

**Fernaig Community Trust**

**Community Woodland  
Management Proposal**

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## **Executive Summary**

Fernaig Community Trust (FCT) wants to secure and develop areas of South Strome Forest in Lochalsh by purchasing them under the National Forest Land Scheme (NFLS). Various community consultations and studies have been carried out to progress this aim.

The most recent report, a community woodland management plan, has been updated by FCT and will be put into action once funding for the woodland purchase is identified. Achieving the funding package to facilitate purchase is a significant challenge and the Trust have decided to have in place a plan for implementation so that they can move forward as soon as funding is available.

The forest covers 1,623ha and was purchased by FC in 1925. Since then, there has been regular work carried out and it offers a wide variety of development options.

The local community is very small but active, and formed the FCT in 1998 in order to develop woodland opportunities and has a concordat with Forestry Commission for management of Strome Forest. It purchased 110 acres of non-forest land in 2001 which it has developed in different ways.

A SWOT analysis identifies a significant number of opportunities for the development of the forest. FCT has substantial economic, environmental and social objectives which they believe purchase of parts of the forest would enable them to deliver. They have identified three areas, covering 230ha, which they believe are essential to achieve their aims.

The Trust can demonstrate that it meets the seven criteria for land purchase as required by the NFLS. The report establishes the stages for proceeding towards purchase including a valuation of the land; a community ballot on its purchase and the sourcing of funding to enable its purchase. It also sets out a project plan for the first five years post-purchase

The development of a hydro-electric scheme on one part of the land is a significant factor in ensuring sustainability and an initial desktop study indicates that it would be deliverable. A feasibility study should be carried out in the immediate future.

As there will be significant work involved in development of the projects associated with forest purchase and development, a project officer would be desirable to assist the Trust directors with implementing plans. There are resource requirements associated with this.

Further developments planned include the creation of footpaths, enabling greater recreational use of the forest, and at the core of the proposal is woodland transformation. Local ownership and control would enable significantly increased management of the areas, bringing benefits to the environment, the community and the local economy.

The cost of purchasing 230ha is estimated to be in the region of £460,000. A financial package to enable purchase will be developed as soon as funding and other financial opportunities become available.

The feasibility study for the hydro electric scheme will provide more detail on both its capital costs and likely revenue income and these are integral to progressing towards purchase.

The purchase would create significant developments leading to long-term sustainability. These include environmental, energy creation, community strengthening, economic growth and recreational provision.

Options for progressing FCT's aims have been considered and the conclusion of this report is that purchase of forest land is the recommended way forward.

# **1. Introduction and Background**

## **1.1 Purpose of report**

Fernaig Community Trust (FCT) wishes to secure and develop the forest for the benefit of the community. This study aims to establish the best way to take this forward. Public funding for purchase is currently uncertain; however the Trust wishes to have a plan ready to proceed once funding sources are confirmed.

An initial baseline socio-economic study was commissioned by the Trust in 2009, followed by an outline options appraisal to assist the Trust and the community to decide on the preferred way forward. Options considered were the creation of woodland crofts, the establishment of a common grazing style joint management scheme, community woodland management, the erection of affordable housing, and continuing with the existing Concordat established with Forestry Commission Scotland (FCS) (see 1.3.3).

There are a variety of management options available to the community once the purchase is complete. Woodland crofts remain one of these options but they are not being proposed as a central plank of the purchase proposal.

Following the completion of the options appraisal, several public meetings were held to present the reports and discuss the options outlined in them, and to assess the level of community support for each option. From the meetings it was agreed to proceed with the development of a Community Woodland Management Plan, to help achieve community aspirations and develop community opportunities.

The Community Woodlands Association definition of a community woodland is one partly or completely controlled by the local community, through a Community Woodland Group. The woodland may be owned or leased and can be managed by the group on its own or in partnership with other organisations such as FCS.<sup>1</sup> Although ownership of the land is not a pre-requisite for Community Woodland Management, feedback from FCS and the possible development of a renewable energy project on the site, indicate that community aspirations would best be served if the land were purchased by the Trust.

## **1.2 Methodology**

Following the community consultation process, the Trust Board met to agree priorities for their development plans to be passed to Solas Business Services Ltd to enable preparation of this study. There has been an iterative process regarding the outcomes of the study and this is the Trust's plan for the way forward.

<sup>1</sup> Community Woodland Association website "Who we are, what we do"

## **1.3 Background information**

### **1.3.1 South Strome Forest**

South Strome Forest extends to 1,623 ha and is located in Wester Ross. Purchased by the Forestry Commission (FC) in 1925, there have been regular plantings by them since that time. 70% is Sitka spruce, with larch, Scots pine, lodge pole pine, Norway spruce and Douglas fir also present. Some of the stands of timber, while of value, would present extraction difficulties due to the steep slopes. Any area which is felled requires re-stocking by law, either by planting or natural regeneration.

The geology of the area consists of mostly Lewisian Gneiss, but is also cut through by the Moine thrust line which includes a variety of rocks. The soil is quite basic; brown forest soils on the old woodland sites and better drained lower slopes, lots of peaty gleys and peat in the wetter bits and up the hills, and very thin soils at the top. All areas are subject to high levels of rainfall and wind. The altitude in some areas reaches 300m above sea level, resulting in considerable exposure, particularly in bog woodland and open ground. There is a wide range of soil fertility. The ancient woodland and grassland provides a rich habitat in places, with almost all native tree species present. The better land has potential to grow (and does grow) quality hardwoods and boatskin larch, though timber value varies with fluctuations in market and transport costs.

Access roads are in good condition, and though boundary fencing has not all been well maintained, the forest is within the sea to sea fence, which cuts off the Lochalsh peninsular, consequently deer numbers are controlled to some extent.

Located within the forest is Strome Wood, an area of 30 ha which stands on a steep hillside overlooking the narrows of Loch Carron. It was purchased by the Forestry Commission in the 1920s, when it was planted, and additional planting was carried out in the 1970s. It comprises a mixture of mature Sitka spruce, western red cedar, larch and Scots pine, with younger Sitka spruce and a little beech, birch and hazel. Some ancient, semi-natural birch is present, and natural regeneration of many species in felled and cleared gaps has resulted in a fairly intimate mixture of species and ages. Signposted footpaths were created by FCT under the Concordat, though some require reinstatement after windthrow.

