

### Update on FGS – Harvesting & Processing Option

This note provides information on changes to the Harvesting & Processing option for Forestry Grant Scheme (FGS) applications in 2021.

#### 1. Budget Availability and Application Dates

Support for increasing GB forest nursery tree supply capacity under Aim 2 - Nursery, Seed Supply and Ground Preparation Equipment, has been increased. The Harvesting and Processing option budget has been increased up to the value of £2m in 2021.

This is a joint initiative between the Scottish, Welsh and UK Governments.

A new application round will be introduced for projects that can be completed by 31<sup>st</sup> March 2022, and **applications are invited for submission between 1<sup>st</sup> May and 30<sup>th</sup> June 2021.**

Contracts for work will be available for successful applicants by August 2021.

Applications under Aim 1 – Harvesting and Processing and Aim 3 – Adapting and Recovering From Covid-19 are also invited during the May/June submission window.

#### 2. Harvesting & Processing Option Availability across Great Britain

**Forest tree nurseries in England and Wales** who supply trees into Scotland can apply for support under Aim 2 - Nursery, Seed Supply and Ground Preparation Equipment.

#### 3. Harvesting & Processing Grant Summary

For full details of the scheme visit the [Rural Payments & Service website](#).

The Harvesting & Processing grant is provided to promote economic development in rural areas by supporting new and existing forestry businesses.

Grant support is based on actual costs with a maximum contribution of 40%. The balance of funding must come from private funds.

In any single application, the maximum grant award may be up to £50,000, applicants may make more than one application per claim year, and multiple applications for individual pieces of equipment relating to a single project are allowed.

Applications for the Forestry Grant Scheme are online only. You must register with Rural Payments and Services and have a Business Reference Number (BRN) to apply, view guidance on [How to Apply](#).

Any costs incurred prior to returning a signed contract will be ineligible for funding support.

Claims for completed work must be submitted, along with any supporting evidence, by 31<sup>st</sup> March 2022, when submitting a claim refer to our grant [Claims and Payment](#) guidance.

Please [contact your local Conservancy](#) if you have any queries about the content of this note.

### **Operational Delivery**

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**Table 1 Forestry Grant Scheme: Clearing and Budget Categories with Threshold Scores – March 2021**

Grant Category	Clearing categories	Frequency of Clearing	Indicative 2021 Budget £m	Claim Years available for first year of contract	Number of Claim Years available	Indicative Headroom 2021	Indicative Headroom 2022	Threshold Score(Max)
Woodland Creation	WC with CSGNC	Monthly	£8.0	2021 & 2022	N+2			10 (31)
	WC High Cost* (>£6k/ha)		£3.0	2021 & 2022				10 (31)
	WC with Nat Regen		£0.25	2021 & 2022				2 (6)
	WC Other		<b>£43.25</b>	2021 & 2022				10 (31)
Woodland Improvement Grants	Restructuring Regeneration	Monthly	£2.0	2021 & 2022	N+2			3 (6)
	Planning options		£0.35	2021 & 2022	N+2			2 (6)
	Habitats & species/Liss		£0.80	2021 & 2022	N+2			4 (6)
	WIAT***		£0.90	2021 & 2022	N+2			9 (16)
Sustainable Management of Forests	Native Woodlands/ LISS/ livestock/Grazing	Monthly	£0.60	2022	N+1	N/A		2 (6)
	Squirrels/Predators/Deer#		£0.75		N+1	N/A		2 (6)
	WIAT		£0.05		N+1	N/A		6 (16)
	Rural Access		£0.15		N+1	N/A		2 (6)
Tree Health		Monthly	£0.45	2021 & 2022	N+1			2 (6)
Forest Infrastructure**		Monthly	£0.55	2021 & 2022	N+1			3 (6)
Agroforestry		Monthly	£0.1	2021 & 2022	N+2			2 (6)
Harvesting and Processing**		Annual	£2.0	2021	N		N/A	2 (6)
Co-operation		Monthly	£0.1	2021 & 2022	N+1			3 (16)
<b>Total</b>			<b>£ 63.3</b>					

Notes: \*Projects with average cost is £6,000/ha or higher. \*\*Projects must be completed and paid in the approved claim year. \*\*\* Projects limited up to £100k/BRN. N = current calendar year. #Includes £250k for landscape scale deer management and woodland restoration.

Indicative Headroom Colour Key:

There is currently good availability of funds within this FGS clearing category and we will be able to support most good quality application

It is likely the demand for funds within this FGS Clearing Category will exceed the available budget and there will be strong competition for funds

There are no longer any funds available within this FGS clearing category

**Claim Years Available** - Our approach to claim years is set out in Table 1 and depends on the grant type. This has been structured to ensure applications go through the competitive clearing process whilst at the same time manage the grant budget without a long forward booking of projects.

**Please note that for an application proposal with multiple claim years, the application score must meet the higher of the threshold scores for each claim year to obtain full approval.**

**Woodland Creation** - capital items such as fencing and initial planting - up to 3 claim years (i.e. within N+2, where N = the current calendar year at time of application submission) with work having to start in the first 2 years e.g. one option is to apply in 2021, start work in year 2021 and complete in 2022. Another option is to apply in 2021, start work in 2022 and complete work in claim year 2023. In exceptional circumstances multiple claim years up to N+4 may be allowable, but only where significant areas of woodland creation are proposed **and** initial planting capital items are claimed in each preceding year, by prior agreement with Scottish Forestry National Office.

**Woodland Improvement Grant** - up to 3 year claim years (within N+2, where N = the current calendar year at time of application submission) with work having to start in the first 2 years except for WIG Restructuring Regeneration where a delay until year 3 is acceptable to meet species diversity rules.

**Sustainable Management of Forests** – next claim year is available as the first annual management claim year.

**Agroforestry** – as for woodland creation up to 3 claim years (within N+2, where N = the current calendar year at time of application submission) with work having to start in the first 2 years.

**Tree health** – current and next year claim year (within N+1 where N = the current calendar year at time of application submission)

**Forest Infrastructure** – current and next claim year available (within N+1, where N = the calendar year of the application round)

**Harvesting & Processing** – one claim year available (within N, where N = the calendar year of the application round)

**Co-operation** – current and next claim year available (within N +1, where N = the calendar year of the application round)