

# **Delivering Forestry Grants in Scotland 2007 – 2011**

## **Changes to delivery measures following consultation on SFGS**

**September 2006**

## **INTRODUCTION - *what does this document cover?***

1. This document sets out the detail to date of the grants for forestry in Scotland proposed under the new Rural Development Regulation (2007 -2011) and its associated Scottish Rural Development Plan.
2. The SFGS replaced the Woodland Grant Scheme as the main mechanism for supporting non-state forestry activities in Scotland. In helping to deliver the priorities set out in the Scottish Forestry strategy the SFGS supported a range of woodland creation and management activities.
3. As from 2007 - there will be an integrated system for delivering grants for rural development, including forestry. Scottish Ministers have indicated a desire to achieve greater integration of the various different land management support schemes run by public bodies. Instead of separate Departmental grant delivery systems for agriculture, natural heritage and forestry, there will be an integrated system known as Land Management Contracts (LMC). As such, there will no longer be a stand-alone Scottish Forestry Grants Scheme.
4. Proposed changes to the delivery of forestry grants and their integration into LMCs were prepared by Forestry Commission Scotland (FCS) with the help of a stakeholder representatives group. A consultation exercise - which sought views on proposed changes to the scheme and lasted from 24 April to 27 June 2006 - elicited 98 responses.
5. The SFGS consultation exercise ran in parallel to the Scottish Rural Development Programme (SRDP) consultation which examined at the integration of forestry and other support measures into the Land Management Contract (LMC) system.

## **BACKGROUND - *why a new support system?***

6. A new forestry support system to succeed SFGS is required in order to ensure that forestry support:-
  - assists the delivery of the Scottish Rural Development Strategy and the revised Scottish Forestry Strategy;
  - is consistent with the provisions of the new EU Rural Development Regulation (1698/2005) which will come into force in 2007;
  - is capable of being integrated into the Land Management Contracts system;
  - is simple to understand, access and administer, both for FCS and applicants.

## **REVIEW - *how were the proposals arrived at?***

7. The proposed changes to SFGS were overseen by a Project Steering Group comprising staff from Forestry Commission Scotland (FCS) and Scottish Executive Environment and Rural Development (SEERAD) and representatives of the FCS Customer Representatives Group.

8. The full Customer Representatives Group - which has representation from a wide range of stakeholders - also considered the proposals.
9. A series of FCS working groups (comprising FCS staff) prepared the proposals for discussion and endorsement by the Steering Group and the Customer Representatives Group.
10. The web-based consultation exercise posed a series of questions. These are set out in Appendix 1.
11. In addition to the SFGS consultation document, a series of five public meetings were held throughout Scotland during the consultation period (24 April to 27 June 2006) to explain the proposals and seek feedback.
12. The Project Steering Group and Customer Representatives Group will consider the results of the Consultation. Final agreed proposals will then be incorporated within the Scottish Rural Development Plan submission to the EU in late 2006 and it is expected that the new scheme will be introduced in 2007.

#### **INTEGRATION WITH OTHER SCHEMES - *how will this work?***

13. Scottish Ministers have indicated a desire to achieve greater integration of the various different land management support schemes administered by public bodies. The integrating mechanism will be a system of Land Management Contracts with support mechanisms organised into three levels or Tiers:-
  - Tier 1 - Payments made to farming businesses under the Single Farm Payment system and linked to securing a basic level of environmental protection, food safety and animal welfare.
  - Tier 2 - A menu-based scheme offering support for a wide range of activities leading to economic, social and environmental improvements. Tier 2 measures are generally available on demand subject to an upper limit of Tier 2 allowances for each individual business.
  - Tier 3 - A series of more targeted, competitive measures leading to economic, social and environmental improvements.
14. Precise details of how the forestry support measures will be incorporated into the LMC system, and the full implications for applicants, have yet to be determined and further details will follow as they become available.
15. All measures require to be approved formally by the EU through submission and approval of the Scottish Rural Development Plan which contains all Departmental rural development measures. It is likely that the SRDP will be submitted to the EU in late 2006 or early 2007.