There is potential to create links and make circuits throughout the forest. There is considerable current community interaction with and use of the forest, with informal use of paths and tracks by walkers, cyclists and ponies and organised visits by groups such as the Wester Ross field club, the Kyleakin day centre and local primary schools.

### **1.3.2 The community**

The socio-economic baseline study carried out in May 2009 estimated the population of the Trust area (the settlements of Achmore, Ardnarff, Braeintr, Craig and Stromeferry) at approximately 150. The mean age is unusually young for the West Highlands. Most employment is outwith the locality, with 75% of those employed working outwith a 5 mile radius of their home, and car ownership is correspondingly high. 30% are self-employed and employment opportunities are few. The area has limited amenities and public transport. Tourism is an important income generator in the area. A large proportion of those completing the survey expressed their preference for outdoor leisure activities and anecdotal feedback at public meetings etc. has tended to support this view.

### **1.3.3 Fernaig Community Trust**

Achmore is historically a forestry village that had the majority of the male inhabitants employed by the FC. Most of the land and the houses were owned by the FC. Over the past forty years FC employment reduced to the one current employee. In 1996 the community started talking to the FC about the possibility of forest land purchase to try and redress the loss of employment. But at this time purchase was not possible.

Fernaig Community Trust (FCT) was set up in 1998 (a Community Interest Company, Limited by Guarantee and with charitable status) with the original intention of purchasing Fernaig Estate. This purchase was unsuccessful; however, the Trust was successful in purchasing 110 acres of the estate in 2001, and has created new smallholdings, allotments and footpaths. The purchase was partially financed by Highlands and Islands Enterprise's (HIE) Community Land Unit (CLU), with two sites being sold for affordable housing to help fund the purchase. The Trust has over 50 members, who elect the Board, which currently has 7 directors.

### **1.3.4 Concordat**

In 2000, Fernaig Community Trust signed a Concordat with Forestry Commission (FC), updated in 2006, with a view to giving the community a say in the management of the forest.

A Community Woodlands Association Report of May 2006 identified community benefits in partnership working with FC throughout Scotland, although there has also been some dissatisfaction.

A report in "Involvement in Scotland" of March 2002 referred to

"a pro-active local community, with a very close relationship (between Forest Enterprise and the community)...regular meetings, community becoming aware of FE direction and standards, common goals now more easily identifiable. Community representatives use forest facilities for planning."

2 Forest Enterprise and Community Involvement in Scotland, Dr. Mary Hobley, 2002

The Concordat has fulfilled some of the Trust's initial aspirations but to achieve the full potential of the aims of the Trust the Concordat has limitations.

The Trust is aware there are basic differences in approach, understanding and organisational setup between FC and themselves, and that there would inevitably be some things that are undeliverable through the Concordat, and therefore might be better served through land purchase.

### **1.3.5 SWOT analysis of forest and development/management options**

#### Strengths

- Trust members experienced in forestry operations
- Scenic location with outstanding views
- Popular tourist area
- Willingness within the community to manage resource
- Good road access
- No designated areas, therefore lack of severe planning restrictions
- Wide range of ages and species of trees
- Wide range of habitat types, soil types
- Some areas of native woodland, established pine and larch woods,
- Some areas approaching continuous cover, good natural regeneration of native species
- Diversity and quantity of wildlife
- Good rail, road and sea links
- Strong community support
- Considerable community experience in land ownership, fundraising, community activities and events

#### Weaknesses

- Limits on volunteer resources.
- Lack of financial resources
- Timescale to purchase and develop site
- Steep location

#### Opportunities

- Potential to purchase land through NFLS and Community Right to Buy
- Tourism opportunities
- SRDP funding opportunities to assist with projects
- Opportunity to improve carbon footprint through biomass production, hydro or wind power generation and local production of a range of produce.
- Business start up opportunities
- Employment opportunities
- Potential for Trust to develop commercial income stream
- Increase in popularity of eco-tourism

- Potential source of material for biomass or sawn timber business
- Steep terrain and environmental resources could provide opportunities for renewable energy schemes
- Opportunity for small scale environmental management of resource
- Potential for micro management and attention to detail not possible under FC management

#### Threats

- Inability to source funding for proposals
- Over-reliance on volunteer resources may threaten sustainability of projects
- Continued challenge of managing windthrow
- Purchase could mean loss of expertise of FCS, although they could still act in an advisory capacity.
- Accidents and public liability
- Fluctuating timber prices, though local markets may be less likely to suffer from this than the global ones currently operated in by FC
- Current economic climate – though this could have a positive effect, if people move towards local produce, woodfuel etc. as transport becomes more expensive,

#### 1.3.6 Wider context

The FCS has already started selling forests similar to ours; Dorus Duain and Inverinate have already been sold on the open market. Our forest would seem to fit the criteria for future disposal <sup>3</sup>

Recent Government legislation, including the Land and Crofting Reform Acts of 2003, has set the scene for the delivery of the current rural economic framework. The Scottish Government wishes to increase the capacity of rural communities to manage and sustainably use the resources around them. The National Forest Land Scheme has been created to facilitate the release of land for affordable housing and community use. In order to access the Scheme, the following conditions must be met:

- Community body must be eligible
- Land must not be excluded land
- Community must have a substantial connection with the land
- Community must have capacity to manage the land
- The proposal must have community support
- Proposal must be consistent with the principles of sustainable development
- Proposal must be in the public interest
- Proposal must not be detrimental to the management of the forest estate

3. National Forest Estate Strategic Plan 2009-2013

The Scottish Forestry Strategy outlines FCS's plans for landscape improvement with the protection of cultural heritage, and UK Woodland Assurance Scheme (UKWAS) sets out the best practice for woodland management. Project funding is available from Scottish Rural Development Programme (SRDP), to assist communities achieve their aspirations, and Woodland Improvement Grants are also available to assist with the preparation of forest plans. Various community groups throughout the Highlands have taken advantage of these opportunities. They include Abriachan Forest Trust, Culag Community Woodlands Trust, Gigha Heritage Trust, Dunnet Forest Trust and the North West Mull Community Trust.

