

1. BACKGROUND ON SFGS CLOSURE

1.1 Why was SFGS closed early?

SFGS was already scheduled to close in August. As we were drawn closer to the scheduled closure we became deluged by claims for payment and new applications for future funding. We had enough pending to use the budget not only for this year, but well into next, so we decided to bring forward the date for closure to avoid being over committed.

Applicants for a limited amount of grants may have been unaffected but the majority of those who were hoping to make an application will need to wait until the new scheme opens in 2007.

1.2 Why were you planning to close it in August, anyway?

The new Rural Development Regulation comes into force on 1st January 2007, and closing the scheme in August was planned to allow time for FCS to consult on and approve applications before the final deadline of 31 December 2006 for approval under the old regulation.

1.3 Why didn't you anticipate this?

We had always anticipated an increase but recent months have generated more than sufficient business to use up available funds in 2006-2007 and part of 2007-2008.

1.4 Why did you keep LPs going, but not accept other applications?

The Scottish Forestry Minister has made a commitment to deliver these 'top up' funds to specific areas of the country. It has always been the case, and remains so, that the funds are limited to predetermined levels. When limits are reached the locational premium funding will have achieved what was intended.

1.5 My grant was approved previously, but I wasn't able to complete the work until just now. When will I be able to get my money?

That will depend on what your grant is and the year it is due for processing. Rest assured, we will, of course, meet all contractual commitments. Staff in the Conservancy to whom your application was originally made will be in contact to run over the details in your case.

1.6 You say you are going to meet contractual commitments. Does my application acknowledgement letter you sent me constitute a contractual commitment?

We will be honouring contracts we have sent out to you for signing. Those applications that have not yet been processed are currently being considered and applicants will be notified whether they can proceed under SFGS or be reconsidered under the new Land Management Contract Scheme.

1.7 Can I still apply for grant-aid under SFGS?

The closure of SFGS applies to all applications with the exception of:

- Locational Premiums: we will still accept applications for new woodlands that are eligible for the Highland, Western Isles, and Northern Isles LPs up until the ministerial commitment level of each individual LP has been reached or until the closure of SFGS on 31 August 2006 – whichever occurs first.
- Farmland Premium applications in the above LP areas.
- WIAT Challenge Fund – applications will be accepted until the 31 July 2006. All WIAT schemes submitted at this point will be assessed at our final WIAT Challenge Fund judging round.
- Short Rotation Coppice is open until 31 August 2006.

Other new applications will have to be submitted under the new Land Management Contract Scheme as and when it is launched in 2007.

1.8 Have funds for the S9 project been ring fenced?

S9 is an important pilot scheme in which FCS is learning more about issues surrounding grazing in woodlands. We are honouring the contracts agreed within the pilot provided they meet the timetable outlined to them at the start of the pilot process. Therefore, we have factored in the areas outlined in your initial application and you will receive the due grants, provided competent survey results and management plans are submitted to us by the 31 August 2006.

1.9 Where have the extra funds come from?

The Minister asked Forestry Commission Scotland to look for extra funds to support the Climate Change Programme, which is crucially important.

Forestry Commission Scotland has been able to reallocate £6 million per annum (for the next two years) to give further support to forestry grants.

1.10 Having found £12 million, why was the scheme closed?

We're delighted that extra funds have been made available and this will enable us to pay more claims at an earlier date than otherwise would have been possible.

The extra £12 million over 2006-2007 and 2007-2008 will take the money available for forestry grants to an all time high of £26 million and £28 million respectively, reflecting the increase in forestry activity, which is very welcome indeed. Even with the extra funds we have sufficient business to spend the money available bearing in mind that we must also leave some headroom for the new scheme.

1.11 Will the monies for the new grant scheme come out of the same budget as SFGS/WGS or will there be additional funds available?

Forestry Commission Scotland has a grants budget from which it must pay for any current grant scheme plus any payments arising from legacy schemes. For example,

during 2007/08 we will have a budget for £28M which we will have to manage payments against WGS, SFGS and the new scheme.

You will note from recent FCS correspondence that we are taking stock of all unapproved SFGS schemes submitted to us so that we can identify the most effective way to prioritise the use of our budgets. This exercise will allow us to make decisions on what 'headroom' we will have for implementing and paying grants on the new scheme in years 2007/08, 2008/09 and beyond.

2. THE REVISED SFGS UNDER LMC

2.1 What's happening to the forestry grants in the new Land Management Contracts scheme?

We have been working with the forestry sector and our Customer Representatives Group to develop the best forestry grants scheme we can within the framework of the Rural Development Regulation. We intend that the grants will be made available as part of the Land Management Contracts Scheme.

2.2 When can we get going with the new scheme?

The new scheme is to be launched in 2007. We also have lots of SFGS schemes already earmarked for 07/08 and 08/09 and the amount of funding available for the new scheme depends on what actually happens with these existing approvals. We will have to prioritise which parts of scheme can be open with Forest Plans Plan Preparation Grant being the top priority.

