

Stronafian Forest Business Plan



April 2012

**Conducted on behalf of the Colintrave and Glendaruel Community
Development Trust**



STRONAFIAN FOREST BUSINESS PLAN

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Executive Summary

The adjacent communities of Colintrave and Glendaruel are located in south-west Cowal, Argyll, some 15 miles west of Dunoon. The area has a total adult population of just over 250, increased in the summer months by tourists and holiday home owners. However the area is characterised by a range of issues associated with rural decline: aging population, lack of employment, poor housing stock and falling school rolls. The Colintrave and Glendaruel Development Trust (CGDT) was formed in November 2008 with the aim of revitalising the community to ensure its long-term economic, social, cultural and environmental sustainability. Since then it has employed a development officer to take forward its projects.

Community Acquisition of Stronafian Forest

Stronafian Forest, located between the roads linking Glendaruel with Dunoon and Colintrave to Strachur, consists of 462 hectares (ha) of largely mature conifers, much of which is due to be harvested in the coming decade, along with 153ha of open ground and small areas of native woodland. In May 2010, the local community was informed by Forestry Commission Scotland (FCS) that the forest had been declared surplus and, should there be no interest in a community acquisition, it would be sold on the open market.

Following public meetings an Options Appraisal was carried out by Scottish Native Woods in June 2010 to investigate the potential for community acquisition. Community consultation including public meetings and a door-to-door survey carried out by local “animateurs” gave local support to pursuing community acquisition and since then CGDT has been following a process set out in the National Forest Land Scheme (NFLS) – a government initiative specifically established to help communities take ownership of FCS land. This has involved the joint instruction of a valuation of Stronafian Forest by the District Valuer, giving a valuation in September 2010 of £1.55m, and a community ballot held in October 2010 with 66% of voters supporting the community acquisition of the forest. The subsequent application to the NFLS Panel was successful with approval granted by FCS on 26th May 2011 and gives the community up to 18 months to raise the necessary funds to purchase Stronafian Forest at its market value.

Given the high value of the forest and the lack of significant grant funding available CGDT will need to realise some of their land assets to cover the acquisition costs. It is therefore proposed that, upon taking ownership, CGDT immediately grant a 99 year lease of approximately 510ha of the productive commercial area of the forest to a third party. This will generate a one-off up-front capital payment of £1.3m. It is proposed that the remainder of the acquisition funding be made up from local fundraising, grants from Highlands and Islands Enterprise and the replacement Scottish Land Fund and a loan secured against land currently zoned in the Local Plan as being suitable for housing development. It is envisaged that a house plot will be sold as soon as possible after acquisition thus minimising loan finance costs.

Project Development

The lease of the commercial element of Stronafian Forest to a forestry tenant will ensure that the forest is professionally managed and thus continues to provide both employment and timber for harvesting, extraction and onward processing. However the lease should not affect the range of additional public benefits able to be created through community acquisition. CGDT will retain and sustainably manage 110ha of the forest including the areas with the highest conservation, recreation and amenity value and the land with non-forestry development potential. In addition CGDT will retain the ability to provide recreation and amenity facilities throughout the whole forest including the leased area. The range of local and wider public benefits that CGDT propose to create through community acquisition includes:

- The sustainable management of the whole forest. A condition of lease to the Forest Tenant would be that the leased area of the forest is managed to sustainable standards as set out in the UK Woodland Assurance Scheme (UKWAS).
- Enhancement of the conservation and amenity value of the forest under community management through the restructuring of the woods to provide greater diversity of species and age of trees.
- Sale of house plots and the creation of woodland crofts to provide local affordable housing.

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- Creation of recreational access for walking, cycling, all-abilities access paths and pony trekking.
- Establishment of a sustainable local fuelwood economy through firewood sales, thus also reducing the community's carbon footprint.
- Supporting the development of the local tourism industry through enhancing the amenity of the area and the provision of recreational facilities and activities.
- Cultural, historical and archaeological interpretation.
- Development of a small, community-owned wind turbine. This would require a sizeable bank loan but, given the price per unit for electricity generated is guaranteed through the government's Feed-in Tariff mechanism, interest and capital repayments would be covered by the revenue income generated as well as providing an initial net annual income of approximately £40k.

Project Viability

A five-year cashflow forecast for the project setting out the income and expenditure shows that the financial viability of the project is dependant upon the acquisition costs being fully funded through grants, local fundraising, income from the lease of part of the forest and from loan finance. Project development costs (improved access, recreation facilities, interpretation etc.) and ongoing forest management expenditure (e.g. replanting obligations), will need to be met through a range of funding sources including:

- Land management grants through the replacement Scottish Rural Development Programme.
- Income from the sale of house plots and forest croft leases
- Development funding grants from sources such as LEADER, HIE, Charitable Trusts, etc;
- Long-term revenue income generation through activities including the community wind turbine.

Stronafian Forest Cashflow	Year 1	Year 2	Year 3	Year 4	Year 5	TOTAL
INCOME	£	£	£	£	£	£
Land Acquisition Funding	267,820					267,820
Sale of assets	1,300,000	100,000	42,000			1,442,000
SRDP / LEADER / FCS Grants	10,952	35,070	50,780	45,780	45,780	188,362
Community Wind Turbine	10,000		1,000,000	80,000	80,000	1,170,000
Other Income	10,000	14,880	15,000	15,000	15,000	69,880
Total Income (A)	1,598,772	149,950	1,107,780	140,780	140,780	3,138,062
EXPENDITURE						
Acquisition costs	1,567,820					1,567,820
Infrastructure works	1,500	13,000	9,000			23,500
Land Management	12,252	6,800	25,000	20,000	20,000	84,052
Wind Turbine	10,000		1,040,000	40,000	40,000	1,130,000
Bank, Staff & Operational Overheads	5,950	82,270	35,020	35,020	35,020	193,280
Total Expenditure (B)	1,597,522	102,070	1,109,020	95,020	95,020	2,998,652
Net Inflow (A-B)	1,250	47,880	-1,240	45,760	45,760	139,410
Opening Balance	0	1,250	49,130	47,890	93,650	
CLOSING BALANCE	1,250	49,130	47,890	93,650	139,410	139,410

A good business case can be made for the community acquisition of Stronafian CGDT would be able to generate a sizeable one-off, up-front capital payment from the lease of the commercial area of the forest to cover most of the land acquisition costs. In the medium term the sale of house plots and forest croft leases would generate sufficient income to kick-start the major capital development works. In the longer term, revenue income from the development of a community-owned wind turbine, firewood sales and croft rentals should generate sufficient income to: supplement land management and other grants; cover ongoing forest management costs; finance project development expenditure as well as contribute towards CGDT's other projects. This will ensure that through the community ownership and management of Stronafian Forest, CGDT will be able to provide a wide range of social, environmental and economic benefits to both the local community and wider public.

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1 Organisation Summary

1.1 Colintraive and Glendaruel Development Trust

The Colintraive and Glendaruel Development Trust (CGDT) was formed in November 2008 in order to revitalise the community to ensure its long-term economic, social, cultural and environmental sustainability. According to its Memorandum of Association, CGDT aims are to:

- Provide recreational facilities and activities
- Advance environmental protection and improvement in the Community through the provision, maintenance and/or improvement of public open space and other public amenities and other environmental and regeneration projects.
- Help young people, particularly those resident in the Community, to develop their physical, mental and spiritual capacities, such that they may grow to full maturity as individuals and as members of society.
- To promote, establish, operate and/or support other similar schemes and projects of a charitable nature for the benefit of the community within the Community.

In February 2010 CGDT appointed a Development Officer to take forward projects identified by the community. Funding was provided until March 2012 by Cruach Mhor Windfarm Trust and Argyll & Bute Council LEADER, and thereafter by Highlands and Islands Enterprise.

CGDT is a membership organisation with local residents over the age of 18 being eligible to become both members and directors. There are 176 individual members of the Trust (January 2012) meaning that approximately 70% of the adult community are members. There are also 32 Associate Members who have no voting rights.

CGDT is a registered charity and a company limited by guarantee with its registered office at The Village Hall, Colintraive. CGDT is compliant with the regulations set out in the Land Reform Act as a “community body” and thus is able to apply to register a community interest in land in the area. CGDT also meets the requirements set out in the National Forest Land Scheme for applicant organisations.

Board of Directors

The CGDT Board currently comprises of 10 Directors directly elected from the membership.

Charles Dixon-Spain (Chair). Entrepreneur with extensive experience in business and product development, including designing state of the art websites for a range of prominent public and private sector organisations.

John McEwen (Treasurer). Co-founder of the Scottish School of Hypnotherapy and former Chief Ambulance Officer for both Argyll & Clyde area and latterly Forth Valley & Lanarkshire.

Danuta Steedman. Retired head teacher of the local primary school serving the Colintraive and Glendaruel areas

Donald Walker. Head of European Planning at Invitrogen Life Science

Councillor Alex McNaughton. Indigenous to the area. Elected member of Argyll & Bute Council and Deputy Spokesman for the 3rd Sector.

