



The European Agricultural Fund for Rural Development: Europe investing in rural areas

Rural Development Programme for England (RDPE) Countryside Productivity Scheme

Improving Forestry Productivity Handbook



Deadline for applications: 3 April 2018

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With thanks to the Forestry Commission for the images used in this document.

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About the RDPE Countryside Productivity Scheme

The RDPE Countryside Productivity Scheme provides funding for projects in England which improve productivity in the farming and forestry sectors and create jobs and growth in the rural economy

RDPE Countryside Productivity Scheme grants are funded by the European Agricultural Fund for Rural Development (EAFRD).

This handbook is about RDPE Countryside Productivity Scheme grants for improving forestry productivity. It explains what the grants are for, who is eligible and how to apply.

To find information about the other Countryside Productivity Scheme grants, search 'RDPE Countryside Productivity' on GOV.UK.

Planning a project that will improve productivity, help grow your forestry business, create jobs of bring more money into the tural economy?

You hight be able to apply for a grant to help you fund it.

You can only apply for one RDPE grant for each individual project.

RDPE includes RDPE Growth Programme, LEADER, Countryside Productivity, Farming Recovery Fund, Sumbria Countryside Access Fund and Countryside Stewardship.

How the government manages these grants

The Rural Payments Agency (RPA) delivers the grants.

RPA's role is to assess applications for grants and make offers for grant funding on behalf of Defra.

RPA may at any time and without further notice change the date these grants close to applications.

Government guarantees about funding after the UK leaves the EU

The government has guaranteed funding for RDPE Countryside Productivity Scheme grants if these are agreed and signed before the UK's departure from the EU, even if the grant agreements continue after we have left the EU. This is subject to projects meeting the following conditions:

- they are good value for money
- they are in line with domestic strategic priorities
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Deadlines:

You should aim for your project to be finished and paid for, and complete grant claims submitted by 31 March 2019.

The very final date to submit complete grant claims is 15 January 2020.

Please read the priorities for funding on page 16.

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- How much money you can apply for

Examples of projects

About the grants for improving forestry productivity

An overview of the grants for improving forestry productivity – who can apply, what the grants will fund and how much funding is available.

Who can apply

Private forest holders managing at least 10 ha of forest and micro, small, or medium-sized forestry contractor businesses. Check if your business is eligible on page 13.

What the grants are for

These grants are to improve forestry productivity through felling, extraction and adding value by primary processing of timber products. See examples of the kinds of projects which may be eligible for a grant on pages 10-11.

Grant funding can help pay for

- increasing economic return through more efficient felling and extraction processes
- adding value to felled timber by primary processing

How much money can you apply for

The grants are for a minimum of £35,000.

Grants can cover up to 40% of the eligible costs of a project . If the minimum grant is £35,000, the minimum total eligible cost of a project would therefore be £87,500. See page 20 for the full list of eligible costs.

You won't automatically get a grant.

When you apply for a grant, you're competing with other applicants.

Alt applications are assessed to see how well they fit the priorities for funding and which projects provide best value for taxpayers' money.

Read page 16 for more about the priorities for funding.

Smaller forestry projects.

You may be able to apply for grant support for smaller forestry projects through LEADER. Search 'LEADER funding' on GOV.UK

Examples of projects

Here are some examples of the kinds of project which may be eligible for a grant for improving forestry productivity.

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Investment in equipment

A forestry contractor that supplies extraction services will invest in 2 new articulated forwarders with hydraulic cranes. The business has secured agreement from local forest holders to extract a significantly increased volume of timber. This will bring under-managed woodland back into production.

Adding value to felled timber

A private forest holder will invest in firewood processing equipment, a mechanical log softer and will construct a covered area for storing and seasoning timber. This will add value to the woodland product and improve the productivity of the woodland. The project involves collaboration with local forestry basinesses, will achieve wider economic benefits and create 2 new full-time equivalent jobs.



