

Energy Crops Scheme

Establishment grants



England Rural Development Programme (ERDP)

The European Union (EU) Rural Development Regulation (Council Regulation (EC) No. 1257/1999) provides EU Member States with the opportunity to protect and improve the countryside and to encourage sustainable enterprise and thriving rural communities.

The England Rural Development Programme (ERDP) sets out how we are using the Rural Development Regulation in England. It provides a framework for the operation of ten schemes which aim to protect the environment and support the rural economy and communities:

- Countryside Stewardship
- Energy Crops
- Environmentally Sensitive Areas
- Farm Woodland Premium
- Hill Farm Allowance
- Organic Farming
- Processing and Marketing Grant
- Rural Enterprise
- Vocational Training
- Woodland Grant

Projects are supported under these schemes through a combination of national and EU funds.

Further information about the ERDP and its component schemes is available from your local Defra Rural Development Service (RDS) Office or on the Defra website (www.defra.gov.uk).

Parallel arrangements have been made in Wales, Scotland and Northern Ireland under their respective Rural Development Plans.

The basics

What is this about?

A scheme providing establishment grants for approved energy crops

Approved crops

- Short rotation coppice (willow or poplar)
- Miscanthus (a tall, woody grass)

Funding

The following one-off establishment payments are available:

- | | |
|---|----------------------------------|
| ● Short rotation coppice on ex-livestock land | £1600 per hectare (under review) |
| ● Short rotation coppice on all other land | £1000 per hectare |
| ● Miscanthus | £920 per hectare |

(If you grow energy crops on non set-aside land, you may be eligible for an annual payment of up to €45 per hectare from the EU)

The main rules

- England only
- Crops must be used for heat, combined heat and power (CHP) or power generation. Own use is permitted
- Crops must be located within a reasonable distance of the end-use(s) (see Annex B)
- The land and the applicant must be eligible for support (see Section 2)
- Must establish at least 3 hectares
- Applications are subject to environmental checks
- 5 year agreement with Defra

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1: Introduction

This guide provides information about the establishment grants for approved energy crops available under the Energy Crops Scheme. It will also help you prepare and submit an application for grant.

You should note that the information contained in this booklet is not exhaustive and should only be taken as a guide. This booklet will be updated during the lifetime of the Scheme to take account of any necessary developments, applicant feedback, etc. You should therefore check with Defra to ensure that you have the most up to date version.

Applicants are strongly advised not to commit themselves to any expenditure on which grant may be sought until their application has been approved by Defra and an Offer Letter has been issued, signed by them and returned to Defra.

Please read this booklet very carefully before submitting an application.

What is the Energy Crops Scheme (ECS)?

Part of the ERDP, the ECS offers grants for the establishment of approved energy crops and for setting up producer groups. This guide deals with the establishment grants. The Scheme was developed in partnership with the Forestry Commission.

What are its objectives?

To increase the amount of energy crops grown in England. Energy crops are carbon-neutral and therefore, as a substitute for fossil fuels, can help reduce greenhouse gas emissions and increase renewable energy generation. The Government also believes that energy crops can play an essential role in contributing to sustainable development, rural jobs and agricultural diversification.

What is its legal basis?

The establishment grant element of the ECS operates under Articles 4, 30 & 31 of Council Regulation (EC) No. 1257/1999 and the Energy Crops Regulations 2000.

What are establishment grants?

Establishment grants are one-off payments, designed to cover 40-50% of the costs of establishing approved energy crops. This includes activities such as ground preparation, fencing, purchase of planting stock, planting, weed control and first year cutback. The amount of grant depends on the area of land under agreement, the crop grown and the previous landuse.

Where can I get further information?

The Organic and Energy Crops National Implementation Team based at the RDS office in Crewe administers applications for establishment grants. If, after reading this booklet, you need further information about the Scheme please contact them (see Annex A).

Advice concerning energy crops may also be available from trade associations (see Annex A) and independent consultants. You should consider carefully the financial implications for your business of diversifying into energy crops.

2: Eligibility

Do you have an energy end-use?

You must be able to demonstrate that you have or will have an energy end-use for the crops (see Annex B).

Which crops are eligible?

- Short rotation coppice (SRC). This can be willow or poplar.
- Miscanthus.

Are you eligible?

To be eligible, you must be the lawful occupier of the land included in the application (owner or tenant) and have responsibility for farming that land. This can include local authorities but not central government or government corporations/agencies. All joint occupiers of the land, e.g. a partnership, must sign and be bound by any agreement under the Scheme.

Are you a tenant?

If you are a tenant, you must make sure that you will not contravene the terms of your tenancy. You must discuss your plans with your landlord and obtain his/her permission before applying using the landlord's consent form ERDP/ECS(EG)2, which should be included in your application pack.