James McLuckie. Retired army officer and business management consultant who has lived and worked in Colintraive and Glendaruel for 30 years.

Colin Boyd Former partner in a GP practice, latterly in Rothesay, Isle of Bute

John Sutton. An experienced manager in various sectors of retail and is a former Postmaster.

Sadie Dixon-Spain. Director of The Walking Theatre Company

Sandra Wilson. Co-opted director

Supported by:

Rhona Sutherland (Development Officer)

Sara Maclean (Climate Challenge Fund Project Officer)

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Annual report

The most recent AGM was held on 12th June 2011. Annual audited accounts for the year ending 31st March 2011 are held in the Trust's registered office.

1.2 CGDT Activities

CGDT's activities are currently focussed on taking forward the following ventures:

- The community acquisition and management of Stronafian Forest
- Developing a two centre social and economic community hub in the community
- The purchase and re-opening of the former village shop in Colintraive
- New tourist facilities at Colintraive, encompassing car parking, shop to shore facilities and waymarked walks

1.3 Operational Structure

The CGDT Board of Directors is elected from its membership and thus is democratically accountable to them. As Directors of a limited company, they are also required to carry out their activities and make decisions according to company law.

CGDT Board meetings are held monthly, though if required, more regularly.

In February 2010, CGDT appointed a Development Officer to take forward the various projects. Funding is in place for the post from Highlands and Islands Enterprise's Community Area Management Programme until the end of 2013. CGDT were awarded Climate Challenge Funding in March 2012 for a Project Officer to deliver the ColGlen Warmer Homes Project.

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2. Project Background

2.1 Community Profile

The two villages of Colintrave and Glendaruel are 10 miles apart with a total adult population of circa 250, with a reasonably equal split between Colintrave and Glendaruel. Historically, both communities had local services and community facilities which to a large extent divorced the two communities. Diminishing resident populations, particularly young families, and non-viability of businesses has resulted in the deterioration of local services. The primary school at Glendaruel currently has a healthy role but future trends are a cause for concern.

The area is poorly served by public services, although the majority of such services can be accessed in Dunoon, the second largest town in Argyll and Bute, located some 20 miles away along a B road, the majority of which is single track, or in Rothesay, the main town on the adjacent island of Bute which involves a ferry journey and a 20 mile round trip on an A road. GP and banking services are available at Tighnabraich, a 30 mile round trip.

Colintrave is the ferry point on the mainland that connects the Isle of Bute to the rest of Argyll and the ferry is vital to the village and surrounding area in terms of employment and communication. Colintrave is derived from 'Caol an t-saimh' or 'narrows of the swimming'. In 1950 the Bute ferry came into operation and is operated by Caledonian MacBrayne.

2.1.1 Demographics

The population of the CGDT area is approximately 330 with an adult population of 250. Almost half the population is retired (see Table 2) and, due to limited employment opportunities in the area, there is little prospect of retaining youngsters.

The school role at Kilmodan Primary School is presently 19. There are approximately 27 children of secondary school age who attend Dunoon Grammar School and a further 6 who attend schools outwith the area.

2.1.2 Local Economy

Tourism / leisure is the largest single sector in the local economy with the area being popular in the summer months with holiday makers. The Community Audit carried out by CGDT in the summer of 2010 identifies one hotel in Colintrave, one in Glendaruel (currently closed), 9 self-catering properties, 4 B&Bs and a sizeable caravan park in Glendaruel. Agriculture and forestry are also significant employment sectors and the ferry operated by Caledonian MacBrayne is also a major employer of local people.

From the CGDT Animateurs report carried out in August / September 2010:

	Colintrave	Glendaruel	Total
Employed	14	15	29
Self-employed	14	20	34
Retired	43	47	90
Unemployed	0	2	2
Other	3	3	6
Total	74	87	161

Source: CGDT

Table 1: Local Employment Status

The major employment sectors in the area are tourism / leisure, the Public Sector, health, education, agriculture, and forestry. Other employment includes retail, manufacturing, administration, project management and a wide variety of other sectors.

According to the CGDT Animateurs Reports, 13 businesses are based in the area, some of them in the traditional contracting and tourism sectors (hotel/shop, builder & joiner, fencing/dyking, fish farm,

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plant hire/landscaping, general trading) but others utilising IT to allow them to be based in the area (foreign holiday agent, publishing, performance, web development/ graphic design, recording studio). Most of the Colintraive businesses predict that their business will stay the same in the next 10 years.

2.1.3 Recreation and Environment

The area around Colintraive and Glendaruel is recognised as having some of the richest biodiversity in the UK and supports an extensive variety of land, freshwater, marine and coastal habitats. The variety of hills, sea-lochs, woodland and moorland makes for a scenically very attractive landscape. This is reflected by the fact that part of the CGDT area falls within the Kyles of Bute National Scenic Area.

The rural nature of the Colintraive and Glendaruel area supports a range of outdoor activities and offers opportunities to explore areas of cultural and historical interest. The Cowal Way, a long distance footpath developed by Colintraive and Glendaruel Community Council, extends to 57 miles of varied terrain from Portavadie (Cowal) to Inveruglas (Loch Lomond).

Recreation facilities in the area include:

- Colintraive Village Hall
- Glendaruel Village Hall (including informal library)
- Community Garden (in Colintraive)
- Play areas (at Glendaruel and at the Community garden)
- Kilmodan Acre Trust Playing Field in Glendaruel (where the ColGlen Shinty Club is based)
- River Ruel (Fishing)

2.1.4 Community Organisations

Within the local community there is a high degree of capacity in terms of local social capital. This can be demonstrated by extent and success of local voluntary organisations, their levels of membership activities and achievements as identified in the Community Audit carried out in the summer of 2010 by CGDT. Community organisations include:

- CGDT
- Colintraive and Glendaruel Community Council
- Church of Scotland & Sunday School
- Colintraive Village Hall Committee
- Glendaruel Village Hall Committee
- Heritage Centre
- Community Garden
- Playgroup
- Glendaruel Arts & Recreation Club
- Kids Summer School
- Col-Glen Shinty Club
- Col-Glen Shinty Club Juniors
- Colintraive Indoor Bowling Club
- Colintraive Outdoor Bowling Club
- Glendaruel Gun Club
- River Ruel Catchment Management Group
- Badminton Club
- Glendaruel Indoor Bowling
- Glendaruel Aerobics Class
- Yoga Class
- Colintraive Lunch Club

Annual events held in the area include summer fetes, a childrens' Christmas party and an annual fundraising whist drive.

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2.2 Stronafian Forest

2.2.1 Forest Description

Stronafian Forest, located between the road linking Glendaruel with Dunoon and the Colintrave to Strachur road is a 615ha FCS plantation consists of 462 hectares (ha) of largely mature conifers, much of which is due to be harvested in the coming decade, along with 153ha of open ground and small areas of native woodland. The forest occupies the west facing slope of Glendaruel and a shallow glen lying to the east and slopes over to a burn above Loch Striven and ranges from heights of about 30 metres in the lower part of Glendaruel to about 300 metres on the open hill tops.

The forest is fairly typical of the coniferous forests found throughout Cowal in that it contains a high percentage of Sitka spruce - generally seen as the most suited to growing in the area. Productivity has been estimated at an average yield class of the commercial timber at around Yield Class 14. Planting was predominantly carried out in the early 1970s and is currently reaching maturity with significant areas of harvesting due to take place over the next few years. There are also significant plantings from 1957 in the area behind the settlement of Stronafian and more recently from the mid 1980s on the slope above Glendaruel. Significant replanting has also taken place on areas harvested in 2009/2010. In addition there are substantial areas of open ground where harvesting has taken place and which await replanting and areas which are either unplanted or open.

There are also attractive areas of native broadleaf woodland particularly on the slopes above Clachan of Glendaruel itself and elsewhere along watercourses and on the fringes of the forest. These add considerably to the amenity and conservation value of the Forest. There are a number of unscheduled archaeological monuments within the area closest to Clachan of Glendaruel.

