

Agenda Item	<b>9</b>
Report No	<b>ECI/18/20</b>

## **THE HIGHLAND COUNCIL**

**Committee:** Economy and Infrastructure

**Date:** 2 September 2020

**Report Title:** Strategic Timber Transport Scheme (STTS) 2020/21 Projects

**Report By:** Executive Chief Officer Infrastructure and Environment

### **1. Purpose/Executive Summary**

- 1.1 This report provides an update on the securing of external capital grant funding and scheme delivery for the 2020 bid submissions to the Strategic Timber Transport Scheme (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 £1.08m of STTS grant funding for the delivery of the 2020/21 schemes and there maybe potential for further grant funding later in 2020;
- ii. note that preparatory work for potential STTS bids is ongoing;
- iii. 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 2021/22 and future years; and
- iv. agree that for 2021/22 and in future years, should STTS match funding bids be unsuccessful any residual match funding will be reallocated across the Areas using the Road Condition Survey parameters.

### **3. Implications**

- 3.1 Resource – the proposals are deliverable within the allocated budgets for the service and contracts have been awarded in accordance with the approval of The Highland Council on 25 June 2020.
- 3.2 Legal - there are no legal implications.
- 3.3 Community (Equality, Poverty, Rural and Island) – 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.
- 3.4 Climate Change / Carbon Clever - the report supports carbon reduction through enabling continuation of timber extractions and subsequent replanting.
- 3.5 Risk - the delivery of STTS schemes helps to protect the rural road network thereby reducing risks associated with accessibility.
- 3.6 Gaelic - there are no Gaelic implications.

### **4. Background**

- 4.1 The national Strategic Timber Transport Scheme (STTS) operated by Scottish Forestry (previously The Forestry Commission Scotland) provides grant funding to approved Strategic Timber Transport Schemes to enable extraction of otherwise landlocked timber. In all cases the applicant has to be able to provide match funding. Schemes can be in-forest, across other third party land, on a public road or a combination of all three.
- 4.2 The STTS has been running for over 15 years, with initially £2m per annum made available for grant funding. Since April 2017, to support the Scottish Governments' targets for timber extraction and replanting, Scottish Forestry has been able to increase the budget for grant funding to £7m per annum.
- 4.3 A condition of grant funding requires all expenditure to be completed in year with 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. In the past both the chairs of the National Timber Transport Forum and Highland Timber Transport Group (HTTG) 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 the Council 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 the three previous years the budget allocation of £0.5m has annually enabled schemes valued at over £1m 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, thereby resulting in benefits across the local economy.

- 4.5 At its meeting on 15 August 2019 the EDI Committee agreed that up to £0.5m of road structural (capital) funding be allocated as match funding for bids to the STTS.
- 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 8 STTS funding bids valued at over £1.6m to Scottish Forestry for 2020/21 (**Appendix 1**). Across the Highlands 2 third-party off-road bids were submitted valued at £1.5m.

## **5. Status of 2020/21 projects**

- 5.1 Scottish Forestry has grant funded 8 schemes (6 Council and 2 third party), including the Councils phase 2 study at A897/B851. To date £1.08m of STTS funding has been secured for HC schemes, which when added to Highland Council's committed funding, provides a value for all schemes of £1.55m. Across the Highlands the total of Council and third-party grant is £2.25m, some 32% of the £7m STTS grant funding nationally available.
- 5.2 After securing approval for expenditure of capital funding by Highland Council on 25 June, contracts were awarded for the following STTS grant funded schemes:
- B9090 Clephanton Public Road Improvements
  - A839 Braemore to Benmore Public Road improvements
  - B8004 Banavie to Gairloch Public Road Improvements
  - C1121 Glen Mazeran/Corrievorrie Bridge Replacement

Works have now commenced on all four HC schemes, which are programmed for completion in the Autumn.

