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3 November 2017

Dear Edward,

Thank you for the constructive and helpful Rural Economy and Connectivity Committee report on the Forestry and Land Management (Scotland) Bill at Stage 1, published on 6<sup>th</sup> October 2017. Ahead of the plenary debate on Tuesday 7<sup>th</sup> November I enclose the Scottish Government's response to the recommendations in the report.

My response also covers the recommendations made at Stage 1 by the Delegated Powers and Law Reform Committee in their report published on 27<sup>th</sup> June 2017, and those made by the Environment, Climate Change and Land Reform Committee in the Convener's letter to you dated 19<sup>th</sup> September 2017. I extend my thanks for careful scrutiny and consideration of the Bill at Stage 1 to those Committees and to the Finance and Constitution Committee. I am copying this letter to their Conveners.

I look forward to continuing to work with the Committee and the wider Parliament on the Bill as we complete devolution of forestry and establish a modern statutory framework to support a sector that is at the heart of the rural economy in Scotland.

Yours sincerely,

**FERGUS EWING**



Committee	Recommendation	Scottish Government response
<b>Organisational structures</b>		
RECC	<p>Given the wide-ranging concerns expressed by stakeholders at the separation of the functions of the Forestry Commission the Committee calls on the Scottish Government to provide further reassurance with regard to its proposals. It recommends that the Scottish Government provide a comprehensive statement, alongside the bill, setting out how it will manage and administer its forestry responsibilities. This should include particular detail on the creation of the proposed land management agency and how a close and effective working relationship will be maintained between it and the forestry division.</p>	<p><i>The new structures preserve the current distinction between Forestry Commission Scotland (FCS) and Forest Enterprise Scotland (FES).</i></p> <ul style="list-style-type: none"> <li>• <i>FCS is becoming a dedicated Forestry Division responsible for grants, regulation, support and development;</i></li> <li>• <i>FES, already an agency, is becoming Forestry and Land Scotland, an executive agency of Scottish Ministers responsible primarily for management of Scotland's National Forest Estate.</i></li> </ul> <p><i>The Scottish Government acknowledges the interest that stakeholders have in these organisational arrangements and will provide a statement, as recommended by the Committee, setting out how it will manage and administer its forestry responsibilities and the relationship between the Forestry Division and the agency, Forestry and Land Scotland.</i></p>
RECC	<p>The Committee acknowledges the wide range of expertise which is required in modern forestry and notes the particular concern of many stakeholders that the professional expertise of foresters could be diluted under the proposed new structure. It therefore calls on the Scottish Government to set out specifically in the statement recommended above how the forestry-related skills and expertise will be retained and developed under the new structure. In addition, the statement should clarify the future roles that are envisaged for the National Committee for Scotland and Regional Forestry Forums.</p>	<p><i>The Scottish Government recognises that stakeholders have concerns relating to a potential loss of expertise and skills across the wide range of professions operating within FCS and FES.</i></p> <p><i>We are already demonstrating our commitment to expanding the existing skills development mechanisms in FCS and FES, in response to the Mackinnon review (<a href="http://www.gov.scot/Topics/farmingrural/Forestry/JimMackinnonreport">http://www.gov.scot/Topics/farmingrural/Forestry/JimMackinnonreport</a>) and in recognition of staff capacity needed to achieve Scotland's expanded forestry ambition.</i></p> <p><i>Looking to the future, we acknowledge the importance of retaining the local office networks and sustaining opportunities for interchange between agency and division. The issue of skills retention is a focus of the 'New Agency' and 'New Division' projects under the recently established Forestry Devolution Programme. These projects will be identifying ways to continue to recognise and value engagement with professional bodies and identify jobs requiring specific professional qualifications, such as in forestry. These projects are also already considering options for future stakeholder engagement by the Division and the agency - we are committed to working closely with sector</i></p>