## **NEW SCHEME - *what will it support?***

16 In summary, the proposed new scheme aims to support the following activities;

- Creation of new woodlands in accordance with national priorities (as set out in the SFS) and local/regional priorities as set out in Indicative Forestry Strategies and other similar strategic frameworks.
- The management of existing woodlands to achieve the standards set out in the UK Forestry Standard.
- Woodland improvement activities which enhance the ability of the woodland to deliver forestry policy priorities.
- Activities, which help to improve the performance and competitiveness of the forestry, sector and forestry related businesses.

## **METHODOLOGY - *the approach taken***

16. For each of the elements of the delivery mechanism:-

- **Creating new woodlands.**
- **Managing existing woodlands.**
- **Woodland improvement activities.**
- **Activities helping to improve forestry business performance and competitiveness.**

this paper sets out:-

- The Steering Group's proposals (*what we proposed*).
- Feedback from the consultation process (*what you said*).
- The resulting scheme (*our conclusions*).

In addition, comments were received on the following:-

- Farmland Premium.
- Energy Crops.

and these are reflected in this document.

## **CREATING NEW WOODLANDS**

17. Two woodland creation measures are proposed;

- LMC Tier 2 option of a one-off payment in support of the establishment of small woodlands, with no requirement for prior approval other than in certain designated areas.

- LMC Tier 3 tariff payments (according to woodland type) in support of the establishment and maintenance of other woodlands, with prior approval required in all cases.

### **Small Woodlands – *What we proposed***

**18. The aim is to minimise the administrative costs involved in grant aiding small woodlands while ensuring that the risk of inappropriate siting and design is minimised.**

19. The Tier 2 small woods procedures will apply to individual woodlands of between 0.1 ha and 1 ha in size, subject to an upper limit of 2ha per application per year.

20. It will be a condition of the scheme that such woodlands are composed of native species only.

21. Outside the designated areas listed below, applicants need not seek prior approval and need only submit a claim for grant once the planting has taken place.

22. Within, or adjacent to, National Parks, National Scenic Areas, designated sites of nature conservation importance (Sites of Special Scientific Interest, Special Areas of Conservation, Special Protection Areas) and within scheduled Ancient Monuments, applicants will be required to obtain prior approval of their plans from the relevant statutory authority (National Park Authority, Scottish Natural Heritage, Historic Scotland) and must include evidence of such approval when submitting their claim for grant.

23. A standard payment of £2500 per ha will be payable on completion of the planting. Applicants will be expected to maintain these woodlands to ensure satisfactory establishment and sample compliance checks will be carried out.

### **Small Woodlands - *What you said***

24. There was good overall support for this proposal, provided that the UK Forestry Standard was met and that applicants were issued with good clear guidance. Concerns were expressed about the potential impact on landscape, historic features and conservation interest.

25. A minority objected to the proposal, the concerns coming mainly from Environmental/Ecological Groups and Local Authorities.

26. A few respondents indicated that £2500 per ha was insufficient.

27. The three main comments received, were:-

- Concerns about inappropriate planting and impacts on landscape, historic features, conservation sites and local designations.
- Allow at least a percentage of non-native species.

## Small Woodlands - *Our conclusions*

28. Best practice compatible with the requirements of the UK Forestry Standard will be encouraged. Grant will be conditional on following the guidance in '*Creation of Small Woodlands*' and, where appropriate, consultation with neighbours and archaeologists. Failure to comply with good practice will result in penalties, withdrawal & reclaim. We will undertake retrospective compliance inspections, on a sample basis, to determine whether these arrangements are working and will be prepared to revisit the scheme rules if inappropriate use of this measure is widespread.

29. Restriction to native species is appropriate to a simple, fast track process with reduced risk of environmental impacts and which reflects the fact that the main function of such woodlands will be to provide amenity and biodiversity benefits. Tier 3 other woodlands (see below) offers scope for establishing small-scale schemes using other species. Natural regeneration will be permissible but grant will only be paid when an acceptable level of stocking and establishment has been achieved

