Guidance and rules for the Forestry Grant Scheme

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   Guidance on using actual costs
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1 Actual costs

Date published: 26 January, 2016

To see recent changes to this guidance, check the bottom of this page.

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Introduction

Actual costs are only available for two Forestry Grant Scheme options:

1. Woodland Improvement Grant – Habitats and Species
   Actual costs are only available on Sites of Special Scientific Interest or Natura sites that are confirmed as being on our priority list of woodland designated sites

2. Harvesting and Processing
   Actual costs are only available for investments in new, specialised equipment that will increase local, small-scale harvesting and processing capacity

If you require or wish to use actual costs, you must submit written competitive quotations for the actual cost items included in your application to demonstrate that they are reasonable.

You must submit a minimum of three written quotations.

Only in exceptional circumstances is one quotation acceptable and it must meet the criteria set out below.

Actual costs quotations table

You must also complete a Forestry Grant Scheme actual costs quotations table for all applications with actual cost items, summarising the quotes information. Applications with actual cost items not supported by this form will not be progressed past the assessment stage.

We have created a template quotations table for the two options. Please use the appropriate template to record the quotations you have sourced. The templates can be found on each option page in the Supporting information section.

Woodland Improvement Grant – Habitats and Species
Harvesting and Processing

How we assess the quotes

During our assessment of the application, we will check that the quotes are clear and accurately reflect what is being proposed. We will also consider whether the proposed costs are reasonable.

We will be looking for the following basic elements in all quotes supplied:

- quotes are addressed to you, the applicant
- quotes are in written / printed form and clearly originated from a reputable supplier who can deliver the items or work
- the supplier's contact / business details are clear and legitimate – on business headed notepaper
- the quote is based on the same specifications as described in the application
- there are no missing elements
- there are no ineligible elements
- cost calculations are up to date, correct and precise
- for larger projects, the quote must include a schedule which must provide a breakdown of costs for each of the main stages of the work
- suppliers should confirm for how long the quote is valid
- whether the price includes the appropriate VAT rate

Value Added Tax
Details of any VAT to be paid should be shown against the relevant items. This is to determine the correct level of grant award.

If you are VAT registered, you should include the lowest cost in your application net of VAT.

If you are not VAT registered and have confirmed this during the customer registration process, you may claim the full cost including VAT.

**Quotes that are deficient**

We will advise you if the quotes that you have supplied are insufficient in any way.

It is your responsibility to remedy any deficiencies and supply us with the required documentation. If you fail to do this we cannot consider the relevant costs as part of the application and, in exceptional circumstances, you may risk rejection of the whole application at this stage.

**Forestry Grant Scheme contract**

If the application is approved, only the items shown in the quotations table will be included in the contract. It is therefore essential that you include all costs related to the project in your application.

Any costs not included in the total estimated costs on your application will not be eligible for grant. The amount we pay will not exceed the maximum amount / total cost per ‘item’ shown on the contract / schedule of work.

Funding will be based on the lowest quote received, excluding any quotes that are insufficient. You can choose to proceed with a more expensive company if you wish, but you must be willing to fund the difference yourself.

**Exceptions – acceptance of one quote**

Subject to our approval, one quote may be admissible when:

1. The specifications are so specialised that only limited suppliers are available and it would be unreasonable or impracticable to find a second or third quote. For example, when the supplier is a contractor required to carry-out works in a remote area where only one qualified contractor is available and the scale of works would not attract contractors from further away.

   We will check value for money against standard rates for similar activities elsewhere, whilst taking into account the remote location.

2. The individual item value is below £1,000 and you can justify why you have little alternative but to source individual items from a single, reputable supplier. You must demonstrate why the work cannot be more easily tendered in larger parts and two or three quotes obtained.

**How to claim**

You should only submit a claim once you have satisfactorily completed the work.

Claim forms and guidance are available on the [Claims and payments page](https://www.gov.uk/...).

With each Forestry Grant Scheme Actual Costs Capital Items Claim Form you submit, you need to supply fully receipted and original hard-copy invoices for actual cost items. Each receipted invoice should show the following details:

- supplier's name and address, and VAT registration number if appropriate
- claimant’s name and address, which should be the business name in the approved contract who is the scheme beneficiary
- detailed description of services provided or goods supplied, separately costed, to include serial numbers for any equipment purchased
- date on which the services or goods were supplied
- total amount due for payment by the customer with the VAT element clearly detailed
- amount paid with details of any discount awarded which fully explains the difference between the amount due and the amount paid
- date paid
• method of payment used
• business stamp or signature of person receiving payment on behalf of the supplier

In addition, when you submit a fully receipted original invoice you must also back it up with evidence that you, the beneficiary, have incurred the costs and paid the suppliers / contractors. This could be:

• the original cleared cheque
• the original bank or credit card statement
• the original bank giro credit transfer slip
• an accountant’s report
• a certified extract from the business accounts

If your invoices are paid by electronic banking we require a copy of the bank statements showing the defrayed expenditure and also copies of the electronic transaction between businesses.

We may inspect all the capital items you claim to ensure that you have carried out the work to the correct specification.

Recent changes

<table>
<thead>
<tr>
<th>Section</th>
<th>Change</th>
<th>Previous text</th>
<th>New text</th>
</tr>
</thead>
<tbody>
<tr>
<td>How to claim</td>
<td>New section added.</td>
<td>-</td>
<td></td>
</tr>
</tbody>
</table>

Previous versions

Previous versions of this page

Download guidance

Click 'Download this page' to create a printer-friendly version of this guidance that you can save or print out.
When your Forestry Grant Scheme contract expires is dependent upon the approved options in your contract.

You will be bound by the conditions of the contract from the date of approval until the required number of years after the date of approval, as shown in the table below.

