

Interim Biodiversity Net Gain Project

An interim management plan for the Council owned woodlands at Marshley Harbour, Snipe & Bassets and High Woods to deliver Biodiversity Net Gain

INTRODUCTION

1. The government published the 25 Year Environment Strategy in 2018 signalling that they would strengthen the Biodiversity Duty public bodies and introduce a mandatory system of Biodiversity Net Gain (BNG) for development.
2. The Environment Bill received Royal Assent on 9 November 2021 stating that 10% BNG would become mandatory for all development in November 2023. However, the legislation and changes in government planning guidance necessary to ensure the delivery of BNG have been slow to arrive and final details are still awaited.
3. Using the Councils adopted policy for Biodiversity (CP4) of “no net loss” and the more recent National Planning Policy Framework (NPPF) paragraphs 174(d) and 179(b) which encourages BNG, Tunbridge Wells Borough Council adopted a de facto policy of requiring 10% BNG for all new development in 2019 and so as one of the early adopters has helped shape the final technical guidance and developed some expertise in BNG. TWBC included in the drafting of its emerging Local Plan a specific BNG policy (EN 9) requiring at least 10% biodiversity net gain.
4. To support the requirement for BNG and ensure that development was not frustrated by a lack of off-site provision where this was justified the Council needed an interim project for the provision of off-site BNG.
5. In 2019 Cabinet (Cabinet report CAB61/19 12 September 2019) approved the Councils Interim Biodiversity Net Gain project utilising Council owned woodland to make up any shortfall in biodiversity Units that developers were unable to achieve on site to provide a 10% BNG. The approved recommendations of that report (paragraph 4.6) were:

“1. Continue to negotiate with applicants as necessary seeking contributions for a scheme of biodiversity offsetting on Council owned woodland with any other secured funds to go towards the establishing of a borough/county scheme.

2. Upon receipt of sufficient funding through S106 agreements for biodiversity offsetting:

i) KHWP would be instructed to prepare the necessary management plans and programmes of work for the Council owned woodland to achieve net gains for biodiversity in consultation with key stakeholders

ii) A consultant would be appointed to undertake work on devising a local scheme of biodiversity offsetting in support of the emerging Local Plan”

6. Since the adoption of that approach and in line with available guidance, developers have been challenged to deliver BNG on sites and only where that is not possible, to provide any shortfall off-site. Most developers were able to provide BNG on site but for those who could not do so they were offered the opportunity to purchase Biodiversity Units off-site from the Council under the interim scheme. The price per area biodiversity unit was set at the midpoint between the highest and lowest predicted or available prices at £18,000 per Biodiversity Unit.
7. It has taken some time for that policy to take effect and for any significant funds to come through the planning process but sufficient funds were in place at the end of 2022 to commence the project with the prospect of more development to come.
8. As of July 2023 the funds collected for BNG under the interim project total £59,271.76 and a further £160,200 is agreed under signed S106 agreements but these projects which have planning consent have not yet been implemented. In total this commits the Council to potentially providing 12 area biodiversity Units. There are more applications under consideration that may also require the interim project between now and November 2023.
9. The project commenced with the Kent Wildlife Trust Consultancy Services (KWT) and the Kent High Weald Partnership (KHWP) being commissioned to undertake a baseline assessment, provide indications of likely net gain and costs and to provide an initial management plan(s). These initial assessments by KWT (Appendix A) show the potential gains that might be achieved as follows:

Site	Baseline Biodiversity Area Units	Possible Biodiversity Area Units Following Improvements	Possible Increase in Biodiversity Area Units	Percentage increase in Biodiversity Units
Marshley Harbour Woods	306.72	338.89	32.17	10%
Snipe and Bassets Woods	153.52	166.23	12.71	8%
High Woods	117.97	119.18	1.2	1%
			46.08	19%

10. The work by KWT also suggests that this may in the future provide an income stream based on a suggested price of £22,000 per area biodiversity Unit. However this is indicative price only and more detailed costing and surveys are required to test these assumptions. This more detailed work will also be necessary if the Council agree to placing the land that is in the interim scheme into a long term government approved scheme for BNG.
11. Extreme caution is needed with regarding forecasting future costs and incomes as the gains in biodiversity need to be sustained over a minimum period of 30 years and the costs and incomes being market dependent will fluctuate during that time.
12. The KHWP have been commissioned to prepare this initial Management Plan for the Council owned woodlands together with a program to implement the proposed works including targeted actions for BNG enhancements with the aim of meeting the Councils existing commitments for the supply of BNG Units. As part of this work the KHWP will become the lead organisation for the future woodland management bringing together community, landowners, existing contractors, TWBC Officers, consultants and consenting bodies (e.g. Forestry Commission and Natural England).
13. This is an interim management plan to be worked up into more detail following the further surveys using the latest Defra Metric, community engagement and consultation with key stakeholders, the Council Parks department (who have overall management responsibility) and their Forestry contractor.
14. The additional work should provide the evidence required, should the council wish to do so, to register the land under the Environment Act 2021 and then continue to use the site where appropriate for the provision of off-site BNG. It also will enable the Council to set out more clearly and accurately the management prescriptions required and the necessary tariff per biodiversity Unit.