		<i>and other interested parties. We also take this opportunity to confirm that, as an executive agency of the Scottish Government, Forestry and Land Scotland will have non-executive members on its board.</i>
RECC	The Committee further recommends that any significant future change to the arrangements set out in the statement must be notified to Parliament, and be the subject of further consultation.	<i>The Scottish Government recognises the intention behind this recommendation, to ensure that any future changes are given full and due consideration, including gathering the views of relevant interests. The Scottish Government will therefore consider this recommendation carefully.</i>
RECC	The Committee also considers that a clear message would be sent as to the status attached to forestry under the new structure if the head of the proposed dedicated forestry division should be designated as 'Chief Forester'. It calls on the Scottish Government to give consideration to this proposal.	<i>The Scottish Government has noted the evidence presented to the Committee regarding the creation of 'technical post of Chief Forester' and will consider the idea further.</i>
<b>Part 2 – Forestry functions</b>		
RECC	The Committee considers it essential that a statutory process exists to ensure that a regular revision and review of the Forestry Strategy is undertaken. It therefore recommends that, in addition to ongoing monitoring, the bill be amended to place a requirement on Scottish Ministers to review the Forestry Strategy every 5 years with a commitment to refresh the Strategy every 10 years.	<i>The Scottish Government is mindful that the forestry sector depends on a long-term vision and that, given the long term nature of forestry and the need for confidence to ensure ongoing investment in new planting, it is important that the review cycle for the strategy is of an appropriate length. For example, there is a known unintended consequence of the current seven year cycle for the CAP in that it leads to a suppression of woodland creation for around two years following each review; that this is a cause of concern for the sector and the Scottish Government.</i>
RECC	The Committee also recommends that this refresh be subject to full consultation with forestry stakeholders and that an appropriate requirement is placed on the face of the bill to allow the Parliament the opportunity to scrutinise a draft strategy before a final version is published.	<i>We acknowledge that there is a balance to be struck between providing certainty and ensuring flexibility in order that the strategy is up to date and relevant. Appropriate consultation is fundamental to developing, reviewing and revising the strategy but again we note that this requires adequate timescales to be meaningful.</i>  <i>With these points in mind, we accept that there should be a clear and understood cycle of review and revision and will consider further what the appropriate timescales are for review and revisions, what level of consultation is required at each stage, and whether such details should be included on the face of the Bill.</i>

RECC	<p>The Committee believes that strong links between forestry and policy areas such as land use, planning, community empowerment, climate change and biodiversity are vital. It notes the Scottish Government's awareness of its existing statutory commitments. However, it is clear that stakeholders are seeking reassurance that the need for this policy integration will be clear and unambiguous and that there will be a requirement for it to be delivered.</p> <p>The Committee therefore calls on the Scottish Government to include an overarching, high level statement of ambition, on the face of the bill, that makes clear that modern forestry strategy and practices will reflect an integrated approach to land use, community interests and the environment.</p>	<p><i>The outcome of the completion of the devolution of forestry and the introduction of the new organisational arrangements is that those who currently advise Scottish Ministers on forestry policy will sit within the core Scottish Government which, in itself, will lead to greater policy alignment and integration. In addition, the Bill requires the Scottish Ministers to promote, and take regulatory decisions in line with, sustainable forest management; balancing the economic, environmental and social aspects of forestry. We will consider the Committees' recommendations to include more detail on alignment with other relevant policy areas on the face of Bill. We will also reflect on whether to extend the requirement the Bill places on the development of the Scottish Forestry Strategy to have regard to certain strategies, to selected existing statutory duties (eg the biodiversity duty under the Nature Conservation (Scotland) Act 2004) or frameworks (eg on deer management as set out in the Deer (Scotland) Act 1996, as amended). We note, however, that there are a large number of policies, statutory duties and frameworks which are relevant to the economic, environmental and social outcomes of forestry, hence we will consider these matters carefully in order to avoid limiting the scope of the linkages catered for by any amendment.</i></p>
ECCLR	<p>The Bill could be better integrated with SG policies on biodiversity, deer management and climate change and we encourage the SG to improve policy alignment at Stage 2. The Committee also considers there is merit in the need to have regard to biodiversity and deer management requirements on the face of the Bill.</p>	
RECC	<p>The Committee notes the Scottish Government argument that sustainable forest management is a dynamic term and that by placing the definition on the face of the bill it could become outdated over time. However, for clarity and avoidance of doubt in future, it recommends that the Scottish Government make a commitment that, for as long as sustainable forest management is the goal, the accepted definition should be included in the Forestry Strategy.</p>	<p><i>The Scottish Government welcomes the Committee's recommendation and agrees to include the accepted definition of sustainable forest management (SFM) in the Scottish Forestry Strategy. We note that this fits well with the section 3(2) requirement for Scottish Ministers to set out their objectives, priorities and policies with respect to the promotion of SFM, and ability to set out other matters with respect to the promotion of SFM.</i></p>