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Examples of projects (continued)

Working collaboratively

Two large private forest holders may collaborate to purchase a harvester which will be shared across both estates. This will improve efficiency in felling and initial processing in the 2 neighbouring woodlands.

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Who can apply

Only private forest holders managing at least 10 ha of forest and micro, small or medium-sized forestry contractors can apply for grants for improving forestry productivity.

Are you a private forest holder?

A private forest holder has the legal right to manage forest land that is in either private or public ownership.

Check the size of your forestry contractor business

The size of the forestry contractor business depends on the number of full-time equivalent (FTE) employees it has and its financial performance.

Business size	Number of full-time equivalent employees	5	Annual turnover or balance sheet total
Micro	fewer than 10	and	€2 million (about £1.7 million) or less
Small	fewer than 50	and	€10 million (about £8.5 million) or less
Medium	fewer than 250	and	€ 50 million (about £42.5 million) or less annual turnover OR €43million (about £36.5 million) or less annual balance sheet total

The table below shows what qualifies as micro, smaller medium business.

What is a full-time equivalent' (FTE) employee?

Anyone who works a minimum of 30 hours per week counts as 1 FTE employee. A person working 30 hours a week for 3 months of the year would be 0.25 FTE employee.

FTES Include business partners and directors. If a business partner or director works more than 30 hours per week they still count as 1 FTE employee.

Is your forestry contractor business 'linked' to other businesses?

If your business is linked to other businesses, this might mean you exceed the business size requirements and the funding limits.

The most common circumstances under which businesses are considered to be linked include:

- one business holds a majority of the shareholders' or members' voting rights in another business
- one business is entitled to appoint or remove a majority of the administrative, management or supervisory body of another
- a contract between the business, or a provision in the memorandum or articles of association of one of the businesses, enables one to exercise a dominant influence over the other
- one business is able, by agreement, to exercise sole control over a majority of shareholders' or members' voting rights in another

New businesses can also apply.

If you have an idea and potential private funding for your project you can apply for a grant.

Who can't apply

The following are not eligible for the grants:

- non departmental public bodies
- Crown bodies
- forestry contractor businesses classed as large – check the size
- of your business using the table on page 13
- businesses not specifically for forestry contracting such as landscape gardeners, tree surgeons and arboriculturalists

Not sure if you're eligible?

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.cludes: • Priorities for funding How we assess ar Application Application

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Preparing an application

RPA will assess all applications. We're looking for evidence of a sound business case and for projects that meet the priorities for funding.

When you apply for a grant, you're competing with other applicants.

We're looking for projects that best meet the priorities for funding and that are good value for taxpayers' money. If you can show this clearly in your application, you're more likely to get a grant.

Priorities for funding

Your project must meet one of the priorities below or your application will be rejected. The more priorities your project meets the more likely you are to get a grant.

•
Introduces new processes, techniques or equipment to improve the productivity of your business
Increases turnover and profitability, provides wider services or creates new jobs
Creates new links between businesses and shares equipment
Improves the processing of felled timber to add velue to the products
-

How we assess applications

The application is a single stage process. We will use the information on the application form and the supporting documents you provide to check that both you and your project are eligible.

Then we will adsess how well your project meets the selection criteria set out in the table on page 17. To do this, we will score and rank your application against others submitted for these grants. Only the highest scoring applications will be successful. It will help your application if you explain your project clearly. Tell us exactly what you are planning to do, why it will be good for your business, how and where you're planning to do it and who will benefit from it.

Applications – what we look for

This table will give you an overview of what we assess.

Strategic fit	How well the project meets the priorities for funding.
	How the project will impact the environment including mitigating climate change.
	That the project will not disadvantage anybody in terms
	of characteristics such as ethnicity, disability, age and gender.
Value for money	How the project costs represent value for money.
	The amount of grant required to deliver the outcomes and outputs.
	What difference grant funding will make, compared to what would happen without grant funding.
Need and demand	Why grant funding is required for the project.
	There is a clearly identified market need for the project.
	The impact the project will have on other businesses, both positive anonegative.
Financial viability	The current financial viability of your business.
~	How the project may impact on your existing business operations.
-0	How you will fund the project until the grant is claimed.
LON CON	How the business will benefit from the project financially.
Delivery and sustainability	How the project will be delivered within budget and on time.
902	That risks to project delivery have been identified and how they will be mitigated.

