

Strategic Timber Transport Scheme Application Guidance July 2017



STTS APPLICATION GUIDANCE

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The Strategic Timber Transport Scheme

Aim

The aim of the Scottish Strategic Timber Transport Scheme is 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 Regionally and Nationally Strategic projects and partnerships.

Key Objectives

To support Regional and Nationally Strategic capital or start up projects which, through investment in rural transport infrastructure, generate the following benefits:

- *Community and Social benefits.* Projects will demonstrate the delivery of significant community and social benefits. Such as, improvements to the forest transport network to reduce disruption to fragile rural communities and generate benefits for groups other than the timber transport industry, e.g. the tourism industry, agriculture and fisheries sectors.
- *Environmental benefits.* Investments will normally seek to reduce the overall environmental impact of timber transport operations. This may include reducing overall road mileage and/or fuel consumption; or contribute to the development of non-road transport modes such as rail and water.
- *Reduced damage and disruption.* Projects will reduce damage and disruption by timber haulage operations to public roads not built for sustained use by heavy transport.

A further objective of the Scheme is to enable improved access to landlocked forests, whilst at the same time delivering the key objectives above.

Each application to the Strategic Timber Transport Scheme should clearly demonstrate how the project will deliver against these objectives. Details of any wider socio-economic benefits delivered in the project area, or beyond, should also be provided in support of an application. Projects must also show that they are good value for money and are deliverable in the timescale proposed.

Overarching principle

Projects should not subsidise normal operations or confer competitive advantage to individual forest owners or companies. Project applicants must demonstrate that this is the case through providing quantifiable evidence of the range of benefits the project offers and how costs are being shared.

Application Process

Figure 1 outlines the stages in the application, approval and implementation process for projects submitted to the Strategic Timber Transport Scheme. This User Guidance sets out the requirements to progress through each stage of the application process.

Application Rounds

Deadlines for submission of bids can be found on the FCS website or through contacting the relevant Regional Timber Transport Group (RTTG).

Final date for expenditure

Applicants should note that the funds available are finite and time limited. All expenditure in approved applications must be completed, invoiced and claimed in time to ensure payment can be made by the agreed due date.