2.2.2 Constraints

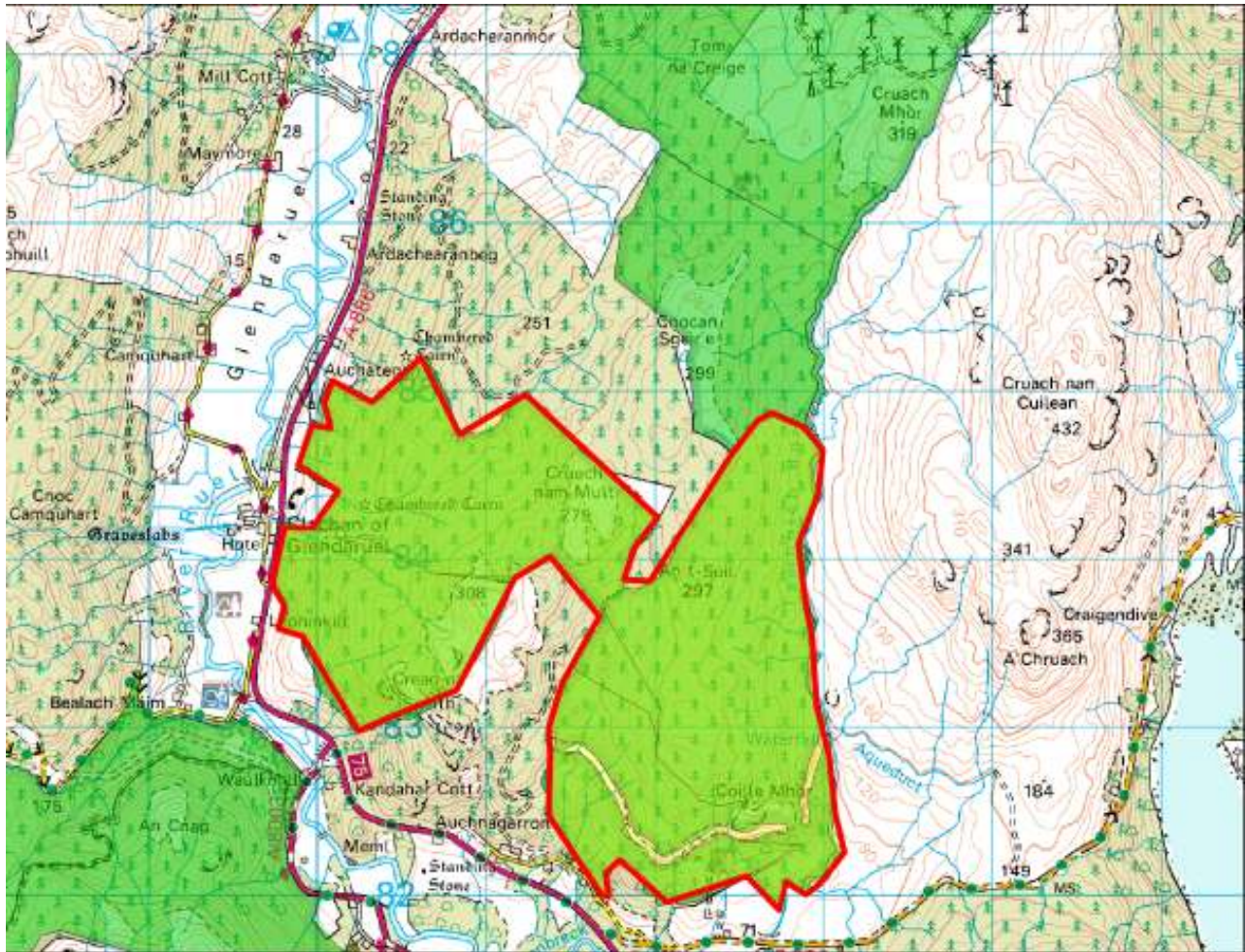
The following constraints on the management of the forest have been identified by the District Valuer in his valuation report:

A strip running through the southern flank of the forest is reserved for the water going to the power station at Loch Tarsan and it is noted that the main access road into the forest crosses over one of these areas. It is assumed that access rights over that area are adequate and that any weight restrictions which may apply would not add undue expense to harvesting operations.

In recent years prior to some harvesting taking place a good standard of access road has been provided from the B836 towards the north end of the forest

FCS have entered into an agreement the owners of the Cruach Mhor Windfarm over an area in the north-east of the forest (beyond the end of the current internal access road) binding FCS to retain that part of the forest until 2024 in order to screen the wind turbines. By that time the trees within this area will be approximately 50 years old and thus, as the area is at the highest point of the forest, a little beyond the optimum age for harvesting. Some loss of timber to windthrow is almost inevitable, particularly after the crop on the existing flank is removed. There is already evidence of windthrow on the edge of the road where previously sheltered standing timber has been exposed to the prevailing south west wind. The windfarm owners are contracted to make compensation payments to FCS totaling £20,635 in three installments in 2014 / 2019 / 2024.

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Crown copyright 2010. All rights reserved. Forestry Commission. 100025498. 2007
M Gauld License No. 100048577
Not to scale

Map 1: Stronafian Forest Area to be sold by FCS

2.2.3 Site Designations

The southernmost part of the plantation falls within the Kyles of Bute National Scenic Area. The Ruel Site of Special Scientific Interest (SSSI) is within 500m of the site. Most of the mapped native woodland on the site is described as Plantation on Ancient Woodland Site (PAWS), or areas which have been converted to conifer plantation. There are a number of Unscheduled Ancient Monuments, concentrated within the area of ground nearest Clachan of Glendaruel.

2.2.4 External Access

The main access to the site is from the B836 Glendaruel to Dunoon road. This access crosses land owned by a third party and, given the information already provided to CGDT by FCS, it is understood that there are adequate rights of access for both commercial forestry operations and to allow CGDT to diversify its future activities (e.g. to erect a small community owned wind turbine). However this issue will be fully investigated by CGDT's solicitors prior to transfer of title to CGDT.

A second smaller access to the western face of the forest is gained from the A866 at Auchategan north of the Clachan of Glendaruel. However it crosses a field owned by a third party - currently used for keeping and feeding livestock and this necessitates a series of 3 gates. It is assumed there are adequate access rights over this land for both forestry and wider uses, though again it is vital that this is clarified. It is assumed that, as FCS has obviously recently been harvesting timber from Stronafian Forest that there are no issues regarding timber extraction from the site.

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2.2.5 Internal Access

There is already approximately 3km of good quality internal roading access within the forest – most of which is on one stretch leading from the main entrance on the B836. A further 400m section of track runs from the entrance on the A866. The FCS Forest Design Plan identifies a further 6km of roading being required in order to harvest and extract the remaining areas of mature timber.

2.2.6 Timber Resource

Stronafian is largely composed of conifers planted since 1957, with areas of native woodland, and harvested areas where trees have been felled

The area breakdown of the woodland, as supplied by FCS is set out below:

Planting Year	Woodland Type	Area (ha)
1957 – 1961	Mixed conifers	51.28
Early 1970 – 1973	Mixed conifers	259.00
1980s	Mixed conifers	67.88
2010	Mixed conifers	44.44
2009 / 2010	Broad leaves	38.34
Felled areas for replanting		39.71
Open/unplanted		114.35
Total		615.00

Source: FCS

Table 2: Schedule of Planting

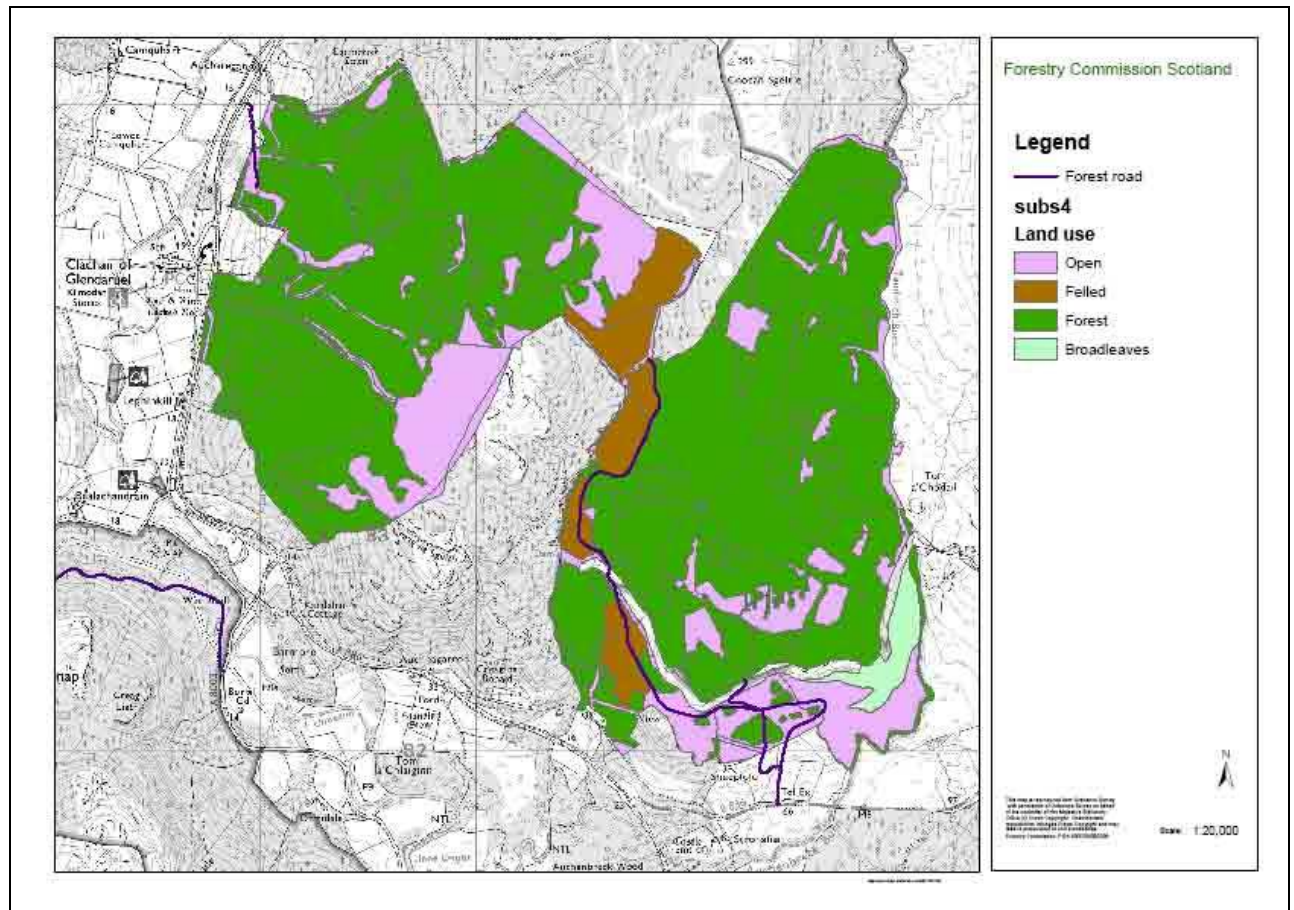
The main conifer species as identified from information supplied by FCS and set out in the Options Appraisal are:

Conifer Species	Area (ha)
Sitka spruce	347
Larch	7
Lodgepole pine	13
Norway spruce	5
Douglas fir	4
Other conifers	6
Total	392

Source: FCS

Table 3: Breakdown of conifer species

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Source FCS

Map 2: Stronafian Forest Land Use

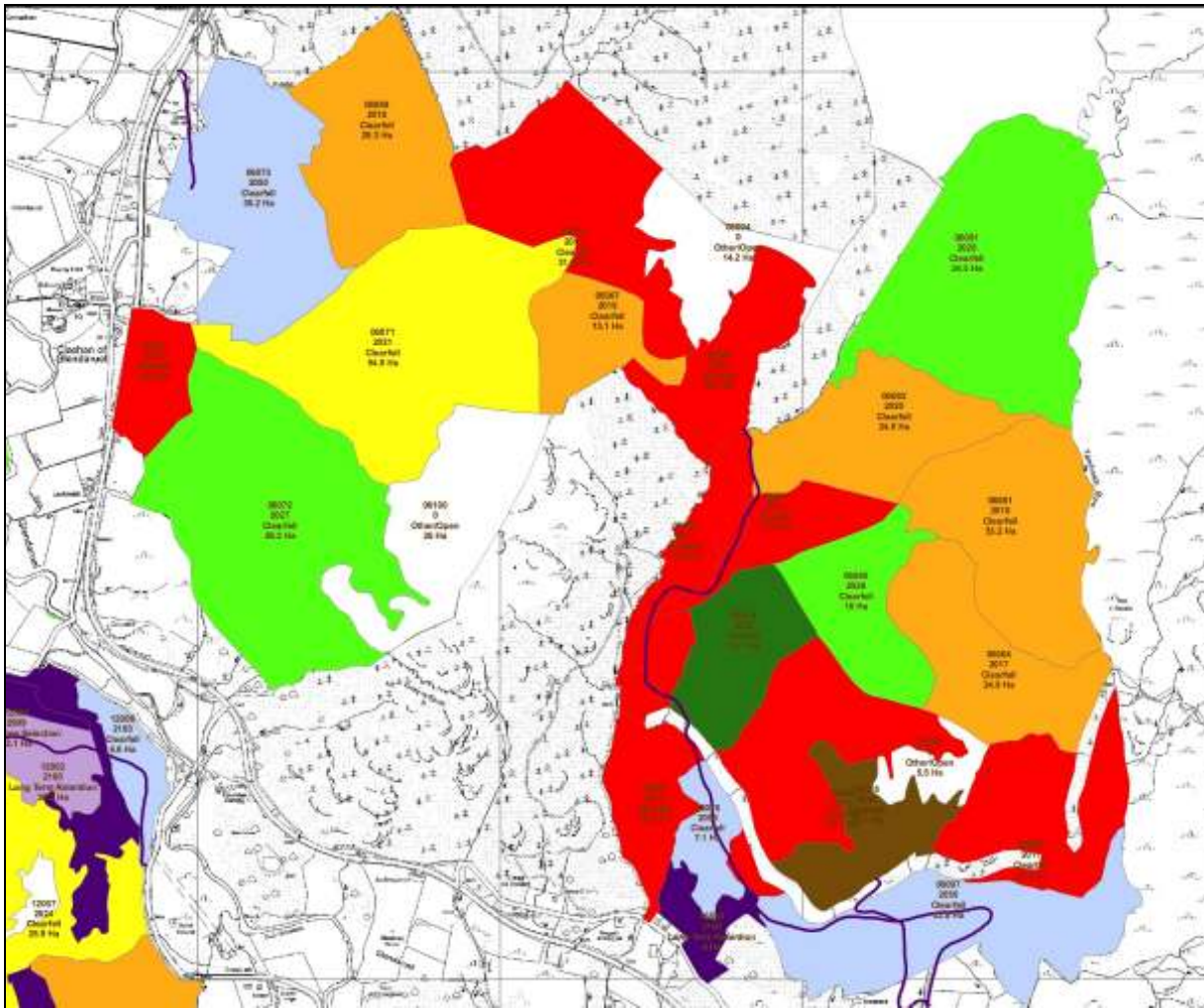
There is approximately 114 ha of open ground mostly on the higher elevations of the site. This is ground where it was not considered to be appropriate to plant conifer plantations. The area is a mix of bog, heath and rock. There is a further 7ha of unplanted ground in small areas throughout the site.

2.2.7 Forest Design Plan

The current management of Stronafian Forest is done through the FCS Forest Design Plan (FDP). This sets out how the forest will be managed over the next 50 years in terms of land use and tree cover, species selection and felling areas and dates. These are set out in Table 4 below and the Felling Plan Map 3 below. According to the FDP, within the next decade over 300ha of the conifer trees in Stronafian Forest will have reached economic maturity.

It is proposed that the existing FDP is initially used as the principal management tool. However it is the intention of CGDT (in partnership with the proposed Forest Tenant) to revise the FDP as part of a Forest Management Plan in the first year of ownership. This Plan would be a comprehensive document encompassing the new social and environmental projects envisaged alongside the sustainable management of the forest and would entail full consultation with the community as well as wider statutory stakeholders.

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Source: FCS

Map 3: Stronafian Forest FCS Felling Plan

Felling Year	Area to be felled (Ha)	Proportion of Planted Area %
2011*	137.4	26.8
2015	9.5	1.9
2016	75.6	14.8
2017	24.9	4.9
2020	24.5	4.8
2021	54.8	10.7
2026	18.0	3.5
2028	54.5	10.6
2032	16.7	3.3
2045	14.1	2.8
2050	69.0	13.5
2058	7.1	1.4
Long term retention	6.0	1.2
Total Planted Area	512.1	100.0

Source: FCS

Table 4: Phasing of felling under existing Forest Design Plan

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Issues to be noted include:

- Clearfelling scheduled in the Felling Plan for 2011 has been postponed due to the potential community acquisition of Stronafian Forest.
- The area coloured brown in Map 2 (Stronafian Land Use Plan) was clearfelled by FCS in 2008/9 but has not yet been restocked. There is a requirement that this will be done and a legal obligation will be passed on the CGDT (and subsequently to the Forest Tenant) to ensure that restocking takes place as per the agreed FDP.

2.2.8 Archaeology

The Colintrave and Glendaruel area has been lived in continuously since at least the beginning of the third millennium BC. Within Stronafian Forest itself there are several significant archaeological sites:

Lephinkill Chambered Cairn

This cairn is situated on a terrace 140m above the Clachan of Glendaruel and was discovered in 1964. It is traditionally referred to as the site of St. Modan's Chapel but no evidence has been found to confirm this. Archaeological surveys carried in 1964, 1972 and 1984 identify the site as a 'Clyde Type' cairn dating from the Neolithic period with a tomb made from stone slabs located at one end of the cairn and a crescent shaped forecourt in front of it used for the performance of rituals. The cairn is certainly large (25mx11m and 2m high (2) and was probably a site of some significance. The site commands impressive views to the north and west over Glendaruel



Photograph: Lephinkill Chambered Cairn

Access to the cairn is currently taken from the forest road via a track which starts close to the turning circle. The track is quite steep in places but is generally well surfaced if a little overgrown. The cairn site is surrounded by a barrier of branches and the cairn sits in the centre of a rectangular grassy terrace which was left unplanted when the surrounding area was forested. To the lay visitor it appears as a grassy mound, well defined to the north and west but less so to the east. This east side is covered with bracken.