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Funding and costs

You can use grant funding to cover a certain percentage of some project costs – some costs are not eligible.

How much funding is available

The minimum grant you can apply for is £35,000.

The grants can only fund a certain percentage of eligible costs and there is a maximum percentage that applies. For forestry productivity grants this maximum is 40%. You can use other public money to pay for eligible costs – but only up to that maximum percentage and this may reduce the forestry productivity grant that you can receive.

At least 60% of the project costs must be paid for with money from private sources like savings or a bank loan.

The maximum grant per project is normally £1,000,000. Please contact us if you wish to apply for more than this.

Paying for the project

Grants are paid in arrears. They can only be claimed after the work being claimed for is finished and has been paid for. We expect you to make a maximum of 3 claims over the course of the project.

You must show that you have sufficient funds to pay for the project costs until you get the grant payments.

Hire-purchase or leased items must be paid off before you claim

If you buy an item for the project using lease purchase or his purchase, you must own this outright before you can claim any grant money towards it.

This means that, before you claim the gran you must:

pay all of the instalments

show that the title has passed to you

Otherwise you won't be able to include these costs in your claim.

Do not start work, incur costs (including paying deposits) or place an order before your grant agreement has been signed.

This will potentially make your whole project ineligible.

Eligible costs

he grant can be used to p	bay for:	otilice		
Item	Description	What the equipment must be able to do	What you need to provide to enable verification of eligibility	
Felling	Timber processor, harvesters and harvesting heads specifically for felling and initial processing of felled trees. The cost of trackers or security microchips may be included as an eligible cost.	Equipment must be able to fell, de-limb, cut to length and sort in one operation.	Quotes must include the make and model of the felling equipment.	
Forwarders	These can be 6 or 8 wheel drive, rigid or articulated vehicles fitted with a hydraulic crane and timber grapple. The vehicle must be fitted with either rubber tracks, low ground pressure tyres or automatic inflation and deflation system for the tyres. The cost of trackers or security microchips may be included as an eligible cost.	The vehicle must be able to load and remove timber with minimal disturbance to the soil and to flora and fauna.	Quotes must include the make and model of the forwarder including details of the crane, timber grapple and type of tyre system to verify its eligibility.	
Forestry/timber trailers	Forestry/timber traiters with permanent or detachable boosters. The vehicle must include low ground pressure tyres.	Trailers specifically designed for use in forests and woodland for the extraction of felled timber which will cause minimal disturbance to the soil and to flora and fauna.	Quotes must include the make and model of trailer.	

Item	Description	What the equipment must be able to do	What you need to provide to enable verification of eligibility
Timber cranes	The crane can be either cab mounted mountable via three point linkage to a tractor or purchased to fit on a timber trailer.	Timber cranes specifically designed for extracting timber from woodland to ensure minimal disturbance to the soil and to flora and fauna.	Quotes must include the make and model of crane.
Forestry tongs or forestry grab	Must be specifically designed for handling felled trees.	Safely pick up and hold large felled trees.	Quotes must include the make and model.
Timber winches	These can be either tractor or forwarder mountable. To be eligible for grant funding winches must have automatic safety braking and be controllable remotely via an electric cable or radio control device.	Aid the extraction of timber from challenging sites with minimal disturbance to the forest floor.	Quotes must include the make and model and clearly state the type of remote control included.
Skyliners	These can include skyline, Yarder (but not excavator Kusing excavator based skyline) carriage, chokers, haul in and haul out lines.	The equipment must be able to lift and extract felled trees from steep slopes with the minimum disturbance to the soil.	Quotes must include the make and model of the equipment.