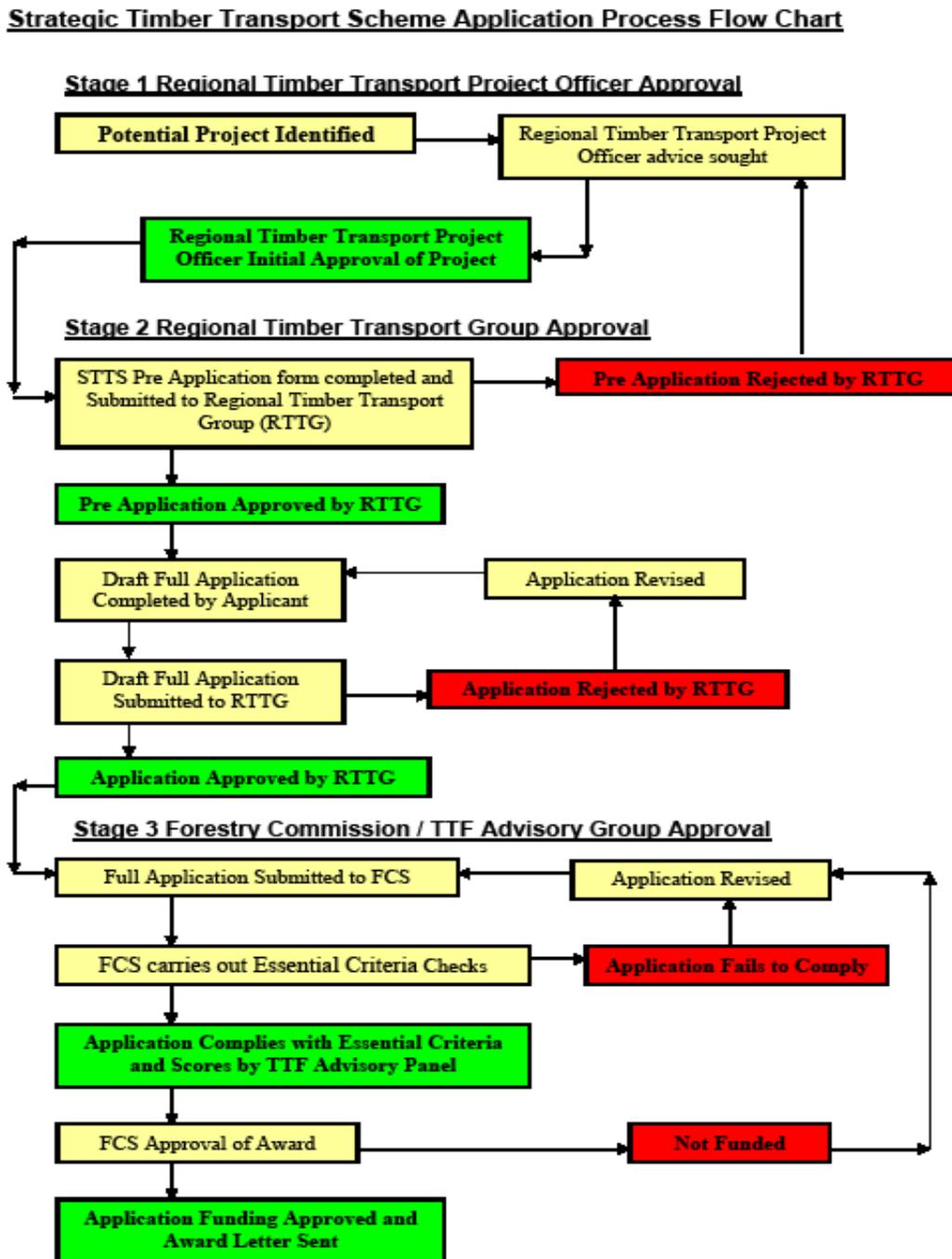
Application Form & Guidance Notes

The formal application form must be completed and submitted to FC Scotland through the relevant Regional Timber Transport Group (RTTG). The form is available as an MS Word document for electronic applications. Please note that full application guidance notes are also available to download from the Forestry Commission website www.forestry.gov.uk/STTF.

NB: successful applicants should not proceed with any work until completed contracts are signed and any conditions met, unless otherwise agreed with FCS.

Details of awards / projects are also given on the Forestry Commission Scotland website www.forestry.gov.uk/STTF.

Figure 1: The Application Process



Project Development

The lead applicant must be a formally constituted legal entity and will normally be the organisation that would be responsible for project implementation and management. These could include hauliers, forest owners, forest management companies, relevant local community bodies, local authorities, national agencies such as Forest Enterprise, Scottish Natural Heritage and enterprise agencies, harbour and rail authorities etc.

Where projects involve infrastructure on private forest land it is expected that the land managers will be registered on the Rural Payments and Services system and have a business reference number (BRN). If you do not already have a BRN you can apply for one through your [RPID Area Office](#).

Applicants should note that a credit check may be required as part of the application process to determine the financial viability of the project.

In the first instance lead officials should contact the relevant Regional Timber Transport Project Officer for their area (a list of the Regional Timber Transport Group contact details can be found at <http://timbertransportforum.org.uk/groups>) to discuss their proposals. An outline proposal can be developed once the support of the Project Officer is agreed. Potential applicants will also need to contact and seek the support of the relevant Regional Timber Transport Group through the relevant Project Officer (see Appendix III).

Eligible Projects

The Scheme will consider applications for funding towards projects that deliver the key objectives of the Fund (Page 3)

Projects must demonstrate:

- Strategic fit with national or regional timber transport priorities/actions;
- Need for public sector intervention;
- Life time viability and sustainability of the proposed works;
- Delivery of long-term environmental & community/social benefits;
- Partnership working and leverage;
- That they support open access;
- That they are deliverable.

Applications will be deemed ineligible if they:

- Subsidise normal forest operations;

- Contravene state aid regulations e.g. confer a competitive advantage to individual beneficiaries;
- Subsidise normal public road maintenance and repair.

The project types listed in Figure 2 are, in principle, eligible for the Strategic Timber Transport Scheme. This is not however an exhaustive list.