Auchategan Settlement

A small settlement has been identified about 40m below the chambered cairn. Excavations were carried out at a site between 1967 and 1970 identifying five stages of human habitation with finds of shards of pottery, flint and stone tools. Some dates have been determined for 3 of the layers:

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The first layer: Neolithic – Radiocarbon dating of charcoal gives a date of 2300 BC;

The second layer: Bronze Age – 2 cists (burial chambers) and cairns that are typical of this era;

The fourth layer – Radiocarbon dating of charcoal gives a date of 660 AD.

This site is one of only two places where evidence of settlements dating back this far have been found in Cowal. All material was removed by the excavations and the area was subsequently planted with trees. The site is currently not easily accessible, with very rough ground covered in tree stumps and brash. It is very likely that this settlement was connected to the Lephinkill Cairn.

Cup Marked Rock

A flat boulder measuring about 1m by 1.5m and less than half a metre tall is located in the deciduous woodlands east of the Clachan of Glendaruel. Records note 10 cup marks roughly 5cm in diameter, two of which are surrounded by rings, one circular, and the other keyhole shaped.



Photograph: Cup marked boulder

Access to the site is again not easy with the terrain being quite wet and slippery although there are cuttings in the embankments to allow these to be easily crossed.

2.3 Project History

The history of CGDT's involvement in the potential community acquisition of Stronafian is set out below:

Date	Action
2010	
28th May	Colintraive and Glendaruel Community Council notified by FCS that Stronafian Forest had been declared surplus and, should there be no community interest in acquiring it, would be sold on the open market. Community Council designated CGDT as the body to take the purchase forward on the community's behalf.
June	Options Appraisal instructed and carried out by Scottish Native Woods.
11 th July	Public meeting in Colintraive Village Hall
3 rd August	The District Valuer (DV) jointly instructed by FCS and CGDT.
23 rd August	Animateurs commence survey
2 nd September	Instruction for preparation of Business Plan
10 th September	DV Valuation Report produced
12 th September	Update Public Meeting
13 th September	Animateurs reports produced

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5 th October	Formal application to NFLS Panel
8 th October	NFLS ballot count undertaken at Colintrave Village Hall, overseen by Argyll & Bute Council
2011	
4 th May	CGDT application considered at Evaluation Panel meeting. Recommendation that the application be approved.
26 th May	Approval of NFLS application by Bob McIntosh, Director FCS subject to a detailed Forest Plan and an associated business plan to be developed with the local Conservancy office before transfer of ownership takes place.
Autumn	Student intern taken on to produce research reports on various elements of the project

Table 5: Project History

2.4 Stronafian Forest Valuation

Under the terms of the NFLS, the District Valuer (DV) was jointly instructed by FCS and CGDT to carry out an independent valuation of Stronafian Forest. The DV's report, dated 10th September 2010, has set the value of Stronafian Forest at £1.55m.

The valuation is valid for a period of 18 months from the date of NFLS application approval by the Director of FCS (i.e. 18 months from 26th May 2011). The valuation is the amount of money that CGDT require to purchase Stronafian Forest and will not be affected by any material change in circumstances during this 18 month period, including any changes in land or timber values.

2.5 Community Consultation and Support

The views of the local community have been identified by a series of community consultation activities from 2007 to date.

2.5.1 CADISPA Study

A community planning consultation exercise was carried out in 2007 by the University of Strathclyde through their CADISPA department. The aim of this study was to allow members of the Colintrave and Glendaruel community an opportunity to set the basis for a development agenda that could be used to take the community forward over the next ten years. The priorities for future development identified included:

- The clear need and role for an organisation such as a Development Trust to lead these developments and to capture the skills and enthusiasm of local people in partnership with the Community Council.
- The need for the community to identify a strategic approach to staged development, and to work together to achieve development for the villages over a period of years.
- Development needs to be driven by local people in partnership with outside organisations.
- The preservation and protection of the built (artifacts, buildings and other points of interest) and the natural environment. This is the reason many people come to the area and why local people take such pleasure from the area.
- There is a dearth of activities for people locally, in particular, those in the 12-18 age group and the older population. Residents intimated a strong need for new activities to overcome issues of boredom and loneliness.
- The need to stimulate economic development, job and wealth creation and service provision through enterprise and training – a business association with strong links to any new development trust was suggested.
- The need to improve the tourist experience.
- The need to tackle the lack of affordable housing for the elderly, young families and local people. Also identified was the risk that the villages would become increasingly attractive to older, retired people or, those with second homes.

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2.5.2 Animateurs Survey Reports

In the August / September 2010 two local people were employed as “animateurs” to gather information and views from local residents (as well as from some holiday home owners) as to the future development of the area and their views as to the potential community acquisition of Stronafian Forest and its future development. Questionnaires were delivered to each household, including a total of 35 to holiday homes. The return rate of 75% is extremely high (see Table 5 below) and therefore can be seen to be an accurate reflection of the communities’ views. Most people had heard about the proposed Stronafian Forest Project through the CGDT AGM, from committee members, the public meeting, general conversation, notice board, neighbours, village shop/ PO, newsletter and the animateurs.

	Questionnaires delivered	Questionnaires returned	Return Rate (%)
Colintraive	112	84	75
Glendaruel	125	93	74.4
Total	237	177	74.7

Source: CGDT

Table 5: Animateurs Surveys - Response Rate

The reports for Colintraive and Glendaruel both highlight the need for further information and investigation regarding the project and raised concerns about the acquisition cost and long term financial viability. However a broad range of positive suggestions were received for development activities that could take place in the forest including:

- Amenity and recreation provision
- Tourism development
- Conservation enhancement
- Employment provision
- Housing
- Forest crofts
- Renewable energy

The responses to both the Colintraive and Glendaruel survey are summarised in Appendix 5

2.5.3 Other consultation

A public meeting was held on 11th July 2010 in Colintraive Village Hall to provide information on the potential community acquisition of Stronafian Forest and to hear the concerns and possible issues raised by local residents. An overview of the Options Appraisal carried out by Scottish Native Woodlands was given, followed by a question and answer session. A summary of the issues raised is set out in Appendix 4. 81 local residents attended the meeting.

A second public meeting was held on 12th September with around 50 residents attending. The CGDT Chair gave an update of the project with presentations from two other community woodland groups (Kilfinan Community Woodland Company and the North West Mull Community Woodland Company). Points discussed and noted included:

- In Mull, the community have severe constraints which will not affect the Stronafian, as 30% of revenue from timber sales was spent on transport costs alone, and only after 25 years will there be profit available to be reinvested.
- Both speakers from the other community woodlands emphasised that sustainability and the provision of employment were as important outcomes as creating a surplus.
- Recognition by those attending the meeting that these points may address the concerns of some locals as to the profitability of the community acquisition of Stronafian Forest.

An update on the forest project was given by the Chair at the CGDT AGM in June 2011 which received support of the membership. There have also been informal consultations in the later part of 2011 as part of a student internship. Finally informal consultation took place at the Colintraive Fete in August 2011.

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2.5.4 National Forest Land Scheme Ballot

Under the provisions of the National Forest Land Scheme (NFLS - see Section 3) there is a requirement for applicant community groups to demonstrate community support for the purchase of forest land. For larger projects this is done through holding a ballot of all locals over the age of 18 who are on the Electoral Roll. The guidance provisions stipulate that in order to satisfy the NFLS criteria, at least 50% of those eligible to vote must do so, and of those who vote, more than 50% must be in favour of the project.

A postal ballot was held in October 2010 with ballot papers distributed to all individuals in the CGDT area who are on the Electoral Register. The Ballot count took place at 3p.m. on 8th October at Colintrave Village Hall and was overseen by a Returning Officer from Argyll & Bute Council. The results were:

- Number of people eligible to vote: 255
- Number of eligible people who voted: 170
- Percentage of those eligible to vote who voted: 67%
- Number of eligible people who voted in favour of acquiring the land: 112
- Percentage of those voting that voted in favour: 66%

Accordingly the ballot result satisfies the NFLS criteria.

2.6 Supporting Organisations

CGDT have had received support from the following organisations:

- HIE (funding the investigative work)
- Scottish Native Woodlands (Options Appraisal)
- Community Energy Scotland (CES)
- Energy Savings Trust (letter of 2nd December 2011)
- Climate Challenge Fund (award of project funding, April 2012)

CGDT have endorsements for the project from the following organisations:

- Colintrave and Glendaruel Community Council
- Argyll & Bute Council
- Kilfinan Community Woodland
- Bute Community Land Company
- River Ruel Improvement Association (letter of 1st October 2010)

2.7 Community Capacity

The current CGDT Board of Directors has a broad range of experience including business, local and national government, teaching and the voluntary sector, (see Section 1.1). Although CGDT is a relatively new organisation it has already shown its intention to deliver meaningful local sustainable development through the employment of a Development Officer and their Climate Challenge Fund Project Officer.

CGDT recognise that in addition to the strategic and managerial input by volunteers (by the Board of directors, members and other volunteers) input by paid staff will be required. CGDT currently employ, until the end of 2013) a Development Officer through Highlands and Islands Enterprise (HIE) Community Area Management (CAM) Programme. It is proposed that this will continue (with the equivalent of a paid Project Manager as well as administration and IT support).

