



# FUNDING NATURE RECOVERY IN ENGLAND



WOODLAND  
TRUST

Policy Paper

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## Introduction

Established over 50 years ago, the Woodland Trust now cares for over 1,000 woods, keeping them open for everyone to enjoy. Through our campaigning and advocacy, we have successfully argued for the value of thousands of other woods and trees, saving them from damaging development. We have also worked with countless landowners and other bodies, helping them to incorporate millions of new trees into landscapes across the country.

Less than 10% of the UK's native woods are in good ecological condition<sup>1</sup>. Acting to improve this is an urgent priority for nature recovery. The public sector has unique responsibilities in achieving this through leadership, investment and regulation. This requires:

- an ambitious joined-up approach led by government, with a clear long-term plan setting out how recovery will be measured, paid for and delivered
- effective regulation to protect existing nature, including trees and woods
- high and stable levels of public investment supported by the encouragement of well managed nature markets.

Nature markets do not currently operate at the scale required for nature recovery, and not all conservation objectives lend themselves to market approaches. The benefits of nature markets must be durable and based in science, with only those businesses which have credible plans for a nature-positive economy allowed to participate. Pressing priorities such as woodland restoration, investment in skills and public access enhancements will continue to be reliant on public funding.

## Trees and nature recovery

The UK is one of the most nature-depleted countries in the world<sup>2</sup>, and the species which rely on trees and woods are among those worst affected.

While woodland cover in the UK is increasing, much of the wildlife that depends on it continues to suffer. Woodland specialist bird species such as the lesser spotted woodpecker and the willow tit have declined by over 90% since 1970<sup>3</sup>, and the overall loss of woodland birds has accelerated since 2016, with 62% of species now in decline.

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Precious ancient woodlands now only cover 2.5% of the UK<sup>4</sup>, and many of the remaining fragments are threatened by development and poor management. As a country, we continue to accidentally import deadly diseases which threaten to devastate our native trees. This has consequences for humans as well as wildlife, as trees in urban areas boost wellbeing and reduce indoor and outdoor air pollution by 50%<sup>5</sup>. While we know that increasing native tree cover is essential in responding to nature and climate crises, the UK lags well behind the Westminster Government's targets for woodland expansion.

## Nature's funding shortfall

The previous Conservative Government set much needed targets for both nature recovery and expanding tree cover in England. Since coming into power in July 2024, the new Labour Government in Westminster has also reaffirmed its commitment to meeting these targets. This ambition is welcome, but there is much to do if we are to make nature's recovery a reality. For England alone, it has been estimated that a £9 billion funding gap exists between the expenditure needed to protect and restore biodiversity between 2022 and 2032 and what current public, private and voluntary sector spending will deliver<sup>6</sup>.

We are operating at the sharp end of this debate. Funding for our work comes from public and private sources, as well as directly from our members and supporters. For example, to help us navigate our way through how markets should operate we have worked alongside Finance Earth, Federated Hermes, the Wildlife Trusts, the National Trust

<sup>1</sup>Woodland Trust (2021). State of the UK's Woods and Trees 2021.

<sup>2</sup>Davis, J. (2020). UK has 'led the world' in destroying the natural environment. Natural History Museum.

<sup>3</sup>Department for Environment, Food and Rural Affairs (2023). England Biodiversity Indicators 2023. Indicator 6 - Woodland Birds.

<sup>4</sup>Woodland Trust (2021). State of the UK's Woods and Trees 2021.

<sup>5</sup>Panoo, A. (2022). Can trees reduce pollution at schools next to freeways? A Fresno campus tries plantings. EdSource.

<sup>6</sup>Green Finance Institute (2021). The Finance Gap for UK Nature..

and the RSPB to develop *Voluntary Principles for Science-based Investment to create High Integrity Natural Capital Markets in the UK*<sup>7</sup>. These principles aim to establish best practice for market-funded conservation, ensuring benefits to nature are durable and based in science, and that only investors with credible plans for their business to contribute to a nature-positive economy can participate. We see tools like the Voluntary Principles as an important part of the solution.

What is needed most, however, is an ambitious, joined-up approach led by government. This should bring together the private sector, experts and conservation groups, but at its centre should be a public sector that embraces its leadership role and provides public bodies with the skills and resources to give direction and robust oversight. With this, we can finally end the decline in our natural environment and begin a genuine recovery.