CURRENT MANAGEMENT

15. All three woodlands are being actively managed and whilst good practice/legislation is being adhered to in terms of landscape and biodiversity the principal objectives at present are to maintain safe and productive woodlands. Marshley Harbour and Snipe and Bassets Woods in particular contain significant stands of commercial timber requiring the input of a commercial forester. At present these works are contracted to Tillhill Forestry and although the timber value brings in some income the woodlands do not overall generate sufficient income to cover costs.
16. The Tillhill Annual Report (Appendix B) for the woodlands is contained at Appendix B and presents a good overall picture of the woodlands, their management and trends in forestry and timber markets. Whilst there are continued threats with regards tree diseases the outlook for markets is positive.
17. Snipe and Bassets has also recently been accepted as a Suitable Alternative Natural Green Space (SANGS) by Natural England and will have separate access improvements funded by development. Care will be needed to ensure that there is no conflict in meeting the objectives of both BNG and SANGS but this is something that a detailed management plan will address.
18. Management at High Woods largely falls to the KHWP who carry out minor habitat works each year with volunteers and engage a local woodland contractor to coppice sections of sweet chestnut annually at full cost recovery. This excludes the compartments identified for additional BNG.
19. The Current status of the woodlands with regards woodland grant schemes/stewardships schemes is as follows:

Woodland	Scheme	End date
Marshley Harbour Woods	Awaiting input from TillHill	
Snipe and Bassets Woods	Awaiting input from TillHill	
High Woods	Awaiting input from TillHill	

20. In addition, the Council has historical surveys and woodland data reports however whilst useful none of these provide sufficient information to enable a baseline for the Defra Metric to be completed which uses specific habitat classifications and condition scoring. It is only by improving the habitat type or condition score within the metric that gains in biodiversity can be demonstrated.

MANAGEMENT PROPOSALS

21. As noted above the initial work by KWT (Appendix A) has provided sufficient information to inform an initial work program that will deliver a quantifiable number of biodiversity area Units.
22. In addition to delivering the biodiversity Units interventions for BNG must work hand in hand with forestry management/timber harvesting. This will require the basic woodland management plans to be reviewed and updated. In addition, all three woodlands have public access and designation for landscape and wildlife and so consultation will be needed with statutory consultees and key stakeholders including local communities.
23. Interventions to improve biodiversity and achieve BNG are relatively straightforward but can be costly/time consuming and need a sustained action over long periods but these can also be combined with improvements for public access. These include:
- Control of invasive plants
 - Creation of glades and rides
 - Improved structural and species diversity
 - Infrastructure improvements to improve the efficiency of woodland management and tree growth such as haul roads and drainage.
24. Set out below are the initial prescriptions/interventions that will deliver sufficient BNG units to meet the Councils current commitments i.e. at least 12 Units and the required additional management inputs. These will need to be refined following the further surveys and potentially modified following experience and monitoring to ensure that the gains expected are delivered and that costs are realistic and to adapt plans to respond to local/community issues.
25. These initial works will focus largely on Snipe and Bassets Wood and High Woods as they have the potential to deliver 13.9 units with relatively simple

interventions. Work by the KHWP and contractors to develop and take forward the management plan and works required in years 1 to 5 are set out in the tables below. Costs are very much estimated at this stage but will be reviewed at the end of year 1.

Proposed strategic works	Who	When	Estimated Costs
Year 1 Project set up and coordination	KHWP	Year 1	£1650
Project management years 2-5	KHWP	Year 2-5	(£825pa) £3,300
Consultation with stakeholders and community (1 event @ High Woods, 2 events @ S&B Wood, 3 events @ MH Wood). Cost includes publicity and reporting.	KHWP	Year 1	£3,500
Management Plan development Snipe and Bassetts Wood and High Woods. (cost excludes RPA woodland planning grant – this will be deducted if sites are eligible)	KHWP	Year 1	£4,500
Management Plan development for Marshley Harbour Woods (further survey work required)	KHWP	Year 2	£4,500
BNG Works (see table below)	Various	Year 1-5	See below
Monitoring – habitat works, public opinion, contractor performance, health and safety, and accessibility (for Snipe and Bassetts Wood and High Woods)	KHWP	Year 1-5	(£825pa) £4,125
Total year 1 to 5			£21,575

Proposed Short Term BNG Prescriptions (years 1 to 5):

