

Scottish Rural Development Programme (SRDP)

Introduction

The Extracts below are from the Scottish Rural Development Programme. They have been copied from the website. There is no definitive hard copy and the SRDP is under constant development. This document is intended as a guide and should be used in conjunction with the web site

<http://www.scotland.gov.uk/Topics/Rural/SRDP>

This document is intended as a guide for the development of biomass supply chains, with an emphasis on woodfuel. The topics below are not definitive, and other measures may be available within SRDP. All of the information has been cut and pasted from the website. Highland Birchwoods does not take responsibility for omissions, changes or errors, and it is the responsibility of the end user to ensure that all information is up to date and accurate.

Links to each section are included after the title. Copy and paste these links into your browser to find the most up to date information.

Other funding measures are available for the development of woodfuel supply and use. As a general rule all SRDP measures are co financed by the European Union. End users should ensure that any match funding is eligible for use alongside SRDP funding.

SRDP Renewable Energy Incentives and Assistance

June 2009

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SRDP Collaborative Local Development Strategies

<http://www.scotland.gov.uk/Topics/Rural/SRDP/RuralPriorities/Packages/AccessRecreationCom/localdevelopmentstrategie#top>

Introduction

This Option aims to empower communities to look at the wider picture and evolve a development strategy suited to local needs. This would allow all development works to fit into a coherent and integrated framework.

Local Development strategies make good use of limited resources and through their emphasis on forward planning are key features of a thriving community. The most effective strategies are arranged well in advance following considerable research and input from those leading the strategy before project work begins.

What will this achieve?

This Option will demonstrate how development works will contribute to clearly identified local priorities. This will maximise the benefits to be gained from a co-ordinated policy of investment and hence maximum benefit to the community. Its objective is to empower rural communities to gain capacity and confidence to engage with funders.

What you can do

This Option funds the set up and running costs of maintaining a partnership between public and private organisations. The partnership can consult, create and maintain a development strategy for the area and can co-ordinate applications for grants and project implementation.

Who can apply?

Public-private partnerships including key stakeholders engaged in rural development within affected communities.

Eligibility criteria

Partnerships should be made of at least 33% non-public sector representatives.

What costs could be supported

- Studies of the area
- Provision of information about the area and the local development strategy once developed
- Training of staff involved in the preparation and implementation of the local development strategies
- Promotional events
- Training of leaders
- Implementation, by public private partnerships, of the local development strategy including applying for funding and monitoring of projects. The strategy should encompass one or more

measures to diversify the rural economy, improve the quality of life in rural areas or to provide complementary training for economic actions.

Rate of support

Variable, dependent on type of activity funded and availability of other funding. A maximum of 15% of the public expenditure relating to the relevant local development strategy, if approved, can be devoted to the running costs of the public-private partnership.

Although there is a single application stage, payment will be made in two stages, 50% on initial application, and the remaining on approval of the development strategy.

Inspections/verification

An application should include the following:

Group

- A copy of the group's membership and constitution (e.g. Grazings Regulations, Articles of Association)
- Evidence of local democratic processes, e.g. (Meetings advertised and Minutes produced)
- The appointment of a local development strategy co-ordinator(s)
- Evidence of understanding public and private sector funding available and how to access.

Where applicable

- A note of any sub-groups involved in the planning and implementation process
- Evidence of the cross partnership arrangements between the Group and Sub-Group for agreeing and implementing the strategy.

Requirements For Release of Payment:

First Phase (Planning)

- 50% of the award will be released on approval

Second Phase (Implementation)

- Fully evolved development strategy
- Evidence of monitoring by the Plan Co-ordinator(s)
- Evidence of Community Meetings/events held/reports to disseminate information to all participants
- Evidence of community skills acquisition
- Evidence of implementation activity, e.g. sourcing additional grants

List of links to relevant technical guidance

Scottish Council for Voluntary Organisations - <http://www.scvo.org.uk>

Big Lottery Fund - <http://www.biglotteryfund.org.uk>

Business Gateway - <http://www.bgateway.com>

Scottish Enterprise - <http://www.scottish-enterprise.com>

Highlands and Island Enterprise - <http://www.hie.co.uk>

Crofters Commission - <http://www.crofterscommission.org.uk>

SRDP Improving Rural Community Services

Why are we funding this outcome?