It is not a Scheme requirement that your current tenancy has a specific number of years to run. However, you need to be confident that you can meet the Scheme requirements for the five-year period of your agreement. If you are unable to retain occupancy of land entered into the Scheme, the new occupiers may take over the agreement. However, if the agreement is not transferred and the land does not remain in the Scheme, you will be in breach of your agreement (see Section 6).

Tenants on land owned by central government or government corporations/agencies will not be eligible for support.

Is your land eligible?

Generally, any land in England is eligible for entry to the Scheme, with the following **exceptions**:

- land already planted with woodland or coppice,
- land with a 50% or greater stake owned by central government or a government corporation/agency,
- common land.

Do you have environmentally sensitive land?

If your land includes a designated area, e.g. a Site of Special Scientific Interest (SSSI) or a Scheduled Ancient Monument (SAM), you may need consent from the relevant public body. It is your responsibility to get consent and there may be penalties for proceeding without it. Similarly, consult the Environment Agency if your land is adjacent to a river or on a floodplain. Liasing with such bodies before you apply can help speed the application process. (Also see 'Is all of the land planted?' on page 8).

Is your land included in another scheme?

If land is already, or soon will be, under agreement with another scheme you may not be able to enter it in the ECS. See Section 3 for details.

Are you in an Objective 1 area?

The EU Objective 1 areas are Cornwall (including the Isles of Scilly), Merseyside and South Yorkshire, and have different funding arrangements for energy crops. If you plan to grow SRC on agricultural land, you can apply to the ECS as normal. However, if you plan to grow SRC on non-agricultural land or miscanthus, then funding may not be available. See Annex C for more details.

What is the minimum amount of land needed?

Your application must comprise a minimum of 3 hectares per crop type per planting year. Individual plots may be less than 3 hectares if the total per crop per planting year amounts to 3 hectares or more. There is no upper limit on the amount of eligible land that can be entered in the Scheme but for miscanthus see 'Investment ceilings' (page 8).

Can you plant land in different stages?

Yes. There are two options:

1. Make separate applications for each parcel of land as and when you decide to proceed with planting. You will have to fulfil the eligibility conditions applicable at the time of application and there is no guarantee that funds will be available.
2. Include all your eligible land in one application and phase planting under an agreed plan. Your agreement will be extended to cover planting in the later years and you must ensure that the land will be available.

Is all of the land planted?

Some open ground within an area planted with energy crops will be required for management, environmental and statutory reasons. Examples include:

- roadsides
- headlands
- landscaped areas
- archaeological sites
- public rights of way
- watersides
- areas of semi-natural habitat
- hedge buffer strips

Consequently, you can receive grant on such open ground, comprising up to 20% (10% for miscanthus) of the whole area under agreement (including any phased planting under that agreement). We will agree how much open ground is needed and where it should be located when assessing your application.

You may not be able to plant under power lines or above underground services. You should discuss your plans with the relevant utility company. Any resulting unplanted areas will not qualify for grant.

You can not plant energy crops in the following areas:

- hard roads and tracks,
- rivers and ponds,
- areas of hard standing.

Therefore, the above areas do not qualify for grant.

ADDITIONAL REQUIREMENTS FOR MISCANTHUS

Miscanthus is supported under Article 4 of the Rural Development Regulation, which means that it is subject to additional eligibility requirements.

Agricultural holding

Your land must be registered as part of an agricultural holding before you can claim grant for establishing miscanthus. An agricultural holding is defined as all the production units managed by a producer situated within a Member State's territory, i.e. the same definition used for the Integrated Administration and Control System (IACS).

Investment ceilings

The ERDP limits the total amount of investment that can be grant aided on an agricultural holding to £500,000. This affects support for miscanthus and parts of the Rural Enterprise Scheme. This could therefore limit the total area of miscanthus on a given holding.

Economic viability

You will need to submit evidence of the economic viability of your holding. Contact the RDS office at Crewe for details of the evidence required.

Occupational skill and competence

You will need to provide evidence of adequate occupational skill and competence. If you have applied for IACS for at least 5 years then that will be enough, please indicate on the application form that this is the case and we will check your records. If this is not the case, a testimonial letter or details of appropriate agricultural qualifications may suffice (see Annex D).

3: Funding

What are the payments?

- **£1600 per hectare for SRC on ex-livestock land**

The land must have been either permanent grass (as defined under IACS rules) or other grassland which is counted towards forage area but is not eligible for the Arable Area Payments Scheme. This excludes flax and hemp eligible land. This means grassland that was solely used for the rearing of livestock for which claims are made under either the Beef Special Premium Scheme, Hill Farm Allowance, Suckler Cow Premium Scheme, Sheep Annual Premium Scheme or successor schemes. Contact the RDS office at Crewe if you are unsure of the status of your land.

- **£1000 per hectare for SRC on other land**

- **£920 per hectare for miscanthus**

Why are the payments different?

