An Executive Summary of the Leader Funded Interventions in the Forestry Sector in Cumbria

On behalf of Cumbria Woodlands

December 2013
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An Executive Summary of the Leader Funded Interventions In the Forestry Sector in Cumbria

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Introduction
Adam Wellings Consulting Limited was appointed in August 2013 to conduct the Final Evaluation of interventions in the forestry sector in Cumbria funded through the Rural Development Programme for England (RDPE) via the Cumbria Fells and Dales and the Solway, Border and Eden Leader Groups.

Evaluation Aims and Objectives
The specific aim of the evaluation contract was to provide ‘a comprehensive analysis of all the outputs, outcomes and inter-relationships between interventions delivered through Leader supported interventions during the period 2010 to 2013’.

Scope of Evaluation
The project encompassed three main stands of support to the forestry and woodland sector and the evaluation considered each of these in turn as well as the linkages between all others. These strands were:

*The Woodland Advisory Service* – a programme of visits to woodland owners by qualified advisers in the sector, comprising of an initial one-day visit and report (called a Silver Birch Day) followed by up to a further three days of time (Oak Days) primarily concerned with providing tailored implementation advice to the woodland owner.

*Skills for the Forest Programme* - This was part of a wider Rural Skills Cumbria (RSC) initiative, funded by the two Leader Local Action Groups in Cumbria and delivered through a contract with the Scottish Agricultural College (SAC). Cumbria Woodlands was one of the SAC’s delivery partners and had been contracted by SAC to deliver the ‘Skills for the Forest’ element.

*Capital Grants* – these were grant funds provided by the Solway, Border and Eden and the Cumbria Fells and Dales Leader Groups to support the economic development measures identified through this programme and to support applicants from the sector.
The Woodland Advisory Scheme

Approximately 525 woodland owners applied for the woodland advisory programme and 439 received either a Silver Birch Day and/or one or more Oak Days. The balance of 86 applicants did not go ahead for a variety of reasons. The service has clearly had a significant impact on several of the advisers businesses – some reported that in excess of 50% of their turnover during the duration of the programme was a result of WAS, others reported that post WAS, their business had rebalanced at 25% above previous level. The latter reflected the number of new clients that advisers had retained post WAS.

The investment in the WAS element of the programme has been significant and resulted in circa 430 beneficiaries.

By analysing the take-up of EWGS in Cumbria during the WAS programme, and comparing that to the activity in other areas of the country, we could see if Cumbria is ‘bucking the trend’ i.e. the numbers of EWGS has increased at a rate above other areas? This would indicate that the intervention is resulting in increased activity in the sector and the logical finding is that it is the WAS programme.

We have obtained the following data from the Forestry Commission in support of these two questions:

Figure 1: Number of EWGS (ex-WCG)
Figures 1 and 2 show the number and area of EWGS applications in Cumbria, comparable areas (Derbyshire and Devon) and England from 2005/06 to 2012/13 (13/14 has been excluded as it is only a part year) excluding applications for woodland creation (i.e. new planting). Derbyshire and Devon were selected on the basis that they both had similar factors that might affect woodland management to Cumbria in terms of farming types (predominantly pastoral), proportion of less Disadvantaged/Severely Disadvantaged Areas and National Parks and the presence of significant land based tourist industries, but neither had benefitted from integrated forest sector RDPE interventions under the current programme.

Cumbria Woodlands has identified at least 114 (and the figure is likely to be higher) woodland owners that have entered into a EWGS and/or applied for a felling licence as a direct result of their intervention. Coupled with advisers own feedback on net additionality (4.3.2) indicating out of the 430 beneficiaries in Cumbria that 67% would not have acted without the programme; then this is strong evidence of a causal link between the programme and a significant proportion of the increase in area of EWGS in figures 1 and 2 above.

Of the woodland advisers we interviewed face to face, thirteen (representing at least 351 beneficiaries, or 81%, out of a total of 430 advised) provided us with their views of how many woodland owners would not have gone ahead without the intervention from Cumbria Woodlands. Views on net additionality varied, with the average calculated at 67% or 235 beneficiaries, who would not have acted if it had not been for the Advisory Scheme.
Capital Grant Scheme

Capital Grants were provided by Cumbria Fells and Dales and Solway, Border and Eden LAG’s. A wide range of projects were supported, including timber extraction and processing machinery, wood fuel and firewood business creation and expansion, furniture manufacturers, and tourism and education.

Most applicants were new businesses and would have been unable to make the investments that they did without grant aid. A number said they may have gone ahead at a smaller scale or over a longer timeframe.

In total, £1,794,376 was invested in forestry and timber related capital projects (including applicants match funding).

33 FTE jobs were created as a result of the investments, and a further 10 safeguarded. The average cost to date per job created or safeguarded was £42,825 although given the time lag between spends and reporting of outputs this figure will likely be an overestimate.