Prescription	Location	Who	When	Costs	Add. Income sources	BNG Units*
Snipe & Bassetts Wood						
Habitat enhancements to mixed deciduous	Cpts 38-41,43-45,47,48, 53-55,60	KHWP & volunteers / Forestry contractor	Year 1 to 5	KHWP – (£5,500pa) £27,500	Timber income to be assessed	8.8

woodland and riparian areas by selective thinning and creation of coppicing, invasive species removal, and ride zone management.		(for larger, less sensitive forestry works)		Awaiting forestry contractor costs but likely to be neutral based on timber value		
Restoration of PAWS areas by mixture of clearfell and gradual removal of conifer species (Western Hemlock and Larch) and replace with broadleaf species (restock and natural regeneration with deer protection)	Cpts 46,56,57	Forestry Contractor	Year 1 to 5	Tillhill - Awaiting info from Tilhill but likely to generate positive income.	Timber income to be assessed	3.2
Habitat enhancements to coniferous area with selective thinning, felling and invasive species removal	Cpt 58B	Forestry Contractor	Year 1 to 5	Tillhill - Awaiting info from Tilhill but likely to be neutral cost	Timber income to be assessed	0.7
High Woods						
Enhancement of woodland habitat by removing invasive species and carrying out	Cpt 2, 2A High Woods	KHWP & volunteers (invasives)/ Contractor (thinning and coppicing)	Year 1 to 5	KHWP – (£1375pa) £6,850 Contractor nil (cost covered by timber – to	Value of timber to be assessed	1.2

coppicing and thinning				be confirmed)		
Marshley Harbour Woods						
Works at this site are subject to further BNG assessment and survey work.	TBC	TBC	TBC	TBC	TBC	TBC
Total BNG Units				£34,350		13.9
Total Estimated Costs Year 1 to 5						

*The BNG units are the total available if works are carried out to all compartments listed.

Note – costs are estimated at time of reporting and maybe subject to change due to inflation, commercial timber value fluctuations, etc.

26. As can be seen from the tables above the anticipated total expenditure to establish the project and deliver the required 13.9 Biodiversity Units is £55,925.00. Once established subsequent years, remembering that the gains must be maintained for 30 years in total, should be less costly and investment in infrastructure should improve viability for timber extraction.

27. As noted in paragraph 8 above the Council has already collected £59,271.76 for the interim BNG project and has the prospect of a further £160,200 subject to all developments with off site BNG being implemented. This sum would provide an annual resource for continued woodland management over the subsequent 25 years of £6,408 which although annual spend would fluctuate. This is considered sufficient when taking into account existing regime for woodland management to maintain the BNG value for the required period.

28. There is of course the prospect of a further 30+ BNG units at Marshley Harbour Woods which if realised would improve overall viability of the project. The price of these units would be set following the further work and will if necessary be marketed at a higher price.

Monitoring

29. As noted above this is very much an initial proposal that will need to be reviewed and developed. The first review should be a full review towards the end of year one so that it can inform works for year two. A further review at

year two will should enable the plan to be refined and provided that all is going well further annual reviews should be through the production of an annual report setting out:

- Progress on the works
- Annual costs and expenditure
- Any notable problems or changes
- Projected costs and income over the lifetime of the project (25years)

30. These annual reports will be subject to approval from the head of Planning and the relevant member for Cabinet.

Draft v01 15/08/2023

Appendices

Appendix A: Kent Wildlife Trust Initial Assessments Marshley Harbour Woods, Snipe & Bassetts Woods and High Woods.

Appendix B: Tillhill Annual Report

Appendix A: Kent Wildlife Trust Initial Assessments Marshley Harbour Woods, Snipe
& Bassetts Woods and High Woods.

DRAFT

BNG Report with Outline Management Recommendations

Site area: 33.1 ha

Marshley Harbour Woods

Marshley Harbour Woods is the largest of the three project sites in Tunbridge Wells. The majority of this site consists of ancient semi-natural woodland, with mixed broadleaved species and a conifer high forest. Scot's pine parcels are found on the northern and southern edges of the site. Only a small area of deciduous woodland is in good condition, the rest of the site's habitats are currently in poor or moderate ecological condition, including the two small grassland habitats.