2.3 Will you have to prioritise which parts of the new scheme will open first?

Due to resource and funding issues a phased approach will be used to deliver forestry support measures under Revised SFGS.

Detailed below is the proposed order of delivery which is based on the scheme type to be delivered and then the individual measures within those.

	Scheme Type	Measures included	Notes
1	Energy Crops	<ul style="list-style-type: none"> • SRC 	Use existing system in short term
2	Forest Plans	<ul style="list-style-type: none"> • Restructuring WIGs • Deer WIG • FEPs 	Deliver to existing Plan holders only who transfer to new Forest Plans
3	Forest Plans	<ul style="list-style-type: none"> • PPG • Felling proposals 	Encourage New Forest Plan applications
4	Creation Grants	<ul style="list-style-type: none"> • Standard Models • SRC • Farmland Premium • Fixed & variable rate top ups 	Top-Ups to be made available in Priority Areas. Will include a WIAT challenge amongst others.
5	WIGs	<ul style="list-style-type: none"> • WIG Operations 	Includes deer, restructuring WIGs and felling permission to non-Forest Plan holders
6	WIGs	WIAT Challenge fund	WIAT
7	Non-woodland Grants	Forests for People Challenge fund	
8	Other Challenge funds	<ul style="list-style-type: none"> • SSSI Challenge • Regional Challenges 	

2.4 Do we need different IACS FID numbers for woodland and moorland and, if so, what happens when the woodland regenerates onto the moorland?

Yes, you will need to register separately and use the SEERAD land business change form to inform SEERAD of any changes. You should register now, to your local SEERAD area office, for a business reference number as you will need this for the application stage. During the application process, you will need to register each woodland for a field identifier number to ensure you have this requirement at the claim stage.

3. FOREST PLANS & RESTRUCTURING WIG

3.1 Within my Forest Plan, will I still receive my outstanding PPG 90% payment?

Forest Plan applications that were received prior to the closing date of 31 December 2005 will be paid PPG elements provided the plans have been submitted by 30 June 2006 and are approved prior to the 31 December 2006.

3.2 How you will deal with the application for, and payment of, restocking areas covered by an approved Forest Plan?

1. Approved Forest Plan holders can continue to notify us of future restocking operations (via a Grant Calculator/form 3b) and claim at SFGS rates until the launch of the new scheme in 2007.
2. Approved Forest Plan holders can continue to claim for 'notified' SFGS operations up to and including 2008/09 provided the claim is submitted within the specified year.
3. Once we have launched the new scheme, we will not accept notifications for further restocking under the conditions and rates of SFGS. Applicants will, however, be able to claim under the new scheme's Woodland Improvement Grant restructuring rates and conditions.
4. All restocking undertaken from 2009/10 and beyond will be paid according to the new scheme rates and conditions under the Restructuring WIGs.

3.3 If I have an approved conditional felling licence, or an approved Forest Plan with attached felling licence (but no SFGS approved contract for restocking), and I wish to fell the timber, will I be eligible for restructuring payments under the new scheme?

Yes. In the first few years of the new scheme, the restructuring WIGs will be accessible without the pre-requisite of having an approved Forest Plan. A site clearfelled under an approved Forest Plan, but not yet restocked, will be eligible for inclusion as a restructuring area when you apply for restructuring WIGs under the new scheme process. Successful applications will receive restructuring WIG payments.

3.4 When I apply for my restructuring under the new LMC based scheme, what grants will I be able to apply for?

You will be eligible for grant payments based on the areas restructured at the following rates:

Successor Crop	Payment rate
Sitka Spruce	£500/ha
Other conifers	£650/ha
Broadleaved plantation	£800/ha
Native broadleaved woodland (including Caledonian Scots Pine)	£900/ha

The following will apply:

- There will be a presumption in favour of broadleaved woodland being retained as broadleaved woodland.
- There will be a presumption in favour of native species being used within woodland which is designated or a recognised Habitat Action Plan (HAP) priority.
- There will be a presumption in favour of restocking with appropriate native species on Planted Ancient Woodland Sites (PAWS)
- An additional £70 per ha will be payable to the first three rates in the above table where genetically improved planting stock is used.
- Owners may opt for restocking by natural regeneration in which case the grant will be paid on satisfactory establishment. In all other case the grant will be paid on completion of planting.
- All ground preparation, fencing and protection costs are included in the above rates.

3.5 Can applications related to different work to be carried out under an approved Forest Plan, be made under both SFGS and the new scheme after it's launch in 2007: ie: will it be possible to claim separately under SFGS and the new scheme within an approved Forest Plan ?

Yes: we will pay approved SFGS restock rates up until 2008/09. Beyond that, and for areas submitted for restocking once the new scheme has been launched, you can apply under the Woodland Improvement Grant Restructuring available in the new scheme.

3.6 Where restocking under an approved Forest Plan includes natural regeneration and where the claim year under SFGS for that regeneration is beyond 2008/09, will that claim be honoured in that claim year or any other claim year in which the natural regeneration has reached an acceptable standard for a claim to be made under?

Yes. We will pay once it has been agreed that the area has been satisfactorily stocked as per the conditions.

