

Agenda Item	24
Report No	EDI 59/19

HIGHLAND COUNCIL

Committee: Environment, Development and Infrastructure

Date: 15 August 2019

Report Title: Strategic Timber Transport Fund 2019/20 Projects

Report By: Interim Chief Officer Resources (Community Services)

1. Purpose/Executive Summary

- 1.1 This report provides an update on the securing of external capital grant funding and scheme delivery for the 2019 bid submissions to the Strategic Timber Transport Fund (STTS).
- 1.2 Subject to local government funding constraints in future years, it also recommends continuation of the Council's match funding strategy to enable bids to be developed and submitted in future years.

2. Recommendations

- 2.1 Members are asked to:
 - i. note the award to date of £601.1k of grant funding for and delivery of the 2019/20 schemes and that due to further scheme developments, the Council anticipates securing further grant funding later in 2019;
 - ii. note the preparatory work for potential bids to be made to the 2020/21 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; 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 that up to £0.5M be allocated under the road structural (capital) funding as match funding for 2020/21 and future years.

3. Implications

- 3.1 Legal – there are no new legal implications.

- 3.2 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.
- 3.3 Climate Change / Carbon Clever – the report supports carbon reduction through enabling continuation of timber extractions and subsequent replanting.
- 3.4 Risk – the delivery of STTS schemes helps to protect the rural road network thereby reducing risks associated with accessibility.
- 3.5 Gaelic - there are no Gaelic implications.

4. Background

- 4.1 The national Strategic Timber Transport Fund (STTF) operated by Scottish Forestry (previously The Forestry Commission) provides grant funding to approved Strategic Timber Transport Schemes to enable extraction of otherwise landlocked timber. In all cases the applicant must be able to provide match funding. Schemes can be in-forest, across other third-party land, on a public road or a combination.
- 4.2 The STTF has been running for over 15 years, with initially £2m per annum available for grant funding. Since April 2017, to support the Scottish Government's targets for timber extraction and replanting, Scottish Forestry has increased the budget to £7m per annum.
- 4.3 A condition of grant funding requires all expenditure to be completed in year with the audited claims submitted by the end of February. The annual nature of funding has made scheme development difficult prohibiting the development of schemes in some instances. Both the Chairs of the National Timber Transport Forum and Highland Timber Transport Group have been invited to meetings with the Cabinet Secretary for Rural Economy, Fergus Ewing MSP along with officers from the Forestry Commission to discuss the future of national funding with options for multi-year grant funding to be developed.
- 4.4 Since April 2017, this committee has been able to agree to allocate up to £0.5m of its Roads Capital Structural budget as match funding. This has enabled the Council in conjunction with the Highland Timber Transport Group and our forestry partners to increase the number and value of STTS bids. In both 2017/18 and 2018/19 this committee received reports confirming that the budget allocation of £0.5m enabled schemes valued at over £2m to be delivered. The schemes have provided major benefits to the Highland rural economy through enabling millions of tonnes of timber to be extracted, providing employment and improvement to remote rural 'lifeline' roads resulting in benefits across the local economy.
- 4.5 At its meeting on 31 January 2019, this committee approved report EDI/12/19 agreeing that up to £0.5m of road structural (capital) funding be allocated as match funding for bids to the STTF.
- 4.6 At its meeting on 7 March 2018, Council approved the report HC/2/18 to continue to allocate the additional capital funding to structural road maintenance for 5 years.
- 4.7 Including the annual bid for funding of the HTTG project officer, Highland Council

submitted 11 STTF scheme funding bids valued at over £2m to Scottish Forestry for 2019/20 (**Appendix 1** Projects marked*).

- 4.8 On 5 August, Scottish Forestry issued their press release which formally announced the award of grant funding. Due to reporting restrictions it had not been possible for Highland Council to make public these details prior to this date.

<https://forestry.gov.scot/news-releases/scottish-government-fund-alleviates-pressures-from-timber-lorries>

5. Status of 2019/20 projects

- 5.1 Scottish Forestry has grant funded 8 schemes and additionally agreed to fund 2 studies at Glenelg and the A897/B851. To date, just over £600k of STTS funding has been secured, with additional third-party funding of just under £65k. When added to Highland Council's committed funding, this provides a value for all schemes of £874.5k.

- 5.2 Works have commenced on three schemes:

A831Cannich – Struy
U1457 Glen Cannich
B9091 Balblair Road, Nairn

The schemes at Cannich will be completed in November, whilst the scheme in Nairn will be completed in September.

- 5.3 The Eigg, Glenmazon and A897 (£50k) schemes are programmed for delivery in the Autumn, near the end of the tourist season.

- 5.4 Based upon experience in previous years it is expected that there will be an additional round of bidding in September/October once Scottish Forestry have reassessed the status of all schemes. Completion of the two reports for Glenelg and the A897 will coincide with this and it is anticipated that grant funding could be secured towards modified schemes.