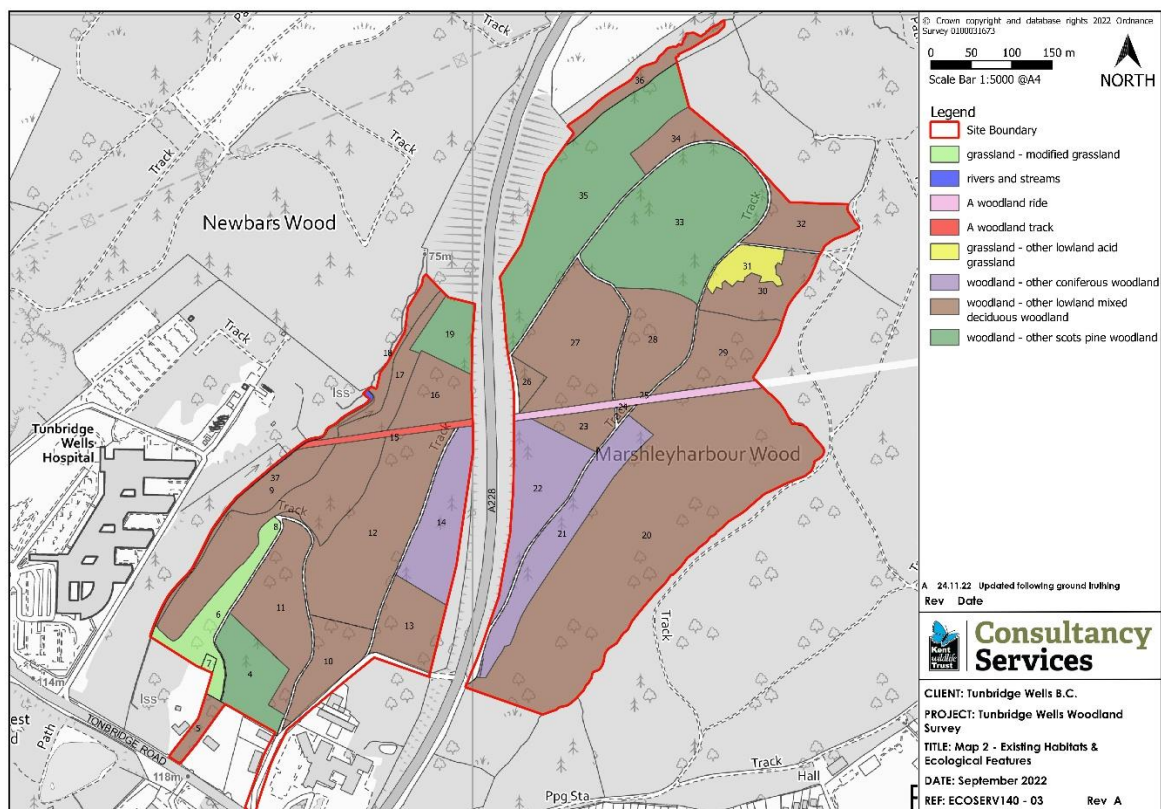


Figure 1. Map of Marshley Harbour Woods.

The proposed management changes are estimated to produce a total net gain of 32.17 BNG units (10.49% gain) across all habitats. The existing coniferous forest will be removed and replaced by mixed deciduous woodland (natural regeneration), resulting in a net BNG gain of 18.48 units for the total deciduous woodland area. Scot's pine forest areas will be enhanced from poor to moderate condition (5.36 ha) and from moderate to good condition (1.2 ha), generating a net gain of 11.86 units. Ecological condition is also expected to improve in grassland habitats, modified grassland will be enhanced to good condition from moderate, and dry acid grassland will reach moderate condition from its previous poor state. Total

grassland BNG will increase by 1.83 units. Cyclic coppice, selective thinning, invasive species control and clear felling to encourage heathland are some proposals that are expected to increase biodiversity and ecological conditions of the Marshley Harbour habitats. Table 1 summarises this process.

Assuming a price of £22,000 per BNG unit, interventions are expected to generate a total income of £707,740. A detailed cashflow is shown below (Table 2), with a final project balance of £493,250.

Table 1. Summary proposed management and estimated BNG units before and after intervention.

Habitat	Proposed Management	Baseline BNG units	Post-intervention BNG units	BNG units net gain
Modified grassland	<ul style="list-style-type: none"> Cyclic chestnut coppice Selective thinning Replace conifer high forest with broadleaved species (natural regeneration) Invasive species control Clear and selective felling to promote heathland and lower plant cover Enhance long-term ecological integrity 	2.99	4.22	1.23
Lowland dry acid grassland		3.06	3.66	0.6
Mixed deciduous woodland		255.09	283.41 (*coniferous woodland transitions to deciduous)	18.48
*Coniferous woodland		9.84		
Scot's pine woodland		35.74	47.6	11.86
TOTAL		306.72	338.89	32.17

Table 2. Cashflows expected from proposed interventions over 30 years.

	Year 1	Year 10	Year 20	Year 30	Total
Annual Costs	£49,541	£24,563	£34,872	£6,268	£214,490
Cumulative Costs	£49,541	£98,709	£165,018	£214,490	
Total Income					£707,740
Project Balance	£658,199	£609,031	£542,722	£493,250	£493,250

BNG Report with Management Recommendations

Total Area: 15 ha

Basset's and Snipe Wood

This woodland is primarily composed of a mix of species including oak, ash, sweet chestnut, cherry, birch regeneration, beech, western hemlock, larch and pine; arranged in three types of woodland: coniferous, lowland mixed deciduous and Scot's pine woodland. Figure 1 presents the distribution of these habitats in the wider area.