Discussions with capital grant beneficiaries found a broadly similar experience of the application process. Most commented on the complexity of the process and difficulty in fully understanding the requirements of the scheme, but most had received significant support from business advisers and/or Leader Development Officers.

A feature of this evaluation has been the universally positive feedback on the quality of support provided, and the value of this to what have in the main been micro-businesses with owner operators struggling to find time to complete the necessary forms etc.

Direct links were found between the investments made and management of woodland, in some cases that of the applicant, in others woodland in the locality. A high proportion of investments were related to the firewood and wood fuel sectors, both of which have undergone strong growth in recent years, and applicants reported significant year on year increases in timber usage.
The Skills for the Forest Programme

Programme context

The element of the Rural Skills Cumbria programme that Cumbria Woodlands is the lead delivery partner for (the Skills for the Forest programme) is summarised in the table below.

<table>
<thead>
<tr>
<th>Programme context</th>
<th>Description</th>
<th>No of ben’res</th>
<th>No of training days</th>
<th>RDPE Cost</th>
<th>No of ben’res</th>
<th>No of training days</th>
<th>RDPE Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Vocational training in Forestry (Theme 1)</strong></td>
<td>A programme of vocational courses to provide new and refreshed skills in woodland and forestry management for farmers, foresters and land managers.</td>
<td>300</td>
<td>729</td>
<td>£74,739</td>
<td>300</td>
<td>729</td>
<td>£88,594</td>
</tr>
<tr>
<td><strong>Forestry Demonstrations (Theme 2)</strong></td>
<td>A programme of forestry demonstrations at shows, on farms, and with one Forestry Fair.</td>
<td>100</td>
<td>100</td>
<td>£52,725</td>
<td>100</td>
<td>100</td>
<td>£22,595</td>
</tr>
<tr>
<td><strong>Woodfuel knowledge transfer – technical support (Theme 3.1)</strong></td>
<td>A programme of mentoring and bespoke technical support for potential woodland users.</td>
<td>70</td>
<td>60</td>
<td>£27,337</td>
<td>70</td>
<td>60</td>
<td>£21,566</td>
</tr>
</tbody>
</table>

**Theme 1 - Vocational Training.** The training programme was an opportunity for eligible businesses to improve on existing skills or develop new enterprises within their businesses, with the courses ranging from statutory requirements (pesticides, chainsaws etc) through to woodland management and woodfuel production.

**Theme 2 Forestry Demonstrations.** The focus is to raise awareness of woodland management, harvesting techniques and the use of small-scale equipment in undermanaged small-scale woodlands, to develop the opportunities for bringing wood fuel to market. The interventions have concentrated on attending agricultural shows and fairs, running low-tech on-farm demonstrations, demonstrating machines in typical Cumbrian conditions and running a forestry fair in 2013.

**Theme 3.1 – Wood fuel knowledge transfer.** This provided support to woodland owners and forestry and timber processing businesses to expand their knowledge and skills in relation to the technology within the wood fuel sector, ultimately to improve understanding, enhance the supply chain and open up new opportunities for products and services.

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1 This is based on the spreadsheet titled ‘2012 Budget information’ provided by Centrifuge which we understand is the latest position regarding expenditure and outputs in the current service delivery contract.
Programme performance

Quantitative outputs

Analysis of the available quantitative information is summarised in the table below.

<table>
<thead>
<tr>
<th>Output data for the Skills for the Forest programme</th>
<th>Target</th>
<th>Achieved</th>
</tr>
</thead>
<tbody>
<tr>
<td>CW ‘lead’ projects</td>
<td>No of beneficiaries</td>
<td>No of training days</td>
</tr>
<tr>
<td>Vocational training in Forestry (Theme 1).(^2)</td>
<td>600</td>
<td>1,458</td>
</tr>
<tr>
<td>Forestry Demonstrations (Theme 2)</td>
<td>200</td>
<td>200</td>
</tr>
<tr>
<td>Wood fuel knowledge transfer (Theme 3.1)</td>
<td>140</td>
<td>120</td>
</tr>
</tbody>
</table>

Qualitative findings

**Theme 1 Beneficiary survey findings** – an online survey was distributed to 385 beneficiaries and there were 45 responses (12%). Key findings are summarised below:

- Five of the respondents were unemployed at the time of their training and two subsequently secured employment and three set up a business – as a direct result of the training received.

- Of those employed in farming/forestry, four stated that the training had enabled them to set up a business.

- For woodland owners, seven said their knowledge of woodland management had increased, two said that they now manage their woodlands whereas they hadn’t before and five also said they had benefitted from the Woodland Advisory Service.

- For those that engaged as leisure/personal interest, eight said they have used the training to manage their woodland more effectively.

