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Introduction

The methodology used in preparing this report is to set out the current situation, both in terms of Fernaig Community Trust's (FCT) area of operation and assets available, as well as the use and condition of these - from that to prepare an interim review of these aspects, from which possible items for further consideration are identified.

The report aims to provide detailed guidance for actions occurring in the short term, while stimulating discussion as to appropriate actions for the longer term.

Section 1 : Current Situation

1.1 Fernaig Community Trust

Fernaig Community Trust (FCT) was established in 1998 for the purpose of acquiring part of Fernaig Estate , to manage in accordance with specific objects for the benefit of the local residents.

From the articles of Association - Clause 3 (relating to these objects):

This clause shall be interpreted as if it incorporated an over-riding qualification to the effect that in any case in which an activity permitted which are not charitable or only partially so as well as for purposes which are wholly charitable (the word "charitable" having the meaning ascribed to it for the purposes of Section 505 of the Income and Corporation Taxes Act 1988, including any statutory amendment or re-enactment for the time being in force which meaning shall be assigned to the word "charitable" wherever it appears in this Memorandum of Association), the powers of the Company under this clause in respect of the carrying on of such activity shall be deemed to be limited to the carrying on of such

activity in such manner as will not prejudice the charitable status of the Company under the statutory provisions referred to above.

Subject to the above over-riding qualification, the objects for which the company is established are: -

(1) to promote the benefit of the inhabitants of Fernaig and it's environs without distinction of sex, sexuality, political, religious or other opinions by associating the local statutory authorities, voluntary organisations and inhabitants in a common effort to enhance education and to provide facilities, in the interest of social welfare for recreation and other leisure-time occupation so that their conditions of life may be improved.

(2) to preserve and conserve for the benefit of the general public the natural environment in the Fernaig, Achmore, and Strome Ferry area; such conservation and preservation to be carried out in a manner that is sustainable.

(3) to advance the education of the public and in particular school children on the environment.

(4) to carry out any other charitable purpose as the members may at their own discretion decide

Powers, Duties and Responsibilities of the Trust.

To achieve these objects, Clause 3 goes on to identify some 23 powers, the latter of which enables the company 'to do all other such things as may further the attainment of the Company's objects or any of them

1.2 Trust Assets / Use/Condition

(i) Land

The trust owns some 25 ha of land, to the south of the village of Achmore, Lochlash, lying in a fairly narrow strip mostly adjacent to either Abhain Strath Ascaig or Braeintra Burn. As such the land is alluvial in nature, some of it therefore subject to attendant drainage difficulties – porosity, ground level and drainage gradient relative to the watercourses – all naturally occurring features particularly difficult to modify.

There are three predominant features of land use – agriculture, horticulture and environmental management:

Agriculture

The trust lets most of the land on agricultural Short Limited Duration Tenancies, each of 5 years duration. Rents have recently been reviewed, and settled at £20 / ha, plus a fixed charge of per lease. Tenants are responsible for maintenance and repair of fixed equipment – primarily fences and drainage. On an agricultural scale, land use is predominantly suited to grassland production – tenants carry livestock enterprises of sheep or cattle.

Sustained effort to suppress perennial weeds, especially rushes, is required. The general level of soil fertility is not known. Given that tenants operate under SLDT's, then they are bound to constantly evaluate the benefit of undertaking longer term investments – to that extent, the land appears to be appropriately managed.

Within the agricultural area, FCT retains management of 'the hay field', an area extending to some 1.5 ha, lying towards the east end of the Trust's land. As the name implies, it has been used for the production of hay, FCT undertaking to do so by use of contractors or by selling the standing crop, the purchaser than having the responsibility of securing the crop. The land has been recently soil sampled, and as a consequence, lime has been applied.

Allotments

An area extending to approx 0.6 ha has been set out as allotments, which are then available for rent by local residents. The area is adjacent to the C1222, again to the east end of FCT's land holding. Vehicle access to the area is available off the C1222

The level of interest in utilising the allotments appears to vary. Again, suppression of perennial weeds, mostly creeping grasses, places considerable demands on allotment users. Of the land available the allotments are relatively well drained, but given the location substantial effort is required in modifying such limiting factor.

Other land

FCT also manages areas outwith the let land – banks adjacent to the watercourses and areas of shelter belts. Herein is located the focus of FCT's environmental management., It would appear this area of activity has been actively and well managed, in as far as resources allow. A schedule of works for the short term has been prepared

(ii) Buildings, etc

Office

FCT owns building extending to approx 17.5 m x 5 m, located in Achmore, adjacent to the road to Fernaig shore.

Repairs have been recently carried out on the outside of the building, with plans to re-decorate internally. The building is currently let out for use as a material store / occasional workshop, on a fairly informal and short-term basis. It is located on FCT land and does not seem to be an integral, nor indeed necessary, part of the Trust.