Figure 2: Examples of Potentially Eligible Projects

Category
A) Forest Roads benefiting the local community and environment
<ul style="list-style-type: none"> • Construction of in-forest link roads to by-pass communities or fragile public roads • In-Forest road links to water and rail routes
B) Public Forest Access Roads benefiting the local community and environment
<ul style="list-style-type: none"> • Public road improvements integral to the success of a project, including bridges. • Strengthening of short stretches of public road that link in-forest routes • Optimum freight route facilitation (where diversion is more cost-effective than upgrades or development) • Arterial routes where strengthening is required for the specific needs of timber transport
C) Other Timber Freight Modes benefiting the local community and environment
<ul style="list-style-type: none"> • Rail and waterway improvements for timber where financial assistance is not available from elsewhere
D) Related Studies
<ul style="list-style-type: none"> • Strategic plans • Mapping studies • Improved road mapping using G.I.S. technology • Feasibility for non-road networks.

Applications should:

- be consistent with the Agreed Routes Maps and Regional Timber Transport Strategies, where they exist;
- be financially sustainable without ongoing support through the Scheme – i.e. any operating and maintenance costs are either self-financing, or will be met from other committed sources of funding, for a period of not less than 10 years following completion of the project;

- be consistent with approved Forest Plans or felling licences, with all necessary approvals in place and with the harvesting volume forecasts in these documents supporting the application. The requirement for Forest Plans does not apply to more strategic infrastructure improvements such as public road improvements serving a wider forest catchment;
- state what legal agreements are in place to ensure all relevant parties can access, use and maintain the infrastructure for, at least, the period of the project.

Where the scale of benefits derived from a project is related to the amount of timber being transported, this can only assume benefit from timber transported within 10 years of the start of the project. FC Scotland will request reports on the actual amounts of timber transported over this period.

Normally the Scheme will be the financing method of last resort and be genuinely additional rather than merely replacing alternative sources of funding. Therefore, before submitting applications for funding through the STTS, applicants should consider whether they could secure funding from other sources e.g. Freight Facilities Grant (FFG), Waterborne Freight Grant (WFG) or Track Access Grant (TAG).

It may however be possible to consider an application to the STTS simultaneously for **additional** specific works required that are **not** grant aidable through other Scottish Government funded schemes. In such a case the applicant should bring this to the attention of both FC Scotland and the relevant Scottish Government Directorate.

Applications which maximise funding from other sources will be favoured over those that are heavily dependent on support from the STTS where their score at assessment is the same. All sources of match funding must be confirmed in writing before approval can be given.

Level of grant aid

Financial support for an approved project will normally be **up to 50%** of eligible costs dependant on the scale of the operation and the benefits delivered. Where especially significant environmental, community and social benefits will result, particularly in association with strategically important timber transport operations, additional support may be granted **up to a maximum of 80%** of eligible costs. It is expected that project financial overruns, outwith contract parameters, will be financed through the co-funding bodies.

Preparation of Applications

In the first instance applicants should prepare an outline proposal on the appropriate form, including any supporting maps etc., for consideration by the local RTTG (see Appendix III). This outline proposal will normally be used by the RTTG project officer to gauge the response of both the RTTG and FC Scotland before advising on completion of a full STTS application form.

The RTTGs meet regularly throughout the year and applicants should contact the relevant local group to confirm the dates of their meetings. The RTTG Project Officer will usually be able to give on-site advice on the best way to take a project forward and should always be contacted for advice on completing the application form prior to submission to the RTTG.

The RTTG Project Officer will guide and instruct applicants on the standards of quality and completeness that will be required to enable individual projects to be formally appraised. Guidance can also be received from the Timber Transport Forum Project Officer www.timbertransportforum.org.uk as well as the FC Scotland Timber Transport Advisor (derek.nelson@forestry.gsi.gov.uk, Tel: 0300 067 6567).

This draft bid should include:

- An outline of the project;
- A description and estimate of the scale of the benefits it would deliver;
- Details of the total project cost; and
- The proposed sources of funding for these costs e.g. including the amount of funding sought through this Scheme as well as the source(s), amount(s) and types of co-finance offered.

Outline proposals that have gained the support of the relevant RTTG can then be developed into a full application by the applicant and then submitted to the local RTTG for their consideration and formal approval.

The application form and any supporting documentation must demonstrate how the project meets the assessment criteria set out in Appendix II. All questions in the application form must be answered in full, and any subsequent requests for supporting information met.

The completed application form should be submitted by the applicant to **STTS@forestry.gsi.gov.uk** before the deadline set for that round, but must then be

submitted as hard copy with signatures together with the letter of support from the relevant RTTG, written confirmation of co-finance and all other supporting information they wish to offer.