<table>
<thead>
<tr>
<th>Option</th>
<th>Period of grant payment</th>
<th>Period of contract</th>
</tr>
</thead>
<tbody>
<tr>
<td>Woodland Creation – Conifer</td>
<td>Initial planting + five years of maintenance</td>
<td>20 years after contract approval</td>
</tr>
<tr>
<td>Woodland Creation – Diverse Conifer</td>
<td>Initial planting + five years of maintenance</td>
<td>20 years after contract approval</td>
</tr>
<tr>
<td>Woodland Creation – Broadleaves</td>
<td>Initial planting + five years of maintenance</td>
<td>20 years after contract approval</td>
</tr>
<tr>
<td>Woodland Creation – Native Scots Pine</td>
<td>Initial planting + five years of maintenance</td>
<td>20 years after contract approval</td>
</tr>
<tr>
<td>Woodland Creation – Native Upland Birch</td>
<td>Initial planting + five years of maintenance</td>
<td>20 years after contract approval</td>
</tr>
<tr>
<td>Woodland Creation – Native Broadleaves</td>
<td>Initial planting + five years of maintenance</td>
<td>20 years after contract approval</td>
</tr>
<tr>
<td>Woodland Creation – Native Low-density</td>
<td>Initial planting + five years of maintenance</td>
<td>20 years after contract approval</td>
</tr>
<tr>
<td>Broadleaves in Northern and Western Isles</td>
<td>Initial planting + five years of maintenance</td>
<td>20 years after contract approval</td>
</tr>
<tr>
<td>Agroforestry</td>
<td>Initial planting + five years of maintenance</td>
<td>20 years after initial planting payment</td>
</tr>
<tr>
<td>Woodland Improvement Grant – Habitats and Species</td>
<td>Payment of agreed capital items</td>
<td>Six years after the final capital item payment</td>
</tr>
<tr>
<td>Woodland Improvement Grant – Natural Regeneration</td>
<td>Payment of agreed capital items</td>
<td>10 years after the final capital item payment</td>
</tr>
<tr>
<td>Woodland Improvement Grant – Low Impact Silvicultural Systems</td>
<td>Payment of agreed capital items</td>
<td>Six years after the final capital item payment</td>
</tr>
<tr>
<td>Woodland Improvement Grant – Woods In and Around Towns</td>
<td>Payment of agreed capital items</td>
<td>Six years after the final capital item payment</td>
</tr>
<tr>
<td>Woodland Improvement Grant – Long-term Forest Plan</td>
<td>Payment of agreed capital items</td>
<td>One year after the final capital item payment</td>
</tr>
<tr>
<td>Woodland Improvement Grant – Forest Plan Renewal</td>
<td>Payment of agreed capital items</td>
<td>One year after the final capital item payment</td>
</tr>
<tr>
<td>Woodland Improvement Grant – Woodland Grazing Management Plan</td>
<td>Payment of agreed capital items</td>
<td>One year after the final capital item payment</td>
</tr>
<tr>
<td>Woodland Improvement Grant – Woods In and Around Towns – Urban Woodland Management Plan</td>
<td>Payment of agreed capital items</td>
<td>One year after the final capital item payment</td>
</tr>
<tr>
<td>Woodland Improvement Grant – Deer Management Plan</td>
<td>Payment of agreed capital items</td>
<td>One year after the final capital item payment</td>
</tr>
<tr>
<td>Woodland Improvement Grant – Restructuring Regeneration</td>
<td>Payment of agreed capital items</td>
<td>10 years after the final capital item payment</td>
</tr>
<tr>
<td>Sustainable Management of Forests – Low Impact Silvicultural Systems</td>
<td>Payments made annually for a period of five years</td>
<td>One year after final annual payment</td>
</tr>
<tr>
<td>Sustainable Management of Forests – Native Woodlands</td>
<td>Payments made annually for a period of five years</td>
<td>One year after final annual payment</td>
</tr>
<tr>
<td>Sustainable Management of Forests – Livestock Exclusion</td>
<td>Payments made annually for a period of five years</td>
<td>One year after final annual payment</td>
</tr>
<tr>
<td>Sustainable Management of Forests – Woodland Grazing</td>
<td>Payments made annually for a period of five years</td>
<td>One year after final annual payment</td>
</tr>
<tr>
<td>Sustainable Management of Forests – Public Access – Rural Woods</td>
<td>Payments made annually for a period of five years</td>
<td>One year after final annual payment</td>
</tr>
<tr>
<td>Sustainable Management of Forests – Public Access – Woods In and Around Towns</td>
<td>Payments made annually for a period of five years</td>
<td>One year after final annual payment</td>
</tr>
<tr>
<td>Sustainable Management of Forests – Grey Squirrel Control</td>
<td>Payments made annually for a period of five years</td>
<td>One year after final annual payment</td>
</tr>
<tr>
<td>Sustainable Management of Forests – Predator Control for Capercaillie and Black Grouse</td>
<td>Payments made annually for a period of five years</td>
<td>One year after final annual payment</td>
</tr>
<tr>
<td>Sustainable Management of Forests – Reducing Deer Impact</td>
<td>Payments made annually for a period of five years</td>
<td>One year after final annual payment</td>
</tr>
<tr>
<td>Tree Health</td>
<td>Range of agreed capital items with the exception of Tree Health – Restocking, Agent Services and Uneconomic Felling</td>
<td>Six years after final payment</td>
</tr>
<tr>
<td>Tree Health</td>
<td>Tree Health - Restocking</td>
<td>10 years after the final capital item payment</td>
</tr>
<tr>
<td>Tree Health</td>
<td>Tree Health – Uneconomic Felling</td>
<td>One year after final payment</td>
</tr>
<tr>
<td>Tree Health</td>
<td>Tree Health – Agent Services</td>
<td>One year after final payment</td>
</tr>
<tr>
<td>Harvesting and Processing</td>
<td>Agreed capital items</td>
<td>Six years after final payment</td>
</tr>
<tr>
<td>Forest Infrastructure</td>
<td>Agreed capital items</td>
<td>Six years after final payment</td>
</tr>
<tr>
<td>Forestry Co-operation</td>
<td>Agreed capital items</td>
<td>One year after final payment</td>
</tr>
</tbody>
</table>

**Withdrawning from a contract**

If you want to withdraw from a Forestry Grant Scheme contract, you should first contact your local conservancy office.

You may be required to repay any grants that you have already received, plus interest, unless you meet the force majeure or exceptional circumstances criteria.

**Force majeure or exceptional circumstances**

If you find you are no longer able to meet the conditions of your Forestry Grant Scheme contract, you should write to your local conservancy office as soon as possible.

You must explain the reason why and supply any relevant evidence. You may have to pay back some or all of the payments we have made to you, plus interest. You may also have to pay a penalty.

However, we would not seek recovery where you can provide evidence that the reason for the failure meets the strict conditions of force majeure or exceptional circumstances.

The criteria for this are set out in European Commission Regulation (EC) No 1306/2013 – Article 2.2 – and could be one of the following:

- the death of the beneficiary
- long-term professional incapacity of the beneficiary
- a severe natural disaster gravely affecting the holding
- an epizootic or plant disease affecting part or all of the beneficiary's livestock or crops
- expropriation of all or a large part of the holding if that expropriation could not have been anticipated on the day of lodging the application

**Download guidance**

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3 Designed open ground

Date published: 4 August, 2015

Table of Contents
Introduction

This note should be read alongside the guidance for Woodland Creation mapping and the eligibility details of the Woodland Creation option(s) you are applying for.

Woodland Creation

Definition of designed open ground

Designed open ground is an important feature of woodlands and is defined as designed areas left unplanted as part of good forest practice.

The purpose of designed open ground is to improve:

- woodland design
- enhance environmental / conservation value, and
- assist general woodland management

Rules on designed open ground

1. Defining designed open ground

- in order to be eligible to be considered towards the required percentage of designed open ground, each area of designed open ground claimed must be of a ‘mappable’ (measureable) size of 0.25 hectares or more
- subject to the above mapping requirement, designed open ground can be made up of planned internal open space within your proposed new woodland planting design. Designed open ground can potentially include any of the features in Table 1 provided they are appropriately landscape designed for that particular site

2. Maximum allowances

- grants will be paid on designed open ground up to a maximum percentage for each Woodland Creation option. The percentages you proposed to claim should be clearly shown as 'Open Ground' on the Woodland Creation Components Table
- applications may include higher percentages of designed open ground but in such cases, where this exceeds the maximum allowed under the Woodland Creation options, these excess unplanted open areas will not be included within the payable area and you should therefore indicate any excess percentage as 'Other Land' on your supporting Woodland Creation Components Table (i.e. line C)

Woodland Creation Component Area Table guidance (PDF, Size: 194.0 kB)

3. Unplantable land within your woodland creation area

- unplantable areas, such as those listed in Table 2, which are greater than 0.25 hectares (and are therefore ‘mappable’) are not eligible as designed open ground. If these areas are within the proposed woodland creation perimeter boundary, they should be classed as 'Other Land' on your woodland creation components table (i.e. line B)
- small unplantable areas less than 0.25 hectares (‘unmappable’) can be incorporated within the woodland creation planting area boundaries. To take account of any such areas, plant spacing within these areas needs to be adjusted (i.e. trees planted slightly closer together) to ensure average stocking densities meet the minimum specification. Other operational unplanted areas, such as drain sides, internal ATV tracks or areas adjacent to fences / roads, would also require the plant spacing adjustments to ensure that the average stocking densities of the claimed planted area meets the minimum specifications
small unplantable areas of less than 0.25 hectares (‘unmappable’) can also potentially be
included as a component of designed open ground where such areas are adjacent. The total area
that results must be of at least 0.25 hectares in size (i.e. the total area created must meet the
‘mappable’ requirement)
o example: a small rock outcrop of 0.07 hectares could be added to the adjacent 0.2 hectare area
of designed open ground to create a total area of designed open ground that can now be defined
as a component of your proposed woodland creation area

Additional information

You must submit the Woodland Creation Components Table with your application (and subsequently
thereafter, amended as necessary, with every planting capital claim you submit).