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3. Strategic Context

In recent years there has been a growing political awareness of the types of issues affecting remote, rural communities. In particular there is widespread recognition that through community ownership and management, forestry can provide wide range of economic, social and environmental benefits in addition to those already provided by mainstream forestry. Over the last 20 years Scotland has built up a strong community forestry sector with over 150 groups which have taken some level of control over a local woodland or plantation.

The community purchase of Stronafian Forest by CGDT closely fits a range of Government policies, namely:

The National Strategy for the Scottish Rural Development Programme (SRDP)

The current SRDP programme runs until the end of 2013 thereafter being replaced by a revised scheme. The National Strategy for the current scheme aims to support environmentally sensitive, sustainable agriculture, forestry, food production and diversification of economic development, as catalyst for rural regeneration and securing the long-term viability of rural businesses. The main outcomes of the programme include well-maintained landscapes and biodiversity, and rural development benefiting local communities and businesses. It is assumed that the replacement SRDP programme will have broadly similar aims, objectives and strategies.

Scottish Forest Strategy (2006)

The Scottish Forestry Strategy seeks to encourage the positive and creative use of Scotland's forest resources, and to integrate forestry with other land uses and businesses as a key element in securing long-term viability and sustainability of rural communities. Other key themes include combating climate change by creating new woodlands, environmental protection, access and health and biodiversity.

Scottish Sustainable Development Strategy

The Scottish Sustainable Development Strategy aims to encourage sustainable communities who embody the principles of sustainable development at a local level.

National Forest Land Scheme

NFLS gives community organisations the opportunity to buy or lease National Forest Land where they can provide increased public benefits. It also allows communities the opportunity to buy forests which are surplus to requirements through the Sponsored Sale of Surplus Land (this being land that makes little net contribution to FCS's public policy objectives). The community purchase of Stronafian Forest is progressing through such a sponsored sale.

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4. Project Proposals

This project involves the purchase by CGDT of Stronafian Forest from FCS under the NFLS and for its subsequent sustainable management by the community in partnership with a forest tenant. The objectives of this project are to:

- Sustainably manage the forest to provide arrange of local and wider public benefits
- Generate a sustainable source of revenue for the local community
- Create housing and business opportunities for local residents
- Provide employment in forest management and related activities
- Enhance the environmental and recreational resources of Colintraive and Glendaruel

4.1 Stronafian Forest Acquisition

CGDT propose to purchase Stronafian Forest from FCS utilising the NFLS Sponsored Sale of Surplus Land process. The timescale set for legal conveyancing of the land to take place is October 2012 with a deadline of November 2012.

There are several options open to the community wishing to pursue community acquisition:

- a. Purchase the forest outright from FCS.
- b. Purchase the solum (the land) with FCS retaining the ownership of the timber rights
- c. Acquire the forest from FCS in several phases spread out over several years
- d. Purchase the whole of the forest with an immediate sale of the standing timber (i.e. the valuable commercial timber crop) to a third party.
- e. Purchase the whole of the forest with an immediate lease of the commercial area of the forest to a third party

Given the very high value of the forest and the lack of significant grant funding sources to cover the acquisition costs, it is unlikely that CGDT would be able to purchase the forest outright. Accordingly CGDT's initial preference (as set out in their NFLS application) was for the purchase of the forest in two phases allowing the community to raise the necessary finance over a longer time period. However this is a complex option and would entail considerable cashflow issues for CGDT. In addition it is the preference of FCS to dispose of its asset fully and thus no longer have management responsibility for any of the forest.

CGDT has therefore decided to seek alternative means to allow the purchase of the forest in one transaction. This will however necessitate the disposal of at least some of the timber assets immediately upon taking ownership. In late 2011 independent advice was sought by CGDT from a forestry professional living locally who identified the potential option for the granting of a long leasehold of the commercial area of the forest. This would generate a significant proportion of the acquisition finance required with the balance made up from grant assistance for land from Highlands & Islands Enterprise (HIE), the new Scottish Land Fund, local fundraising and additional loan capital secured against the early sale of a house plot (see Section 7.2 for full details of acquisition finance).

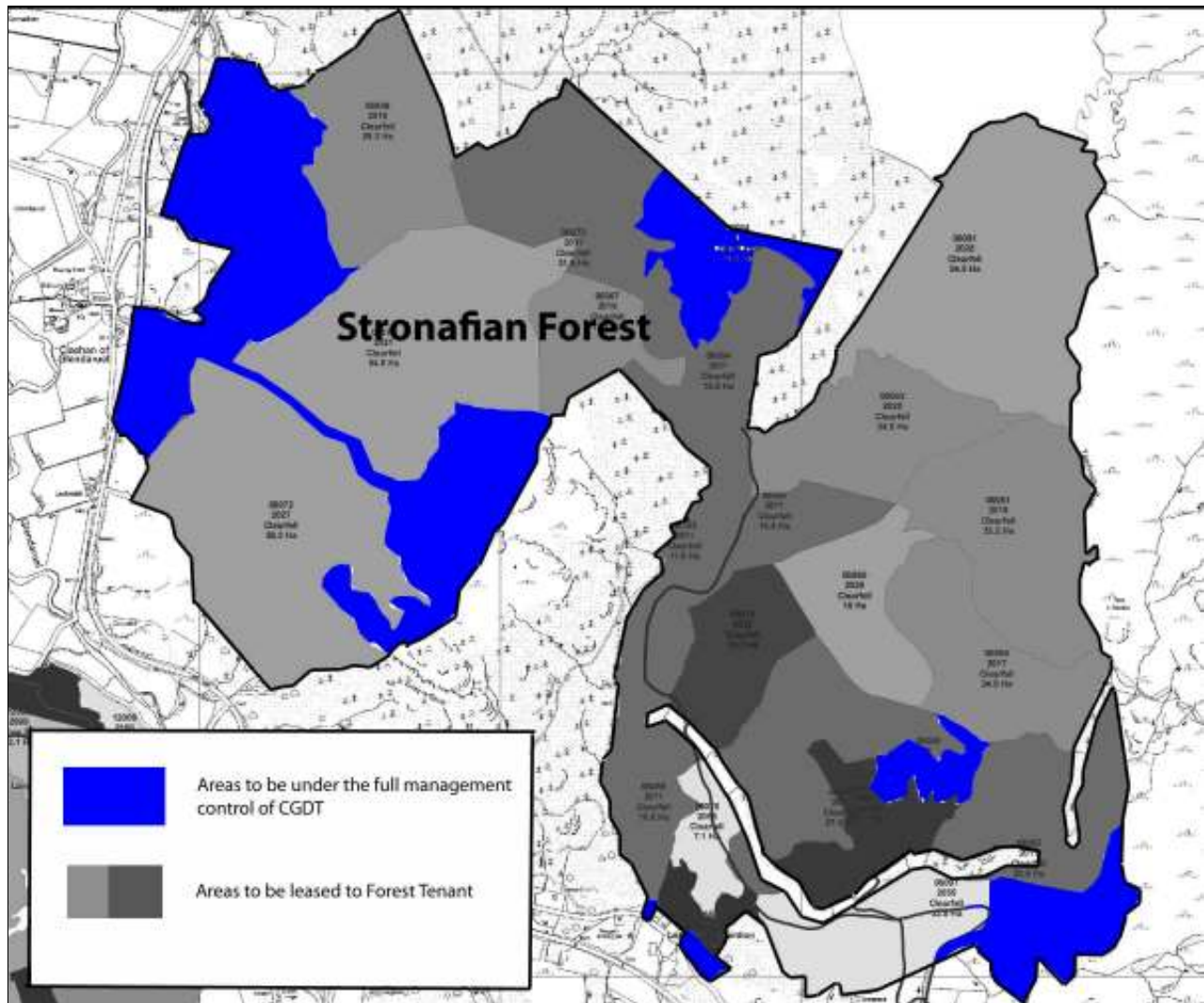
4.2 Lease of Commercial Forest Area

It is proposed that upon taking ownership of Stronafian forest, CGDT immediately lease (in a back-to-back deal) 510ha of the commercial forest area to a third party.