## Recommendations

There is no single path toward nature recovery. While a meaningful response requires action from all sectors – public, private, voluntary and community – the public sector has unique responsibilities in leadership, investment and regulation which it must not defer or pass on. To take this on and build momentum behind nature’s recovery for trees and woods, the following elements are essential in government responses.

### Leadership

- Set out a clear, long-term plan for nature recovery, including how it will be funded, financed and which tools and approaches will be used. This should begin with recognition that such funding is currently in deficit and that the country’s ecological resources continue to be eroded.
- In support of the above, develop an investment plan in the skills and capacity needed for nature recovery. This should cover both national and local government, with the skills element taken forward as part of a wider sector skills strategy for land use.
- Adopt clear principles to govern the operation of nature markets, building on the Nature Market Principles developed by Finance Earth, the Woodland Trust and others. This should consider both supply and demand issues and be explicit that the primary objective of nature markets and blended finance is the delivery of conservation objectives.
- Build on the Dasgupta Review, publishing an assessment of progress and next steps in integrating biodiversity into economic and financial decision-making, and the creation of a ‘nature positive economy’. This could include an assessment of the likely efficacy of policy tools in achieving nature recovery, including public sector funding, the tax system, regulatory reform, monitoring, blended finance and market mechanisms.

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### Investment

We have identified priority areas where public funding will be essential. We are calling for a five-year public funding package including:

- £250m Ancient Woodland Restoration Fund and £150m for temperate rainforest restoration, to begin restoring the condition of the most important existing woodland
- £100m Habitat Condition and Species Monitoring Programme for woodland management, to ensure monitoring and reporting both the quantity and quality of canopy-cover expansion
- £50m investment in the infrastructure, skills and capacity of the trees and woods sector, including nurseries and contractors
- £100m Woods for People Fund to purchase land and support the creation of a new generation of accessible, publicly owned, wildlife-rich woodland in locations where this is currently most lacking.
- £325m of ring-fencing funding within the environmental land management (ELM) schemes to deliver semi-natural woodland habitat and wildlife corridors
- £350m Woodland Nature Resilience Fund to support the unique and central role trees play in many landscape-scale projects.

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<sup>7</sup>Finance Earth (2023). *Voluntary Principles for Science-based Investment to create High Integrity Natural Capital Markets in the UK*.

## Regulation and enforcement

A critical step for nature recovery is to do more to protect existing nature. This means:

- ensuring regulators including local authorities are properly resourced to implement the law
- developing a new designation category of 'Nature Recovery Area' (or 'Wildbelt') to protect priority sites for nature recovery for their potential value – identified through Local Nature Recovery Strategies (LNRSs)
- ensuring that the primary statutory purpose of all protected landscapes (National Parks and Areas of Outstanding Natural Beauty) is the protection and recovery of nature
- meeting targets such as '30x30' – the UK Government's commitment to protecting and conserving 30% of land and sea for biodiversity by 2030.

Investment priorities in the regulation of trees and woods are to:

- reduce the risk of imported tree diseases by incentivising public procurement of locally sourced and grown trees, and increasing supply via investment in the domestic tree nursery sector
- bring more woodland sites into favourable conservation condition by resourcing long-term management by landowners
- protect trees and woods by designating more ancient woodland as Sites of Special Scientific Interest (SSSI), designating all remaining fragments of temperate rainforest and establishing a new category of 'long-established woodland' (woodlands that have been in situ since 1840)
- introduce new legal protections for the most ancient and important trees via an overhaul of the Tree Preservation Order (TPO) system
- ensure that monitoring of woodland creation associated with tools such as the Woodland Carbon Code are resourced to check that expected benefits are delivered on the ground.

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## Conclusion

Nature recovery requires strong leadership, meaningful long-term investment and effective regulation from governments. The public sector's convening ability to bring together experts, conservation bodies and the private sector allows for an ambitious, joined-up approach, with the potential for powerful results.

For trees and woods, this requires a clear long-term plan with targets, public investment priorities, and policy for well-regulated land use and nature markets. Most importantly, it must be objective-led, making clear the public sector's central and essential role in delivering the plan. If successful, government action could play a direct role in a recovery which not only halts the long-term decline of wildlife such as woodland birds, but also delivers wide-ranging benefits to communities, ecosystems and the climate.



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