Fank / Dipper / Yard / Building

These facilities are located adjacent to trust land, but are not owned by FCT. Trust tenants have informal use of a fank / dipper / yard and building (corrugated iron construction, approx 20 m x 10m). Given there are no other agricultural buildings available to them, then this is a valuable arrangement for use at critical times of year – wintering, lambing, feed store etc. The building appears to be decaying from the lack of maintenance, but appears mostly watertight and suited to use.

Section 2 – Interim Review and Summary/Emerging Topics

2.1 Fulfilment of duties and responsibilities

FCT appears to diligently fulfil the duties and responsibilities of an organisation constituted as a charitable company. Limited by guarantee

2.2 Fulfilment of Aims and Objectives

The Aims and Objectives as set out in the Articles of Association do not indicate the extent to which they are to be carried out, in current 'jargon' they are not SMART - specific; measurable; agreed upon; realistic; time based.

However, FCT have installed and now seek to maintain a path network; it has created a number of allotments; installed a number of agricultural tenants, and the condition of other assets is similar to how they were when the organisation took them over; as well as liaising with other statutory authorities (notably Forestry Commission) in managing the natural environment in the wider area, outwith land owned by FCT. These outcomes indicate the extent of the work undertaken and completed by Fernaig Community Trust since its inception. Annual workplans have been prepared identifying what needs to be done in the immediate future - the most pressing being improvement and extension of existing paths.

Therefore, in reviewing the current situation, one could reasonably form the view FCT has achieved what it set out to do and what needs to be done to hold that position.

2.3 SWOT Analysis

<i>Strengths</i>	<i>Weaknesses</i>	<i>Opportunities</i>	<i>Threats</i>
<i>Asset rich</i>	<i>Charitable status may be a perceived or actual restriction on activities</i>	<i>Grant funding – notably SRDP for AECCS (environmental grants) and LEADER (infrastructure development) and Post code Local Trust (environment)</i>	<i>Lack of income</i>
<i>Fully compliant</i>	<i>Lack of plan for medium term developments – where possible taking into account views of all stakeholders</i>	<i>Maybe local needs which FCT could re-channel assets to meet and so generate revenue</i>	<i>Lack of tenants / licensees – especially for allotments</i>
<i>Functioning committee of directors</i>	<i>FCT having to negotiate with tenants who are resident in the area – rather than arms length</i>	<i>Established charity, able to pursue grant funding immediately</i>	<i>Loss of facility used by tenants on an informal basis</i>
<i>Monitoring situation</i>	<i>Availability of volunteers / work parties</i>		<i>Lack of information on forthcoming LEADER means applications to it will be rushed, as such not able to fully take into account the Highland strategic plan</i>

<i>A detailed programme of work for the year ahead is usually prepared</i>			

2.4 Interim Summary – Emerging Topics

Since its establishment FCT has been able to develop, maintain and utilise the majority of assets – lack of tenants to fully utilise the allotments perhaps being the biggest problem. Any organisation such as FCT will be under financial pressure because of the lack of an obvious income generating opportunity, FCT does generate rents from agricultural holdings but, as mentioned earlier, that rent negotiation is conducted in somewhat unusual circumstances.

Such circumstances would therefore limit scope for the inclusion of ideas in medium term planning, so that a detailed programme of work for the short term has been identified, while there seems little in the way of a medium term (5 – 8 years) plan.

The advent of SRDP may be a good time to consider such planning and in so doing, – bear in mind the full range of ‘stakeholders’ :

- the inhabitants of Fernaig and its environs,
- inhabitants of the wider area
- visitors to the area
- tenants – agricultural; horticultural and commercial (users of the office building)
- ‘taxpayers’ evaluating the return on the initial ‘public purse’ investment and on-going ‘public good’ generated
- local statutory authorities

Such planning could be from two aspects:

A What could FCT aspire to accomplish ?

Ascertain what capital FCT may be able to raise by selling assets, the realisation of which would not seriously impact on current activity – most likely the office and any house sites – and what sort of commercial activity that would finance

That capital may be supplemented by further sources of funding : of funding - the SRDP LEADER scheme has an anticipated launch of spring 2011. Also, Scottish Government have recently announced an increased budget for the Strengthening Communities Programme (SCP) 2016-17, aimed at helping communities lead economic and regeneration work in their area. It appears regeneration partners are currently considering this matter - an initial approach to the Scottish Community Development Centre may be appropriate. Other sources of funding may include the Postcode Local Trust

B Could FCT provide leverage to wider community developments - under current circumstances, that may well be in a collaborative LEADER application.

So, what could the Trust aim to be doing over the next five years?