The Scottish Government is committed to maintaining strong, prosperous and growing communities in rural Scotland. Research suggests that having access to certain services is important for the quality of life in rural communities. They also need help to provide adequate services and enjoy a good quality of life.

What will this package achieve?

This package will help small rural communities provide basic services and community facilities.

What you can do

You should choose which of the following Options will help deliver the outcome you have selected.

We suggest the following Options may all be appropriate.

Some Options- shown in the top list - will always deliver the desired outcomes. If you choose any of these Options, you will not be expected to provide any justification for choosing that Option.

Other Options - those in the bottom list - will only help achieve the desired outcome in specific circumstances. If you choose any of these, the application system will ask you to explain how you see this Option helping to achieve the outcome. You can select as many, or as few, Options as you think you will need. You must judge which Options will most effectively deliver the desired outcomes taking account of your circumstances.

These Options will always deliver the desired outcome:

- [Community services and facilities](#)
- [Area access management](#)

These Options will help to achieve the desired outcome in specific circumstances:

- [Support for renewable energy - non land-based](#)
- [Reducing bacterial contamination in watercourses](#)
- [Development/creation of micro-enterprises](#)
- [Information and awareness raising](#)
- [Collaborative Local Development Strategies](#)
- [Skills development](#)
- [Sustainable management of forests - Low-impact silvicultural systems](#)
- [Sustainable management of forests - Areas of high public usage](#)
- [Woodland improvement grant - Long term forest planning](#)

SRDP Community Services and Facilities

<http://www.scotland.gov.uk/Topics/Rural/SRDP/RuralPriorities/Packages/Improvingruralcommunity/Provisionofleisurefacilities>

Introduction

This Option is to provide funding for projects that add to or improve community facilities in a rural area.

What will this achieve?

This Option will allow local communities to address the gaps in their facilities that are not currently being addressed by public or other providers. Its objective is to encourage communities to enhance development in the area in line with local strategic objectives and national outcomes.

What you can do

You can use this grant Option for improvements to the infrastructure, facilities or services in your area. Projects must be of benefit to local people and must not be detrimental to the environment.

Who can apply?

Any recognised community group in a rural area can apply for funding.

Eligibility criteria

The Community group must have a Constitution or Articles of Association so that it can receive funding in its own right, and a bank account. A rural settlement in this context is defined as having a population of less than 3,000.

There should be a clear demonstration of community need and demand for the service or facility. Projects should make a contribution to the strategic outcomes for the area and enhance community development. The application should show that the project has taken account of environmental sensitivities.

What costs could be supported

Examples include:

- Capital costs - Building renovation/new build, Internet café facilities, Sports equipment/facilities, Catering accommodation/upgrade.
- Non capital costs - Feasibility studies, Project management.

Rate of support

Up to 100% of approved project costs. Payment may be one-off or spread over time dependent on delivery of results and nature of project.

Inspections/verification

Capital projects in excess of £5,000 will be subject to a physical inspection. For other projects we will need evidence of expenditure/outcome (invoices, receipts, photos of outcome). In the application you will be asked to explain how the project benefits the community. You will also need to provide evidence that you have thoroughly investigated costs and considered what is best value - for small projects (< £5000) we need a minimum of one quote and for larger a minimum of two (unless there is a good reason such as only one supplier within a reasonable distance). You will need to sign a declaration confirming that this grant would be the only source of Scottish Government or European funding for the project.

List of links to relevant technical guidance

Guidance for community groups:

Scottish Council for Voluntary Organisations - www.scvo.org.uk/

Rural Gateway - www.ruralgateway.org.uk/

Community Right to Buy - www.scotland.gov.uk/Resource/Doc/1112/0005125.pdf

SRDP Development of Renewable Energy Provision

<http://www.scotland.gov.uk/Topics/Rural/SRDP/RuralPriorities/Packages/renewableenergy>

Why are we funding this outcome?

To encourage rural businesses and communities to invest in small scale renewable energy systems and contribute to increasing the amount of electricity and heat produced from renewable resources.

What will this package achieve?