The standard rate for SRC (£1000) was based on 50% of the approximate establishment costs. The enhanced rate for SRC (£1600) was based on the same establishment costs plus income lost from the previous use of the land for livestock, i.e. income from livestock support schemes. The miscanthus payment was based on only 40% of the approximate establishment costs because this is the maximum support available under Article 4 of the Rural Development Regulation.

Are the payments likely to change?

In England, following reform of the Common Agricultural Policy (CAP), arable and livestock support schemes will be incorporated into a Single Payment Scheme in 2005. This will make the enhanced rate for short rotation coppice redundant. Therefore, we will be reviewing the payment rates for planting in 2005 and beyond.

What about set-aside payments?

Land may be planted under the ECS and continue to receive set-aside payments under the Arable Area Payments Scheme (AAPS), providing the conditions of both schemes can be met. CAP reform will lead to the replacement of AAPS by the Single Payment Scheme from 01 January 2005 but you will still be able to grow energy crops on set-aside and receive payments. Further details will be published in 2004.

EU's energy crops payment

Following CAP reform, growing energy crops on **non set-aside land** may attract a new energy crops payment in addition to payments under the Single Payment Scheme. The annual payment could be worth up to €45 per hectare depending on uptake.

Other schemes

Providing the appropriate conditions are fulfilled, you may be able to combine the ECS with other grant schemes. This would not be the case where you would receive payment twice for the same activity or if the objectives of the schemes conflict. It is your responsibility to check this before applying, but if in doubt contact the RDS office at Crewe. The following specific information is available:

Bio-energy Infrastructure Scheme

The Bio-energy Infrastructure Scheme is designed to help develop the supply chain required to harvest, store, process and supply biomass to energy end-users. This could include the setting up of miscanthus or other biomass producer groups and grants for biomass related equipment for new or diversifying businesses. It does not include the setting up of SRC producer groups in England, which is funded under the ECS (see below).

Countryside Access Scheme

The Countryside Access Scheme is closed to further applications. If you have an existing Countryside Access Scheme agreement, you cannot plant set-aside land under the ECS.

Countryside Stewardship and Arable Stewardship

You cannot combine ECS with Countryside Stewardship or Arable Stewardship management options.

Environmentally Sensitive Areas

The ECS can be combined with an Environmentally Sensitive Area agreement provided the land is eligible for both schemes and the planting is compatible with Environmentally Sensitive Area land management requirements and prescriptions. For further information, please consult your project officer.

Habitat Scheme

The Habitat Scheme is closed to further applications. It is unlikely that an existing Habitat Scheme agreement can be combined with the ECS. Please consult with your project officer, who will be able to determine your eligibility for ECS and its compatibility with Habitat Scheme objectives.

Moorland Scheme

The Moorland Scheme is closed to further applications. If you have an existing Moorland agreement, you cannot combine it with ECS.

National Forest

You cannot include the same land under the ECS and a National Forest Tender Scheme.

Organic Farming Scheme

You cannot combine the Organic Farming Scheme with the ECS. Energy crops are not recognised as organic products under EC organic standards.

Producer Groups (ECS)

The ECS also provides grant for setting up SRC producer groups (not miscanthus). Grant of up to 50% of eligible expenditure, including legal fees, office accommodation and specialist machinery, is available. For further information, contact Agri-industrial Materials Branch (see Annex A).

Woodland Schemes

You cannot include the same land under the ECS and the Woodland Grant Scheme or Farm Woodland Premium Scheme.

4: Applications

Do not apply until you have read all the information in this guide and the application pack (available from the RDS office at Crewe).

When can I apply?

You can apply at any time during the year but **applications must be received by 31 December for planting the following spring**. You are advised to apply well before that deadline because:

- early application will ensure time for thorough ground preparation, which may improve yields;
- if demand is high, funds may not be available towards the end of the year.

Which forms do I need?

If this is the first time you have applied for an ERDP scheme you will need to complete the ERDP application form (ERDP/GEN 1) giving general information about you and your business.

If you have previously sent in form ERDP/GEN 1 to **any** RDS office and your details have not changed, you do not need to submit a further copy. But if your details have since changed you should complete the Notification of Change form (ERDP/GEN 1A).

You must fill in the ECS Establishment Grants Supplementary form (ERDP/ECS(EG)1).

How do I fill them in?

The forms should be self-explanatory. But if you have any problems completing them, please contact the RDS office at Crewe.

You must ensure that you include accurate details of the areas to be planted. Only eligible land should be included in your application. **Penalties may apply should it be determined that the area claimed is greater than that eligible for aid under the Scheme.**

Who signs?

