

HEATH Project
(Heathland: Environment, Agriculture, Tourism and Heritage)

Natural England, Cornwall.

State Aid exemption request

What is the HEATH Project

The HEATH project is a lowland heathland restoration partnership project. The partnership is led by Natural England. The project is active in the far west of Cornwall, working on a number of sites in St Agnes, West Penwith and on the Lizard, as well as in locations in France, Holland and Wales.

West Cornwall is very rural, and historically main driver in this landscape was extensive mixed farming, primarily cattle grazing. In recent decades the farming business has intensified on the improved fields and largely neglected the 'rough' or unimproved heath. As a consequence there has been significant encroachment of scrub gorse and bracken which has greatly reduced the ecological value of the area, made access difficult and rendered the exceptional suite of archaeological remains all but invisible. At the same time, the farming community has largely lost the ability to work the rough land.

The aim of the project is to develop a model of sustainable heathland management that encompasses the interests of a broad range of stakeholders, and to promote this model locally, nationally and internationally. The project involves ecologists, archaeologists, farmers, the tourism industry and other interested user groups – walkers, riders, commoners etc.

Most of the works of the project in Cornwall are on land owned and/or managed by Non Governmental Organisation's or government agencies and sit outside the scope of the State Aid regulations. However, the project does involve a small number of farmers who will act as ambassadors for the project with the farming community. These are Small and Medium Businesses (SMEs) who have agreed to demonstrate that the conservation grazing models developed by the project can be delivered in the 'real' world, conserving and enhancing the exceptional landscape quality, biodiversity and cultural heritage of Penwith, demonstrating sustainable heathland conservation.

What aid is being proposed?

Only two capital items are to be made available to rough land farmers through this project:

- Enhancement of the key stock boundaries on the heath to enable conservation grazing to take place, either by repairing existing Cornish hedges (a traditional landscape feature in this area) by casting up, gapping up or locally extending the

existing hedges, or by reinforcing the Cornish hedges with post and wire fences, together with any gates, cattle grids or other necessary access infrastructure.

- Restoring water provision on heath land.

These items are considered to be non-productive assets, in that the existing arrangements on each site are sufficient to allow the winning of any agriculturally-valuable grazing from the site. These items are required to meet the much higher demands of conservation grazing regimes.

No other capital items are being considered, nor is the project offering any form of revenue payment.

Who will receive this support?

This project aims to demonstrate good practice and establish examples of appropriate management. As such it is outside the scope of the project to make support available to all local farmers. Instead, the project has looked at a number of possible farmers who have the rough land management skills and an interest in developing and demonstrating good practice.

A number of farms have been approached: The final list of sites is:

Lanyon Farm (Stephen Bone)
Carnyorth (Kenny Trembath)
Trewey Farm (Harry Mann)

These farmers still have the skills, the stock and a desire to see if an effective way can be developed to deliver conservation grazing (as opposed to productive agricultural grazing).

The rate of grant aid.

Aid will only be made available for the two specific investments listed above, and only where these will protect or enhance the landscape heritage. All three farms are within priority areas valued for their traditional landscape features and high conservation value under the local Biodiversity Action Plan.

The grant will normally be awarded only for a non-productive asset and will not increase production capacity. The aid intensity will be up to 100% in accordance with Article 5.2 of the European Commission Regulation no. 1857/2006.

Work will not increase the “production capacity” of the farm (in accordance with Article 5.3 of EC Regulation 1857/2006). Where production capacity will be increased, the rate of aid may where a grant is awarded for capital work related to a “non-productive asset”,

such as conserving a traditional feature, the rate of aid may be up to 100% of the eligible cost (in accordance with Article 5.2 of EC Regulation 1857/2006).

Where the capital work is related to a “productive asset”, such as conserving the heritage features of a farm building, the rate of aid may be up to 75% of the eligible cost within Less Favoured Areas (LFAs) and 60% of the eligible cost out with LFAs, provided that the grant-aided be up to 50% of the eligible cost within LFAs and 40% of the eligible cost out with LFAs (in accordance with Article 4.2 (a) of EC Regulation 1857/2006). These rates of aid apply to the eligible costs of using contemporary materials. Additional aid may be granted at a rate of up to 100% of the extra cost of using traditional materials, such as slate, required to conserve the heritage features of a productive asset (in accordance with Article 5.3 of EC Regulation 1857/2006).

All work must be completed by 12th December 2008 and final payments will be made by 31st December 2008.

Anticipated expenditure on Capital grants

The aggregated amount of grant aid allocated to support this element of project shall not exceed £110,000. The expenditure on capital grant is calculated on the basis of three targeted farms covering the area.

Limitations on State Aid

European Law restricts the amount of State Aid given to businesses

For agricultural businesses, the capital grant element of this project is being made available in accordance with article 5.2 of EC regulation 1857/2006 which governs the conservation of traditional landscapes and buildings.

Only small and medium-sized enterprises are eligible for the scheme.

SMEs are defined in Commission recommendation no. EC 364.2004, being enterprises which:

- Have fewer than 250 employees;
- Have either an annual turnover not exceeding €50m or an annual balance sheet not exceeding €43m; and
- Conform to specified criteria of independence (in general, not more than 25% of an SME can be owned by other companies)

When will the project commence

This project will start on 17th November 2008 or once the summary form has been in possession of the European Union Commission for 10 working days whichever is later and the scheme will close on 31st December 2008.

Contact details for the project

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