The package will help to develop small scale renewable energy capacity from a range of renewable technologies (biogas, biomass, bio-fuel and micro-renewables) that:

- improves business viability
- benefits the wider rural community
- produces environmental benefits

What you can do

You should choose which of the following Options will help deliver the outcome you have selected.

We suggest the following Options may all be appropriate.

Some Options- shown in the top list - will always deliver the desired outcomes. If you choose any of these Options, you will not be expected to provide any justification for choosing that Option.

Other Options - those in the bottom list - will only help achieve the desired outcome in specific circumstances. If you choose any of these, the application system will ask you to explain how you see this Option helping to achieve the outcome. You can select as many, or as few, Options as you think you will need. You must judge which Options will most effectively deliver the desired outcomes taking account of your circumstances.

These Options will always deliver the desired outcome:

- [Support for renewable energy - non land-based](#)
- [Support for renewable energy - forestry businesses](#)
- [Support for renewable energy - agricultural businesses](#)
- [Restructuring of agricultural businesses](#)

These Options will help to achieve the desired outcome in specific circumstances:

- [Skills development](#)
- [Provision and upgrading of infrastructure](#)
- [Manure/slurry storage](#)
- [Manure/slurry treatment](#)

- [Short rotation coppice crops of willow or poplar](#)
- [Diversification outwith agriculture](#)
- [Development/creation of micro-enterprises](#)
- [Collaborative local development strategies](#)
- [Community services and facilities](#)

SRDP Processing and Marketing of Primary Products

<http://www.scotland.gov.uk/Topics/Rural/SRDP/RuralPriorities/Packages/ValueAddedProcessing/ProcessingMarketProducts>

Introduction

Sustainable and profitable production is a core activity of the land-use sectors and therefore supports economic activity in rural areas. Business support can assist diversification and development of farm holdings and support the development of local and national supply chains which in turn supports local communities. Adding value to food and other primary products is a critical factor in achieving viable businesses and will depend on identifying and exploiting a range of business and market opportunities.

Under the SRDP, support can be provided for the processing and marketing of primary products through two different funding mechanisms. Through Rural Development Contracts - Rural Priorities you can apply for support for:

- on farm/near farm processing and marketing of food and drink products
- the processing and marketing of agricultural and horticultural raw materials into non-food products
- adding value to timber products

If your project does not fall into one of these categories, there is also a stand alone scheme, the Food Processing, Marketing and Co-operation Scheme (FPMC) within the SRDP, which can provide funding for larger or wider food processing projects. Further guidance on the scope and eligibility for this scheme can be found elsewhere on this website.

This Option of **Rural Priorities** provides assistance to develop facilities to process and add value to primary products to ensure that more value is retained by both land-holders and rural processors. It aims to encourage innovation and new product development, adding value and co-operation to exploit new markets. The objective is to link producers with processors, and support the development of employment opportunities in rural communities, thus retaining wealth and developing local services.

The objectives under this Option are to:

- Guide production in line with foreseeable market trends and encourage the development of new products or outlets for primary products
- Strengthen local supply chains through support for processing and marketing of locally produced food, other agricultural and forestry outputs
- Share resources and experience to control costs and increase incomes
- Improve or rationalise marketing channels or processing procedures
- Improve the profitability, efficiency and transparency of the supply chain
- Improve the presentation and preparation of products or achieve the better use or elimination of by-products or waste
- Apply new technology and/or innovation

- Improve quality beyond normal expected standard
- Support consumer education

Eligibility

The primary product sectors covered by this Option will be those listed in Annex 1 to the European Treaty (except fishery products) and forestry products. It is expected the following sectors will benefit from assistance for processing and marketing: red meat (in particular beef, lamb and venison); pigmeat; milk and milk products; eggs; poultry; cereals; oil producing crops; fruit and vegetables (including potatoes); wood and timber products. This list is not exhaustive as support may also be provided to new and innovative products which involve the processing of newly developed crops. Assistance will also be available for the processing and production of drink products where they involve annex 1 products, e.g. fruit drinks.

Eligible costs include the development, improvement or expansion of new or existing facilities, together with the purchase of plant and equipment. Assistance may also be available to support a range of business development activities to further benefit the processing operation.

