

# Harvesting and Processing

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## Aim

This option supports investments in new specialised equipment which will increase the local small-scale harvesting and processing capacity with the aim of:

- helping to bring woodlands into management
- promoting the economic and sustainable production of timber and timber products through processing
- adding value to local economies on a non-industrial scale (processing less than 10,000 tonnes per annum)
- providing support to facilitate and support diversification and to assist with the creation of new small enterprises and related employment

## Grant support

Grant support is based on actual costs with a maximum contribution of 40 per cent. In any single application, the minimum grant award will be £2,500 and the maximum will be £35,000.

We will only support outright purchase of equipment by the applicant and not acquisition through a hire purchase agreement.

## Application rounds

One application round will be run each year with a closing date of 31 January for the submission of applications. Allocation of funds will be for the same calendar year. We will notify successful applicants by 31 March. The first application round will be in January 2016.

Further details on the application process will be made available later in 2015.

Examples of what might qualify for grant aid are:

- equipment that will enable cost-effective small-scale mechanised harvesting operations in small, undermanaged conifer and broadleaved, predominantly farm, woodlands but with minimal environmental impact, e.g. small-scale thinnings harvesters, thinnings harvester heads, small-scale forwarders, forestry grabs and purpose-built forestry trailers. Small-scale harvesting and forwarder equipment is defined as machines with an unloaded weight of six tonnes or less
- equipment to facilitate local timber primary processing at a non-industrial scale (excluding wood chipping)

- non-industrial scale processing equipment, e.g. firewood log processors, small-scale mobile or static saw benches for primary processing of felled trees, handheld timber strength graders and timber drying kilns
- work to promote development of markets (including cooperative marketing) for the products from these woodlands generated from the small-scale primary processing

You must demonstrate that the equipment you are seeking for grant support adds to the local timber harvesting, processing and utilisation capacity and does not unreasonably compete with the existing capacity within a realistic distance for the size of the investment sought.

## Eligibility criteria

Check that you are eligible to apply for Forestry Grant Scheme funding before progressing.

Only small-scale activity will be supported and this has been specified as businesses that process less than 10,000 tonnes of timber per annum.

You must submit a clear and sound business plan.

Your business must be considered a micro enterprise. Micro enterprises are defined as 'an enterprise which employs fewer than 10 people and whose annual turnover and / or annual balance sheet total does not exceed EUR 2 million.'

All specialised harvesting equipment must be built to a forestry harvesting specification and comply with all relevant Health and Safety legislation. In addition, training on the safe working of all equipment purchased is mandatory and evidence of completing this training, e.g. the NPTC certificates with your grant claim, is required.

## Eligible applicants

Applicants must be:

- private and / or other forest owners
- forestry contractors and / or co-operatives
- small (non-industrial) scale wood processors
- fully constituted community groups
- social enterprises
- non-profit organisations

Applicants can work individually or collaboratively. Co-operative market development work must clearly be of benefit to more than one company.

For collaborative projects, one named applicant must take the lead and be contractually responsible for delivery of the agreed work. They will be liable for any subsequent refund claim should this be necessary.

## Supporting information

We need supporting information to help us assess your proposal. You must give the necessary details as part of a sound business plan including:

- confirmation that you are a trading entity, including company or organisation size and structure
- details of your annual turnover / annual balance sheet
- the availability of an adequate supply of raw material for processing relative to the output of the equipment being purchased
- that there is market demand for the scale of the service or product you will offer using the capital equipment being purchased, within the area you propose to operate and taking into consideration existing alternative suppliers
- how the investment you are applying for will add to the harvesting, processing and utilisation capacity locally
- the anticipated impact of the investment support on your business, including levels of employment
- evidence that you will be able to deliver the outputs proposed utilising the equipment you are seeking to purchase

The detail in the business plan should be proportionate to the amount and nature of the support you are applying for.

### **Other evidence required**

For applications on behalf of a group or consortium, the lead applicant must ensure that all other parties provide letters of support.

You must provide clear evidence of the cost of the equipment that you propose to purchase. You must, include evidence that three independent quotes were obtained, or if this is not possible, e.g. there is only one supplier of a particular machine, then additional evidence must be included to prove that the costs quoted are reasonable, such as providing costs of similar types of equipment of a similar capacity but of a different make.

## **Selection criteria**

To ensure that we make the best use of the resources available in delivering the Scottish Government objectives we will assess each application using the 'selection criteria' for forestry options. The selection criteria will be specific to each Forestry Grant Scheme option. Each application will receive a score based on the selection criteria and we will set a minimum score for each option.

## **How to claim**

We will pay grant within our customer charter timescales. You must send us a claim form with the necessary supporting information including invoice(s), training certificates, event booking / attendance details and relevant bank statements or other agreed means of proving you have made project related payments. You can claim VAT if you are not registered to recover it and have clearly stated this in your initial application. In this case, you must also clearly identify this in the grant claim form.

You must spend all monies as agreed and claim grant by the time specified in the letter of award within the financial year in which the grant was awarded.

If you have received grant to purchase equipment under this option, you must keep this equipment for five years. We retain the right to check that you have the equipment and how it is being used. We would do this at a mutually agreeable location provided we give you reasonable notice. If you wish to replace or upgrade the equipment in this timescale then please contact us in advance to discuss your intentions. If you are not using the equipment, plan to dispose of it or move it outside Scotland permanently we retain the right to reclaim all or a proportion of the grant, with interest. Again, please contact us in advance to discuss.

We may inspect the equipment on site before we pay an invoice. You must have incurred the full purchase costs before you can claim grant.

If you receive grant to buy specialised in-forest harvesting equipment, you must keep a record of the areas worked with it. We may ask to see this record of work done up to five years after the date of the grant payment.

If you make any false statements or misrepresentations in your application, we may reclaim grants that you may have received.