

INTRODUCTION

Woodland creation and management is becoming an increasingly significant diversification opportunity area within farm business strategies. It offers scope for greater sustainability, carbon income, environmental delivery and long-term capital growth.

As a result of land-use change and historical clearance, the UK has lost nearly all of its ancient woodlands, leaving only 2.5% of it's land area presently covered by ancient woodland at present.

VIABILITY

Government policy is actively encouraging the creation of woodlands and management of existing woodland to enhance benefits through a range of grants and schemes. However, as with other government schemes i.e. SFI and ELM, funding is subject to budget limits, application windows and evolving policy priorities.

Careful planning is essential to ensure woodland projects are financially viable and aligned with wider farm objectives.

Woodland Creation

Up to £12,700 in additional payments:

England Woodland Creation Offer (EWCO): typically provides capital payments for planting and establishment.

- Payment of £10,200/ha (minimum of 1 ha)
- Annual maintenance payment of £400/ha for 15 years

1. Nature Recovery
2. Water Quality
3. Flood Risk Management
4. Riparian Buffers
5. Close to Settlements
6. Recreational Access
7. Ammonia Capture

Woodland Tree Health Grant (WTH)

There are two WTH Grants:

- **WTH Restoration:** support for restocking woodland after felling due to a tree health issue.
- **WTH Improvement:** support for the removal of trees and rhododendron infected with either *Phytophthora ramorum* (Ramorum disease), *Phytophthora pluvialis* or *Phytophthora kernoviae*.

PA3: Woodland Management Plan (WMP)

- 0.5 (ha) - 50 ha = flat rate of £1,500
- 51 ha - 100 ha = first 50 ha £1,500, plus £30 for each additional hectare up to and including 100 ha
- More than 100 ha = flat rate of £3,000, plus £15 for each additional hectare over 100 ha

A WMP is highly beneficial in developing woodland aims and objectives and creating work proposals. Additionally, it can demonstrate to a range of stakeholders how and why the woodland will be managed sustainably and monitored.

Agroforestry (SFI)

AGF1: Maintain very low-density in-field agroforestry on less sensitive land

- Payment rate: £248/ha
- 30 - 50 trees per ha

AGF2: Maintain low-density in-field agroforestry on less sensitive land

- Payment rate: £385/ha
- 51 - 130 trees per ha

Carbon Markets

The Woodland Carbon Code: This is a quality assurance standard for woodland carbon projects that can offer a revenue stream for landowners and farmers. Payments are for the removal of carbon dioxide from the atmosphere from new woodland planting.

- As of 2024, £26.85 per Pending Issuance Unit.
- In 2024, 277,815 Woodland Carbon Code units were sold.

Biodiversity Net Gain (BNG)

Introduced in February 2024, BNG requires most developments (i.e. >0.2Ha) to leave nature in a measurably better state than before. Biodiversity is measured using the Statutory Biodiversity Metric, (developed by Natural England). Which calculates habitat value in Biodiversity Units (BU) based on a range of factors. Developments must achieve a 10% increase post-development.

- Woodland and Forest = £34,764
- Individual Trees = £28,782.50
- Mixed Deciduous Woodland = £42,720

(Figures based on Biodiversity Units UK, Feb 2026, representing one Offsite BNG Unit– One offsite BNG unit represents one BU not a fixed area of land)

However there are multiple factors affecting BNG including location, spatial risk multiplier, availability, current markets and costs associated with the beginning of the BNG project.

Landscape Recovery (LR)

This is one of the three Environmental Land Management (ELM) schemes in England. It funds large-scale environmental projects.

Typically to the scale of 500 - 5,000+ hectares it often involves multiple farms and landowners, farmer clusters, estates and public bodies.

This can allow stacking income streams, providing long-term sustainable income, reducing reliance on annual subsidies and long-term payments.

WOODLAND CREATION & MANAGEMENT (as at September 2026)

Code	Payment	Summary of Actions
ENGLAND WOODLAND CREATION OFFER (EWCO)		
	£10,200/ha	Establish new woodland through planting or natural regeneration; includes capital support
	+ £400/ha/year	15 year maintenance payments to manage the new woodland
EWCO ADDITIONAL PAYMENTS		
<i>Use the government map browser to check the spatial targeting on each map layer relevant to the payments to see if viable.</i>		
Nature Recovery	£1,100 - £3,300/ha	Includes ancient and native woodland, and enhancing red squirrel habitat.
Water Quality	£500/ha	Reduce pollution, protect soils, increase filtration and intercept chemical pollutants.
Flood Risk	£1,000/ha	New woodland that will help reduce the risk of flooding.
Riparian Buffers	£2,500/ha	Involves woodland along watercourses to create a buffer.
Close to Settlements	£600/ha	Where woodland creation provides social & environmental benefits by being close to people.
Recreation Access	£10,200/ha	Provides public foot access on land without existing access, for at least 30 years.
Ammonia Capture	£0	No payment, but will improve overall score.
PA3: WOODLAND MANAGEMENT PLAN		
0.5 - 50 ha	£1,500	Flat rate of £1,500 to create a 10-year WMP that complies with the UK Forestry Standard (UKFS).
51 - 100 ha	£1,500 +£30/ha	Flat rate of £1,500 for the first 50 ha, + £30/ha up to and including 100 ha.
100 ha +	£3,000 +£15/ha	Flat rate of £3,000, + £15 for each additional hectare over 100 ha.
TREE HEALTH		
WTH Restoration	Variable	Provides support for restocking woodland after felling due to a tree health issue including Chalara (<i>Hymenoscyphus fraxineus</i>) ash dieback.
TE4	£1.72/tree	
FG1	£6.34/m fencing	
WTH Improvement	Variable	Provides support for the removal of trees and rhododendron infected with either <i>Phytophthora ramorum</i> , <i>Phytophthora pluvialis</i> or <i>Phytophthora kernoviae</i> .
SB1	£375 - £2,424.20/ha	Remove immature trees that could spread diseases and cannot be economically felled.
SB6	£3,500 - £5,500/ha	Support rhododendron control, reducing the amount of host species and disease effect.
AGROFORESTRY—SUSTAINABLE FARMING INCENTIVE		
AGF1	£248/ha	Maintain very low density in-field trees (30 - 50 trees/ha) on less sensitive land.
AGF2	£385/ha	Maintain low density tree systems (51 - 130 trees/ha) on less sensitive land.
<i>Other funding and support can be acquired from catchment and water companies, local authorities, landscape grants and farming in protected landscapes (FiPL).</i>		

The Andersons Centre's name is synonymous with high-quality, impartial, independent advice to the agricultural and horticultural sectors.

<https://theandersonscentre.co.uk>

HOW THE ANDERSONS CENTRE CAN HELP?

Woodland creation and management requires careful planning to balance grants, environmental outcomes, and long-term farm viability. At The Andersons Centre, we combine policy insight with practical farming experience to help design woodland schemes that work within your farming system. If you would like to explore how woodland could work on your farm please contact Amy Barnacle:

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