## **2. Community Woodland Management - outline of community aspirations**

### **2.1 Aims**

With the potential threat of FCS wanting to dispose of the forest we have the opportunity to ensure the forest remains under community control. The Trust wishes to secure the long term future of the forest for the community, to enable improvement of the forest, for increased biodiversity, recreation, education and local economic use. This is for the benefit of residents, visitors and the environment, through use of local resources and energy supplies, and by minimising fuel transport, reducing the local carbon footprint.

### **2.2 Objectives**

#### **2.2.1 To manage the forest in much greater detail and intensity**

The desire is to achieve biological, structural and tree age diversity through continuous cover methods mimicking natural processes, with a greater proportion of native and broadleaved species. This will gradually allow the forest to become more natural in structure, content and appearance and will be beneficial to flora and fauna and make it a more pleasant place, without compromising sustainable economic outputs.

#### **2.2.2 To create local economic opportunities**

Opportunities for employment or establishment of businesses (forest management, woodcutting, planting), recreational works (paths, signs and orienteering trails) recreational activities (the development of wildlife or activity holidays), timber milling, non-milled timber products, wood for chainsaw carving and turning, firewood and non-timber forest products.

There are also opportunities for community run businesses (green cemetery, mobile home pit stop, café).

#### **2.2.3 To create non-financial community benefit**

Allow controlled local forest use, including firewood collection to assist with thinning, grazing where appropriate, planting of fruit trees, etc.

#### **2.2.4 To improve the recreational resource**

Creation of link paths, signage, opening views, building of wildlife hides, a log bothy and installations required for an orienteering course.

### **2.2.5 To create resources for use by schools for “forest school” type and other activities.**

Creation of resources such as an open shelter or a building with compost toilets. Creation of smaller installations such as wooden sculptures, signs and trails.

### **2.2.6 Renewable energy production**

Projects include firewood and woodchip production, a community hydro scheme or wind turbine. Revenue from these will provide an income stream for the Trust to fund other projects, and pay for improvements and maintenance of the resource.

## **2.3 Area of forest required to achieve the aims and objectives**

Ideally the community would like to purchase the whole forest. However, this is unlikely to be achievable financially.

Three areas are under consideration for purchase (appendix 1), totalling 230ha approximately.

Area 1 (c. 190ha) is of priority interest as its purchase would enable the hydro scheme to proceed. It lies to the east of the village of Achmore, and north and east of the Auchtertyre – Strathcarron road (A890)

Area 2 (c. 30ha), the area of Strome Wood is of second priority as it is of high amenity value. It was a Victorian plantation with some traces remaining, and has already benefited from the Trust input already. Part of Strome Wood is on the local plan for housing and the community wishes to retain control of the land, whether or not it is used for building.

Area 3 (c. 110ha) contains some ancient woodland and already has significant species diversity with the consequent amenity value and would benefit from micro-management. The consequent improvement would benefit the local area as well as visitors who travel along the A890 between Strathcarron and Kyle of Lochalsh. This would be an ideal setting to create an income stream from a café in the longer term.

The three areas would be not be over ambitious in terms of management and development but if funding is constrained, the Trust believes that Areas 1 and 2 are the absolute minimum required to deliver its objectives.

## **2.4 Ideas for use of the forest**

The community were invited to put forward suggestion for the use of the forest, which could be developed over a longer period of time if they receive broad public support. These include, in no priority order:

- Mushroom farm
- Hydro Scheme
- Creation of footpaths and signs
- Restoration of native woodland
- Leasing areas of the forest or selling timber, thinnings etc.
- Erection of a forest building for educational and recreational use
- Log cabin construction
- Woodland café
- Eco cemetery
- Cycle trails
- Nature walks
- Species re-introduction
- Local history museum (especially forestry)
- Drama/theatre projects
- Musical instruments that anyone could play
- Creation of a saw mill
- Extraction of construction timber
- Clearings to encourage wildlife
- Seating at viewpoints
- Retention of individual specimen trees
- Camping stop for camper vans
- Eco lodges
- Visitor centre selling local produce
- Yurts for rent made from local sheep wool
- Butterfly and moth identification
- Adventure playground
- Covered barbecue areas
- Fitness trail
- Hot tub and sauna
- Tree top walk way
- Coppice crafts/green woodworking
- Pony/wagon rides
- Silvicultural enterprise
- Increased biodiversity of the forest
- Provision of business start up opportunities
- Achieve an income stream for the Trust
- Increased community participation in forest management
- Non forest timber product enterprise
- Use of forest as an educational resource
- Creation of affordable housing
- Creation of biomass business
- Increased use of local timber

## **2.5 Development Projects**

The Trust has identified a number of projects that it wishes to deliver within the first five years of Community Woodland Management. These are based on the SWOT analysis and the options appraisal carried out in Autumn 2009.

- Hydro Scheme
- Creation of footpaths and interpretation
- First five year phase of woodland transformation
- Erection of a forest building for educational and recreational use

## **2.6 Proposal Model**

A model for Community Woodland Management based on the above information is outlined in Section 4 of this report, detailing implementation, timetabling, outputs and outcomes.

### **3. Community Capacity and Training Requirements**

#### **3.1 NFLS Requirements**

In order to comply with NFLS criteria (see 4.1), the community organisation must demonstrate the community's capacity to provide long-term sustainable management. The amount of evidence required will depend on the significance of the land. Fernaig Community Trust has a range of skills among its Board and its membership which it can draw on, so will almost certainly meet this criteria, although there may be an issue with volunteer time and succession planning. These are addressed below.

#### **3.2 Background and experience of Trust Board Members**

Kate Bulloch (chair)

Recently retired maths teacher. Previously worked in BUTEC as a programmer, then Trials Technical Advisor and finally as software systems engineer. Chainsaw experience (own firewood). Served on Community Council and Achmore Hall Association and has lived and worked in the area for over 30 years.