30. The rate of £2500 is based on objective modelling criteria and standard costs.

## Small Woodlands – Summary

<b><i>What we proposed</i></b>	<b><i>What you said</i></b>	<b><i>Our conclusions</i></b>
One-off LMC Tier 2 payment supporting the establishment of small woodlands (individual woodlands from 0.1ha to 1ha, subject to an upper limit of 2ha per application per year).	Issue clear guidance. And ensure UK Forestry Standard adhered to.	Detailed guidance will be issued and best practice encouraged.
No requirement for prior approval in other than certain designated areas (within, or adjacent to NSA, National Parks, SSSI, SAC, SPA and within SAM*). In such areas, applicants will be required to obtain prior approval from the relevant statutory authority (National Park Authority, Scottish Natural Heritage, Historic Scotland) and must include evidence of such approval when submitting their claim for grant.	Concerns expressed about inappropriate planting taking place, with poor quality and badly maintained woodlands producing impacts on landscape, historic features, conservation sites and local designations.	Grant will be conditional on following the guidance in ' <i>Creation of Small Woodlands on Farms</i> ' and appropriate consultation with neighbours and archaeologists.
A rate of £2500 per ha (pro rata for smaller areas) will be payable on completion of the planting. Applicants will be expected to maintain these woodlands to ensure satisfactory establishment. Claims for grant to be submitted once the planting has taken place.	£2,500 insufficient.	£2500 rate is based on objective modelling.
Only native species to be used.	Allow non-native species. Restrict to native species only. Natural regeneration should be eligible.	Native species restriction is appropriate to a simple, fast track process with reduced risk of environmental impacts. Tier 3 offers scope for small-scale schemes using other species.

<b><i>What we proposed</i></b>	<b><i>What you said</i></b>	<b><i>Our conclusions</i></b>
Sample compliance checks will be carried out.		<p>Natural regeneration will be acceptable but grant will only be paid when an acceptable level of stocking and establishment has been achieved</p> <p>Compliance monitoring will be undertaken on a risk-approach sample basis.</p>

## \* GLOSSARY

NSA National Scenic Areas

SSSI Sites of Special Scientific Interest

SAC Special Areas of Conservation

SPA Special Protection Areas

SAM Scheduled Ancient Monuments

### **Other Woodlands - *What we proposed***

**31. The aim is to support the creation of a range of woodland types through a series of tariff grants which reflect the different cost levels associated with different woodland types.**

32. 6 planting 'models' have been constructed for each woodland type, using appropriate operations and standard costs. These have been verified by an expert group of members of the Institute of Chartered Foresters. Grant aid for each scheme will be based on a percentage of:

- The external fencing cost (actual length x standard cost);
- Initial establishment costs, with a different tariff rate for each woodland type (note that individual schemes may contain more than one woodland type);
- Annual maintenance costs for 4 years (with a different rate for each woodland type).

33. The 6 woodland types and associated standard costs are set out in Appendix 1. The initial support rate for each model will be 70% of the standard cost. FCS may vary the support rate according to future demand and the level of priority attached to each woodland type.

34. In situations other than the native/riparian woodlands, an additional payment of £70 per ha will be available where genetically improved planting stock is used.

35. The rates for establishment of native and riparian woodlands are lower than for some other types because of the lower standard cost associated with a lower expected stocking density.

### **Other Woodlands - *What you said***

36. Half of the respondents supported this proposal (one third did not respond to this question) whilst around one fifth of respondents objected to this proposal.

37. Whilst it was generally accepted that the new proposals would be simpler to administer and reduce some of the complexity of the current SFGS, there were genuine concerns about a potential decline in quality standards with a tariff system. Feedback stressed the importance of retaining flexibility to reflect different circumstances and maintaining the higher standards introduced via SFGS e.g. variable stocking.

38. Models and rates do not reflect the costs of establishing woodland in an urban situation -.

39. Since the premium for genetically improved rate does not reflect the range of material available, a variety of payments is needed.

40. The three main comments received on this question were:-

- Concern about the tariff /simple modelling system resulting in a decline of standards;
- Tariff system will be simpler to administer and reduce complexity:

- Greater detail regarding good practice operations was needed to ensure the maintenance of higher standards.

### Other Woodlands - *Our conclusions*

41. We will monitor the 6 models to ensure that they are robust and deliver the type of woods intended. We will also be rigorous with regard to stocking densities (there will be no flexibility for accepting reduced densities). We will examine the scope for including LMC cross compliance - and woods not established within 10 years will be subject to reclaim. The emphasis will be on owners to ensure that outcomes are achieved.