The purchase of second-hand equipment, is also eligible for assistance, under the following conditions:

- The seller of the equipment must provide a declaration stating its origin, and confirm that at no point during the previous seven years has it been purchased with the aid of national or community grants
- The price of the equipment must not exceed its market value and must be less than the cost of similar new equipment
- The equipment must have the technical characteristics necessary for the operation and comply with applicable norms and standards

The following items of expenditure are ineligible for grant aid:

- Working capital
- Vehicles for external transportation (forklift trucks, or similar, are eligible)
- Harvesting equipment
- The Company's own labour and equipment costs
- Consumables
- Repair and maintenance costs
- Office equipment and other furniture (specific telephone equipment, computers, and software related to the development are eligible)
- Landscaping and ornamental work
- General costs, such as fees relating to planning, building and works, etc., exceeding 11% of the total cost of the project

It should also be noted that State Aid Restrictions, which may be subject to further development and change by the European Commission, may preclude certain types of assistance or assistance in particular sectors. If you have any concerns regarding this issue you should contact your Case Officer or your local SRDP office.

Who can apply?

Individuals, partnerships, businesses (including social enterprises) and groups of producers who are involved in the processing and marketing of primary agricultural, horticultural or forestry products.

Support will be largely targeted towards micro, small and medium sized enterprises although larger businesses can be funded at a lower rate. See Section 3 below for definitions.

Eligibility criteria

For food processing proposals, projects will be eligible for assistance if:

- They do not have separate accounts for the farm business and processing business
- Turnover is less than £150,000 for the processing business

For non food and forestry products, assistance may be available to all forms and sizes of business, from individual on-farm processors to larger, independent processing Companies. There is no definitive list of eligible projects, but examples of potential proposals could include:

- the production of tallow from animal fat
- the processing of oil-seed crops into pharmaceutical products
- the manufacture of paper from hemp
- the processing of arable crops and by products into bio-fuels
- the processing of timber products into woodfuel

Rate of Support

In the Highlands and Islands assistance is up to 50% of the eligible costs, and up to 40% elsewhere in Scotland. However, support at the maximum rate is limited according to the size of the business, as follows:

- On farm/near farm food processing and marketing. The maximum turnover of the processing business is limited to £150,000.
- The processing and marketing of agricultural and horticultural raw materials into non-food products. The maximum rate of assistance is limited to micro, small and medium-sized enterprises, i.e. those businesses which employ fewer than 250 persons and which have an annual turnover not exceeding EUR 50 million. For businesses with fewer than 750 employees or with a turnover of less than the EUR 200 million, the maximum aid intensity is halved. If the business is part of a larger Group of Companies, these employee and turnover limits are determined by those of the ultimate Holding or Parent Company.
- Adding value to forestry products. Support is limited to micro-enterprises, i.e. those businesses which employ fewer than 10 persons and which have an annual turnover not exceeding EUR 2 million.

Inspections/Verification

In line with the general conditions of Rural Priorities, you may be subject to an on the spot inspection to verify the progress or completion of the development which has been supported.

You will be required to provide evidence that the work has been undertaken and the expenditure made through the production of invoices and evidence of payment. You may also be required, through regular monitoring forms, to provide details of the project and the benefits which the funding has delivered.

SRDP Co-operation - non food and forestry supply chain

Introduction

Sustainable and profitable production is a core activity of the land-use sectors and therefore supports economic activity in rural areas. Business support can assist diversification and development of farm and forestry enterprises and support the development of local and national supply chains which in turn supports local communities. The adoption of a co-operative approach, whether between groups of producers or across the various elements of the supply chain, can help to achieve a broader impact than action by a single individual or business.

Under the SRDP, support can be provided to help meet the costs of co-operative activity, through two different funding mechanisms. Through Rural Development Contracts - Rural Priorities you can apply for support for projects dealing with all non food and forestry products.

For all co-operative projects dealing with food products there is also a stand alone scheme, the **Food Processing, Marketing and Co-operation Scheme (FPMC)** within the SRDP. Further guidance on the scope and eligibility for this scheme can be found elsewhere on this website.

What will this achieve?