NB: *all information contained in the application, contract or undertakings and any other relevant documentation, including the amounts of grant may be made available to the public. If you require further information on the Freedom of Information requirements please contact the Timber Transport Advisor.*

Appraisal Process

Assessment of applications

Upon receipt of a full application, FC Scotland will ensure that the proposal is complete and satisfies the "Essential" eligibility criteria (Appendix I).

Applications that are incomplete or fail to meet these Criteria can be rejected at this stage, or further information may be requested from the applicant.

Applications which are complete and are deemed to satisfy the essential eligibility criteria will be assessed and scored against the Other Scheme Criteria (Appendix I) by the Strategic Timber Transport Scheme Advisory Panel. The assessment process may require the applicant to give further information and a presentation in support of their application at an Advisory Panel meeting.

In each round, applications will be ranked based on the score obtained and subject to a value for money assessment i.e. consideration of the benefits provided against the costs indicated and the level of support sought. Applications that score below 20 will not be approved. Funding will then be awarded subject to the ranking, money available and FC Scotland approval.

Additionally, all projects will be assessed to determine whether they are considered to be value for money.

Feedback to Applicant

FC Scotland aims to give feedback to applicants at appropriate stages on:

- Incomplete applications – within 14 days of receipt by FC Scotland;
- Failure to meet Essential Criteria – within 21 days of receipt by FC Scotland;
- The final decision on whether they have scored high enough to receive grant and, if so, the level of that grant – within 14 days of Advisory Panel meeting which

makes a recommendation to FC Scotland, unless there are further issues to be clarified and / or addressed by the applicant.

Approval

For applications that have been approved, FC Scotland will issue a grant award letter. This may include certain conditions that need to be met before the project can proceed to implementation.

Monitoring and Evaluation

Project Monitoring and Evaluation

Applicants will be required to provide evidence that the project has met its objectives and outputs in accordance with the offer of grant.

It is a condition of all grant offers that applicants submit at least quarterly progress reports and claims (including nil claims) to FC Scotland. The progress reports must include information on the delivery of agreed outputs etc.

In the application, only include timber volumes (m3) that would be transported annually over the next 10 years as a result of this project. FCS will request reports against this outcome for up to 10 years.

Appendix I - Assessment Criteria

Criteria for Project Appraisal

Essential Criteria

Description	Title		
Strategic fit	Is the project consistent with regional and national strategies, plans and objectives?	Yes*/No	
Need for Public sector intervention	Is Public Sector intervention a condition or key element of success (normally funder of last resort) and is it clear that an award of grant as requested would not subsidise normal operations?	Yes*/No	
Life time viability / sustainability	Is the project operationally and financially viable over its proposed term?	Yes*/No	
Long term benefits	Are there demonstrable long-term benefits?	Yes*/No	
Deliverability	Have the risks and uncertainties over cost and time scales been addressed?	Yes*/No	
State Aid / competitive advantage	Does the project comply with State Aid rules e.g. there is no financial advantage or other exclusive benefit to individual owners or companies as a result of their participation in the Scheme.	Yes/No*	

The response in bold is desired outcome of the assessment against the Essential Criteria which must be achieved for **all criteria before the project is passed to the Advisory Panel for assessment against the "Other criteria".*

Description	Title		
Other Key Scheme Criteria		Score	Weight
Community and Social Benefits	To what extent will the proposal help rural communities (for example: improve safety, reduce disruption, alleviate congestion and generate benefits to groups other than the timber transport industry)	Good (3) Intermediate (2) Poor (1) Not at all (0)	3
Environmental benefits	To what extent will the proposal bring environmental benefits such as greater access to forests, reduced lorry miles, reduced noise and air pollution and enhanced amenity.	Good (3) Intermediate (2) Poor (1) Not at all (0)	3
Reduced Damage and Disruption to Public Roads	To what extent will the proposal reduce damage and disruption to public roads not built for sustained use by heavy transport?	Good (3) Intermediate (2) Poor (1) Not at all (0)	3
Improved access to landlocked forests	What volume of timber will the project release / help bring to market over the following 10 years?	Good (3) Intermediate (2) Poor (1) Not at all (0)	3
Ability to deliver to programme	To what extent can the partnership demonstrate their ability to deliver the project within time and on budget?	Good (3) Intermediate (2) Poor (1) Not at all (0)	1
Partnerships & Leverage	Nature and extent of partnership: To what extent does the project demonstrate partnership working and in what way? How much additional resource has been committed for programme implementation for each £1 of STTF money?	Good (3) Intermediate (2) Poor (1) Not at all (0)	1
Economic Sustainability	To what extent can the project deliver sustainable economic benefits?	Good (3) Intermediate (2) Poor (1) Not at all (0)	1

NB: all projects will be assessed to determine whether they are considered to be value for money.

