

# 1. Forestry Grant Scheme - Ongoing Enhancements:

## 1.1 Introduction

We are introducing a group of enhancements to the [Forestry Grant Scheme](#) (FGS) which are designed to aid the delivery of woodland creation and work to restore and regenerate Scotland's Rainforest and Caledonian Pinewoods.

**These changes represent the most significant package of changes that we have made to FGS since it was launched in 2015.**

The changes will be introduced from **Tuesday 5<sup>th</sup> December 2023**, referred to in this note as the **implementation date**.

## 1.2 Background

Scottish Government's commitment to enhancing woodland creation was made by the Cabinet Secretary following the release of the 2022/23 planting figures specifically to "increase the level of support for smaller scale woodland projects and to help counter recent inflationary pressures". **This package of changes is designed to increase the level of financial contribution that FGS grants make to woodland creation projects.**

The expansion and restoration of Scotland's Rainforest and ancient Caledonian Pinewoods is a key Scottish Government priority within both The Programme for Government and the First Minister's policy prospectus "Equality, opportunity, community: New leadership - A fresh start".

## 1.3 Summary of proposed FGS changes

These enhancements are being achieved through changes to FGS guidance which enable some existing grant items to be accessed in a wider range of circumstances.

There are no changes to the current WC grant option rates or the RP&S system that hosts the FGS application process. We have taken this approach to bring the changes into effect as quickly as possible.

The woodland creation changes will mainly benefit smaller scale projects, but many medium sized and larger projects will also see a slight increase in the funding available.

These changes are directed at new applications, though you may be able to benefit from some of these changes even if you have an agreed FGS contract - provided you have not actually started any grant activities / operations on the ground. The details around this are set out below and you will be required to request a variation and await a re-issue of your contract (where this is permissible) before you can begin your on-site work. Only a small number of agreed contracts will be able to request variations.

### 1.3.1 Woodland Creation

- We have reduced the minimum specification for the Small Or Farm Woodland option, to make it more accessible to farmers and crofters wanting to plant woodlands of up to 10ha, by removing the requirement to plant broadleaves suitable for timber production
- We have made the 'Deer Fence – High Cost' capital item available throughout Scotland –increasing support for deer fencing by £2.30/m in areas where the high cost capital item was previously not available
- We have extended the 'Central Scotland Green Network – Fringe Area Contribution' to the whole of Scotland to provide an extra £750/ha for new woodland creation (for up to 40ha)
- We have doubled the contribution for expanding native woodland through natural regeneration to £600/ha
- We have increased the grant for manual or mechanical bracken control to £720/ha
- To encourage the production of native broadleaved trees, we have changed the eligibility requirements to the Harvesting and Processing option for new and small scale nurseries.

### 1.3.2 Rainforest and Caledonian Pinewoods

- We have extended the Highland native woodland target area to all of Argyll - this is an increase of 12.5% for planting new native woodlands within the Rainforest zone in Argyll
- To encourage co-operative deer management without fencing, we have reduced the Sustainable Management of Forests – Species Conservation - Reducing Deer Impact eligibility threshold for including new woodland expansion areas in the calculation of the deer management unit from 1,000ha to 300ha of new native woodland
- We have introduced support for community or shared use deer larders that benefit Scotland's rainforest and Caledonian pinewood areas - funding up to 40% of the cost up to a maximum of £50,000
- We have improved accessibility to FGS grants for rhododendron control and follow-up treatment through targeting grants, by extending the rhododendron control priorities to include priority rainforest catchments, and by enabling clearance and an initial follow-up control to be funded in one FGS application and by funding follow up work.

## 1.4 Enhancement specifics: rules and notes on administering

### WOODLAND CREATION

Enhancement	Rules	Notes
Remove the requirement for productive broadleaves from the small or farm woodland option	For changes which apply to new FGS applications only - submitted after <b>implementation date</b> of the enhancement.	