Generally, all parties to the agreement should sign and date all documents relating to an application. However, it may be possible for an authorised signatory to sign on your behalf. In the case of companies, any officer of a company who is generally authorised to sign on behalf of that company may sign. If you are a partnership, one of the partners can sign but he/she must obtain written authorisation from the other partner(s) that he/she is authorised to sign. All the members of the partnership should sign the authorisation. If in doubt, contact the RDS office at Crewe.

Do I need to provide anything else?

Your completed application forms must be accompanied by the following:

- evidence that the crop will be used to produce energy (see Annex B),
- supporting map (see below),
- a landlord's consent form, if appropriate (see page 6).

And when applying for a grant for miscanthus:

- evidence of economic viability (see page 9),
- evidence of occupational skill and competence (see page 9).

What map should I provide?

If available, a copy of your agreed Rural Land Register map will suffice. Otherwise, you must use an original or a good quality colour copy of an up to date 1:2500 scale Ordnance Survey map (or equivalent).

The map should clearly show:

- gridlines (at least 2 horizontal and 2 vertical),
- the scale,
- internal field boundaries and field numbers,
- your applicant name and holding number (if appropriate),
- the land to be planted under ECS (indicating any variation in crop type),
- planned areas of open ground,
- ineligible areas, e.g. under power lines, hard tracks, ponds,
- six figure grid reference of access point to planting area.

The completed map must be signed and dated by the appropriate person(s).

Where do I send my application?

Send your application to the RDS office at Crewe (see Annex A).

What happens next?

Once submitted the application will undergo initial checks to ensure that the form has been correctly completed and that all relevant documents are included. If the application passes the initial checks, you will receive an acknowledgement letter. If your application is incomplete, you will be sent a letter telling what you need to do.

A copy of the application is sent for technical checks. These include a site visit and consultation with interested parties to ensure that planting the crops will not have adverse effects (see 'Environmental checks' below). For miscanthus applications, there will also be an Economic Viability Assessment. Depending on the crop and land type, technical checks are carried out by suitably experienced officers from Defra and/or the Forestry Commission.

At the same time as the technical checks, the application will undergo detailed administrative checks. This will include a dual funding check to confirm that you are not receiving funding for the same purpose from more than one source.

Once all the checks have been completed, you will receive a letter telling you whether your application has been successful (an Offer Letter) or not. If you receive an Offer Letter, you have 2 weeks in which to sign and return it. The signed Offer Letter forms your legally binding agreement with Defra (see Section 5).

Environmental checks

When processing your application we will decide whether your proposal will have a significant impact on the environment. In some cases, this may require an Environmental Impact Assessment (see Annex E).

How long does the application process take?

You will normally be informed within **three months** whether or not your application has been approved, but this will depend on whether any objections are raised or further information required.

Can I withdraw my application?

You can withdraw your application at any time before you sign and return the Offer Letter. Please contact the RDS office at Crewe straight away if you decide to withdraw.

When do I claim the grant?

Grant can only be claimed once planting has occurred. **Claims should be made between 01 May and 31 July** using the claim form ERDP/ECS(EG)3 which is included with the Offer Letter. Defra aims to pay valid claims within one month of receipt. If you fail to submit your claim at the appropriate time, we may not be able to make the payment.

How is the grant paid?

Defra's preferred method of payment is by direct credit (BACS). If you already receive grant and subsidy payments from Defra by direct credit then your payments under this Scheme will be made by this method. If not, please contact the Customer Registration Section on 01189 9531255 and they will arrange for a form to be sent. Credit payments are more effective, faster and won't get delayed in the post. Payments are credited direct to your bank account. You will receive a note advising you that payment has been made.

5: The agreement

When will my agreement start?

Your agreement with Defra will start once you have signed and returned your Offer Letter. Any work that takes place before this may not be eligible for funding.

How long is the agreement?

Five years from the date on the Offer Letter.

What management requirements must I meet?

You will have to meet the minimum environmental standards set out in Annex F.

You must plant and manage your energy crops in accordance with the terms of your agreement and the relevant best practice guidance:

- Best Practice Guidelines for Miscanthus (PB 5424, Defra 2000)
- Best Practice Guidelines for Short Rotation Coppice (PB 7135, Defra 2002)

These should be included in your application pack, if not contact the RDS office at Crewe or download them at www.defra.gov.uk/erdp/schemes/energy.

Planting material

Using the right planting material is very important. There is advice in the best practice guidance. You should not use reclaimed (farm-saved) material for replanting SRC unless you have the consent of the breeder (EC Regulation No. 2100/94). For plant health reasons, miscanthus rhizomes should only come from European or Mediterranean countries.

What records should I keep?

You must retain all records relating to your application and agreement for six years from the date of the final payment of grant.

Can I change my agreement?

You are required to fulfil your obligations for the full term of your agreement, but there are some circumstances where it may be possible to change aspects of your agreement (see Section 6). **You must contact the RDS office at Crewe immediately if you wish to change your agreement or have difficulties complying with it.** If you do not do so, you may be subject to penalties (see Section 6).

