



Business Plan 2015 – 2025



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1. EXECUTIVE SUMMARY

1.1. Summary Description of the Business

Aigas Community Forest was established in 2009 and is a Company Limited by Guarantee registered in Scotland (Company No. SC372685) with Charitable Status (Scottish Charity No. SC041614). It was formed to take ownership of Aigas Forest from Forestry Commission Scotland and manage it for the benefit of the community.

With Scottish Land Fund support for the community purchase of the 285ha Aigas woodland assessed as non-State Aid, Aigas Community Forest now proposes a full purchase of the forest and on-site telecoms mast. This transaction will take place through the National Forest Land Scheme operated by Forestry Commission Scotland.

The business plan is based on ownership of the entire 285ha of Aigas Forest.

As defined in our constitution, Aigas Community Forest's aims are:

- To manage community land and associated assets for the benefit of the community and public in general.
- To provide or assist in providing, recreational facilities, and/or organise recreational activities, which will be available to members of the community and public at large with the object of improving the conditions of life in the community.
- To advance community development, including urban or rural regeneration within the community.
- To advance the education of the community about its environment, culture, heritage and/or history.
- To advance environmental protection or improvement including preservation and conservation of the natural environment, the maintenance, improvement or provision of environmental amenities for the community and/or the preservation of buildings or sites of architectural, historic or other importance to the community.

1.2. The Opportunity and Strategy

On securing community ownership of the Forest, the objective is to manage the timber resource and to develop a range of products and experiences. These will bring in a steady income stream to the company whilst also delivering a range of social and environmental benefits to the wider community. The opportunities identified have been fully explored and supported by the community through extensive consultation and feasibility stages.

1.3. The Business

Aigas Community Forest plans, over time, to develop other income streams to spread risk and ensure that it is not overly dependent on timber income alone. Income will be through timber sales and the associated wood fuel business, from the telecoms mast lease, through new developments such as tourist accommodation, and through grants for specific access and education projects and for some forest and environmental management activities. There will also be some fundraising activity linked to hosting community and other events in the forest e.g. orienteering, which will assist in supporting the low level of annual overheads or to act as a contribution towards specific projects.

1.4. Marketing

Aigas Community Forest's activities and income will all be based on utilising either the timber or the woodland area itself. Depending on the product or service, our market will either be local (e.g. wood fuel) or national/international (e.g. glamping accommodation) but in all cases we will promote the 'Aigas Community Forest' brand stressing the beautiful highland location and community ethos. When promoting nationally and internationally our proximity to Inverness as a tourist centre and transport hub will also be of value.

Our pricing strategy is aimed at being attractive in a competitive market place. We will strive for quality in all our product / service delivery and so will over time gain a reputation for value for money.

We will have a very limited budget and also believe in a targeted approach to promotion. We will seek grants from funds such as LEADER (which funded our existing website and leaflets) to support our promotional activity.

1.5. The Team

As of September 2014, there are 10 Directors and 55 company members. The Board collectively have a considerable range of skills and experience including:

- Forestry
- Securing and managing grant funding for a wide range of projects.
- Project development and management.
- Accountancy related to community land and asset ownership.
- Running small businesses (including those related to tourism, engineering, agriculture and forestry).
- Conservation architecture.
- Footpath and agricultural road building.
- Community development.
- Advocacy and community engagement.
- Running social enterprises.
- Events development and management.

In addition to the Board, Aigas Community Forest can draw on their Forest Champions: Professor Jim Hunter and Sir John Lister-Kaye have both signed up to work with ACF and support successful securing of the assets for the community.

Aigas Community Forest have employed a skilled Development Officer responsible for working with the Board to deliver the community empowerment and engagement aspects of this business plan. Key areas of responsibility are community engagement, access, recreation and education and research into potential additional income streams. The Development Officer has experience in sustainable forest management in which to root is community benefit work.

In addition, a contract will be issued to an experienced company for commercial forest management of Aigas Forest. The Board of Directors will take responsibility for overseeing the development and implementation of trading activities.

1.6. The Finances

The feasibility of community ownership and management was assessed by Bell Ingram in 2009 as part of the National Forest Land Scheme application process. This research showed that community ownership would be financially viable. Subsequent work provided by both the Community Woodlands Association and Scottish Woodlands has reviewed the options for differing emphases on wood fuel production and traditional commercial production. Both reports have again showed financial viability for community ownership.

With the assessment as non-State Aid, the opportunity exists to purchase the whole forest than a progress a part-purchase / part-lease model. This will provide greater financial security with income from the mast and timber felling reinvested in income generation opportunities and directed towards community benefit rather than FCS lease payments. As a result likelihood of long term economic sustainability will be vastly improved and social and environmental benefits will be delivered sooner and with greater impact.

Following advice from Forestry Commission Scotland the Board of ACF engaged Scottish Woodlands in October 2013 to undertake a comprehensive evaluation of Aigas Forest. This report provides estimated income and expenditure for timber harvesting and restocking and has allowed Aigas Forest to produce ten year income / expenditure forecasts for both capital and revenue activity.

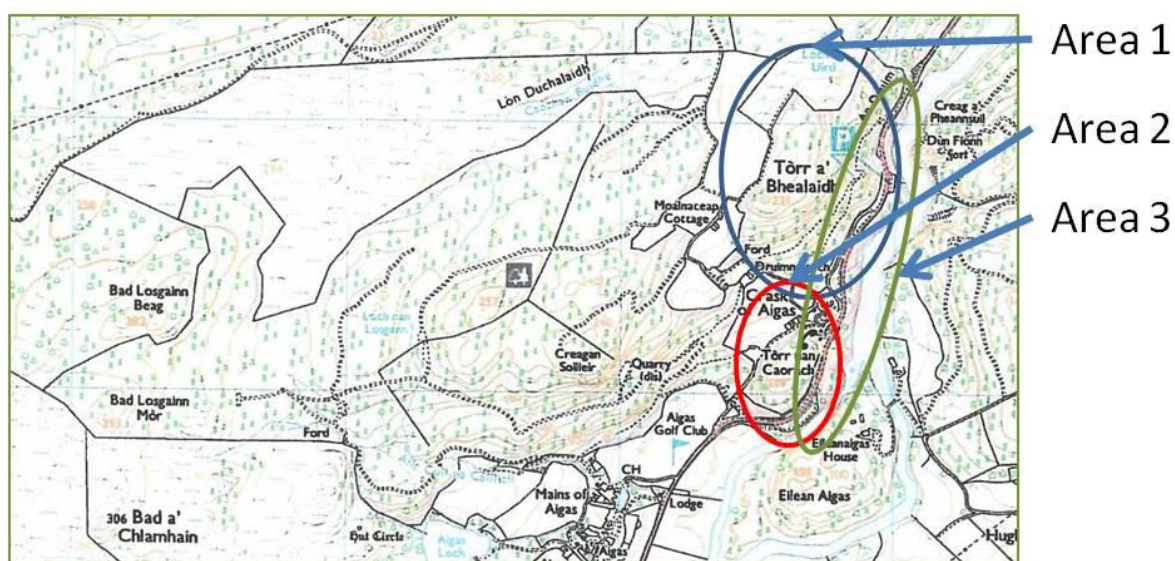
2. AIGAS COMMUNITY FOREST, ITS PRODUCTS AND SERVICES

2.1. The Forest

Aigas Forest is currently owned by Forestry Commission Scotland. It is located approximately 15 miles west of Inverness, off the A831 Beauly to Cannich public road and comprises four adjacent blocks of woodland on the north-west side of the river Beauly, which in total cover 285ha.

The main block (235.85ha), to the west of the Crask of Aigas and north of Aigas Field Centre, has two distinct areas: steep south facing slopes with good soils, stocked with Sitka and Norway Spruce, Douglas Fir, Larch; and to the north and west, an undulating plateau, with thin mineral soils and boggy hollows, mostly planted with Scots and Lodgepole Pine. This area provides greatest opportunity for long term commercial forestry and subsequent income streams.