Item	Description	What the equipment must be able to do	What you need to provide to enable verification of eligibility
Mobile crane-fed wood chippers	The chipper must be crane fed and capable of producing wood chip for biomass heating systems of a quality appropriate for the end use, for example G30, P31.5, P45. The equipment can only be used to process material sourced from woods and forests and not from waste wood products, for example, sawmill waste of arboricultural waste.	The equipment must be able to convert forestry timber to woodchips which match the specification of biomass heating systems.	Quotes must include the make and model.
Trommels	The equipment must be capable of screening wood chip to produce chip for biamass heating systems of a consistent size appropriate for the end use, for example G30, P31.5, P45.	It must be able to screen the chipped timber to remove woodchips which do not match the specification required for biomass heating systems.	Quotes must include the make and model o the equipment.
Firewood processors	The cost can include the purchase of a log deck, conveyors and bagging chute. The equipment can only be used to process material sourced from woods and forests and not from waste wood products, for example, sawmill waste or arboricultural waste.	The equipment must be able to convert forestry timber to firewood.	Quotes must include the make and model.

Item	Description	What the equipment must be able to do	What you need to provide to enable verification of eligibility
Mechanical log splitters	Eligible items include cone splitters and log crackers which are specifically designed to handle large diameter felled timber.	To breakdown larger diameter timber which is too large to be directly processed through a wood chipper or through a firewood processor.	Quotes must include the make and model.
Kindling machines	To aid processing the following options with the kindling machine are eligible: a log deck, conveyors, bagging chute and bagging or bundling machine.	The machine must be able to produce kindling.	Quotes must include the make and model of the kindling machine and clearly state any options the applicant wishes to include.
Construction of covered areas for the processing, storing and seasoning of timber and processed firewood	The design of covered areas must be enclosed on no more than three sides. The side cladding must be conducive to air flow to assist in seasoning (for example timber space boarding or netting). No solid walls (for example concrete panels). The floor eithe building must be of an impermeable material and easily cleaned (for example concrete or equivalent). Costs can include associated hardstanding to allow access for loading and unloading.	The building's primary use must be for the seasoning of timber and processed timber. Its design must therefore complement natural drying of timber.	Quotes must state building will be constructed to BS5502 and that all fabricated steelwork will meet the C E marking standard.

Item	Description	What the equipment must be able to do	What you need to provide to enable verification of eligibility
Construction of store for woodchip	The design must be for a covered store enclosed on no more than three sides. One side can be clad in a solid material (for example concrete panel) to aid mechanical loading. The other two to be clad in a material conducive to air flow to aid air drying (for example timber space boarding, fine mesh plastic netting). The floor of the building must be of an impermeable material and easily cleaned (for example concrete). Costs can include ventilated floors and associated hardstanding to allow access for toading and unloading.	The building's primary use must be to store chip to satisfy customer demand.	Quotes must state building will be constructed to BS5502 and that all fabricated steelwork will meet the C E marking standard.
Equipment for creation of fencing material	The machine must be able to remove the bark (peel) and shape the evolof the post into a point.	The machine must be able to convert felled timber into round and half round fencing posts, and rails.	Quotes must include the make and model.
Equipment to apply preservative to timber	Equipment to apply preservative at cellular level using vacuum and high pressure.	Apply preservative at cellular level using vacuum and high pressure.	Quotes must include the make and model.

If your project doesn't meet the requirements listed above for your project, your application will not be considered.

It's your responsibility as an individual operator or employer to ensure that any forestry machinery or equipment is operated in accordance with relevant Health and Safety legislation and that any buildings meet relevant construction standards (see https://www.ukfisa.com). If planning consent is required, the consent must be in place before you apply, this includes if you are starting to process timber which has come from land owned by spril 20 other people.

Costs which are not eligible

The following are not eligible for grant funding (this listic no t exhaustive).