The objectives under this Option are to:

- Encourage co-operation between groups of primary producers or land managers to achieve 'landscape scale' impacts from more joined up working
- Strengthen local supply chains through support for a co-ordinated approach to production, processing and/or marketing of locally produced agricultural and forestry outputs
- Facilitate sharing of resources and experience to control costs and increase incomes
- Improve or rationalise marketing channels or processing procedures
- Improve profitability, efficiency and transparency across supply chains.

Eligibility Criteria

Groups of two or more sole traders, partnerships or other businesses (including social enterprises) who are involved in the production, processing, retailing or other elements of the supply chain for (non-food) agricultural, horticultural or forestry products.

What costs could be supported?

Costs eligible for funding will include additional incurred costs (both tangible and non-tangible) which are directly attributable to the adoption of a co-operative approach to delivering the identified Regional Priority outcome. The kinds of costs envisaged would include those associated with the production of development plans, feasibility studies, facilitation costs. However, this list is illustrative rather than exhaustive and all applications will be considered on their merits.

Costs will be exclusive to where new co-operation or collaboration is taking place and will not support existing expenditure in respect of current business practices. Where the costs incurred are associated with the development of new products, technologies or processes, support can only be provided for operations **prior** to commercial use.

Individual applications will also be assessed against restrictions set by the relevant State Aid regulations.

Rate of support

Assistance can, in certain circumstances, be up to 100% of eligible costs but in general terms the level of support will be in the region of 50%

Inspection/Verification

In line with the general conditions or Rural Priorities, you may be subject to an on the spot inspection to verify the progress or completion of the activity/product which has been supported.

You will be required to provide evidence that the work has been undertaken and the expenditure made through the production of invoices and evidence of payment. You may also be required, through regular monitoring forms, to provide details of the project and the benefits which the funding has delivered.

SRDP Support for Renewable Energy - Non Land-Based

What is this about?

To encourage rural communities and businesses to install small scale renewable energy capacity as a way to help diversification of the rural economy and improve the quality of life for rural areas. As part of a wider programme of rural diversification measures, sharing the cost of investment in renewable energy projects, can contribute towards this aim.

What will be achieved

- Strengthen rural communities
- Reduction in carbon emissions
- Environmental improvements
- Help towards developing a local, sustainable energy supply
- Result in improvement in the viability of any non-land based business enterprise

What you can do?

Develop small scale renewable energy capacity that uses a range of renewable technologies, such as biogas, biomass, and microrenewables where the investment will contribute to the achievement listed above.

Who can apply?

- Rural communities (definition of <3000)
- Rural (other than agricultural or forestry) businesses (employing fewer than 10 people and whose turnover and/or annual balance sheet total does not exceed €2m)
- Producer Networks

Eligibility Criteria

- Micro renewable energy systems (defined as up to 50kW or 45kW heat) must be installed by a registered installer on the Microgeneration Accreditation list.
- All Combined Heat and Power (CHP) installations must meet the criteria set for Good Quality for the purposes of Enhanced Capital Allowances (ECA) scheme as set out in the CHP Quality Assurance (CHPQA) Programme.
- If located in a Smoke Control Area, must install an exempt appliance

What costs are supported?

Up to 50% of costs of:

- purchase and installation, construction, upgrading or development of infrastructure and/or equipment of renewable device
- purchase of specialist equipment for harvesting, pre-use processing, quality assurance and handling, if involved in the supply of wood fuel

- direct set up costs related to the creation of producer groups, including legal and administrative work in setting up, rental of office accommodation and purchase/rental of office and IT equipment.

What technologies are supported?

- Small scale wind turbines
- Hydro-electric turbines
- Bio-diesel treatment and storage equipment
- Solar panels
- Automated woodfuel boilers
- Heat pumps
- Solar water heating
- Specialist equipment for harvesting biomass, pre-use processing (e.g. dryers, chippers, pelletisers), quality assurance (e.g. for checking moisture content, chip size, etc.) and handling.
- Supply chain equipment

Rate of support?

- Up to 50% of eligible cost

Revenue costs based on sliding scale, up to 100% in first year, 80% in second year, 60% in third year.

Type of Support.

One-off capital grant, one-off payment against equipment and installation of renewable energy scheme

Start up: reimbursement against total costs.