Martin Fraser (Treasurer)

Runner-up in a Shell UK sponsored Young Business person competition in 1999. Experienced in setting up and running businesses and being employer. Has a chain saw certificate. Currently runs own heating installation and maintenance business. HNC in business studies, Hons degree in Law and Management, and worked in oil industry setting up software accounts packages. Served on Achmore Hall Association.

Colin Parsons (Secy)

BSc in forestry and 24 years experience in the industry, mainly self-employed, contracting to private owners and the Forestry Commission, and running a mobile sawmill, selling sawn timber, firewood, tree nursery etc. Particular interest has always been in native woodlands and continuous cover management. Good knowledge of communities - served on various committees and a founder of the Community Woodland Association.

Jim Coomber

On completing studies worked as an engineer with London Electricity until 1984, with Eastern Electricity (Essex) until 1992, then Scottish and Southern Electricity (Skye & Lochalsh) until 1998. Now has own consultancy, dealing with building services and renewable technologies, and is director of company installing heat pumps, and designing and installing underfloor heating systems. Served on Community Council and Achmore Hall Association.

Georgie Grimson

For past 23 years been the Contract Manager for a Ministry of Defence contract at Balmacara House and Kinlochleven RM Hostel in Argyllshire. Responsible for control and allocation of a large budget, control of labour,

estate management and Health and Safety. Has been a director of the Fernaig Trust since its conception and was a member of the Community Council for several years. Many years experience in horticultural production and the supply of locally produced fruit, veg and eggs.

**Robin Phillips**

35 years resident in Achmore, 7 as FC forestry worker, 8 as self employed contractor (felling/extracting/planting). Last 20 years self employed architectural designer (with 7 year spell as dev. officer with affordable housing trust), familiar with planning applications/procedures etc.

**Hector Morrison**

Over 20 years farm manager (2 farms), 12 years FC forest worker, 6 years general foreman Kishorn fabrication yard.

Two other Trust members have forestry experience, chainsaw and rope access certificates and other members use chainsaws for firewood and have experience in forestry work.

### **3.3 Management structure and skills requirement**

The Trust Board meets monthly (more frequently if required) to discuss issues such as Fernaig Estate management and the progress with the Strome Forest development plans, including the Concordat. As can be seen from 3.2 above, they bring a wide range of experience and skills to the table, which will be invaluable in the establishment of a community woodland initiative. Furthermore, there are other members not currently sitting on the Board that can be called on for assistance.

### **3.4 Project management**

The Board, along with member volunteers, has managed to date to cope with the demands that the Trust has made on their time. However, as can also be seen from the above, the majority of them have many other jobs and interests, and it seems unlikely that the aspirations outlined in Section 2 can be achieved through volunteer time alone.

Consideration should be given to the employment of a part or full time project manager to take the development forward. This has been the experience of other organisations that have purchase forest land. This could be a short-term (for example 3 years) contract, and an estimated salary might be in the region of £22,000 per annum pro rata. It might be possible to obtain LEADER funding for at least part of the cost of this (see Section 6). A job specification must be drawn up prior to advertising the post or applying for funding. Ideally the employee should have a working knowledge of the area and of the forestry sector, as the short-term nature of the contract would not allow for training time.

Responsibilities would include the management of the Woodland, the contracting out of any maintenance and development work, the creation of

partnerships with local groups and the promotion of the woodland and its facilities to the community and beyond. The project manager would also be responsible for encouraging, co-ordinating and managing volunteer efforts and working with the community to progress projects. As discussed in 4.2.9, some responsibility for financial management could be part of the remit of this post. Reports would be provided to the Board on a regular basis, to assist them with their overseeing and evaluation process.

The employment of the project officer has been assumed in Section 4.3 (timetable of activities) to commence once the land purchase has been completed and the development phase (phase 2) begins. However, consideration could be given to sourcing funding for a project officer at the start of the application process. This would not only mean that the project officer was involved at a grass roots level from a very early stage, but that the preparation of much of the ground work for the application would not need to rely so heavily on volunteer time.

### **3.5 Networking**

Members of FCT have been networking with other community woodland groups for fifteen years and have been involved with the Community Woodland Association since its inception. It is intended to increase networking and get more community members involved.

## **4. Model for Community Woodland Management**

### **4.1 National Forest Land Scheme Criteria and application process**

#### **4.1.1 Compliance with Criteria**

- Community body must be eligible  
Fernaig Community Trust is a company limited by guarantee with more than 20 members. Members of the community have overall control of the company and any surplus assets or funds are applied for the benefit of the community. The main purpose of the Trust is consistent with furthering the achievement of sustainable development. Its Memorandum may need modification to ensure that if the Trust is wound up, the land acquired would pass to Ministers or to another organisation approved by Ministers. Legal advice will be sought regarding this.
- Land must not be excluded land  
FCS has confirmed that the land selected for application is not excluded.
- Community must have a substantial connection with the land  
The community is situated close to the land, and already has a connection with part of the forest through the Concordat with FCS to manage Strome Wood. See also sections 1.3.3 and 3.2.
- Community must have capacity to manage the land  
The Trust has clear proposals for the land and has the capacity to provide long-term sustainable management (see Section 3).
- The proposal must have community support  
The Trust commissioned an options appraisal and held several public meetings followed by a community ballot. The community was substantially in support of the purchase to develop a community woodland management scheme, along with renewable energy projects. A formal ballot by an independent body will be carried out before putting in NFLS application.
- Proposal must be consistent with the principles of sustainable development  
The proposal follows UKWAS guidelines and demonstrates sustainable development (see Section 7).
- Proposal must be in the public interest  
The proposal will add benefit to the whole community and the wider public and avoids any harm to private and the wider public interest (see 4.5).
- Proposal must not be detrimental to the management of the forest estate.  
Initial discussions with FCS have confirmed that the proposal will not be detrimental to the management of the National Forest Estate, and will not result in FCS staff reductions, loss of local contracting jobs, increased management costs on remaining land or affect FCS's ability to fulfil long -

term contractual commitments for timber supply. This will be confirmed once the area to be purchased is finalised.

