

English Woodland Grant Scheme Update

Purpose

1. To update AFG on current English Woodland Grant Scheme (EWGS) issues and receive feedback.

Financial picture

FY 2008-09

2. Despite the closure to 2008-09 applications in February it has proved possible to bring forward and offer extra contracts this year. This is due to: (a) the ability to pick up some payments late in 2007-08 and (b) a technical issue with FWPS Legacy funding which has enabled £500k more co-financing to be claimed than was originally expected. The value of FWPS co-financing only became fully clear in October as the FC finalised calculations for the end of our first full EU year of payments. To use up remaining headroom WCG 2008 applications are being offered a 2008-09 payment year where it is realistic that they will plant and claim by 31 March 2008. Applicants with 2009-10 offers have also been approached regarding possible earlier completion and payment.
3. It is recognised that the shuffling of contracts from one year to another can be tedious. However, it will remain a factor of our work if we are to maximise use of the funding available.

FY 2009-10

4. When we opened for 2009-10 applications Defra was unable to give us a firm RDPE budget. We assumed a conservative figure based on a similar £1.3m (net) reduction to the RDPE baseline (as was applied belatedly to 2008-09). During October it became critical to have a firm figure to enable WCG application processing to proceed with confidence. At the end of October Defra finally confirmed the RDPE baseline figure would apply. Taken together with co-financing on the net £1.3m, and the extra co-financing for FWPS, the overall effect is to make around an extra £3-4m (gross) available for RDPE grants in 2009-10.
5. The RDPE Programme Board has started to consider the forecast and commitments against the main Axis 2 scheme spend, as well as progress in Axis 1. There has been some initial discussion, in the light of likely under-spend on energy crops, environmental stewardship and some Axis 1 measures, of the scope to move more funding towards forestry, particularly woodfuel strategy-related extra support. AFG will be kept advised of any significant decisions over coming months.

Overall synopsis

6. The 2009-10 levels should continue into 2010-11 as the RDPE budget planned for forestry spending to rise during the plan period. There will remain some uncertainty with the current political and economic situation. However, the overall picture is of substantially increased availability of funds compared to recent past. Strong representations have been made to Defra about the need for early confirmation of budgets, as otherwise the uncertainty and conservative approach to promoting applications will result in certain under-performance and dis-engagement. Consideration is being given to how extra 2009-10 funding could be utilised, some options are referred to below.

Woodland Creation

7. A summary of applications received this year is at annex 1. Given the general climate we were pleased to receive 2000ha of applications. There were also some larger schemes, including one in Northumberland National Park of over 200ha.

8. We are mindful of the fact that 2000ha of applications may only result in 1500ha of planting, and that a proportion of this will occur in 2008-09. In view of this we are considering whether to run an 'interim' WCG round with a spring 2009 closing date. The main difficulty with this, apart from the short notice, is the uncertainty with FWP rates referred to in paper 05/08. We cannot be sure when we would get EU approval for revised FWP rates, and re-coding the IT system to pay them correctly by autumn 2009 will be tight.
9. For Prospectus 2009 (payments in 2010-11) regions are planning to make available a range of new additional contributions at £1000 to £2000. The aim is not to increase the total programme above 2200ha but to bring forward more targeted applications in line with ancient woodland and biodiversity priority areas, access and growth points etc.

Woodland Improvement Grant

10. There is thought being given to facilitating woodfuel – particularly utilising additional funding from 2009 onwards. This is a difficult area as EU expects support of economic production and biomass issues to be via Axis 1. However, it is believed that it should be possible to formulate something focussed on ancient and native woods, possibly within AONBs, encouraging coppicing and restoration actions etc. It will also depend on identifying locations where there is sufficient existing or planned demand from boilers.
11. Following on from the success of a 'Bird' WIG in North East this year, other regions are looking to expand their range of options for 2009. As we close in on the SSSI target we are likely to make the SSSI grant available for maintaining SSSI in favourable condition.

Woodland Regeneration Grant

12. There has been some ability to accept more applications into 2008-09, but on a more modest scale than with RDPE grants. Several regions are starting to reach their budget limits for 2009-10 applications. Regions are being encouraged to monitor commitments carefully in the expectation that the current timber market will result in a reduction in felling and thus a reduced claim rate for WRG.
13. The medium term aim with WRG is to get the grant approved as part of RDPE as the co-financing would increase the total funding available. However, this will not occur in time for 2010-11 applications under Prospectus 2009.

Woodland Management Grant

14. Some consideration is being given to increasing the certification threshold to 100ha in line with the UKWAS definition of small woodlands. However, work is proceeding over winter 2008 on establishing a CPET category B mechanism. It is felt that this work should conclude before taking a firm view on changes to WMG.

Recommendations

15. AFG are invited to comment on:
 - Options for utilising extra 2009-10 funds, and communications required
 - Other issues in this paper.

**Forestry Commission
November 2008**

Annex 1

Woodland creation areas by Region for 2008 round – includes P2009, P2010 & P2011

Conservancy	EWGS applications received			Fast track score	Threshold score*	EWGS schemes accepted#			% EWGS accepted	
	Number	Area	Average size			Number	Area	Average size	by number	by area
North West	51	336	6.58	14	9	51	336	6.58	100	100
Yorkshire & The Humber	56	203	3.63	18	9*	55	202	3.67	98.2	99.5
East Midlands	60	208	3.46	14	9	60	208	3.46	100	100
West Midlands	36	285	7.90	14	11	36	285	7.90	100	100
East England	32	201	6.28	6	3	32	201	6.28	100	100
South West England	88	280	3.18	14	9	88	280	3.18	100	100
South East England	29	121	4.17	14	8	29	121	4.17	100	100
North East England	27	394	14.59	14	9	27	394	14.59	100	100
England Total	379	2028	5.35	-	-	378	2027	5.36	99.7	99.95

*Threshold scores

East England used a Regional score form

Other regions used a national score form with 6 points for regional priorities

EWGS schemes accepted

As a result of accepting these P2009 schemes areas associated with them for planting in P2010 and P2011 have also been accepted. Just one scheme was not accepted on the basis that it did not deliver sufficient public benefit. A planting year runs from the 1 October to 30 September with the latter year used to represent the crop, so trees planted 1 October 2008 to 30 September 2009 will be referred to as P2009.