Inspections/verification

- All final claims must be certified with relevant invoices
- All least one visit to the site will be undertaken prior to payment of final claim
- Microgeneration Accreditation list of registered installers will be checked
- If applicable, the criteria set for good quality CHP Programme will be verified for compliance
- If located in a Smoke Control Area must install an exempt appliance and this licence will be verified

Where applicable, applications must show that a viable fuel supply and an adequate installation and after sales support will be available to the end user.

Before payment is received potential beneficiaries must:

- produce the necessary documentation to demonstrate that renewable energy system was installed by registered installer and that technology is on DTI accredited list
- ensure all final claims to be certified by an independent accountant.

Technical Guidance

- Registered installers and accredited appliance information can be found at www.greenbooklive.com
- All heat appliances that qualify for Enhanced Capital Allowance (ECA) must meet the criteria for inclusion on the Energy Technology list (www.eca.gov.uk)
- Further information on CHPQA Programme (www.chpqa.com)
- Further information on Smoke Control Area (www.uksmokecontrolareas.co.uk)

SRDP Renewable Energy - Forestry

<http://www.scotland.gov.uk/Topics/Rural/SRDP/RuralPriorities/Packages/ValueAddedProcessing/RenewableEnergyForestry>

Renewable Energy - Forestry

What is this about?

To encourage forestry businesses to install small scale renewable energy capacity, **mainly for own consumption**, as a way to help to combat climate change and improve business viability

What will this achieve?

- Improved business efficiency
- Reduction in carbon emissions
- Help to develop a local sustainable energy supply

What you can do?

Install small scale renewable energy capacity, up to 250kw, such as biogas, biomass and microrenewables where the investment will contribute to the achievements listed above.

Who can apply?

Forestry businesses

Eligibility Criteria

- Micro renewable energy systems (defined as up to 50kW or 45kW for heat) must be installed by a registered installer on the Microgeneration Accreditation list.
- All CHP installations must meet the criteria set for Good Quality for the purposes of the Enhanced Capital Allowances (ECA) scheme as set out in the CHP Quality Assurance (CHPQA) Programme
- If located in a Smoke Control Area you must install an exempt appliance

What costs could be supported?

Operations eligible for support are:

- Purchase and installation of equipment
- Construction, upgrading or development of infrastructure

What technologies are supported?

- Small scale wind turbines
- Hydro-electric turbines
- Bio-diesel treatment and storage equipment

- Solar panels
- Automated woodfuel boilers
- Heat pumps
- Solar water heating
- Anaerobic digestion equipment using slurry and other agricultural by-products in the production of energy
- Specialist equipment for harvesting, pre-use processing (e.g. dryers, chippers, pelletisers), quality assurance (e.g. for checking moisture content, chip size, etc) and handling.
- Supply chain equipment

Rate of support?

- Up to 50% of eligible cost in Less Favoured Areas (LFA).
- Up to 40% in non- LFAs.

Inspections/verification

- All final claims must be accompanied by relevant invoices
- At least one inspection visit to the site will be undertaken prior to payment of final claim
- Microgeneration Accreditation list of registered installers will be checked
- If applicable, the criteria set of good quality CHP Programme will be verified for compliance
- If located in a Smoke Control Area must install an exempt appliance and this licence must be verified

Technical Guidance

Registered installers and accredited appliance information can be found at www.greenbooklive.com

All heat appliances that qualify for ECA must meet the criteria for inclusion on the Energy Technology list (www.eca.gov.uk)

Further information on CHPQA Programme (www.chpga.com)

Further information on Smoke Control Area (www.uksmokecontrolareas.co.uk)

SRDP Development/Creation of Micro-Enterprises

<http://www.scotland.gov.uk/Topics/Rural/SRDP/RuralPriorities/Packages/ValueAddedProcessing/Microenterprises>

Introduction

This measure is about creating the right conditions for rural businesses and communities to flourish, particularly in more remote areas. This will be achieved by supporting a progressive rural economy and business community, and encouraging individual entrepreneurship. Its primary aim is to promote individuality and develop an economic strategy in rural areas which will create employment opportunities, and widen the range of services and facilities in the local communities, as well as the wider population.