#### **4.1.2 Application Process**

Before an application is made it will be important for the community to know the market value of the land to be acquired. To assist the community in making an informed decision on whether to proceed with an acquisition, Forestry Commission Scotland will offer to jointly instruct the District Valuer (an independent professional valuer) with the community organisation for a valuation on a shared cost basis. This will take place before an application is submitted to the National Forest Land Scheme

The next stage is to carry out a community ballot to demonstrate support for the purchase.

A pro-forma application should then be submitted to FCS. The application should include details of the land to be purchased, including a map, a description of the community and its boundaries, evidence to support how the application satisfies the NFLS criteria, and a copy of the Trust's Memorandum and Articles of Association.

There will be a period of consultation involving those with interest in the land and it is open to the general public to comment. The Trust will then have an opportunity to respond to any comments.

The decision whether to approve the purchase will be made by the Director of FCS in the light of recommendations from an independent evaluation panel. It may be approved, approved in part, or rejected. Reasons will be given for part approval or rejection. Either the land valuation or the application decision can be appealed through the appeals process.

It is expected that the sale will be concluded with full payment of the purchase price within 18 months of the approval of the application. During this time the agreed valuation at the time of approval will be held.

## **4.2 Model for Fernaig Community Trust**

### **4.2.1 Land purchase**

Although it may be possible to operate a community woodland management scheme through a lease with FCS, funding is unlikely to be available for the Hydro Scheme on leased land. Furthermore, it is likely to be difficult to achieve local aspirations without ownership. FCS has concurred with this view, and has emphasised that their obligation is to manage all forest estates in Scotland to the optimum advantage of their entire operation. This can constrain them from assisting to achieve localised ambitions if it disadvantages the national strategy.

Currently the option of leasing land from FCS for forest management is not possible. Recent advice from FCS indicates that this may change pending the

introduction of legislation relating to it. However, it is not an option for the Trust at the current time.

It seems likely, therefore, that the Trust will require to purchase the land before embarking on the scheme. A valuation will be required, with the assistance of FCS (see 4.1.2 above). The area identified by the Trust comprises approximately 230ha, and the value of this land has been estimated at around £460,000, but this needs to be verified before proceeding any further. Funding for the purchase is discussed in Section 5.

#### **4.2.2 Hydro Scheme**

Some discussion has taken place between the Trust and Community Energy Scotland (CES) regarding the potential to create a hydroelectric scheme in the glen at Strath Ascaig. A site at the top of the Strath could be dammed, and the water piped along an existing forest track for most of its length. The water supply to the river is provided by a substantial catchment area. The existing forest track allows easy access to the dam and the proposed turbine site.

From an initial desktop study a turbine capacity between 100-150 kwatt is envisaged. This will cost between £300,000 and £400,000 and would provide an income of between £22,000 and £28,000 per annum to the Trust, with a payback period of approximately 14 years. The project would take between 2 – 3 years from inception to completion. Maintenance requirements would be minimal, costing approximately £1,000 per annum.

Currently the project could attract up to 95% funding from various funding bodies the remaining amount being raised through a bank loan, a bond issue to community members or local fund raising. The government policy of grant aiding renewable projects for local communities is now changing with the adoption of Feed in Tariffs, to be implemented later this year. The new policy reduces grant funding, transferring the financing of generating schemes to higher rates of return by increasing the payments for electricity generated. The implications of the new policy for community schemes have yet to be announced in detail but it is likely that some form of grant aiding will be retained.

Permission will be required from statutory authorities (SEPA, SNH, Highland Council etc.) for the extraction and discharge of water, planning permission, environmental studies etc. It is anticipated these will not present insurmountable obstacles. Grid connection would be to an 11,000 volt overhead line which terminates close to the proposed turbine house site. Scottish and Southern Energy has confirmed that it would be possible to connect such a scheme to the national grid after 2012/13. The budget cost for this is £35,000 plus VAT.

Prior to the establishment of such as scheme, a detailed technical feasibility study will be required, to complete the survey, collect rainfall data etc. Community Energy Scotland (CES) has confirmed that they could provide up to £15,000 of grant assistance for a technical feasibility and grid connection study.

If such a scheme were to be established, it would be necessary for the Trust to set up a separate trading company, to protect the charitable status and objects of the Trust.

The desktop study carried out for this scheme is attached in Appendix 2.

### 4.2.3 Creation of footpaths

Creation of new paths would involve drainage and surfacing, with interpretation panels, signposts and way-markings. In the first instance, it is aimed to create a path linking the Strome Wood paths with Portachullin (0.6km) and a path linking the main circuit to Glen Udalain at Bealach a' Choire to the Stable road (which comes out where the south Glen road meets the A890) (0.6km). The cost of footpath creation is difficult to estimate as it depends on drainage requirements, etc and whether volunteer labour is used. However, a possible costing model, based on using a contractor, might be:

Creation of 1.2k of footpath	£15,000
Design, manufacture and installation of interpretation boards	£500
Boardwalks and bridges	£500
Total	£16,000

The figure for footpath creation has been extracted from a similar project elsewhere and is intended as a guideline only. Specific quotes for work carried out will need to be obtained.

Ways will be considered to make the footpaths as accessible for all as possible.

Future development opportunities could include the provision of specialist routes, such as orienteering and mountain biking. Car parking facilities may also be required.

### 4.2.4 Woodland Transformation

The area of the forest where the majority of our aims and objectives will be realised is zoned for continuous cover and native woodland restoration.

A study of how this might be achieved, *A Plan for Restoration of Plantations on Ancient Woodland Sites and Continuous Cover Woodland Management in South Strome Forest*, was carried out in 2007 by one of the Trust directors. The study includes an assessment of the current status of each FC compartment, how it might be improved and how long this might take.

Using figures from the above report the budget sought for each year would be around £23,000. 75% of this cost is likely to be available from SRDP and the balance could be made up with timber and firewood standing sales.