RECC	The Committee also calls on the Scottish Government to clearly set out within the Forest Strategy how it will integrate with the UK Forestry Standard, which is the current framework for the delivery of sustainable forest management in the UK.	<i>Integration between the goals of the Scottish Forestry Strategy and delivery of sustainable forest management through compliance with the UK Forestry Standard will be an integral part of the Strategy. We therefore accept the Committee's recommendation.</i>
RECC	The Committee recognises the benefits of sustainable forest management and agrees with those who suggested in evidence that there would be advantage in extending the duty. It therefore recommends that the Scottish Government gives consideration to extending the duty to promote sustainable forest management to all relevant public bodies. It also encourages the Scottish Government to consider how it may effectively promote sustainable forest management in the private sector.	<i>The Scottish Government welcomes the recognition by the REC Committee of the benefits of sustainable forest management (SFM). We will consider whether the section 2 duty to promote SFM could, or should, be extended to other bodies. We note however that the duty is placed on the Scottish Ministers in the context of their new functions for forestry regulation, development and support. These functions rightly sit with one body. We also note that the current regulator already goes above and beyond promoting SFM as it is a pre-requisite for grants and the basis for the regulatory regime.</i>
ECCLR	<i>Please see recommendation relating to Sustainable Forest Management and Sustainable Development in section on management of land by Scottish Ministers.</i>	
<b>Part 2 - Tree health, and cross-border functions</b>		
RECC	The Committee believes that the cross border nature of Forest Research is critical to ensuring the health of Scotland's trees and those across the UK. It recommends that the Scottish Government should bring forward an amendment to the bill to strengthen the provisions relating to tree health and other forestry research from a power to a duty.	<i>The Scottish Government agrees that continued cross-border working is vital to the smooth operation of the response to issues such as tree health and disease. We recognise the importance of forestry science and research in the effective discharge of responsibilities in those areas as well as acknowledging the role of other bodies in delivering relevant research (for example the Scottish research institutes).</i>  <i>We are, however, concerned that amending the Bill as suggested could lead to a situation where the Scottish Ministers are obliged to undertake research where it may not be necessary, or might more appropriately be carried out by another party. This concern extends beyond the sphere of tree health research, as the power at section 61(a) covers all research for the purpose of or in connection with the functions in the Bill.</i>
RECC	The Committee also calls on the Scottish Government to provide a written update on its ongoing discussions with the	<i>The Scottish Government has noted the points raised by stakeholders and continues to discuss cross-border functions with the other UK governments.</i>

	rest of the UK on the cross border functions of Forest Research. This should include clarity, when possible, on whether it will be delivered by a single joint body in future. It also calls on the Scottish Government to take the concerns of stakeholder as expressed in this report into account during these discussions.	<i>We will provide the Committee with an update on those discussions in due course.</i>
RECC	The Committee recommends that an appropriate framework agreement for continued cross-border approach to forest research and tree health should be agreed and in place before the relevant sections of the bill come into force.	<i>The Scottish Government agrees that it is important that arrangements are in place for continued cooperation with other parts of the UK, prior to the relevant sections of the Bill coming into force. It is our intention that a Memorandum of Understanding with the UK and Welsh Governments will underpin delivery of the functions and be in place prior to 1 April 2019 when the new devolved arrangements will commence. We would be happy to provide updates on progress at appropriate points in the Bill's process.</i>
ECCLR	The Committee considers cross-border co-operation on the issue of tree health in the future is essential and we seek assurance that this will be a focus for the new forestry agency.	
<b>Part 3 – Management of land by Scottish Ministers</b>		
RECC	The Committee welcomes the Scottish Government's recognition of the need for clarity in the bill regarding the designation of afforested land which must be managed for sustainable forest management and 'other' land which will be managed for sustainable development. It calls for amendments to be brought forward by the Scottish Government which provide a clear and easily understood distinction between these two categories of land.	<i>The Scottish Government has received stakeholder requests for greater clarity in relation to whether management should be according to sustainable forest management or sustainable development, for any particular category of land. As noted by the Cabinet Secretary in his evidence to the Rural Economy and Connectivity Committee on 13 September 2017, we are examining whether drafting changes might usefully be made at Stage 2.</i>
ECCLR	Request that Scottish Government reflect on drafting of land management sections in advance of stage 2 to clarify the circumstances in which land is to be managed for SFM and those in which land is to be managed for SD.	