By completing this table, you will allow us to confirm that the overall areas and percentages of tree
species and of designed open ground within each individual woodland block in your application are within
the permitted percentage criteria for each of your chosen Woodland Creation options.

Please refer to both the Forestry Grant Scheme generic mapping requirements and the woodland
creation mapping guidance on the Woodland Creation webpage.

Table 1 – Potential areas for designed open ground

<table>
<thead>
<tr>
<th>Potential areas for designed open ground</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forest/woodland rides and tracks</td>
</tr>
<tr>
<td>Archaeological sites</td>
</tr>
<tr>
<td>Deer control areas</td>
</tr>
<tr>
<td>Riparian corridors</td>
</tr>
<tr>
<td>Landscape areas</td>
</tr>
<tr>
<td>Power lines and wayleaved corridors</td>
</tr>
</tbody>
</table>

Table 2 – Unplantable 'Other Land'

<table>
<thead>
<tr>
<th>Unplantable 'Other Land'</th>
</tr>
</thead>
<tbody>
<tr>
<td>Existing roads</td>
</tr>
<tr>
<td>Scree</td>
</tr>
<tr>
<td>Rock outcrops</td>
</tr>
<tr>
<td>Small lochs</td>
</tr>
<tr>
<td>Extensive areas of deep peat (&gt;50 cm deep)</td>
</tr>
</tbody>
</table>

Download guidance

Click 'Download this page’ to create a printable version of this guidance you can save or print out.
4 General mapping guidance

Date published: 20 November, 2015

To see recent changes to this guidance, check the bottom of this page.

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Introduction

The maps that you provide form an important part of your Forestry Grant Scheme application and will be used as an integral part of your contract. You will need to provide a map to show the location of the options and capital items present within your application. You should also check the individual option guidance for any detailed mapping requirements that may be necessary for that specific option.

This guidance is divided into two parts: part 1 covers the standard of maps required; part 2 provides details on what to include on your maps.

Part 1 – Standard of maps required

What sort of map should I use?

Your application maps must be based on up-to-date Ordnance Survey maps. You must use originals or good quality copies (i.e. paper maps), unless you have access to digital mapping software enabling you to produce maps to the required standard, in which case you can submit maps in either pdf or jpeg format.

Large-scale mapping covering the whole of Scotland is available from the Ordnance Survey and their retail partners in various hard-copy and digital formats. These products allow you to define your needs and maps can be produced site-centred, regardless of National Grid sheet edges, at any size between A4 and A0.

Where can I get a map?

Site maps are obtainable directly from Ordnance Survey's retail partners. More details are available on the Ordnance Survey website.

For more detailed information on site-centred maps and other conventional Ordnance Survey products, contact your nearest Ordnance Survey retail partner or go to Ordnance Survey’s business and government support pages.

If you are producing maps from your own geographic information system or digital mapping software you should make sure that plots are based on up-to-date Ordnance Survey MasterMap data or Ordnance Survey VectorMap Local.

What about copyright?

Any organisation or person wanting to copy Ordnance Survey based maps for their own business or private use must either be licensed by the Ordnance Survey, or apply for permission each time a copy is required and keep to the terms of that permission.

It is the responsibility of the applicant (or the agent acting on his/her behalf) to ensure that any copyright responsibilities are met. The Ordnance Survey provides licences to many bodies (e.g. local authorities, various professional organisations and business firms) and to individual customers who have a regular need to copy Ordnance Survey material.

To apply for a licence, or for further information on copyright, see the Ordnance Survey's licensing pages.

Part 2 – What to include on your maps

How should I mark the maps?

Your application maps must be marked clearly and accurately and be consistent with the details in your Forestry Grant Scheme application. If you are carrying out a number of operations on the same area, you may need to use more than one map to ensure that the details are clear.
Your map(s) must:

- show the title of your Forestry Grant Scheme application
- include your Business Reference Number and Location Code
- be produced on an up-to-date Ordnance Survey map
- be at an appropriate scale to show a reasonable level of detail for the types of operations you propose to carry out
- have the scale clearly marked on the map
- show where North is
- not have any map detail hidden by folds, labels or marks
- have the Ordnance Survey grid reference of the centre of your application area marked

**What details should I show on the application map?**

The following represents the minimum requirements for displaying details on your map. For detailed mapping guidance relating to specific forestry options, please see the appropriate web page for that option (e.g. Woodland Creation).

- depict each forestry option or capital item you are applying for by using an easily recognisable colour coding, hatching or symbol on your map
- include a key to all of the colour coding, hatching or symbols depicted on your map
- label each individual forestry option area and capital item with a letter and ensure that these correspond to the map letters used within your online Forestry Grant Scheme application

**Tree species codes (PDF, Size: 88.0 kB)**

doc_external_url: https://www.ruralpayments.org/media/resources/Species-Codes.pdf

Please remember that the map should accurately reflect what is in your application. If the map is unclear or inconsistent with the details provided in your application, this may delay the processing of your contract.

**Recent changes**

<table>
<thead>
<tr>
<th>Section</th>
<th>Change</th>
<th>Previous text</th>
<th>New text</th>
</tr>
</thead>
<tbody>
<tr>
<td>What details should I show on the application map?</td>
<td>Addition of PDF with a list of tree species codes to be used.</td>
<td></td>
<td>Tree species codes (PDF)</td>
</tr>
</tbody>
</table>

**Previous versions**

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5 How to apply
Date published: 6 May, 2017

For recent changes to this guidance, please see the bottom of the page.

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Introduction

Applications for the Forestry Grant Scheme are online only.
You must register with Rural Payments and Services and have a Business Reference Number (BRN).

Find out how to register

You can submit applications for Forestry Grant Scheme funding throughout the year.
Scottish Forestry conservancy staff will assess applications on an ongoing approval basis. The Forestry Grant Scheme is competitive and our aim is to select the applications that deliver the greatest benefits against our budget priorities.

Important Note: You must not have undertaken any works you are proposing within your FGS application prior to applying for a grant and you must not commence works until you have received an approved contract.

Customer charter and approval of contracts
Scottish Forestry staff will process your application according to Scottish Forestry’s customer charter. This may include a site visit. We may also request further information from you.
If your application is approved, then you will be sent a contract approved by your local Scottish Forestry conservator.
After the approved contract has been signed by both Scottish Forestry and yourself, you may commence the work.

Online application guide
Guidance to help you apply online for the Forestry Grant Scheme is available.