In the first year it is proposed that some of every operation be carried out (except planting), however it is important to prioritise areas where native woodland and flora may be under threat. So it is proposed that in year 1 all

clearance of recent conifer planting is carried out, together with a substantial amount of older conifer removal on ancient woodland sites.

#### **4.2.5 Creating opportunities for businesses**

One of the aims that FCT wish to effect through the forest purchase is to create opportunities for business start-ups and expansion. These could be through using forest products or providing services related to the forest or tourism activities.

#### **4.2.6 Erection of a forest building for educational and recreational use**

A forest building could be erected for use by educational establishments, local residents and visitors. This will provide a base for shelter, storage and a meeting point for the facilitation of education and training activities. Part of this building could be developed at a later stage to include a retail outlet and/or a café/snack bar. This could be run by the Trust or leased to an individual as a business start-up opportunity. Use would be made of existing forest products to ensure an eco-friendly building at minimum costs. There is a range of possibilities which have potential to attract income for the Trust.

It will be the job of the development/project officer (see 3.4) to foster relationships with the schools in the area and further afield and to encourage use of the building.

#### **4.2.7 Management**

Given the amount of work required to enable any of the projects to proceed from the planning to the development stage, consideration should be given to the structure of the Board and the amount of volunteer time on which it so heavily relies. Overdependence on volunteers can quickly lead to fatigue, and it might prove difficult to attract new, especially younger Board members, if they are expected to give up large amounts of time. As stated in Section 3.4 above a development officer or similar paid post will be required.

This would enable the Board to operate more strategically; provide management for the development/project officer; monitor and evaluate the progress of individual projects, and consult and agree with the community the next steps.

#### **4.2.8 Continued community consultation and communication**

It is imperative, both to fulfil the NFLS criteria and to maintain the level of community support and involvement, that community consultation process continues following purchase of the land. Only by acting on behalf of the community will the Trust realise its objective to increase community use and connection with the forest. Consultation on new projects, along with provision of information on progress, will help foster community interest in the forest and increase community involvement. The newsletter, a website, events and public meetings will continue to encourage involvement.

## 4.2.9 Finance

To manage the purchase of the forest, make the required funding applications, and monitor spend of restricted funds and cash flow will require a considerable amount of time. Bank borrowing is also likely to be required to fund the land purchase and the Hydro scheme. If a project manager is employed, the Trust will become an employer and a payroll will have to be managed. Operation of the Hydro Scheme will require a financially independent trading company, which could be structured to include other trading or income generation undertaken in the forest, adding to the financial management portfolio.

## 4.3 Timetable of Activities

### 4.3.1 Phase 1 – Project Plan

Task	Details	Completion date
NFLS process	<ol style="list-style-type: none"> <li>1. Community ballot for NFLS application</li> <li>2. Land valuation               <ol style="list-style-type: none"> <li>a. Contact FCS to request assistance with this.</li> <li>b. Fundraise or identify funds to pay for FCT's input</li> </ol> </li> <li>3. Prepare application to NFLS</li> <li>4. Proceed through NFLS application process</li> <li>5. Complete land purchase - transfer of ownership to community</li> </ol>	<p>As soon as funding source is identified</p> <p>Within 3 months of identification of funding</p> <p>Within 3 months of funding becoming available</p> <p>3 months after preparation of application</p> <p>Within 1 year of approval of NFLS application</p>
Hydro Feasibility study	<ol style="list-style-type: none"> <li>1. Prepare application to CES for grant funding for study.</li> <li>2. Commission study</li> </ol>	<p>By June 2010</p> <p>July 2010 – completed end of 2010</p>
Funding for land purchase	<ol style="list-style-type: none"> <li>1. Identify or raise funding for land purchase</li> </ol>	Whenever funding becomes available
Networking	<ol style="list-style-type: none"> <li>1. Maintain contact with other</li> </ol>	Ongoing

	community woodland groups	
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### 4.3.2 Phase 2 Delivery of the five year plan

<b>Task</b>	<b>Details</b>	<b>Completion date</b>
Employ project officer	<ol style="list-style-type: none"> <li>1. Job description for project manager</li> <li>2. Identify and apply for funding for employment of project manager</li> <li>3. Employment of project manager</li> </ol>	<p>within 1 month of land purchase</p> <p>Within 1 month of land purchase</p> <p>Within 3 months of land purchase (but see 3.3.3)</p>
Identification of funding and income streams	<ol style="list-style-type: none"> <li>1. Preparation of funding applications</li> <li>2. Fundraising activities to match funding and enable project development</li> <li>3. Identification and monitoring of income streams</li> </ol>	<p>Ongoing, project by project.</p> <p>Ongoing</p> <p>Ongoing</p>
Project Management and evaluation	<ol style="list-style-type: none"> <li>1. Project management</li> <li>2. Monitoring and evaluation</li> <li>3. Updating of plan</li> <li>4. Publicity and networking</li> <li>5. Planning for Phase 3</li> </ol>	<p>Ongoing</p> <p>Ongoing with monthly reporting to Board, regular updates to community and reports as required to funders</p> <p>Ongoing, but formally on a six-monthly basis</p> <p>Ongoing</p> <p>Commencing start of Year 5 of Phase 2</p>
Hydro Scheme	<ol style="list-style-type: none"> <li>1. Identification and application of funding for Hydro Scheme – grant and/or bank loan.</li> <li>2. Commission feasibility study to completion of design and tender stage.</li> <li>3. Appoint main contractor.</li> </ol>	<p>Within 3 months of completion of Phase 1</p> <p>4 month following funding approval</p> <p>1 month following issue of tenders</p>