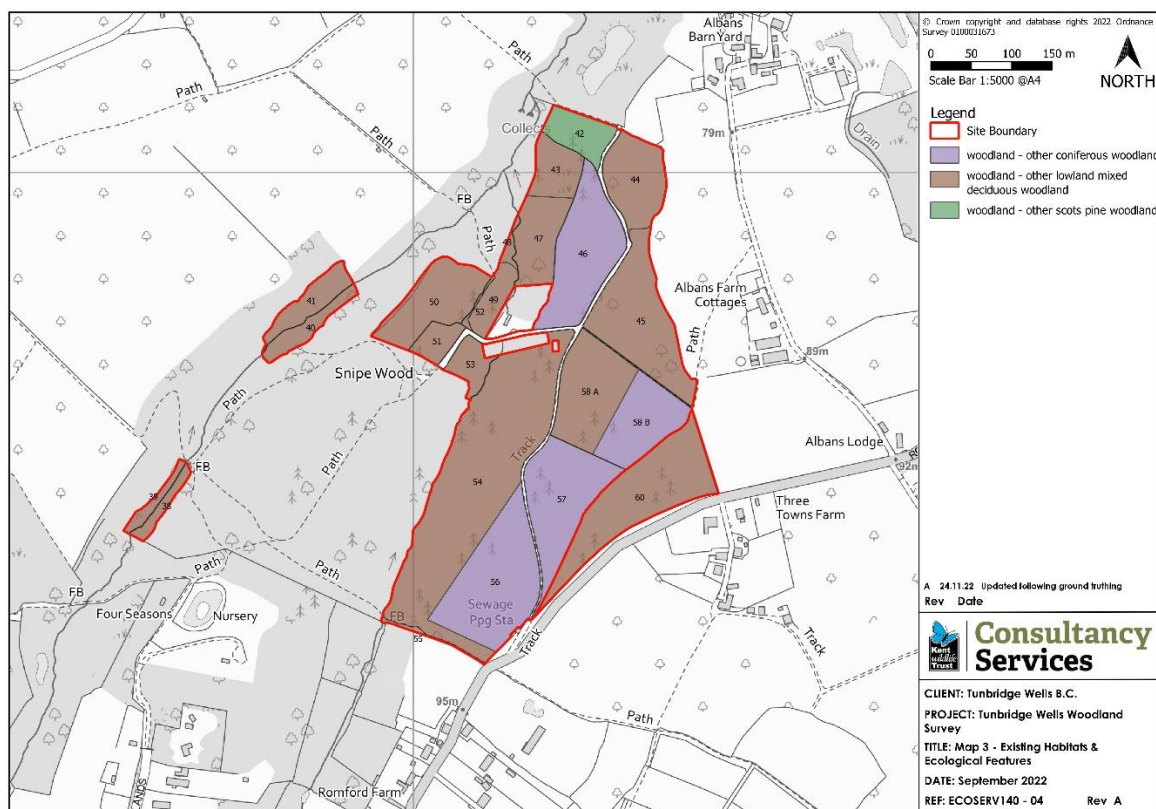


Figure 1. Map of Basset's and Snipe Wood

The proposed management changes are estimated to produce a total net gain of 12.71 BNG units (8.28% gain) across all habitats. The majority of the mixed deciduous woodland is currently in moderate ecological condition, with a smaller area in poor condition. The suggested management should enhance the habitat to at least one higher condition level, and create an additional 3.8 ha of deciduous woodland, resulting in a total of 12.6 ha of woodland in good condition and a 2.3 ha in moderate condition, which will overall generate a net gain of 11.99 BNG units.

Woodland areas where western hemlock is currently present (coniferous habitat) will be removed in order to allow for natural regeneration to create the new deciduous woodland area. The remaining coniferous woodland will be enhanced from poor to moderate condition,

resulting in 0.72 BNG units net gain. Selective thinning, felling and invasive species control are the primary management proposals to drive the ecological enhancements.

Below, Table 1 summarises this process. Assuming a price of £22,000 per BNG unit, the proposed interventions are expected to generate a total income of £230,120. A detailed cashflow is shown below (Table 2), with a final project balance of £76,506.

Table 1. Summary proposed management and estimated BNG units before and after intervention.

Habitat	Baseline BNG units	Proposed Management	Post-intervention BNG Units	BNG net gain
Coniferous Woodland	1.76	<ul style="list-style-type: none"> Selective thinning or broadleaved species Replace western hemlock with broadleaved species (natural regeneration) Clear and selective felling to promote heathland and lower plant cover Non-native species control Enhance long-term ecological integrity 	2.48	0.72
Mixed Deciduous Woodland	146.54		158.53	11.99
Scot's Pine Woodland	5.22		5.22	0

Table 2. Cashflows expected from proposed interventions over 30 years.

	Year 1	Year 10	Year 20	Year 30	Total
Annual Costs	£25,254	£12,664	£19,290	£6,509	£153,614
Cumulative Costs	£25,254	£55,378	£105,191	£153,614	
Total Income					£230,120
Project Balance	£204,866	£174,742	£124,929	£76,506	£76,506

BNG Report with Outline Management Recommendations

High Woods

Total Area: 10.22 ha

This ancient semi-natural woodland is divided in a western area of modified grassland and a lowland mixed deciduous woodland. Chestnut, oak and hazel are the dominant species, with some invasive species throughout the woodland.

