is suitable for woodland planting and regeneration<sup>30</sup>.

The recent strength of interest in natural capital and community benefit, in the context of accelerating land prices, has prompted studies questioning how communities can be better supported to acquire land (McMorran et al., 2022; MacPherson et al., 2021). A particularly successful and well-promoted approach to community business ownership is Community Shares Scotland<sup>31</sup> and researchers advocate equal attention to other financial approaches. They have also considered the role that natural capital and green finance could play in the community landowning sector. Part of the problem is cash flow, because woodlands take years before income is available. Mechanisms that have been suggested to help address this include Community Bonds<sup>32</sup>, and natural capital credits. In their paper on ‘Community Wealth Building and a Just Transition to Net Zero’, Macfarlane and Brett (2022) recommend scaling up community ownership of land; aligning governance of land and natural capital markets with CWB principles; and establishing new sources of public and private finance to support activities that contribute to CWB goals e.g. through a new Community Wealth Fund (Macfarlane and Brett, 2022). They suggest that the same level of support should be made available across all models to maximise their uptake and to maximise choice available to community bodies (MacPherson et al., 2021).

### 2.3.5 Community – private sector (and Third sector) partnerships

Beyond ‘doing good engagement’, there is a range of ways in which private companies can do business with communities. In this section we briefly look at business partnerships, while the next section looks at arrangements intended to promote company reputation and good practice.

Forestry Commission Scotland published a guide to working with the private sector, for community forests (Forestry Commission Scotland, 2013). It provides a helpful framework of ways in which decision-making and work can be split between partners, and case studies. These include North West Mull Community Woodland Company which partnered with Tilhill to provide capital up front for a timber haulage route. While this constitutes ‘good business’ for Tilhill it also has contributed to CWB for the community company (see Box 3). Other modes are more straightforward contracting of professional forestry skills for forest planning and management, or for harvesting. These skills can be provided by forest management companies, Community Woodlands Association (CWA) or NGOs such as the Woodland Trust or Borders Forest Trust. More detailed case studies illustrating these approaches are available on the CWA website<sup>33</sup>.

<sup>29</sup> <https://forestryandland.gov.scot/what-we-do/communities/community-asset-transfer-scheme/previous-asset-transfer-requests/muirdrochwood>

<sup>30</sup> <https://www.langholminitiative.org.uk/>

<sup>31</sup> <https://communitysharesscotland.org.uk/>

<sup>32</sup> <https://scotcomfinance.scot/community-bonds/>

<sup>33</sup> <https://www.communitywoods.org/case-studies>

Conversely local businesses can support commercial forest management companies for example through tree nurseries, and contracting for ground prep and planting. Detailed case studies illustrating these approaches are available on the Forest Policy Group website<sup>34</sup>.

These examples relate to mature plantations. In the case of natural capital investments, Scottish Land Commission (2022b) highlights the potential for collaborations between different types of organisations bring access to different knowledge, skills, and resources. To date, the most prominent example in woodland creation relates not to a private company but to an environmental NGO, Woodland Trust Scotland, which has positioned itself as advisor and carbon broker to communities including the Langholm Initiative<sup>35</sup>.

### **Box 3. Private-community company collaboration, North West Mull**

Extract from Lidestav et al. (2017)

“The community company put together a successful plan to finance the new haul road at a total cost of GBP 2.3 million, of which 36 per cent was funded through a grant from the EU Strategic Timber Transport Scheme (STTS), 23 per cent from local and national government agencies, 11 per cent from contributions in kind from local landowners, and 29 per cent through an innovative arrangement with an international forest management company, UPM Tilhill. This community-private finance initiative is the first of its kind in Scottish forestry, and has attracted considerable attention. The investment from Tilhill was fully repaid through the sale of timber by January 2015.

From these new and enhanced forms of capital, significant income streams are now beginning to flow. The most recently published company accounts report GBP 1,564,289 income from timber sales in 2012–2013; and GBP 1,249,696 in 2013–2014. Of this a significant proportion contributed to repayment of Tilhill, and another significant proportion was set aside to fund the statutory restocking of the felled forest.

Now that the debt to Tilhill is paid off, timber harvest and the renewable energy businesses along with the sale of small areas of non-productive land as housing plots will bring in significant amounts of money into Dervaig, empowering the community to develop housing and tourism.”

#### **2.3.6 Benefit sharing**

A different mode of interaction between companies and communities is benefit sharing. This involves a shift in thinking, from standard business transactions to recognition of different values and benefits for different stakeholders, and exchanges based on that recognition. There is a long tradition of this approach around the world. For example, one approach to reducing tensions between communities and plantations is to provide local communities with a portion of the plantation harvest Tapp (1996).

In the UK most experience with benefit sharing is derived from the renewables sector, largely onshore wind farm developers. These funds are voluntary but strongly encouraged under Scottish Government good practice principles which establishes clear process for working with communities to identify community benefit. This process, if not the details of financial flows, provides clear precedent for good practice in other land use sectors (Box 4).

<sup>34</sup> <http://www.forestpolicygroup.org/case-studies/>

<sup>35</sup> E.g. [South of Scotland’s biggest community buyout completes \(langholminitiative.org.uk\)](http://southofscotland.org.uk)

**Box 4. Extract from Scottish Government Good Practice Principles for Community Benefits from Onshore Renewable Energy Developments (Scottish Government, 2019)**

The Scottish Government encourages the renewables industry and communities to ensure community benefits packages are set up in a way which will support and promote local decision making, accountability and generate a lasting legacy. The current practice adopted relatively widely by the renewables industry is to offer a community an annual payment over the lifetime of the project and to set-up a “Community Benefits Fund” to support local projects identified by the community.

However, while the Scottish Government will continue at a national level to promote community benefits of the value equivalent to £5,000 per installed MW per year, we understand that some renewable energy businesses will seek to offer a more flexible package of benefits for new projects being developed. That package might not necessarily be based on the national rate per MW, but may include a different rate or provide scope to directly fund projects identified by the community.

A couple of new examples are emerging in Scotland, both related to native woodland and the carbon credits that it attracts. Trees for Life is assigning one third of the sale price of verified carbon credits, to two local communities (Scottish Land Commission, 2022a); and a proposed scheme in the Cairngorm National Park is described in the Interviews section below.

The Scottish Land Commission (2022b) recognises that cash flow in natural capital projects is not directly comparable to renewables enterprises:

*Whilst it is common in the renewables sector for a community to receive a set financial return per megawatt of energy generated, the financial modelling for investment in natural capital projects is highly diverse, reflecting uncertainty in the market, different types of project, and different approaches to resourcing projects.*

Hence both within the renewables sector, and now in the natural capital sector, we see a diversity of arrangements evolving. Research has provided relevant insights from the wind industry:

- community energy in Scotland is a diverse sector but ‘dominated by groups for whom energy generation is a means to achieve local socio-economic development’ (van Veelen, 2017);
- a study of local perceptions of a wind farm community benefit fund in central Scotland found that the relationship between the benefit package and acceptance of renewable energy projects is not straightforward. The study found the engagement process to be poorly defined, and local people felt the benefits package did not meet the needs of the community – which undermined earlier positive perceptions of the project (Macdonald et al., 2017);
- ‘To a large extent this diversity is rooted in the power dynamic between developer and community’ (Kerr et al., 2017);
- community benefit funds are also advocated in relation to offshore wind, accounting for visual impact and scale of development. ‘Of importance for the management of both social and economic impacts is the engagement strategy of the developer’ (Glasson et al., 2022);
- a degree of community ownership is recommended in some countries, mandatory in others. For example the Dutch Climate Agreement includes a 50 percent local ownership of energy production target (Teladia and der Windt, 2022);
- traditionally, community benefit funds have been used to provide financial payments to host communities, but this is not always what is sought by a local community. The repowering of wind sites presents an opportunity for the community to partner with commercial developers

to obtain shared ownership of repowering projects, potentially through the support of existing community energy organisations (Philpott and Windemer, 2022).

Thus we can see a number of similarities and entry points for developing such approaches in investment forestry. Diversity of approaches already exists and is recognised as necessary in the natural capital sector. Mixed experience with quality of engagement, and yet arrival at established good practice principles, in the on-shore wind sector, shows that a transition from challenging relationships to mutually beneficial and evolving interactions is possible.

### 2.3.7 Industry and investor standards and values

The evolution of standards, values, ethics and ‘good practice’ by the forestry sector complements and goes hand in hand with the more practical issues and solutions described in previous sections.

Issues such as good engagement and provision of community benefit contribute to what is sometimes described as ‘social licence to operate’ or ‘social legitimacy’ (McDermott, 2012; Gordon et al., 2013b; Freer-Smith et al., 2019; Gordon et al., 2013a; Dare et al., 2014). New Zealand’s Ministry for Primary Industries sets this out clearly in a ‘Guide for Landholders’ (Edwards et al., 2021) (Box 5).

#### Box 5. Principles of social licence

Extracts from **A guide for landholders MPI Technical Paper No: 2022/27 Prepared for Te Uru Rākau – New Zealand Forest Service**

“SLO has been defined as the “...ongoing acceptance or approval of an operation by those community stakeholders who are affected by it both directly and indirectly.

SLO is not a literal or physical licence. It is a concept to capture the community values, activities, and ideals which landholders need to embrace and work with to ensure the success of any forestry operation. In other words, SLO describes the approval communities may grant to individuals and organisations when they trust that a landholder is living up to the community’s expectations and standards.

There are several actions that you can take to improve the likelihood of gaining and maintaining SLO or community acceptance for your forestry operation.

SLO is not a ‘tick box’ exercise. Building and maintaining respectful and meaningful relationships with stakeholders and partners are at the heart of SLO.”

A related concept, linked more to a company’s credibility to investors, is corporate social responsibility, described as a ‘form of international private business self-regulation’<sup>36</sup>. The concept contributed to international developments of standards in forestry corporations. Criticism of weak community engagement have led to recommendations for enhanced company leadership, and employee commitment to CSR including community engagement, ‘when CSR activities are recognised as essential for the ongoing operation of their company, [e.g.] contributes towards a social licence to operate.’ (Gordon et al., 2014).

Corporate ethics have evolved into a range of standards informed by good practice in forest management, in community engagement, and in commercial practice – for example through forest certification and the UK Forestry Standard, the Woodland Carbon Code, and investment ethics which reference social and community benefit. With the rapid development of natural capital investment,

<sup>36</sup> [https://en.wikipedia.org/wiki/Corporate\\_social\\_responsibility](https://en.wikipedia.org/wiki/Corporate_social_responsibility)

the interest of investors in accessing investments with the power to deliver co-benefits has increased and prompted a demand for these standards to converge. For example a recent study for Future Woodlands Scotland, based on the experience of stakeholders with carbon markets, reported that:

Language referred to the ‘wild west’, cowboys and gambling. ... A wide range of prices was mentioned; NGOs and other owners with a good story appear to be able to command higher prices because buyers care about the narrative that comes with the carbon. Conversely owners with ethics care about who is buying the carbon and were keen to find paths to buyers with a conscience.<sup>37</sup>

Another study highlighted ways that different values and meanings are embedded in forest carbon, ‘transcending commodity value as tradeable offsets to encompass other environmental and social outcomes’ but noted that critics ‘may see these shifts in value as a form of greenwashing that benefits carbon buyers.’ (Koronka et al., 2022)

In the context of forestry as a natural capital investment it is clearly a time of change and opportunity to set standards in transparency and value. This has seen some innovative arrangements. For example Highland Rewilding Limited has been set up to own and manage several estates, with significant woodland creation based on investment ranging across scales. They explicitly include opportunities for local communities to invest, contribute to decisions and benefit from the outcomes<sup>38</sup>. Separately a new public-private arrangement aims to make £2 billion of investment available to create around 185,000 hectares of native woodland and sequester 28 million tCO<sub>2</sub>e over the next 30 years.<sup>39</sup>

## 3 Interviews with stakeholders

### 3.1 Methods

This output ran concurrently with Option 1, cross referencing material coming from, and suggesting lines of inquiry for, the desk study. We focused on activities, enterprises, projects, and ideas from South of Scotland and beyond, and their potential applicability in South of Scotland. We drew on experience by consulting through our existing networks and the project Steering Group, to appraise the feasibility and potential to deliver more CWB and community benefits from woodland creation in the South of Scotland.

We designed an interview schedule of guide questions, to explore potential community benefits in the South of Scotland, and to learn from the experience of emerging forest related partnerships and projects in the region (see Appendix 1). Questions focused on views and experiences of community benefit and CWB; examples of community benefit and CWB; means by which community benefit and CWB benefits are derived; how well or otherwise community benefit and CWB work in practice; factors for success including support mechanisms.

We conducted 45 interviews, interviewing 48 people from different interest groups - communities, investment companies, land managers (including farmers), the forest sector (contractors, managers, agents), those connected to the forest sector (tourism sector, NGOs) and government organisations

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<sup>37</sup> ‘Native woodland and carbon: user experiences.’ Forest Policy Group report for Future Woodlands Scotland. In preparation for publication.

<sup>38</sup> <https://www.landcommission.gov.scot/our-work/ownership/natural-capital/bunloit-and-beldorney-estates-highlands-rewilding>

<sup>39</sup> <https://www.nature.scot/ps2-billion-private-finance-pilot-potential-vital-step-restoring-scotlands-woodlands>

(LAs, Scottish Forestry & SEPA) (see Appendix 2). We contacted prospective interviewees by phone and email (Appendix 3) and asked stakeholders if they would be willing to share their experiences and thoughts on CB and CWB. Where we got a positive response, we followed up with a phone or zoom call. The interviews were intended to run for 30-40 minutes but in practice many took well over an hour, several were two hours or more.