(i) To 'maintain the status quo' is an acceptable answer and in this regard FCT have achieved a robust position. Pursuing the matter of grants available for path renovation / installation would be a priority.

(ii) FCT may wish to contemplate what would be desirable outcomes by the time of its 20th anniversary as well as those to be programmed in.

From a mixture of discussion and an external observer's point of view, a number of items may be possible:

Item

Activity

1. complete access path route and replenish where necessary - AECCS application (see below)
2. ensure basic levels of fertility of agricultural land are achieved - Small Farmers Grant Scheme (see below) - available to tenants and FCT

3. discuss with agricultural tenants what other investments would be useful, and corresponding impact on rent. Also assess any training requirements and possible assistance with produce marketing (eg develop 'FCT brand')
4. liase with the proposed Scottish Land Commissioner as to how rents may be settled at 'arms length'
5. allotments - create raised beds, reduce size of plots
6. consider the construction of multi use building -store for allotment holders; educational workshop (especially for youngsters); / rest area / meeting point (including visitors to the area);

Possible commercial use - communal cafe ; click and collect drop off point for internet shopping; - develop role as 'local agent' for national businesses (eg Argos/Sainsbury/Tesco/Asda/etc) as well as parcel distribution companies and businesses eg feed suppliers - with the aim of generating enough revenue to properly maintain the facility.

May provide basis for further developments - eg small caravan site, growers market

7. Capital finance for building - grant aid application to Postcode Local Trust;/LEADER application/SCP as well sale of house site or sites / office building
8. appears to be local demand for storage facilities - provision of steel containers, located near the proposed allotment building or at yard adjacent to fank/dipper (a joint venture with the owner may be appropriate / beneficial). If there was evidence of demand for such a facility, that may be useful in supporting a LEADER grant application, altho' indications as to the type of projects Highland LEADER may support have not yet been published
9. assess if FCT can contribute to other district developments - if necessary, by realising assets

10. annually assess training requirements within the group
 - integrate identified requirements into annual operational plan

Section 4 Action Plan

Item	Description	Who
Item 1 Paths	<p>Make application to SG's Agri -Environment and Climate Change Scheme (full details at www.ruralpayments.org – all schemes) for funding to implement the identified programme of path works, and associated infrastructure. The scheme offers standard rate grants to cover a range of path installation works – further details in Appendix 1. The application window is 21 March to 31 May, applications being made on -line. It is a competitive scheme , all applications assessed by Scottish Natural Heritage – locally at values of up to £75000, centrally for higher grant applications . The scoring criteria used are presented at Appendix 1.</p>	FCT executive
Item 2 Agricultural holdings	<p>Individual tenants may be eligible to apply to the Small Farmers Grant Scheme (Full details available at www.ruralpayments.org – All schemes) Eligibility is restricted by income and area of land occupied. Eligible proposals, which must have prior approval before proceeding , are grant aided at 60% for LFA land(plus 10% for applicants under 41 years of age at the time of application). It may be worth noting that where there is less than 3 years of a tenancy to run, then the landlord may apply for the grant, rather than the tenant. This may be a useful way of ensuring the land is kept in good heart, which may be problematic for a tenant who is unsure of his long term prospects in the holding. Group applications are also eligible, but income limitations also apply, and may be considered more restrictive than those for individuals.</p>	FCT tenants and Executive

Item 3 Agricultural infrastructure	Annual meeting between landlord and tenants to identify and prioritise an ongoing programme of infrastructure maintenance and development.	Tenants / FCT Directors
Item 4 Agricultural rents	Within the proposed land reform legislation before parliament, there is a proposal to establish the office of a Land Commissioner. Representation should be made to establish a mechanism to set fair rents – thus avoiding a potentially difficult position of FCT discussing what can be a difficult subject with a member or director. Indeed, such a conflict of interest may have the effect of barring tenants from holding office in the trust, restricting the pool of talent available to the organisation.	FCT executive, monitoring brief
Item 5 Allotments	Construct low walls to form raised beds in the allotments, most likely formed from turfs skimmed from the adjacent land. Form external drainage channels alongside along side these, depositing the 'spoil' inside the raised bed to increase depth of soil	FCT executive
Item 6 Multi use building	Rationale and use as described above, for consideration	FCT directors
Item 7: Capital Finance	Consider options for raising capital – initial approaches to grant aiding bodies	FCT working group

Item 8 Provision of storage facility	Rationale as described above	FCT directors
Item 9 District collaboration	Form part of longer term strategy for FCT	FCT directors
Item 10 Training requirements	Part of AGM review / monitor course availability	FCT executive

Appendix 1: AECC Scheme –Improving Public Access

Standard Costs for capital items

Scoring criteria for improving public access