Note that, whilst the Evaluation Criteria are presented in this methodology as being appropriate for use as the basis of the appraisal process, this does not preclude the addition of further criteria, or the modification of the definitions of the criteria. FC Scotland and the Timber Transport Forum will monitor the relevance of the various criteria used at all stages of the process to allow the criteria and the process to evolve and develop in line with experience and changes in the strategic context within which projects are being appraised.

An Example of the Assessment Process

Those applications submitted to the Advisory Group will be assessed against the Scheme Criteria to reflect how well it addresses those specific criteria and be given a numerical score e.g. Good: 3, Intermediate: 2, Poor: 1, Not at all: 0.

The final marking for each application is obtained by multiplying the score (0-3) by the weighting (1 or 3) and adding the values obtained for each Criteria to reach a total score e.g.

Criteria	Score
Community and Social benefit:	a score of 3 weighting of 3 = 9
Environmental benefits:	a score of 2 weighting of 3 = 6
Reduced damage and disruption:	a score of 1 weighting of 3 = 3
Improved access to landlocked forests:	a score of 3 weighting of 3 = 9
Ability to deliver:	a score of 2 weighting of 1 = 2
Partnership and leverage:	a score of 1 weighting of 1 = 1
Economic sustainability:	a score of 0 weighting of 1 = 0
Total	30

The prioritised list of projects will be given to FC Scotland for their consideration and, if appropriate, final ranking and approval where funding is available.

Environmental Benefits

The Mode Shift Benefit values used by Transport Scotland as part of its assessment of Freight Facilities Grants, is one means of financially quantifying the environmental benefit gained by removing freight traffic (in this case timber haulage) from public roads. Applicants may find it helpful to calculate the value of the environmental benefit from the works they propose and compare this with the costs of carrying it out. Where appropriate, applicants should offer this information in support of their application.

Annex A (page 8) of the FFG Guidance for applicants contains information on how to calculate the environmental benefits of a project. Link to Guidance:-

<https://www.transport.gov.scot/media/33623/freight-facilities-grant-ffg-guide-for-applicants.pdf>

Staff at Transport Scotland are happy to provide additional advice on the calculation if required. Contact - Email justin.huthersall@transport.gov.scot or phone 0131 244 1526.

Appendix II - Eligible and Ineligible costs

a. Eligible costs: Capital Applications (e.g. infrastructure)

EXPENDITURE HEADING	DESCRIPTION/DETAILS
Land Acquisition	<p>Where purchase of land is an essential element of a project, eligible expenditure is the actual cost of purchase, normally up to a maximum of 10% of the total eligible project expenditure.</p> <p>Applicants must be able to demonstrate that the purchase price does not exceed the market value.</p>
Purchase of Access Rights	<p>Where access over ground is required, the applicant must demonstrate that appropriate access rights have been secured for the lifetime of the expected benefit flows. Normally for a minimum of 10 years.</p> <p>Land agents for all parties should be involved at the earliest stages of an STTS application process to provide clarity on access charges.</p> <p>A short-term permission should be sought where access is for a one off, time bounded and short-term purpose.</p> <p>Where a permanent granting of access is proposed then the expected norm is that a servitude would be secured. Alternatively, a lease could be granted for a period of years, extendable. This recordable right of access must go with the land and be enforceable upon a successor landowner. Capital payments for a servitude or a lump sum upfront premium for a lease would be eligible costs. Any future payments on an access lease would not be eligible for STTS support.</p> <p>Some guidance on this general issue is given on the Timber Transport Forum website where the document "Shared access on forest roads: a protocol" can be found (see: http://tinyurl.com/hkzs7h2)</p>
Pre-Contract Professional Fees and...	<p>Pre-contract works, including design, bills of quantity and tender preparation for approved capital works, (carried out after approval had been given by FC Scotland). This does not include</p>