This output was conducted in a short timeframe with the specific aim of soliciting opinions, ideas and experience from a range of stakeholders. As such, analysis is based on a balanced review of notes and quotes from the interviews, and extraction of themes based on the most common areas of discussion. Our summary in the next sections aims to represent the views of all the stakeholders, showing where they agree and where opinion diverges. Enhanced understanding of these views will help to prioritise routes towards enhancing community benefit in future woodland creation.

## 3.2 Interview findings

### 3.2.1 Introduction

As anticipated, views concerning woodland creation and the potential, or otherwise for community benefits and CWB varied quite widely. Community interviewees and local groups wanted to discuss community disbenefits, which we will explore in more detail below, before moving to discussing potential benefit and wealth building. This contrasted with responses from forestry professionals who identified multiple community benefits arising from new woodland creation.

CWB, involving community ownership or control of assets, was a more nebulous concept for many interviewees than community benefits, possibly because it is a recent development. Most interviewees found it challenging to envisage a route or process for communities to successfully engage with CWB, and the concept was largely unheard of outwith government agencies. For some communities, CWB – shared financial benefits, land ownership or control – appeared too ‘previous’ (too soon to talk about). They wanted the forestry sector to deliver on the small things before trying to make less attainable things work. CWB was treated with a modicum of suspicion by the forestry sector, who surmised, not unnaturally, that it would add to production costs.

### 3.2.2 Community experiences of disbenefits as entry point for identifying benefits

Community interviewees all wanted to spend some time discussing their experience of disbenefits of new woodland planting. These are summarised in Table 1, and were identified mostly, but not exclusively, by non-forestry sector interviewees. By identifying these, stakeholders’ experiences provide a starting point for a more mutually beneficial arrangement between local communities and the forest sector and may aid the process of turning disbenefits into benefits.

Communities impacted by woodland creation schemes regarded basic advisory / statutory guidance / obligations (UKFS/CONFOR/Scottish Forestry), if delivered well, as community benefits and would like more transparent disclosure of landowner intent, more meaningful engagement, and more listening and responding to community concerns. They also wanted to have more input into forest design and more/better forest management resulting in more local jobs. Early disclosure of landowner intent was flagged by the regulator as a useful first step in building bridges between woodland creation developers and communities.

Forestry companies and agents state that they *are* listening, *do* respond and believe that they are following good practice, although some said that the woodland creation process is already overly complex, without adding further conditions to community consultation.



**Table 1. Community benefits and disbenefits identified by interviewees**

| <b>Benefit type</b>            | <b>Community Disbenefit</b>                            | <b>Community benefit</b>                      |
|--------------------------------|--|---|
| Access                         | Loss of access   | Improve existing access, create new access    |
| Biodiversity and culture       | Decrease in biodiversity, loss of cultural site        | Increase biodiversity, protect cultural sites |
| Landscape                      | Loss of or significant change in landscape             | Modest change in landscape                    |
| Farming / community resilience | Loss of farming families, reduced community resilience | Maintain population of farming families       |
| Local employment               | Lack or loss of local employment                       | Increase local employment and skills base     |

Some in the forest sector said that local communities under-appreciate the benefits of woodland creation, and attribute this to a lack of understanding by the public, of ‘modern’ forestry. This was a common theme, and the private forestry sector frequently said it could be addressed by more ‘forestry’ education to be provided not by the forest sector but by government. One forest agent pointed out that the public’s lack of understanding and need for education was flagged up in the current Scottish Forestry Strategy, and was a theme promulgated by the industry trade association, CONFOR.

Some commented that the forest sector views communities as bedevilled by short termism and an inability to look long term in respect of forest benefits. They also recognised that timber transport and lorries on roads at the other end of the rotation can be just as contentious as forest establishment.

Community interviewees, not surprisingly, had a different take on understanding and education, and tend to perceive little effort by the sector to appreciate the local impacts of large scale, conifer-dominated new woodland creation, and the real concerns of communities.

### 3.2.3 Community consultation

This is generally regarded as a trying experience by both communities and forestry professionals. Foresters and agents highlighted the stressful and often confrontational nature of public consultation with open meetings provoking and potentially encouraging heated debate; hence, the forest sector’s preference for drop-in sessions and dealing with community concerns on an individual basis.

Some investment companies state that community working is “in their DNA”, and forestry agents with a track record of community engagement suggest that working with communities on forest design is more productive than not. Some forestry professionals expressed a wish for greater clarity on when and how to consult with communities, with clear guidance and, potentially, training in how to consult.

The frustration that some communities feel towards woodland creation consultation appears, in part, to stem from a feeling of powerlessness. Changes to local landscapes, loss of jobs and out-migration of families, less resilient community structure and loss of biodiversity are all perceived community impacts of afforestation. This is compounded by a perception of Local Authority unwillingness / inability (whether from lack of resources/staff, or apathy) to comment on new woodland creation schemes, and a perceived complicity by Scottish Forestry with the forest sector to deliver national woodland creation targets.

Community Councils/community groups recounted that woodland creation planting plans displayed at community consultation meetings are more often than not final, plans rarely changing as a consequence of community comment. One group termed this style of consultation Decide, Announce, Defend (DAD). Forest agents were perceived as soliciting community views but with no real willingness or desire to take the views on board and make meaningful changes, unless there is real push back from the community or if there is political intervention.

Conversely, forestry investors, agents and management companies gave examples of positive working with community groups e.g., altering tree species composition and proportions, changing planting plans to maintain biodiverse open space. And in one instance in D&G, they are considering local agreements with community groups to manage or lease land, although at the time of writing this arrangement is still in the concept phase. Examples of community co-design are sparse; Skares Woodland is one, outlined in Box 6.

#### **Box 6. Woodland creation community co-design example**

Skares open-cast reclamation site was cited by one interviewee as an example of best practice in community consultation and community co-design. Skares is managed by Forest and Land Scotland (FLS), who took the 68ha land reclamation site on from East Ayrshire Council. The land was sold to Forest and Land Scotland on condition that the area be turned into a native community woodland.

Local communities were given the opportunity to design native woodland on blank maps, which displayed only soil types. The design exercise was aided by example maps; this was reported to be needed because it can be hard for communities to translate their thinking on to paper without providing visual prompts.

Objectives for the proposed new native woodland were drawn from local community action plans - generating local benefit, working with local schools, increasing biodiversity and improving access. Local concern that the area may attract off-road motor bikes and quad bikes was ameliorated by re-siting a car park and fitting gates across paths.

Referring to local community action plans (where available) was suggested as a starting point for forest agents, to identify what aspects of local land are important to the community and their objectives for land management.

As previously mentioned, forest industry actors, including regulators, point to a lack of public understanding regarding 'modern' forestry and see part of a resolution to areas of conflict as better education of and more information to the public and local communities about the benefits of afforestation. Community representatives felt that this was an unhelpful and possibly patronising sentiment.

Some in the industry expressed a degree of frustration with the Scottish Government, who they perceive as using private sector tree-planting to achieve government targets, without engaging to defuse tensions when there are community issues with new woodland creation schemes.

#### **Improved community consultation**

**Early and meaningful consultation between forest agents and communities can provide a route for transforming perceived community disbenefits into actual community benefits. A few forest agents and professionals are well versed in meaningful community engagement, and appear to work well with communities; they could offer potential for peer training and skills transfer within the forest**

sector. This type of training could be promoted by Scottish Forestry and by the Institute of Chartered Foresters, and could potentially be embedded in the current revision of the UK Forest Standard (UKFS). Confor are piloting community engagement training for foresters in Spring 2023 and plan to make the course available more widely later in the year.

### 3.2.4 Community benefits

#### 3.2.4.1 Access

Access was flagged up by all interviewees as a community benefit; forest walks, mountain biking and tourism were the most referenced community benefits, albeit with conflicting views on how well or otherwise access and access rights were dealt with. Public access for some (in the community) was viewed as a right, as opposed to an additional conferred benefit of woodland creation. A number of interviewees stated that where public subsidies were awarded to private landowners/companies, community co-designed access should be a given.

The forest sector ranked new access as the major *local* community benefit resulting from new woodland creation. This contrasts with the sector's *regional* or *national* benefits such as timber production and employment. Some in the sector perceive that farmers don't often provide paths, tracks and roads, whereas during woodland creation, access for planting, stalking and maintenance is always created. Further, foresters stated that local people are welcome to use private forest access, and, in time, improved access can lead to mountain biking and increased tourism. Most interviewees commented that access to forests can play a role in improving physical and mental health, mostly free of charge. Several examples of car park provision, path building, and mountain bike course construction were cited<sup>40</sup> by forest sector and community interviewees.

Communities did not agree that this always happens. Some local community groups and community councillors suggest that access is not a given. They cited examples where landowners have planted (mounded) across rights of way, and padlocked existing. For some, planting removes access to open land which previously provided freedom to walk across hillsides for example.

#### Improved community benefits from access

**Access offers one simple, relatively inexpensive and achievable route to beneficial working between communities and the forest sector on new woodland creation schemes. There are numerous examples of good private forestry practice - car park, paths, walking routes, mountain bike tracks, all-abilities access provision. There is a need to recognise that access to open ground is lost when trees are planted; and there is an important difference between passive 'permitted access' and proactive design of access together with the local community. Such design could be assisted by professional / peer to peer training (as with community consultation) and potentially more involvement from an independent interlocutor such as NatureScot or the Local Authority.**

#### 3.2.4.2 Landscape

Most community interviewee antipathy was directed towards large scale land use change, and its impact on landscape through whole farm transformation from agriculture to predominantly conifer forests, on many occasions by absentee landowners.

Most interviewees mentioned sensitively designed forests, at an appropriate scale in the landscape with a mix of tree species, as desirable. However, where Net Asset Value (NAV) was the primary motivation for afforestation, as in investment forestry, community interviewees perceived little

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<sup>40</sup> <https://ettrickandyarrow.org.uk/captains-road>

appetite for deviating from maximising timber production values. Foresters pointed out the need to achieve efficiencies in establishment (costs) and an imperative to maximise production (income).

All community members interviewed perceived that little effort is made by the forest regulator to take account of the 'cumulative impact' of increasing forest land cover. Three examples were given where this consideration was raised by communities as an unwanted impact but dismissed by the regulator. Communities with forest cover greater than 30% (or 40%, 50% and even 60%) feel 'hemmed in, threatened, and isolated in a sea of Sitka' (interviewee statement). Scottish Government planting targets and market forces are viewed as the overriding driver for woodland creation scheme approval. Some communities claimed that Scottish Forestry is approving new schemes in the face of concerns from RPID (Rural Payments and Inspections Division) about 'cumulative 'impacts' with little or no reference to community concerns.

Scottish Forestry state that they have no powers in respect of prescribing when a landscape or catchment is 'full up' of forests because of cumulative impacts, suggesting that this topic is one for Local Authorities and Regional Forestry Strategies. The two local authorities in the region have given some slight attention to this issue to date. Scottish Borders Council produced a Woodland Strategy in 2005<sup>41</sup> includes maps designed to guide new woodland creation schemes, ranking geographic areas as preferred, potential, and sensitive. However, there is no detailed guidance on cumulative impacts of forests in respect of landscape percentage cover. A Regional Strategic Woodland Creation Pilot Mapping Methodology<sup>42</sup>, produced in 2020, states that "*consideration should be given to how any new woodland area can be planned and distributed to avoid significant cumulative impacts.* The Dumfries and Galloway Forestry and Woodlands Strategy refers to the potential for negative impacts on farming. One of the main generic issues, land use balance and better integration of agriculture and forestry, states: *Proposals (new woodland creation) should consider the balance of woodland and open space in upland areas – both need to be retained. Further new planting may put farming at risk in areas already heavily afforested.*<sup>43</sup>

In contrast to community members, most forestry sector interviewees were broadly positive about the local impacts on landscape of new afforestation, citing national targets, the need to maintain a healthy wood supply sector, and the proximity of large timber processing and biomass using facilities in the South of Scotland (market pull).

### **Delivering forests with more positive landscape impact**

**As with access, there was near unanimity amongst community interviewees regarding the place of forests in the landscape, most arguing for more open land – forest / woodland mosaics, as opposed to 'blanket conifer'. They also want to see the creation of more diverse and actively managed forests, with more thinning and the use of Continuous Cover Forestry. This dovetails with the section on integrating forestry and farming, where we discuss the potential for more small scale, on farm woodland creation.**

#### *3.2.4.3 Biodiversity and culture*

Amongst the interviewees, communities place a high value on biodiversity, and on local culture – scheduled monuments, abandoned settlements, etc. Most community interviewees cited the desirability of more native woodland and a more mixed landscape with a mosaic of habitats. Blocks of

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<sup>41</sup> [https://www.scotborders.gov.uk/downloads/download/400/woodland\\_strategy](https://www.scotborders.gov.uk/downloads/download/400/woodland_strategy)

<sup>42</sup> <https://forestry.gov.scot/publications/818-regional-strategic-woodland-creation-project-mapping-methodology-scottish-borders-pilot-areas-1-2>

<sup>43</sup> <https://docslib.org/doc/5968907/dumfries-and-galloway-forestry-and-woodland-strategy>

unthinned Sitka spruce were perceived as having lower biodiversity values than those of mixed forests that are actively managed.

The above views were not shared by forest sector interviewees, who stated that new forests were replacing depauperate (mostly) over-grazed ecosystems, although they were guarded about the biodiversity values of Sitka spruce. Agents and management companies believe they make great efforts to avoid damage to cultural (archaeological and other) features, and that when made aware of sensitivities by the local community, act accordingly. The forest sector gave examples of reducing percentages of Sitka spruce in response to local concerns and noted a number of schemes in the South of Scotland where diverse conifer, productive broadleaves or native woodland areas had been increased, either because of archaeology, local consultation, opportunities for natural capital or corporate sustainability pressures.

