

Outline Business Plan for proposed purchase of Tormore Forest under the National Forest Land Scheme

1. Broad Description of Community Woodland management objectives

The management ethos of Sleat Community Trust is to use local expertise, work cooperatively with other enterprises in the Community and enlist professional advice in facing the challenges of managing Tormore woodland.

The prime management objective is to sustain an income for the Community and to find new economic and social uses for the land upon which the woodland resource is growing, in order to satisfy a diverse range of community needs. Income and wealth generated from the Forest will be used to meet economic, social and environmental needs, which include:

- contributing to wider plans for the sustained economic and cultural regeneration of Sleat
- creating opportunities for work and on-the-job training
- improving quality of life and health through recreational facilities
- improving biodiversity & landscape, to enhance enjoyment for Sleat families and visitors, and benefit wildlife
- expanding tourism-related activities.

2. Governance

The governance structure proposed for the community-owned woodland follows the pattern of the successfully managed adjacent woodlands owned by a charitable trust, the Clan Donald Lands Trust and takes advantage of the extensive local expertise on practical forest management. The Community Woodland Manager employed by Sleat Community Trust would be a half-time employee. He/she would be supported by a professional forest adviser whom the Trust would retain with a fixed annual fee. Policy and oversight functions will be carried out in a similar way to the Sleat Community Trading Co Ltd, a company established by the Trust to manage the community owned petrol station and related facilities. A Steering Group with practical forest and business experience will be appointed by drawing on Trust members. They will establish a small Executive Group. Contracts will be made, with professional advice, for felling and related activities.

3. Management Functions

3.1 Steering Group Function

Sleat Community Trust will establish a subsidiary company, Sleat Community Woodlands Ltd., as a 'company limited by shares', based on the models of Sleat Community Trading Ltd. and Sleat Community Renewables Ltd. The Community Trust will appoint Directors to the Board of Sleat Community Woodlands. The Board will serve as a Steering Group, responsible for the development and stewardship of the woodland assets. The Steering Group will establish and revise the strategy for developing the Woodland in the best interests of the Community, in cooperation with other groups of Sleat Community Trust. They will perform oversight functions, including budget approval and monitoring, and risk assessment. The Group will make only one appointment, namely that of Woodland Manager. The Steering Group is responsible for the appointment, continuing development and monitoring of the Woodland Manager. The tasks entrusted to the appointee will be explicit in a Job description (see outline below). The Group will submit a financial report, annually, to the Community.

3.2 Executive Function

The Steering Group will assign powers to a small Executive, which will undertake four major functions on behalf of the Steering Group, namely,

- mobilizing resources, from charitable, private and public sources,
- safeguarding the Community's assets,
- ensuring prudent management of the revenue-generating activities of the Woodland, and

- planning and developing social enterprises.

The Chairman of the Executive will be the direct supervisor of the Woodland Manager. Sound management requires clear separation of functions. Policy and resource mobilisation are the domains of the Executive: Management is the domain of the Woodland Manager.

3.3 Community Woodland Manager

He/she is responsible for day-to-day forest management, development/delivery of projects, hiring and supervising of volunteer/apprentice/employees. The appointee will be charged with establishing profitability by Year 3 of the appointment. The main elements in the job description are:

Line management

The Community Woodland Manager will be responsible to the Executive Chairperson.

Job Purpose

Developing Tormore Forest as a profitable enterprise and community resource, encompassing: business opportunities, local community & visitor enjoyment, cultural enhancement, carbon footprint reduction, raising environmental awareness, improving biodiversity & enhancing landscape.

Key Responsibilities

- Developing the businesses, including forest crofts, grazing leases, forest products and tree nursery
- Redefining the Forest Plan & budget, in line with community-oriented forest operations, including public access provision, on-site interpretation and environmental education
- Recruiting, supervising & guiding employees, trainees, volunteers, contractors and consultants
- Undertaking secretariat functions for Executive & Steering Groups
- Liaising with other organisations & individuals.

3.4 Management tenets

All woodland management and timber extraction will be tempered by SCT's principles of sustainability and will adhere to tenets of Conservation of Environment and of the Sense of Place.

3.5 Management Practicalities

The Steering Group will establish collaborative working arrangements with existing Sleat businesses to establish Office space, secretarial and administrative infrastructure (including information technology) and for storage of start-up forestry equipment.

4. Fundraising, business ventures and social enterprises

The chart below shows the phasing of fundraising, business and social ventures

	Year 1	Year 2	Year 3	Year 4	Year 5+
Fundraising	-----				
Businesses		-----			
Social enterprise			-----		

4.1 Fundraising 2009-2010

The initial 18-months, after approval of this Application, would focus on mobilising the resources needed for the buy-out, for prioritised capital purchases and insurances plus start-up operational costs to take forward early profitable projects. These will be sought from private and public sector sources. Sleat Community Trust has a proven track record in securing (from both public & private sector) initial and repeat grant aid for existing SCT trading companies and businesses, encompassing renewable energy, a local filling station, community taxi service and community organization. The Executive will be responsible for this task.

4.2 Initial business operations (2011-2013)

It is envisaged that business will be profitable by 2013, that surpluses will be available to support social enterprises and that all developments thereafter will be self-financed.

4.2.1 First Phase Clearfell Timber (Logs & SRW)

Early forest operations will address the immediate (existing) Forest Plan's objectives for clearing windblown and the maturing, profitable timber stands on the lower contours/slopes. Managed by SCT, the forest operations will be sub-contracted to a national forest management company for almost-exclusively export markets (c.40,000 tonnes). Extending over two summers, Year 1 sales will accrue substantial capital to facilitate both the construction of an arterial Category 1A forest road to access Year 2 felling zones and investment in key on-site management infrastructure (tree nursery establishment & deer fence renovation).