There are two eastern blocks on steep hills: Torr a' Bhealaidh (north-east of the Crask of Aigas: 30ha) and Torr nan Caorach (to the south: 6.9ha) and a thin riverside strip between the river and the A831 (12.25 ha). Within Torr a' Bhealaidh is situated a telecoms mast producing income of a. £8k / year. These three blocks provide the greatest challenge due to the steepness of the slopes above the A831, but also the greatest opportunity to create roadside amenity woodland for locals and tourists with stunning river vistas and wildlife viewing opportunities including Peregrine Falcon and Osprey.



The majority of the forest dates from two phases of planting 1956-8, and 1963-6. Some stands (notably much of the Scots pine) have been thinned, but there has been no clear felling: many stands are now at or near their nominal “economic” rotation age.

2.2. The Company

Aigas Community Forest was established in 2009 and is a Company Limited by Guarantee registered in Scotland (Company No. SC372685) with Charitable Status (Scottish Charity No. SC041614). It was formed to either take ownership of or lease Aigas Forest from Forestry Commission Scotland and manage it for the benefit of the community.

The company was formed on the basis that there is considerable local support for community ownership of the forest as an asset to be managed for the benefit of the community. In autumn 2009 the 321 eligible members of the community were balloted and this resulted in a 65% return

rate and a vote in favour of purchase of 93%. A complete timeline of activity undertaken by the community in relation to the purchase of the Forest is provided in Annex 1.

Aigas Community Forest intends in due course to set up a trading subsidiary Aigas Community Forest Trading Limited which will deliver the income generating trading activity outlined in this Business Plan. Any profits from this trading company will then be gifted back to Aigas Community Forest to enable it to deliver its environmental and social aims.

Situated to the south west of Beauly in Lower Strathglass, the Aigas community boundary encompasses an area of 1780ha including the settlements of Aigas, Breakachy, Culburnie, Eilean Aigas, Farley, Kinerras, and Torgormack. It is rolling countryside reaching 257m at its highest point with the communities dispersed along the slopes extending either side of the Beauly River. There is a current full-time population of around 400. The community is popular with people of a working age, who form around 70% of the local adult population.

The community's boundary is expressed through the definition of a range of postcodes as required to meet the Land Reform Act 2003 and the National Forest Land Scheme. However, it has been designed such that any household that has a connection to the forest either through being adjacent to it, or by virtue of the fact the visual impact and amenity of the Forest is significant, is included. This boundary is shown in Figure 1 below.

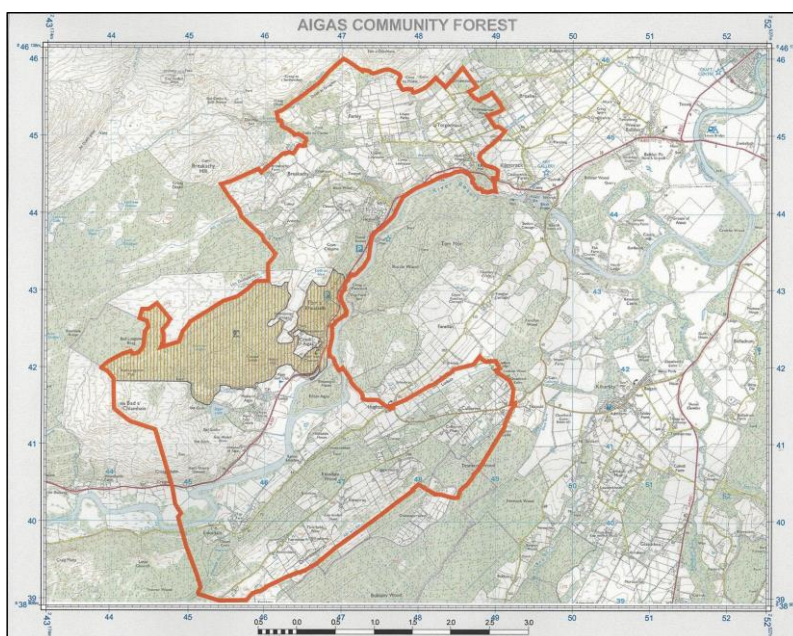


Figure 1: ACF Community Boundary

Aigas Community Forest's Aims as set out in its Memorandum and Articles of Association are:

- To manage community land and associated assets for the benefit of the community and public in general.
- To provide or assist in providing, recreational facilities, and/or organise recreational activities, which will be available to members of the community and public at large with the object of improving the conditions of life in the community.
- To advance community development, including urban or rural regeneration within the community.
- To advance the education of the community about its environment, culture, heritage and/or history.
- To advance environmental protection or improvement including preservation, and conservation of the natural environment, the maintenance, improvement or provision of environmental

amenities for the community and/or the preservation of buildings or sites of architectural, historic or other importance to the community.

This is more readily described through the following themes: Environment, Enjoyment, Energy, Education and Economy. These were developed through consultation with the community as part of the Feasibility Study into purchasing the Forest. The community's aspirations are summarised below.

Environment: Woodland management which will combine a mixture of replacement conifers, appropriate broadleaves to increase biodiversity and improve amenity, and small areas of open space for biodiversity.

Enjoyment: Development of a path network, wildlife viewing opportunities and associated visitor infrastructure taking advantage of existing key viewpoints. This is to include all abilities access and will take advantage of existing roadside / River Beaulieu access. Building on this, developing a range of cultural and heritage events and activities based around the community's close connection to the land.

Energy: To exploit existing renewable energy opportunities through the production of wood chip and firewood for local supply; generating income and helping to reduce local carbon footprint. Also to explore the viability of other renewable energy technologies to generate income in line with the community's aspirations.

Education: To participate in the Forest Education Initiative and provide a resource for local primary schools, Aigas Field Centre, who run an extensive education programme for all ages and others including the Highland Council Rangers. Also to build skills in the community through a volunteering programme.

Economy: Use the forest's resources to create or support local businesses and jobs and to produce a sustainable income source for the effective management of the Forest. Initially based on timber production and processing with potential expansion to include holiday glamping accommodation, and, in the long term, renewable energy production.

Achieving all of the aspirations will take time, particularly in relation to restructuring the forest but in the meantime for the purpose of this Business Plan the following vision and objectives have been set. The Business Plan provides a degree of detail from the period 2015 to 2018 but it is envisaged that these objectives will take up to 10 years to realise.

The Aigas Community Forest vision is:

"A productive working forest providing measurable social, economic and environmental benefits for local residents and visitors alike."

Aigas Community Forest's Objectives are:

Social:

- To increase and improve access to recreational opportunities in the forest.
- To link our community through opening up footpaths from Kilmorack Hall, through Teanassie School to Aigas Field Centre.
- To provide information on the natural and cultural heritage of the area.
- To design and construct challenging all ability tracks and activities.
- To establish an outdoor venue and accompanying programme of artistic and cultural events.

Economic:

- To manage and harvest the timber to produce working capital for re-investment.

- To add value to our timber through developing a wood fuel business.
- To develop a small number of high end eco-cabins and/or tree houses or similar to complement existing tourism businesses in the area.
- To investigate small scale renewable energy opportunities in keeping with our community ethos.

Environmental:

- To seek over time to encourage native regeneration of sections of the forest while maintaining it as a working asset.
- To actively manage the forest to restore biodiversity and protect existing species.
- To provide hides and open up viewing points to allow visitor to enjoy the wildlife and scenery of our forest.
- To work with Teanassie and Tomnacross Primary Schools and Aigas Field Centre to support wide ranging environmental education for all age groups.