The main terms in the proposed lease are:

- The leased area is as shown in grey in Map 4 below. All remaining areas are to be retained by CGDT in community occupation and management
- Lease term to be for 99 years
- The lease allows the tenant to only carry out of forestry and other activities related to commercial forestry
- Tenant to have the right to harvest, extract and sell all commercial timber within the leased area
- Tenant to be responsible for deer control

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Not to scale

Map 4: Leased and Community Managed areas

It is imperative that the lease terms ensure that the local community and wider public interests are safeguarded and that the property rights disposed of by CGDT do not reduce the overall public benefit of the community acquisition of the forest. Safeguards in the conditions in the lease to ensure this include:

- CGDT will remain as landowner and as such maintain overall control of the whole of the forest
- Stronafian Forest continues to be a professionally managed conifer plantation producing timber for harvesting, extraction and onward processing.
- Retention by CGDT of the development potential for the leased area
- Specific retention of the rights to develop renewable energy projects on the leased area (subject to compensation being paid to the tenant for loss of earnings from any land taken out of forestry production)
- Rights of vehicle and other access along current and future forest roads for management of the retained forest by CGDT
- Rights of pedestrian, bike and bridle access by the general public maintained and safeguarded along forest roads and throughout the leased area

The lease of the commercial forest area has several advantages for CGDT (and the wider public interest) including:

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- CGDT can “outsource” the management of the commercial forestry element of the project thus reducing the specialist “in-house” forestry skills and knowledge required by the board and paid staff.
- Risk relating to the commercial management of the forest is immediately passed on to the tenant e.g. fluctuating timber prices, windblow, harvesting and extraction costs etc.
- The area of forested land to be retained is sufficiently small – approximately 110ha - to be relatively easily managed by CGDT through its own paid staff, contractors, forestry and other appointed professionals (who could also advise on the community interest in the leased land).
- The community will retain and have full management control over the forest areas with the highest conservation, amenity and recreation value
- Development rights for the whole forest will remain with CGDT (i.e. the tenant will have the right to carry out forestry and related activities but not other land uses)
- In addition CGDT will retain the land areas with development potential – predominately the areas closest to the public roads and access points. This would allow the community to create woodland crofts, sell house plots and to develop woodland recreation and amenity facilities.
- Securing a one-off, up-front rental income of £1.3m.

4.3 Stronafian Forest Development

Once in community ownership, it is intended that CGDT manage Stronafian Forest to provide a broad range of public benefits to both the local community as well as to wider public (see Section 4.3) providing social, economic and environmental outputs.

4.3.1 Forest Management

CGDT intend leasing the majority of the commercial area of the forest to a Forest Tenant. This will ensure that the forest continues to be managed professionally as a productive forest providing timber for onward processing. A condition of the lease would be that the forest was managed to recognised sustainable standard.

Through community management of the retained portion of Stronafian, it is anticipated that CGDT will be able to create a sustainable forest resource that will meet the needs of the local and wider community.

Silvicultural restructuring of forest. It is proposed that the Forest Tenant will adopt the FCS Forest Design Plan and will continue the agreed structured felling programme.

Creation of forest management roads. In order to harvest and manage the forest, the Forest Tenant will need to extend the existing forest road network. The Forest Design Plan identifies approximately 6km of new roads. In addition stacking areas and turning points may need to be created. A condition of the proposed lease is that these roads will be able to be used by CGDT for management purposes as well as the public for recreational access.

Conservation Restructuring of the part of the forest retained in community management will increase its bio-diversity and conservation value. This will be achieved through diversification of tree species and ages (by planting areas with native broadleaves) and by specific land management operations (such as management of the riparian zones along watercourses), the installation of bird and bat boxes etc.

4.3.2 Access and Recreation

A major element of the community purchase of Stronafian Forest is maximising provision of public benefits not currently supplied by state-owned or private forests. In particular there is an opportunity to create recreational access into the forest for locals and tourists to the area through providing access for walkers, mountain bikers etc, interpretation, signage etc.

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Access and trail development

Access development within the forest will commence with mapping out of a formalised 8km trail network project in Years 1 & 2 ready for implementation in Years 3 -5.

Forest Interpretation Centre

CGDT are hoping to progress another related project – the purchase of the former Glendaruel Hotel. The hotel, which has been closed for several years, is located in the Clachan of Glendaruel directly on the other side of the main Colintrave to Strachur road from the forest. In January 2011 CGDT successfully registered a Community Interest in the property under the Land Reform Scotland Act 2003 and as such have the right to apply to purchase the property if it comes up for sale.

It is proposed that, if purchased by CGDT, the property is developed to provide a range of tourist facilities, meeting rooms and leased space for micro-businesses. It is also proposed that the property contains a forest interpretation centre, and as such would be the public “gateway” into the forest.

Whilst there are obviously links and mutual benefits from developing these two community projects, it is important to note that the acquisition and development of Stronafian Forest is not dependant upon the community acquisition of the Clachan of Glendaruel Hotel.

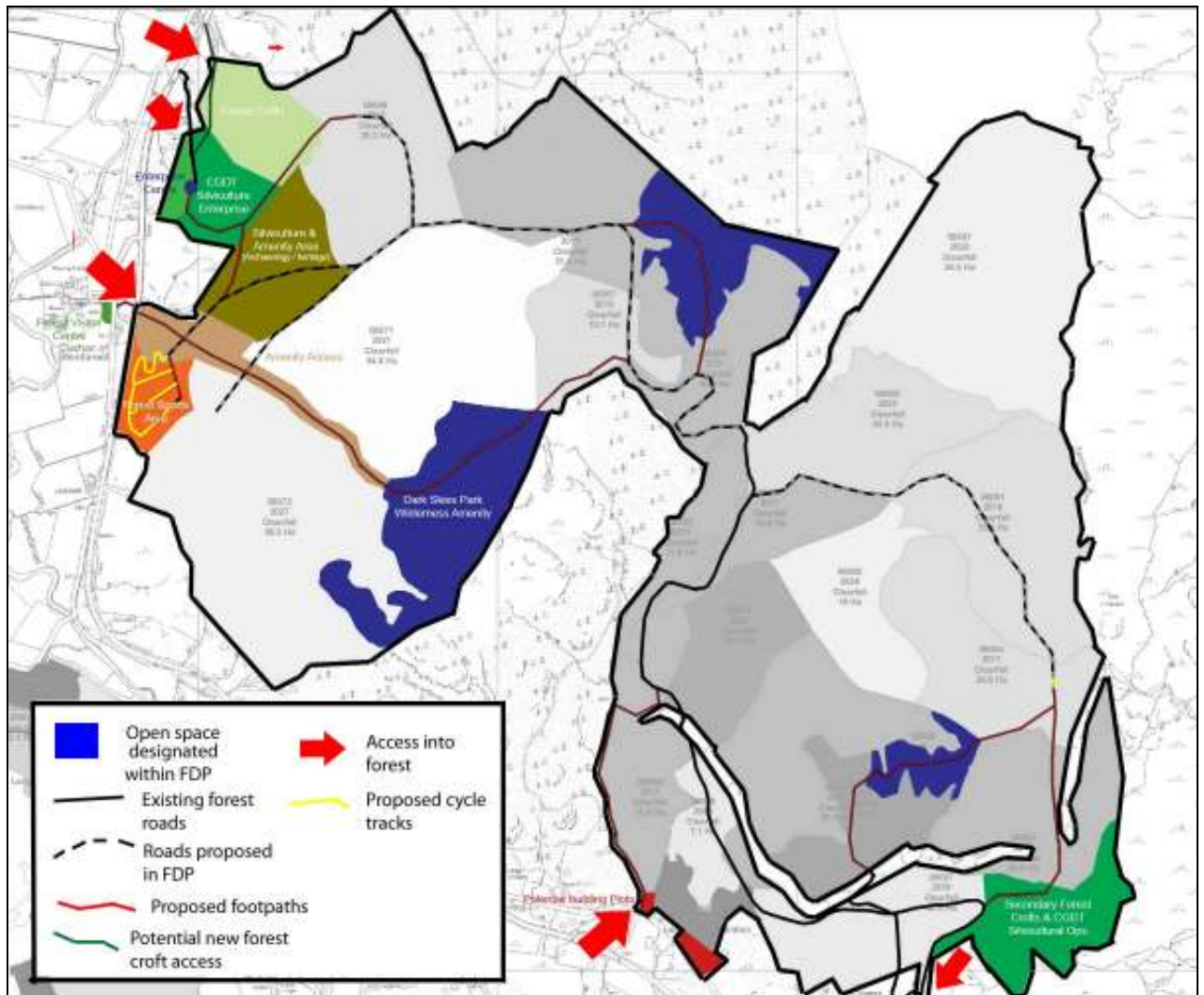
Cycle Tracks

A research project carried out by a graduate intern in 2011 identified cycling and mountain biking as a potentially important recreational activity in the forest utilising the existing forest roads supplemented by the new forest roads (to be created by the Forest Tenant) along with specific cycle tracks to be created. The location of the proposed tracks is shown in Map 5: Stronafian Forest Development Proposals. Costs are set out in Appendix 2.

Issues to be resolved include:

- Use of the current forest road network within Stronafian Forest
- Timescales for the Forest Tenant to construct proposed new forest roading
- Exact location of other tracks
- Maintenance obligations and requirements
- How the cycle tracks in the Forest would fit into the provision of facilities for cycling in the wider Argyll area.

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Map 5: Stronafian Forest Development Proposals

4.3.3 Archaeological Site Management

As landowners, CGDT would be able to manage the various archaeological sites in Stronafian Forest not only to preserve them but also to help tell the story of the thousands of years of human activity. The sites represent a shared social and cultural heritage for the community and the physical traces of this heritage are also a potential economic asset, as tourist attractions. However given the limited physical remains, the sites are of limited value as tourist attractions unless they are imaginatively interpreted and used to help tell the story of human activity in Colintraive and Glendaruel.