4.2.2 Woodfuel (biomass woodchip)

Extensive tracts of short roundwood timber (mainly blighted and/or windblown lodgepole pine stands) will be retained from export sale and instead extracted for forest roadside storage with some rudimentary (sawlog constructed) drying areas. These timber reserves (c.5,000 tonnes) will be sold as domestic firewood (see below) but mainly to Sleat Renewables Limited to service existing woodchip supply contracts. Chipping and haulage contracts will be made to honour these commitments and allow operations to be run in a lean, cost-effective manner – freeing earned revenues to be invested in future restructuring and social enterprise projects.

4.2.3 Domestic Firewood & mulches

Running in parallel with woodchip supply will be the development of domestic firewood sales and the reduction of 'fuel miles'. The acquisition of Sleat forest, coupled with current SCT projects aimed at reducing the peninsula's carbon footprint, will allow confident promotion of a locally-sourced and sustainable zero-carbon domestic heating product to local residents with the additional benefit that sales are invested in enhanced forest access, tourism and employment opportunities.

Sleat Renewables Ltd is already proficient in domestic energy auditing ('Clean Sleat' project: 2009-10) and will broaden its consultative role to promote domestic heating systems or adaptations that utilise wood-burning technologies. Dependant on the successful establishment of wood pellets as the future reliable, cost-effective 'currency' for single dwelling central heating systems, the business will expand woodfuel products with an on-site pellet mill utilising the accruing chip and mill residues. Other forest by-products (bark and low grade chips) will also be marketed for garden and landscaping sale, crofting use (cattle corrals, livestock sheds) as well as being used in early trail surfacing and longer term equestrian trail development in the forest.

4.2.4 Tree Nursery & Perimeter Fence renovation

An on-site tree nursery will be established in Year 1 to supply the increasing native broadleaf component of restocking plans focussed initially on riparian and recreation zones/corridors (beginning Year 3). This relatively low-cost business encompassing a polytunnel/propagation area, adjacent standing-out with timber-framed module racks, stream-sourced irrigation system, a Roottrainer-style modular growing system with associated packing/storage area – will ensure that grants received under the SRDP-funded restock programme can be invested in a renovation programme of the increasingly porous perimeter deer fence. Seed collection, nursery work, fencing and planting work will be undertaken under contract if the envisaged cashflow does not already allow permanent employment of community forest workers taking forward these and future work programmes (particularly trail building and establishing bespoke timber processing functions).

4.2.5 Value Added Timber Products

For too long, timber has been viewed as a low value product. Capitalising on an increasing national agenda (the 2006 Scottish Forestry Strategy), small scale saw milling will be developed to meet local needs. Improvement in mobile sawmills has meant production can be carried out in the forest, thus eliminating much of the carriage costs. In Year Two, such a sawmill will be established to produce fencing and estate

timber. This would be further developed in later years by the addition of a small treatment and drying plant, to produce timber suitable for farm and recreational buildings.

The use of wood will be promoted in local craft industries such as wood carving, basket making and horticulture. Future demand will be met by careful replanting e.g. using osier beds in wet areas.

Foliage and support stands will be sold to the horticultural trade and holly at Christmas. The demand for charcoal will be explored.

New local enterprises will be supported and raw materials will be supplied to contractors.

4.3 Social Enterprises

These downstream community projects will reinvest revenues earned from the suite of business enterprises, taking into account community prioritisation and funding opportunities.

4.3.1 Vocational Training Programmes

It is intrinsic to all business ventures to increase the skill base in all aspects of woodland use and management.

4.3.2 Access Projects

Volunteer supported work will help establish a footpath network, and also enhancement of biodiversity.

4.3.3 Trails

Family/Tag-along cycle trails will be established within the Woodland initially with the aim of making longer trails, based on the FCS Wolftrax model, in the longer term.

4.3.5 Conservation / Outdoor Classroom Zones

Wildlife hides, dipping ponds, a canopy walkway and ropeslides will be established.

4.3.6 Cultural Heritage & Environmental Interpretation

The environs of the ruined township of Capisdal will be restored and a Forest Classroom established.

4.3.7 Equestrian Trails

A Community Pony Club will establish a stables and trail.

4.3.8 Forest Crofts

Crofting is a vital part of the social, cultural and economic fabric of Sleat and there is an appetite for the creation of such crofts or similar agri-woodland schemes. Forest crofts would deliver a range of benefits – economic benefits from woodland management and environmental benefits from integrated forestry and pastoral land use.

4.3.9 Grazings Leases

A successfully established grazings lease in the Forest has shown the feasibility of this.

4.3.10 Green Burials

This proposed land use was made in a community consultation.

5. Revenues

Revenue flows are anticipated from timber sales, profitable woodland projects, leases, wayleaves & servitudes. Additional funds can be anticipated from the Scottish Rural Development Programme and other grant sources. Funding through the Scottish Rural Development Programme may be sourced under different Priorities, identified by the Scottish Government, for example:

- Thriving Rural Communities Priorities, aimed at empowering and encouraging rural communities, stimulating community-led initiatives, improving skills and capacity.
- Landscape Priorities, focussed on enhancing the rural landscape and impacting on people's environment.

Within these Priorities, outcomes and options specific to Sleat will be proposed in seeking SRDP support.