



7 February 2012

Grants and Regulation National Email Alert

Grant Budget Management

There has been a healthy demand for our grants this year, and the proportion of unclaimed contracts (also known as the 'drop out rate') has decreased.

The number of unclaimed contracts is often determined by factors such as weather conditions so if this year's mild weather continues, the ability to carry out work is likely to result in a lower drop out rate. This means we need to carefully manage the budgets to ensure that we meet government targets, maximise the grant spend we have available and manage customer demand.

Our guidance on grant budget management is contained in [Operations Note 7](#), but here's a reminder of some key principles:

- The earlier you apply for work, the greater the

chance we can accommodate your proposals and provide funding.

- The FC is fully committed to pay grant for approved work that is completed and claimed for in the correct claim year.
- You must claim grant in the approved claim year, otherwise your right to grant is lost.
- We will try to accommodate requests to change the claim year for approved work, but cannot guarantee it.

2011/2012 claim year

With the exception of [Woodfuel WIG](#), which still has funding available, the funds for 2011/2012 are fully committed so we will not approve any more applications for 11/12 funding. Remember, you may be able to do work this winter and still receive

payment in April 2012 (subject to funding, see next paragraph).

If you will not be carrying out work already approved for 11/12, and/or wish to defer work to a later claim year, please advise your [local FC office](#). Our ability to offer an alternative claim year will be dependant on factors such as the 11/12 drop out rate, so we may not be able to give a definitive answer until the end of this financial year.

2012/2013 claim year

We are now at a stage where we need to prioritise the allocation of remaining funds to important work, notably:

- Woodland Planning Grant: to help support the production of management plans.
- Woodfuel WIG: to ensure the funds we have available are fully committed and deliver economic benefits.
- Woodland Creation Grant:

7 February 2012

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to create more woodland which is identified as a government priority.

- Woodland Regeneration Grant: that supports the restocking of plant health affected woodland.

For other grants, we will continue to process applications but any new applications will be offered claim year 13/14 or later.

Woodland Management Grant



Further to the email alert issued in November 2011, and the 31 December 2011 deadline, we are now closed to Woodland Management Grant (WMG) applications for first payment in Autumn 2012.

If you are interested in applying for WMG, we will accept applications for work that will take place from 1 January 2013 with first WMG instalment in Autumn 2013. However, please note that we

are currently focussing our efforts on approving WMG

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Woodland Creation Grant: 2nd Instalment Claims

Over the coming months we will be issuing claim forms for Woodland Creation Grant (WCG) schemes that were claimed in 2006/2007, so claimants can receive the 2nd instalment of WCG, plus any associated Farm Woodland Payments.

The claim form must be completed and returned by the 15 May 2012 in order for us to make the appropriate payments in Financial Year 2012/2013. If your claim is late, the payment will be deferred to April 2013 at the earliest.

It is important that claimants read the claim form carefully and are confident that the conditions of the scheme

have been met before returning the claim form. This minimises the risk of penalties being applied.

It is also important that claimants contact their [local FC office](#) if there are any issues concerning their WCG claim, for example, if the land has been sold or remedial work is required. Do not simply sign and return your claim form. Rather explain the circumstances to local FC staff



and they will advise you on the appropriate course of action to maintain grant scheme compliance.

FC Processing Priorities

You may be aware that FC England is in the process of organisational changes. Key notable differences are the move from 8 Regions to 5 Areas, and movement of G&R administration into 6 main offices. Over the coming months a number of staff will be leaving the FC and we are

7 February 2012

Grants and Regulation National Email Alert

in the process of building teams in both the new Areas and at National Office, including training new staff.

The office changes are taking place over time, and we will contact existing customers as and when the changes take effect in each Area. Until you have been informed about the changes, please continue to liaise with your existing FC office. liaise with your [existing FC office](#).

Our aim is to maintain all our customer service standards, but we would be grateful for your patience during the changes.

We remain open to applications for all of our grants for 2013/14 and beyond, but will be focussing grant and regulatory effort on the following priorities:

- Processing felling licences where work is proposed this year.
- Processing grant claims.
- New grant applications which reflect key targets and grant budget availability:
 - ⇒ Woodland Planning Grant.
 - ⇒ Woodfuel WIG.
 - ⇒ Woodland Management Grant applications that must be approved by 15

May 2012 to enable first payment in Autumn 2012. Woodland Regeneration Grant for work to restock sites affected by Plant Health Orders.

⇒ Woodland Creation Grant.

Please liaise with your [local FC office](#) if there are specific concerns regarding the urgency of your application or claim and we will do our best to meet your needs.

Penalties

New legislation was introduced in 2007 that governs the breaches and penalties procedures for EWGS agreements. EWGS Contracts approved since 1 January 2007 and containing the appropriate Terms & Conditions will be subject to the penalties procedure where a breach has occurred.

Examples of penalty situations include making false or misleading statements on the original application form, engaging in false or misleading correspondence relating to an agreement (including any claims) or over-claiming grant aid.

An applicant, agent or the FC are permitted to amend an "obvious error" provided that

it is identified:

- At the time a claim is submitted but before processing begins;
- Before notification of an inspection has been given or, in the case of no prior notification of inspection being given, once an inspection has been started.

The earlier you tell us an error has been made, the greater the chance of avoiding penalties.

The FC can no longer amend a claim if it is found to be incorrect once processing has commenced. The level of penalty will depend on the reason for the breach and its severity. Significant breaches can result in loss of all grant payments for that claim year under that contract.

The FC do not set out to apply penalties, however we do have a duty to protect the use of public funds and must have a transparent penalty process to comply with EU paying agency delegations.

Please help us by thoroughly checking any application or claim before you submit it, and notifying us as soon as possible if you have made an error.