Agricultural and Forestry business costs:

- standard forestry equipment and inputs personal protective clothing
- ٠
- chainsaws
- hand tools
- standard or small scale tracto
- all-terrain vehicles
- tipping trailers •
- flatbed trailers
- box trailers
- wood-fired boilers
- preparation of woodland management plans which might be eligible under Countryside Stewardship
- construction of woodchip stores to service on site biomass heating systems
- construction of hardstanding areas and roads in forests
- large scale or industrial processing undertaken by static machinery with an annual processing capacity greater than 10,000 m³
- items required for brashing and ride-clearance
- buildings, machinery and equipment used for growing and harvesting agricultural and horticultural products
- the cost of agricultural production rights and payment entitlements
- polytunnels

Costs which are not eligible (continued)

General costs:

- projects that are carried out only to meet a legal requirement
- any costs incurred from before the project start date shown in the grant funding agreement
- contingency costs
- the cost of getting any permissions, consents or statutory requirements, such as planning permission
- legal costs
- any items which you have already had EU or national funding for (or intend to get EU or national funding for)
- relocation costs if the business needs to relocate in order to expand, it can only apply for funding for the cost of the expansion
- costs associated with the provision of housing
- marketing and promotion

Buildings, land and equipment costs:

- repairs and maintenance of existing buildings, equipment and machinery
- like-for-like replacement of existing items (such as buildings, equipment and machinery)
- purchase of machinery or quipment that will not be on the asset register of the business 5 years after completion of the project
- the cost of moveable fittings
- purchase of land, whether or not this land is built on
- renewable beat and energy systems covered by the Renewable Heat Incentive (RHI) or Feed In Tariffs (FITs)
- standard, non-specialised domestic vehicles, such as cars and motorcycles

usiness running costs:

- salaries and running costs of the business
- in-kind contributions (this means the value of donated work or services) such as the cost of using your own labour, vehicle and office space
- recurring licence fees, subscriptions and service charges
- computers, software and printers used in the general running of the business, like processing orders or accounts
- mobile phones

Funding and costs

Costs which are not eligible (continued)

Financial costs:

- bad debts •
- advance payments
- insurance policy costs
- working capital
- financial charges, such as bank charges, fines and interest
- ill 2018 • costs connected with a leasing contract, such as a lessor's margin interest refinancing costs, overheads and insurance charges
- reclaimable VAT
- pension provision

ine on a chived To check if a cost is eligible call the RPA helpline on 200 200 301 or email

How to apply

Includes:

- The application for
- ived on April 2018 • What happens after you submit your application
- If you are offered a grant Jop tips for applicants

How to apply

What you need to do to begin your application and an overview of the information you must provide.

Separate guidance is available to help you complete your application form and to meet any specific requirements relating to your project. This is called 'How to fill in an improving forestry productivity application' and can be downloaded from GOV.UK. Please make sure that you read this guidance before filling in the form.

The application form

You can find the application form on GOV.UK – search 'RDPE Countryside Productivity Scheme application form'.

There are 2 parts to the form:

- the improving forestry productivity application form which is a Word document
- the countryside productivity application appendix which is an Excel spreadsheet

We must receive with parts of your electronic application before **3 April 2018** If we receive an application after this deadline, we will refeat it.

The application form and appendix asks for full details about you, your business and your project, including:

- a breakdown of project costs
- supplier details
- key dates and project milestones
- proposed project outputs (such as volume of timber felled or tonnes of woodchip produced)

- cash flow forecasts
- an explanation of why you are proposing to do the project, and how it will make your husiness more efficient and improve its productivity
- how your project fits with the priorities for funding
- the market demand for your project and its impact on similar businesses
- Whether the forest is in your tenure
- details of existing and new products
- details of previous public funding

You'll need to send us supporting information or documents appropriate to the project including:

- a copy of your woodland management plan if you are a private forest holder with more than 10ha of woodland
- financial accounts for the most recent 3 years of trading
- latest tax returns, management accounts or a statement of income and expenses from an accountant (if you are a new business or selfemployed)
- accounts for any linked businesses
- financial and production projections for at least 2 years
- relevant permissions and consents eg planning consent

- 3 quotes, references to catalogue listings or formal tenders for each item to be purchased
- evidence of project funding
- confirmation from the supplier of any second hand items included in your project
- details and draft agreement between parties where a joint venture is proposed
- evidence that you are able to include irrecoverable VAT in your project costs, where applicable
- any evidence of support / need and demand (such as letters of support or forward orders from existing or new customers)
- any other evidence to demonstrate the proposed equipment or store meets the specific requirements as set out on pages 20 to 24
- copies of plans approved as part of your planning consent

Check the guidance on how off in the application form.

