

**HOTSW Rural SIG:
Task and Finish Groups template.**

What:

A collaborative and coordinated forestry sector approach to stimulate a vibrant timber economy – creating jobs through delivering high quality timber products and low carbon heat. This programme builds on global innovations in timber and construction technologies that can create extensive new markets for timber products that the HOTSW forestry industry can capitalise on.

Forestry is a significant part of the landscape in the HOTSW area covering 107,234 hectares¹ or 10.4% of the LEP land area and is one of its *Distinctive Assets* – highly valued by society for its contribution to the local sense of *Place*, flood alleviation, informal and commercial outdoor recreation, and opportunities to enhance health and well-being and sustain rural enterprise.

The forestry sector is growing and the potential jobs are new and permanent as managed woodlands are in constant renewal. Woodland is an under-utilised resource - at least half the forestry in the HOTSW area could become more productive, supporting approximately **239² new rural jobs** whilst providing additional 'ecosystem services' through improved woodland management.

The Forestry Task and Finish Group will work with the private sector to seek out **entrepreneurial opportunities and support developments within the supply chain** to increase the demand for, and value of, timber products and biomass energy. Focus will be on building supply chains that significantly reduce the carbon footprint of HOTSW construction and energy industries by supplying fit-for-purpose timber products from forestry within the areas. We estimate this will generate 150,000 m³ of additional carbon neutral construction/energy products into the supply chain from an additional 30,000 hectares of forest resource in active management.

This programme of supply chain and market development will stimulate new forestry economic activity around the following **investment opportunities:**

- **Innovation in timber for construction.** The new and emerging market of low carbon housing will provide opportunities for use of timber in new forms of engineered composite products for sustainable green developments³, allowing locally procured timber to be sold as totally renewable solutions in the built environment
- **Timber-tech.** Computer aided optimised sawmilling and introduction of kiln drying and timber jointing machinery would enable low value timber to

¹ National Forestry Inventory England, 2013

² 1 job created per 242ha brought into management - Roots to Prosperity, ConFor, 2014

³ Investing in the timber processing industries of the south-west, 2013, Woodland Renaissance Partnership

access high volume/price markets in joinery, building and premium wood fuel. Advanced technology will allow timber to be specified through whole-supply chain modelling in the construction sector.

- **Innovations that supports the tourist market.** Investment in efficient volume charcoal through pyrolysis plants, and the ability to produce small structures and long-life outdoor furniture, all have markets in the tourism-based markets of the HOTSW economy.
- **Expand the market for woodfuel.** The sector will seek business opportunities with developers of new housing, such as Cranbrook and Sherford, as well as within the retro-fit sector to demonstrate the benefits of installed woodfuel boilers and district heating solutions.
- **Woodfuel from hedges.** Delivering and establishing the management of hedges for woodfuel to drive sustainable landscape management - with some of the most extensive hedgerow landscapes in the HOTSW area offering a source of a similar amount of energy than woodlands below 50 hectares and often more accessible, there is significant potential.
- **Digital market expansion.** The refinement of market information available and increase in manufactured products available and increased ability to access it will allow greater investor confidence at each stage of the supply chain and potential collaborative marketing opportunities.
- **Skills.** The ability to pursue new business opportunities will require a development in the professional, commercial and practical management skills of the sector.

Jobs and new business opportunities will be created throughout the supply chain from the forest gate, through to the timber processing and manufacturing sectors, and installers of low carbon renewable heat and retrofit solutions.

Evidence of Need: (why important & links to LEP Strategic Priority)

Production of timber components for construction in the area had been in decline but has stabilised and grown in a number of areas over the past few years and evidence suggests entrepreneurship in the sector is growing. Codes for sustainability and low carbon construction, new technologies and innovation are increasing the opportunities for timber products to feed into the need for new homes as building or energy products. With a wide variety of raw material and an end-market opportunity the timber supply chain can capitalise through innovation to create new products for use in the HOTSW area and for export. Using computer aided manufacturing and engineering knowledge bases will increase timber use, increase the area knowledge base and produce **higher value employment**.

While the exact employment potential across the whole forestry sector is hard to assess, the broad direction – of the area of woodland under management, of timber production and of jobs potential - is very clearly upwards, and **200 or more new jobs** in the HOTSW, appears achievable. These

are jobs that can help to transform areas of rural deprivation – and really are green jobs, with genuine added value for the economy and environment, and the ability to deliver the broader ‘ecosystem services’.⁴

The tailored **business skills support** will assist enterprises to reach new markets, improve supply chains and create a resource for the growing renewable energy sector. Workforce skills will be improved across the sector, from advice to resource producers to business management skills in processing enterprises.

The sector can offer rewarding **apprenticeship opportunities** where there is a predicted skills shortage in future resource management and processing.⁵

Meets LEP Priority: Maximising Productivity and Employment Opportunities - moving people into employment and improving workforce skills

The sector has a key role to play in the transition to a **low carbon economy**, providing a local source of sustainable fuel for heating and low has the potential to support the community-led energy sector. In addition, the ability for woodland to contribute to sustainable solutions for flood management is significant in the region.

Meets LEP Priority: Creating the Conditions for Growth – sustainable solutions for flood management and energy infrastructure

Currently, only 46% of the woodland in the LEP area is in some form of active management, meaning around half of this natural resource could become more productive - supporting new jobs and the potential to give forest owners a secondary income through provision of ‘ecosystem services’ such as water quality, biodiversity conservation, carbon capture and **climate change resilience and risk mitigation** measures.⁶

In 2010 just 38% of Devon’s hedgerows were in favourable condition for biodiversity and with the most extensive and intact hedgerow network in the country with 53,000 kms⁷ this provides an opportunity to improve management as well woodfuel as a product together with a significant contribution to ecosystem services as listed above.