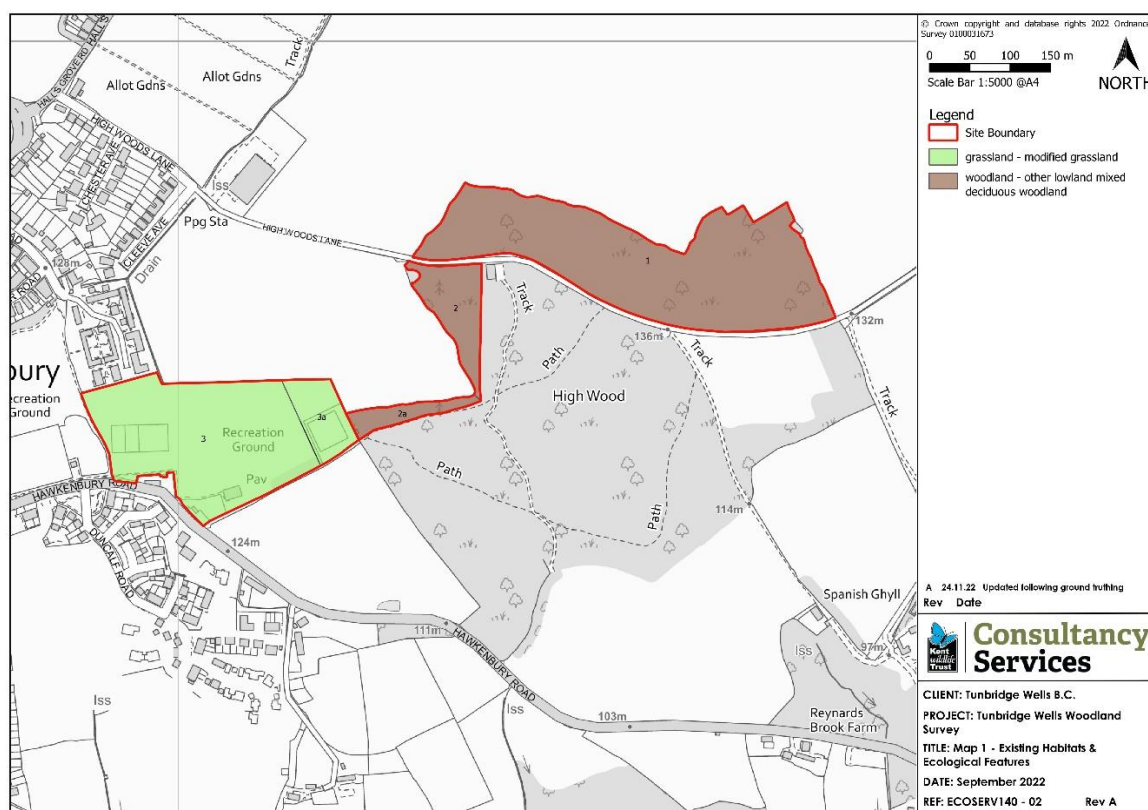


Figure 1. Map of High Woods.

The majority of the woodland area is in good condition. No habitat transitions are necessary in High Woods, only enhancement of the grassland and those woodland areas in poor and moderate condition. Removal of invasive species and regular woodland maintenance (e.g. thinning, coppice) are the key management proposals to generate the uplift. Table 1 represents a summary of this.

The proposed management changes are estimated to produce a total net gain of 6.59 BNG units (5.25% gain) across both habitats, most coming from modified grassland enhancement (5.39 units), which is expected to improve from poor to moderate ecological condition. The woodland will only generate a net gain of 1.2 BNG units due to most of it being in good condition initially, only a minor area will need to be enhanced from poor to moderate (0.32 ha) and from moderate to good condition (0.76 ha).

Assuming a price of £22,000 per BNG unit, interventions are expected to generate a total income of £144,980. A detail cashflow is shown below (Table 2), with a final project balance of £86,519.

Table 1. Summary proposed management and estimated BNG units before and after intervention.

Habitat	Baseline BNG units	Proposed Management	Post-intervention BNG Units	BNG net gain
Modified grassland	7.7	<ul style="list-style-type: none"> Coppiced on a cyclic bases and at different ages (structural diversity) Selective broadleaf thinning Invasive species control Maintenance of footpaths, archaeological sites and vehicle access points 	13.09	5.39
Mixed Deciduous Woodland	117.97		119.18	1.2

Table 2. Cashflows expected from proposed interventions over 30 years.

	Year 1	Year 10	Year 20	Year 30	Total
Annual Costs	£9,498	£3,614	£4,361	£3,046	£58,461
Cumulative Costs	£9,498	£27,853	£42,312	£58,461	
Total Income					£144,980
Project Balance	£135,482	£117,127	£102,668	£86,519	£86,519

Annual Report

Pembury Woodlands

Marshley Harbour, High Wood, Bassetts & Snipe

2022/2023

Location:	Tunbridge Wells, Kent
Area:	84.5 ha
Owner:	Tunbridge Wells Borough Council
Period:	01 April 2023 to 31 March 2024
Prepared by:	Tom Bailey
Tilhill Region:	Southern England



Overview of the Year

It has been a quiet year at Pembury Woods which has seen work undertaken to ensure compliance with Countryside Stewardship. Sweet chestnut coppicing has continued in compartment 11a. The coppiced stools have already started to re-grow and show signs of vigour throughout.

