

# Woodland Management for Woodfuel Production in Central Scotland - funding and Assistance

Scottish Rural Development  
Programme Rural Priorities –  
A summary of potential funding for  
woodfuel production and  
processing.

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- Regional Priorities
- Packages
- Options
  
- Most options can be linked to a number of Regional Priorities.
  
- It is important to select the Regional Priority with which the proposals have the 'best fit'.
  
- The options contain the key information about the eligible operations and rates of funding available for those operations.
  
- My talk will focus on the content of the relevant options.

- Management of Existing Woodland
  - Woodland Improvement Grant
  - Sustainable Management of Forests
  - Improving the Economic Value of Forests
- Woodland Creation
- Short Rotation Coppice
- Processing
  - Processing and Marketing of Primary Products
  - Development and Creation of Micro-enterprises
- Improvements to Infrastructure
  - Provision and Upgrading of Infrastructure
- Co-operative Activities
  - Co-operation Non Food and Forestry Supply Chain

- Long Term Forest Planning
- £20/ha for first 200ha/£5ha thereafter (Minimum payment of £400 and maximum of £15 000).
- Eligibility requirement for other options:
  - Improving the Economic Value of Forests
  - Sustainable Management of Forests
- An approved plan will include consents for felling contained within the plan over the first 10 years.

- Improving Woodland Habitats and Species
- Range of standard cost operations available within the overall objective to benefit UK Biodiversity Action Plan priority species and habitats.
- Pre-commercial and non-commercial thinning @ £150/ha.
- Small scale thinning @ £300/ha.
- Both must be net cost operations to be eligible.
- Primary objective of option is linked to improvements in key habitats and species through the funding of appropriate uneconomic operations. Management Plan is required.

- Restructuring Regeneration
- Grants available for restocking felled areas split into:
- Payments for felling (to cover income forgone as a result of premature felling occurring during restructuring). Contained within Sustainable Management of Forests option.
- Payments for replanting – Restructuring Regeneration. Mixed broadleaves@ £300/ha; Native mixed broadleaves@ £385/ha; diverse conifers@ £134/ha (other than Sitka spruce)
- If woodland is being restructured to Short Rotation Forestry payments are only available for the initial felling and replanting. Subsequent (short) rotations will not be eligible.



- Restructuring Felling
- For restructuring even aged areas of forest
- £130/ha/year for 4 years following the completion of the felling.
- From 4<sup>th</sup> April 2011 this will need to be covered by an approved forest plan for any woodlands over 30ha.
- If woodland is being restructured to Short Rotation Forestry payments are only available for the initial felling and replanting. Subsequent (short) rotations will not be eligible.




- Areas of woodland managed under a Low Impact Silvicultural System (Alternative to Clearfell)

- 95% of the grant aided area must be thinned at least once during the plan period.
- Must have an approved forest plan.
- Net costs can be supported over a period of up to 10 years.
- Payment rate £28/ha/year.
- Eligible operations not specified, but similar to those contained within the Woodland Improvement Grant. Again aimed at environmental improvement.



- Designed to support a range of silvicultural operations aimed at enhancing timber quality.
- Must be within an approved forest plan.
- Applicant must provide details of the estimated costs and income. Only net cost operations can be supported.
- Pre and non-commercial thinning to improve average stem quality is the most relevant eligible operation from a biomass perspective.
- Option can pay 50% of the actual net costs of this operation up to a maximum of £75/ha.

- Various woodland types can be planted under this option. Most relevant to biomass production is the Productive Broadleaved Woodland Creation model. Proposals for the establishment of Short Rotation Forestry can be eligible under this model provided plans are consistent with UKFS and the woodland option design criteria. Proposed rotation length should be at least 15 years. Technical guidance is available from FCS.
  - All other woodland creation eligibility criteria apply e.g. in relation to maintenance and farmland premium payments.
  - Minimum of 2.0ha
  - At least 85% productive broadleaves
  - Up to 5% other broadleaves
  - Up to 10% designed open ground
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- Payment rates of up to £3800/ha excluding farmland premium.
  - Farmland premium rates depend on land class (£60-£300/ha).
  - Can include capital payments for fencing etc

- Support for the establishment of SRC crops through the planting of willow or poplar cuttings.
- Minimum area of 2ha.
- At least 10 000 stems/ha must be established and maintained for a period of at least 5 years.
- Applicant must demonstrate that they have established an end use (evidence of a supply contract for renewable energy projects)
- Planting must comply with UKFS
- Payment rates of 40% of actual costs up to a maximum of £1000/ha



- Several potential routes to access funding to contribute to the costs of purchase of processing equipment such as chippers, drying and storage facilities, log processing equipment etc.
  
- Generally the relevant options will only support 'specialist equipment'. Conventional forestry equipment and other machinery that has another use is ineligible.

- Provides support for economic activity in rural areas and is **linked to business based Rural Priorities**.
- Adding value to forest products (processing).
- Strengthening supply chains
- Applicants should demonstrate that proposals will enhance the viability of the rural business.
- Grants can be paid at 40% of eligible costs.
- Support for the adding of value to forest products is limited to micro-enterprises (employing fewer than 10 persons and with a turnover of <2m Euros).



- This is about rural business diversification and creation and is linked to the **Diversification of Rural Enterprises Regional Priorities**
- Applies only to micro-enterprises.



- Not just restricted to specialist biomass processing equipment. Could also include the development of typical small forestry businesses, but the focus of the relevant Regional Priorities is on adding value and innovation in processing and marketing.
- Grant payments of up to 50% of eligible actual costs are available under this option.
- If the applicant is a farming business that similar support can be obtained under the option Diversification outwith Agriculture.

- Objective is to provide support for investments related to the development of agriculture and forestry business – particularly in relation to contributing to sustainable forest management.



- Projects must increase business profitability and be an essential part of the restructuring of the business.
- Most relevant operations to forestry are likely to be linked to the construction or improvement of access roads.
- Rates of support of 40% (Non LFA) or 50% (LFA) of eligible actual costs are available within this option.

- This option aims to support co-operative business activities between groups of primary producers or land managers to assist in the development of a range of associated benefits.
- Eligible costs will generally be those additional costs that result from the adoption of a co-operative approach and may include development plans and feasibility studies.
- Option cannot be used to support existing expenditure.
- Grant generally available up to 50% of eligible actual costs.

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