EXPENDITURE HEADING	DESCRIPTION/DETAILS
...Contract Implementation Professional Fees	<p>feasibility studies, unless they have been accepted as specific projects in their own right.</p> <p>Note:</p> <ul style="list-style-type: none"> • <i>This expenditure will have been incurred within the Programme period.</i> • <i>Fees may be included for external consultants where it can be demonstrated that they have been incurred as a result of a competitive tendering process.</i> • <i>Fees that have been subject to an approved tender process may be included at the market rate resulting from that exercise.</i> • <i>Fees may be included for in-house professionals where an in-house market-testing process is in place, e.g. local authority best value process. Applicants must be able to prove best value and can only charge actual costs directly attributable to the project. Charge-out rates are not acceptable.</i> • <i>Where in-house, for such costs to be acceptable it must be demonstrated and evidenced that these are truly additional (i.e. overtime payments, timesheets), and do not form part of in-house professionals day to day costs.</i> <p>NB: These should not constitute more than 10% of the total project cost.</p>
Site Investigation	<p>This should take account of specialist investigations required to identify specific site issues and recommend particular works/approaches etc.</p>
Site Preparation/Clearance	<p>This should include demolition works and the general preparation of sites, which is not part of engineering works to tackle specific site issues identified as part of site investigation (see above).</p> <p>The costs of any premature tree felling required as part of the preparation of a road line would only be permissible if it could be shown that there was a net cost from this work, and it was carried out as a separate contract. Any such felling must obtain prior written approval from FC Scotland, unless covered by planning approvals from the local authority.</p>
Site Servicing	<p>This may include the construction/improvement of access roads and junctions within the site boundary.</p>

EXPENDITURE HEADING	DESCRIPTION/DETAILS
Signage	This should include relevant signs, which acknowledge the contribution of the STTF to the project.
Main Contract Works	This may include construction, improvement and upgrading of informal roads, as well as improvement and upgrading of short stretches of minor public roads where eligible, and works to enable timber extraction by rail, inland waterways and sea.
Early Road Consolidation Works	For new in-forest roads of regional significance only , over which significant volumes of timber will be transported annually, it would be acceptable to allow for the cost of a guarantee to ensure that it will remain in a useable condition for a period of no more than five years after construction e.g. early consolidation works, within the main road construction quotation.
Main Environmental Contract Works	This may include the following elements: <ul style="list-style-type: none"> • <i>Hard and soft landscaping as part of a larger development.</i> • <i>Hard and soft landscaping where necessary to promote environmental sustainability.</i> • <i>Creation and improvement of footpaths and cycle paths etc, where an integral part of a wider eligible operation.</i>
Budget variances / Management Costs	<p>It is acceptable to move up to 10% of the value of any one cost heading into another cost heading i.e. to reallocate some expenditure in the project so long as the approved annual total spend is not exceeded.</p> <p>Any such proposal should be notified to FC Scotland as early as possible. Any potential for overall project overspend should also be notified to FC Scotland as early as possible.</p> <p>NB: Management costs must never exceed 10% of total project costs.</p>
Leasing Costs	<p>The Costs of hiring or leasing any specialist equipment necessary for the delivery of the agreed project outputs can be included, if it is to be the subject of a tender process and where it is used 100% of time for the project. Any use for less than 100% must be identified and the costs to the project reduced accordingly.</p> <p>A leasing charge for equipment (in any one year) which exceeded or closely matched the full cost of purchasing the item, however, would be deemed as an attempt to introduce capital expenditure as an eligible item under a different heading. Such expenditure is not eligible.</p>
(cont)	