#### WOODLAND CREATION (Contd)

Enhancement	Rules	Notes
Extend the deer fence - high cost capital item to the whole of Scotland	For changes that apply to new and existing applications, and agreed contracts where no work has started on site.	1. For new applications, a justification, explaining why the deer fence – high cost capital item is required, should be included in the operational plan.
Extend the availability of the Central Scotland Green Network (CSGN) - Fringe Area Contribution (£750/ha) capital item to all WC proposals (except for WC options of N&W Isles, NLD & NSP). All sizes of applications will be eligible, but contracts will be capped at a £30k value (equivalent to 40ha).	For changes that apply to new and existing applications, and agreed contracts where no work has started on site.	<p>1. The eligibility criteria for the current CSGN fringe area remains (except for the geographical boundaries) and, therefore, the WC options of Northern &amp; Western Isles, Native Low Density and Native Scots Pine are not eligible for this uplift.</p> <p>We recognise that not all WC options benefit from these changes and work is ongoing to develop further FGS enhancements.</p> <p>2. To access this uplift in grant support you will have to, during the online FGS application process, select that you wish to apply for the Central Scotland Green Network contribution: Fringe Area - whether the woodland creation proposal is located in Central Scotland or not.</p> <p>3. As currently happens in the CSGN area, all WC applications in excess of 40Ha will have their £750/ha capped at £30,000 (equivalent of 40ha) in their contract and the CSGN Capital item will then be presented, in the Schedule of Works, as an average cost per hectare across the total area of that capital item. (ie: the SoW will not show £750/ha for the first 40ha and £0.00/ha for any remaining hectares).</p> <p>4. There is a change for new applications in that farmers within the Central Scotland Green Network area (Core, Outer Core and Fringe area) who are planting between 10 and 50 hectares of productive woodland will now be eligible for support towards forest road access to help with future forestry and farm management under the Sheep &amp; Trees grant package.</p>

#### WOODLAND CREATION (Contd)

Enhancement	Rules	Notes
For the New Natural Regeneration Establishment capital item within the WIG Habitat and Species option - pay FGS regeneration grant of £300/ha twice on the same area (over different claim years) to double the grant to £600/ha.	For changes that apply to new and existing applications, that have not been presented to Clearing.	1. If you are applying for two Regeneration WIG capital items, then you must apply for these in different claim years. We would still insist that the first claim is paid once the regeneration has met the required minimum eligibility and so we'd suggest years 4 and 5 are when you should select this grant in your application. These can be varied to bring the year forward or put back as per the condition of the regenerating trees.
Guidance changes to the woodland creation capital item for gorse removal to include manual or mechanical bracken control within the Gorse Control specification - thus allowing applicants to apply for a higher rate of (£720/ha).	For changes which apply to new FGS applications only - submitted after implementation date of the enhancement.	1. If you are successful in receiving a FGS contract that includes bracken control under the Gorse Removal capital item, your schedule of works will detail this as Gorse removal. Therefore, to protect the integrity of the operations you will be undertaking on site, Scottish forestry will add an Additional FGS Condition to state that whilst the Gorse removal capital item appears in the Schedule of Works, it is actually bracken control that will be undertaken prior to WC Initial Planting taking place.
Harvesting and Processing grant will be eligible for small scale nurseries producing native broadleaved trees.	For changes which apply to new FGS applications only - submitted after implementation date of the enhancement.	1. The FGS supplementary point scoring criteria will be revised to reduce the new or small scale nursery production size capacity. The eligibility threshold for small scale nurseries, is being reduced from a production of 25k native broadleaves to 10k.

#### RAINFOREST & CALEDONIAN PINEWOODS

Enhancement	Rules	Notes
Extend the Highland native woodland target area to cover the preferred, potential and sensitive areas in the Argyll F&W strategy.	For changes that apply to new and existing applications, and agreed contracts where no work has started on site.	
Guidance changes to the woodland creation capital item for gorse removal to include manual or mechanical bracken control within the Gorse Control specification - thus allowing applicants to apply for a higher rate of (£720/ha).	For changes which apply to new FGS applications only - submitted after implementation date of the enhancement.	1. If you are successful in receiving a FGS contract that includes bracken control under the Gorse Removal capital item, your schedule of works will detail this as Gorse removal. Therefore, to protect the integrity of the operations you will be undertaking on site, Scottish forestry will add an Additional FGS Condition to state that whilst the Gorse removal capital item appears in the Schedule of Works, it is actually bracken control that will be undertaken prior to WC Initial Planting taking place.

