

Why you need a plan for your wood?

Many woodland owners do not have a woodland management plan for their property. A plan provides owners with a long-term “vision” of how their woodlands will look in the future. Trees grow relatively slowly over long rotations compared to an agricultural crop, so plans typically set out operations that will take place over the next 20 years at least. The plan sets out what kind of silvicultural methods and harvesting systems will be used to carry out operations to achieve the owner’s objectives efficiently and sustainably. Objectives can include managing the woodland for timber, conservation, wildlife, recreation, carbon sequestration etc. or any combination of these

Currently, there is a planning grant (minimum £1,000) available from the Forestry Commission to owners who own a minimum of 3 ha. of woodland to grant-aid the cost of writing a plan. To receive this grant, the owner must have a Single Business Identifier number (SBI) from the Rural Payments Agency (RPA), the land must be registered on the RPA’s Rural Land Register and the plan approved by the FC.

Apart from helping owners to set out their management objectives, a plan provides owners with the necessary Felling Licence for thinning and felling work over the next 10 years and helps them access additional grants for timber and wood fuel production. Currently, the woodfuel Woodland Improvement Grant, which must be applied for by September 30th 2014 and claimed by 30th September 2015, grant-aids 60% of costs for preparing and carrying out timber sales and creating and upgrading tracks to gain access to previously inaccessible timber. One project I have been working on has recently been awarded more than £90K to create and upgrade a forest track so the owner can begin thinning. The requirement to apply for these grants is that there must be a FC-approved UK Woodland Assurance Standard plan already in place.

In addition, a plan showing when timber is to be thinned and when the owner is likely to receive a return, can be used to demonstrate to HMRC that the woodland is being managed commercially. Once the commercial woodland has been owned and occupied by the owner for two years it will qualify for 100% Business Property Relief and so no inheritance tax will be payable on death. If woodland is commercially managed then any income received is tax-free.

In 2015 the new Environmental Land Management Scheme (NELM) will replace the current English Woodland Grant Scheme (EWGS). This will combine current FC and Natural England grants into a single system and see a shift from one-off capital grants for restocking and new planting to 5-year woodland improvement grants of £100/ha/year as an incentive for owners to better manage their woodlands. Again, the pre-requisite will be to have an approved woodland management plan.

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