2.3. Products and Services

Aigas Forest extends over a total area of 285ha (700 acres). As such it is a major local resource, which is at present unmanaged and underused and provides no local employment. The forest comprises a diverse spread of age classes with small stands of mature pine and broadleaves dating from the 1800s and early 1900s but with the majority of the plantation being coniferous and established progressively through the late 1950s and early 1960s. There was then a period of no change until 1990 when a small area was felled and restocked.

Aigas Forest has to date received little or no active management since the planting of the existing crops. As a result it has remained largely unthinned. Although the forest has Windthrow Hazard Class 3 which normally provides a greater than average degree of flexibility for the silvicultural management of the forest and would provide some opportunity for thinning and extended rotations where appropriate, the thinning window has been missed which limits both the quality of the current crops and opportunities for continuous cover management systems. There are management access roads or tracks within the forest but they are not complete and will require extension to reach all the commercially viable parts of the woodland. The area proposed for amenity (Torr a Bhealaidh, Torr nan Caorach and the riverside strip) are very steep and will not produce surplus income when felled. While there are no formal recreational opportunities within the forest it is used regularly by the local community for walking, mountain biking and horse riding.

ACF will redevelop the Forest Design and Management Plan and take a more holistic approach to the management of the forest. The intention of the community company is to manage the large western area of the forest on a commercial basis, with some early restructuring of the forest to achieve environmental benefits. This will support the number one priority for the local community - a range of activities around access, recreation and education to be focussed within the area proposed for amenity. It is also important that we diversify and strengthen our potential income streams and create job opportunities locally and to this end we will seek to pilot appropriate tourist accommodation in the medium term. The activity proposed in these development areas is described below.

Forest Access, Recreation and Education

The community consultation exercise revealed a widely held view that community ownership would be the route by which better access through improved car parking, upgraded and new footpaths, designed cycle tracks etc. would be secured. The forest is 5 miles from Beaully and is located on route to Glen Affric and the extensive recreation provisions available at Loch Affric, Dog Falls and Plodda Falls. Therefore there is significant opportunity to improve the offering to visitors to the area who already access the viewpoint facility afforded by the Highland Council maintained lay-by and picnic area adjacent to the forest just before the Crask of Aigas. Such amenity would also complement recreational facilities provided at Abriachan and at Reelig Glen.

There are few formal paths / tracks in the Aigas area, although there are many informal routes, and there is an excellent opportunity to create a network of circular paths for a variety of abilities and modes within the woodland. It is considered a high priority to provide the community, school and local businesses with a strong sense of ownership by being able to enjoy good quality access and, by extension, educational opportunities within the woodland. An integral part of linking the local primary school (Teanassie) with the forest will be the development of a path connecting the two. This will require permission of the adjacent landowner who has expressed his support.

Voluntary work will be important and it is recognised that skills development and training will be vital early on to ensure that local volunteers are properly equipped for the various tasks.

While more detailed consultation has to take place regarding what paths and facilities will be built (this is planned to dovetail with redevelopment of the Forest Design and Management Plan in 2015) an indicative list of projects to be complete within the first 5 years is provided below:

- Footpath from Teanassie Primary School to Aigas Field Centre.
- Car parking for approximately 10-15 vehicles.
- Composting toilets
- Upgrade/ create approximately 5km of additional footpaths.
- Appropriate signage and waymarking.
- Marketing & promotion of paths and facilities
- Basic woodland shelter for educational activities
- Training for First Aid, basic chainsaw use, Health & Safety etc.
- Purchase of equipment
- Purchase of personal protective equipment (PPE)

Timber Production and Wood Fuel

The first action to be carried out by Aigas Community Forest will be to develop a new Forest Design Plan which clearly identifies our felling and replanting activity over a 25 year period. This will involve extensive community consultation and will be designed to meet our stated social, environmental and economic objectives within the financial envelope provided by voluntary and commercial income.

Although this plan has not been developed it is possible to outline current thinking based on work undertaken by the Community Woodlands Association and Scottish Woodlands:

As a result of this research the Board of Aigas Community Forest currently believes the focus of activity should be in the 49.15ha of owned forest. These sections need to be managed effectively as the timber on the steep slopes is nearing maximum viable height increasing the risk for wind throw across the adjacent 'A' class road. It is also our view that the most effective way to open these areas up for our desired recreation and education objectives will involve felling, path-building and a combination of replanting and natural regeneration over a period of 10 years.

With the focus of work on the owned area, management of the leased area will involve appropriate thinning, clearing of wind thrown trees and improvement of the exiting path network for the first 5-10 years.

As a result of the harvesting and thinning activity in both sections we will also be able to produce enough timber to operate a local wood-fuel business. It is our expectation that we will run this in partnership with a local contractor or self-employed individual thus helping to secure local employment.

Tourist Accommodation – ‘Glamping’

Investing in self catering accommodation for holiday and other visitors should provide a reliable source of income for Aigas Community Forest that would help to support management of the forest for amenity, wildlife and other purposes that do not generate annual income.

Extensive, and growing, provision of accommodation within and adjacent to forests in the Highlands and elsewhere in the UK demonstrates the interest in a forest environment as a holiday base, with options ranging from wooden tents and basic huts to luxury lodges with hot tubs, decking and all modern amenities.

The Aigas location is considered one of the best holiday bases in the Highlands for those interested in walking and other outdoor pursuits. It has an attractive local environment and proximity to Glen Affric and other popular walking and sightseeing areas, while being close to Inverness and within an hour to an hour and a half's drive of the west coast and many popular mountain areas.

Aigas Community Forest favours the growing trend of “glamping”, which encompasses a wide range of provision, including eco pods and cabins, yurts and bell tents. These offer a close-to-nature experience with greater comfort than a traditional tent, which is proving attractive to modern and older holidaymakers and profitable to provide in terms of the rates that are charged.

This Business Plan assesses the viability of providing, initially, 4 yurts or 2 eco log cabins – although this should be considered indicative as other options will be considered, depending on: site availability once detailed woodland planning is more advanced; the cost of providing access and services to physically suitable sites (ideally with attractive views); and the availability of funding. Depending on how much might need to be borrowed, self catering provision could be more of a long term than short term investment – i.e. once loans (and interest) have been repaid, the annual surplus to invest in other facilities would be greater. Indeed, depending on the degree of success in the initial provision and the availability of suitable plots, further units could be developed. ACF is keen not to displace trade from other local operators, and provision will therefore be distinctive and primarily appeal to new markets, with any local displacement at least balanced by the additional trade that other providers (e.g. Aigas Holiday Cottages) should gain through the promotion of Aigas Forest as a “doorstep” visitor facility with improved access and enhanced amenities.

There would be scope for cabins or other wooden structures to be built locally using timber from the forest, although one-off designs can be more expensive and uncertain than proven “off-the-shelf” units.

Suitable sites could include the riverside or the mature larch stand overlooking Aigas golf course, both of which would have easy access to services and could share car parking with other recreation / access developments.

A yurt is a traditional Mongolian dwelling with a felt or canvas cover stretched over a wooden lattice frame. Yurts can range from 13-52 feet in diameter, and can be occupied year-round (although their attraction in winter will depend on provision of electricity, heating, degree of comfort, etc). A wood burning stove can be used for heating and baking, and a yurt can be equipped internally as well as a conventional self catering property.

For the purposes of the financial projections, it is assumed that 4 well equipped yurts with electricity and water supply would be purchased (or constructed locally), two suitable for two occupants and two for four. Each would have its own shower and composting toilet facilities external to the yurt.

The alternative option (or additional provision subject to affordability) is assumed to be two wooden eco cabins (potentially constructed locally), each with two bedrooms – although occupancy might often be by two people, with a discount assumed.