ECCLR	<p>The consultation on the Future of Forestry in Scotland published in August 2016 did not ask about Section 13 of the Bill - management of land to further sustainable development - and there appears to have been no consultation on the broader land management purpose. The Committee is concerned that the consultation that informed the Bill did not seek views on the broad land management purpose and we are unaware of any evidence base under-pinning the need for the provisions in Section 13. It appears that Scottish Government officials were unable to set out why the powers in Section 13 are needed or under what circumstances it would be appropriate to use these powers. The Committee would welcome clarification from the Scottish Government on these points in advance of Stage 2.</p> <p>The Committee remains unclear as to what that the issue or problem the Part 3 provisions in relation to sustainable development are intended to address and the need for these provisions; the circumstances in which the provisions are intended to be used; how they will result in the establishment of a 'land agency' and; how this relates to the Scottish Land Commission. We would welcome further clarity on this from the Scottish Government in advance of Stage 2.</p>	<p><i>The purpose of the wider land management powers (those linked to furthering sustainable development), is to create more flexibility in the use of the Scottish Ministers' land (the National Forest Estate) and enable a wider land management role for the new agency (Forestry and Land Scotland) to help manage other land, including publicly-owned land, in the national interest.</i></p> <p><i>The 'Future of Forestry' consultation, published on 31 August 2016, sought views on the creation of Forestry and Land Scotland as a land agency for Scotland capable of managing the National Forest Estate for purposes broader than purely forestry and capable of managing other people's land in the future, including other publicly owned land.</i></p> <p><i>Forestry and Land Scotland will be an executive agency of Scottish Ministers and share the same legal identity – it will be established administratively. The agency will perform Scottish Ministers' land management functions set out in the Bill. Its initial focus will continue to be the management of the National Forest Estate however it will have the flexibility to take on the management of other land in the future.</i></p> <p><i>The Scottish Land Commission's remit is to review the effectiveness and impact of laws and policies relating to land, and to make recommendations to Scottish Ministers. A key part of their first three-year Strategic Plan is to examine options for future land reform. In the future they will also review tax and fiscal arrangements, including the potential for a land value tax; examine constraints on the supply of land for housing, including land banking; and look at options to bring vacant and derelict land into productive use.</i></p>
RECC	<p>The Committee acknowledges that it is not current practice to define 'sustainable development' in legislation. However, some stakeholders are clearly seeking clarity on the term and its use in relation to forestry. In a similar manner to the issue regarding the definition of 'sustainable forest management' the Committee recommends that the Scottish Government should make a clear commitment to include the current working definition of sustainable development in the Forestry Strategy.</p>	<p><i>The Scottish Government notes the Committee's recommendation and agrees to include a working definition of sustainable development in the Scottish Forestry Strategy.</i></p>