42. The maintenance payments will be rolled up and paid as a lump sum when satisfactory establishment has been achieved, rather than in a specific year. Woods not satisfactorily established within 10 years will be subject to reclaim.

43. There will be a single rate top-up payment for WIAT situations which will apply to all 6 models. Guidance will be provided on planting specifications suited to urban/WIAT schemes. Initial calculations (to be verified by the ICF expert panel) suggest this payment to be approximately £1000/ha.

44. The premium for genetically improved planting stock will be increased to £100/ha (only payable for vegetative propagated plants).

### Other Woodlands – *Summary*

<i>What we proposed</i>	<i>What you said</i>	<i>Our conclusions</i>
<p>6 tariff planting models under LMC Tier 3, which recognise the different operations and costs associated with each woodland type:-</p> <ul style="list-style-type: none"> <li>• Productive conifer (low cost)</li> <li>• Productive conifer (high cost)</li> <li>• Productive broadleaves</li> <li>• Native/Riparian (planting)</li> <li>• Native/Riparian (natural regeneration)</li> <li>• Mixed woodland</li> </ul> <p>Individual planting schemes may contain more than one woodland type. Models have been verified an MICF or expert group. Payments for each scheme are based on a percentage of the costs of:</p> <ul style="list-style-type: none"> <li>• External fencing (actual length x standard cost)</li> <li>• initial establishment (tariff rates differ for each woodland type).</li> <li>• annual maintenance for 4 years (maintenance rates differ for each woodland type).</li> </ul>	<p>The tariff approach will:-</p> <ul style="list-style-type: none"> <li>• be simpler to administer and reduce complexity.</li> <li>• result in a decline of quality and standards (greater detail in good practice operations is needed to ensure higher standards).</li> <li>• be inflexible, with rates not reflecting difficult or marginal areas.</li> </ul> <p>Allow flexibility in how trees established – methods and stocking density.</p> <p>Native Woodland rates should be increased to reflect public benefits.</p>	<p>We will monitor the 6 models to ensure that they are robust and deliver the type of woods intended.</p> <p>We will be rigorous on stocking densities – there will be no flexibility for accepting reduced densities.</p> <p>Annual Management payments will be rolled up and paid when wood is deemed established rather than in a specific year.</p> <p>Woods not satisfactorily established within 10 years will be subject to reclaim.</p> <p>There will be LMC cross compliance. Owners failing to achieve the required outcomes will risk forfeiting their LMC payments. The emphasis will be on owners to ensure that outcomes are achieved.</p>

<b><i>What we proposed</i></b>	<b><i>What you said</i></b>	<b><i>Our conclusions</i></b>
Prior approval is required in all cases before planting may commence.	<p>Models and rates do not reflect urban sites.</p> <p>Since the premium for genetically improved rate does not reflect the range of material available, a variety of payments is needed.</p> <p>Fencing payments should be based on ground measurements rather than map measurements.</p> <p>Rates not sufficient where tree shelters are required.</p>	<p>There will be a single rate top up payment for WIAT which will apply to all 6 models. Guidance will be provided on planting specifications suited to urban/WIAT schemes.</p> <p>The rate will be increased to £100/ha (only payable for vegetative propagated plants).</p> <p>Administratively burdensome/costly.</p> <p>Tree shelter rates are already factored into the models.</p>

## **SUSTAINABLE WOODLAND MANAGEMENT**

### **Forest Plans - *what we proposed***

**45. The aim is to encourage woodland owners to prepare a long term forest plan which ensures that the management and development of the woodland meets the standards set out in the UK Forestry Standard.**

46. Forest Plans will provide:

- A contribution to the cost of preparation of the plan.
- Annual forest environment payments (FEP) linked to the area positively managed under low impact silvicultural systems, the area of native woodland under active management and the contribution of the woodland to access and recreation.
- Access to Woodland Improvement Grants, including priority access to the proposed restructuring WIG.
- Lighter touch regulation in that no further approval will need to be sought for operations carried out which are consistent with the agreed plan.

### **Forest Plans - *what you said***

47. There was a very high response rate to this question with four fifths of respondents agreeing that Forest Plans were important.