Depending on cost and practicalities, low carbon features could include:

- Natural material insulation, such as wood shavings in walls, ceilings and roof
- Minimum energy consumption through 40 cm-thick energy efficient timber walls made from local timber
- Maximum energy savings through top quality windows with highest thermal performance – sourced from Scotland, if possible
- Climate and fresh air supply controlled by decentralised ventilation with heat recovery.
- Wood fuel heating
- Local timber cladding, sawed locally
- Locally sourced timber floorboards and ceilings
- Solar gain
- Reedbed sewerage
- Oxygen-rich filtered room air

The units would be pet-friendly and equipped to 4 star standard, and should have a life of 50 or more years.

2.4. Entry and Growth Strategy

Aigas Community Forest will be taking over a mature forest asset which, although to date has not been actively managed, has significant long term potential. As identified previously we will consult on a new Forest Design Plan but we expect to start harvesting timber from the owned area within 2 years and from the leased area within 5-10 years.

One of the Aigas Community Forest's main aims is to provide access and recreational facilities for the local community and visitors both from the elsewhere in the region and outwith the area. These developments will be centred in the proposed area for purchase. This is unlikely to be a money spinner itself but will provide opportunities both for local businesses and also for ACF through the development of potentially chargeable events and fundraising activities. The forest is already used on an informal basis by the local community and growth in this will be encouraged as an improved path network and suitable facilities are developed and signposted. The facilities will be promoted through local media and also through links from other local accommodation and service providers.

In terms of the other trading activities planned, such as the forest glamping accommodation, ACF will be providing a niche market which has reasonably well defined promotion routes. ACF plans for small scale development with the ability for low levels of uptake, increasing over time as the enterprises mature. These developments are also likely to take place 5 years into this plan at which time any assumptions will be revisited and more detailed growth plans established.

3. MARKET ANALYSIS & COMPETITION

3.1. Forest Access, Recreation and Education

While there is no shortage of opportunities for access and recreation provision and educational facilities within forests within a 20 mile radius (Glen Affric, Abriachan, Reelig Glen), Aigas Forest provides a complementary opportunity. The community of Kilmorack is poorly served in terms of facilities and services and there is little in the way of public transport. The key hubs of the community at present are Teanassie Primary School which has a grass pitch not suitable for use at certain times of the year and Kilmorack Community Hall which was built in the 1920s and which has limited use for sport. Aigas Forest has the ability to provide a facility which can be reached from within the community to promote health and exercise and this concept has a high level of support as can be seen from feedback obtained in the original Feasibility Study. In addition it has the potential to be used by a much wider catchment as evidenced by the facilities at Abriachan which draws a considerable number of users from Inverness and further afield.

Aigas Field Centre and the 2 Primary Schools in the area have also identified a range of ways in which they would expand their use of the forest as a recreational and educational resource. Aigas Field Centre delivers an educational programme and employs rangers who work with pre-school and school age children across Highland. The development of Forest School activity at Aigas is therefore a natural expansion of this activity.

3.2. Timber and Wood Fuel

Timber prices have been notoriously volatile in recent years, and projecting future income is inherently speculative. There are global markets in both timber and timber products, and British growers have been vulnerable to significant fluctuations in price, largely due to exchange rate changes. Structural changes may also impact on timber value. It might be anticipated that global demand will continue to increase – although this may be in part met by increased global supply, either from opening up new natural forest for exploitation or from increasing areas of high production tropical plantation.

However, domestically, increased demand for wood fuel in particular is anticipated to increase competition for - and therefore the price of - poorer grade roundwood. Conversely, timber harvesting and transport to processors is heavily dependent on diesel, and therefore can be expected to become significantly more expensive in future.

We envisage overseeing a harvesting programme where operations would be contracted out, via standing sale, with contract clauses allowing the ACF to “buy back” specified volumes (probably calculated via stack measure) at roadside. In effect the harvesting contractor would (partially) offset the costs of harvesting and extracting the wood fuel against the payment for the volumes removed for external processing. Aigas is well served in terms of potential operators who would manage a standing sale with sawmills and processors in Dingwall, Nairn and Boat of Garten. Operators such as Balcas in Invergordon and Norbord at Dalcross may be less interested as ACF would be looking to buy back the small round wood for our wood fuel business and typically this is what would be used in pellet/ board manufacture.

In terms of the wood fuel business; as a generalisation logs are better for domestic scale, chips for larger installations: municipal buildings, swimming pools, schools, district heating schemes. A further generalisation is that domestic log users tend to fit one of three categories:

- Those with purpose built log systems, which comprise their primary heating system and who might use 15 – 20 tonnes a year (individual house demand obviously varies according to house size & design, insulation, etc)
- Those with open fires who substitute wood for coal as part of their fuel mix and may use a tonne or two a year
- Those who burn a wood fire as an occasional decorative feature, and use small volumes annually.

So selling 1000m³ of firewood as logs might involve a couple of hundred customers, some completely dependent on wood, others buying small quantities more or less regularly. Research by Highland Birchwoods demonstrated that domestic log burning had the lowest carbon footprint of the various types of wood fuel, unfortunately at present government support for domestic installation is confined to automated systems, which mitigates against greater uptake of log systems. However, the domestic firewood market continues to expand, and probably justifies a degree of speculation – produce firewood at competitive prices and you will find customers - this seems to have been the experience of other community woodlands. In addition the implementation of the Renewable Heat Incentive or RHI scheme has prompted significant increases in the numbers of chip and pellet boilers being installed in non-domestic situations - in the next year Highland Council are involved in 20 new bio-fuel boiler developments alone. The roll out of RHI to domestic customers is

expected to have had a comparable effect from autumn 2012. This is therefore the market and scale of activity that ACF is looking to tap into.

In due course a more detailed study of the local market which would form part of market development for the business will be undertaken.

3.3. Tourist Accommodation

The 2012 annual occupancy figures from VisitScotland showed a 47% unit occupancy rate for self catering properties, both Scotland-wide and for the Highland region. At the Scottish level, 4 star self catering performed slightly better at 52% and the chalet category was lower at 43% occupancy.

Occupancy rises notably in June, July and August, but the average occupancy rate in Scotland for self catering properties in 2012 in the five winter months was 28%, with operators tending to reduce rates substantially and offer flexibility in bookings (e.g. short breaks and daily rentals rather than weeks).

Locally, current provision registered with VisitScotland includes:

- Aigas Holiday Cottages (3 stars) – two cottages (not timber-built), one unit sleeping four and one sleeping five
- Culligran Cottages, Glen Strathfarrar (2-3 stars) – two wooden chalets and one cottage (sleeping up to seven)
- Kiltarlity Lodges (3 stars) – two units sleeping two and two units sleeping four, with an indoor pool, tennis court and games room (marketed by Hoseasons)
- Glen Affric Chalet Park, Cannich – 14 units each with three bedrooms
- Eagle Brae, Struy – seven luxury log cabins sleeping either two or four

Costs range up to £1500 per week, and a competitive peak rate for a new two bedroom eco cabin in Aigas Forest might be £500 per week.

Yurts are a relatively new form of holiday accommodation in the UK, but there is a development close to Ben Nevis, Great Glen Yurts, with three types of yurt available – two double yurts (5.5 metre diameter), one family yurt (6.5 metre diameter) and one “bunk yurt” sleeping 8 in bunk beds. Outside is a campfire and brazier, communal geodesic dome with gas barbeque, compost toilet and showers and electricity plugs (1-2 minutes walk). The yurts are off grid. Prices for the yurts that sleep 2-4 range from £70 per night to £390 for 7 nights.

A yurt in Aldroughty Woods, Moray, Woodland Rest, sleeps 2 adults and charges from £150 per weekend. There is a private bathroom with shower and a compost toilet. The yurt is serviced and cleaned daily and home cooked meals are available on request. Car parking is 100 metres away.

A review of prices of yurts in different parts of the UK suggests that a well equipped and comfortable yurt at Aigas that could accommodate 4 people could charge up to £350 for 7 nights (more pro-rata for shorter stays) and one accommodating 2 people up to £300.