- In terms of the impact of the training on continued personal development, 48% have subsequently undertaken other training or personal development in the farming/forestry sectors, as a result of going on the course.

- There has been evidence of liked activity across the three strands of the programme with 26% of those that responded saying they had also accessed the Woodland Advisory Service and six had accessed support from other agencies as a result of going on the course.

**Beneficiaries of Theme 3.1** - Cumbria Woodlands provided 114 response forms that had been completed by beneficiaries of the Wood fuel School training events. As part of this evaluation, we have reviewed and collated these forms and the results can be summarised as follows:

\(^2\) The SAC performance monitoring framework (dated November 2013) indicates a similar level of beneficiaries, but an increased number of training days achieved of 1,505 which is 103% of target. This later analysis produced by SAC would suggest that Theme 1 has achieved its outputs targets although the spreadsheet does highlight that entries for the period of July-September 2013 (i.e. the Final Claims) are still to be confirmed and approved.
- 76% scored the course scored very highly in terms of ‘usefulness’.
- 21% said the course was ‘inspirational’ and 79% simply informative
- 34% said the course had ‘greatly’ increased their knowledge and understanding; and
- 88% indicated interest in the Theme 1 activities and the Woodland Advisory Scheme.

The mentoring provided as part of the Woodfuel School also received positive qualitative feedback in relation to the advice given on professional business planning, accessing finance and technical knowledge.

Programme impact

In terms of impact, the target outputs of the three elements of the Skills for the Forest programme have been largely achieved or exceeded (subject to the final verification of the claims submitted by Cumbria Woodlands/SAC to the LAGs). The Woodfuel School (Theme 3.1) is likely to remain under-target, but, overall, the programme is likely to be close to delivering the required targets.

In terms of performance against the stated objectives, then the online survey has provided evidence of both continuing personal development and also economic benefits. The feedback from the beneficiaries of the Woodfuel School has been positive, particularly the response to the mentoring programme.
Strategic Added Value

Stakeholder feedback has been universally supportive of the programme and of Cumbria Woodlands as a delivery organisation. The programme and Cumbria Woodlands was delivering a key service that the core government agencies (particularly the Forestry Commission) simply do not have the manpower to support. The ability for the Commission to pass enquiries onto Cumbria Woodlands has undoubtedly led to a greater level of woodland management in Cumbria than would otherwise have been the case. Cumbria Woodlands was seen as adding significant value to woodland management in Cumbria. Other elements of SAV include:

Strategic Linkages - although there is significant anecdotal evidence of cross fertilisation throughout the programme, there is no direct quantitative data that measures this effectively. The beneficiary information contained within the data for each element has varied e.g. by individual, business name, employee and so forth and this has restricted the ability to identify linkages other than through anecdotal evidence. Given the importance of this matter as a strategic intervention objective, this an area that we consider merits further attention and we refer to this further in the lessons learnt section.

Renewable Heat Incentive

We requested from OFGEM data on use of the Renewable Heat Incentive (RHI) in Cumbria. The following data has been obtained.

<table>
<thead>
<tr>
<th>Technology Type</th>
<th>Count</th>
<th>Payments 2013/14</th>
<th>Payments 2012/13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medium Solid Biomass Boiler</td>
<td>9</td>
<td>£101,676</td>
<td>£29,680</td>
</tr>
<tr>
<td>Small Solid Biomass Boiler</td>
<td>95</td>
<td>£219,653</td>
<td>£77,348</td>
</tr>
<tr>
<td>Ground Source Heat Pump (GSHP)*</td>
<td>4</td>
<td>£12,368</td>
<td>£512</td>
</tr>
<tr>
<td>Solar Thermal*</td>
<td>3</td>
<td>£57</td>
<td>£1</td>
</tr>
</tbody>
</table>

* provided for comparison

We have conducted a telephone survey of all the wood fuel advisory clients identified by Cumbria Woodlands (59 beneficiaries) and to date we have been able to establish data from 39 of these or 67%.

Of those 19 that have proceeded, we have been able to identify a collective annual RHI income of just over £85,000, with an estimated saving in fossil fuel monetary purchases of just over £46,000. In terms of biomass volume, these 19 estimate that they will consume 579 tonnes of wood fuel annually.

Cumbria Woodlands has therefore been instrumental in assisting close to 20% of the clients in Cumbria that OFGEM has identified as in receipt of RHI; although this number is likely to increase over the next two years as more clients commit. In terms of RHI payments, as a broad measure, Cumbria Woodlands have assisted clients to achieve in the region of 38% of RHI payments for the county, calculated as an average across the years 2013/14 and 2012/13.
**Benefits to Woodland Advisers** - there has been some significant development of woodland advisor businesses as a result of the programme; particularly marked in terms of developing ongoing client relationships and introducing clients to the benefits of advice and valuing it enough to pay full fees. To an extent this can be seen as a significant output to the programme, generating ‘sustainable’ economic activity.