Online application guidance (PDF, Size: 4.9 MB)
doc_external_url: https://www.ruralpayments.org/media/resources/0014---fgs_application_desk_instructions_for_customers_final_v10_310315---SF.pdf

Submitting an application online
Once you have logged in to Rural Payments and Services, you will be able to submit an application online.
You can do this by clicking 'Applications' from your customer home page and selecting 'Forestry Grant Scheme' from the dropdown list to start a new application.
Once you have completed your application, select 'Submit Application' and an acknowledgement of your application will appear along with an application reference number.
Please use this number for all communications with Scottish Forestry, and for tracking the progress of your application.

**Assessing and scoring your application**

Scottish Forestry staff will assess your application and check it against the option(s) eligibility.

When we assess woodland creation applications, we will give them a score based on how well the application meets current forestry and woodland strategies, together with local considerations such as enhancing local landscapes.

When we assess woodland management applications, we will give them a score based on how well it supports priority habitats and species and contributes to multi-purpose objectives.

**We will also assess your financial eligibility**

When assessing your application we will consider the potential risks to public finances associated with funding your project, and whether Scottish Government would be able to recover grants paid should the project fail, or partially fail, to deliver the contract commitments.

As part of this process we may ask for information about your business structure and land title in order to be able to assess any potential financial risk.

Where we are concerned about our ability to recover grants in the event of a project failing, for example because of the business structure, land ownership arrangements, or on-site risks, we may request that a standard security in favour of Scottish Ministers is placed on the property title.

We expect that this will required for less than 1% of FGS applications, and we would normally only consider this approach for projects with a grant value over £250k.

Where we consider this is necessary we will advise you whilst your application is being assessed. SF will determine an appropriate length, ranking and scope of such security as well as appropriate review mechanisms.

These matters shall be objectively determined by SF. They will take into account a range of factors such as the nature and value of the grant, the nature and circumstances of the grant recipient and other circumstances specific to the particular proposed grant.

If your application is approved you will be offered a contract which includes a requirement for the standard security to be in place before you are paid any grant.

Please note that you will be required to cover the legal costs you incur whilst putting the standard security in place.

We will assess your application against the UK Forestry Standard (UKFS), which is the reference standard for sustainable forest management in the UK. Supported by a series of Guidelines (Biodiversity; Climate change; Historic environment; Landscape; People; Soil; Water), the UKFS outlines the context for sustainable forest management, defines standards and requirements, and provides a basis for regulation and monitoring.

The UKFS recognises that Scotland’s forests serve a wide range of objectives: environmental, economic and social. Practising sustainable forestry means managing Scotland’s forests in a way that meets present needs but does not compromise the ability of future generations to meet their needs.

All applications to the Forestry Grant Scheme will be assessed against the UK Forestry Standard and associated guidelines. To be eligible for grant aid, proposals must comply with the UK Forestry Standard.

**Consultation**

We may need to consult others about woodland creation applications and may display details on our public register of grant schemes.

**Public register of grant schemes**

Please refer to the ‘Additional Information’ section on the main Woodland Creation page.
Woodland Creation

Final approval

We will then contact you with our decision on approving your application.

For more information at any point in your application process, please contact your local Scottish Forestry conservancy office.

Previous versions

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6 Licences and permissions

Date published: 4 August, 2015

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Introduction

When you apply to the Forestry Grant Scheme, the individual option guidance pages will detail the required information we expect to see on all applications.

The option guidance pages give you information about the scheme requirement for supporting evidence, maps, operational templates and other documents you must supply.

However for certain activities, or for certain sites, there are a number of things you may need to consider:

- licences and permissions that you might need
- if you need a protected species survey

Licences and permissions

When you first think of an idea that you wish to progress through the Forestry Grant Scheme, and consider that permissions or a licence may be required, you should contact your local Forestry Commission Scotland conservancy, or the relevant organisation, for advice at the earliest opportunity.

This should help you minimise any time spent applying for activities that are unlikely to receive consent and therefore funding. It is your responsibility to make sure that you have any necessary authorisation for the work that you wish to carry out.

Some examples of where you might require a particular authorisation include:

- felling licence from Forestry Commission Scotland for tree felling/clearance and for removing heavy scrub under the Control of Scrub / Woody Vegetation capital item
- authorisation from the Scottish Environment Protection Agency if activities or your operations may impact on water
- permissions from local authorities on prior notification of access tracks

Prior notification for permitted development

Access tracks created for forestry purposes are normally classed as permitted development.

However under the Town and Country Planning (General Permitted Development) (Scotland) Order 1992 (as amended) you must, in these circumstances, complete a prior notification form to tell the planning authority about any proposals that benefit from permitted development rights so they can decide whether you need to get approval beforehand (prior approval).

Upload to your online application

If you have already received consent, a licence or written approval from a consenting authority, you should upload a copy of the relevant documentation to accompany your online application.

You must ensure that you hold any required licence or consent before you start the activities/management for which a licence or consent is required.

Protected species

There are several pieces of legislation giving protection to species found in Scotland.

In many cases it is an offence to kill or capture animals, including birds, or to uproot plants. The law also protects some wild creatures from disturbance or harassment, or disturbance of their nests or resting places. Examples of commonly encountered species are shown below.

Further details can be found on the Scottish Natural Heritage website.
You should therefore consider whether the management you propose will affect any protected species.

Commonly encountered protected species include:

- bats, otters, great crested newts and natterjack toads – these are European Protected Species, protected under the Conservation (Natural Habitats, &c.) Regulations 1994 (as amended)
- wild birds protected under the Wildlife & Countryside Act 1981 (as amended)
- red squirrels, pine martens, water voles and other animals – these are listed on Schedule 5 of the Wildlife & Countryside Act 1981 (as amended)
- badgers are protected under the Protection of Badgers Act 1992 (as amended)
- plants listed on Schedule 8 of the Wildlife & Countryside Act 1981 (as amended)

**Download guidance**

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7 Occupancy of land

Date published: 10 January, 2019

For recent changes to this guidance, please see the bottom of the page.

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Introduction

If you wish to make an application for Forestry Grant Scheme funding then you must own and occupy the land, have a secure tenancy, or have a contractual licence. For the Harvesting and Processing and Forestry Co-operation options you must have a Business Reference Number but this does not need to be linked to land.

If you have a contractual licence, you are only eligible to apply for capital items, but please see further information about contractual licences in the section below.

You must be able to demonstrate that you have the legal right to carry out the work to be funded on the land included in your Forestry Grant Scheme application for the length of the contract and any associated monitoring period.

Applicants must notify us if there is any live legal challenge to their control of the land. Where an applicant's control of the land or legal right to plant trees is subject to a live legal challenge or review, the land would not be considered eligible for a forestry grant until the legal process has been concluded, and where there has been a legal process we would respect the outcome and use this to determine whether an applicant is eligible.

If you are a landlord or an owner / occupier, you can make a Forestry Grant Scheme application for land that is managed in hand or let out on a seasonal basis only. If any land included in the application is let out on a seasonal basis, it will be your responsibility to ensure that all scheme requirements are met.

Tenancies

If you are a non-croft tenant or official sub-tenant of a croft, it is your responsibility to discuss the proposed application with your landlord or main tenant to make sure it does not break the conditions of your tenancy.

You must be able to demonstrate a legal right to carry out the capital items and / or the annual management to be funded on the land included in your application for the full length of your contract’s agreement period of undertakings under this scheme.

Contracts – period of undertakings

In order to show that you have the legal permissions to carry out work on the land, you must submit a signed Landlord Declaration Form in which your landlord or main tenant confirms that the lease extends beyond the required duration.