EXPENDITURE HEADING	DESCRIPTION/DETAILS
	<p>NB: A detailed breakdown of all items included under this heading in an application should be provided in an appendix and, where the project is approved, an inventory must be retained for audit purposes.</p>
<p>Final Claim audit fees</p>	<p>Final claim audit fees may be incurred but cannot be defrayed in advance of the submission of a final claim.</p> <p>In order to claim these costs the applicant must complete the final claim audit fees pro-forma. The invoice from the auditor must be attached to the claim.</p>
<p>Depreciation</p>	<p>Depreciation of specialist equipment, directly linked to the project, should be calculated in line with your organisation's accounting policy and is only chargeable to the project over either the life of the project or the life of the funding programme, whichever is the shortest period.</p> <ul style="list-style-type: none"> • <i>Claims should be based on the actual costs of the owned equipment.</i> • <i>Any grant used to purchase the asset should be taken off the cost before depreciation is calculated.</i> • <i>Depreciation may be claimed on second-hand equipment (but see below).</i> • <i>Documentation showing how depreciation costs have been calculated must be kept for audit purposes. This will include invoices; payments records including BACs lists and bank statements; descriptions and location of the items purchased; the method of depreciation; the time spent using the items (e.g. one day per week); and, where relevant, the estimated residual value.</i> <p>The following information is required:</p> <ul style="list-style-type: none"> • <i>the cost and description of the item purchased;</i> • <i>the purchase date;</i> • <i>the number of years over which the item is being depreciated would normally be a maximum of 8 years, and must be a minimum of 4 years. A justification must be given for any period of depreciation less than 8 years;</i> • <i>the % of the item's use solely on the project during the projects life.</i>

b. Eligible costs: Revenue Applications (e.g. studies)

EXPENDITURE HEADING	DESCRIPTION/DETAILS
Staffing and management costs	<p>Only definable, defensible and demonstrably additional full or part time staffing and management costs incurred by the partners to deliver a project are acceptable. These must be evidenced and must not constitute more than 10% of the total project costs. It is only acceptable to include additional front line supervisory costs where these are an integral part of a contract delivering a specific output.</p> <p>Reasonable costs of external consultants or necessary external professional expertise which are the subject of a tendering exercise are acceptable.</p>
Consultancy Fees & Sub Contractors Charges	<p>Costs for work done by an independent consultant or sub contractor will only be eligible if the work is essential to the project and the costs are reasonable.</p> <p>A threshold of up to £55.00 per hour for (non-tendered) consultancy fees has been set as the maximum eligible figure to receive support. Daily expenditure on consultancy above this threshold must be met in full by the project applicant and is not considered eligible.</p> <p>For consultancy fees that have been subject to an approved tender process, the market rate resulting from that exercise may be included for support.</p> <p>Costs associated with payment of consultants that provide support in completion of application/claim forms and with management fees are not eligible.</p>
Project Evaluation Fees	<p>Costs for independent project evaluations will be eligible if the work is essential to the project and/or a condition of grant. (See consultancy fees above.)</p>
Travel	<p>Travel costs must be directly related to and essential for the effective delivery of the project and be carried out by the most cost effective means. Car mileage claims are payable at no more than 45p per mile. Certified travel claims must be retained identifying specific journeys.</p>

EXPENDITURE HEADING	DESCRIPTION/DETAILS
Premises and Overheads	<p>This could include, rent, rates, heat, light and service charges associated with the premises where it can be clearly demonstrated that these are directly additional and specifically related to the delivery of the project.</p> <p>Charges relating to the statutory responsibilities of applicants or the applicants' day-to-day management, monitoring and control are not eligible.</p>
Marketing	<p>This heading may include costs related to all aspects of marketing specific to the project such as:</p> <ul style="list-style-type: none"> • Design and production of marketing materials • Facilitation of appropriate conferences & seminars • Targeted advertising campaigns.
Leasing	<p>Leasing is eligible within certain qualifications. Where premises, equipment or vehicles are not used solely for the project (e.g. equipment is only used 1 day per week), this should be indicated and an explanatory note added showing the apportionment of costs. <i>[See also section on Leasing on p18]</i></p>
Administration	<p>This should cover telephone, consumables and other reasonable costs <i>where it can be clearly demonstrated that these are directly related to the delivery of the project.</i></p> <p>Telephone costs must be directly related to and necessary for the effective delivery of the project. It must be possible to provide an itemised audit trail for the telephone costs.</p> <p>Consumables may include items such as postage, stationery, and other costs, which the applicant can demonstrate as essential to the effective delivery of the project.</p>
Non recoverable VAT	<p>It is recognised that some project applicants are unable to recover VAT. Non-recoverable VAT can be claimed as an eligible cost.</p> <p>Project applicants claiming non-recoverable VAT will need to support their claim with appropriate evidence from HM Customs & Excise.</p> <p>Organisations electing not to recover VAT that is recoverable cannot count the VAT as eligible.</p>

EXPENDITURE HEADING	DESCRIPTION/DETAILS
Final Claim audit fees	<p>Final claim audit fees may be incurred but cannot be defrayed in advance of the submission of a final claim.</p> <p>In order to claim these costs the applicant must:</p> <ul style="list-style-type: none"> • Complete the final claim audit fees pro-forma. • Attach the invoice from the auditor.

