

Prospectus 2007

Forestry Commission England is pleased to open its third Grant Prospectus to applications and grant offers under the English Woodland Grant Scheme (EWGS). This Prospectus provides an overview of the national and regional grant budgets that will be available in financial year 2008/09, **subject to** final EC approval of the new Rural Development Programme for England 2007- 2013 (RDPE). Defra are the managing authority for the RDPE.

Regional Delivery of the RDPE forestry Axis 2 grants

EWGS is part of the devolved and targeted approach that was announced in the Government's Rural Strategy, published in 2004. It will be part of the RDPE suite of support for land management, funded under Axis 2 of RDPE alongside Environmental Stewardship. Forestry will also be able to seek support for certain work under the Axis 1 and 3/Leader that cover socio-economic elements of RDPE, which will be administered at regional level by the Regional Development Agencies.

To take forward regional agendas alongside our commitment to support delivery of the revised national forestry strategy (publication expected in Summer 2007), we have set initial EWGS budgets for each of the English regions. Recognising that RDPE is not yet approved by the EC we will:

- adopt a policy of minimal change compared with last year. This means a strategy for grant spend in 2008/09 which will provide broad continuity with previous total grant offer budgets
- support continuity for the long-term sustainable management of woodland by adjusting our non-farm woodland grant spend to allocate 60% to existing woodlands and 40% to the creation of new woodlands
- provide an increased budget for woodland regeneration grant following strong demand in 2006, thereby also assisting owners to respond to the strong roundwood demand and supporting the woodfuel strategy
- maintain levels of woodland improvement grant support, including continuing to address the government's woodland SSSI condition target
- work closely with Natural England to assist effective delivery of the woodland elements of Environmental Stewardship, and continue to develop EWGS regional targeting to ensure strong linkage between forestry grant support and maximising public benefits
- continue to use EWGS to support delivery of Regional Forestry Framework action plans through targeted grant delivery.

**Financial Context
for Grant Offers**

Our budget for grants in 2008/09 will be £17.7 million. After allowing for claims expected from holders of contracts approved in earlier years, we anticipate that there will be £10.9 million available to support new business, including some rescheduled by agreement with applicants. **This offer is subject to RDPE approval taking place in financial year 2007/08.** We are allocating this in regional budgets as follows:

Region	Funds Already committed (WGS/EWGS) £'000	Funds available for new applications - £'000					Total regional grant budget £'000
		Woodland Creation	Woodland Stewardship Grants				
			Planning	Management Grant	Regeneration	Improvement	
East England	690	460	50	70	120	310	1,700
East Midlands	680	850	50	60	100	260	2,000
London	45	100	0	5	0	50	200
North East	375	500	25	50	260	90	1,300
North West	630	600	40	50	145	235	1,700
South East	1,740	320	100	160	300	880	3,500
South West	1,380	1,100	70	110	210	630	3,500
West Midlands	685	400	25	80	180	330	1,700
Yorkshire & Humber	590	525	35	80	150	120	1,500
England Total	6,815 ¹	4,855	395	665	1,465	2,905	17,100 ²

The regional allocations may be re-deployed in the light of actual demand (applications and uptake by existing contract holders) and taking account of our national targets and priorities for support. We therefore cannot guarantee to spend all of each allocated regional grant budget.

Unlike previous Prospectus publications we are not in a position to confirm any new forestry partnerships budget for 2008/09 whilst government concludes the Comprehensive Spending Review 2007. Regions may have an opportunity later this year to give more information on future partnerships priorities and levels of support we intend to make available. See annex 1.

New RDR Requirements

We wish to highlight some new Rural Development Regulation (RDR) requirements that will affect the way we operate EWGS in future:

- Customer and land registration before entering any of the RDPE land management schemes – a new requirement as part of a much enhanced

¹ Commitments are estimates at the time of publication. They vary daily because of approvals and the level of grant applications. Updated information on grant availability is provided on the FC Regions pages on the FC England website or by contacting the FC Regional Office.

² Total for England excludes £0.6 million for old schemes and pilot/block grant initiatives managed nationally.

suite of controls to facilitate cross-compliance between schemes and cross-checking (double funding) tests. From 1 April 2008 customers and land will need to be registered prior to submission of an EWGS application. Further details on processes for this will be issued in due course. In the meantime transitional arrangements are operating between FC and the Rural Payments Agency (RPA) whereby any unregistered land entered into EWGS before 1 April 2008 will be retrospectively registered.

- Revised Terms and Conditions for EWGS contracts to meet RDR compliance and Paying Agency (RPA) requirements.

Normal Grant Offer Conditions

We have to ensure that our existing commitments, as well as any new contract commitments we agree for a financial year do not exceed our budget. So we will not normally enter into new contracts for payment after 31 March in the preceding financial year. This means, for example, 31st March 2008 would be the latest approval date for a contract with a first claim year of 1st April 2008 to 31st March 2009. We may stop making offers earlier each year if actual claims against existing agreements are higher than expected, or once targets and/or budget limits have been reached during the current financial year.