48. There was a wide variety of views on the level of detail that a Forest Plan should contain. Some respondents advocated a simple and lighter touch approach, others were content with the current requirements for detail, whilst others emphasised the need for full details of conservation, historic and landscape issues, expressing concern that simplification and a lighter touch could result in low quality management proposals.

49. The main comments were that Forest Plans should:-

- be strategic, reflecting scale, location, woodland type, complexities and sensitivities, with less detail required for smaller woods.
- be flexible to cover e.g. market conditions, windthrow, without need for further consultation.
- be linked and compliant with UKWAS .
- be simple (i.e. minimum detail necessary).
- include full details on landscape, historic, conservation interests (e.g. LBAP, local designations, Indicative Forestry Strategy).

### Forest Plans – *our conclusions*

50. The level of detail within a Forest Plan needs to be fit for purpose, taking into account:-

- type of woodland
- wider impact of the proposals
- owners objectives
- UK Forestry Standard

51. We will produce, in consultation with stakeholders, more detailed guidance on the level of detail expected from forest plans in relation to their size, location, complexity and impact on the wider community.

### Forest Plans – *Summary*

<b><i>What we proposed</i></b>	<b><i>What you said</i></b>	<b><i>Our conclusions</i></b>
<p>A contribution to the cost of preparation of the plan.</p> <p>Access to Woodland Improvement Grants, including priority access to the proposed restructuring WIG.</p> <p>Lighter touch regulation in that no further approval will need to be sought for operations carried out which are consistent with the agreed plan.</p> <p>Annual forest environment payments (FEP) linked to the area positively managed under low impact silvicultural systems, the area of native woodland under active management and the contribution of the woodland to access and recreation.</p>	<p>Wide variety of views on Forest Plan level of detail ie simple and lighter touch approach, maintain current requirements, include full details of conservation, historic and landscape issues.</p> <p>Simplification and a lighter touch could result in low quality management proposals.</p> <p>Forest Plans should:- be strategic, reflecting scale, location, woodland type, complexities, sensitivities. Less detail required for smaller woods. be flexible to cover e.g. market conditions, windthrow, without need for further consultation. be linked and compliant with UKWAS . be simple (i.e. minimum detail necessary). include full details on landscape, historic, conservation interests (e.g. LBAP, local designations,</p>	<p>Level of detail within a Forest Plan needs to be fit for purpose, taking into account:-</p> <ul style="list-style-type: none"> <li>• type of woodland</li> <li>• wider impact of the proposals</li> <li>• owners objectives</li> <li>• UK Forestry Standard</li> </ul> <p>In consultation with stakeholders FCS will produce more detailed guidance on the level of detail expected from forest plans in relation to their size, location, complexity and impact on the wider community. Tolerances will be agreed to enable flexibility.</p>

<i>What we proposed</i>	<i>What you said</i>	<i>Our conclusions</i>
	Indicative Forestry Strategy).	

### **Forest Plan Preparation Grant - *what we proposed***

52. The aim is to provide a payment to reflect the costs of survey, data collection, plan preparation and consultation.

53. The proposed payment rates are:

- £20/ha for the first 200ha
- £5/ha thereafter
- £750 de minimus payment

### **Forest Plan Preparation Grant - *what you said***

54. One fifth of respondents agreed with the rates. One quarter considered the rates inadequate (several citing that cost was dependent on complexity and that costs were too low to offset the costs of effective consultation).

55. Others found it difficult to answer this question as the answer depended on the detail required.

56. The main comments were:

- Cost depends on complexity of site and level of detail required.
- Where consultation is a key factor it unlikely that payments are sufficient for effective consultation.
- Payments are fine for large, straightforward forests or strategic plans (ie not detailed operational plans) and the minimum payment is too small

57. In summary, the cost of a plan is very dependent on the level of detail required, the complexity of the site and in particular the level of consultation. The proposed area payment system is simple but not flexible enough where additional input required. Alternative method of payments should perhaps be considered.

### **Forest Plan Preparation Grant - *our conclusions***

58. As part of the process of preparing detailed guidance on plan preparation we will consider the scope for tailoring the PPG to the level of complexity required in plan preparation and consultation.