3.7 For an area that was proposed to be restocked by natural regeneration under an approved Forest Plan, can an application be made for carrying out fencing or other preparatory work under SFGS, with a separate application being made for natural regeneration under the new scheme after it is launched in 2007?

If payments have already been made under SFGS for the protection and/or ground preparation operations, then we would want to see the area stocked to meet requirements of the current SFGS/Forest Plan. In this case, you would be unable to apply for the restructuring planting grants from the new scheme. If no payments have been made, we would close the current SFGS/Forest Plan agreement and allow you to reapply under the new scheme conditions.

3.8 Is production forecasting required for 10 years?

Yes this information is required as an annual return under the new Forest Plans for plans of over 100Ha.

4. WOODLAND IMPROVEMENT GRANTS

4.1 Will deer control be an eligible operation under Woodland Improvement Grants and, if so, how long will the WIG grant for deer control be available for?

Yes, deer control is an important factor in the improvement of forests and woodland and will be included as an eligible operation. Deer control is a long term management activity and this is recognised by the grant being available for up to 10 years. A 5 year review will be built in.

5. WOODLAND CREATION

5.1 In Woodland Creation, what are the advantages of the Small Woodlands grant in Tier 2 and why is it only available for Native species?

This grant will reduce administration and, therefore, simplify delivery and will also offer an alternative option should the revised SFGS approach in Tier 3 not be suitable for the applicant. The UK Forest Standard compliance is a requirement for Tier 2 planting.

It is available only for native species to offer the low-risk approach that was requested following discussions between the forest industry and environmental representatives.

Planting can occur without a grant but the EIA Forestry regulations will apply.

6. FARMLAND PREMIUM

6.1 Can I apply for Farmland Premium payments in advance of the SFGS payment?

Yes. As an example: If there is an agreed contract with an approved planting year of 2006/07, SEERAD will pay from 16 October 2007 (subject to receiving - from FCS - a valid SFGS/FP4 claim form and notification of satisfactory planting) even though FCS may not pay until 2007/08. Although the 2006/07 payment year for SEERAD starts on 16 October 2007 (the start of the EC financial year), SEERAD can also make payments on receipt of 2006/07 plantings after this date.

7. TRANSITION FROM SFGS TO LMC

7.1 I have an approved contract for SFGS management plans which I am currently working on and which will result in recommendations for implementation. These actions were then intended to form the basis of an SFGS amendment/application. Can I still apply for such operations?

There is no possibility of processing any further SFGS amendments or applications. You will have to apply for grant aid for the works identified in your management plans under the new Land Management Contract based scheme which will be introduced in 2007. This also applies to management plans approved in the WIAT Challenge Fund.

7.2 I have a new planting scheme that has been through the SFGS approval process, but I have not yet received a contract offer. I recognise that indeed I may not ever receive such an offer under SFGS. I am however keen to carry on and plant the site. If I do so will I prejudice my ability to make a claim under any new mechanism that becomes available?

Unfortunately, FCS cannot guarantee payments on any schemes it has not approved. Notwithstanding the fact that your SFGS application has 'been through' the SFGS approval process, an approved contract was not offered under the terms of SFGS. Retrospective payment has many difficulties and it is also certain that SEERAD would not allow the payment of Farmland Premium. We would strongly advise you to await the launch of the new Land Management Contract based scheme which will open in 2007.

7.3 I have a new planting scheme that has been through the SFGS approval process to draft contract stage, but I have not yet received a contract offer. I recognise that indeed I may not ever receive such an offer under SFGS. However, I am keen to re-apply with the same proposals under the new application process for the new Tier 3 grants on creating new woodlands. Will my application require going through the consultation/public register stage again?

For new planting schemes that were initially deferred under SFGS, and then not processed due to a lack of grant funds, we will return your application so that you can re-apply under the new application conditions. Provided your proposals remain the same, then we hope to be able to administer your application without the need of a second consultation/public register stage.

7.4 Now that SFGS has been closed, can we submit an SFGS to secure approval and then transfer the approval into the new scheme from January 2007?

No. We cannot accept any new applications in advance of the new scheme opening to applicants in 2007 as the new scheme will be administered jointly by Forestry Commission Scotland and the Environmental and Rural Affairs Department of the Scottish Executive.

7.5 Where we have an SFGS approved contract, will it be possible to hold off doing the work until it is clear whether the new scheme will be more beneficial and then to re-apply under the new scheme if that pays out more money for the same work ?

Yes – though funding is only guaranteed in the claim years agreed.

7.6 Where can I see details of the new scheme and how can I make my views known?

Consultation on the new scheme started on 25 April and will last until 27 June. You will be able to get up to date information about the new scheme from the FCS webpages: www.forestry.gov.uk/scotland.

8. SRDP CONSULTATION

8.1 With cross-compliance, if you default in agriculture does this effect the forestry sector?

Yes, cross-compliance follows through.

8.2 Will the Local Authorities position change regarding eligibility? Is there a conflict with public money going to public bodies?

As long as the Authorities are business registered with an IACS reference number, grants will be available.