There were multiple new mountain bike jumps and ramps constructed, and these were cleared as per the client instruction.

There has also been a notable spread of Gaultheria within compartments 10a and 10b, therefore chemical weeding is proposed for the coming year to suppress the spread.

Financial Report

Please see the Client Property Report on page 6.

Operations

Income

Countryside Stewardship Scheme

The Countryside Stewardship annual payment of £4,872.00 is paid directly to Tunbridge Wells Borough Council (TWBC) and does not pass through the Tilhill system.

Timber Income

The predicted timber harvesting in Basset and Snipes wood did not happen over the course of the financial year of 2022/23 and therefore there was no timber income for this year. The timber harvesting has been proposed to the coming year.

Expenditure

Forest Management

Ongoing woodland management, supervision and administration of operations and site visits to achieve the management objectives set out in accordance with industry best practice as defined by the UK Forestry Standard and to achieve the current management objectives and Countryside Stewardship objectives.

Timber Operations Management

This cost centre covered the time required to organise, administer, and supervise the coppicing at Marshley Harbour; income will be received in the new financial year.

Restock Planting

The restocking in Cpt 18a has not been carried out and this cost centre will be carried over into the next financial year.

Property Maintenance

Bicycle jumps had been built within the woodland and were therefore removed during the course of the year.

Ride Maintenance

Mowing at Marshley Harbour was undertaken together with the annual ride mowing of the main footpaths in line with the Countryside Stewardship Agreement.

Advisory

This cost centre was used to produce a report to review the biodiversity opportunities across the woodlands as requested by the Client.

Your Objectives in Owning the Property

Please read through the management objectives below. These have been taken from the updated Woodland Management Plan and aim to deliver a more concise management strategy.

- Maintain the woodland as a commercial asset
- Maintain a safe recreational environment for users of the woodlands
- Control non-native invasive plant species
- Encourage understorey development of native broadleaf species and flora
- Manage the woodlands to support local woodland workers

The Year Ahead

Income

Countryside Stewardship Scheme

The fourth annual payment for the Countryside Stewardship WD2 was claimed in April of this year, with funds likely to be in your account in December 2023. This money will be used to help aid all below forestry operations within the woodland in line with the Countryside Stewardship obligations.

Timber Income

It is planned to carry out conifer harvesting operations in Bassetts and Snipe Woods. It is hoped that a shutdown can be arranged with UK Power Networks for the overhead powerline that dissects the wood. Western hemlock will be clear felled in two strips from the side of the powerline to boost return, whilst improving line safety. Furthermore, there is potential to start coppicing compartments 22a and 26b.

Expenditure

Forest Management

Ongoing woodland management, regulation and administration of operations to achieve the management objectives set out in the Woodland Management Plan in accordance with industry best practice as defined by the UK Forestry Standard and the Countryside Stewardship Scheme.

Restock Planting

Compartment 18a will be restocked within the planting season between October 2023 and February 2024.

CS Capital Grant for Loading Bay

It is proposed to apply for funding in the form of the Countryside Stewardship Capital Grant to mitigate the cost of the creation of a loading bay at the hospital side of Marshley Harbour. Therefore, this cost centre represents the cost of the application and potential planning permission needed for the creation of this woodland asset.

CS – Grant Application for Countryside Stewardship

The cost associated with applying for a five year grant through Countryside Stewardship in the form of WD2.

Mountain Biking Licence Management and Creation

The estimated costs for the creation of a mountain biking licence for the woodland. The management and designation of the route will be in line with Client requirements; including an annual report on the route and site visits to ensure this route is being adhered to and is not infringing on the access rights across the property.

Property Maintenance Mowing

This cost code covers mowing at Marshley Harbour and annual mowing will be carried out across the main footpaths.

Woodland Management Plan Submission

A review and submission of the Woodland Management Plan for Marshley Harbour, Basset and Snipes and High Wood.

Chemical Spraying – *Gaultheria shallon*

There has been a notable spread of Gaultheria, especially in compartments 10a and 10b. A full spread analysis will be undertaken in these compartments and chemical weeding will be undertaken during the late spring/summer to suppress the spread.

Property Maintenance

To cover ad-hoc maintenance of all three woodlands as they arise. This includes regular works to the parking area at Bassetts and Snipe and path/access maintenance across all woods. It is proposed to trim the plantation in late summer and there are new bike jumps which have been created in Cpt 10A and an excavator will be needed to remove them.

Timber Operations Management

This cost centre will cover the time required to organise, administer and supervise the proposed harvesting operations across the Marshley Harbour and Bassetts and Snipe woodland properties. This cost includes consultation and site meetings with UKPN for powerline shutdowns.

Advisory

A provisional cost centre to cover any additional projects or operations you may request over the course of the next twelve months.

What Do You Need To Do Next?