Investment companies pointed out that they are offering investors target returns and dividends, and that deviating from their current mode of working would compromise their business model. The suitability of new varieties of Sitka spruce for minimal management – with commensurate low costs, and the high cost of new forest roads (at the beginning of a rotation) was used to explain the ‘shut gate’ policy for newly created industrial forests. Once trees are established, most forest managers were clear that on many / most upland sites, the only other forest intervention would be clear felling at the end of the crop rotation.

#### **Delivering biodiversity as a community benefit**

**Interviewees reported some examples of constructive consultation with the forest sector; in a few instances resulting in higher percentages of mixed tree species, more native woodland and more retained biodiverse open space.**

**Most interviewees agreed that higher biodiversity could be achieved within single-species blocks of commercial conifer if active management, such as thinning, was carried out. Forest managers and agents agreed that thinning was desirable and suggested that if funding were available for new roads at the beginning of a rotation, and/or for subsidising thinning operations, it would make the business case for active management more attractive. Further, forest sector interviewees suggested that planting greater areas of more diverse forest may require government intervention such as through grant schemes, and a weighting towards higher grant rates for greater diversity, and acceptance within the processing sector.**

#### *3.2.4.4 Integration of forestry and agriculture*

Interviewees from all interest groups suggested that mid-sized (<50ha) or smaller forestry (<20ha) schemes that don't ‘fill up’ a catchment or landscape with conifer forests, would not provoke the same degree of polarisation between foresters and communities as large schemes dominated by Sitka spruce.

Increasing woodland cover on hillsides, on farms, with sensitively designed mixed tree species planting was regarded as positive by farmers, local communities, and some forest agents. One forestry agent perceived regulators in the South of Scotland as favouring investment interests (servicing the timber processing sector and maximising shareholder returns), with too much emphasis on ‘blanket coniferization’ at the expense of mosaics of tree planting - farm woodlands, hedges, copses and parkland.

Most community and some forestry sector interviewees believed that community benefits can be created/enhanced by encouraging more woodland creation on farms. Farmer interviewees recognised

the realities of the land market and with a perception that overly high prices were being achieved by ‘farmers cashing in on the current land boom’. Some would like more emphasis on forestry working with farmers, higher farm woodland grants, more technical assistance, and more practical attempts at integrating farming and forestry by policy makers. Many felt that the Scottish Government’s afforestation targets could be better met by working with farmers, rather than wholesale change from farming to forestry.

The following community benefits arising from farm forestry were mentioned in interviews: more mixed/mosaic type landscapes; biodiversity resulting from more mixed forests with greater range of species (than Spruce blocks); more likelihood of active management for thinning and firewood; and the potential for creating jobs in small scale enterprise. A forest agent pointed out that the skills and machinery types required to manage small scale woodlands with multiple objectives, through thinning, were different from the skills and very large-scale machines which are employed by the industrial forest sector for landscape scale clear-felling.

The question of farm tenancies and afforestation was raised by forest investors, who stated that farm tenancies are not profitable for landowners, and that they are better advised to turn tenanted hill farms into forest. Examples involving some of the region’s largest landowners were cited.

Forest investors recognise the difficulties associated with afforesting agricultural land. All those interviewed felt this is accentuated by Scottish Forestry’s directive against ploughing on poorer, peaty soils. In their words, this drives forestry on to better quality (Grade 3) farmland, lower down the hill, which has exacerbated tensions between the land management sectors.

### **Increasing farm woodland creation**

#### **Encouraging more on farm, smaller scale planting may require:**

- **more buy in from the NFUS and cooperative working with the forest sector;**
- **elevated rates of grant for smaller, on farm woodlands;**
- **lowering grant rates on large scale planting;**
- **more advisory support to farmers and to communities;**
- **pilot project involving farm forestry and communities – potentially a productive broadleaved scheme.**

**Farmers identified the Basic Payment as a potential mechanism for fundamentally changing farmer perceptions towards creating new woodlands. In the Forestry Grant Scheme farmers can retain their Basic Payments (area-based subsidy) on areas of new planting. A ‘top up’ grant operated in tandem with the Basic Payment, somewhat akin to the previous Farm Woodland Payment Scheme, was mooted as a way of drawing more farmers into tree planting.**

#### *3.2.4.5 Employment, skills, enterprise*

All interviewees acknowledge that forestry is a significant employer in the South of Scotland. The location of these jobs is more of an issue. The forest industry points to many jobs being created through new woodland planting. Many timber processing jobs are at a regional level, rely on harvesting at the end of rotation, and tend to be concentrated in regional centres (Lockerbie, Dumfries, Carlisle).

Community interviewees tended to be unimpressed by the quality, quantity, and location of this employment. Examples include several small, medium, and large planting contractor firms across the South of Scotland, some employing 20 plus tree planters. Many tree planters are contracted as self-employed; the work is seasonal and depends on tree establishment / maintenance. Many tree planters

are based near towns and villages, with few living in rural afforestation hotspots. Some are travelling from Central Scotland to plant in the Borders and D&G.

Forest employment in newly created industrial forests was perceived to tail off after five or so years, when the woodland is deemed established. Deer stalking is an exception but employs only 'some' local people – reported as not readily quantifiable. Interviewees indicated that forest management companies often let deer stalking to individuals and syndicates who pay for Roe or Sika deer stalking (rather than employing a stalker). Wildlife management would not appear to be a major concern of commercial foresters – Sitka spruce being relatively free from deer browse.

Opportunities for community enterprise include: processing and local sale of venison (mentioned by community groups and two estates); and tree nurseries to supply tree stock for new native woodland creation (mentioned by community groups and one regional stakeholder).

There is a perception from community interviewees that forest/land owning community groups provide more local employment (per unit area of forest managed) than industrial forestry, as well as more training for skills acquisition and more opportunities for local enterprise. This is thought to be the case in community woodlands at a national level and in a few community woodlands in the South of Scotland. However, data to support forest employment within different parts of the forest sector is incomplete. An example is given in Box 7.

**Box 7. Example of rural skills training and woodland creation.**

**Highland Perthshire Communities Land Trust (HPCLT) – Positive Destinations Project**

Operating since 2016, the HPCLT rural skills and volunteering project has trained some eight young people per annum (aged 16-21yrs), equipping them with Lantra qualifications in chainsaw, quad bike, brush cutting, herbicide, first aid, fencing and dry stane dyking. Trainees assist with tree planting, fence repair and path maintenance and are supported to find work with local estates and farms.

This scheme in Perthshire originated in the Scottish Borders, in the early 2000s, when Borders Forest Trust launched a similar scheme for young, unemployed people, providing them with rural skills training and work experience in new native woodland planting schemes in the Ettrick and Yarrow valleys.

Foresight Sustainable Forestry and Tilhill launched the Foresight Sustainable Forestry Skills Training Programme<sup>44</sup> in 2022 in Wales, to provide young people with tree planting, quad bike PA1 and PA6 (pesticides training), basic chainsaw and first aid courses, and a route into forest employment. A Scotland based course is due to launch in 2023.

Carsphairn Community Woodland (CCW) group<sup>45</sup> manage a 50ha conifer block, bought from FLS in 2021. This is being used to develop local enterprise, such as local firewood sales, and is currently employing two local people. CCW have plans to buy more woodland from FLS, to a total of 300ha, and estimate that they could increase their workforce from two to twelve local people.

Tourism is linked to access and is a key forest enterprise; some 30% of jobs in forestry are connected to tourism<sup>46</sup>. Interviewees commented that the forest composition and structure of newly created

<sup>44</sup> <https://www.tilhill.com/careers/wales-foresight-sustainable-forestry-skills-training-programme/>

<sup>45</sup> <https://www.carsphairn.org/CCWL>

<sup>46</sup> <https://forestry.gov.scot/forestry-business/economic-contribution-of-forestry>

industrial/production forests in the South of Scotland would be unlike those of mature South Scotland 'honeypot' forests, i.e., Glentress Forest, Bowhill Estate or Mabie Forest. These forests contain well thinned, mixed species stands, which are attractive as visitor destinations. The Broadford and Strath Community Company<sup>47</sup> became owners of 23 hectares of national forest land in 2011, on which they developed a camp site. This in turn has supported development of a number of enterprises and initiatives: a growers' hub with polytunnels, a cycle way, forest management, a Men's Shed, and a community garden, resulting in some 19 local jobs.<sup>48</sup>

Investment companies and private managers commented that many newly planted forests are likely to remain unthinned; new varieties of Sitka spruce, perceptions of windthrow hazards and lack of a skilled contractor base were cited as reasons for lack of forest management. Such forests may present a less welcoming prospect for walkers and tourism, but may have little impact on mountain bikers, who were said to be relatively unconcerned about their surroundings – as long as the ride/track is challenging and exhilarating.

Lack of affordable local housing was mentioned by most interviewees including investors / managers / communities / regulator, as a barrier to local employment. It is also a block on encouraging young people to become involved and employed in forestry. Interviewees from investment companies accepted that making more land available for housing, when land is bought for forestry, was a reasonable idea. Whilst land could potentially be made available for local housing, the companies say they would want to receive market value for housing land. Community groups were enthusiastic about using old buildings and former farm steadings for housing and development; a community group in Galloway is exploring the options for using derelict buildings. One Borders based group has successfully renovated former estate buildings in the Western Borders, and they are available as affordable housing<sup>49</sup>.

### **Ways of generating more locally based jobs and encouraging local enterprise**

**Youth rural skills training has been taken up by the forest sector and community groups, although the numbers of trainees receiving training to date has been modest. Continued emphasis on local youth rural skills training could encourage young local people into forestry, although job continuity is an issue. Mapping future woodland creation schemes / forestry development could be used to match skill, people, and location, although it could be challenging to precisely predict the location of new forests.**

**More mixed species tree planting, native woodland establishment and active forest management (CCF and / or thinning) would, in the medium term, attract new tourism enterprises and create continuity of local jobs. More diversity of new woodland planting, with more diverse species and a wider range of ownership types would support local wood-based businesses.**

**Interviews pointed to evidence of communities' competence<sup>50</sup> at creating local jobs from managing relatively modest areas of forest<sup>51</sup>. This suggests that if assisted to acquire more land / forest assets, more employment would result. Land bought for forestry could be passed on or leased / sold to communities for affordable housing.**

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<sup>47</sup> <https://forestry.gov.scot/publications/299-community-woodlands-and-private-sector-forest-companies/viewdocument/299>

<sup>48</sup> Home - Broadford & Strath Community Company ([broadfordandstrath.org](http://broadfordandstrath.org))

<sup>49</sup> <https://ettrickandarrow.org.uk/kirkhope-steading>

<sup>50</sup> <https://www.communitywoods.org/newsandevents/published-cwa-native-woods-project-findings>

<sup>51</sup> [www.forestpolicygroup.org/case-studies/](http://www.forestpolicygroup.org/case-studies/)



### 3.2.5 Community wealth building

The next two themes were posed in interviews as potential routes to CWB, and interviewees were invited to give their views on feasibility.

#### 3.2.5.1 *Community ownership and control*

Most interviewees recognised the role of community ownership or control of land or assets, in the development of community wealth. Communities that owned land spoke of the difficulties in accessing land, especially those who have participated in the Scottish Government's Community Asset Transfer Scheme (CATS); most buyouts have been for bits of land for car parks and toilets; and disused buildings. Communities have tended to pursue mature or maturing forest land, which have very little woodland creation opportunity. There is bare land available within the FLS estate, but communities have not generally been attracted to buying it.

Investment companies and forest managers were positive in respect of community land ownership in the context of CWB, and were open to discussions about community land acquisition, either for community enterprise, affordable housing, or forest management. Tilhill have a track record of working with communities to acquire afforested land, as in Northwest Mull<sup>52</sup> and at Tighnabruaich (Kilfinan Community Forest Company), although this land tends to be forest, coming to maturity, with timber assets that can be used as collateral for finance.

Birse Community Trust (BCT) is an example of community access to land and buildings which has worked to build community wealth. The Trust manages large areas of land, including areas of woodland, and a number of locally significant and historic buildings. BCT has achieved a great deal since it started. A reflection of these achievements is the following statement marking BCT's first ten years by the (then) Scottish Government's Cabinet Minister for Rural Affairs, Richard Lochhead MSP:

*BCT has been one of Scotland's leading examples of an innovative and successful rural community business for the last ten years. During that time, BCT has made a remarkable contribution to community development in Birse parish. BCT has an impressive track record of delivering both local community and wider public benefits.<sup>53</sup>*

Except for the recent Langholm community land purchase, community ownership in the South of Scotland tends to be of more modest areas of land, mostly pre-existing woodland. Large community landholdings are more commonly found in the Highlands and Islands, where the experiences of woodland creation are mixed.

Knoydart Forest Trust (KFT) is an exemplar of CWB, using a managed forest resource to employ 4 local people, supplying material for local housing, biomass and firewood for heating and local wood for community craft enterprise. KFT has undertaken large scale native woodland planting on community owned land – KFT manage some 1,025 hectares of Knoydart Foundation estate – and has developed its woodland creation potential to the point where it undertakes woodland creation schemes for neighbouring estates, from scheme inception, through grant application to tree planting and establishment.

A potential example of community control is the Upper Barr Woodland Creation scheme (Box 8), which is not yet fully formalised.

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<sup>52</sup> Community Woodlands and Private Sector Forest Companies (forestry.gov.scot)

<sup>53</sup> <https://www.birsecommunitytrust.org.uk/download-categories/bcts-lands-and-buildings/>

## Box 8. Upper Barr Woodland Creation Scheme

The Upper Barr Woodland Creation is a productive conifer scheme on land owned by Foresight Sustainable Forestry Company, a London based investment company. Upper Barr is in the Upper Urr Valley; the site is some 300 ha, of which the bulk will be planted to production conifer.