Contractual licences (third-party applications)

If you are not a landowner or tenant, you can apply to do capital works on land covered by a contractual licence.

However, applications will be restricted to capital items that are specifically aimed at works such as improving public access or for stand-alone capital works that are being undertaken across a number of holdings to address, for example, dealing with invasive non-native species.
You must have written agreement from all the landowners concerned. To demonstrate this, you must submit a copy of the licence with your application.

It must be in effect before you apply to the scheme and include the following:

- a map of the area covered by the licence
- the duration of the licence
- the details of responsibilities and liabilities
- details of the landowners or main tenants covered by the licence
- details of the activities covered by the licence

For capital items, contractual licences must cover the contract monitoring period, which will vary depending upon which Forestry Grant Scheme options are included within your contract.

**Short-term tenancies / contractual licences**

Where your tenancy or licence does not cover the required duration of your contract's period of undertaking, you must submit the Landlord Declaration Form with your application, in which your landlord confirms that they will take responsibility for carrying out the proposed management and/or capital items for the remainder of the contract and any associated monitoring period (see ‘Change of occupiers or transfer of land’ section below).

**Crofting**

If you are a main tenant of a croft with a tenancy that covers the required duration, you do not have to submit any supporting documentation. However, the ‘Change of occupiers or transfer of land’ requirements referred to below will still apply.

If you are an official sub-tenant of a croft, a copy of the letter issued by the Crofters Commission confirming the approval of the sub-let and its duration will also be acceptable as supporting documentation.

If you are a grazing clerk, submitting an application on behalf of a grazing committee, your application must include the following supporting information:

- the written consent of a majority of the crofters with shares in the common grazing. All crofters benefitting from assistance must be compliant with the statutory duties placed on them by the Crofters (Scotland) Act 1993
- evidence that notice of the intention to submit an application and the proposed division of the grant amongst the eligible crofters has been issued by the grazings committee or constable to all shareholders sharing in the common grazings
- for Woodland Creation applications, confirmation from the grazings committee or constable that the Crofters Commission has approved the proposal

Please note that we cannot consider your application until you have submitted the relevant documents.

**Change of occupiers or transfer of land**

If there is a change of occupancy or a sale/transfer of the land within the contract agreement period, the onus will be on you, the contract holder, to make sure that the new occupier or owner of the land takes on your obligations under this scheme and that a Successor's Request Form is completed within three months of the formal, legal transfer.

**Contracts – period of undertakings**

Where your tenancy or licence does not cover the required duration, the landlord or new tenant must enter into a successor’s agreement within three months of the tenancy or licence ending by submitting a completed Successor’s Request Form.
If these requirements cannot be met, you will normally need to repay all or part of the payments you have already received, plus interest.

Within the successions process, the individual or business leaving the land will be referred to as the ‘outgoer’ and whoever is taking on the land will be referred to as the ‘incomer’.

To complete the Successor’s Request Form, a Land Maintenance Form (LMF) needs to be completed jointly by outgoer and incomer and sent to RPID. If not already IACS registered, the incomer will also need to register their business and any other land they occupy using the LMF.

**Land Maintenance Form**

You must let your local Scottish Forestry conservancy area office know about any changes affecting the legal occupancy of the land under a Forestry Grant Scheme contract.

### Recent changes

<table>
<thead>
<tr>
<th>Section</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change of occupiers or transfer of land</td>
<td>Request form and timescales added</td>
</tr>
</tbody>
</table>

### Previous versions

Previous versions of this page

### Download

Click ‘Download this page’ to create a printer-friendly version of this guidance that you can save or print out.
8 Scoring criteria and clearing process

Date published: 5 May, 2020

For recent changes to this guidance, please see the bottom of the page.

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Introduction

The following guidance explains how we will assess Forestry Grant Scheme applications using the scoring criteria and the clearing process.

Scoring criteria

All forestry applications will be assessed by Scottish Forestry using option specific scoring criteria.

Scottish Forestry will use the information provided in your application and will score each option based upon how well it meets the scoring criteria. The option-specific scoring criteria guidance explains which criteria will be applied and how your application will be scored.

Each option within your application must meet the threshold score to be considered for approval. Woodland creation applications must score a minimum of one point against each scoring criteria except for additional benefit. The score will then be used as the basis for allocating funding on a competitive basis through the Forestry Grant Scheme clearing process.

Scoring criteria

• Delivery of option benefits (up to 5 points)

Delivering specified benefits that are relevant to the option in question.

• Scale of delivery (up to 5 points)

Assessing the scale at which an activity is being proposed and how well that delivers the objectives for the option.

• Delivering better quality (up to 5 points)

Recognising applications that deliver a greater contribution to Scottish Government objectives by improving on the minimum standards/eligibility requirements for the activities described, or referred to, in the option guidance.

• Delivery of good practice (up to 5 points)

Assessing the methods and work practices you employ when these help to reduce potential adverse impacts to the environment.

• Value for money (up to 10 points)

For Woodland Creation options, we will assess the value for money that your application offers.

Supplementary point

• Additional benefit (1 point)

Recognising the delivery of other specified benefits that have not already been considered within the scoring criteria.

Clearing process and budget management

The aim of the Forestry Grant Scheme clearing process is to ensure that contracts are awarded on a competitive basis and that the highest quality projects are supported from the available budget.
In line with Scottish Government policy and Scottish Rural Development Programme priorities, the annual Forestry Grant Scheme budget will be divided between a series of budget categories. The budget categories and the Forestry Grant Scheme grant options they include are shown in the document below.

The clearing process will then involve applications being compared against the uncommitted budget (headroom) available in the relevant budget category. Scottish Forestry will highlight the availability of grant funds using a traffic light system of green, amber and red as indicated in the document.

For most grant types this will be on a monthly basis, but for some it will be on an annual basis as indicated in the document. The frequency of clearing rounds may be varied in the future, in response to application volumes or the availability of funding.

As a result of the McKinnon Review, we are introducing a ‘pre-approval’ clearing process for woodland creation cases below £250,000 grant value.

The ‘pre-approval’ clearing process allows Conservancies to approve woodland creation cases that score very highly, thereby improving the approval time as these cases will not have to wait until the next monthly clearing round.

The ‘pre-approval’ score will be set higher than the normal monthly threshold score so as to allow the best cases to have contracts issued quicker.

The pre-approval score will be reviewed regularly and the pre-approval process will only operate where there is good budget headroom of at least three times the average monthly approval value for that budget category.

Budget categories (PDF, Size: 536.3 kB)
Forestry Grant Scheme: clearing and budget categories with threshold scores [December 2020]

Stages in the clearing process

1. At the start of each calendar year and in advance of the first annual clearing exercise in April a threshold score will be set for each grant clearing category. The threshold scores will be published together with an indication of the available headroom. The headroom available will be communicated using a traffic light system and will be updated throughout the financial year. For woodland creation categories, a higher threshold score (i.e. a pre-approval score) will also be set that is above the minimum threshold score for cases.

2. Applicants will then be able to prepare their applications and take decisions about the applications based on budget position and the threshold score at that time.

3. When applications are submitted, conservancy staff may examine cases to establish whether or not a case is likely to meet the relevant threshold score. If an application would not meet the threshold score it will be rejected.

4. All Forestry Grant Scheme cases that meet the threshold score will go forward to the clearing process after the assessment stage has been completed, the case score has been entered into the IT system and the assessment approved by a senior manager.

5. National office staff will run a report within the IT system to produce a list of cases ready for clearing against each of the Forestry Grant Scheme budget categories.