Can I add land?

It is not possible to add land to an existing agreement. You must submit another application so that the suitability of the land can be assessed.

What if I let, sell or transfer the land?

If the agreement has expired, the land is not subject to Scheme conditions.

If the land is still under agreement, you should tell potential occupiers about the Scheme conditions well in advance. The new occupier may apply to have the agreement transferred to them and receive any subsequent payments. However, the **transferred land must be a minimum of three hectares** and they must apply within three months of assuming occupancy. If this is not the case, you will be in breach of your agreement (see Section 6).

Should you transfer only part of the land subject to an agreement, you must ensure that the **remaining land is a minimum of three hectares**. If this is not the case, you will be in breach of your agreement (see Section 6).

If there is to be a change of occupancy, you must tell the RDS office at Crewe as soon as possible and, at the latest, within 3 months of that change.

Note: You may be liable for some aspects of the original agreement even after land has transferred to a new occupier. If you intend to transfer land, you should seek guidance from the RDS office at Crewe who may suggest that you obtain legal advice.

Scheme compliance inspections

You must allow access at any reasonable time to authorised Defra staff or their agents to inspect your land. You may be required to accompany the inspector and to produce any relevant records. Inspections may be unannounced or at short notice.

If you refuse access for inspections, you may be in breach of your agreement (see Section 6).

6: Non-compliance

What if I can't meet my agreement?

You must contact the RDS office at Crewe immediately.

We recognise that there may be abnormal or unforeseeable circumstances outside your control, that you could not avoid by reasonable action, which may prevent compliance with an agreement. These are known as *force majeure* circumstances and may include:

- long-term professional incapacity of the agreement holder,
- expropriation of all or a large part of the holding,
- a severe natural disaster affecting the land in question.

In such circumstances, and once you are in a position to do so, you must notify the RDS office at Crewe within 10 working days. If it is agreed that *force majeure* applies, no penalties will be imposed.

What are the penalties for non-compliance?

The system of penalties is based on the requirements of EC Commission Regulation No. 445/2002 as implemented through The England Rural Development Programme (Enforcement) Regulations 2000 (as amended). **Power to withhold payments, recover part or all of payments already made, and to terminate the agreement are included.** In the event of recovery of payments, interest will be levied for the period between payment and reimbursement.

The penalties applied will be proportionate to the breach. Criteria used to assess the magnitude of the breach include:

- whether it can be rectified,
- the extent to which it undermines the benefits and objectives of the agreement,
- the nature of the damage.

In the event of **serious breaches** where the participant has derived, or will derive, economic benefit, an **additional 10% penalty** may be imposed. Breaches of certain Scheme requirements will constitute a criminal offence and may lead to prosecution.

Area discrepancies will attract the same penalties as under IACS.

Can I appeal?

Before applying any penalty, the Department will give you a written explanation of the proposed action. If you believe the decision is not soundly based you will be given an opportunity to appeal.

False statements

Where agreement holders are found to have made false declarations through serious negligence, they will be disqualified from applying for the ECS and possibly other schemes in the calendar year in question. Where it is found that a false declaration has been made intentionally, the disqualification period will extend to the following calendar year.

The making of a false statement constitutes a criminal offence and any resultant prosecution could lead to imprisonment, the imposition of a fine or both.

7: General

What information will be made public?

To fulfil our obligations under the Data Protection Act, the following two paragraphs give details of Defra's handling of any personal data that you provide in connection with your application and agreement.

In order to ensure effective operation of the ERDP schemes, Defra will disclose or exchange information about your application and agreement to or with other organisations or consultants which the Department considers appropriate for administration, evaluation and monitoring purposes. Moreover, Defra or its appointed agents may contact you in connection with occasional customer research aimed at improving the services that Defra provides to you.

Because the ERDP involves expenditure of public money, there is a genuine public interest in how the money is spent. Defra may therefore make information on your application and agreement generally available for this purpose or for the purpose of publicising the ERDP and its individual schemes. Furthermore, information (including personal data) may also be released on request under the Environmental Information Regulations, the Code of Practice on Access to Government Information and the Freedom of Information Act 2000.

Complaints about Defra's administration

If you are not happy with the way Defra has treated you or feel that our service has fallen short of the standards we aim to achieve, please contact the Regional Manager of the RDS office at Crewe. He/she will ensure that your complaint is investigated and that you receive a full response.

If you remain dissatisfied with the service you have received, you can write to Defra's Complaints Adjudicator. Details of how to do so are available on the Defra website or from the RDS office at Crewe.