The Upper Urr Environmental Trust (UUET) is a local SCIO which has engaged with Foresight and their forestry agents about possible community involvement in biodiversity management, possible lease of land and improved access. Scottish Woodlands Ltd. & EJD Forestry Ltd are forest managers and Mark Hamilton Associates prepared the forest design plan. Site surveys highlighted high value habitat areas, wetland, and deep peats, as well as areas of archaeological interest, and Foresight have committed to 100ha of the site being retained as open ground and managed for biodiversity, with agreed new access for the benefit of the community.

34 ha of hillock is expected to be leased to UUET for community native woodland planting; this is still being negotiated, with a Heads of Terms signed.

### How to increase CWB opportunities

**Most interviewees agree that the key to increasing CWB is ownership or control of assets, in this case land for woodland creation and / or land for affordable housing. There is currently no working example of a joint venture (JV) between the private sector and community sector, for buying or managing land for woodland creation. There may be an opportunity for the public sector to trial land acquisition with the goal of CWB, whereby a public body purchases land for woodland creation, with ongoing community management and ultimately control / ownership.**

#### 3.2.5.2 *Community benefit funds*

This option was explained to interviewees in the context of renewable energy development funding, which is normally a community benefit fund operated through a wind farm company. Wind farm operators have a clear rationale for operating such funds, their wind farm developments have an impact on local communities, and they feel that to put something back into the community is good practice.

Wind farm developers can offer joint ventures (JVs) with local communities, or community shares, whereby the community may invest in a portion of the wind farm development, potentially with loans from the wind farm developer. Funds from windfarm developers can fund a variety of community services – rural skills training for young people, village hall building and renovation, local play areas, new path networks, core funding for anchor organisations etc. Often, they are administered through a community committee, such as the SSE Griffin and Calliachar Community Fund, and they can handle significant sums of money, up to seven figure sums per annum.

The comparisons between wind farms and investment forests break down when looking at income streams and the timing of cash flows. Generally for an investment forest income will come at the end of a rotation – although forestry investment companies operate a blended portfolio, such that they will have mixed age classes of forests and ready access to funds for shareholder dividends.

An alternative approach makes use of the more flexible timing of income from natural capital credits. An example of community benefit fund sharing from a proposed carbon credit scheme in the

Cairngorms is outlined in Box 9. Trees for Life in the Scottish Highlands operate a novel community benefit fund scheme based on Woodland Carbon Code units<sup>54</sup> (Box 10).

### **Box 9. Example of proposed community benefit fund sharing from the Cairngorms**

The Cairngorms National Park Authority (CNPA) is developing a Peatland Carbon Code project that intends to deed a proportion of the potential carbon credit sales from private land to local communities. CNPA is working with Palladium & Santander on a peatland restoration site in the Cairngorms where 20% of the capital costs of restoration are from private funding, and 80% from public funding. It will be a registered Peatland Carbon Code project with future revenue from carbon credits split between Santander, the landowner, Palladium with local communities getting 10%. As a pilot this approach relies on landowner being willing to forego some potential revenue, and the scheme may become problematic in areas with significant herbivore pressure.

Forestry investors who were interviewed were unenthusiastic about the prospect of operating community funds. They pointed out that such schemes could not work unless they had access to significant carbon revenues, which is not the case for conifer planting under current Woodland Carbon Code requirements. Interestingly environmental NGOs made much the same observation with reference to new native woodland; in contrast to Trees for Life, those interviewed in South of Scotland stated that carbon credit revenues were needed to cover the additional cost of growing and protecting native broadleaved trees from deer and sheep.

### **What role can community benefit funds play in CWB?**

**Whilst developer funds clearly provide community benefits, and communities would readily accept such funds, interviewees were unclear how large-scale carbon credit funding would work in practice. Carbon funds are dependent on carbon buyers and income may be irregular in time and scale. Conifer schemes are eligible for Woodland Carbon Code accreditation, but more profitable commercial forestry often fails the WCC ‘finance test’ for additionality. Should this change, for instance if conifer grant aid was lowered, forest sector interviewees said that mechanisms for deeding carbon credit funds to communities, as done by TFL, could be considered.**

### **Box 10. Trees for Life Community Benefits Fund model**

Trees for Life are selling carbon units for tree planting at their Dundreggan Estate in Glenmoriston and deeding a percentage of the funds to two local community groups. The units are generated from new planting of 250,000 native trees at Allt Ruadh in a restored native woodland.

TfL has shared income with the West Glenmoriston Community Company and the Glenmoriston Improvement Group. Selling carbon for £40 per carbon unit results in £13 per unit being deeded to the community groups, approximately 33%. It is anticipated the sale of carbon units will realise approximately £75,000 for local causes, such as the running costs of the local groups, playground equipment and community environmental schemes.

The downside of carbon unit funding is the irregular nature (time and scale) of payments, making it difficult to plan activities or predict cash flow. In contrast to community funds generated by wind farms, selling carbon units is akin to operating a sinking fund – when it is gone, it is gone.

<sup>54</sup> <https://treesforlife.org.uk/uks-first-community-carbon-share-spotlights-rewildings-community-benefits/>

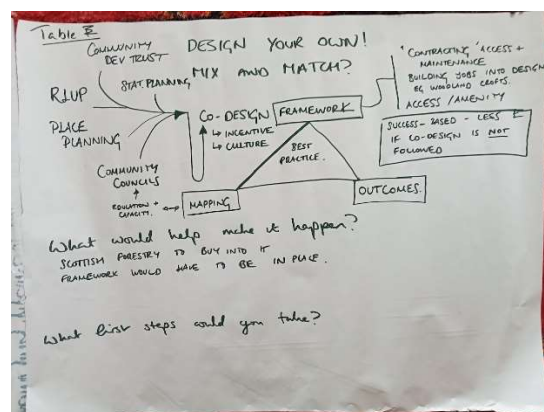
## 4 Stakeholder workshop

### 4.1 Workshop design and method

As explained in section 1.3, the findings from the desk study and interviews were used to plan a stakeholder workshop to assess the possibilities for increasing community benefit from new woodland creation. We did this by developing a shortlist of options or models for interventions or projects, building on ideas identified through the desk top research and interviews. In collaboration with the Steering Group, five Models were selected from this list, as entry points for stakeholder testing in the workshops. These models are not intended to be fixed or final, nor mutually exclusive. They were chosen as areas of greatest perceived interest, or potential, based on the ideas discussed with interviewees and in the literature. We prepared model information sheets (see next section), as inputs for the group discussions and testing of the ideas.

The workshop itself was designed to involve a wide range of relevant stakeholders in addition to those included in the interviews (Appendix 4: stakeholders involved in the whole project; Appendix 5: workshop participants), and to invite mixed stakeholder groups to discuss and test the Models. Each participant participated in three groups, which recombined between each activity so that stakeholders mixed in new ways each time they discussed a Model. Workshop design and organisation is described in more detail in Appendix 6. Mixing stakeholders in a workshop setting was a helpful 'bridge-building' exercise, with representatives from a wide range of interest groups and sectors finding common ground and working proactively to explore positive outcomes. The shared experience of working (and eating) together, wearing name badges rather than representational labels such as 'forestry', 'community' or 'agency' helped cultivate an overall positive mood, and sense of goodwill, amongst the attendees. The enthusiasm with which the models were discussed, and the fact that many exercises were not completed within the allotted time frame, suggests more activity along these lines would be helpful. Many expressed an interest in continuing conversations initiated on the day beyond the event. Also, they indicated that more workshops and meetings like this would be helpful in the future (Appendix 7).

In the following two sections we describe workshop inputs (the model information sheets) and outputs – the assessment of models by participants, and their overall views on promising ways forward.



## 4.2 Model information sheets (workshop inputs)

### 4.2.1 Model 1. Co-design of new planting projects

**Notes for group discussion:** *In preparing for this workshop, we interviewed nearly 50 stakeholders, including many of yourselves, and reviewed published documents about forestry and community benefits. This information sheet distils what we heard and read, to help sow seeds for the discussion.*

#### **What is this?**

This model considers a more proactively engaged approach to new planting, by involving the local community from an early stage. Instead of presenting a detailed planting plan, the agents or developers would start with a more open approach to work with communities to understand landscape features, points of local importance, favourite walking routes and landmarks. Forestry agents could also assess wider local community aspirations, ambitions and objectives to see how new woodland creation might be able to contribute.

#### **Why is it included as a model?**

- Forest agents who have won awards for good engagement describe going beyond the basics of community engagement, and building in co-design which starts from a more equitable position.
- Many interviewees in this and other projects in the south of Scotland say that the benefits that many communities want from new woodland creation in their area could often be easily planned in, with a more constructive and positive relationship between parties.
- This approach is recommended by advisors in international development, as a way of avoiding and addressing potential tensions between communities and those planning new forest plantations. It is also advocated by New Generation Plantations, which is supported by some of the international forest management companies which operate in Scotland.

#### **What are other people's experiences with this?**

- In one example in Ayrshire, the forest owners created a woodland scheme, working with a cluster of local communities to co-design it from a blank map. The only predetermined input was a map of soil quality restraints. As a result of the co-design process, the owners agreed to maintain an older area of commercial forest until the new woodland gets established. The community will use this older area for forest skills training and apprenticeships. By co-designing, the scheme was aligned with local community action plans. Primarily the woodland will be used for recreation but there are hopes for social enterprise(s). The blank map approach was well-received, although it can be hard for a community to imagine what *could* be in the design, without some external support e.g. by using example maps to work with alongside the blank map.
- From the forest agents' point of view, there are also positive accounts. One told us how he started with a 'nearly blank map', which was informed only by existing roads and paths, and soil mapping. Together with the community council and motivated individuals, they

were able to identify areas where new planting could enhance favourite walks, and provide new access to an attractive local loch. The agent was able to help the community with other path maintenance when machinery was on site, and provide new signage. Another forest manager was able to demonstrate good biodiversity management by including the local wildlife group in planning at an early stage.

#### **What barriers might make this difficult?**

- Community engagement is currently an area of some anxiety. Both forest agents and community organisations highlight that this is often a stressful experience for them, which can make the process unnecessarily lengthy and sometimes leave people feeling unheard.
- Forestry agents may hold back if they have concerns that challenging requests might be made by community groups.
- Stakeholders from communities and also some forest management companies take the view that this level of co-design is already, or should be, good practice. It may be that some feel it is not really 'piloting' something new. However others suggest that it takes new forest planning into unfamiliar territory.
- There will be a need for training and resources.

#### **What factors could help it to happen?**

Some suggestions made by interviewees included:

- An intermediary / engagement facilitator employed by e.g. an NGO or local authority.
- A willingness from all parties (landowner, community, agent) to engage in a constructive manner at an early stage and take a pragmatic approach.
- Local Community Action Plan / Place Plan ambition that aligns with owners' new woodland creation objectives.

#### **What alternatives might be considered?**

- Combining this approach with some of the other models; for example community or local tourism businesses could be better supported if they have a say in the development of paths, viewpoints or biodiverse habitats.
- Creative Placemaking could have a role in co-designing forests.

#### 4.2.2 Model 2. Community assets

**Notes for group discussion:** *In preparing for this workshop, we interviewed nearly 50 stakeholders, including many of yourselves, and reviewed published documents about forestry and community benefits. This information sheet distils what we heard and read, to help sow seeds for the discussion.*

##### **What is this?**

This model considers community ownership of land or other property, as a route to benefiting from new woodland creation.

##### **Why is it included as a model?**

- When we look at communities' experiences of *wealth building*, rather than just receiving benefits, most reports emphasise that the community will only build up wealth or capital when it owns or controls the asset.
- Landownership is part of the Scottish Government's definition of community wealth building.

##### **What are other people's experiences with this?**

- In Scotland there are now about 250 community woodlands and forests. Some of those provide encouraging examples of community wealth building. For example, North West Mull Community Woodland Company has developed a firewood business, several jobs and renewable energy projects on the basis of its community forest. Glengarry Community Woodlands has built up expertise to not only manage its community forest but also acquire land for affordable housing.
- Forestry and Land Scotland (and in its previous incarnations as Forest Enterprise Scotland / Forestry Commission Scotland) has supported partnership arrangements, but we are not aware of any examples of new planting under this approach.
- Internationally there is a lot of experience with community forestry; some of it shows that forest ownership can provide real support to local livelihoods. Community owned forests in the USA have also shown promising developments of jointly owned capital.
- Under Forestry and Land Scotland's Community Asset Transfer Scheme, a popular reason for communities wanting to acquire land is to build affordable housing. Small areas of land can make a significant contribution to community wealth.
- A few communities have successfully acquired land with the aim of establishing new native woodland. The Langholm Initiative is one well-known example.

## **Challenges**

- Most community land ownership consists of small areas of land, or larger pre-existing woodlands. There are very few examples of communities acquiring land for afforestation. Within the context of this project, which examines potential community benefits from *new* woodland creation, therefore, this approach is relatively untested.
- Despite supporting legislation, it is still very challenging and hard work for a community to acquire significant areas of land.
- Compared with the Highlands, and some of the islands, community landownership in the south of Scotland is low. The reasons for this need to be explored.
- While the Community Empowerment Act provides a channel for communities to acquire land from public bodies, most suitable land is in private ownership, and the land reform mechanisms supporting that (notably Community Right to Buy) has not resulted in many successful transfers of land. Negotiated sales are more successful but rare.