6. The list of cases within each category will be compared to the available funds or headroom in each budget category.

7. A clearing score will be set for each category so that cases are funded as per the clearing business rules set out in the budget categories document. The clearing score may be above the threshold score, depending upon the level of competition.

8. Where the value of cases exceeds the available budget for a category the clearing score will be set at a level where all the cases at or above the threshold score can be funded in line with the business rules in the budget categories document.
9. Cases scoring at or above the clearing score within each budget category will generally be approved. Cases scoring below the clearing score will generally be rejected.

10. Where a number of cases share the same score and the available budget isn’t sufficient to fund them all, situations may arise where it is necessary for the clearing score to split a group of cases with the same score. Where this arises the budget will be allocated on a first-come first-served basis, based on the date the application was submitted. Cases will be approved in the date order they were received, until the available budget has been fully committed.

11. Alternatively, for options with an annual clearing round, we may use a judging panel format to verify scores and assist with decisions on the allocation of funding.

12. The clearing score from each clearing round will be entered into the IT system and the status of each case included in the clearing will be updated to show approved, rejected or partial approval.

13. Exceptionally, Scottish Forestry’s national office may withdraw cases from the clearing round and refer it back to the conservancy where, for example, an anomaly is found with the case, such as the Sustainable Management of Forests element of a joint Sustainable Management of Forests / Woodland Improvement Grant case is rejected and the Woodland Improvement Grant element has a high enough score to be approved, but wouldn’t then be eligible.

14. Scottish Forestry may from time to time review the budget allocation across clearing categories, where for example the pressure in some categories is much higher than others, or to reflect changes in policy priorities. Where this happens Forestry Commission Scotland would publicise the revised budgets and headroom.

**Complex Forestry Grant Scheme cases**

Applicants may submit Forestry Grant Scheme cases that include multiple grant options. Where this happens each separate option will be scored and will be considered in its own right as part of the clearing process for the relevant grant category. Where some options are approved and others rejected, the case will be given a partial approval, covering the options that met or exceeded the threshold score in their budget category.

In the case of woodland creation, projects will often include two or more woodland creation options, used together to create a more robust and diverse woodland. In such cases, where the different options are all part of a single woodland creation project/block that couldn’t reasonably be divided up, we would adopt the following approach to treat them as a single project for clearing:

- each option will be scored separately and must meet the threshold score
- the woodland officer will then review the scores for the different options and calculate a single score by deriving the median area score using the Forestry Grant Scheme score sheet
- the options will then be considered as one project through the clearing process

Generally applicants are advised against submitting cases that include multiple options with a mix of monthly and national clearing rounds. Where such cases are submitted they will either need to wait until both clearing processes are taking place together or one of the options would need to be rejected.

**Variation to FGS Contracts**

We would request that applicants give careful consideration to the timing of work, and complete projects and submit claims in the allocated claim year in their contract. Where it is not possible to complete work as planned, applicants may apply to vary work, value or claim year.

We will seek to accommodate reasonable requests for variation to contracts within the annual grants budget.

However, we expect the strong demand for forestry grants to continue and that the position on grant commitments to be tight in any one year.

This means that it may be difficult to accommodate high volumes of requests to vary contract claim years. Where a request into the preferred claim year is not possible we will seek to offer another future year, as long as there is sufficient budget headroom.

We therefore encourage FGS contract holders to make their best efforts to complete projects in the year designated in their contract.
Should projects not be completed due to adverse winter weather we would treat this as an exceptional circumstance and seek to accommodate the variation request.

Where changes (variations) to contracts are requested then these will be processed as follows:

**Clearing Rounds**

- variations that increase expenditure or a change to a new financial year will need to come to a clearing round, as such changes impact the budget headroom
- variations that decrease the contract value that affects the original score on which the approval was given will need to come to a clearing round
- variations that decrease the contract value but do not affect the original score on which the approval was given do not need to come to a clearing round and will be considered locally by the Conservancy
- variations need to meet the threshold scores that apply at the clearing, which may be higher than when the application was originally approved

**Timing**

- variations will normally be considered on a monthly or quarterly basis, depending upon the time of year and budget pressures
- other than in exceptional circumstances, during individual clearing rounds, requests for variations will generally be processed after new applications have been considered

**Funding and Budget Limits**

- where funding is limited in any one year or in a specific budget category, we will prioritise requests for variations from projects which have been started and delayed due to operational reasons
- where funding is limited in any one year or a grant category is under budget pressure we may introduce a financial limit and consider variations which exceed the limit on a quarterly basis

**Recent changes**

<table>
<thead>
<tr>
<th>Section</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clearing process and budget management</td>
<td>We've updated the budget categories and threshold document</td>
</tr>
</tbody>
</table>

**Previous versions**

Previous versions of this page

**Download guidance**

Click 'Download this page' to create a printer-friendly version of this guidance that you can save or print.
9 Inspections

As part of our claims administration processes, Forestry Commission Scotland conservancy staff will inspect a proportion of sites that have had a claim for a forestry grant submitted.

This is required by European Commission law.

- how and why we conduct forestry inspections
- inspections that check how funding for capital items has been used
- inspections that check how funding for annual recurrent options has been used
## 10 Claims and payments

**Date published:** 29 April, 2020

For recent changes to this guidance, please see the bottom of the page.

To see recent changes to this guidance, check the bottom of this page.

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#### Claim years available

Our approach to claim years depends on the grant type, which are detailed below.

This approach has been structured to ensure applications go through the competitive clearing process and, at the same time, manage the grant budget without a long forward booking of projects.

<table>
<thead>
<tr>
<th>Grant Type</th>
<th>Claim Years Available</th>
</tr>
</thead>
<tbody>
<tr>
<td>Woodland Creation</td>
<td>Capital such as fencing and initial planting – up to three 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 two years, e.g. apply in 2016, start work in 2016 with further work in claim years 2017 and 2018. Alternatively, apply in 2016, start work in year 2017 and complete in 2018.</td>
</tr>
<tr>
<td>Agroforestry</td>
<td>As for Woodland Creation – up to three claim years (within N+2, where N = the current calendar year at time of application submission) with work having to start in the first two years.</td>
</tr>
<tr>
<td>Woodland Improvement Grant</td>
<td>Up to three claim years (within N+2, where N = the current calendar year at time of application submission) with work having to start in the first two years, except for Woodland Improvement Grant – Restructuring Regeneration where a delay until year three is acceptable to meet species diversity rules.</td>
</tr>
<tr>
<td>Sustainable Management of Forests</td>
<td>The next claim year (N+1 year) is available as the first annual management claim year.</td>
</tr>
<tr>
<td>Tree Health</td>
<td>The current and next year claim year (within N+1 where N = the current calendar year at time of application submission).</td>
</tr>
<tr>
<td>Harvesting &amp; Processing</td>
<td>One claim year available (within N, where N = the calendar year of the application round).</td>
</tr>
<tr>
<td>Forest Infrastructure</td>
<td>One claim year available (within N, where N = the calendar year of the application round).</td>
</tr>
<tr>
<td>Forestry Co-operation</td>
<td>One claim year available (within N, where N = the calendar year of the application round).</td>
</tr>
</tbody>
</table>

### Making a claim

Claims for payment can be made either by you as the scheme beneficiary or an accountable person acting on your behalf.

An accountable person must be mandated on the **PF05 - Business mandate form** before we can accept a claim from them on your behalf.