Annex A: Contacts

Energy Crops Scheme

ECS Establishment Grants

Organic and Energy Crops National
Implementation Team
RDS North West
Electra Way
Crewe
CW1 6GJ
Tel: 01270 754000
Fax: 01270 754275
organic-energy@defra.gsi.gov.uk

See also www.defra.gov.uk/erdp

Producer groups & ECS policy

Agri-industrial Materials Branch
5A Ergon House
Horseferry Road
London
SW1P 2AL
Tel: 020 7238 5317
Fax: 020 7238 6166
industrialcrops@defra.gsi.gov.uk

Community Renewables Initiative Local Support Teams

Berkshire, Buckinghamshire and Oxfordshire

TV Energy Ltd
Tel: 01635 817420
info@tvenergy.org

Cumbria & Lancashire

CLAREN
Tel: 0845 601 8874
e.bruce@snw.org.uk

East Midlands

Leicester Energy Agency
Tel: 0116 299 5124
office@em-cri.com

Northumberland and Durham

REALL
Tel: 01670 505451
mervynanthony@ccn.org.uk

Surrey, Kent & London Borough of Croydon

Surrey County Council
Tel: 020 8541 9436
reach@surreycc.gov.uk

Cambridgeshire, Norfolk & Suffolk

CRI East
Tel: 01908 665555
gareth@greenenergy.org.uk

Devon & Cornwall

Devon Association for Renewable Energy
Tel: 01837 89200
mail@devondare.org

Gloucestershire, South Gloucestershire and Wiltshire

Severn Wye Energy Agency
Tel: 01594 545366
cri@swea.co.uk

Shropshire (including Telford & Wrekin) & Herefordshire

Marches Energy Agency
Tel: 01743 246007
info@mea.org.uk

Yorkshire & The Humber

Yorkshire Renewable Energy Network
Tel: 01422 846648
info@yren.org.uk

See also www.countryside.gov.uk/communityrenewables

England Rural Development Programme

Energy Crops Scheme – Establishment grants

Forestry Commission

National Office for England
Great Eastern House
Tenison Road
Cambridge
CB1 2DU
Tel: 01223 314546
Fax: 01223 460699
fc.nat.off.eng@forestry.gsi.gov.uk
www.forestry.gov.uk

Objective 1 areas

South Yorkshire

Objective 1 Programme Directorate
Silkstone House
Pioneer Close
Manvers Way
Wath upon Dearne
Rotherham
S63 7JZ
Tel: 01709 763600

Merseyside

Objective 1
Cunard Building
Pier head
Water Street
Liverpool
L3 1QB
Tel: 0151 224 6300

Cornwall and the Isles of Scilly

Objective 1
Government Office
Mast House
Shepherds Wharf
24 Sutton Road
Plymouth
PL4 0HJ
Tel: 01752 635000

Industry bodies

British BioGen

16 Belgrave Square
London
SW1X 8PQ
Tel: 020 7235 8474
info@britishbiogen.co.uk
www.britishbiogen.co.uk

Country Land & Business Association

Rural Economy Team
16 Belgrave Square
London
SW1X 8PQ
Tel: 020 7235 0511
Fax: 020 7235 4696
mail@cla.org.uk

National Farmers Union

Non-food Uses and Seeds Adviser
Agriculture House
164 Shaftesbury Avenue
London
WC2H 8HL
Tel: 020 7331 7275
Fax: 020 7331 7410
nfu@nfu.org.uk

Forestry and Timber Association

5 Dublin Street Lane South
Edinburgh
EH1 3PX
Tel: 0131 538 7111
Fax: 0131 538 7222
info@forestryandtimber.org

Annex B: Energy end-use

You must be able to demonstrate that you have or will have an energy end-use for the crops. This could be a biomass power station or a community energy scheme using heat or combined heat and power (CHP) technology. You can also grow energy crops for your own use, e.g. to heat your home or business.

The end-use(s) must be within a reasonable distance of the crops. Guidelines state that the crops should be within **10 miles of small installations** (net rated thermal input of 4 megawatts or less) and **25 miles of large installations** (net rated thermal input of more than 4 megawatts). However, we are willing to consider representations (from developers) on environmental and economic grounds for greater distances.

For more information on end-use options in your area, contact your Community Renewables Initiative Local Support Team or British BioGen the bio-energy trade association (see Annex A). The RDS office at Crewe can advise on approved end-users.

Evidence of end-use

Suitable evidence of an energy end-use includes:

- a contract with the end-user(s) showing how much fuel they expect to receive from you and for how long;
- a letter of intent from the end-user(s) (see below);
- an agreement to supply a Defra approved supply group/company ('middle man');
- proof that you have access to your own equipment (e.g. receipts, photographs, independent references);
- planning permission to install suitable equipment for own use.

Letter of intent

One form of evidence that you have an energy end-use is a letter of intent from an end-user. The letter should be on the end-user's headed notepaper and should be signed by an authorised signatory (the end-user may be asked to supply a signatory panel for verification). If you have multiple end users, there should be a letter from each one.