RECC	The Committee recommends that, to provide consistency with the recommendation above regarding sustainable forest management, the Scottish Government should consider extending the duty to promote sustainable development beyond Scottish Ministers to all public bodies.	<i>The Scottish Government will consider these recommendations alongside the recommendation to extend the section 2 duty to promote sustainable forest management. (See page 5)</i>
ECCLR	The Committee considers the duties to promote sustainable forest management and sustainable development in Sections 9 and 13 should also be on every relevant public body and office-holder and not just on Scottish Ministers. The Committee recommends the Bill is amended to reflect this.	
RECC	The Committee acknowledges the concerns of some stakeholders in relation to the compulsory purchase provisions in the bill and notes that current guidance on compulsory purchase does not include direct reference to sustainable development. It also notes stakeholder comments on the need to review the system of compulsory purchase more generally. The Committee welcomes the Scottish Government's commitment to look carefully at the way in which the proposed extension of powers for compulsory purchase in relation to sustainable development is set out in the Bill.	<i>The Scottish Government notes the views expressed by stakeholders and the Committees in relation to the compulsory purchase provisions in the Bill. We also note that the Committees have put forward different approaches to addressing those concerns, and will consider these in the round in advance of Stage 2.</i>
RECC	The Committee recognises the need for the retention of compulsory purchase powers which may be required in certain circumstances in order to unlock the potential in forestry land. With this in mind, it is content for the powers in the 1967 Forestry Act in relation to compulsory purchase to be replicated in the bill. However, the majority of the Committee is of the view that the Scottish Government is yet to provide sufficient justification for its proposed extension of compulsory purchase powers to cover sustainable development.	
RECC	The majority of the Committee therefore calls for the bill to be amended to remove the provision at section 16 (1)(b)	



	which allows for the compulsory purchase of land by Scottish Ministers in relation to sustainable development.	
ECCLR	The Committee recognises the importance of “backstop powers” to compulsorily purchase land and is supportive of this being included in the Bill. However the Bill goes further than the provisions in existing related legislation and gives Scottish Ministers compulsory purchase powers in order to further the achievement of sustainable development for the first time. When questioned the Scottish Government did not provide a rationale for the extension of these powers or examples of when and in what circumstances they might be used. We would welcome further information in relation to this and suggest that the Scottish Government consider the need to issue further guidance.	
RECC	The Committee considers that reinvestment of generated income into the National Forest Estate is an essential component of land disposal. It recognises that this is the current practice of Forest Enterprise Scotland. However, it recommends that, due to the long term strategic nature of forestry, a commitment to continuing with this practice should be set out in the forestry strategy, to ensure security and continuity over time.	<i>The Scottish Government notes the Committee’s views on the reinvestment of the income generated by the National Forest Estate and on disposals. We will consider how best to set out the principles for the management of the Scottish Minister’s forestry assets noting that, where overarching principles or commitments are made in the Scottish Forestry Strategy, these could be supported by detail in the corporate documents for Forestry and Land Scotland.</i>
RECC	The Committee also calls on the Scottish Government to explore options for public consultation on certain categories of disposal. For example, if they exceed a certain scale.	
RECC	The Committee has a number of concerns regarding the sections on community bodies. In particular, the Committee questions the definition of community body. In addition, it questions the need for a particular section on community bodies when section 17 allows Scottish Ministers to sell, lease or gift land to anyone.	<i>The Scottish Government notes the Committees’ views in relation to the interplay between the provisions in the Bill for delegations to communities (sections 18 to 20) and other community empowerment legislation, notably the Community Empowerment (Scotland) Act 2015. We are exploring the potential overlap between the 2015 Act and the Bill’s provisions with a view to bringing forward any necessary amendments at Stage 2.</i>
RECC	The Committee welcomes the Scottish Government’s acknowledgement that there may be overlap between the	