## **What factors could help it to happen?**

Suggestions by interviewees included:

- Crowd funding;
- Advisory support from Community Woodlands Association, Community Land Scotland, Woodland Trust;
- More use of the Community Asset Transfer Scheme to acquire land from public bodies;
- Land matching service linking sellers with community buyers;
- A focus on smaller areas of land for social housing, linked to larger privately owned woodland creation schemes.

## **What alternatives might be considered?**

- Joint ownership of new woodland creation.
- Donation or subsidised sale of land for affordable housing (e.g. 1-2 ha) in ways similar to the creation of a community benefit fund.
- Financing arrangements to support community purchase of unplanted land.
- Leasing and other tenure arrangements.



### 4.2.3 Model 3. Farm and small-scale woodlands

**Notes for group discussion:** *In preparing for this workshop, we interviewed nearly 50 stakeholders, including many of yourselves, and reviewed published documents about forestry and community benefits. This information sheet distils what we heard and read, to help sow seeds for the discussion.*

#### **What is this?**

This model considers farm woodlands and small-scale woodlands. They may contain broadleaves and/or conifers. They include shelter belts, native woodlands and productive broadleaved woodlands. Ideally, to provide most community benefit, they would be actively managed.

#### **Why is it included as a model?**

- Some stakeholders (including landowners, agents and communities) suggest this model can meet the social, economic and environmental objectives of woodland expansion.
- Local benefits can be generated from smaller scale, more mixed woodland creation and by active management – potentially creating more local jobs from local planting squads, local fencing contracts, locally sourced woodland maintenance contractors.
- In addition to the strong interest of communities, existing landowners have proposed this as a route to more mutually beneficial forestry, and have raised the possibility of joint woodland creation ventures.

#### **What are other people's experiences with this?**

- Community and other local stakeholders generally report that they perceive small-scale woodlands and farm woodlands as positive components of the landscape.
- Research shows that local jobs and circulation of money in the local economy are more closely linked to small scale and broadleaf woodlands.
- Some local estates have given thought to linking farm woodlands and communities, for example by working with communities to establish productive broadleaved plantations and potential firewood businesses.
- More native woodland at relatively small scales although this can change. A predicted increase in native woodland creation in the South of Scotland presents opportunities for natural capital funds being channelled into local communities.
- Internationally, an approach sometimes taken to address concerns between local communities and plantation forestry is based on the idea of downscaling plantation size, and producing commercial timber on farms, enabling smaller owners to also benefit economically from timber revenues.

### **What barriers might make this difficult?**

- Woodland creation at small scale and/or using a mix of tree species is more expensive per unit cost than larger more uniform planting.
- Many farmers are still hesitant to do forestry, and unwilling to lose grazing land.
- Farmers may not have the capacity to actively manage establishing woodland.
- Even though communities prefer diverse woodland types in the landscape, such woodlands may not necessarily deliver other community benefits. The potential for new woodland to support local jobs and enterprise, through woodland management, wood based products and / or recreation and tourism, needs attention.
- The possibility proposed by some landowners for working in partnership with communities is largely untested.

### **What factors could help it to happen?**

Suggestions by interviewees included:

- Identifying opportunities for woodland creation in a range of land ownership types.
- Identifying more opportunities within the local supply chain.
- Buy-in from farmers' groups and the NFUS.
- Encouraging landowners to use local suppliers and contractors.
- Scottish Forestry support for creating new woodland with commitments to active woodland management.
- Advisory support from Scottish Forestry, SRUC, local NGOs, agents on managing farm woodland.
- If community involvement is part of this model, it will require support and advice to farmers on creating community-farmer partnerships.

### **What alternatives might be considered?**

- Partnerships / Joint Ventures between local community and landowners, farmers, estates, NGOs, forestry companies.
- Natural capital payments, landowners' sale of carbon / natural capital top sliced into a local community fund.

#### 4.2.4 Model 4. Community benefit fund

**Notes for group discussion:** *In preparing for this workshop, we interviewed nearly 50 stakeholders, including many of yourselves, and reviewed published documents about forestry and community benefits. This information sheet distils what we heard and read, to help sow seeds for the discussion.*

##### **What is this?**

This model considers arrangements whereby private and public investors can contribute financially to community benefit. This might include establishing a fund for community use, or through ethical investments, emerging biodiversity credits and use of public funds e.g. subsidies or other funds.

##### **Why is it included as a model?**

- There are many afforestation projects associated with investment companies. Many of these investors want to deliver multiple benefits from their investments – financial, environmental and social. Interviewees for this project have reported that investors and companies are increasingly looking to report that their carbon offsets are also biodiversity offsets and are helping communities.
- With the changing policy climate towards an emphasis on community benefit, and the emergence of investors interested in ‘carbon with a story’ and multiple values to their environmental credits, there is potential to link these ‘ethical investors’ to new woodland planting schemes which explicitly benefit communities.
- One way in which communities could benefit from investment in woodland creation is via a share in the financial returns.

##### **What are other people’s experiences with this?**

- In Scotland community benefit funds are used by renewable energy developers, on a voluntary basis. As one windfarm company says: “A wind farm can sometimes impact on those living nearby, so the fund provides a way of giving something back to support the local community.”<sup>55</sup> This explicit recognition of impact is considered helpful by the local communities and academic research shows that it helps to improve relations.
- There are various arrangements for these community benefit funds, and they have unlocked community developments such as social housing, youth rural skills training, village hall renovations, citizens advice provision, core running costs for anchor organisations, etc. There are also examples of joint ventures and community shares in renewables projects.

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<sup>55</sup> <https://www.edf-re.uk/working-with-communities/the-community-fund/>

- In forestry and other investments in natural capital this idea is less developed, but there are emerging precedents. Trees for Life in the Highlands is transferring 33% of the carbon credit revenues gained from Caledonian Pine woodland creation to local communities, to use as they see fit. In the Cairngorms National Park, a pilot project will give 10% of carbon credit earnings from Peatland Carbon Code projects on private land to local communities.

#### **What barriers might make this difficult?**

- Cash flows in forestry are different from those in onshore renewables. It is sometimes argued that the income from forestry arrives only at the end of the first rotation, and to wait this long would be unappealing to communities.
- Without meaningful engagement around forestry plans and proposals, some stakeholders may see a benefit fund as a 'pay-off' – indeed similar comments have been made about renewable energy benefit funds.
- There is a lot of experience and analysis of windfarm experiences with community benefit funds. This suggests a need for an open approach to learning what works best, to defining community, and to establishing the mechanisms for community access and spend.

#### **What factors could help it to happen?**

Suggestions by interviewees included:

- Innovative investment fund managers could find ways to share annual investor returns with communities, while at the same time maintaining appeal to investors.
- New approaches to engagement and consultation with communities. For example, one wind farm developer commissions work before scoping to assess communities' needs, and has a dedicated community benefit person across their six UK sites who can interact with the local project managers. This allows them to be more pro-active.
- Learning lessons from how community benefit funds became normal practice in renewable energy projects.
- Carbon funding, which is available earlier than returns from forest harvest.
- Project support, with community liaison support or other intermediary.
- Landowner / investor willingness to 'put something back' into the local community.

#### **What alternatives might be considered?**

- This model is not limited to conifer planting – there are growing opportunities from private investment in native woodland, some of which may be at a larger scale in some locations.
- Profit sharing
- Investor community fund - possibly from fund shareholder contributions
- Community shares (which might also be regarded as community assets – a separate option – which may contribute more to community wealth building)

#### 4.2.5 Model 5. Developing local jobs, skills and enterprise

**Notes for group discussion:** *In preparing for this workshop, we interviewed nearly 50 stakeholders, including many of yourselves, and reviewed published documents about forestry and community benefits. This information sheet distils what we heard and read, to help sow seeds for the discussion.*

##### **What is this?**

This model considers how new woodland creation in the south of Scotland can:

- generate more locally-based and where possible long-term jobs, including by employing local young people;
- help young people acquire relevant forest management skills to equip them to work in woodland creation;
- encourage and build favourable conditions for the development of local enterprise.

##### **Why is it included as a model?**

- Local jobs bring local benefits, especially if there is continuity of work and decent rates of pay. Communities with adjacent or local woodland creation schemes ask about the possibility of jobs arising from afforestation and the potential for creating community resilience.
- Local enterprise related to woodland creation, such as tourism, can generate local income through visitor and tourist sector employee spend. However, it is dependent on access and extent of the newly created woodland.
- The forest sector and community groups recognise a need for more forestry related training with a focus on short, practical courses in appropriate skills that are useful to employers.

##### **What are other people's experiences with this?**

- There is local demand for more, long term, stable, local, forestry jobs. Young people often migrate away from small rural communities due to lack of opportunities and housing.
- Woodland creation employment (beyond grant application and desk work) is dominated by site preparation and tree planting, much of which tends to be learned 'on the job'. Follow-up tree care involving spraying, quad bike, chainsaw, brush cutter requires certification. Whilst some young people struggle to obtain vocational qualifications through lack of training opportunities, Tilhill and Foresight have recently launched a new scheme to deliver short vocational courses in Wales and Scotland. There are other examples of both community owned and private commercial forests directly taking on apprentices.
- Some suggest that community owned woodlands are more likely to provide employment and enterprise opportunities. There are examples in the South of Scotland where community groups taking ownership of modest areas of forest have prioritised local

employment and are creating employment through forest enterprises such as firewood and locally milled timber.

- Interviewees suggested most opportunities for enterprise based on new woodland creation are visitor or tourist related, relying largely on suitable car parking and well-built access routes.
- Across the UK, woodland social enterprise is recognised as an emerging sector, providing both social services (health and well-being activities) and a range of forest products.
- Wood product enterprises which add value locally include tree nurseries, small scale sawmills, woodfuel businesses and non-timber forest products. While there is a lot of evidence documenting the links between diverse woodland types and local jobs / businesses, many benefits will appear only 10+ years after woodland creation. Communities may wish to consider planning for them through co-design (proposed as a separate model).

#### **What barriers might make this difficult?**

- Project interviews highlight a perception that local communities are not seeing an increase in local employment from forestry; that most long-term, well-paid jobs in forestry are remote from the forests and in urban, regional centres; and that woodland creation does not offer local enterprise opportunities.
- Woodland creation and maintenance is commonly done by planting squads who are not based locally. Planting and maintenance work is regarded as seasonal and ephemeral.

#### **What factors could help it to happen?**

Suggestions by interviewees included:

- Locally targeted training
- Releasing small parcels of land for housing
- Private and public sector procurement policies – employing local contractors and sourcing materials locally.
- Co-facilitation with funders and landscape partnerships

#### **What alternatives might be considered?**

- Private and public sector could recruit from within communities local to planned new woodland creation. This could be reinforced through policy and ESG (Environmental Social and Governance) criteria.
- Assessment of pipeline of work over next 5-10 years i.e., for potential natural capital projects coming on stream in the South of Scotland and matching skill sets / work force requirements within the forest sector.
- Facilitating apprenticeships and placements directly into companies.
- More forests with good public access as potential foundations for future local enterprise.
- Look at potential for local products from woodland creation, such as venison.
- Tree nurseries

### 4.3 Workshop outputs

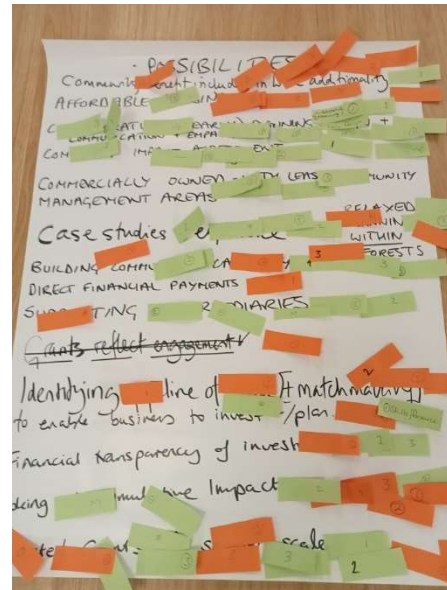
Each Model was discussed and tested by two groups. Their responses are summarised verbatim in the tables in Appendix 8, which combine the responses of both groups for each Model. In summary, this group work suggested:

- Model 1: Co-design of new planting proposals – this model was broadly welcomed and seen as feasible, by working with known approaches and processes. Some felt that the term ‘co-design’ implied too much control for communities and preferred the term ‘early collaborative engagement’. Most recognised it as a development of the existing requirement for community engagement and highlighted potential value for community preferences such as designing in good access from the beginning. The idea of ‘community impact assessment’ was introduced in assessing this model.
- Model 2: Community ownership – this model was also seen as fitting well with existing priorities and ideas. Stakeholders assessing this model felt the challenges were related more to the difficulty of acquiring land, and community capacity (voluntary time). They highlighted a need for advisory services that understand the needs of communities. It was felt that there is experience in this area, and value in sharing that experience and understanding the diversity of approaches to community ownership.
- Model 3: farm and small-scale woodlands – this model met with broad approval in terms of desirability and potential for community benefit including potential to support local businesses; the main drawback, highlighted by both groups, was the cost of farm woodland, which was felt to often exceed the grants available. Scope to support this approach through economies of scale, for example through the machinery rings, was noted.
- Model 4: community benefit fund – this model met with the greatest amount of discussion about challenges. There was interest and animated conversation pointing out the difficulties in comparing forestry to renewables projects, the value in considering thresholds for applicability of community funds, the need for pilots and more detailed examination of models, and again, the value in a trusted intermediary who could work with both the community and the landowner or forestry company.
- Model 5: developing local jobs, skills and enterprise – this model embraced a range of options that have potential to contribute to employment and income. Key themes discussed included skills and the need for training; and scale – how to ensure that local forests use local skills. A request for public bodies to ensure procurement prioritises local businesses was also highlighted.