4. ECONOMICS OF THE BUSINESS

4.1. Financial Strategy

In a traditionally operated commercial forest, income from timber sales will tend to come as large sums on a 3 – 5 year cycle depending on the forest plan. Fixed costs related to woodland management, insurances, certification and other activities will continue to be incurred on an annual basis. Large owners and the FCS can handle the cash flow problems this imbalance between income and expenditure introduces but under community ownership there will be limited reserves to support this. Ownership of the telecoms mast is crucial to financial viability and cash flow

management in the early years, as it will generate an annual income of over £8,000 to cover overheads.

Aigas Community Forest intends to develop other income streams in order to spread risk and ensure that it is not overly dependent on unstable timber income. In addition to timber sales, income will be generated through an associated wood fuel business, through diversified development activities such as tourist glamping accommodation and through grants for specific access and education projects and for some forest and environmental management activities. It is also envisaged that there will be a low level of fundraising activity linked to hosting community and other events in the forest which will assist in supporting the low level of annual overheads or to act as a contribution towards specific projects.

In due course there may be opportunities to explore small scale renewables as a way of generating a more significant steady stream of income which would enable greater self sufficiency in terms of delivering the social and environmental benefits that the community wish to see delivered.

5. MARKETING PLAN

5.1. Overall Marketing Strategy

As identified, Aigas Community Forest is intending to develop several income streams based on utilising either the timber or the woodland area itself. Depending on the product / service our market will either be local (e.g. wood fuel) or national / international (e.g. accommodation) but in all cases we will promote the 'Aigas Community Forest' brand stressing the beautiful highland location and community ethos. When promoting nationally and internationally our proximity to Inverness as a tourist centre and transport hub will also be of value.

Our pricing strategy is outlined below and is aimed at being attractive in a competitive market place. We will strive for quality in all our product / service delivery and so will over time gain a reputation for value for money.

We will have a tight budget and also believe in a targeted approach to promotional activity so we will undertake a limited amount of clearly defined paid advertising. We will seek grants from funds such as LEADER (which funded our existing website and leaflets) to support our promotional activity.

5.2. Promoting the Products & Services

Each of the different products / services requires different promotional strategies. These are summarised in the table below.

Product / Service	Market	Promotion
Access and Recreation	Local - majority Visitors - minority Mostly individuals and families	Local newsletters Own website Annual open days Word of mouth Roadside signage Leaflets in local tourist accommodation and other tourism centres in the wider locality
Education	Local primary schools and Aigas Field Centre	Direct contact with two local primary schools and Field Centre Active engagement with Highland Council Ranger Service

		Leaflet for primary schools in wider locality Own website
Wood Fuel	Local Mostly householders	Fliers (door-to-door, via school, in local hall and golf club) Local newsletters Posters in shops Own website Classified ads in local newspaper and on Gumtree and other websites Word of mouth
Tourism Accommodation	National – majority International – minority Mostly couples Some small families	Registration with VisitScotland Own website Specialist websites including www.goglamping.net and www.glamping-uk.co.uk Seek independent reviews in magazines and on websites Clan Fraser and Chisholm (local clans) websites and magazines

5.3. Pricing

In calculating potential charges to be made for the two key areas of trading activity (wood fuel and visitor glamping accommodation) ACF have taken a reasonably conservative approach. Full investigation has been undertaken into the current markets and prices have been based on the mid range of those currently charged by others. Wood fuel is expected to have a largely local market where there is little in the way of direct competition. In terms of visitor accommodation we will however be looking to offer a niche product in a unique setting targeting a specific but growing market which would attract new visitors to the area.

In terms of visitor accommodation a review of prices of yurts in different parts of the UK suggests that a well equipped and comfortable yurt at Aigas that could accommodate 4 people could charge up to £350 for 7 nights (more pro-rata for shorter stays) and one accommodating 2 people up to £300. Costs for comparable cabins/self catering accommodation in the vicinity range up to £550 per week, and a competitive peak rate for a new two bedroom 4 star eco cabin in Aigas Forest might be £500 per week. Business Plan projections have been calculated with these prices being the maximum charged and seasonal variation has been accounted for.

6. OPERATIONAL ISSUES

6.1. Forest Design and Management Plan, Access Plans and Community Consultation

There is a Forest Design Plan for Aigas forest which was produced by Forestry Commission Scotland in 2007. However the community was not party to consultation for the Plan as all communications were sent to Strathglass Community Council not Kilmorack Community Council. This has resulted in a Design Plan that is wholly focussed on commercial scale harvesting and restock with no consideration of access, recreation and conservation which are all priorities for the community. Due to this it is proposed that at an early stage Aigas Community Forest will seek to produce a new Forest Design Plan and along with this a detailed Access Plan both of which will be subject to community consultation. It is proposed that this will be undertaken in early 2014, following acquisition of the 49ha woodland and lease agreement for the 235ha, in order that first fellings can take place from early 2015 onwards.

6.2. Partnership Working with Other Organisations

Aigas Community Forest is committed to working in partnership with a wide range of organisations within the local community and beyond. In developing and implementing our plans we seek to engage with these partners and ensure that benefits can accrue as widely as possible. A brief description of some of our key partners and how we work with them is provided below.

Forestry Commission Scotland: FCS currently own Aigas Forest and we have been working with them to explore both purchase and lease options. We will seek to deliver FCSs and the Scottish Government's objectives for forest management through maintaining the area as an active forest while delivering a broad range of environmental and social benefits. As tenants, we will consult and engage with FCS throughout our development of a new Forest Design Plan and will submit applications as appropriate for support under SRDP.

Aigas Field Centre: Aigas Field Centre operates as an environmental education charity which provides learning opportunities for a wide range of age groups including school groups. We will seek to work closely with them to ensure that they can access any facilities developed. Conversely they have supported ACF through enabling us to use the Magnus Centre as a meeting place and having such a facility so close to the Forest means that joint promotion and activities could be developed into the future.

Neighbouring Landowners: Aigas Forest is surrounded by privately owned land and from an early stage we have had active discussions with our neighbouring landowners all of whom have been very supportive. Discussions will be ongoing to ensure that we can agree broader land management objectives particularly in relation to issues such as deer management and access. Aigas Golf Course has also organised fundraising events for ACF.

Teanassie and Tomnacross Primary School Cluster: Children from the ACF area attend two local primary schools. Teanassie Primary lies approximately half a mile from the Eastern boundary of the forest and Tomnacross Primary is in Kiltarlity a few miles away. The schools are managed as a cluster and have the same Head Teacher. To date there has been most engagement with Teanassie but this will be expanded in due course. Pupils at Teanassie have participated in the consultations and have undertaken ecoschool and curriculum based topic studies involving Aigas Forest. The intention is at an early stage to develop a footpath from Teanassie Primary School to Aigas Forest with the support of a neighbouring landowner; this will enable the school to broaden its environmental education provision considerably. Over time there may be opportunities to develop relationships with both Beauly and Kirkhill Primary Schools.

Kilmorack Community Organisations: ACF has good working relationships with both Kilmorack Community Council and Kilmorack Community Hall. KCC has been supportive of the community gaining management control of Aigas Forest and has donated funds to ACF and has written in support of our plans to date. KCH have also been supportive of proposals and the two organisations have held joint fundraising events. Consultation and fundraising events for ACF have been held at the Hall.

Community Woodland Association and other Community Woodlands: ACF is a member of CWA and CWA have been very supportive of ACF's plans to purchase or lease Aigas Forest. They along with other community woodlands (Abriachan and Reeling Glen) have been very helpful in providing advice on costings and management options. Opportunities to work collaboratively with these groups particularly on promoting the woodlands and supporting and training volunteers and on the development of environmental and cultural activities in the woodlands will be explored in due course.

Community Land Scotland: ACF is a member of CLS who they have worked with closely in relation to securing the new Scottish Land Fund and the policy issue of Transfer of Public Assets. Through CLS advice has been provided on different aspects of securing tenure of Aigas Forest.