#### RAINFOREST & CALEDONIAN PINEWOODS (Contd)

Enhancement	Rules	Notes
Harvesting and Processing grant will be eligible for small scale nurseries producing native broadleaved trees.	For changes which apply to new FGS applications only - submitted after implementation date of the enhancement.	1. The FGS supplementary point scoring criteria will be revised to reduce the new or small scale nursery production size capacity. The eligibility threshold for small scale nurseries, is being reduced from a production of 25k native broadleaves to 10k.
Extend the Highland native woodland target area to cover the preferred, potential and sensitive areas in the Argyll F&W strategy.	For changes that apply to new and existing applications, and agreed contracts where no work has started on site.	
SMF – Species Conservation - Reducing Deer Impact. Reduce the eligibility threshold for including new woodland expansion areas in the calculation of the deer management unit from 1,000ha to 300ha of new native woodland. Woodland area, including expansion area, must still be 25% of the deer management unit.	For changes which apply to new FGS applications only - submitted after implementation date of the enhancement.	
Support for deer larders within the Harvesting and Processing option within the Rainforest Priority Catchments and the Caledonian Pinewood Inventory areas.	For changes which apply to new FGS applications only - submitted after implementation date of the enhancement.	1. The availability of grant support towards deer larders will be added to the H&P option guidance within Aim 2. 2. This is only available for projects demonstrating they support deer management in the rainforest Priority Catchments and/or the Caledonian Pinewood inventory areas.

#### RAINFOREST & CALEDONIAN PINEWOODS (Contd)

Enhancement	Rules	Notes
Rhododendron Eradication - all methods: A relaxation of the requirement to achieve absolute eradication at year 5 by adding the requirement that applicants commit to long-term control and eradication in their control plan. Allow the Follow-up item (£200/ha) to be applied for along with the eradication control item (currently, this is a requirement within the eradication control item).	For changes which apply to new FGS applications only - submitted after implementation date of the enhancement.	
Rhododendron Eradication - Follow-up: Simplify the follow up item to make it clear that there is an expectation that this will be used every 4-5 years following clearance work.	For changes which apply to new FGS applications only - submitted after implementation date of the enhancement.	

### 1.5 Explanation of Rules for FGS case administration

#### 1.5.1 Rule: For changes which apply to new FGS Applications only.

The enhancements with this rule can only be applied for in new applications. Applications submitted before the implementation of the enhancement and agreed contracts must progress as they have been presented.

#### 1.5.2 Rule: For changes that apply to new and existing applications, and agreed contracts where no work has started on site.

The enhancements with this rule can be applied for in new applications, existing applications already submitted and agreed contracts – provided you have not started any work on site. If work has started on site, then you must accept the terms and conditions of your current FGS contract offer and continue with the works for the public funds you have had approved.

You should consider that work has started on site if any of the ground preparation, advance bracken/gorse treatment, forestry fencing, construction of access tracks or tree planting in relation to the FGS contract has commenced.

If you have an agreed contract and have not started work on the site, then you can take advantage of the enhancements now being offered. We ask that you make a request in writing, to your local SF Conservancy office, for the required variation to your contract.

If you wish to apply changes to applications that have not yet been presented to the FGS clearing process, then contact your local SF Conservancy office in writing and they will return the FGS application status back to you so that you can make your changes in RP&S.

### **1.5.3 Rule: For changes that apply to new and existing applications that have not been submitted to clearing.**

This rule is specific to the enhancement to offer an increased rate for new natural regeneration. If your application has not yet been presented to the FGS clearing process, you can write to your local Conservancy requesting a variation. The SF Conservancy team will return the application status back to you and you can then make the adjustments to your application to add in the second capital item in a different claim year.

### **1.6 Question & Answers:**

**Q 1:** The rules behind the enhancements seem complex. Could SF not have built these changes into the RP&S IT system, thus creating the validations and simplifying the instructions?

**A 1:** To make a real difference to applications, meet Ministerial and customer demands, and increase delivery over the next two years, we needed to apply these enhancements to the current FGS as quickly as possible.

Changing the underlying grant rates and RP&S system would have been complex and taken much longer to implement.

**Q 2:** These changes don't benefit all types of woodland creation. Do you have any plans to improve the FGS contribution for the other FGS WC options?

**A 2:** We will be considering how we might address this over the coming months. However, we have prioritised the current package of measures to try to benefit the maximum number of projects over the next two years.

If you have any queries, then please contact your local SF Conservancy [Scottish Forestry - Contact](#)