	<p>4a. Start scheme 4b. Establishment of trading company for Hydro scheme</p> <p>5. Completion of scheme</p> <p>6. Income from Hydro scheme</p> <p>7. Maintenance</p>	<p>6 months after point 3 During construction phase</p> <p>1 year after point 4a on completion</p> <p>Annually, once scheme is completed</p>
Footpaths	<p>1. Footpath survey including consultation with SNH and costings including signage, interpretation and maintenance.</p> <p>2. Application for funding and/or fundraising</p> <p>3. Creation of footpath</p>	<p>1 month after completion of Phase 1</p> <p>2 months after completion of Phase 2</p> <p>Completion by end of Year 2 of Phase 2.</p>
Woodland transformation	<p>1. Assessment of existing terrain and consultation with SNH and FCS</p> <p>2. Update of existing detailed woodland management plans</p> <p>3. Woodland transformation</p> <p>4. Liaison with potential contractors for firewood/ woodchip supply operations</p> <p>5. Maintenance</p>	<p>1<sup>st</sup> month of Phase 2</p> <p>By Month 3 of Phase 2</p> <p>From month 4 of Phase 2, ongoing for 5 years, leading into Phase 3 By month 3 of Phase 2</p> <p>Ongoing</p>
Erection of building	<p>1. Project planning and identification of site for building</p> <p>2. Survey of site, preparation of plan and specification.</p>	<p>Within first month of Phase 2</p> <p>By Month 6 of Phase 2</p>

	3. Identify and obtain funding for building	By end of Year 1
	4. Building commences	Start of Year 2
	5. Building completion	End of Year 2
	6. Maintenance	Year 3 onwards

### 4.3.3 Phase 3 – The longer term years 6-26

The activities in Phase 3 are likely to be a continuation or expansion of some or all of the projects started in Phase 2, but will increasingly require to be self-sustaining and less reliant on public funding. The Hydro scheme will provide income for other developments. Priorities for Phase 3, in line with the Trust's objectives will be to:

- Develop the economic potential of the woodland
- Maximise job opportunities
- Develop the recreational potential of the woodland
- Continue with restoration to native woodland and increased biodiversity

## 4.4 Outputs and Outcomes

### 4.4.1 Outputs

- Added tourist attraction
- 1.2km of footpaths within first five years of project
- New community asset
- Erection of forest building by Year 2
- Creation of Hydro Scheme by Year 3
- Income generation of £30,000 p.a. by end Year 3
- First stage transformation woodland by end of Year 5

### 4.4.2 Likely Outcomes

#### Changes

- Increased ability of the community to exercise some control over this part of its environment
- Improvement of the biodiversity of the forest
- Optimum use of forest resources, including timber and non-timber resources
- More use of the forest by the community
- More access of the forest by visitors and tourists

- Increased knowledge and awareness among the local community of forestry issues
- Increased local economic activity and potential
- Increased availability of local products

### **Impacts**

- Educational benefits within the community
- Business start up and employment opportunities
- Income stream for Fernaig Community Trust
- Increase in tourism numbers
- Increased length of tourism stay
- Increased retention of population

## **4.5 Wider Public Benefits**

- The forest acting as a catalyst for a more healthy, secure and diversified community
- Enhanced recreational facilities
- Woodland tenure and management diversified
- Greater environmental biodiversity benefiting wildlife, local people and visitors
- New and diverse products
- Creation of renewable energy opportunities
- Addressing challenges of climate change
- Provision of opportunities for employment and local income generation
- Provide opportunities for training and skills development
- Culture of forest stewardship and timber skills fostered
- Become an educational resource
- Local production would reduce carbon footprint
- More micro management and attention to detail possible under local community management, which would result in better delivery of biodiversity, recreational, and landscape benefits.
- Retention of young people in the community through increased employment and recreation opportunities
- Wider local skill base
- Health benefits for all users.

## **5. Costs and Funding**

### **5.1 Costs**

The costs of any woodland management scheme will be considerable. In addition to the cost of capital outlay, including land purchase and infrastructure, are the costs of site preparation and development, costs of maintenance of footpaths etc., thinning, felling, replanting and stacking costs, fencing, weeding, etc. It is likely that to achieve proper management of the resource, it will be necessary to employ a full or part-time manager, which could cost c.£22,000 per annum. To offset this, it will be necessary to include maintenance and administrative costs in any funding application. Potential costs as outlined in Section 4 are listed below; however, these could vary considerably, so firm quotes for all work will need to be obtained in advance. Running costs are also based on best estimate.

#### **Capital costs**

##### **Phase 1**

Land Purchase - £460,000

##### **Phase 2**

Hydro Turbine - £300,000

Footpath creation - £16,000

Erection of forest shelter - £20,000 (assumptions – no road required, foundations, floor and roofing only, located at a viewpoint; a meeting place)

#### **Revenue Costs**

##### **Phase 1**

Could be project officer costs (see 3.3)

Admin costs - £5,000 p.a.

Hydro Feasibility Study - £15,000

Land Valuation Cost - £300

##### **Phase 2**

Professional fees (surveyor, legal fees, etc) - £10,000 – one-off in Year 1

Hydro Scheme Grid Connection - £35,000 - one-off in Year 3

Hydro Scheme Maintenance – £1,000 per annum from Year 3

Project officer costs – £22,000 per annum

Footpath maintenance - £100 per annum

Other admin costs - £5,000 per annum

Woodland transformation – £115,000

### **5.2 Funding**

#### **5.2.1 Funding for land purchase**

Highland and Island Enterprise's (HIE) Community Land Unit (CLU) has supported many community land purchases since its establishment, including

Assynt, Knoydart and Gigha, and the Land Reform Act has made it easier for communities to take ownership and control of the land where they live and work. The Community Land Unit can provide up to 40% of acquisition costs for areas, such as Achmore, which are considered fragile, but its funding is now primarily concentrated on development rather than acquisition. It can also provide revenue and project funding, and some pre-acquisition funding, including the preparation of business plans and feasibility studies.

Recent announcements suggest a new initiative will be developed to deliver the Government policy as demonstrated through the Land Reform legislation. If Fernaig Trust has the land valuation carried out, and a plan ready to put into action, it would be in a position to put in an early funding application if a new funding programme was set up.

However, most recent information is that Lottery funding is more likely to be available for developing projects after land acquisition, rather than acquisition itself.