The third group session invited remixed groups to design their own best case model. This resulted not so much in specific models, but rather in a number of key activities and principles that were reiterated across groups (see final table, Appendix 8). This reiterated the understanding that the ‘models’ overlap and have needs in common, and that there are significant actions that could support several different approaches to increasing community benefit.

These priorities were drawn out in the final plenary session, and collectively a list of possible actions was drawn up. Participants were then invited to vote for those that they felt were most important, and those most immediately feasible (see Appendix 6 for more detail on method). This concluding activity resulted in a prioritised list of actions (Table 2).

These represent the views of those present at the workshop, informed by three rounds of group work and the plenary discussion, and hence provide a robust starting point for considering the content of any future support programme.



**Table 2. Priority actions identified by workshop participants (as presented in the plenary session)**

| Action   | Easy, feasible, quick | Important but more complicated |
|--|-----------------------|--------------------------------|
| Collaborative and early planning / design and communication and empathy          | 10                    | 0                              |
| Targeted grants for smaller scale  | 7                     | 6                              |
| Community impact assessment  | 6                     | 0                              |
| Supporting intermediaries  | 5                     | 1                              |
| Affordable housing   | 4                     | 5                              |
| Looking at cumulative impact   | 4                     | 4                              |
| Commercially owned with leased community management areas                        | 4                     | 0                              |
| Case studies of experience   | 4                     | 0                              |
| Building community capacity  | 4                     | 3                              |
| Identifying pipeline of work and matchmaking to enable business to invest / plan | 2                     | 6                              |
| Financial transparency of investments  | 2                     | 1                              |
| Relaxed planning within forests  | 2                     | 2                              |
| Community benefit included in woodland carbon code additionality                 | 1                     | 7                              |
| Direct financial payments  | 0                     | 1                              |
| Grants reflect engagement  | 0                     | 1                              |



## 5 Conclusions

### 5.1 Interpreting the findings

This project has provided a rapid assessment of evidence, options and stakeholder perspectives, which will inform next steps as SOSE and SF consider key opportunities to develop a programme of support. In the summary of options and findings below, they should be understood as evidenced stakeholder opinion. They will be reviewed by SOSE and Scottish Forestry to consider how they can best inform emerging national initiatives related to Land Rights and Responsibility Statement and the Interim Principles for Responsible Investment in Natural Capital.

The approach made rapid use of published literature and a concentrated number of stakeholder interviews, to formulate testable ideas to increase community benefit and community wealth, when creating new woodland in the South of Scotland. The 'lens' of south Scotland and the particular conditions of new woodland planting required both a broad degree of search, plus focused scrutiny to consider whether ideas were applicable in this specific context. A shortlist of ideas was assessed by the Steering Group and five models were selected for further development and testing at the stakeholder workshop. Through this workshop mixed groups of stakeholders provided their assessment of both the five models offered, and a range of other ideas. Thus, the conclusions offered are supported by a triangulated evidence base which now needs to go forward for consideration within the policy and institutional conditions available.

While both benefit and wealth were considered at all stages, the boundary between the two is not rigid. Both are context specific and need to be defined by the community related to a planting project. Community wealth derives benefit from resources under community control. There is less experience with community wealth, and while there is enthusiasm and interest, community perspectives indicate that attention to both approaches is important. Strategies which develop capacity, funds or assets (including land, woodland and housing) under community control, all contribute to community wealth. The delivery of community benefits from new woodland creation can be improved both by enhancing the enabling conditions at national and regional scales, and through specific activities and interventions at local scales. Although models were developed and assessed, the components of the models are not mutually exclusive and next steps could involve supporting pilot projects which may mix and match ideas.

The project contributes to several areas of national change. In the context of forestry as a natural capital investment, it is a time of growth and innovation. Previous experience in areas such as renewables and land reform point to the value of principles, guidelines and standards. CWB is also an active area of policy development and learning from this study may help inform those developments.

## 5.2 National and regional enabling approaches to support delivery of community benefits

This work identified two broad themes or areas where action is required at a regional or national level to enable community benefits to be delivered locally: building understanding of, and confidence in appropriate and effective approaches/methods to delivering community benefits; and ensuring community interests are appropriately represented.

### **Building understanding of, and confidence in, appropriate and effective approaches to delivering community benefits**

- a. There was a strong desire to learn from existing experience, to document or ‘showcase’ examples which work, or which have provided useful lessons. Case studies can enhance visibility of existing experience to both companies and communities.
- b. There was also demand for ‘toolkits’ to provide clear models for agreements, and case studies of their application. These would likely be best developed in tandem with exploration of specific approaches to increasing community benefits set out below, to be piloted and reviewed. Some of the approaches are complex and challenging, but there is precedent in providing route maps and good practice guidance in related policy areas such as land reform and renewables benefit funds, and these may help provide relevant models for the forestry sector.
- c. Where there is insufficient experience, there is nevertheless enthusiasm and scope to test new approaches. The project has identified a wealth of ideas, and these could be explored using a variety of pilot methods, action research and networking. Support for trying new ways of working can be very helpful in both reducing risk and enhancing positive regard and feedback among stakeholders. Companies and community groups are likely to be more willing to try something new if recognised as pioneers.
- d. There is a coordination and horizon-scanning role for agencies such as SOSE and SF, and for industry representatives such as CONFOR and Institute of Chartered Foresters to:
  - identify and support willing partners, provide space and methods for sharing lessons;
  - identify hot-spots of development in the pipeline (e.g. using forestry clearing statistics) as a means to identify places to trial new approaches;
  - extend this opportunity mapping to support forward thinking aimed at helping recruit and grow workforce.

### **Ensuring community interests are appropriately represented**

- e. There was wide support for community capacity building. This is distinct from the capacity building that is currently being carried out in the commercial forestry sector to develop skills in community engagement. It is clear that communities are being expected to contribute huge amounts of unpaid time, in some cases to protect against disbenefit. Capacity building needs to consider ways to reward volunteer time bearing in mind that it is contributing to policy goals, commercial reputation and successful woodland creation outcomes. It may be possible to work with an organisation such as Foundation Scotland to ascertain what the most helpful capacity building measures might be. Regardless, this should not simply consist of providing training to get communities to do more for free, but rather approaches should be considered which empower and contextualise community contributions, for example by funding and training local forest development workers.
- f. Delivery of community benefit will need the support of forest industry bodies, SF, SOSE and others in further promoting good practice in community engagement.
- g. There was strong support for the idea of using facilitators / trusted intermediaries between companies and communities, and a sense that the detail needs further attention. Some felt that

these roles could be fulfilled by, for example, local NGOs (who would require funding to do so). Others felt that they could be fulfilled by community-based development workers. Facilitators/trusted intermediaries could also facilitate the development of community benefit funds, as with the renewables model.

- h. Response to the project indicates an appetite for more face-to-face meetings and workshops. Consider broadening membership of the Scottish Forestry Regional Stakeholder Group to include more community actors and people from sectors identified as having overlap with CB/CWB from forestry e.g. South of Scotland Community Housing, access groups etc.
- i. Agencies and Local Authorities can explore how woodland expansion can fit in to local place plans and community action plans to facilitate CB/CWB.
- j. In areas of significant woodland expansion, there was a strongly expressed desire for Scottish Forestry to address the cumulative impacts of successive planting applications on communities (and landscapes).

### 5.3 Specific approaches and innovations to increase delivery of community benefits

The following were identified as specific scheme-level approaches to delivering community benefits that warranted further consideration.

#### 1. Collaborative early planning, which could include co-design.

- Pilot this as soon as possible with willing partners who are prepared to take risks and innovate. Document the process, allowing space to learn from difficult as well as positive experiences.
- Consider including the trialling of Community Benefits Assessments (see below) as part of the approach.
- Give particular focus to co-planning for enhanced access, which is often a key area of misunderstanding between communities and forest management companies; this could provide quick wins and valuable case studies for enhancing buy-in.
- Consider potential links for integrating with outdoor education.
- Consider how this approach can be promoted through guidance and the FGS: there was a widespread view that collaborative planning should be a requirement and not just be seen as a 'nice to have' or altruism.

#### 2. Community Impact/Benefit Assessment

- Draft and test template and toolkit for Community Impact Assessment, or more constructively, Community Benefit Assessment.
- This could fit nicely with the idea of a toolbox or similar – e.g. what are the benefits that could be delivered and how might they be achieved.
- It has been suggested that virtual scenario modelling could be a useful approach with a mixed group of stakeholders to help build Community Benefit Assessment and a toolkit.
- Cumulative impacts of successive planting applications on communities could be built into this process.

#### 3. Benefit sharing through community leasing or ownership

- One approach which met with considerable interest is for investors to donate or lease a small amount of land for community management and / or affordable housing. This could take the form of a share of new woodland for the community to manage or own as a joint venture. Other models were discussed.
- This could be linked to a pilot scheme to build affordable housing from regionally grown timber.

- Consider template leases and group insurance scheme for liability on community managed sites as this has been seen to be an area of concern.
- Piloting more proactive engagement by public bodies to lease or sell land to communities could be explored, including opportunities for public bodies to acquire land specifically with a view to facilitating community management/ownership. Joint ventures with FLS (and other agencies) on non-forested land are also worth considering.
- SOSE could consider holding loan or private investment capital, to be made available to help communities to acquire land.

#### **4. Community benefit funds**

- Community benefit funds were viewed as interesting but complex and challenging.
- The desk study highlighted the diversity of approaches developed in the renewables sector, and also the emergence of consensus around good practice.
- Scale was important. Stakeholders suggested that thresholds could be established, in terms of landholding / business turnover / scale / quantity / species, to guide the requirement or expectation of a benefit fund.
- Models to share income from sales of carbon credits have some potential. Changes to guidance for the Woodland Carbon Code to support the delivery of increased community benefits.
- Wider value might be developed if contribution to community benefits were included in the calculation of additionality, taking an investor across the threshold to qualify for the Woodland Carbon Code. Good guidelines and monitoring would be needed to ensure this results in meaningful community benefits.

#### **5. Diversifying scales and types of woodland**

- Support for creating more diverse scales and types of woodland was clearly evident by many participants in this study.
- Technical support for approaches to facilitate this, could build on tried and tested approaches such as Ward Foresters (Devon) who work with a large number of small scale woodland owners, shared foresters (such as that being developed by Argyll Small Woods Cooperative) or the forest officer support provided by Community Woodlands Association.

#### **5.4 Working with willing stakeholders**

We conclude by noting the enthusiasm with which stakeholders engaged in this project, offered interviews and took part in lively discussions at the workshop. The stakeholder interaction itself was welcomed, with many volunteering for interviews and the workshop, implying that more activity along these lines would be helpful. This is a challenging area of land use change but on the evidence of this rapid assessment, it benefits from keen stakeholders, creative communities and a willingness to try new approaches. This constitutes a healthy basis for further development of this work.

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## Appendix 1. Interview guide

Questions for interview- these are intended to draw out sufficient detail that options/models can be presented/used in the workshop. In some instances, it may be better to frame in a hypothetical context...*what activity/action do you think would result in local community benefits/wealth building?, how could/would this be achieved?*

1. Questions about specific activities which lead, or could lead, to increased community benefit / wealth:
  - a. Describe the activity / enterprise / the context (was there a need / circumstances) and participants.
  - b. Who was involved.
  - c. What was the result / impact (e.g., in terms of jobs, ownership, trees, businesses or whatever)
  - d. Other outcomes (e.g., increased sense of belonging, increased frustration with policy, or whatever).
  - e. Contribution to community benefit and in what ways could it have contributed more? [aiming to identify '*potential to increase benefit*']
  - f. Negative impacts or failed outcomes? Were there any, and if so what and why?
  - g. What helped to make it work, i.e., '*enabling factors*', and what would have made it work better such as 'availability of loans', 'community interest', 'more volunteers', 'change in the grant system' [*enabling factors and need for intervention*]
  - h. Will this work in south Scotland? If so, why / if not why not? [*room and demand for increased activity*]
2. What else is going on in the SoS or more widely that relates to *activities that can or could help new forestry to contribution to community benefit / wealth.*

## Appendix 2. List of interviewees

| Organisation                              | Inter-<br>view no. |
|---|--------------------|
| Barony College                            | 14                 |
| Barwhillanty Estate                       | 33                 |
| Borders Forest Trust                      | 3                  |
| Buccleuch Estates                         | 18                 |
| Carsphairn Community Woodland             | 11                 |
| CWA / ex Knoydart Foundation              | 8                  |
| Czernin Kinsky                            | 34                 |
| D&G Council, Timber Transport             | 25                 |
| Eadha Enterprises                         | 36                 |
| EJD Forestry                              | 21                 |
| Enduro World Series/SCOTO/SOSE            | 20                 |
| Ettrick and Yarrow Development Company    | 2                  |
| FLS                                       | 35                 |
| Foresight                                 | 35                 |
| Forestry and Land Scotland                | 39                 |
| Forestry and Land Scotland                | 43                 |
| Forestry and Land Scotland                | 44                 |
| Galbraiths                                | 24                 |
| Galloway and Southern Ayrshire Biosphere  | 38                 |
| Glenkens District Trust                   | 22                 |
| Glenmoriston Improvement Group            | 28                 |
| Gresham                                   | 6                  |
| Gresham                                   | 7                  |
| HPCLT                                     | 37                 |
| Langholm Initiative                       | 9                  |
| Manager, Forrest Estate                   | 42                 |
| MH Landscape Services                     | 45                 |
| Newcastleton and District Community Trust | 46                 |
| NFUS                                      | 16                 |
| Owner, Forrest Estate                     | 41                 |
| Renewable energy                          | 32                 |
| Scottish Forestry                         | 1                  |
| Scottish Forestry                         | 15                 |
| Scottish Woodlands                        | 48                 |
| Seed Forest and Land                      | 5                  |
| SEPA                                      | 26                 |
| SLE                                       | 23                 |
| South of Scotland Destination Alliance    | 40                 |
| Southern Upland Partnership               | 30                 |
| STFA                                      | 10                 |
| The Stove                                 | 29                 |
| Trees For Life                            | 17                 |
| Tweed Forum                               | 31                 |
| Tweedsmuir Community Company              | 27                 |
| Upper Urr Environment Trust               | 4                  |
| Vattenfall                                | 47                 |
| Waterwheel Café                           | 12                 |
| West Glenmoriston Community Company       | 19                 |
| Wild Resources                            | 13                 |

## Appendix 3. Invitation to participate

Dear ...