Application Timetable and RDPE Approval

Table 1: Grant application deadlines and periods by EWGS grant type

GRANT TYPE³	PROSPECTUS 2007 Application periods^{4&5} (for payment in 2008/09)
Woodland Planning & Assessment Grant (WPG/WAG)	1 June 07 - 29 February 2008
Woodland Regeneration Grant (WRG)	1 June 07 – 29 February 2008
Woodland Improvement Grant (WIG)	1 June 07 – 29 February 2008
Woodland Management Grant (WMG)	1 June 07 – 29 February 2008
Woodland Creation Grant (WCG)	1 June 07 – 28 September 2007

For all EWGS grant types under Prospectus 2007 we will operate the application deadline dates as shown in Table 1 above. At the time of publishing this Prospectus the RDPE has recently been submitted to the EC, with final approval forecast to take up to six months. Due to this position FC is unable to issue contracts for most grant types in the next 3-6 months. WRG will operate outside RDPE and a State Aid notification is being agreed with EC under new procedures. In order to facilitate WRG work under applications for this Prospectus WRG contracts will be signed when State Aid approval is received, expected during summer 2007. To

³ All grant type applications with the exception of WCG will be based on a first come, first served regional basis. WCG applications will be assessed through a scoring and judging round to determine the applications capable of delivering highest public benefits.

⁴ We will stop making offers earlier once budget limits have been reached.

⁵ We may stop making offers earlier each year if actual claims against existing agreements are higher than expected during the current financial year and/or targets have been reached. If earlier deadlines become necessary to enforce we will try and publicise these in advance.

support WCG implementation in Autumn 2007 a decision on the need for provisional contracts will be taken around September, subject to Defra advice on the progress with RDPE approval. Revised rules and/or rates may apply to certain grant types for contracts signed after RDPE approval and further details will be published when these are known. The aim is to help both applicants and FC plan their respective work and ensure we can process applications and issue contracts in time so that work can take place and payments are made in the appropriate financial year.

Applications and Business Rules

Only completed applications accompanied by an acceptable map received in FC Regional offices by the date shown will be considered for grant contracts. EWGS contracts offered under Prospectus 2007 will have a first payment year of 2008/09. All grant types are subject to national cash limits and are awarded on a first come-first served basis in each region. Where higher than expected claims against existing agreements (such as rescheduling of old schemes) or a shortfall in targets is identified, we may transfer funding between regions in order to respond to its national priorities. Each grant component of EWGS is subject to clear eligibility and application rules. Please speak to your local Forestry Commission contact (details below) about your proposals.

Further Information and Updates

Further information including full copies of application forms and guidance can be found on our website <http://www.forestry.gov.uk/ewgs>. Via this website you may also subscribe to email updates which are issued periodically to advise applicants of new information that may be of interest.

Regional Grant Prospectus Information

We will publish regional Prospectus information for each of our Regions on the FC website. We expect to publish these by the end of June 2007, but in the interim please contact your local FC Region for any advice in relation to your plans.

- North West England (01768 776616): northwest.fce@forestry.gsi.gov.uk
- North East England (01669 621591): northeast.fce@forestry.gsi.gov.uk
- Yorkshire & The Humber (01904 448778): yorkshirehumber.fce@forestry.gsi.gov.uk
- East Midlands (01673 843461): eastmidlands.fce@forestry.gsi.gov.uk
- West Midlands (01905 362730): westmidlands.fce@forestry.gsi.gov.uk
- East England and London (01842 815544): east.fce@forestry.gsi.gov.uk
- South West England (01626 890666): southwest.fce@forestry.gsi.gov.uk
- South East England (01420 23337): southeast.fce@forestry.gsi.gov.uk
- FC England, National Office (01223 314546): nationaloffice.fce@forestry.gsi.gov.uk

Regional Forestry Framework Publications

These can be found via: <http://www.forestry.gov.uk/england-rff>

The Forestry Commission's Approach to Supporting Regional Agendas and Delivering National Targets Through Grants and Partnerships

Each English region now has its own Regional Forestry Framework outlining the opportunities for woodland management and creation in that region. The Forestry Commission's management of budgets and associated grants at the regional level represents one of our key means to enable these opportunities and support the developing needs of our applicants. We want to increase the range of support and advice we provide towards implementing the regional strategies and targets, working as government's expert woodland and forestry body alongside Natural England and the Regional Development Agencies in future. At the same time, the Forestry Commission retains a remit to deliver overarching national targets such as the woodland SSSI and Habitat Action Plan targets.

We provide regional grant budgets as part of our wider response to supporting Regional Forestry Framework actions. We aim to increase other (non-grant) forms of delivery support to the sector such as technical advice, awareness raising and facilitation of projects. Our partnerships budget is used to initiate, and buy influence in, a diverse range of national and regional partnership initiatives. In each region we look to focus this investment in market and business development, building capacity and skills, and delivery partnerships that can access new sources of funding for the woodlands and forestry sector. Our proposals for this funding are managed through the business planning process on an annual basis, and will be communicated later in 2007 for next financial year. This combination of grant and non-grant forms of support is increasingly recognised as crucial to underpinning the delivery of key programmes such as the Government's Woodfuel Strategy and the woodland SSSI condition target.

Regional grant budgets are also part of the overall national grant management strategy, with each regional Prospectus budget representing our best forecast of grant availability. We cannot guarantee to spend all of each allocated regional grant budget. This is because over England as a whole we have to balance our total grants budget against claims from existing agreement holders with new grant commitments, which are linked to our corporate targets for the current period. A consequence of this strategy is that we may decide to move funds between regions in order to ensure delivery of national targets, optimise uptake of the total grants budget, and maximise overall public benefits.

Our allocation of grant budgets to the regions for 2008/09 continues to be based on existing agreements and historic trends, noting that a revised national forestry strategy is expected in 2007. We will examine the need to adjust budgets as new programmes and corporate plan targets are set. We will work closely with partners and applicants as we respond to the opportunities under the new RDPE from 2007 onwards.