**Benefits to the Forestry Commission** - there is evidence of clear benefit to the Forestry Commission. In addition to the significant increase in take up of EWGS, Woodland Officers have reported tangible benefit in being able to refer woodland owners to Cumbria Woodlands for more detailed advice and support. In addition, Woodland Officers dealing with EWGS and Felling Licence applications have been able to refer the applicant to Cumbria Woodlands where they perceive there is a need for additional guidance, supplementing of skills or contact with appropriate contractors.

**Supply Chain (Woodland Advisers & Contractors)** - although anecdotal, there is a strong base of evidence that suggests the success of the programme was constrained by too few well qualified and experienced woodland advisers available and in place at present to support the programme. Most are micro-businesses so are unable to readily expand by recruiting more staff, as the first employee would effectively double their work-force. In addition, advisers highlighted the lack of woodland and forestry contractors of appropriate size and expertise with the capacity to absorb the work they could refer; the good ones were already busy and often did not possess the staff or equipment to allow them to expand in a controlled manner.

**Estate Management** - the programme has brought the woodland controlled by a number of large estates into management. Although there may be an assumption that estates are actively managed, it is apparent that a number that benefitted from the programme were only managed on a ‘reactive’ basis, with no planned programmes, therefore limiting opportunities to secure economic benefit from the woodland asset.
Lessons Learnt and Recommendations

Our evaluation of the programme has been a uniformly positive experience. We have heard, observed and investigated many good accounts of how the investments made have led to increased woodland management, additional economic activity and wider benefits to Cumbria’s environment and communities. The clear linkages between elements of the programme are what have made the programme unique in England and have led to many of these benefits. In addition, the quality of support and guidance offered by staff of all the agencies involved has enabled beneficiaries to focus on their businesses and overcome barriers to progress. It is against this background that we make the following observations and recommendations.

We suggest that in terms of good practise for the future that any new programme should include the following:

- The development of a monitoring and evaluation framework at the start of the process;
- A ‘map’ of the likely linkages that the programme will help to grow and foster;
- An initial filter process to ensure the beneficiary ‘status’ and reason for requesting a WAS visit meets the primary objectives of WAS as set out in the contract;
- A beneficiary financial contribution, which would have the effect of leveraging more advice for the same funding, weeding out those that were not serious; acclimatising client to paying the ‘right fee for the right advice’ and valuing the expertise of woodland advisers;
- Marketing the service to estates of all types could provide an opportunity to capture significant areas of existing woodland as well as scope for woodland creation on a strategic scale;
- That training surveys are carried out on a regular basis approximately 2-weeks following and that the questioning is framed in a way that data can be aggregated and that is aimed at outcomes and strategic linkages;
- What has been made clear from this programme is that the starting point under the Woodland Advice Programme has been a fundamental question for the most owners; ‘what do you wish to achieve from your woodland’ in the context of wider holding or interests? It is far more effective to determine, through the support of a mentor, what the appropriate course of action is and then seek to secure support for that approach.

There are too many organisations on the ground and managing the programme has been a significant task. A lesson here is likely to be that the degree of sub and sub-sub-contracting is creating paperwork and process which is impacting on performance.
Summary of Programme Impacts

The purpose of the programme, as set out in the evaluation brief, is to grow the supply chain and bring woodlands into management. In that context, in ‘headline’ terms the programme has had a significant impact – it has brought 430 woodland owners into a support programme and we estimate that in excess of two-thirds of these are net additional (i.e. they wouldn’t have become involved in the concept of woodland management without the programme).

It has also engaged with in excess of 1,400 beneficiaries on training and skill development and delivered circa 1,750 training days to those individuals. The feedback available from the training programme indicates high levels of satisfaction and also evidence of job creation and new business formation as a result.

Our discussions with the woodlands advisers have generated an estimate that the net additionality of the service is 67%. If this is compared to other public sector net additionality rates for investment at the sub-regional level, then this is a very positive finding. The research, which was undertaken through the analysis of the evaluations of mainstream RDA interventions, indicated that the average net additionality for a ‘programme’ intervention is 52.5% and specifically for enterprise support programmes is 43%.

In relation to the training interventions through the Skills for the Forest programme, the beneficiary survey did produce 45 responses and two of those responding did say that the training they went on directly enabled them to move from unemployment into a job within the sector. That represents 4.5% of the sample that responded and, if that was proportioned across the survey sample of 385, there could potentially be 17 jobs created as a result of the training interventions.

Given that there is evidence that the programme has also created a number of new businesses (seven from the survey sample of 45) then we would surmise that if a more extensive database of outputs from the beneficiaries was available, there is the prospect that the level of new employment and new businesses created represents an efficient use of public funds.