### **5.2.2 Scottish Rural Development Programme**

The Scottish Rural Development Programme (SRDP) is scheduled to run until 2013. It is possible to access SRDP funding through several different schemes. These include LEADER (a programme to support innovative rural development), Rural Development Contracts (Rural Priorities), Rural Development Contracts (Land Managers' Options), Forestry Challenge Funds and the Skills Development Scheme. These are explained in detail in section 8 of the Options Appraisal. However, it is likely that some matched funding would need to be identified for some projects, though this varies according to scheme criteria. If funding is accessed for a specific project from one scheme it is not possible to access funding for the same project from another.

All of SRDP funding criteria and management is currently under review, and some changes have already been made to the percentage of funding available and to the qualifying criteria.

### **5.2.3 Community Energy Scotland**

Community Energy Scotland (CES) can provide funding and technical support for the development of income-generating projects such as community wind farms or hydro schemes. Maximum grant levels are up to 50% and grants of up to £150K are currently available. It can also provide grant funding for the installation of biomass heating systems. Once again, it is recommended that up to date information is sought prior to embarking on a renewable energy scheme.

### **5.3 Income Streams**

In order to ensure long-term sustainability, the Trust needs to ensure that the Woodland Management generates sufficient income to decrease its reliance on public funding and subsidy.

Other regular income streams identified, achievable by Year 3 of Phase 2 are (figures are per annum):

Hydro Scheme	£22,000
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Fundraising and other income streams can be identified during the course of Phase 2. Development of a retail outlet and/or café facility in the forest building could generate additional income.

## **6. Long term sustainability**

### **6.1 Environmental**

If you create a more diverse forest, of more natural structure, you have a more resilient eco-system which is intrinsically more sustainable. Monoculture woodland which is clear felled is more susceptible to disease and other sustainability issues.

Increased involvement by the community in the forest will increase community knowledge, enthusiasm and capacity to manage the resource in a sustainable way, ensuring its survival for the benefit of future generations. The help and advice available from FCS, SNH, CWA, NFLS, CES and other bodies will also help inform Trust decisions.

### **6.2 Energy**

The establishment of a Hydro Scheme will contribute significantly to a reduction in the area's carbon footprint and to local and national government renewable energy targets<sup>4</sup>. Sale of thinned and felled timber for firewood will also contribute to a saving in energy cost. The creation of local employment and business opportunities will help reduce the community's carbon footprint created by the high travel to work distances currently undertaken.

### **6.3 Financial**

As outlined in Section 6, it will be a considerable challenge to raise the initial funds to carry out the land purchase and achieve the community aspirations expressed in their aims and objectives in Section 2. Furthermore, the challenge to achieve financial sustainability will be an even greater, and an on-going one. Fernaig Community Trust, however, is in the fortunate position of having the probability of the Hydro Scheme providing a significant income from Year 3 of Phase 2. This will allow some breathing space to identify and develop additional income streams, a position envied by other community woodland management groups.

### **6.4 Social/community**

Local resources, managed at a local level, are likely to achieve greater sustainability for the community both in the economy and the population.

Community ownership can assure and deliver public benefits to the local and wider community. The National Forest Estate Strategy 2009-2013 sets out how FES will reposition the national estate over the four year period.

<sup>4</sup> Highland Renewable Energy Strategy

The Strategy states:

“Repositioning the national forest estate will require a combination of acquisition and sales .... It is expected that the majority of acquisitions will be funded by the sale of those portions of the national forest estate that do not contribute well to our delivery of objectives as set out in the Scottish Forestry Strategy.”

Included in the Strategy is an appendix which sets out the criteria for portfolio analysis of forest districts. The FCT has calculated that Strome Forest would achieve c.22 out 104 measured against those criteria. This level would indicate that Strome would not contribute well to FES objectives and leaves it at risk of sale on the open market. This project addresses that risk.

## **6.5 Management**

Community woodland management will continue to rely heavily on its volunteer Board, its membership and volunteer help for projects and fundraising. Consultation and communication processes will also engender more community participation. The creation of small sub-groups or committees for specific projects can also be a way to encourage volunteer input where time availability is limited. Without proper succession planning, the Management Scheme cannot be sustainable.

## **7. Conclusions and Recommendations**

### **7.1 Land Purchase**

The Fernaig Community Trust has identified four aims which it wishes to achieve:

- Hydro scheme
- Creation of footpaths and interpretation
- First 5 year phase of woodland transformation
- Erection of a forest building for educational and recreational use

It currently is in partnership with FCS through a Concordat. This has delivered developments in Strome Wood but has limited capacity for achieving the aims identified above.

Leasing is another option which has been considered but current constraints mean that at least two of the four aims would be unachievable through leasing part of the forest.

Ownership of the land would enable all these aims, and others down the line, to be achieved by the Trust for the benefit of the community and the wider public.

Therefore it is recommended that Fernaig Community Trust should seek to purchase forest land through the NFLS. The process for this is outlined in Section 4.1. The area of land that the Trust wishes to purchase is approximately 230ha.

### **7.2 Hydro Scheme**

The hydro-electric scheme would provide economic, social and environmental benefits, both locally and nationally. It is recommended that the proposal to develop be progressed immediately by obtaining quotes for a feasibility study and grant funding applied for to CES, and then the study undertaken as soon as possible.

### **7.3 Community involvement**

Although it is likely that there might be some time delay before funding for the land purchase can be identified, that fundraising efforts and community consultation and involvement is maintained, to ensure the retention of community commitment and enthusiasm for the project. It is recommended that a website is established and maintained; that regular meetings are held and progress or otherwise is communicated.

#### **7.4 Project Officer**

It is recommended that consideration be given to employing a project officer to bring together the funding and NFLS application, to develop the Woodland Management Scheme in line with the implementation process detailed in this proposal, to expand on the initial ideas, and to establish a clear monitoring and evaluation process from the outset.

#### **7.5 Community Land Unit**

It is recommended that the Trust renews and continues communication with HIE's Community Land Unit, so that it can ensure its knowledge of potential funding opportunities is kept up to date.

#### **7.6 Networking**

The extensive and lengthy involvement of individuals from FCT and FCT itself in the Community Woodland Association has been of significant benefit to both organisations. With the changing landscape of funding in particular and forestry in general, it is recommended that this networking is maintained.



Appendix 2