What this will achieve

The objectives of this measure are two-fold:

- a) to keep the family within the rural community by encouraging non-agricultural managers (i.e. those other than farmers) to diversify or add value to their existing land based enterprises in order to complement or supplement their income from traditional land management activities
- b) to encourage other potential entrepreneurs to set up or develop unique businesses which will contribute to the vibrancy of the rural community, create employment opportunities and/or meet market demand for the provision of certain facilities and services in rural areas.

What you can do

You may receive assistance towards the setting up or expansion of any diversified (i.e. non-agricultural) enterprise where it can be shown that there is a proven market for the proposed product or service, and that you have, or can acquire, the skills and resources to provide these on a commercial basis.

Who can apply?

Existing micro enterprises [\[1\]](#) or persons wishing to set up a new micro enterprise in a non agricultural business off-farm.

[\[1\]](#) Fewer than 10 workers and turnover of less than €2m

What costs could be supported

Funding will be provided under this measure for you to undertake the same types of diversified activities as those funded under the 'non agricultural diversification measure' for farmers and their families. These include the categories listed below (although it should be recognised that this is not an exhaustive list but is for illustrative purposes):

- provision of leisure, recreation and sporting facilities
- retailing of processed agricultural products

- processing of forest products
- provision of other commercial services (illustrative list only)
 1. commercial storage
 2. contracting (building, fencing, etc)
 3. farrier
 4. gardening
 5. sheep shearing/scanning
- provision of or upgrading of existing tourism accommodation and conversion of redundant farm buildings into rent*

*Projects involving provision of tourist or residential letting accommodation must not include more than 20 bed spaces. Housing for rent will require a lease agreement of not less than 6 months. It does not include rent to a member of the immediate family of the eligible applicant or any of the employees of the eligible business. Development will have a recognised demand and be consistent with local housing strategies.

Eligibility criteria

The capital investments eligible for assistance will include identified costs related to new or upgraded buildings or structures, the development or upgrading of services or other infrastructural elements, new machinery or equipment including information technology, and general professional costs related to these expenditures, e.g. statutory consents, architects, engineers or consultants fees, marketing and promotional costs.

Rate of support

The maximum amount of assistance for this measure will be in the form of a variable capital grant which is required to allow the proposals to go ahead, capped at 50% of the eligible costs of the project.

Inspections/verification

You must complete the work as described in your approved proposal including compliance with any notified conditions of statutory consents. It is a condition of funding that you allow any person, duly authorised, to have access to allow an inspection to take place. An inspection may take place at any reasonable time either before or after completion.

SRDP Short Rotation Coppice Crops of Willow or Poplar

<http://www.scotland.gov.uk/Topics/Rural/SRDP/RuralPriorities/Packages/Promotingcarboncapture/EstablishmentofShortRo#top>

What is this about?

This Option supports the establishment of short rotation coppice crops, through the planting of willow or poplar cuttings, to help deliver both economic and environment benefits.

What will this achieve?

The planting of new woodland, to be managed as short rotation coppice, will provide an Option for farm diversification that has the economic potential to take advantage of any emerging local woodfuel markets and renewable energy projects.

Creating a substantial source of local produce for woodfuel markets will encourage the movement of cost-effective processing closer to the rural timber resource and help to support associated local businesses.

In addition to the potential economic benefits provided by short rotation coppice, the establishment of this new woodland will contribute to carbon sequestration to support the Scottish Government's Climate Change Programme.

What you can do?

Plant and establish tree crops of willow or poplar, to be subsequently managed as short rotation coppice on a 2 to 5-year cropping cycle.

Who can apply?

Owners or occupiers of agricultural land.

Eligibility criteria

The minimum eligible block of tree planting is 2 hectares.

At least 10,000 willow or poplar cuttings per hectare must be established and maintained for a period of at least 5 years.

Proposals must demonstrate that they have established an end use for the produce, e.g. evidence of a supply contract, and that the produce will be used to develop a fuel supply for renewable energy products.

All tree planting proposals must comply with the requirements of the **UK Forestry Standard**.

The boundary of the planting area must be accurately drawn on a 1:10000 map and submitted with the proposals.

If your proposals falls above certain minimum-size thresholds and are likely to have a significant effect on the environment, an application for consent under the Environmental Impact Assessment (Forestry)(Scotland) Regulations 1999 may be required.