Meets LEP Priority: Capitalising on our Distinctive Assets - Maximising our environmental assets

Impact & Outcomes: *(what will be delivered, any slant on audience, geography)*

- Creation of **200 new jobs**, many rural, from management of the resource to timber processing and manufacturing sectors, woodfuel suppliers and

⁴ Forestry: 7,000 Green Jobs and low-carbon growth, 2012, Confor

⁵ Forestry Skills Action Plan, Forestry Commission, 2010

⁶ Realising nature’s value: The Final Report of the Ecosystem Markets Task Force, 2013

⁷ State of Devon’s Nature, 2013 Devon Local Nature Partnership

installers of low carbon renewable heat and retrofit solutions.

- Brokered **investment in new technologies** that lead to fit-for-purpose construction and energy products manufactured in the area. This will require enhancing links between the timber supply chain and the area knowledge base, especially Exeter and Plymouth universities, product development, investment and marketing both for single businesses and collaborative enterprises.
- **Enhanced competitiveness of >50 SMEs** through bespoke business advice and support. This is a growing industry and the ability to pursue new business opportunities will require a development in the professional, commercial and practical management skills of the sector.
- Tailored skills **training received by >50 forestry and biomass businesses**, including peer to peer advice and facilitation, knowledge transfer between businesses; links with research/educational centres, study tours or visits to other parts of the UK or overseas, manual skills for small woodland and hedge management, product marketing and procurement skills.
- Uptake of **25 apprenticeship** opportunities in the forestry, timber processing, hedge management and wood energy sector.
- Improved connectivity across the supply chain in the HOTSW area and **partnership initiatives shared with neighbouring LEPs**. The sector will develop/join up markets/seek and support early adopters/champions. Strengthen working relationships across construction and energy supply chains to achieve economies of scale and efficiencies in timber supplies to allow the industry to be competitive.
- Engagement with and **support to >150 landowner/managers**, including an advisory service on the monetary value achievable from their forest and hedge resource as biomass and identifying opportunities for higher value, timber products.
- A marketing campaign featuring Cranbrook housing development as a case study to **demonstrate value of biomass heating systems** to construction industry that consumers happy to purchase a home attached to a district heating network.
- **Facilitation of 3-4 woodfuel hubs** for processing and seasoning firewood and woodchip, minimising transport of material, developing economies of scale, securing long term supply contracts. Shortened supply chains - heat local buildings with fuel from supplied from local woods and hedges and energy crops.
- **Increased flood resilience and soil conservation** across the region.

Best Practice & linkages: (state where builds on existing projects & use case studies where relevant, state where partners are keen to link programmes together. Joint procurement options etc)

This strategy links directly with the **Grown in Britain** (www.growninbritain.org) programme which seeks to **significantly increase the market pull for British grown wood products**. The programme will link with development of the 'Grown in Britain' Licensing Scheme and brand to give the construction industry, retailers and consumers assurance their timber, or timber products, comes from Britain. Torbay Borough Council is the first Grown in Britain local authority bringing their 40 woodlands into active management and will be providing resource for the local processing sector.

The programme links with and builds upon the:

- current **Forestry Business Support service** provided by the Forestry Commission and delivered by the **Forest Advisory Consortium England** – preparing enterprises to take advantage of opportunities becoming available via the Rural Development Programme
- success of the Forestry Commission’s £100,000 **South West Timber Business Development Programme 2013-14** – a package of specialist technical services, consultancy, advice and training provided to businesses with real potential to increase the value of the regional forestry and timber industry
- **Ward Forester enterprise** – developing small woodland economics and a route to market, including biomass installations
- **Cordiale Interreg IVa project** – developed good practice guidance for hedge management for wood fuel and a number of tools and case studies for assessing volume of biomass and assessment of costs of installing biomass boilers and running costs
- **Forestry Skills Initiative** apprenticeship programme in the private forestry sector, following the skills gap analysis of the **Forestry Skills Action Plan**
- North Devon Biosphere Reserve’s Forest Policy Framework and **Woodland Enterprise Zone** development
- North Devon and South Devon **Catchment Management Partnerships**
- **South West Woodland Renaissance partnership** of public sector bodies and private enterprise
- **Natural Devon’s Prospectus**, Devon Local Nature Partnership. 2014

Dependencies: (timescales, potential match funding if looking at bids, national policy & programme links, is the focus on developed area / less developed areas of the HOTSW LEP.)

The programme of support and **investment facilitation** will operate from 2015-2020.

The revenue support requested from the HOTSW LEP for the processing and market side of the sector will complement and be appropriately matched by additional sources of income: **private forestry sector investment**; capital investment in the production of timber via the EU Countryside Productivity Scheme; LEADER; New Environmental Land Management Scheme; National Apprenticeship Service.

Outputs & value for money: (targets, outputs, unit cost, no of beneficiaries)

A revenue cost of £850,000 only is required to lead this coordinated investment programme unlocking at least a £5 million growth in the sector – offering tremendous value for money by this growing industry.

Three full-time equivalent Expert Forestry Business Advisers and a part-time Sector Coordinator will be employed to meet the following outputs:

Outputs	Measure	Target delivery
New jobs created	jobs	200
Apprenticeships	apprentices	25
Tailored advice to SMES	Advice provision	50
Business support	Training to businesses	50
Support to landowners	Advice provision	150
Capital investment	£	£5 million
Woodland in management	hectares	30,000
Hedges in favourable condition	kilometres	750
Facilitation of woodfuel processing hubs	Hubs established	3-4
Wood utilised	metres ³	150,000
Energy	MWHrs	300,000