### **Forest Plan Preparation Grant – *Summary***

<i>What we proposed</i>	<i>What you said</i>	<i>Our conclusions</i>
Payment rates: £20/ha for the first 200ha £5/ha thereafter £750 de minimus payment	Cost depends on complexity of site and level of detail required. Where consultation is a key factor it unlikely that payments are sufficient for effective consultation. Payments OK for large, straight-	As part of the process of preparing detailed guidance on plan preparation we will consider the scope for tailoring the PPG to the level of complexity required in plan preparation and consultation.

<i><b>What we proposed</b></i>	<i><b>What you said</b></i>	<i><b>Our conclusions</b></i>
	forward forests or strategic plans (ie not detailed operational plans) Minimum payment is too small	

### **Forest Environment Payments - *what we proposed***

59. Annual payments to be made to holders of approved forest plans where specific environmental outputs are delivered.

- Areas designated, and agreed, for positive management under low impact silvicultural systems (LISS) to be eligible for a payment of £28/ha.
- Areas of native woodland consisting of woodland types which are recognised Habitat Action Plan priorities to be eligible for a payment of £28/ha where active management towards favourable condition is being carried out.
- Woodland areas subject to a high level of recreational use, and where sufficient evidence of additional costs can be provided, to be eligible for a payment of £28/ha.

60. Native woodland managed under a LISS will only be eligible for one payment of £28/ha and the level of FEP payments per plan may have to be capped according to demand and funds available.

### **Forest Environment Payments - *what you said***

61. The principle of FEPs was strongly supported by most respondents with 69% agreeing with the proposals.

62. The main comments received were:

- Consider an additional category for historic features and designed landscapes.
- Payments too small for small woodlands and urban areas.
- Deer management payments should be made through a separate Woodland Improvement Grant

### **Forest Environment Payments - *our conclusions***

63. We will begin preparing detailed eligibility criteria for the FEPs.

64. We do not see scope at this stage for additional FEPs but will consider this issue during future reviews of the scheme.

65. We will not increase the rates at this time but will keep these under review, particularly with regard to small woods

66. We will consider the issue of deer management support once the scope for supporting this activity within the wider LMC system has been clarified.

## Forest Environment Payments - *summary*

<b><i>What we proposed</i></b>	<b><i>What you said</i></b>	<b><i>Our conclusions</i></b>
<p>Annual payments for holders of approved forest plans where specific environmental outputs are delivered, ie:-</p> <ul style="list-style-type: none"> <li>- Areas designated, and agreed, for positive management under low impact silvicultural systems (LISS) to be eligible for a payment of £28/ha.</li> <li>- Areas of native woodland consisting of woodland types which are recognised Habitat Action Plan priorities to be eligible for a payment of £28/ha where active management towards favourable condition is being carried out.</li> <li>- Woodland areas subject to a high level of recreational use, and where sufficient evidence of additional costs can be provided, to be eligible for a payment of £28/ha.</li> </ul>	<p>Consider an additional category for historic features and designed landscapes.</p> <p>Payments too small for small woodlands and urban areas.</p> <p>Deer management payments should be made through a separate Woodland Improvement Grant</p>	<p>We expect historic features to be picked up under other LMC components.</p> <p>We will begin preparing detailed eligibility criteria for the FEPs.</p> <p>We do not see scope at this stage for additional FEPs but will consider this issue during future reviews of the scheme.</p> <p>We will not increase the rates at this time but will keep these under review, particularly with regard to small woods</p> <p>We will consider the issue of deer management support once the scope for supporting this activity within the wider LMC system has been clarified..</p>

### **Restructuring WIG - *what we proposed***

67. A restructuring WIG will be payable where approved felling and restocking takes place and will be based on two components:

- An income foregone payment based on revenue foregone as a result of felling before or after optimal felling ages
- An additional payment to cover the additional cost of restocking with other than SS, for environmental and amenity reasons

68. Payments to vary between £500 and £900 per ha depending on species used.

69. A presumption in favour of broadleaves following broadleaved felling and native species being used in recognised HAP areas.

70. An additional payment available for use of genetically improved stock (£70) and

71. The ability to use natural regeneration and still claim grant

**Restructuring WIG - *what you said*.**

72. The principle of a restructuring WIG was strongly supported with 72% of respondents agreeing with the proposal.

73. The three main comments were:

- Rates too low
- Cost of fencing/tree shelters should be supported in addition
- SS being discriminated against.