Review the operations and enclosed budget estimate for 2023/24. If you are happy to proceed, please sign and return a copy of the estimate to the Forest Manager: Tom Bailey, Tilhill, 9-10 Mill Lane, Alton, Hampshire, GU34 2QG or by email: tom.bailey@tilhill.com

Property Market

Nationally woodland property values have continued to rise during 2021/22. The Tilhill and Goldcrest Property Report suggests that on average, values have increased by 10%. Transactions are down 3% on 2021 levels. However, this is the third year in a row where transactions have totalled around £200m, unprecedented before 2020.

The scene in England is much more sensitive to location and based around smaller, mixed woodlands. A standout sale in 2022 was an 85-acre ancient woodland on the edge of Chichester which sold for £21,000 per acre. The average sale price was £6,646 per acre, slightly up on last year with an average size of 88 acres being traded. Location, access and presentation are key to securing potential buyers' interest.

Timber Market

Following the surge in demand for softwood timber in the face of Covid-19 down time, markets began to correct in the last half of 2021. At the same time, clear up from storm Arwen continued to generate large volumes of timber for sale and the market saw extensive importing of sawn timber. At the beginning of 2022 processors had amassed large stocks of timber and, anticipating a strong demand had confidence to build up their stocks of finished goods. However, in February, Russia invaded Ukraine, concerns regarding the consequences of war in eastern Europe, global inflation and fears of recession conspired to put pressure on domestic economies leading to a

reduced demand for sawn timber globally. Processors reacted by reducing sawn timber production. Lack of demand has led to a sharp drop in the price of softwood log grade timber.

Whilst the sawn wood market is depressed there is a demand for smaller roundwood. Russia supplied approximately two million tonnes of wood pellet annually, primarily to the European market. Sanctions imposed against Russia mean this supply is no longer available. The consequence is a massive demand for industrial roundwood to supply the energy and pulp markets.

The UK domestic hardwood market is in better shape. Demand for good parcels of oak remain strong. Demand for beech is increasing, provided the grade is correct. Prices for firewood have crept up this year on the back of extraordinarily strong demand.

Whilst the prices for standing timber market lies well below unprecedented values achieved during the pandemic, it is worth noting that prices are high and equivalent in comparison to those three to four years ago. With a drive to decarbonise the economy and the processing sector continuing to invest, it seems logical that the long-term demand for timber will remain healthy.

Tree Health (General) – Southern England

The spread of the eight – toothed spruce bark beetle (*Ips typographus*) is confined to a demarcated area in the southeast. The pest is being controlled by enforced felling and regulations regarding the transportation and processing of infected material. The impact of Ash Dieback disease is sadly becoming more apparent in the countryside. It is noteworthy that infected ash become unstable and represent a liability to owners where the trees are situated close to roads or areas of public use.


Surveillance has identified findings of *Phytophthora pluvialis* at 31 woodland sites across Great Britain since commencing in September last year. The majority of these findings are on Western hemlock, and in most cases, affected sites consist of a small number of infected trees forming part of the understorey. In other cases, findings are limited to individual young trees with partial branch dieback. Findings in Douglas fir have been fewer and are usually associated with heavier Western hemlock infection.

The impact of the disease would seem to be far less than was first feared. However, vigilance remains. Work is ongoing within the industry to understand the full range of symptoms across a range of species to assess the potential impacts that the disease may have.

Future Outlook

Interest in forestry assets remains, despite the geopolitical situation and the economic malaise. The medium-term outlook for domestic timber remains strong. Expectations are that the use of timber will increase as a low carbon material. Where timber remains unmatched, is having a proven model that sequesters carbon. Planting for carbon credits is gaining momentum and has the potential to provide outsized returns.

Client Property Report

 Tilhill BSWGROUP member of binderholz		31/05/2023 08:27:59 Page 1 of 1
Business Unit: Southeast England Area		Manager: Tom Bailey
Contract No: 6499	Contract Name: Pembury Woodlands	Contract Type: Client Property
Client Name: Tunbridge Wells Borough Council		Client Year: 2022
Operation	Expenditure / Income	
	Actual	Estimated
INCOME		
Timber Income - Thinning Bassetts & Snipe Harvesting	£0.00	£6,000.00
Grant Income - Other WD2 Grant	£0.00	£4,880.00
Total INCOME	£0.00	£10,880.00
EXPENDITURE		
Forest Management - Advisory Provisional for Additional Works Required	£1,080.00	£90.00
Timber operations management (TOM) - Harvesting Supervising Timber Operations	£250.00	£680.00
Ride Maintenance - Flailing Ride Mowing	£790.00	£780.00
Plant Supply - Broadleaves Restocking Cpt 18a	£0.00	£1,190.00
Property Maintenance - Other General Maintenance	£1,187.00	£2,100.00
Forest Management - Forest Management Management Fee	£1,500.00	£1,500.00
Total EXPENDITURE	£4,807.00	£6,340.00
Net Income / Expenditure:	-£4,807.00	£4,540.00