

Scottish Forestry Grants Scheme

Short Rotation Coppice



Introduction

This leaflet explains what you need to do if you are applying for grant to plant Short Rotation Coppice (SRC) through the Scottish Forestry Grants Scheme (SFGS). SRC is a close planted tree crop, harvested on a cycle of between 2 and 5 years. Fresh shoots grow from the cut stool after each harvest. The coppice stools remain viable for several harvests.

What is this grant for?

This grant is paid as a contribution towards the cost of planting SRC on appropriate sites.

How much grant is available?

The grant rate is £1000 per hectare and is available on all appropriate sites. The grant is a contribution to the cost of establishing SRC and covers activities such as ground preparation, fencing, purchase of planting stock and weed control.

SRC is not eligible for the Farmland Premium Scheme or for consolidation under the Single Farm Payment Scheme.

You should be aware that there is likely to be an overall spending limit for SRC and that we expect to pay up to 2,000 hectares of SRC per year in Scotland. Forestry Commission Scotland will ensure that these limits are respected within each financial year and generally this will be achieved by only approving payments up to the annual limit on area.

A minimum area of 5ha is recommended as areas much smaller than this may make mechanised planting and harvesting uneconomic.

It may be necessary to consider the introduction of an upper size limit on SFGS applications for SRC on individual land holdings.

There may be separate local authority grants for amenity tree planting, which would help fund individual tree planting in hedgerows and field margins.



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Scotland**

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Who can apply?

Landowners or leaseholders or tenant farmer can make applications. Leaseholders and tenant farmers must check that the owner agrees to you planting SRC.

What you need to consider

WHAT THE COPPICE WILL BE USED FOR

The SFGS establishment grant is to assist with the initial costs of planting SRC. We expect that most SRC will be used to develop a fuel supply for the renewable energy projects, which are supported by the Government's renewable energy orders. However applicants who aim to provide fuel for other small-scale energy projects will not be excluded. The end use(s) must be within reasonable distance of the crops.

We will only accept applications from growers who can demonstrate that they have established an end use for the produce. You can also grow energy crops for your own use eg to heat your home or business.

This means that you must either:

- be able to show us a copy of the supply contract from the person who is making a commitment to buy the produce; or
- a letter of intent from an end-user(s); or
- be able to show that you already have access to, or have planning permission to install, equipment suitable for using the produce to generate heat and power, or as a source of wood fibre.

THE DESIGN OF THE WOODLAND

SRC planting must be in accordance with the Forestry Commission's environmental guidelines. SRC can have a significant effect on the landscape and you should also refer to the Forestry Commission Guideline Note 2 "Short Rotation in the Landscape" by Simon Bell. In particular, you should:

- avoid sites of wildlife and archaeological interest;
- blend SRC into the landscape by avoiding strong rectangular or geometric shapes;
- consider groups, rather than isolated pockets, of SRC stands;
- consider the variation in heights which will occur throughout the coppice growing period;
- make use of existing trees and other features to blend the coppice into the landscape;
- ensure that interesting views and landscape features are not lost as a result of areas being planted next to public rights of way; if the land is crossed by a public right of way, consider how best this can be integrated into the layout.

We would not allow the removal of existing trees or hedgerows and may ask for some new planting of trees and shrubs that would not be coppiced.

Open ground is an important element of all woodlands and up to 20% of the area can be designed open ground. The layout of your coppice areas will be influenced by the need to harvest efficiently and this should be incorporated within the design of the woodland.

We would not expect to approve plans that propose coppicing of species other than willow or poplar and we expect to see a list of the clones, which will be used. Some clones are susceptible to disease and this could seriously reduce the eventual yield of SRC. We strongly recommend that these clones should be avoided.

How to apply

You must complete application forms SFGS 1, 3a, 3b and provide a woodland map for the area to be planted. Applications forms are available on our web site www.forestry.gov.uk/scotland. Your application must also say what the end use of the produce will be and you must show evidence that you have a supply contract with an end user.

The woodland map should be no less than the farm IACS map and must show:

- the scheme name, the name should be followed by SRC (eg Barrasgate Farm SRC) to ensure that it is easily differentiated on the public register
- the farm code
- the map scale
- the grid reference of the farm
- the area proposed for SRC by compartment and field number, especially if only parts of fields are being planted
- any specific significant open space
- relevant IACS field numbers and
- preferably the proposed year of planting

Before preparing your application you may find it useful to talk to a Woodland Officer from a Forestry Commission Scotland Conservancy office. The Woodland Officer will normally visit each application area and would be available to provide advice on other SFGS grants.

Environmental Impact Assessment of Forestry

We will assess your application under the Environmental Impact Assessment (Forestry) Scotland Regulations 1999. If we consider that the work will, have a significant effect on the environment then an applicant must apply for consent. The consent application must include an Environmental Statement.

Consultation and Register of New Planting and Felling

Applications for SRC are subject to our normal 28 day consultation arrangements with local authorities and other statutory organisations. Details will also appear on the Register of New Planting and Felling on our web site. This allows the public to look at the proposals and to provide any comments.



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Payment of grant

SFGS grant will be paid as a one-off lump sum after we have agreed that the planting has been satisfactorily carried out.

When we approve your contract we will confirm which financial year you must claim your payment. If there is an excessive demand for SRC establishment grant in one year we may ask you to agree receiving your payment in a later financial year from the one which you had originally requested. This would not stop you from planting as soon as your SFGS contract had been approved, but you could only claim your grant payment in the allocated financial year.

If you do not claim the grant during the period agreed in your SFGS contract we may not be able to guarantee that you will receive payment.

You must do the work we have agreed and maintain the woodland to our reasonable satisfaction for the period of the contract. If the SRC fails to establish within 5 years of planting we may ask you to repay the entire SFGS grant together with interest.

Income tax

If you grow SRC, the Inland Revenue will treat it as part of your farming business. Costs directly attributable to the planting and establishment of SRC are capital expenditure and are not deductible when calculating your business results.

If you have any questions about SRC and income tax you must contact your local Inland Revenue office.

Scottish Executive Environment and Rural Affairs Department (SEERAD) – Energy Crop Scheme

From 2004 onwards, producers who grow energy crops (including SRC) on any land, other than set-aside land, may claim an energy crop payment from SEERAD. A flat rate of 45 euros per hectare is available and aid is only payable on those areas where production is covered by a contract between a producer and a processor. For more information please contact a SEERAD area office.

If you want to know more

For further advice on planting and managing SRC you are advised to consult the Forestry Commission publication 'Establishment and Management of SRC – Practice Note 007 by Ian Tubby' and the Forestry Commission Guideline Note 2 "Short Rotation in the Landscape" by Simon Bell. A Forestry Commission Note 'Growing Short Rotation Coppice in Scotland' is currently under preparation.

Information on other publications and our grants can be found on our web site www.forestry.gov.uk or by contacting your local Forestry Commission Scotland Conservancy Office or our main office in Edinburgh:

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