**Restructuring WIG - *our conclusions*.**

74. We believe that the proposed structure will provide the appropriate incentives required to ensure that restocking is carried out with appropriate species.

75. We do not see any scope to increase the rates at this time but will undertake to keep them under review and to monitor the impact of the WIIG as proposed.

76. The rate for genetically improved stock will be increased in line with the rate for woodland creation (£100/ha).

**Other WIGs (including Business support schemes) - *what we proposed***

77. **A range of woodland improvement grants which further the delivery of the Scottish Forestry Strategy.**

**Other WIGs - *what you said***

78. There was general support for the concept of WIGs but a range of views on where priority should lie and what other operations should be supported.

79. The three main comments were:

- Must include flexibility to use alternative methods to standard operations list.
- Include UKBAP priority habitats and species WIG.
- Add litter picking.

**Other WIGs - *our conclusions***

80. It is difficult to finalise the list of WIGs until the list of grants to be included in the LMC system is finalised. The expectation is that there will be a list of generic land management support grants which will be of interest to all landowners and which will include support for activities such as provision of access, management of priority habitats and business support measures. We are working with colleagues in the Scottish Executive to finalise this list and to determine the rates and will revisit the need for specific forestry related WIGs in the light of the outcome of these discussions.

## WIGs - summary

<b>What we proposed</b>	<b>What you said</b>	<b>Our conclusions</b>
<p>A restructuring WIG will be payable where approved felling and restocking takes place and will be based on two components:</p> <p>An income foregone payment based on revenue foregone as a result of felling before or after optimal felling ages.</p> <p>An additional payment to cover the additional cost of restocking with other than SS, for environmental and amenity reasons.</p> <p>Payments to vary between £500 and £900 per ha depending on species used.</p> <p>A presumption in favour of broadleaves following broad-leaved felling and native species being used in recognised HAP areas.</p> <p>An additional payment available for use of genetically improved stock (£70) and</p> <p>The ability to use natural regeneration and still claim grant.</p>	<p>Rates too low.</p> <p>Cost of fencing/tree shelters should be supported in addition.</p> <p>SS being discriminated against.</p> <p>Must include flexibility to use alternative methods to standard operations list.</p> <p>Include UKBAP priority habitats and species WIG.</p> <p>Add litter picking.</p>	<p>We believe that the proposed structure will provide the appropriate incentives required to ensure that restocking is carried out with appropriate species.</p> <p>We do not see any scope to increase the rates at this time but will undertake to keep them under review and to monitor the impact of the WIIG as proposed.</p> <p>The rate for genetically improved stock will be increased in line with the rate for woodland creation (£100/ha).</p> <p>Difficult to finalise the list of WIGs until the full list of LMC grants is finalised. We expect a list of generic land management support grants of interest to all landowners which will include support for eg provision of access, management of priority habitats and business support measures. We are working with SEERAD to finalise this list and determine the rates and will revisit the need for specific forestry related WIGs in the light of the outcome of these discussions.</p>

## Farmland Premium Payments

81. Applicants who meet the eligibility criteria for the Farmland Premium scheme will continue to qualify for annual payments. Rates and eligibility criteria are currently being reviewed. It is anticipated that the Farmland Premium scheme will be incorporated into the system of forestry support measures from 2007.

## Energy Crops

82. Short rotation coppice will be supported by a one-off establishment grant of £1000 per ha payable on completion of the initial planting and subject to evidence that the grower has a contractual arrangement with an end user and/or has proposals to consume the material' within the applicants business.

## Forest Plans as Prerequisite for access to WIGs - *what we asked*

83. Do you agree with the principle that Forest Plans should be a prerequisite for access to WIGs in the future?

### **Forest Plans as Prerequisite for access to WIGs – *what you said***

84. A majority of respondents supported the principle but were concerned that Forest Plans should be available for all types and sizes of woodlands. Those who did not support the proposal feared that Forest Plans are geared to large-scale forestry and would restrict access to WIGs for small woodland owners.