This provides full details on all of the supporting information and documents listed above and what they need to show.

It can take a few months for you to prepare your application, possibly longer if you need planning permission.

Readill be holding workshops that you can attend where the application process will be explained in more detail and you can raise any initial questions you have. Search for 'Countryside Productivity' on GOV.UK for more information. Before you send us your application, you'll need to be registered on RPA's Rural Payments service and have a Single Business Identifier (SBI) number. We won't be able to process your application without this.

How to submit your application

Email your completed application form and appendix to CPApps Groat gsi.gov.uk

We can only accept forms that are:

- sent by email (as attachments)
- saved in the correct format:

application form – Microsoft Word Document (.docx or .doc)

application appendix – Microsoft Excel 97-2003 Worksheet (.xls)

We can't accept these forms in any other format – including PDF documents, scanned copies or hand-written documents.

Email both parts of your application from the email address you specify in Section 1 of the application form. If an agent sends the application on your behalf, that address must be copied into the email.

You will also need to print off the completed application form, sign the declaration and send the whole copy to one of the offices shown below (the nearest to the location of your project):

Rural Payments Agency C/o Environment Agency Ghyll Mount Gillan Way Penrith CA11 9BP Rural Payments Agency Rural Development County Hall Spetchley Road Worcester WR5 2NP

Rural Payments Agency Rural Development Sterling House Dix's Field Exeter EX1 1QA

You can send your supporting documents either by email or post with your electronic or hardcopy application form. We are unable to return any supporting documents so please send copies (not originals) with your application.

Provide an email address that you check regularly.

We will use the email address you put in section 1 of the form as our main way of contacting you.

What happens after you submit your application

After you submit the form, you'll get an automatic entail to say we have received it. We will then check your application for eligibility and completeness and will contact you if there is any missing or additional information required. Your application will then be assessed against the scheme criteria.

We aim to give you a decision on your application within 60 working days.

If you are offered a grant

If you're offered a grant, we'll send you a grant funding agreement for you to sign. This will set out the legal terms and conditions of the grant, including:

- the amount of the grant
- the outputs we've agreed for you project
- which suppliers you're using

If you need to change anything in the grant funding agreement over the course of the project, you need to get written agreement from RPA first. If you don't, we could end your agreement and reclaim any grant we've already paid. You'll get more information and help with this if you're offered a grant.

Hyour application is unsuccessful

If your application is unsuccessful, RPA will send you a letter with the reasons.

To find out how to appeal against the decision, read the 'How to appeal' section of the RPA complaints procedure page on GOV.UK.

Top tips for applicants

Before you start your application, here are some important reminders...

Productivity

The main aim of the RDPE Countryside Productivity scheme is to improve farming and forestry productivity. Tell us how your project will help do this.

Sell us your idea

Explain really clearly what your project does and how it will benefit the economy. It's hard for us to justify giving you a grant if we don't understand your project.

Show us what the funding will mean to the success of the project

We're obliged to invest public money carefully. We're looking for viable, growing businesses. If you can show us that your project is good value for money, and that you are planning to use the grant money to improve your project, you're more likely to get the grant.

Do your research

You have to show that there is real demand for the project's products or services, or you're unlikely to get a grant.

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This document is also available on our website at http://www.gov.uk/rpa/countryside-productivity-scheme

Any enquiries regarding this document should be sent to us at: Webmaster.rpa@rpa.gsi.gov.uk www.gov.uk/rural-payments www.gov.uk/rpa

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