6.3. Monitoring & Evaluation

Aigas Community Forest are committed to ensuring that an appropriate monitoring and evaluation framework is put in place. This will assess whether ACF is delivering benefits through individual projects and activities, and also demonstrate that we are making progress towards delivering our wider aspirations. Some examples of the types of activity that might be recorded are set out below, but a structured framework will be developed.

Aim/Approach	Qualitative Measure	Quantitative Measure
Community Participation	Feedback from participants. Feedback from volunteers.	No. of participants. Profile of participant's age etc. No. of events. No. of community meetings/ workshops etc. No. of volunteers.
Safeguard Environment	Feedback from users e.g. Aigas Field centre, others	Hectares returned to open peat/ moor land Hectares returned to native woodland No. of key indicator species % change in terms of key indicator species
Unique Identity	Feedback from locals and visitors. Sense of wellbeing and pride.	
Securing Benefits	Feedback from visitors.	Income secured Jobs created Projects/ events developed Visitors attracted
Education	Feedback from participants/ users/ Schools/ Aigas Field Centre/ volunteers.	No. of participants Profile of participants Qualifications obtained
Collaboration and Partnership	Repeat and ongoing collaboration (duration).	No. of groups collaborated with No. of joint projects/ initiatives

Many of the quantitative measures are figures that should be either relatively simple to record or take from administrative records that would be kept anyway. They range from counting or estimating attendance at events etc to simple surveys (either on paper at events, or online to contact lists) to get basic profile information on who is participating in Aigas Community Forest activities (what age range, where people have travelled from, etc).

The qualitative measures are included to add depth and understanding to the basic quantitative data, e.g. offering feedback on why one activity attracts more visitors than another, or on participant experiences. It may take a little more time to do this, but there are still relatively straightforward ways of recording qualitative feedback and observations, which can be incorporated into the running of facilities and events. For example, visitors' books or "tell us what you think" books or boxes can be used, at events as well as permanent facilities (e.g. museums etc). If contact details of visitors are available, a very simple follow-up survey might be undertaken a little later, asking for their reflections on their experiences.

6.4. Other Compliance or Management Issues

Insurance: Aigas Community Forest will secure necessary insurances including Employer's Liability Insurance and Professional Indemnity to cover all Staff, Directors and Volunteers. Public Liability Insurance and appropriate insurances related to staging events and activities and providing tourism accommodation etc. will also be procured.

Governance: All Directors will be provided with relevant training relating to the Roles and Responsibilities of being a Company Director and also on the OSCR charitable status requirements.

Interim Management: Between August 2012 and November 2013, the organisation contracted a part time Development Manager to facilitate the acquisition/lease process. For 3 years previous to this appointment the organisation relied heavily on voluntary input both from its Board of Directors and from an extensive group of volunteers and this will continue until funding and financing has been secured. Once funding has been secured, ongoing forestry-related and development support will be put in place through employment of a full time Development Officer and specific contracts.

7. MANAGEMENT TEAM

7.1. Organisation

Aigas Community Forest is a Company Limited by Guarantee with Charitable Status. It has two levels of decision making: the Members who have the right to attend the AGM (or any EGMs), elect the Directors and take decisions to change the Company Articles, and; the Directors who will hold regular meetings between AGMs and generally control and supervise the activities of the organisation.

A Chairman, Secretary and Treasurer will be elected on an annual basis at the Board Meeting immediately following the AGM. In addition Directors will be allocated specific areas of responsibility related to areas of work.

It is proposed that there will be ad hoc time-limited working groups established to respond to any specific policy priorities identified. These will be chaired by a Director and will draw in other Directors, company members or co-opted individuals with specific skills or expertise on the chosen topic.

It is proposed that, in due course, a wholly owned trading subsidiary Aigas Community Forest Trading Limited (ACFTL) will be established. The subsidiary will be a Company Limited by Guarantee and at least two directors of Aigas Community Forest will sit on the Board of Directors of ACFTL with others Directors being appointed on the basis of them having relevant skills and experience to manage the proposed business. This should be readily achievable from within the community.

7.2. Key Personnel

Aigas Community Forest will ensure effective management by employing a skilled Development Officer responsible for working with the Board to deliver the business plan. Key areas of responsibility will be community engagement, access, recreation and education and research into potential additional income streams. Focus will be primarily on the community-owned amenity woodland next to Crask of Aigas.

In addition, a contract will be issued to an experienced company for the commercial forest management to be undertaken in the larger leased area of Aigas Forest.

Annex 2 provides an outline specification for both the job description and the forest management contract.

The organisation has a Board of Directors that have considerable experience in the management of staff and contracts while having a good understanding of the specific activities required to manage Aigas Forest. They are well placed to ensure staff deliver to clearly defined action plans and all strategic and business aims are met.

7.3. Board of Directors

As from the AGM on 21 October 2013, there are 7 Directors and 55 company members. The Board collectively have a considerable range of skills and experience including:

- Securing and managing grant funding for a wide range of projects.
- Project development and management.
- Practical forestry management.
- Ecology and environmental management.
- Accountancy related to community land and asset ownership.
- Running small businesses (including tourism, engineering, agriculture and forestry related).
- Community development.
- Advocacy and community engagement.
- Running social enterprises.
- Events development and management.

The Company Chairman is Graeme Scott, BAcc, CA who runs a small chartered accountancy business in Inverness. Graeme has considerable experience of working with the voluntary and charitable sectors, specifically community owners of land and assets. Graeme has been involved in a professional capacity with numerous comparable organisations including Assynt Crofters Trust, Assynt Foundation, Isle of Eigg Heritage Trust and North Harris Trust. Graeme has experience in feasibility studies, business planning and management accounting for these types of organisations. Graeme also has experience in establishing trading mechanisms for charitable organisations.

The Company Secretary is Andrew Leaver BSc (Hons), MSc who is currently part of the senior management team at Highland Hospice with responsibility for fundraising, retail and communications. Andrew has over 20 years experience in marketing, business development and fundraising and has managed various fundraising appeals. He has considerable experience in event and project management.

The Company treasurer is John Graham who is a neighbouring landowner to the Forest with a range of business interests. John brings over 40 years of practical business experience to the organisation and as a neighbouring landowner he has expertise in managing a native broadleaf woodland. John is well linked into a number of other local community groups and national organisations such as Kilmorack Community Council and the Clan Mackenzie.

In addition to the Board of Aigas Community Forest can draw on their Forest Champions: Professor Jim Hunter and Sir John Lister-Kaye have both signed up to work with ACF and work towards successful securing of the assets for the community. These individuals are highly regarded experts in their own fields and can bring a wide range of contacts to the organisation.

7.4. Supporting Professional Advisers and Services

Accountants and Solicitors: To date Aigas Community Forest has not secured the services of independent accountants. The current ACF Chairman Graeme Scott is a chartered accountant with considerable experience in the community land and asset sector and as such has been responsible for ensuring the company's accounts meet Companies House and OSCR requirements.

Solicitors: Macleod & MacCallum, Solicitors, Estate Agents & Financial Advisors, 28 Queensgate, Inverness, IV1 1YN have been providing legal advice to ACF since before its formation and assisted with setting up the necessary company structures.

Banking: Aigas Community Forest has a bank account with the Bank of Scotland at High Street, Beauly, Inverness-shire, IV27 4XF. This account has been in place since the company was formed and has provided for all needs to date. There are three signatories to the account and two signatures are required to authorise all payments. It is recognised that in moving forward additional loan facilities may be required and early discussions will be held with Highland Opportunity regarding their Community Enterprise Loan Fund and Social Investment Scotland (1-2 St Andrew Square, Edinburgh, EH2 2BD) who provide these types of facilities for social enterprises.