- 5.3 Based upon experience in previous years it is expected that there will be an additional round of bidding in September/October 2020 once Scottish Forestry has reassessed the status of all schemes. Completion of the report for the A897 will coincide with this and it is anticipated that further funding could be secured.
- 5.4 Whilst the overall value cannot be predicted, in 2019/20 the availability of match funding and "Shovel Ready" schemes enabled Highland Council to secure £300k of late award grant funding and deliver £400k of additional work at Glenelg.
- 5.5 At this time it is anticipated that the full £0.5m of match funding will be spent on the STTS schemes in para 5.2. The service is monitoring expenditure and if a subsequent round of STTS bidding is announced, will look to submit bids redirecting any unspent structural capital allocation as match funding.

## **6. Future Schemes**

- 6.1 In conjunction with the Highland Timber Transport Group, forest owners and the timber mills, the HTTG Project Officer identifies schemes for future years. A list of potential schemes has been produced, which is continuously updated as industry modifies timber extraction figures.
- 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 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: Executive Chief Officer Infrastructure and Environment

Date: 13 August 2020

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## Appendix 1

### Highland Timber Transport Group: List of submitted Highland Council and Third party STTS Projects at August 2020

Project	Area	Scheme Cost £k	Match Funding £k		% STTS grant	STTS funding sought	Project Status STTS Funding granted	Comments
			HC Roads Capital	Forestry Partners				
HTTG Project Officer	Highland	£50k	£5k	£20k	50%	£25k	Granted £25k	Provision of project development support
B9090 Clephanton - Public Road Improvements	Inverness & Nairn	£500k	£150k		70%	£350k	Granted £350k	Edge strengthening, passing places and drainage improvement to public road Works August – October 2020
A839 Braemore to Benmore - Public Road Improvements	Sutherland	£500k	£150k		70%	£350k	Granted £350k	Edge strengthening, passing places and drainage improvement to public road. Works August - November 2020
C1121 Glenmazon Corrievorrie Bridge replacement	Inverness	£110k	£18K	£15k	70%	£77k	Granted £77k	Bridge improvements to avoid introduction of weight restrictions. Works August – September 2020
B8004 Banavie to Gairloch – Public Road Improvements	Lochaber	£400k	£120k		70%	£280k	Granted £280k	Edge strengthening, passing places and drainage improvement to public road. Works August - November 2020

Project	Area	Scheme Cost £k	Match Funding £k		% STTS grant	STTS funding sought	Project Status STTS Funding granted	Comments
			HC Roads Capital	Forestry Partners				
A897 (south) and B871 Road Analysis Phase 2	Sutherland	£10k	£2k		80%	£8k	Granted £8k	Phase 2 assessment of effectiveness of previous STTS schemes and development of investment options to advise future STTS bids and funding for Flow Country.
Emergency Bridge Stock	Pan Highland	£50k	£25k		50%	£25k	TBC	Provision of emergency bridge stock replaces unit deployed Dec 2019 at Elrig.
Bridge Assessment PREP project	Pan Highland	£10k	£2k		80%	£8k	TBC	Identification of bridge strengthening or replacement schemes for future bids.
<b>Total HC bids to STTS fund</b>		£1,630k	£472k	£35k		£1,113k	<b>£1,080k</b>	
THIRD PARTY STTS BIDS 2020								
<i>Drimnin sea extraction project</i>	<i>Lochaber</i>	<i>£1,343k</i>	<i>£269k</i>		<i>80%</i>	<i>£1,074k</i>	<i>Granted £1,074k</i>	<i>Third-party off-road scheme</i>
<i>Gorternorn sea extraction project</i>	<i>Lochaber</i>	<i>£206k</i>	<i>£103k</i>		<i>50%</i>	<i>£103K</i>	<i>Granted £103k</i>	<i>Third-party off-road scheme</i>
<i>Total bid third party projects</i>		<i>£1,549k</i>	<i>£372k</i>			<i>£1,173k</i>	<i>£1,173k</i>	