

The Highland Council
Community Services Committee

5 February 2015

Agenda Item	15
Report No	COM 12/15

Strategic Timber Transport Scheme Bids

Report by Director of Community Services

Summary

This report updates the Committee on recent bids to the Strategic Timber Transport Fund (STTF).

The report invites the Committee to note that representations have been made, and are ongoing, to the Scottish Government and Minister, through the Forestry Commission Scotland, and the National Timber Transport Forum for the Scottish Government, to continue the funding of the Strategic Timber Transport Fund (STTF) beyond March 2016.

1. Introduction

- 1.1 At its meeting on 6 November 2014 the Committee noted the progress of recent bids submitted to the FCS for Strategic Timber Transport Scheme (STTS) funding in 2015/16.
- 1.2 This report provides an update on the progress of the bids made to the STTS for schemes in the Highlands.
- 1.3 Commercial forestry covers 14% of Scotland's landmass. In parts of the Highlands the figure is 30%.
- 1.4 The Scottish Government has a target to continue to expand the forest resource by 100,000 hectares in the decade to 2022.

2. Strategic Timber Transport Fund

- 2.1 The Strategic Timber Transport Fund (STTF) was set up by the Scottish Government in 2005 in recognition of the challenge faced in getting timber to market. It is administered by the Forestry Commission Scotland in order "To facilitate the sustainable transport of timber in rural areas of Scotland for the benefit of local communities and the environment, maximising the value of monies available through innovative projects and partnerships".
- 2.2 The scheme is open to local authorities and private forestry companies to submit bids for timber transport. Projects can involve enhancement of public roads carrying timber or support sea transport, rail transport and in-forest routes as alternatives to using the public road network. Study projects are also supported, as are project officers who assist in coordinating bids and undertake development work.

- 2.3 The Fund has, in previous years, provided a total of some £3.8m in the Highlands, allowing delivery of projects with total value of £8.3m including in-forest links, new and upgraded public road bridges, and road widening and strengthening, as well as assisting with exceptional winter road damage. The intervention rate has generally been about 50%, but has been as high as 80% for exceptional projects, with the balance being met by the private sector, FCS, or the Council in the case of public roads.
- 2.4 Projects are assessed on a competitive pan-Scotland basis and the Council, through its membership of the Highland Timber Transport Group, has worked closely with the private sector and forest industry to deliver these major benefits to the Highlands.

3. Highland Projects submitted for 2015/16 STTS funding.

- 3.1 The pool of Government funding available for 2015/16 was £2.2m. In addition £300k of funding is available in Q4 of 2014/15 for schemes that are able to spend in this financial year.
- 3.2 Six bids were submitted for schemes across the Highlands, of which 5 have secured a total of £1.352m of funding.
- 3.3 The Council's £1m scheme for the replacement of Ruthven Bridge was successful receiving £250k of grant funding.
- 3.4 The Council's £1.095m scheme for improvement of the Flow Country Timber Links secured £805k of grant funding. Works have commenced and will continue for the next 12 months.
- 3.5 The Highland Timber Transport Group, a partnership of the forestry industry, trade associations, and public agencies such as FCS and the Highland Council, secured £20k towards on-going funding for its project consultant.
- 3.6 Forest Enterprise Scotland, the Scottish Government's commercial forestry division, secured £257k of funding for their £514k in forest haul route scheme to remove timber haulage vehicles from the public road. The Council is supporting the bid with £25,000 of match funding towards public road works for junction and passing bay improvements.
- 3.7 There are 2m tonnes of timber to be extracted from the Flow County over the next 10 to 15 years. To sustainably achieve this, alternatives to road haulage such as rail and sea will need to be developed.
- 3.8 A bid to trial the use of rail for transportation of timber in 2015/16 was developed by HITRANS, however this was not funded by FCS due to concerns about long term funding requirements. FCS provided £20k of funding to enable HITRANS to produce a report on the infrastructure and future funding requirements to enable road-to-rail and road-to-sea transportation to be made sustainable.

4 Future actions

- 4.1 The FCS confirmed funding of £413k for a final bidding round for schemes of national or regional strategic importance which closes on 23 Feb 2015.
- 4.2 Within the Highlands there are several timber extraction sites where successful bids to future STTS funding would avoid damage to the public road whilst facilitating commercial extraction of timber. Officers are working with the forestry industry and HTTG project officer to develop bids.
- 4.3 The Fund has and continues to provide significant benefit to the Highlands in dealing with timber transport problems, but many remain to be solved. Projects take time to develop and deliver, and it would be helpful to be assured that a funding stream was available beyond 2015/16.
- 4.4 To support timber transport beyond March 2016, representations have been made, and are ongoing, to the Forestry Commission Scotland and the National Timber Transport Forum for a continuation of funding.

5. Implications

- 5.1 As yet no resource, legal, equalities, climate change/carbon clever, risk, Gaelic or rural implications have been identified arising directly from this report.
- 5.2 Risk implications
If in-forest and on-road improvements cannot be supported through future STTS funding and timber extraction continues via the public road, the cost of repairs will greatly exceed the value of the contributions requested.

Recommendations

The Committee is invited to **note**:

- i) the success of recent applications for funding to the Strategic Timber Transport Fund in securing £1.055m of grant funding; and
- ii) that representation has been made, through Forestry Commission Scotland, to the Timber Transport Forum for the Scottish Government to continue the funding of the Strategic Timber Transport Scheme Fund beyond March 2016.

Designation: Director of Community Services

Date: 19 January 2015

Author: Robin Pope, Roads & Community Works Manager