8. OVERALL SCHEDULE

The proposed timetable for completing key tasks over the next year and the subsequent four years is set out below. Note that some of the actions listed are for illustrative purposes only as key decisions regarding specific actions and timescales for delivery will be reviewed in future years by incoming Boards.

Year 1: 2014			
Jan - June 2014	April - June 2014	July – Sept 2014	Oct – Dec 2014
<ul style="list-style-type: none"> Confirm Business Plan on basis of DV valuation and Scottish Woodlands study. Conveyancing and community acquisition of 49.15ha. Lease signed with FCS for 235ha Aigas Forest. Establish fundraising sub-group. 	<ul style="list-style-type: none"> Advertise and appoint ACF Development Manager. Community consultation on Forest Design Plan. Community consultation on access and interpretation proposals. Establish forest work parties group. 	<ul style="list-style-type: none"> Set up Aigas Community Forest trading Limited. ACF AGM Secure funding for detailed path specification to be developed between Aigas Forest and Teanassie Primary School. 	<ul style="list-style-type: none"> Submit detailed forest management plan to FCS. Submit application to Strategic Timber Transport Fund for timber road and loading bay improvements. Secure funding for Aigas/ Teanassie path construction.

Years 2 to 5			
2015	2016	2017	2018
<ul style="list-style-type: none"> First felling commences. Tender for Path Works. 	<ul style="list-style-type: none"> Complete Aigas/ Teanassie Path Works. 	<ul style="list-style-type: none"> Initiate development of pilot tourist accommodation. 	<ul style="list-style-type: none"> Tourist accommodation opened for business.

9. CRITICAL RISKS AND PROBLEMS

Risk Factor	Likelihood	Scale of Impact	Description of Impact	Mitigation
FCS don't approve new forest design/ management plan.	Low	High	<ul style="list-style-type: none"> Unable to progress with aspirations of new multiple objectives for Aigas Forest. 	<ul style="list-style-type: none"> Develop plan in line with FCS and Scottish Government objectives. Engage and consult with FCS as part of Forest Design Planning process.

Risk Factor	Likelihood	Scale of Impact	Description of Impact	Mitigation
Neighbouring owners not prepared to sign up to collaborative deer management.	Low	Medium	<ul style="list-style-type: none"> Unable to progress with initial proposals on natural regeneration and no fencing. Increased costs of delivering forest management proposals. 	<ul style="list-style-type: none"> Early discussions indicate neighbouring landowners would be interested in approach of reducing deer numbers to meet objectives – continue these.
Collaborative deer management not successful.	Low	Medium	<ul style="list-style-type: none"> Unable to progress with initial proposals on natural regeneration and no fencing. Increased costs of delivering forest management proposals. 	<ul style="list-style-type: none"> Fallback proposals of fencing considered and affordable although this would mean fewer resources available for access etc.
Forest Diseases e.g. Pine Tree Lappet Moth, Dothistroma Needle Blight	Medium	High	<ul style="list-style-type: none"> Defoliation/ Death of trees resulting in loss of annual growth and resulting timber value of forest. Pine Tree Lappet Moth is present but not in high numbers at this stage. Dothistroma Needle Blight affecting LPP and SP across area but not yet present in Aigas. 	<ul style="list-style-type: none"> Removal of LPP at an early stage. Thinning of Scots pine to reduce humidity conditions and thus potential spread and impact of both PTLM and DNB.
O2 or other lessees discontinue telecoms mast rental	Low	Medium to High (depending on timing)	<ul style="list-style-type: none"> Loss of crucial/ valuable annual income source. If this occurs within the first 10 years of ownership, the FCS lease for 235ha may have to be dropped to focus solely on the community-owned area. 	<ul style="list-style-type: none"> Maintain good relations with lessees. Initiate proposal to renew a 10-year lease agreement. Regular contact and review agreement.
SRDP funding not available/ awarded at levels required to undertake forest harvesting proposals.	Low	Medium	<ul style="list-style-type: none"> Unable to undertake proposals as initially planned. 	<ul style="list-style-type: none"> Consider whether additional income can be generated from timber sales alone. Take longer to implement proposals relating to other management priorities.
Unable to secure adequate grants for public access, recreation and education projects.	Medium	Medium	<ul style="list-style-type: none"> Delay in delivering proposed projects. Loss of interest from community due to lack of action on the ground. 	<ul style="list-style-type: none"> Develop income generating activities e.g. wood fuel which will reduce reliance on grants. Seek grants from a wide variety of sources and don't over rely on one or two. Undertake as much work as possible using volunteers.

Risk Factor	Likelihood	Scale of Impact	Description of Impact	Mitigation
Income from timber/ wood sales drops due to falling market.	Medium	Medium	<ul style="list-style-type: none"> Loss of income and therefore ability to implement management priorities. 	<ul style="list-style-type: none"> Develop ways of adding value to timber extracted such as wood fuel for which there is an increasing demand.
Unable to secure adequate grants for development projects such as tourist accommodation	Medium	Medium	<ul style="list-style-type: none"> Delay in delivering proposed projects. Loss of income and therefore ability to implement management priorities. 	<ul style="list-style-type: none"> Develop income generating activities e.g. wood fuel which will reduce reliance on grants. Seek grants from a wide variety of sources and don't over rely on one or two. Undertake as much work as possible using volunteers. Investigate scope for using loans as trading activities proposed both generate enough income to pay back.
Volunteer fatigue means reduced ability to deliver.	Medium	Medium	<ul style="list-style-type: none"> Inability to deliver fundraising and proposed activities. 	<ul style="list-style-type: none"> Maintain high numbers of volunteers and try to spread the load. Recruitment of staff/ contractors for key activities should reduce overall workload. Continue to make projects and activities 'fun'. Build on new ideas suggested by volunteers.

10. THE FINANCIAL PLAN

The feasibility of community ownership and management was assessed by Bell Ingram in 2009 as part of the National Forest Land Scheme application process. This research showed that community ownership would be financially viable. Subsequent work provided by the Community Woodlands Association put a greater emphasis on wood fuel production and again showed financial viability for community ownership.

As funds to purchase the whole forest are not available and research has shown that leasing the entire estate under the current scheme offered by FCS is not financially viable we are now proposing a partial purchase / partial lease model. Income generated by the telecoms mast on the purchased section will cover the lease on the remainder so removing the biggest obstacle to financial viability.

Following advice from Forestry Commission Scotland the Board of ACF engaged Scottish Woodlands in October 2013 to undertake a comprehensive evaluation of Aigas Forest. The Scottish Woodlands report provides estimated income and expenditure for timber harvesting and restocking and has allowed Aigas Forest to produce indicative ten year income / expenditure forecasts for both capital and revenue activity in the part purchased / part leased forest. These forecasts will be revised once the Forest Design Plan is approved.