We will consult local authorities and other statutory organisations about your proposals. We will take their views into account before approving your proposals.

What costs will be supported?

We will provide a contribution to the total costs incurred in establishing the trees as short rotation coppice.

Rate of support

The payment rate will be at 40% (50% in Less Favoured Areas) of the actual costs, up to a maximum cost of £1540 per hectare, based on receipted invoices, i.e. the maximum payment will be £616/ ha (£770/ ha in LFAs).

Inspections and verification

The planting will be subject to inspection once we receive your claim for payment. We will inspect the work to ensure that it accords with the eligibility criteria.

List of links to relevant technical guidance:

The UK Forestry Standard - [www.forestry.gov.uk/pdf/fcfc001.pdf/\\$FILE/fcfc001.pdf](http://www.forestry.gov.uk/pdf/fcfc001.pdf/$FILE/fcfc001.pdf)

The Environmental Impact Assessment (Forestry)(Scotland) Regulations 1999
www.forestry.gov.uk/forestry/INFD-5ZGKWL

SRDP Improving the Economic Value of Forests

<http://www.scotland.gov.uk/Topics/Rural/SRDP/RuralPriorities/Packages/Promotingcarboncapture/Economicvalueofforests#top>

What is this about?

The quality of the timber produced is a key element in the competitiveness and economic viability of a forest holding. This often requires the use of specific silvicultural operations that will enhance timber quality.

This Option provides support for a range of specified operations that will improve timber quality. We will only support the net cost of operations and so you must provide evidence of operational expenditure and income.

If your woodlands are undergoing certification, in accordance with the UK Woodland Assurance Standard (UKWAS), we will support some of the costs.

What will this achieve?

The economic value of the forest, and thus business viability, will be improved through:

- Investment in the production of high quality timber
- Applying appropriate silvicultural practice
- Extending timber marketing opportunities
- Committing to sustainable forest management

What you can do

Carry out the agreed operations in your investment plan to receive a contribution to the costs.

Who can apply?

Private owners or occupiers of existing woodlands.

Eligibility criteria

You must be managing your forest holding in accordance with an approved Forest Plan.

You must produce an investment plan that outlines operations to enhance the quality of timber. The plan must quantify the estimated costs of operations and any income to be derived from the produce.

If you are applying for support for controlling Grey Squirrels you must keep records of areas where control has been undertaken and the location of active traps or hoppers. Where traps are used, you must also keep records of trapping dates and the number trapped and despatched. The spatial data should be recorded on an OS 1:10000 or larger scale map.

The control of grey squirrels must accord with the guidance given in Forestry Commission Practice Note 'Controlling Grey Squirrel Damage to Woodlands'.

You must carry out the approved operations in accordance with the published specifications and in the agreed year(s).

For auditing purposes you must keep invoices for actual expenditure and income associated with these operations.

What costs will be supported?

The operations eligible for support are:

- early pruning to improve timber quality
- high pruning to improve timber quality
- pre-commercial and non-commercial thinning to improve average stem quality
- controlling Grey Squirrels to prevent bark stripping damage and enable quality timber production from broadleaved woodland
- re-spacing of natural regeneration where stem density exceeds 4,000 trees/hectare; and

Where independent certification has been undertaken, in accordance with UKWAS, the costs of preparing and implementing a plan required by the Certification Body to close out Corrective Action requests will also receive support.

Rate of support

Using the approved estimates in your investment plan or receipted invoices we will pay 50% of the net actual costs from whichever provides the lesser amount:

Operation	Maximum Net Cost	Maximum Payment
Early pruning	£250/ha	£125/ha
High pruning	£400/ha	£200/ha
Pre-commercial and non-commercial thinning	£150/ha	£75/ha
Controlling Grey Squirrels	.	.
- using traps	£55.50/ha	£27.75/ha
- using hoppers	£32.50/ha	£16.25/ha
Re-spacing natural regeneration	£500/ha	£250/ha
Certification 'corrective actions' cost	£850	£425

Inspections and verification

We will inspect all areas of early pruning, high pruning, thinning and respacing against the specifications

We will inspect all Grey Squirrel control records, operational hoppers/traps and the crop to ensure that the control has been implemented effectively.

We will require to see the certification documentation.