I am writing to invite you to participate in a scoping study, to better understand **the local community benefits and opportunities for community wealth building (CWB) from woodland creation in the South of Scotland.**

This work has been commissioned by South of Scotland Enterprise (SOSE) and Scottish Forestry and is being undertaken by the Forest Policy Group. It will inform SOSE, statutory bodies in the South of Scotland and the Scottish Government on practical next steps to implementing CWB approaches associated with woodland creation.

My role in this is to talk with stakeholders to learn about your experiences and opinions about local community benefits and community wealth building approaches that may result from woodland creation. I am keen to make sure that views from a broad range of stakeholders are included in the study, to ensure that CWB options reflect the needs and aspirations of local communities, and are considered feasible by statutory agencies and other stakeholders in forestry.

I hope you will be willing to talk with me by phone or Zoom and look forward to hearing from you.

Best wishes

## Appendix 4. Table of stakeholder categories

| Category  | Interviewed | Invited to Workshop | Attended Workshop |
|---|-------------|---------------------|-------------------|
| Forest Sector<br>(investors, estates, agents,<br>owners, managers)  | 14          | 14                  | 9                 |
| Communities (community<br>groups, community councils<br>and members of the<br>community including<br>farmers)               | 11          | 12                  | 8                 |
| Education   | 1           | 2                   | 1                 |
| Culture   | 1           | 1                   | 0                 |
| Tourism   | 2           | 3                   | 1                 |
| NGOs (environmental,<br>landscape partnerships)   | 6           | 5                   | 3                 |
| Public (FLS, SEPA, Scottish<br>Forestry, Scottish Land<br>Commission, Rural<br>Payments and Inspections<br>Division - RPID) | 7           | 5                   | 1                 |
| Farming (representative<br>groups)  | 2           | 3                   | 1                 |
| Renewable Energy<br>(companies)   | 2           | 0                   | 0                 |
| Ecological Consultant   | 1           | 0                   | 0                 |
| Local Authorities   | 1           | 2                   | 1                 |
| Consultants (other)   | 0           | 2                   | 1                 |
|   |             |                     |                   |
| <b>Total</b>  | <b>48</b>   | <b>49</b>           | <b>26</b>         |

## Appendix 5. Workshop participants

| <b>Name</b>       | <b>Organisation</b>                    |
|-------------------|--|
| Garry Dickson     | Borders College                        |
| Charles Dundas    | Borders Forest Trust                   |
| Wendy Fenton      | Carsphairn Community Woodland          |
| Davey McMillan    | Carsphairn Community Woodland          |
| Angela Williams   | Community Woodlands Association        |
| Ted Downs         | EJD Forestry                           |
| Vicky Davidson    | Ettrick and Yarrow Development Trust   |
| Rob Guest         | Foresight                              |
| Murray Aitchison  | Foresight                              |
| Jeremy Thompson   | Forest Direct Ltd                      |
| Anna Lawrence     | FPG                                    |
| Morag Paterson    | FPG                                    |
| Ailsa Watson      | Future Woodlands Scotland              |
| Fiona Smith       | Glenkens District Trust                |
| Simon Amor        | Gresham House                          |
| Susanne Müller    | Involve.Org                            |
| Greg Cuthbert     | Newcastleton Community Council         |
| Lindsay Brown     | NFUS                                   |
| Mike Thornton     | Riverwoods                             |
| Siobhan McDermott | Scottish Borders Council               |
| Doug Howieson     | Scottish Forestry                      |
| Bob Frost         | Scottish Forestry                      |
| Amy Nicolson      | Scottish Forestry                      |
| George Moore      | Scottish Land & Estates                |
| Eddie Addis       | Scottish Woodlands                     |
| Kirsty Scrimgeour | SOSE                                   |
| Kirsten Logue     | SOSE                                   |
| Rob Davidson      | SOSE                                   |
| Andy Tharme       | SOSE                                   |
| Melanie Allen     | South of Scotland Destination Alliance |
| Donald Greig      | Southern Upland Partnership            |
| Jenny Barlow      | Tarras Valley                          |
| John Jefford      | Tilhill                                |
| Mark Cullen       | Tweedsmuir Community Council           |

## Appendix 6. Workshop design and method

### Purpose

The workshop aimed to offer a face-to-face participatory opportunity to ‘test’ the models identified in Output 3.

### Venue Selection

The workshop’s date, time and venue were agreed upon early in the project. Moffat Town Hall was deemed reasonably central for people travelling to attend from across the South of Scotland and, in some cases, from further afield. The workshop was initially planned for Thursday, 9th March but was postponed until Tuesday 21st March, due to severe weather warnings, which were expected to cause widespread travel disruption. Unfortunately, neither the original venue nor the caterer could work with the rescheduled date. Therefore, the venue was changed to Lockerbie Town Hall, which opened the possibility of people arriving by train.

### Participant Selection

The Forest Policy Group team and Steering Group agreed on a list of potential workshop participants who would represent a broad range of interests (see Appendix 5). The workshop attracted a high level of interest. Initially, about 30 attendees were anticipated, but interest was so high that around 49 people were ultimately signed up to attend the original date. Some additional attendees were identified through the interview process, and others stepped forward after a brief presentation of the project to the South of Scotland Regional Stakeholder Group meeting on 15th February. There was a great deal of overlap between interviewees and workshop attendees.

The postponement reduced the overall number of attendees; some were unavailable on the new date, and at least one landowner cited lambing as a barrier to attending this late in March. On the day 34 people attended, including the FPG team and steering group. A further 15 people were scheduled to attend the event on 9th March; three of the 15 did plan to attend on the rescheduled day but had to pull out on the morning of the event. Despite the reduced attendee numbers, there was still a broad range of cross-sector representation.

Honoraria and expenses were offered to people attending voluntarily instead of through a professional role.

### Workshop Tone

Acknowledging that there would be an extensive range of beliefs and opinions in the room, much attention was paid to both use of language and activities that would engender a positive, proactive atmosphere in the workshop.

### Methodology and Activities

The workshop started with a brief overview of the project and policy background from SOSE, and Scottish Forestry. The presentation was followed by Forest Policy Group giving an overview of the work done to date and an outline of the tasks for the day.

The day was split into three group tasks, two before lunch and one after lunch, followed by the plenary session. Throughout the first three sessions, two flipcharts were available, one a “Parking Space” for attendees to note essential issues that were not part of the discussion on the day, and one for “Other Ideas”.

The seating plan was pre-determined, with a mix of people from each representative group at each table. Half of the people at each table had a green dot on their name label, which indicated that they would rotate to the next table at the end of each task. The move intended to allow people to mix with as wide a group of other interests as possible. Each table was also assigned a member of the Steering Group, facilitating discussion, ensuring all voices were heard, and that key discussions and ideas were captured on the flip chart paper. At the start of each session, participants were invited to give a 20-second introduction of themselves to the others.

### Sessions 1 and 2

For the first two sessions, each table was given one 'model' to discuss. The models and background information from Output 3 were provided to each participant, and ideas were captured on flipchart paper with the pre-written questions in box 11.

#### **Box 11. Group exercise for assessing models**

The group is invited to review a model for increasing community benefit and wealth when new forests are planted.

Please read the notes individually and then jointly we will address the questions **on flipcharts**:

1. What do you like about this model?
2. What do you find difficult about this model?
3. What steps could be taken to overcome the difficulties?
4. What ideas do you have for trying this model out?
5. What would help make these ideas happen?
6. What first steps could you take?

### Session 3

The third session allowed the participants to 'Design Their Own' using a 'Mix and Match' approach, which any of the five models provided could influence, as could discussions during the prior sessions or new ideas which had not been aired so far. For this exercise the flipchart paper was prepopulated with the Session Title and questions 4,5 and 6 from box 11.

### Plenary Session

The plenary session had several elements; FPG gave a brief, condensed summary of what had been captured from Sessions 1 and 2, followed by the facilitator from each table offering a two-minute round-up of what had been discussed in their groups during session 3. An open discussion followed, with crucial points being captured on a flip chart at the front of the room. Following the open discussion, participants were invited to vote on the priorities for further consideration. They were offered three orange post-its and three blue post-its and asked to rate their top three priorities in terms of importance and preference using the orange and blue post-its, respectively.

### Exit Activity

Before the workshop closed, attendees were asked one further question "what new ideas or thoughts do I have as a result of attending this workshop?" and asked to put their answers on a flipchart before leaving. A few people had to leave early, so this question was sent out in an email thanking people for attending.

## Appendix 7. Feedback on the workshop

**Responses to the exit question:** “What new ideas or thoughts do I have as a result of attending this workshop?”

- Very useful to listen to others involved in the sector.
- Thanks for organising :-)
- Hypothetical scenario testing of our ideas.
- Assisting stakeholders to understand technical detail to simplify consultation.
- Goodwill exists. Let's make it happen.
- It would be good for more " general " meets with community / commercial / native foresters. This helps to build empathy.
- Community capacity building. Toolbox for communities.
- We need to make it work-not rely on regulation.
- There needs to be a fundamental shift in culture / perception away from the 'us and them' view of the forester / landowner-community relationship.
- Carryout community engagement better.
- Networking with participants.
- Pipe line of work will inform business investment and training and job offers.
- I like the idea of extra points on application and grant for " additionality" - positive engagement and ways to help community whatever form if supported by community.
- Forestry investors and industry won't act on any of these things without legislation or reform of grant and tax system.

There was positive **feedback as people were leaving the workshop**; with some attendees commenting that they had found the day valuable and productive. Some had been especially pleased as, prior to attending, they had harboured doubts about whether it would be useful. There has been interest from participants concerning circulating the attendee list so people can continue conversations started on the day.

Further **feedback received by email** following the event included:

- “The day was really interesting having such a diverse group of people there, but it was also quite depressing at another level, it made me realise that any tweaks/suggestions will be very peripheral to the big issues which will need change at a government level to ensure things like community benefit become mandatory.”
- “Has to be said it was the best organised workshop we have been to in a while so a huge thank you to all of you who were involved in the organising, a lot of work was invested in that. And thank you to whoever baked the vegan shortbread!”
- “It was a really interesting day hearing from the others attending and making new contacts.”



## Appendix 8. Workshop outputs

Yellow highlighted phrases are points that participants wrote on yellow post-its to indicate that they attracted particularly strong consensus.

### Option 1: co-design of new planting

| Question   | Group 1   | Group 2  |
|--|---|--|
| 1. What do you like about this model?                      | Co-design sounds good<br>Demystified consultation / engagement  | Early engagement – local info<br>Demonstrating community involvement<br>Simplifies process – good brownie point<br>Transparency<br>Building good relations<br><b>Early and good engagement</b> |
| 2. What do you find difficult about this model?            | What right do communities have to be included? It might make folk nervous.<br>Experience doesn't necessarily match ambition   | Expectations of community – landowner is part of the local community.<br>- Depends on owner or woodland type<br>Co-design – definition – how much influence – uncertainty of community         |
| 3. What steps could be taken to overcome the difficulties? | Is the terminology right? Important to avoid a token exercise.<br>Worth considering the role of independent intermediaries.<br>Can we do community impact assessment?<br>Promote good examples. | Different expectations<br>Parameter of design<br>Length of agreement – liabilities / burdens – clarity of relationship – focus on 'design' not long term management returns                    |
| 4. What ideas do you have for trying this model out?       | Need for a broad picture – ecology<br>Trial community impact assessment<br>Identify common ground between communities and forestry<br>More visibility of the work land managers do              | Willing parties – to give back<br>Information of successful projects<br>Exchange of information – SFM information; reasons for silvicultural decisions<br>Increased engagement positive        |

|  |   |   |
|--|---|---|
| <p>5. What would help make these ideas happen?</p> | <p>Education could be helpful<br/>         Improve communication<br/>         Visibility of employment, employment and training opportunities</p>   | <p>Understanding objectives – expectations – parameters<br/>         Co-design community benefits or co-design forest proposal<br/>         - Issue ownership and control</p> |
| <p>6. What first steps could you take?</p>         | <p>Highlight where it has already worked<br/>         Reward participation – incentives<br/>         Stronger focus on the early stages of process<br/>         Could community impact assessment become mandatory?</p> | <p>Talk – community council engagement<br/>         Early engagement – what is the level of interest?<br/> <br/>         Other: cumulative effect negative / positive</p>     |