- 5.5 Whilst the overall value cannot be predicted, in 2018/19 the availability of match funding and "Shovel Ready" schemes enabled Highland Council to secure over £700k of late award grant funding and deliver over £1m of additional work.

- 5.6 At this time, it is anticipated that the full £0.5m of match funding will be spent on STTS schemes through subsequent bidding round submissions.

6. Future schemes

- 6.1 This year we have been allowed to submit a project development bid for the B9090 at Clephanton in Nairnshire. This will enable a deliverable scheme including statutory undertakers work and permissions to be developed ready for the submission for full grant funding in 2020.

- 6.2 Previously, Scottish Forestry has made preparatory grant funding available from late autumn to support bid development for the following April. Such a time period often proves too short to ensure advanced works and permissions to be fully identified, organised and developed to enable a scheme to be delivered in the 8 months available after grant award.

6.3 As in previous years a separate scheme preparatory bid will be made in the autumn when the closing date is announced.

Designation: Interim Chief Officer Resources (Community Services)

Date: 6 August 2019

Author: Robin Pope, Policy and Programmes Manager

Appendix 1 Highland Council bids to STTS 2019/20

Highland Timber Transport Group: List of submitted Highland Council STTS Projects at August 2019

PROJECT	AREA	COST £000	HC Roads Capital £000	HC Other funding £000	Forestry Partners £000	% STTS grant	STTS sought £000	Project Status Funding	COMMENTS
HTTG Project Officer	Highland	50		5	20	50%	25	Granted £25k	Provision of project development support
A831 Cannich – Struy Public Road Improvements	Inverness	300	90			70%	210	Granted £210k	Edge strengthening, passing places and drainage improvement to public road Works August – November 2019
U1457 Glen Cannich Public Road Improvements	Inverness	110	23.5		15	65%	71.5	Granted £71.5K	Edge strengthening, passing places and drainage improvement to public road, also high tourist usage – Aug-Nov 2019
C1121 Glenmazon Public Road Improvements	Inverness	120	21		15	70%	84	Granted £84k	Edge strengthening, passing places, drainage and bridge improvements to remove weight restrictions.
<i>A838 Dalchord –Flag Road Improvements Not approved</i>	<i>Sutherland</i>	<i>200</i>	<i>60</i>			<i>70%</i>	<i>140</i>	<i>Refused</i>	<i>Scheme to be reassessed for future resubmission.</i>
A897 (south) and B871 Road Analysis	Sutherland	20		4		80%	16	Granted £16k	Preliminary replacement to main scheme Assessment of effectiveness of previous STTS schemes and development of investment options to advise future STTS bids and funding for Flow Country.
<i>A 897 Helmsdale/Melvich Public Road Improvements Partially approved</i>	<i>Sutherland</i>	<i>(800) 50</i>	<i>240 15</i>			<i>70%</i>	<i>(560)</i>	<i>Limited funding granted £35k</i>	<i>Bid refused by Scottish Forestry, emergency repair grant funding of £35k granted with £15k HC match funding Future grant funding dependent upon recommendations from A897/B871 Road Analysis report due October 2019.</i>

Appendix 1 Highland Council bids to STTS 2019/20

PROJECT	AREA	COST £000	HC Roads Capital £000	HC Other funding £000	Forestry Partners £000	% STTS grant	STTS sought £000	Project Status Funding	COMMENTS
Trial - Tyre Pressure Control Mapping	Sutherland	14.5		1.45	1.45	80%	11.6	Granted £11.6k	Trial monitoring of tyre pressure control systems, integration with GPS tracking to enable HC to review in real time to demonstrate compliance with Timber Transport Management Plans.
<i>C1123 Glenelg Public Road improvements Not approved</i>	<i>Skye & Lochalsh</i>	<i>460</i>	<i>83</i>	<i>Road safety 15</i>	<i>40</i>	<i>70%</i>	<i>322</i>	<i>Refused Nil</i>	<i>Bid refused pending publication of seaborne assessment report in Oct 2019.</i>
Replacement Glenelg Seaborne extraction assessment	Skye & Lochalsh	6		0.6	0.6	80%	4.8	Granted £4.8K	Replacement to main scheme Prep bid to reassess seaborne alternative funded by Scottish Forestry, report due Sept 2019.
U1094 Eigg Public Road Improvements	Lochaber (Eigg)	100	27.5		2.5	70%	70	Granted £70k	Improvements to lifeline road enabling extraction of community owned timber
B9091 Balblair Rd Public Road Improvements	Nairn	100	20		10	70%	70	Granted £70k	Improvements to public road including extension of 20mph limit. Works in August/September 2019.
Prep project B9090 Clephanton to Cairnglass	Nairn	4		0.8		80%	3.2	Granted £3.2k	Development of twin tracking improvement bid options for future submission to STTS
<i>Total bid all Projects</i>		<i>2,284</i>	<i>565</i>	<i>26.85</i>	<i>104.6</i>		<i>1,588</i>		
Total of STTS grant awarded Projects (as of Aug 2019)		874.5	197	11.85	64.55			£601.1k	