

**Draft of the Woodfuel Supply Chain Project Application
for RDPE Axis 1 Environmental Technologies
Joint meeting of Woodland & Forest Industries & Wood Energy Task Groups**

**Wednesday 19th March 2008
4pm – 6pm, Forestry Commission Worcester**

In Attendance: John Davis, Clare Fildes, Andy Grundy, Bill Heslegrave, Ian Hickman, Lionel Hill, Mike Kelly, Amanda Pearce, Bernard Perkins, Phil Ridley, Sara Roberts, Graham Taylor, Duncan Webster, Stephanie Wickison, Martyn Wilson

1. Introduction

- FC has been involved in development of the Regional Implementation Plan (RIP) with partners, seeking to embed forestry within the RIP to provide hooks for funding for the sector. The RIP sets out the basis of all RDPE funding in the region under the three axes and LEADER
- Axis 2 covers EWGS, Environmental Stewardship and is administered by Natural England and FC
- Funding for Axes 1, 3 and LEADER are all controlled by AWM
- Axis 1 has various clusters within it, which have individual delivery plans. The application for this project comes under Environmental Technologies. The hooks for forestry vary according to each cluster.
- Martin Glynn (consultant) employed by FC to pull this application together, in liaison with partners.
- Preceding this application was a concept plan for the Woodfuel Supply Chain, which followed the Forestry Sector scoping plan. This seemed to be well received by AWM.
- Project set out as a strategic one that would facilitate other applications to follow (this is subject to change according to guidance from and discussion with AWM).
- AWM have limited project applications to three measures, hence the need to split this project application into two linked applications to take advantage of further measures.

2. Pathfinder Update

Wyre Woodfuel Pathfinder project successful in securing £25,000 from FC Woodfuel Challenge Fund plus £9750 from NE, and links to wider Heritage Lottery funded project 'Grow with Wyre'. Training for advisors has been organised locally to allow reports on undermanaged woodlands to be produced and also look at potential for installations. This started with training in Wyre last Thursday and Friday organised by Stephanie Roux from Forest Research, with the emphasis on landowner engagement. Further training to be organised for later in the year and a woodfuel promotional event tied to 'Visit Bewdley' in the summer.

3. Regional Delivery

- Business Link WM plays a major role in delivery in terms of productivity and efficiency. They will provide a business review to applicants. Though this is generic and in practice needs further definition and a memorandum of understanding. However they can help bring businesses forward to application stage.

- Bioenergy WM has recently run a knowledge transfer event. They have also passed an outline bid to AWM and have worked with our bid to ensure each bid compliments the other.
- Rural Regeneration Zone (RRZ), Shropshire County Council and Marches Energy Agency (MEA) have produced a capital grant scheme for all types of renewable energy. Originally proposed to be biomass only, but is now broader and includes supply chain equipment (e.g. chippers), potentially duplicating some of the HW 2 proposal.

4. Sub-Regional Delivery

Delivery by sub-regional projects and partners comes from bottom up activity. Rural hubs – one each county as a membership body of land-based businesses – must be used as contact for engagement

- SHAONB's project - links to farm diversification/product mix.
- Staffordshire Renewables – manufacture and renewable energy installations
- Wyre – as item 2
- Warwickshire Biomass Support Group - feasibility study on installations, addressing barriers to activity such as planning.

All will have to submit individual bids to RDPE for delivery and funding sources.

This project bid will help ensure best practice and connect the sub-regional bids. AWM are now handholding application process to encourage quality applications. This is a concern for small applications, particularly the potential for being discarded by AWM.

RDPE partners group have not met properly so far other than at recent launch, neither has the wider stakeholders group.

The total scale of the bid started at c £1.5 million over six years, but has come down from that due to AWM interventions/ guidance. AWM are currently saying that all projects must end after three years and those judged as having potential to continue will have to reapply for funding.

It is envisaged that 'Leading' sub-regional groups are to apply directly to RDPE, whilst others are 'brought on' with HW hub support until they reach application stage. Many expressed serious doubts about the deliverability of this, and the chances of success for the groups forwarding their own applications.

Employment of people sub-regionally for delivery of project work that is centrally co-ordinated is not currently supported by AWM. It may be possible to grow the front end of the project for contracted delivery on the ground. Projects could employ hubs to deliver/overcome rules on intermediary organisation employment.

The consensus was that landowner engagement and supply chain development within the region is dependent on a strategic project that can provide the resources on the ground where and when they are needed.

The multiple small project approach that AWM have directed the sector to is basically unworkable and will not be sufficiently resourced to deliver the aspirations for RDPE.

Concern was expressed by some over management fee issue and potential to limit bids to large proposals and that this makes the multiple project option unmanageable.

BH circulated paper extract of project plan showing outcomes and scope of projects for engagement and supply chain delivery and the beneficiaries of each. This

methodology and the activities supported were welcomed, but the ability to deliver across the region without greater resources was questioned.

As the bid as currently drafted seems very low and the lowest for all regions, it was suggested by IH and others that on-ground delivery costings should build into the funding total for the bid to secure funds based on demand. In summary, it was proposed that a larger bid be drafted that includes sufficient resource to build capacity across the region.

The suggestion was made that a representative small group of 'stakeholder volunteers' could link with the FC in meeting AWM to discuss some of the key issues and concerns following the submission of the draft bid. There was general consensus of approval for this approach.

ACTION POINT 4.1 -

This approach to be taken forward in due course led by FC.

It was also suggested by GT that a national forum for RDPE is set up to allow the approach in different regions to be compared/ contrasted.

ACTION POINT 4.2 – A project Steering Group or forum of all projects will need to be put in place to ensure co-ordination for successful delivery. Bioenergy WM is best placed to facilitate that. The draft will be the starting point for negotiations with AWM.

5. Training

GT and Judy Walker have been working with Small Woods Association on Woodfuel Apprenticeships. – premise to increase the number of new people entering forestry. Training aspects may need to be submitted separately to this bid, rather than being part of the Woodfuel Supply Chain project, or as a separate fund within this under a different measure.

6. Any other Business

Match funding could be time rather than real private sector cash, but only under certain measures.

Worcestershire County Council has planning guidance for renewable energy out to consultation – which will assist districts in implementing their policies.