## Option 2: community assets

| Question   | Group 1   | Group 2   |
|--|---|---|
| 1. What do you like about this model?                      | Direct relationship between natural resources and benefits – direct stake<br>Wins for all if done well  | Potential to meet other community needs.<br>Lots of positives – relationship with landscape and forestry, access<br>Productive asset. Asset for wellbeing. Freedom to choose management priorities.   |
| 2. What do you find difficult about this model?            | Community expertise may be limited<br>Identifying who the community is<br>For forestry folks – having communities that know what they want<br><b>Barrier: community capacity – resources, knowledge, skills, experience, time</b>           | Difficult to acquire land.<br>Access to capital.<br>Long-term payback   |
| 3. What steps could be taken to overcome the difficulties? | Developing models around leasing – toolbox – shared etc.<br>Co-designed / developed; ideas; best practice<br>Intermediaries between communities and land owners. Best practice, advice<br><b>Intermediaries and support for communities</b> | Incentivise participation. Is a partnership approach possible?<br>Could it be easier for communities to acquire parts of the national forest estate?  |
| 4. What ideas do you have for trying this model out?       |   | Learn from current, local examples e.g. Ettrick Marshes – pros and cons and what could be improved<br>Engagement with management companies / potential investors.<br>Could there be either requirement or agreement over donation of land to the community? |
| 5. What would help make these ideas happen?                | Building examples – small projects to build credibility and show what works<br>Caveat – one size does not fit all   | FLS pilot?<br>Incentivisation<br>Long term lease option<br>Increase assistance for communities to buy land  |
| 6. What first steps could you take?                        |   | Pilot community ownership, potentially with FLS <sup>56</sup> .<br>Try virtual scenario modelling with communities: opportunity to scope out all outcomes, including unintended consequences  |

<sup>56</sup> FLS: Forestry and Land Scotland

### Option 3: farm and small-scale woodlands

| Question  | Group 1  | Group 2  |
|---|--|--|
| 1. What do you like about this model?           | <p>This model keeps balance between agriculture and forestry. small scale<br/>           'lower' impact – more trees; improved landscape; agricultural 'crop' and livestock benefits; increased forests employment<br/>           There is still a viable business - reduced environmental impact / landscape ; not for financial gain; good for biodiversity, socioeconomic, local economy<br/>           Lots of small woodlands<br/>           adds up to a large area; improved landscape; increased biodiversity; carbon sequestration on the farm; local employment<br/>           Farmers likely to support -&gt; they provide 'entry' to local community and exploring <u>local context specific benefits</u> for the community<br/>           Diversification of farm business provides employment alternative to farmers; more likely to encourage local involvement; easier to manage landscape impact; this is the model which NFUS<sup>57</sup> would support</p> | <p>Small scale -&gt; sustainable and achievable<br/>           Working with existing landowners and diversification<br/>           Pathways to connection for access. Localism.<br/>           Definition of small scale = up to 20 ha.</p>  |
| 2. What do you find difficult about this model? | <p>Economics!! Bad design creating liability; farmers and 'non-experts' buying into dodgy schemes<br/>           Financial viability<br/>           High cost – need more money<br/>           Incentivisation – grant tiers</p>   | <p>Higher resources required - £ of applications in £ + time.<br/>           Bureaucracy. Can't rely on altruism.<br/>           Awareness of opportunities within target market. Individualistic approach resource intensive.<br/>           Opportunities for income diversification not well understood.<br/>           Farms under tenancy – estate management</p> |

<sup>57</sup> NFUS: National Farmers Union, Scotland

|  |  |   |
|--|--|---|
| 3. What steps could be taken to overcome the difficulties? | Incentivised! It's v. expensive; labour availability   | Change to CAP funding -> capacity building in advance of changes<br>Awareness raising<br>Skills development   |
| 4. What ideas do you have for trying this model out?       | Case studies of good practice<br>SAC <sup>58</sup> – free advice; FAS – free advice; specialist survey costs + design + application grants<br>Farm Advisory Service<br>Pheasant shooting | Loan fund from Government agency (SOSE) using financial transactions that includes funding for support to get through bureaucratic stage<br>Farmers – routemaps e.g. CRTB DTAS <sup>59</sup> routemap<br>Developing an economy of scale (of small scale) with estates / Borders Machinery Ring? |
| 5. What would help make these ideas happen?                | Small scale model could benefit from increased financial support<br>Free / low cost advisory service; simplification for scale   | Unofficial carbon – tree donation in -> small scale planting – Community Woodlands Association tree dating service<br>Income opportunities highlighted – can't rely on altruism<br>Place planning including farmland and outlining opportunities  |
| 6. What first steps could you take?                        | Land based [? transferable] skills – farming and forestry are v similar  | Routemap – available opportunities. Connect w/ S. Upland work mapping natural capital.<br>Borrowing from community development sector.<br>Engaging in existing forums.  |

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<sup>58</sup> SAC Consulting – contracted by Scottish Government to provide agricultural advisory services

<sup>59</sup> Community Right to Buy – Development Trusts Association Scotland

## Option 4: Community Benefit Fund

| Question   | Group 1   | Group 2   |
|--|---|---|
| 1. What do you like about this model?                      | Sharing investment for long term e.g. access tracks   | Giving back tangible benefits to communities<br>Direct inward investment vs trickle down  |
| 2. What do you find difficult about this model?            | Wind farm model doesn't fit. Based on 30 years.<br>Forest might need 60-100.<br>May affect landowner / seller – reduced price (but may be benefits from this -> land values).<br>Larger scale investments £10M+ -> may be an option but not for smaller schemes.<br>Carbon credit revenues may be relative small.<br>Governance and administration- transparency, cost, outcomes. | Defining thresholds when this would apply<br>Who would administer?<br>Where would the money come in during the cycle?<br>Length of times to see money coming back – longer period could help longer term sustainability<br><b>Thresholds for where the funds kick in – landholding / business turnover / scale / quantity / species</b> |
| 3. What steps could be taken to overcome the difficulties? | Simpler, proportionate scale (for £2M investment, not windfarm £120M)<br>Support from public funding for building capacity in communities (e.g. Community Council) to administer fund.<br>Need for intermediaries (Foundation Scotland for example?)  | Long term strategy + planning / agreement with communities<br>Thresholds for where this kicks in - define<br>Potential land tax on sale<br>Aligning with land reform proposals on land size and what's eligible<br>-> alternative way for income  |
| 4. What ideas do you have for trying this model out?       | Reduce complexity.<br>"Proof of concept" projects?<br>FLS to lead by example – demonstrate / showcase good practice.<br>Carbon price floor -> helps manage risks; gives alternative revenue stream in addition to timber<br>Pilot schemes – toolkit of options that are attractive to investors [linkage to co-design model]  |   |

|  |  |  |
|--|--|--|
| <p>5. What would help make these ideas happen?</p> | <p>Additionality test – include as a voluntary model. Part of validation process WCC. If community benefits could be counted as a cost to help projects prove additionality. -&gt; enables a community benefit to be provided (annual cost?)</p>                         | <p>Trialling out – testing out this model in South Scotland<br/>Changing emphasis on taxes – incentive to do right thing – change approach</p> |
| <p>6. What first steps could you take?</p>         | <p>(alternative to fund -&gt; investment in skills (forestry, ecology)</p> <p>General point – not specific to this model: attach biodiversity credits as a co-benefit to carbon credit<br/>Defra metric – needs to be amended – doesn't value closed canopy woodland</p> | <p>NOTE: communities [forest owners?] delivering lots of benefits on the ground but not receiving financial benefit from this.</p>             |

## Option 5: developing jobs, skills, enterprise

| Question   | Group 1  | Group 2   |
|--|--|---|
| 1. What do you like about this model?                      | <p>Long term and sustainable</p> <p>Definition of 'local'</p> <p>Short, medium, long term benefits</p> <p>Looking at wider than direct jobs</p> <p>Opportunities to connect activities</p> <p>Opps for training and retraining</p>   |   |
| 2. What do you find difficult about this model?            | <p>Funding for initial training / practicalities / loss of talent after training / access for events / wider activity has limitations even if insured</p> <p>Self-employed model / long term timescale (this is maybe not a quick win)</p> <p>Boom-bust on demand combined with access to skills and expense of training /</p> <p>Awareness of opportunities</p>   | <p>Barrier: skills shortage for the forestry jobs</p> <p>Barrier: affordable housing close by (also planning issue)</p>   |
| 3. What steps could be taken to overcome the difficulties? | <p>Replanting mixed use and ages (in progress but surge in planting in last 5 yrs)</p> <p>Access being the 'default' (support for landowners on protections via insurance etc)</p> <p>Start early with schools – primary aged school engagement</p> <p>Engagement with colleges – more cross-over with agriculture and land management</p> <p>Traditional crafts combined with tourism = low hanging fruit</p> | <p>Knowledge transfer from expert to communities.</p> <p>Have forester that works for a group of communities</p> <p>More grants for people to study to get skills</p> <p>Community woodlands used for multiple things so bring in different types of jobs i.e. social enterprise, media, marketing</p> <p>Work experience opportunities to open eyes to forestry as career</p> <p>Difficulty attracting people to stay in rural areas</p> |
| 4. What ideas do you have for trying this model out?       | <p>e.g. of Biosphere – broader impact and job creation</p> <p>Social enterprise in schools model converted to include forestry skills</p> <p>Access = assumption of access for small enterprise / tourism / mountain biking / woodland crofts</p>  | <p>Forestry developers allocate land for affordable housing</p> <p>Community led housing – built with local timber?</p> <p>Smart Clachans</p> <p>Changing the way affordable housing is thought about and done</p> <p>Create a 'woodland village' and build on that – bottom-up approach – then influence national policy</p>   |



|   |   |  |
|---|---|--|
|   |   | Scale? Little better? – range of new jobs could be explored. Big better? E.g. big factory.   |
| 5. What would help make these ideas happen? | Skills = getting companies to agree on ‘training pool’<br>Link to co-design so ‘under-utilised’ plantation that could have opportunities for other enterprise | Strengthening procurement requirements.<br>Give existing businesses more certainty to enable them to invest in work force development  |
| 6. What first steps could you take?         | Implementation of regulation so that communities can engage effectively<br>Making more of existing schemes re training  | Map out existing forestry contractors / workforce. – location / travel<br>SOSE help support skills development to meet demand and also to support businesses to be sustainable<br>Establish ‘go and see’ fund to see what is happening in different places and learn |

## Freestyle activity

In the afternoon group session, stakeholders were invited to work with each other to design their own model, bringing together the best of what they had discussed in the morning, or perhaps introducing a completely new idea. They were asked to describe the idea, and brainstorm what would help it to happen, and what first steps could be taken. The results are summarised here.

| Table | Idea  | What would help it to happen?  | What first steps could you take?  |
|-------|---|--|---|
| A     | <p>Collaborative planning: expanding on co-design and at an earlier stage</p> <p>Embedding community impact assessment</p> <p>Using hypothetical scenarios to test land use impacts</p> <p>Potentially larger scale than individual sites</p> <p>Include options for community ownership / long-term lease</p> <p>Cumulative impact assessment</p> <p>Employment opportunities and skills needs</p>   | Find willing partners to showcase  | (No answer)   |
| B     | <p>Agreed elements required to deliver benefits:</p> <ol style="list-style-type: none"> <li>1. good engagement and better consultation process by regulator</li> <li>2. support to communities to engage-intermediaries, better guidance</li> <li>3. Cumulative impact-some feel if more than a certain percentage is forested there should be no more</li> <li>4. Some views that Grant should be weighted towards smaller projects (already are). Other say need private investment and they will go for large schemes.</li> <li>5. Ensuring continuity on promises / agreements around benefits in the face of staff turnover</li> <li>6. Need to see more local jobs from forestry</li> </ol> |  |   |
| C     | <p>Commercial / community management</p> <p>Community managed areas (leases) in commercially owned woodland / forest</p>  | <p>Joint ventures</p> <p>Shared foresters</p> <p>Skills and knowledge transfer (skills</p> | <p>Showcase forestry employment opportunities</p> <p>Community facilitators-independent</p> |

| Table | Idea  | What would help it to happen?   | What first steps could you take?   |
|-------|---|---|--|
|       | <p>Benefits:</p> <p>Access</p> <p>Recreation and tourism</p> <p>Jobs</p> <p>Healthy environment</p> <p>Biodiversity</p> <p>Connectivity</p> <p>Avoidance of disbenefits</p>   | <p>shortage) well-paid jobs are available</p> <p>Develop future labour force -&gt; pipeline and successional planning</p> <p>Transferable-agricultural employment into forestry</p>   | <p>specialists</p> <p>Consultation</p> <p>Profile demonstration sites</p> <p>Not specific to above model-apply to a range of models</p> <p>[Relate to all five existing models]</p> <p>Bring in other voices - NFUS, farmers etc</p> <p>Forestry grants to be re targeted to smaller land units / woodland types to deliver a range of benefits (forestry grants not required by some investors)</p> |
| D     | <p>1. Early community engagement **</p> <p>2. Skills training - local (forestry and other technical skills) ecologists (not exclusive)</p> <p>3. Case studies, models - examples, learning</p> <p>Benefits:</p> <p>Local jobs skills and enterprise</p> <p>Access networks</p> <p>Framework, suite of tools</p>   | <p>1. Good practise guidance-forestry relevant</p> <p>1. Facilitators - intermediaries - "translators"</p> <p>1. Build capacity in communities.</p> <p>2. Education - forestry careers</p> <p>2. Advertising skills and opportunities (local applicants)</p> <p>2. Identify funding and support for skills training</p> | <p>Describe models - case studies = toolbox including all models</p> <p>Guidance TLG / SOSE - skills action plan</p> <p>FLS - case studies-demonstrator</p>  |
| E     | <p>(See diagram) best practice triangle linking framework mapping and outcomes.</p> <p>Contracting access and maintenance</p> <p>Building jobs in to design e.g. wooden crafts</p> <p>Access amenity</p> <p>Success-based: less money if co-design is NOT followed</p> <p>Co-design based on incentives and culture.</p> <p>- including community development trust, RLUP, statutory planning, place planning, community councils.</p> <p>Education and capacity feeding into 2co design and mapping.</p> | <p>Scottish forestry to buy into it.</p> <p>Framework would have to be in place.</p>  |  |