NB: *Expenditure directly relevant to the proposed project, but committed/expended before an award has been made, may very exceptionally be included in the application as co-funding. FC Scotland and the Advisory Panel will determine the eligibility of such expenditure as part of the evaluation process and an early discussion with FCS's Timber Transport Adviser is strongly recommended.*

c. Ineligible costs: Revenue and Capital Applications

EXPENDITURE HEADING	DESCRIPTION/DETAILS
Financial Charges	<p><i>Loan charges</i> - the nature and amounts of any loan charges included in the overall project costs should be brought to the attention of FC Scotland.</p> <p><i>Service charges</i> - arising on leases and hire purchase arrangements.</p> <p><i>Costs</i> - resulting from the deferral of payments to creditors or those involved in winding up a company.</p> <p><i>Bad debts</i></p>
Moveable Infrastructure	Moveable infrastructure such as cars and office equipment.
Recoverable VAT	Recoverable VAT is not eligible whether or not the applicant elects to recover.
Finance Leases	Similar to hire purchase agreements – at the end of the lease the equipment becomes the property of the lessee.
Legal costs	Costs incurred in respect of any litigation arising from delivery of any approved project works.
Staff Related Costs	<p>Staff costs that are not additional and directly attributable to project delivery.</p> <p>Staff training/training that is mandatory under statutory provision.</p> <p>Redundancy payments; Payments into private pension schemes; Payments for unfunded pensions.</p> <p>Maternity or sick pay.</p>
Indirect Costs	The costs incurred by the supply chain in meeting voluntary or statutory restrictions to the use of infrastructure such as; additional mileage due to detours, the use of lower impact or specialist vehicles, reduced load size or frequency.
Other Costs	Capitalised maintenance: As indicated above, it is permissible to allow for the costs of a guarantee of early consolidation works on a new in-forest road of regional significance only within the main

	<p>quotation. However, general capitalisation of extended maintenance costs cannot be claimed.</p> <p>Expenditure defrayed outwith the eligible programme period (ending on 31st March 2018), including site acquisition costs.</p> <p>Related to research or studies carried out in respect of the project prior to the official project start date.</p> <p>Gifts.</p> <p>Repairs and maintenance unless covered by the eligible cost description.</p> <p>Compensation for loss of office.</p> <p>Costs of works being carried out as a statutory requirement e.g. a condition of planning.</p> <p>Any specific actions already funded by other Scottish Government Grant Schemes and/or European Structural Funds or other EC-funded initiatives.</p> <p>PLUS ANY OTHER COSTS THAT DO NOT FALL INTO THE CATEGORIES LISTED AS ELIGIBLE WITHIN THE STANDARD HEADINGS.</p> <p>A detailed breakdown of any other costs likely to be incurred in the delivery of the project should be provided as an appendix to the application.</p>
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Appendix III: The Role of the Regional Timber Transport Groups

Developing an application

The role of Regional Timber Transport Groups (RTTGs) in this process is to encourage and enable the development of suitable applications, which can be submitted for assessment by the Advisory Panel.

They will provide prospective applicants with:

- the appraisal process to ensure that applicants fully understand it;
- the criteria that will be used to appraise proposals; and
- the timing and nature of feedback that they will receive.

(See <http://timbertransportforum.org.uk/groups> for contact details of your nearest RTTG)

Final application

On submission of the draft application, the RTTG will consider whether the proposed project is in accordance with the Agreed Routes Map and any Regional Timber Transport Strategy where they exist.

The Group will also determine whether the proposal meets the other pre-conditions, essential criteria and assessment criteria for support from the Scheme. If these conditions are not met, the project will not receive written support.

At the discretion of the RTTG the applicant may be invited to revise the proposal and resubmit it to them. If the Regional Group supports the project, the applicant should then prepare the full application for submission to Forestry Commission Scotland. FCS will only consider applications that have the full written support of the relevant RTTG and a letter of support must be included with the application when this is submitted.