

Agenda Item	16
Report No	EDI 12/19

HIGHLAND COUNCIL

Committee: Environment, Development and Infrastructure

Date: 31 January 2019

Report Title: Strategic Timber Transport Scheme Fund Status of 2018/19 Projects and Future BIDS

Report By: Director of Community Services

1. Purpose/Executive Summary

- 1.1 This report provides an update on the delivery of the 2018/19 Strategic Timber Transport Scheme (STTS) Fund projects and the development of bids for submission for 2019/20 funding and beyond.
- 1.2 Subject to local government funding constraints in future years, it also recommends continuation of the match funding strategy to enable bids to be made in future years.

2. Recommendations

- 2.1 Members are asked to:
 - i. note the delivery of the 2018/19 programme of works including the additional works delivered using the STTS underspend as shown in **Appendix 1**;
 - ii. note the preparatory work for bids to be made to the 2019/20 Strategic Timber Transport Scheme Fund.
 - iii. agree that, should STTS match funding bids be unsuccessful, any residual match funding will be reallocated across the Areas using the Road Condition Survey parameters, with scheme selection being decided by Members at local Area level; and
 - iv. agree that, subject to the availability of funds as decided at the annual budget setting stage and the continuation of the national STTS programme, up to £500,000 be allocated under the road structural (capital) funding as match funding for future years.

3. Background

- 3.1 At its meeting on 17 May 2018 this Committee approved report EDI/38/18, agreeing that up to £500,000 of road structural (capital) funding be allocated match funding for bids to the Strategic Timber Transport Fund.
- 3.2 At its meeting on 9 March 2018 Council approved the report HC/2/18 to continue to allocate the additional capital funding to structural road maintenance.
- 3.3 In total, Highland Council submitted 7 STTS scheme bids to Forestry Commission Scotland by 6 May 2018 deadline.
- 3.4 Due to the high number of bids submitted the STTS assessment panel approved STTS funding for 4 schemes with an intervention rate of 70% rather than the 80% bid for.

4. Status of 2018/19 STTS projects.

- 4.1 The four funded STTS schemes have all been through the tender process with the original works completed:-

Bunachton – Balnafoich - South Loch Ness
Glenlia – Dalcrag - South Loch Ness
B873 Altnaharra – Syre - Flow County, Sutherland
Strathconon - Ross & Cromarty

- 4.2 Nationally, due to non-delivery of schemes, the Forestry Commission (Scotland) (FCS) STTS programme was underspent. At the end of September, and again in December, the Highland Council and the forestry industry in the Highlands were invited by FCS to submit bids for additional funding. The following schemes receiving additional funding:

- Mam Rattagan: A previously unfunded scheme was revised as a combined road improvement and road safety scheme including safety fencing;
- Glenlia-Dalcrag (b): Forestry Enterprise was able to support by providing an additional £6,000 of additional funding, which the Highland Council was able to match. This secured £28,000 of additional STTS funding, delivering in total £40,000 of extra improvements;
- B873 Altnaharra to Syre (b): The service was able to provide £38,400 of capital match funding which enabled FCS to grant an additional £89,600 of funding in December 2018. These additional works of £128,000 have been completed; and
- B873 Altnaharra to Syre (c): The service was able to provide £51,428 of capital match funding which enabled FCS to grant an additional £120,000 of funding in December 2018. These additional works of £171,428 will be completed for February 2019.

5. 2019/20 and future bids for STTS funding

- 5.1 A bid for Preparatory funding has secured £12,000 of STTS, enabling the development of future schemes for bid submission in 2019/20. Details are being developed in partnership with the Forestry industry and Highland Timber Transport Group.
- 5.2 It is anticipated that Forestry Commission Scotland will announce 2019/20 STTS

funding and invite bids in March or April 2019.

- 5.3 Based upon previous years, it is expected that the Forestry Commission Scotland's independent assessment panel will complete assessments at the end of May with issue of grant offer letters for successful schemes in June 2019.
- 5.4 The utilisation of capital as match funding to support STTS bids has enabled schemes in excess of £2.25M to be delivered at a cost to Highland Council of under £600,000, as shown in **Appendix 1**.
- 5.5 The delivery of the STTS timber extraction schemes has enabled extraction of timber, benefitting both local and national economies whilst also providing safety improvements and over £1.5M of works that the service could not otherwise have afforded.
- 5.6 It is therefore recommended that for 2019/20 the same sum as in 2018/19, £500,000 is allocated from the Roads Structural budget to provide match funding for bids to the 2019/20 STTS fund.
- 5.7 If bids are unsuccessful any residual match funding will be reallocated to the Areas using the road Condition survey parameters, with scheme section being decided by Members at local Area level.

6. Implications

- 6.1 Resource – the proposals are deliverable within the allocated budgets for the services.
- 6.2 Legal - there are no legal implications.
- 6.3 Community (Equality, Poverty and Rural) – the continued support of STTS funding assists in removing timber from fragile rural roads or enables their strengthening and improvement. This reduces future risk associated with damage to the road, helps to protect the rural road network whilst maintaining accessibility and improving road safety for rural communities.
- 6.4 Climate Change / Carbon Clever- the report supports climate change through the continuation of timber extractions and subsequent replanting.
- 6.5 Risk – there are no legal implications.
- 6.6 Gaelic - there are no legal implications

Designation: Director of Community Services

Date: 10 January 2019

Author: Robin Pope, Policy and Programmes Manager

Appendix 1 Highland Council STTS Funding 2018/19

Name	Area	Scheme Value	Highland Council Roads Capital	Forestry Partners	STTS Grant funding	Notes
June 2018 grant funding						
Bunachton-Balnafoich	Inverness SLN	£350,000	£55,000	£50,000	£245,000	Timber landlocked
Glenlia-Dalcrag (a)	Inverness SLN	£400,000	£70,000	£50,000	£280,000	Heavy tourist usage; linking to South Loch Ness (SLN) Haul route.
B873 Altnaharra – Syre (a)	Sutherland	£480,000	£144,000		£336,000	Essential low-standard upgrade for failing key route
Strathconon	Ross & C	£430,000	*£99,000	£30,000	£301,000	Cooperative estates, lifeline road bridge upgrading. *Includes £39,000 from Capital Bridges
Autumn 2018 additional grant funding						
Mam Ratagan	Lochalsh Wester Ross	£246,000	£123,000		£123,000	Scheme resubmitted to include: 1.4km failed sections of high altitude route and associated road safety fencing.
Glenlia-Dalcrag (b)	Inverness SLN	£40,000	£6,000	£6,000	£28,000	
B873 Altnaharra – Syre (b)	Sutherland	£128,000	£38,400		£89,600	
December 2018 additional grant funding						
B873 Altnaharra – Syre (c)	Sutherland	£171,428	£51,428		£120,000	
2019/20 Scheme Preparatory work	Highland	£15,000	£3,000		£12,000	Development of schemes to provide deliverable bids in 2019/20
Totals		£2,260,428	£589,828	£136,000	£1,534,600	