### **Forest Plans as Prerequisite for access to WIGs – our conclusions**

85. We do not propose to take this proposal any further at present but expect to return to consideration of this issue at some time in the future.

### **Integration of Forestry Support Measures into the LMC System - *what we asked***

86. Do you have views on the general principle of integrating the forestry support measures into an umbrella support scheme delivered through the LMC system?

### **Integration of Forestry Support Measures into the LMC System - *what you said***

87. The majority of respondents were in favour of the principle but there were concerns that integration would bring more costly and complex administration systems and that forestry cease to have a specific funding allocation within the wider rural development funding 'pot'.

### **Integration of Forestry Support Measures into the LMC System – *our conclusions***

88. We recognise the concerns raised and will ensure that these are raised as discussions take place over finalisation of the funding and administration elements of the LMC system.

### **Top Ups and Challenge Funds**

89. The option of providing top up mechanisms to deliver extra support for particular activities is likely to be available within the Rural Development Regulation and would enable priority areas or activities to receive additional funding.

### **Top Ups and Challenge Funds - *what we asked***

90. Do you agree that top up mechanisms should be used to deliver extra support for particular activities and what are these?

### **Top Ups and Challenge Funds - *what you said***

91. There was strong support for the principle of a top up mechanism and the three key areas where this was felt to be most relevant were:

- Within native woodlands to meet UK BAP and HAP commitments
- To provide additional support for WIAT projects
- To provide additional support for woodland creation in priority areas.

**Top Ups and Challenge Funds - *our conclusions***

92. We will develop details of a WIAT top up mechanism and will be prepared to consider other top ups as reaction to the grants system becomes clear and the success or otherwise of the proposed measures in delivering the desired outcomes becomes apparent.

**TABLE 1: WOODLAND ESTABLISHMENT STANDARD COSTS AND PAYMENT RATES**

Woodland Type	Standard Costs £/ha			% Payable	Payment Rates £/ha		
	Fencing ***	Establishment	Maintenance		Fencing	Establishment *	Maintenance **
Productive conifer (low cost)	Stock fence £4.20/m	1200	800	70%	Stock fence £2.94/m	840	560
Productive conifer (high cost)	Stock fence (enhancement) £2/m	1400	950	70%	Stock fence (enhancement) £1.40/m	980	665
Productive broadleaves		2250	1150	70%		1575	805
Native/Riparian (planting)	Deer fence £7/m	1250	1100	70%	Deer fence £4.90/m	875	770
Native/Riparian (natural regeneration)	Deer fence (enhancement) £5/m	900	500	70%	Deer fence (enhancement) £3.50/m	630	350
Mixed woodland		2100	1100	70%		1470	770

\* Paid as lump sum on completion of planting.

\*\* Payment in four equal annual instalments.

\*\*\* Enhancement fencing refers to the addition of measures to help prevent bird strike by woodland grouse species.

## **Appendix 1 – List of consultation questions**

- Q1. Do you agree with the principle that the creation of small woodlands should be supported in this way?
- Q2. Is the system of support for these woodlands a good compromise between simplicity and the need to adjust rates to reflect different circumstances?
- Q3. Do these models and rates adequately reflect the range of situations likely to be encountered?
- Q4. Do you agree that Forest Plans are an important way of delivering sustainable forest management and that we should be encouraging owners to enter the scheme?
- Q5. Do you have any views on the appropriate level of detail that should be included in a Forest Plan?
- Q6. Do these rates adequately reflect the costs of preparing a strategic Forest Plan?
- Q7. Do you agree with the introduction of Forest Environment Payments and do you have any comments on the activities to be supported by the proposed FEP?
- Q8. Do you support the principle of a restructuring WIG and do you have any comments on the proposed rates?
- Q9. Do you have any comments on the list of proposed WIGs?
- Q10. Do you agree with the principle that Forest Plans should become a prerequisite for access to WIGs in the future?
- Q11. Do you have any views on the general principle of integrating the forestry support measures into an umbrella support scheme delivered through the LMC system?
- Q12. Do you agree that top up mechanisms should be used to deliver extra support for particular activities?
- Q13. Do you have views on which woodland types and/or geographic locations should be highest priorities for extra support through the top up mechanism?
- Q14. Do you have views on this, or other, mechanism for supporting community groups?