	<p>current drafting of the bill and the Community Empowerment Act 2015. It calls on the Scottish Government to explore this issue further to determine whether the sections on community bodies are required as they currently stand and, if it is determined that they are not, to bring forward appropriate amendments at Stage 2.</p>	
ECCLR	<p>The Committee is concerned that the definition of community body in this Bill differs from the definition in previous legislation dealing with similar issues. This is confusing and the reasons for using the definition in the Bill remain unclear. We are also concerned that sections 18, 19 and 20 of the Bill may not be necessary as they duplicate the provisions of the Community Empowerment (Scotland) Act 2015. The Committee also has significant concerns that the Bill allows the SG to disapply a number of the requirements specified as determining a community body. The Committee asks the SG to reflect on this and respond to the concerns in advance of stage 2.</p> <p>The Committee is unclear how this Bill adds to the community empowerment agenda or adds to what is already provided for by the Community Empowerment (Scotland) Act. We would welcome further clarity on this.</p>	
RECC	<p>As noted previously, it also calls on the Scottish Government to include greater detail and clarity in the Forestry Strategy on how the relevant provisions of the bill and the Community Empowerment Act 2015 will apply to forestry and sustainable development in future.</p>	
<b>Part 4 – Felling</b>		
RECC	<p>The Committee welcomes the Scottish Government commitment to bring forward an amendment at Stage 2 to provide a more appropriate definition of "felling".</p>	<p><i>As stated during the Cabinet Secretary for Rural Economy and Connectivity's evidence to RECC on 13 September 2017, the Scottish Government will bring forward an amendment to the definition of felling in the Bill at Stage 2.</i></p>

RECC	<p>The Committee notes the Scottish Government's commitment to consult closely with stakeholders on the content of the felling regulations and the modernisation of the exemption rules. It also welcomes the Scottish Government commitment to ensure a smooth transition between the Forestry Act 1967 felling requirements and those introduced under the new regulations</p>	<p><i>The Scottish Government is committed to, and has already begun, consulting stakeholders on the exemptions to the offence of felling. We will ensure a smooth transition as the provisions of the Bill are brought into force. All Regulations will be in place by 1 April 2019 and powers are available in the Bill (section 66 and section 74) to ensure permissions granted under 1967 Act remain valid under the new regime and there will be no gap between the operation of the old and new regulatory regimes.</i></p>
DPLRC	<p>The Committee recommends that the Scottish Government bring forward amendments to the Bill at Stage 2 which make detailed provision for exemptions from the offence of unauthorised felling.</p> <p>The Committee also expresses its disappointment that the legislation has been introduced in the absence of full consultation on and development of the Scottish Government's policy regarding exemptions from the offence of illegal felling.</p>	<p><i>The Scottish Government considers that secondary legislation is the appropriate place for setting out exemptions and we wished to engage fully and in detail with the sector before bringing Regulations forward. Consultation is now underway on the basis that changes to the current exemptions will only be made where there is a clear rationale. This has been welcomed by the sector, as has our commitment to ensuring a smooth transition from one regime to the other.</i></p>
RECC	<p>The Committee calls for all regulations brought forward by the Scottish Government in relation to felling and felling exemptions to be subject to the affirmative procedure.</p>	<p><i>Part 4 of the Bill, which deals with the regulation of felling, contains powers to make regulations in relation to <b>exemptions</b> to the offence of felling; <b>applications</b> to Scottish Ministers for permission to fell; <b>decisions</b> taken on those applications; <b>felling directions</b>; <b>restocking directions</b>; <b>compensation</b>; and <b>appeals</b>. Section 65 makes provision about procedure for each of these regulations.</i></p> <p><i>Regulations on exemptions are subject to the affirmative procedure as these will determine what situations are regulated by the Bill. They effectively determine the limits of the regime.</i></p> <p><i>The principles for the remaining six, such as the category of person entitled to seek compensation, are on the face of Bill. The detail will be set out in secondary legislation, allowing for an agile regime where changes to one aspect can pragmatically be catered for across the piece. For example if any changes are made to exemptions in the future, changes to the Regulations detailing how applications and decisions are made could be changed to cater for situations or people newly brought in to the ambit of the regime. The</i></p>

