

Forestry Grant Scheme Budget Update

This note provides an update on the Forestry Grant Scheme (FGS) Budget for 2024/25.

1. Budget Availability for New FGS Applications

Table 1. has been updated to show the current indicative budget availability and minimum score thresholds for all options with a claim year of 2024 and 2025.

Changes include:

2024/25 Budget – The indicative 2024/25 budget of £45.4m reflects the funding allocated for woodland creation and management of existing woodlands, as detailed in Briefing Note 46.

2025/26 Budget – The 2025/26 FGS Budget will not be confirmed until early 2025. However, as FGS contracts involve multi-year commitments we will approve contracts with expenditure in 2025/26 and future years.

Woodland Creation Budget Clearing Categories – the woodland creation budget category partitioning has been revised to help ensure that the balance of woodland creation projects supported is in line with Scottish Government objectives.

New budget categories within the woodland creation section have been created and replace the old woodland creation budget categories, including the Central Scotland Green Network budget category.

The new woodland creation budget has been partitioned into the following six categories:

1. Small Woodland Creation: Under 20ha
2. Woodland Creation: 20ha to 49.99ha
3. Woodland Creation: 50ha and above
4. Woodland Creation: 50ha and above (Reduced Grant Requirement)
5. Native Woodland Creation: 20ha and above
6. Native Woodland Creation: Natural Regeneration

The CSGN Contribution budget category has been removed as the funding for these projects is no longer being limited.

The new budget categories have been introduced to ensure we:-

- deliver 4,000ha of new native woodland annually,
- support a range of project sizes, including small and farm scale planting,
- maximise planting in Scotland by integrating alternative sources of funding with FGS grant for larger-scale projects.

Amber Budget Headroom for some Budget Categories – The budget availability for the following Budget Categories has been classed as Amber:-

- Woodland Creation: 50ha and above (for claim year 2024 and 2025)
- Native Woodland Creation: 20ha and above (for claim year 2024)

This means the value of applications in these categories exceeds the available budget. Applications with a higher score are more likely to be successful at any future clearing round. When the funds in these budget categories become fully committed, where possible, we will seek to offer new applications a future claim year.

2. Introduction of Woodland Creation: 50ha and Above (Reduced Grant Requirement) Budget Category

£3m (8%) of the woodland creation funding in 2024/25 has been allocated to a new budget category aimed at projects which are benefiting from other sources of funding (e.g. Woodland Carbon Code) and are able to proceed with a reduced contribution from the FGS.

This approach offers increased value for money for public funds and will allow the FGS budget to support an increased area of woodland creation by providing support for some projects at a lower rate per hectare.

Applicants who are willing to accept a lower rate of support for their project(s), with a reduction of £1,000/ha or more, will be eligible to access funding from this budget category.

It is anticipated that funding will be available in this budget category after the funds in other budget categories have been fully committed.

Applicants seeking to apply for these funds should advise their conservancy and confirm the level of funding they would be willing to forgo, before the assessment of their application has been completed.

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

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Table 1. Forestry Grant Scheme: Clearing and Budget Categories with Threshold Scores – March 2024

Grant Category	Clearing categories	Frequency of Clearing	Indicative 2024 Budget £m	Claim Years available for first year of contract	Number of Claim Years available	Indicative Headroom 2024	Indicative Headroom 2025	Threshold Score (Max)
Woodland Creation (WC)	Small Woodland Creation ¹ : up to 19.99ha	Monthly	£3.4	2024 & 2025	N+2			10 (31)
	Woodland Creation ² : between 20ha and 49.99ha		£4.0	2024 & 2025				10 (31)
	Woodland Creation ² : 50ha and above		£12.0	2024 & 2025				10 (31)
	Woodland Creation ² : 50ha and above (Reduced Grant Requirement)		£3.0	2024 & 2025				10 (31)
	Native Woodland Creation ³ : 20ha and above		£17.0	2024 & 2025				10 (31)
	Native Woodland Creation: Natural Regeneration		£0.3	2024 & 2025				2 (6)
Woodland Improvement Grants	Restructuring Regeneration	Monthly	£1.50	2024 & 2025	N+2			3 (6)
	Planning options		£0.40	2024 & 2025	N+2			2 (6)
	Habitats & species/Liss		£1.00	2024 & 2025	N+2			4 (6)
	WIAT ^{**}		£0.35	2024 & 2025	N+2			9 (16)
Sustainable Management of Forests	Native Woodlands/ LISS/ livestock/Grazing	Monthly	£0.50	2025	N+1	N/A		2 (6)
	Squirrels/Predators/Deer [#]		£0.55		N+1	N/A		2 (6)
	WIAT		£0.05		N+1	N/A		6 (16)
	Rural Access		£0.10		N+1	N/A		2 (6)
Tree Health		Monthly	£0.40	2024 & 2025	N+1			2 (6)
Forest Infrastructure [*]		Monthly	£0.25	2024 & 2025	N+1			3 (6)
Agroforestry		Monthly	£0.05	2024 & 2025	N+2			2 (6)
Harvesting and Processing [*]		Annual	£0.50	2025	N	N/A		2 (6)
Co-operation		Monthly	£0.05	2024 & 2025	N+1			3 (16)
Total			£45.40					

¹ Applications up to and including 19.99ha, covering all WC options, including all 'Small or Farm woodland' option and 'Native Broadleaves in the Northern & Western Isles' option applications.

² Applications where 'Conifer', 'Diverse Conifer' and 'Broadleaves' option(s) predominantly (i.e. ≥50%) make up the overall project area. A minor element (i.e. <50%) of the overall project area may also include 'Native Scots Pine' and 'Native Broadleaved' option(s) in order to deliver a more diverse woodland.

³ Includes all 'Native Scots Pine' and 'Native Broadleaved' option(s) which predominantly (i.e. ≥50%) make up the overall project area. A minor element (i.e. <50%) of the overall project area can also include 'Conifer', 'Diverse Conifer' or 'Broadleaved' option(s).

^{*} Projects must complete and be 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 applications.

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 2024, start work in year 2024 and complete in 2025. Another option is to apply in 2024, start work in 2025 and complete work in claim year 2026.

Woodland Improvement Grant - 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 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)