Although an accountable person can claim on your behalf, any errors on the claim that may result in us seeking to recover payments or impose a financial penalty will be applied against you as the holder of the contract. You should therefore make sure that your claim details are correct before a claim is submitted.

You can only claim for the items set out in your contract once your work has been completed.

There are two types of claims:

- capital claims
- annual management claims

### Capital items

Capital items can be supported on either a standard cost or actual cost basis.
For more information on actual costs, refer to our more detailed guidance.

Capital items are available in:

- all the Woodland Improvement Grant options
- all the Woodland Creation options
- Tree Health
- Harvesting and Processing
- Forest Infrastructure
- Forestry Co-operation

For capital items, you can only claim for the area / length / quantity actually completed and you cannot exceed the amounts indicated in your contract or exceed what is on the ground. If you, or your accountable person, claim for work that has not been completed we will consider this as an overclaim and breaches and penalties may apply.

Any capital expenditure incurred before your contract has been approved will not be eligible for payment.

Timing of claims

Your claim year is the year you apply to carry out your capital works. We fund these activities from our financial year’s budget of 1 April in the claim year to the 31 March in the year following your claim year.

Claims for capital items must be submitted by the end of February of the following calendar year, of the year stipulated in your contract.

So, if you have a claim year of 2016 in your contract, your works must be initiated in 2016 and your claim must be submitted when the works have been completed and before 28 February 2017. If you finish your works in 2016 before our financial year begins (i.e. in January through March 2016), then you may submit your claim (provided you have a signed Forestry Grant Scheme contract) but please be aware that we will be unable to authorise your payment until April 2016.

Currently, we are running a manual capital claims process. You must submit a manual claim form to a Scottish Forestry conservancy office. There is a Standard Costs Capital Items Claim Form with guidance and an Actual Costs Capital Items Claim Form with guidance available below.

- Standard Costs Capital Items Claim Form (PDF, Size: 286.9 kB)

- Standard Costs Capital Items Claim Form - guidance notes (PDF, Size: 217.4 kB)

- Actual Costs Capital Items Claim Form (PDF, Size: 349.3 kB)

- Actual Costs Capital Items Claim Form – guidance notes (PDF, Size: 360.2 kB)

It is your responsibility to ensure that you submit your claim by the deadline set out in this guidance. We will not write to you in advance of the closing date to remind you.
If you submit a claim after that period it will not be accepted unless there are extenuating circumstances that prevented your claim being submitted.

If you are unable to undertake the work in the year designated in your contract then you must write to us requesting a variation.

Supporting documents

Refer to the individual option guidance web pages or capital item specification web pages you have approved for information on the supporting documents you will have to submit with your capital claim.

If you fail to submit your supporting documents we will not process your claim for payment.

Annual management claims

Sustainable Management of Forests options all have annual management grants and Woodland Creation options have an annual maintenance grant. You must claim all of these grants on your Single Application Form. To make a claim for the annual management approved in your contract you must declare the land on which you carry out these options on the Single Application Form using the Permanent Land Data Sheets (IACS 3).

The Single Application Form can be submitted online by registering and logging in to Rural Payments and Services.

If you choose to complete the Single Application Form on paper, it should be submitted to your local Rural Payments and Inspections Division area office and not to your local Scottish Forestry conservancy office.

The deadline for the receipt of a Single Application Form is 15 May each calendar year.

We will still accept your form up to 25 calendar days after the closing date but will reduce your payments for all schemes covered by the Single Application Form, including this scheme, by one per cent for each working day your form is late during the 25 calendar day period.

We cannot accept your form if we receive it more than 25 calendar days after 15 May.

If you fail to declare your management options on your Single Application Form you will not receive payment for your management options for the year in question.

It is your responsibility to complete the Single Application Form correctly with your management options declared, even if you employ an accountable person to act on your behalf.

Please refer to the How to Claim section of individual option guidance web pages for additional option specific guidance on completing your Single Application Form.

Supporting documents

Refer to the individual option guidance web pages for the Sustainable Management of Forests and / or Woodland Creation options you have approved for information on:

- the supporting documents you will have to submit with your Single Application Form
- what supporting documents you must retain
- what supporting documents you must submit to us at the end of the calendar year

If you fail to submit your supporting documents within the required timescale you will not receive payment for your management options for the year in question.

Payments

Payments will be made as follows:

Capital items

These will be paid upon receipt of a valid claim with any relevant supporting documentation. A valid claim is a claim that is wholly completed and signed, and encloses all supporting documentation as required.

Management grants
These are paid annually in the spring of the year following submission of your Single Application Form. For example, if you submit a claim in 2016, your management payment will be paid in the spring of 2017 once all the inspections for annual management measures have been completed.

**Inspections**

Payments will only be made once all administrative checks have been carried out on the claim to ensure that the work claimed is suitable, matches what is in your approved contract and that the claim has been completed correctly.

If your claim has been selected for inspection, your claim will only be paid once the inspection has been carried out and the inspection result is satisfactory.

It is a condition of the scheme that you must allow us to inspect your holding to check that the scheme rules are being met.

When we inspect your capital claim, here are some of the things that we look for:

- that the claimed work has been completed
- that all found works and quantities agree with the contract and the claim
- that the work / item are fit for the purpose for which they were funded
- that, where required, the explanatory EU funding posters or plaques are in a position readily available to the public (A3 posters for funding over €10,000 and plaques for funding over €50,000)
- that all work has been carried out to the required standard in accordance with the agreed minimum specification

More detail on the EU publicity requirements

More information on inspections

You will receive payment by BACS into your nominated bank account. All payments will be made in sterling.

If you change your bank account you must inform us as soon as possible by completing **PF03 - Register your bank details - Sterling form** to avoid payments being issued to your closed account.

### Recent changes

<table>
<thead>
<tr>
<th>Section</th>
<th>Change</th>
<th>Previous text</th>
<th>New text</th>
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</thead>
</table>
| Inspections | Additional guidance added. | -             | When we inspect your capital claim, here are some of the things that we look for:  
- that the claimed work has been completed  
- that all found works and quantities agree with the contract and the claim  
- that the work / item are fit for the purpose for which they were funded  
- that, where required, the explanatory EU funding posters or plaques are in a position readily available to the public (A3 posters for funding over €10,000 and plaques for funding over €50,000)  
- that all work has been carried out to the required standard in accordance with the agreed minimum specification  
More detail on the EU publicity requirements |

### Previous versions

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11 Breaches and penalties

Date published: 7 March, 2017

For recent changes to this guidance, please see the bottom of the page.

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Introduction

If you do not follow your contract terms and conditions we will call this a breach.

A breach may be identified through the automatic checking we carry out against your application, claim, land or allowances, through an inspection or following a check of any supporting documentation relating to a claim.

It is your responsibility to ensure that all contract conditions are fulfilled and that all information in your application and claim is accurate.

If you have breached your agreement, future grant payments may be reduced or withheld and sums previously paid may be recovered.

The scheme is subject to different provisions in the European Union regulations depending on whether your contract has annual management / maintenance or capital items as described below.

These items are covered by Article 63 of Commission Regulation (EU) No. 809/2014 and Article 35 of Commission

Delegated Regulation (EU) No. 640/2014

Under Article 63, once we receive your capital claim we will establish:

- (a) the amount that you are due based on what you have claimed, and
- (b) what you are due after an examination of the eligibility of the expenditure of your claim and supporting documentation

Capital items – over-declaration of expenditure

[This is often referred to as an overclaim breach]

If what you have claimed exceeds what you are due after the examination of your claim by more than 10 per cent, an administrative penalty equal to the difference between the two amounts will be applied to the amount that you are eligible to be paid.