		<i>further six powers are subject to the negative procedure, due to the largely administrative nature of the anticipated content of those Regulations.</i>
RECC	The Committee notes the Scottish Government's reassurance that the felling directions contained in the bill would not be used to force private forestry owners to fell against their wishes. However, in the interests of clarity it calls for clear guidance on the execution of felling directions to be issued by the Scottish Government to coincide with the commencement of these provisions.	<i>The Scottish Government wishes to clarify that a direction can oblige an owner to fell (i.e. against their wishes) but that the circumstances in which a direction can be issued are limited by section 31(1) of the Bill. This means that a felling direction could not force people to harvest timber in order to bring it to market, as Cabinet Secretary REC confirmed during evidence to RECC on 13 September 2017. In order for the Scottish Ministers to issue a felling direction, the trees in question would need to be causing harm. We agree to provide guidance on the use of the power in section 31 to coincide with commencement.</i>
RECC	The Committee welcomes the Scottish Government's commitment to further consider the means by which notices to comply should be registered. The Committee is of the view that the registration system should be proportionate as well as cost and resource effective.	<i>The Scottish Government agrees that the use of registration should be proportionate and cost and resource effective for the regulator. For that reason we are considering a risk based approach to the use of the power.</i>
<b>Part 5 – General provisions</b>		
DPLRC	Accordingly, the Committee recommends that the Scottish Government bring forward an amendment to section 64 of the Bill at Stage 2, to confer a power on the Scottish Ministers to impose charges for the purposes of or in connection with the carrying out of their functions under the Bill, by reference to a charging scheme to be set out in regulations.	<i>The Bill will enable Scottish Ministers to manage, in their own name, the National Forest Estate, currently managed predominantly on a commercial basis by Forest Enterprise Scotland (income amounted to £85.4m in 2016-17). It is the intention that, on transfer of management to Scottish Ministers, the estate should continue to be able to be managed commercially.</i>  <i>While we understand the intent behind the Committee's recommendation, requiring that charges are set and amended by way of subordinate legislation would constrain Scottish Ministers' commercial activities, putting commercial income at risk, and risk involvement in new opportunities (for which charges may not yet have been agreed by the Scottish Parliament). For that reason the Scottish Government does not feel that it would be appropriate to set out a charging scheme in Regulations.</i>

<b>Finance</b>		
RECC	The Committee notes the concerns of some stakeholders that the move of the Forestry Commission into the Scottish Government may mean a reduction in financial transparency and the number of budget lines related to forestry. The Committee would expect the Scottish Government to maintain current levels of transparency in relation to targets, accounts and reporting which relate to forestry. It would have serious concerns if the Parliament's ability to scrutinise the forestry functions of the Scottish Government were compromised in any way as a consequence of an organisational change.	<i>The Scottish Government has noted that some stakeholders predicted a reduction in financial transparency, or scrutiny of the budget, following devolution. Under devolution the functions of the Forestry Commissioners – as they relate to Scotland – will transfer to the Scottish Ministers, leading to improved accountability to the Scottish Parliament. The funding for the activities currently carried out by Forestry Commission Scotland will continue to be detailed within the relevant portfolio, within the draft Budget, once the new Division is established. Funding for Forestry and Land Scotland will continue to reflect current reporting within the draft Budget for Forest Enterprise Scotland.</i>
RECC	The Committee welcomes the assurance from the Scottish Government that the bill will not impact on forestry funding and that more, not less, information will be provided within future Draft Budget documents.	<i>As the Cabinet Secretary for Rural Economy and Connectivity noted during stage 1 evidence to RECC on 13 September, forestry being fully accountable to the Scottish Parliament would likely lead to more, not less, scrutiny of forestry budgets.</i>
RECC	The Committee recognises the strength of the current Forestry Commission brand. It recommends that if a rebranding exercise must occur that costs be kept to a minimum. It also recommends that the Scottish Government consider a rolling approach to the rebranding exercise, for example only changing branding when vehicles or equipment are replaced.	<i>The Scottish Government confirms that rebranding will be necessary as the new Division and Forestry and Land Scotland will not be part of the Forestry Commissioners. We agree with the Committee that, in order to keep costs to a minimum, a proportionate approach to rebranding must and will be taken.</i>
RECC	The Committee acknowledges the Scottish Government's assertions that the current Forestry Commission IT system is not fit for purpose and would require an upgrade even if the bill was not being put forward. It looks forward to seeing further detail from the Scottish Government on costs associated with this exercise which it understands will be provided before the conclusion of the bill's parliamentary passage.	<i>The Scottish Government confirms that more information will be provided prior to stage 3.</i>