The letter should include:

- the volume and frequency of fuel deliveries they expect from you,
- an estimate of the distance the fuel will have to travel, and
- the dates on which supply is expected to start and end.

Annex C: Objective 1 areas

The EU Objective 1 areas are Cornwall (including the Isles of Scilly), Merseyside and South Yorkshire, and have different funding arrangements for energy crops. If you plan to grow SRC on agricultural land, you can apply to the ECS as normal. However, if you plan to grow SRC on non-agricultural land or miscanthus, then funding may not be available. See the table below for more details.

| | Merseyside | Cornwall | South Yorkshire (Rotherham, Barnsley, Doncaster, Sheffield) |
|--|---|--|--|
| SRC on agricultural land^{1,2} | Funding available apply to ECS as normal | Funding available apply to ECS as normal | Funding available apply to ECS as normal |
| SRC on non-agricultural land | No funding | Funding available apply to Government Office, Plymouth | Funding available apply to Government Office, Leeds |
| Miscanthus on agricultural land¹ | No funding | Funding available apply to Government Office, Plymouth | No funding |
| Miscanthus on non-agricultural land | No funding | Funding available apply to Government Office, Plymouth | No funding |

1. Agricultural land includes land used for horticulture, fruit growing, arable cropping, seed growing, dairy farming, livestock breeding and keeping, the use of the land as grazing land, meadow land, osier land, market gardens and nursery grounds.

2. For SRC on agricultural land, only land on which farming takes place on a regular basis is eligible.

Please contact the relevant Objective 1 area office for more information (see Annex A).

Annex D: Evidence of occupational skill and competence

If you plan to grow miscanthus, you will need to provide evidence of adequate occupational skill and competence. If you have applied for IACS for at least 5 years then that will be enough evidence, please indicate on the application form that this is the case and we will check your records. If this is not the case, the following may suffice:

Testimonial letter

This will need to take the form of a declaration from a solicitor, accountant, land agent or someone similarly qualified, confirming that they are content with your levels of occupational skill and competence

First Degrees (or higher)

Agriculture, Horticulture, Agriculture Business Management or equivalent qualifications

Higher National and Ordinary National Diplomas

Agriculture, Horticulture, Dairying, Poultry or equivalent qualifications

Scottish or National Vocational Qualifications (S/NVQ) level 4

Agriculture related subjects

Advanced National Certificates

Agriculture related subjects

National Certificates

Agriculture, Horticulture, Fruit with Agriculture, Dairying, Poultry Practice or equivalent qualifications

The following qualifications are also acceptable when submitted along with some evidence of farm enterprise management such as 2 or more years of IACS forms or a testimonial letter:

LANTRA Awards short courses:

Producing Energy Crops from Biomass

Growing Energy Crops – Short Rotation Coppicing

Growing Energy Crops – Miscanthus

National Proficiency Test Council (NPTC)

Two test certificates in individual practical competence in Agriculture/Horticulture. 150 hours minimum tuition time required

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Scottish or National Vocational Qualifications (S/NVQ) level 2-3

Agriculture related subjects

City and Guilds of London Institute

Agriculture, Horticulture, Dairying and Animal Management. 150 hours minimum tuition time required.
Parts 2, 3 & 4 are acceptable but not Part 1

Annex E: Environmental Impact Assessment

Short rotation coppice

Applications for the planting of SRC are subject to the Environmental Impact Assessment (Forestry) (England and Wales) Regulations 1999. These Regulations require anyone carrying out a project involving afforestation above certain thresholds (see below) to obtain consent from the Forestry Commission before work can proceed. Further information can be obtained from the Forestry Commission (see Annex A).

| Land type | Threshold |
|--|--------------|
| <ul style="list-style-type: none">● National Nature Reserve● Site of Special Scientific Interest● The Broads● World Heritage Site● Scheduled Ancient Monuments● Special Areas of Conservation (designated or identified as a candidate)● The New Forest Heritage Area● A site classified or proposed as a Special Protection Area | No threshold |
| <ul style="list-style-type: none">● National Park● Area of Outstanding Natural Beauty● National Scenic Area | 2 hectares |
| <ul style="list-style-type: none">● Other land | 5 hectares |

Miscanthus

Applications for the planting of miscanthus may be subject to the Environmental Impact Assessment (Uncultivated Land and Semi-natural Areas) (England) Regulations 2001. These Regulations require any project to bring uncultivated and semi-natural use into intensive agricultural use to be assessed by Defra for the likelihood of significant environmental effects. Further information can be obtained from the EIA Unit, Rural Development Service, Coley Park, Reading, RG1 6DT or www.defra.gov.uk/eia

Annex F: Minimum environmental standards

You must comply with the appropriate requirements of the following legislation:

- Forestry Act 1967
- Ancient Monuments and Archaeological Areas Act 1979
- Wildlife and Countryside Act 1981
- Part III of the Food and Environment Protection Act 1985
- Control of Pesticides Regulations 1986
- Heather and Grass etc. (Burning) Regulations 1986
- Water Resources Act 1991
- Control of Pollution (Silage, Slurry and Agricultural Fuel Oil) Regulations 1991 (as amended 1997)
- Clean Air Act 1993
- Crops Residues (Burning) Regulations 1993
- Conservation (Natural Habitats etc.) Regulations 1994
- Ancient Monuments (Class Consents) Order 1994
- Plant Protection Products Regulations 1995
- Hedgerow Regulations 1997
- Groundwater Regulations 1998
- Action Programme for Nitrate Vulnerable Zones (England and Wales) Regulations 1998
- Countryside and Rights of Way Act 2000.

Visit www.hmso.gov.uk/legislation/about_legislation.htm to see how to obtain copies of this legislation.

You are encouraged to follow Defra's:

- Code of Good Agricultural Practice for the Protection of Soil (PB0617)
- Code of Good Agricultural Practice for the Protection of Water (PB0587)
- Code of Good Agricultural Practice for the Protection of Air (PB0618)

The Codes are available free from Defra Publications, Admail 6000, London, SW1A 2XX.

Tel: 08459 556000 (calls charged at local rate).

Agreement

A binding agreement with Defra to comply with Scheme requirements and rules for five years.

Application

An application for grant made in accordance with the Scheme rules.

Biomass

Fuel used in a generating station of which at least 98% of the energy content is derived from plant or animal matter or substances derived directly or indirectly therefrom. Includes agricultural, forestry or wood wastes or residues, sewage and energy crops (provided that such plant or animal matter is not derived directly or indirectly from fossil fuel).

Breach (of agreement)

Not abiding by the conditions of an agreement or the Scheme rules, or making a false or misleading declaration.

Common land

The term "common land" derives from the fact that certain people held rights of common over the land. The different types of rights of common signified different entitlements to the product of the soil of the common. Common land is defined in Section 22 of the Commons Registration Act 1965 as (a) land subject to rights of common (as defined in this Act) whether those rights are exercisable at all times or only during limited periods; (b) waste land of a manor not subject to rights of common. It does not include a town or village green or any land which forms part of a highway but otherwise, "land" does include land covered with water.

Defra

Department for Environment, Food and Rural Affairs.

ECS

Energy Crops Scheme.

Environmental Impact Assessment (EIA)

The formal procedure whereby a designated 'competent authority' determines the likelihood of significant environmental impact of a proposal. There may be a requirement for the proposer to provide supporting information, contained in an Environmental Statement, before the competent authority comes to a final decision.

ERDP

England Rural Development Programme. Sets out how we are using the Rural Development Regulation in England. It provides a framework for the operation of ten schemes which aim to protect the environment and support the rural economy and communities.

EU

European Union.

Holding

All the production units managed by a producer situated within the same Member State's territory.

IACS

Integrated Administration and Control System. A system of control to combat fraud in arable and livestock schemes.

Miscanthus

Woody, perennial, rhizomatous grasses, originating from Asia. Once established the crop can be harvested annually for at least 15 years.

Owner

The overall owner of the land as freeholder who may be the landlord or the person who gives you permission to use the land or buildings.

Rural Development Regulation

Council Regulation (EC) No. 1257/1999.

RDS

Defra's Rural Development Service.

SRC

Short rotation coppice: densely planted, high-yielding varieties of either willow or poplar, harvested on a 2–5 year cycle for up to 30 years.

Tenant

A person whose right of occupation derives from:

- a) An agreement which has effect under Section 2 of the Agricultural Holdings Act 1986 as an agreement for the letting of land on a tenancy from year to year;
- b) A tenancy agreement falling within Section 1 of the Agricultural Tenancies Act 1995; or
- c) A contract for a tenancy for a fixed term of years.

England Rural Development Programme

Energy Crops Scheme – Establishment grants

What to do next

- Carefully read the information in this guide and the application pack (available from the RDS office at Crewe) to decide if energy crops are right for you.
- Check if there is an energy end-user in your area or consider own use. Ensure that you can provide evidence of your end-use (Annex B).
- Check that you and your land are eligible and that you can meet the Scheme conditions (Sections 2 & 5).
- Check that your application will not conflict with any other grant scheme in which you are or will be participating (page 11).
- Consult others who may have an interest in your land and request necessary consents.
- Consider whether you have or can learn the necessary skills to grow energy crops? Decide whether to go it alone, use contractors or join a producer group.
- Check planting material supplies.
- Fill in the application form(s) and attach:
 - detailed map
 - evidence of an end-use
 - appropriate consents
 - any specific information required (page 14).
- Send to the RDS office at Crewe (no later than 31 December for planting the following spring).

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