For example:

- you claim for 7.64 hectares of woodland creation
- our inspector finds that the area of the woodland creation boundary is only 6.82 hectares
- the difference between the two is 0.82 hectares which equates to 10.7 per cent
- we initially restrict our payment to pay on the area found – 6.82 hectares but as the difference is greater than 10 per cent, we reduce this found area by the penalty of the difference – 0.82 hectares
- which means you would get paid 6.00 hectares
- your future woodland creation annual maintenance payments would be varied to 6.82 hectares

Capital items - under-declaration of expenditure

You must only ever claim the actual quantities you have carried out on the site. If, prior to or during the works activity you realise you over-estimated your contracted quantities, you should contact your local FCS Conservancy with a variation request.

This should be done if the difference in quantity is going to be less than the approved quantity by a 10% difference or more.
If you claim a capital item from your schedule of works that we find is less than the quantity you received an approved contract to undertake, we will check with you that no further claims are yet to be submitted for that schedule of work’s entry and that the objectives of the original contract will still be met.

If this difference in quantity claimed is less than the contract approved quantity by a 10% difference or more, we will apply an under-declaration penalty. This administrative penalty will be equal to the difference between the two amounts and will be applied to the amount that you are eligible to be paid.

Example (i):

- you have a schedule of works entry in your approved contract for Deer Fence at 2,800 metres
- you carry out the fencing but find that you over-estimated the fence line length and it actually measured 2,678 metres
- you claim for 2,678 metres and we check that the remaining 122 m is not outstanding and that the original contract objectives are still being met
- the difference between the two is 122 metres which equates to 4.4 per cent
- no variation is needed and you pay the amount for 2,678 metres and ‘zero’ that entry in the schedule of works so as to remove any potential outstanding amounts from our budgeted commitments
- no breach or penalty (because difference amount is less than 10%)

Example (ii):

- you have a schedule of works entry in your approved contract for Deer Fence at 2,800 metres
- you carry out the fencing but find that you over-estimated the fence line length and it actually measured 2,501 metres
- you claim for 2,501 metres and we check that the remaining 299 m is not outstanding and that the original contract objectives are still being met
- the difference between the two is 299 metres which equates to 10.7 per cent
- in this case, a variation should have been requested prior to completing the works and submitting the capital claim, thus enabling FCS to reallocate funds back into our budget for available new commitments
- as you claimed without requesting a variation, a breach has been committed and a penalty will be administered. You claimed for 2,501m and we take the difference of 299m and deduct that, as the penalty, from the amount that we found eligible for payment
- which means you would get paid for 2,202m (2,501m less under-declaration amount of 299m)

Capital items – rectifying a breach

In some breaches, where the standard of work or end result is not meeting with the minimum standards and where this can be rectified with remedial activity, we can request that you put this breach right within a set given time.

In most cases we will withhold the grant payments until the works are rectified. Where we judge the issue to be of low severity, we can release your grant payment on the condition that it will be put right by a certain date. When we re-inspect such cases, we would want to see the rectified work. If the work has not been rectified by this re-inspection, we will recover the grants already paid.

Cross Compliance

Any breach of Cross Compliance rules anywhere on your holding may result in a penalty being applied. In most cases, this penalty will be applied to all area-based payments being claimed.

You can find out more about Cross Compliance using the link below.

Grant recoveries

If we seek to recover payments from you, we will write to you explaining why, with the amount due which will also include interest. Interest will begin to accrue from 60 days from the date of our letter and will continue to accrue until the time of repayment.
The letter will also give advice on how to appeal our decision. You will have 60 days from the date of this decision letter to either repay or to seek a review of the decision. If you do neither by the 60 day deadline, we will offset your debt from future payments from any Scottish Rural Development Programme scheme within three calendar years following the calendar year of the finding of the scheme breach.

More information on appeals can be found in the appeals section.

Appeals

Recent changes

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<th>Section</th>
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<tbody>
<tr>
<td>Introduction</td>
<td>Information relating to Article 63 moved to introduction section</td>
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<tr>
<td>Capital items - under-declaration of expenditure</td>
<td>New section</td>
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12 Appeals

Date published: 10 March, 2016

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Making an appeal

If we have written to tell you we have already – or soon will – refuse, withhold, reduce or recover your Forestry Grant Scheme payment and you are not sure about the reasons why we have made this decision, contact your Scottish Forestry conservancy office for more information.

Scottish Forestry Conservancy offices

If after we have explained our reasons for the action we are proposing to take or have taken and you are not satisfied with our decision, you may ask us to formally review our decision under the EU Rural Payments Appeals procedure.

Please note that if you wish to appeal our decision, you must submit a written request to your Scottish Forestry conservancy office no later than 60 days (the legal timescale) from the date of our original decision letter on an appeal form.

Scottish Forestry conservancy office staff will then arrange to meet with you – or phone you if you prefer – to formally review your appeal in more detail. By law we must do this no later than 60 days from the date we receive your request for appeal.

This conversation will give you the opportunity to explain to a senior member of staff why you think our decision is incorrect, provide additional evidence, ask any related questions and seek relevant clarification.

Our staff will explain why the initial decision was taken, the relevant Scottish and European Commission legislation and, if relevant, why we applied a penalty.

The conservancy office must then send you a written report of the review meeting within 60 days. The report will either confirm, amend or alter our original decision, or revoke it entirely and substitute a new decision.

Further action

If the appeal upholds the original decision and you wish to continue with your case, you need to submit a formal appeal directly to the Scottish Land Court.

The court will then make its own arrangements to deal with it.

Your appeal to the court needs to be made within 60 days of the day that you received the written report of the Scottish Forestry conservancy appeal meeting.

Find out more information on the Scottish Land Court:

Scottish Land Court

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13 Publicity

Date published: 27 June, 2017

For recent changes to this guidance, please see the bottom of the page.

As part of any successful application, you will be required to inform the public about the support you receive. How you do this may depend on how much you receive.

For funding of any amount, you must place a short description about the project on any related websites, where a link between the purpose of the website and the support provided to the project can be established and highlighting the financial support received.

If you receive funding of more than €50,000, you must put up at least one poster or plaque with information about the project (minimum size A3) highlighting the financial support from the European Commission at a location readily visible to the public.

For funding of more than €500,000, you must erect an interpretation panel / billboard of significant size at a location readily visible to the public.

All plaques / posters must include:

- the European emblem in accordance with the standards detailed in EU Commission Regulation 808/2014 Annex III Part 2
- the statement “The European Agriculture Fund for Rural Development: Europe investing in rural areas”
- a description of the project which shall take up at least 25 per cent of the plaque

In addition, all interpretation panels / billboards must include:

- information about your project which highlights the financial support you received

The emblem should be as per the standards presented on the European Union website.

If you fail to display a poster or plaque or fail to erect an interpretation panel or billboard then we may withhold the monies due to you or seek the recovery of payments made to you for the project in question.

Examples of suitable wording for interpretation panels / billboards can be seen on the attached example which can also be used as an A3 size template for posters or plaques:

![Example of A3 publicity poster – including suitable wording for panels/billboards (MS Word, Size: 242.4 kB)](https://www.ruralpayments.org/media/resources/0036---fgs_-_eu_-_signage_a3_poster---SF.docx) Publicity poster example

Recent changes

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<tr>
<th>Change</th>
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<tr>
<td>We've updated funding guidance and added an example of an A3 publicity poster.</td>
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