Annex 1 – Aigas Community Forest Options Timeline

- In February 2009 Forestry Commission Scotland advised Kilmorack Community Council that it would be putting Aigas Forest on the market as it was deemed surplus to their requirements.
- The Community Council called a public meeting at Kilmorack Hall on 25 March 2009 to discuss the situation and at this meeting there was a unanimous vote in favour of investigating a community buy-out through the National Forest Land Scheme (NFLS).
- Volunteers were sought to form a steering group and funds were subsequently sourced from HIE and The Highland Council to finance the production of a feasibility study and five year business plan from consultants Bell Ingram.
- The initial confirmation of interest was lodged with the Forestry Commission on 19 May 2009.
- Over the next 112 days the ACF steering group worked with Bell Ingram to undertake full community consultation, prepare a feasibility study and business plan, ballot the community (321 balloted, 65% response rate, 93% in favour), instruct the District Valuer and complete a full National Forest Land Scheme application.
- In December 2009 the District Valuer report valued Aigas Forest for purchase by the community at £690,000.
- Approval of our NFLS application was received from Forestry Commission Scotland on 17 December 2009. **Option 1** – outright purchase – was then developed.
- The Aigas Community Forest company was formed on 9 February 2010 and was granted charitable Status on 30 June 2010.
- In June 2010 further funding was sourced from LEADER and The Highland Council to create a website, undertake a range of development and fundraising activities and make revisions to the 5 year business plan provided by Bell Ingram.
- In July 2010 Sir John Lister-Kaye and Professor James Hunter were recruited as Forest Champions
- In May 2011 when it became apparent that raising £690,000 without a Scottish Land Fund was impossible the NFLS granted an 18-month extension to allow Aigas Community Forest to fully investigate **Option 2** – a lease of the Forest based on the initial FCS lease methodology.
- In November 2011 Aigas Community Forest was awarded Seedcorn Funding from FCS to commission the District Valuer to provide indicative lease values based on different interpretations of the FCS guidelines on leasing.
- In April 2012 the report of the District Valuer was presented to FCS who accepted that their initial lease methodology was flawed and offered ACF an extension until a revised methodology was issued.
- In June 2012 the new Scottish Land Fund (SLF) was announced, opening the opportunity for ACF to again apply for acquisition funding to fulfil **Option 1**.
- In July 2012 ACF secured funding from HIE, The Highland Council and FCS Seedcorn funds and recruited a part-time Development Manager to lead and support the Board in the application process to SLF for acquisition of Aigas Forest.
- In August 2012 SLF representatives encouraged ACF to apply for a significant part of the £690,000 purchase price.
- In October 2012 State Aids application to timber harvesting were raised as a barrier to an SLF application for more than De Minimis of €200,000. Despite a challenge by ACF of this interpretation it became clear that SLF funds would not be sufficient for outright purchase by the community.

- In November 2012 FCS issued revised leased guidance and Aigas Community Forest initiated investigation of **Option 3** – lease of the entire forest based on these revised terms.
- In May 2013 the DV valuation of ground rent came in at £7,800, based on lease of the full area but excluding the telecoms mast. This rent was in addition to timber payments at the point of harvest. Following further financial analysis, with support from Community Woodland Association, the ACF Board concluded this was not workable within acceptable financial risk levels. This lease methodology was challenged by ACF but FCS remained insistent it would not be reconsidered.
- In July 2013 FCS offered a partial sale of woodland lots to include the telecoms mast, together with a lease of the remainder of the forest. This Business Plan and associated Scottish Land Fund application is based on **Option 4** – part purchase / part lease of Aigas Forest.
- Following advice from FCS and further Seedcorn funds, in October 2013 ACF commissioned Scottish Woodlands to update timber income forecasts based on field sampling, and a DV valuation was sought for the sale of 3 agreed areas and the telecoms mast as well as revised ground rent for the remainder of the Forest.
- On November 15, 2013, four years and eight months since the first community meeting, Aigas Community Forest submitted a Scottish Land Fund application to support the purchase of 49.15ha of Aigas Forest including the site of a standing telecoms mast.
- On January 29th, 2014 the Scottish Land Fund approved a grant of £171,000 towards the purchase of 49.15ha of Aigas Forest, including the telecoms mast, by the community. A further £50,000 was granted to support the employment of a Development Officer for 2 years.

Annex 2 – Outline Work Programme and Development Manager Job Description

Outline Work Programme

The ACF work programme will be delivered through 4 key routes:

- A contract for specialist forest management
- A community woodland Development Manager post, initially full time, and most likely an employee of ACF.
- Voluntary input from the Board of Directors and a volunteer programme which the ACF Development Manager will be responsible for creating and supporting.
- Buying in other specialist advice, research and services as required e.g. for wood fuel business development, and to undertake detailed research to confirm the feasibility and location of a visitor 'glamping' facility to complement local tourism provision and provide a unique forest experience.

Overall purpose of the work programme

To deliver all aspects of the ACF Business Plan through engagement of the community as appropriate. The work programme embraces 5 themes: Environment, Enjoyment, Energy, Education and Economy - which translate into the following specific work roles and tasks:-

- 1. Specialist Forest Contractor - Forest & Environment Management**
Focus = Leased Commercial Forest Area

To be funded through a combination of timber income and SRDP grant income.

Contract Responsibilities

- Facilitate the creation of a sustainable Forest Plan to generate income for ACF, and to improve biodiversity and community amenity and education opportunities, including community consultation and engagement in the process.
- Lead and oversee implementation of the forest management and harvesting plan, including preparation, advice and management of grant applications and sub-contractors.
- Establish a wood fuel supply for local consumption, linked to forest management and a robust thinning programme, to produce renewable energy from a sustainable resource whilst reducing haulage requirements; engage a local contractor for wood processing and delivery as required.

- 2. ACF Development Manager – Community Empowerment and Engagement**
Focus = Community-Owned Amenity Area, Crask of Aigas

Ideally fully funded for the first two years by the SLF. During this period intensive development work and relationship building with the community is required. There will be no surplus from timber operations in these early years to finance this essential development post.

The full time post is an integral part of the staffing, as volunteers alone cannot undertake all the tasks. ACF aspires to finance the post after the early years, although it could possibly be reduced to a part time basis if necessary - but this depends how the Trust and the forest develops.

Development Manager Job Description

Responsible to: Board of Aigas Community Forest through the Company Secretary

Responsibilities

Community Engagement, Education and Empowerment

- Establish a local programme in partnership with the Forest Education Initiative Highland Cluster Group, involving the 2 local primary schools and Aigas Field Centre.
(see http://www.foresteducation.org/cluster_group/highland_fei_cluster_group/)
- Build skills in the community by establishing a volunteer programme and recruiting and supporting a voluntary Volunteer Leader.
- Maintain ACF website and issue regular newsletters to the community

Public Access and Recreation

- Facilitate both the creation and delivery of a community Access and Interpretation Plan, accessing appropriate funding as required.
- Develop a footpath network with all abilities areas, wildlife viewing opportunities and associated visitor infrastructure.
- Develop a programme of cultural, art and heritage activities and events in response to local resource, interest and skills.

Local Business Links and Networking

- Network with and engage local businesses in development of the above activities, forming partnerships where appropriate.

Programme Management

- Work with ACF Directors to deliver the Business Plan, including project planning, reporting, review and budgeting.
- Recruit and support a volunteer post to champion Equal Opportunities and Inclusivity; together develop an Equal Opportunities Policy with input from the ACF Board; build routine EO check lists into ACF operational systems.
- Oversee other occasional contracts as required e.g. path works, feasibility studies.
- Arrange and minute all ACF Board meetings and AGM

Annex 3 – Aigas Community Forest Purchase and Development Funding Package

	Year 1	Year 2	Total
Capital Expenditure			
Forest and Mast Purchase	£170,000	£0	£170,000
Legal and Professional Fees	£10,000	£0	£10,000
	£180,000	£0	£180,000
Capital Income			
Scottish Land Fund	£171,000	£0	£171,000
SSE Sustainable Development Fund	£9,000	£0	£9,000
	£180,000	£0	£180,000
Revenue Expenditure			
Development Officer Employment Costs	£23,600	£26,400	£50,000
Office Related Costs	£1,800	£1,000	£2,800
Travel	£200	£250	£450
Forest Design Plan	£5,000	£0	£5,000
Access and Recreation Plan	£3,000	£0	£3,000
Signage and Interpretation	£0	£5,000	£5,000
Governance Costs	£1,000	£1,000	£2,000
Communication Costs	£1,000	£750	£1,750
	£35,600	£34,400	£70,000
Revenue Income			
Scottish Land Fund	£23,600	£26,400	£50,000
SSE Sustainable Development Fund	£11,000	£0	£11,000
Local Fundraising	£4,000	£5,000	£9,000
	£38,600	£31,400	£70,000
Surplus / Deficit	£3,000	(£3,000)	£0
Accumulated Surplus / Deficit	£3,000	£0	£3,000