Overall co-ordination of this aspect of the project could be done through the Adopt a Monument Scheme. This scheme is run by Archaeology Scotland and provides support and advice to community groups looking to conserve and promote local sites of historical interest. It does not provide funding for contracting professional services but can provide training for volunteers so they can carry this work out themselves and will offer advice on securing funding. The Adopt-a-Monument Project Officer has visited the Forest and has expressed an interest in working with the community on preserving the cairn and investigating other sites in the forest. The suggested first

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step would be to develop a project outline and to recruit volunteers. The proposed approach is set out fully in Appendix 7.

The principal elements of the proposed management of the archaeological sites include:

Survey – A desk based study will establish baseline knowledge within the CGDT owned Stronafian Forest of the locations of all known archaeological sites, past archaeological investigations and the extent of these. This will be followed up by site audits which will involve site appraisals and initial surveys to establish condition, quality, visitor potential of sites (survival, access, significance etc) and any management issues.

Access – Although a well surfaced path exists to the Lephinkill Chambered Cairn some waymarking and gardening will be required. The Glendaruel cup-marked rock could potentially remain without formal access in order to be discovered – perhaps via geo-caching. Access and other works to Auchategan settlement still need to be determined.

Interpretation – Following community led research, information will be provided to improve visitors' appreciation of sites in the forest. This will be carried out under the supervision of knowledgeable archaeologists. Presentation of information will be via a combination of sign boards and paper leaflets and online material including mp3 guides and QR code accessed information. Interpretation at the Lephinkill Chambered Cairn will also offer information on other sites of interest which can be seen in the glen. In the case of the Auchategan settlement site, historical reconstruction could provide interpretation and also a more interesting visitor attraction.

Conservation – A programme of vegetation removal and ongoing maintenance of the Lephinkill Chambered Cairn will need to be put in place. An assessment of what management and maintenance of other key sites within the Stronafian Forest will take place as part of the site audit.

It is expected that 100% funding for the above work will be available from a range of sources including SRDP, LEADER and Historic Scotland.

4.3.4 Stargazing

One of the other low-cost development options that CGDT has investigated is the potential for using land in the forest as a base for stargazing. There is considerable current interest in astronomy - helped in part by recent television series such as 'Wonders of the Solar System' and the annual 'Stargazing Live'. There are several relevant examples of community astronomy projects and of a stargazing centre located within the Forest of Ae in Dumfriesshire.

As the area is blessed with great opportunities for stargazing, a 'Stargazers Welcome' type scheme would help to promote stargazing as an activity for tourists. This would provide information on the good places to go to look at the stars as well as practical advice on what to look for. The dark skies above Stronafian Forest, and Colintrave and Glendaruel in general, are a useful resource for the community and for the tourist economy of the area. Cloud free nights are far from guaranteed but frequent enough for stargazing to be a viable tourist activity. In terms of sites, the low level of light pollution, and sparseness of the housing means that good stargazing can be had from very close to visitors' accommodation. Any attempt to encourage people to use the forest for stargazing will need to offer something extra, to give a good reason to make the effort to visit.

Dark Sky Discovery Sites

Dark Skies Scotland encourages stargazing through the creation of Dark Skies Discovery Sites. Communities are asked to nominate the best place in their local area to see the stars. The criteria for these sites is that they should be relatively free from light pollution, have good, safe (preferably wheelchair) access and be away from tall buildings and trees. There are several of these now established around Scotland including Knockbreck Primary School car park on Skye.

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The site need not be formalised but is intended more as a site to encourage groups to come and enjoy stargazing.

Dark Skies Discovery Sites are promoted as the best places to see the stars in a community. In places such as Colintrave and Glendaruel where light pollution is not a problem, and where open spaces are plentiful the relevance of this seems limited. Most people can get excellent views of the night sky from outside their front door and the same can be said for holiday makers in cottages and at the caravan park. It is difficult therefore to see whether such a site would be any more than infrequently used. Designating a large area that could be used by groups or for events would still have advantages, and the publicity generated by creating the site may be advantageous in encouraging community interest and promoting the area as a good place to see the stars to tourists.

Stargazing Development Opportunities

The unpredictability of clear skies presents a problem for the promotion of the area as a stargazing destination. However a formalised stargazing site could provide activities and information to visitors that could still be enjoyed even if the stars are not visible. The provision of information for visitors may be an attraction when there are clear skies as well, allowing them to gain more from their experience.

Access to a stargazing site would present specific problems which would need to be resolved:

- Good access would be required with a well graded path leading to the site.
- There are health and safety implications arising from encouraging people to use paths at night. Footpath lighting that can be provided needs to be limited in order to keep light pollution to a minimum. Light with a red filter interferes least with the ability to see stars clearly.
- Any location close to housing and roads will likely have a low level of light pollution. This may not have a noticeable effect for the casual astronomer on the sky but glare can prevent the observer's eye adapting properly to the dark so that the maximum amount of stars can be seen. A carefully managed site in the forest could provide an extremely dark environment.

The best way that stargazing could be promoted in the forest is through the formalised provision of information based at the Forest Interpretation Centre (see Section 4.2.2). A Stargazers Welcome type scheme, administered via accommodation providers, would be a low cost initiative that could help local businesses to profit from the natural resource of dark skies. In addition an informal stargazing area could be developed utilising the proposed path network (see Map 5: Stronafian Forest Development Proposals) with the site being as close as is practicable from car parking.

4.4 Renewable Energy

4.4.1 Community Wind Turbine

Early discussions with Community Energy Scotland (CES) have indicated that there is the possibility of locating one or more wind turbines on the site. This is subject to:

- Planning consent being available
- Suitable wind conditions at the chosen location
- Grid connection being available
- Satisfactory outcomes in terms of any necessary specialist reports – e.g. Environmental Impact Analysis.
- Community support

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There are several options open to the community in developing a wind turbine renewable energy project:

Option 1: Large-scale Wind farm

Regarding the potential for developing a commercial, large-scale wind farm development, the view of the DV in the Valuation Report is that: *“it is extremely unlikely that this would be permitted within the forest. This impression is strengthened by recent cases where wind farms in the surrounding area have been turned down. It would certainly seem unlikely that, when required to retain trees to screen an existing wind farm, that any wind farm development would be allowed in front of these trees the forest at that point is very close to a national scenic area which is easily viewed from the prominent parts of the Tighnabruaich Road nearby where there is a National Trust viewpoint.”*

There is a remote possibility that through ownership of Stronafian Forest the community could be involved in any potential future expansion of the adjacent Cruach Mhor Windfarm. However given the many complex issues surrounding such a development (including planning, visual impact and grid capacity) the likelihood of any such expansion proceeding in the foreseeable future is slight. For the purposes and duration of this Business Plan, this option has been discounted.

Option 2: Small Wind Turbine

At the other end of the scale, there is the potential to develop a small turbine, up to a 15m high mast which would be considerably easier in terms of gaining planning permission and would not require the considerable consultation and development process required by larger turbines. Another advantage in this scale of turbine is that consent would not be required to connect to the National Grid. Such a turbine would generate between 6 and 20kw and if connected to the National Grid could generate a net annual revenue income of between £5k and £10k. However given the number of variables effecting small scale wind turbines they are considered to be marginal and relatively risky. Their profitability is also dependant upon the Feed In Tariff (FIT) - the guaranteed price that paid by government for renewable energy production over and above the price that it is sold to the electricity supply company. At the moment the FIT is relatively good for smaller renewable energy projects but in the current Department of Climate Change consultation review that is currently taking place it is thought probable that the FIT for smaller projects will be cut, thus making this scale of wind turbine less attractive.

Option 3: Medium Wind Turbine

CGDT could opt to explore the potential to develop a single, medium-scale wind turbine. This would necessitate carrying out a full planning and consultation process and as the same process is required for any mast over 15m in height, there are economies of scale reasons that would suggest establishing a larger mast (the set up costs for consultation, connection to the National grid, roading etc would be the same for an 80kw turbine as an 800kw turbine).

However the larger the turbine the greater the visual impact and consequently the less likely that planning permission will be granted. Although Stronafian Forest is outwith the Kyles of Bute National Scenic Area (NSA), a wind turbine in the forest would have a visual impact on the NSA and it is likely that SNH would have to be consulted. The location of other existing and proposed turbines in the area means that there is also likely to be a “cumulative” effect, thus making the granting of planning permission less likely. Given the issues surrounding planning it would therefore be prudent for CGDT to consider the development of a relatively small wind turbine such as a 300kw turbine on a 35m mast. This would have the most likely chance of gaining planning permission yet still be able to generate a sufficiently large revenue income stream for CGDT to be able to invest in other projects.

Community Energy Scotland (CES) has worked with a number of community groups to develop similar medium scale turbine developments Initially this would involve taking out a Scottish Government Community and Renewable Energy Scheme (CARES) loan of approximately £10k to

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fund the various feasibility studies / tests that would be required. This loan is administered by CES and would be repayable only if the development went ahead.

Capital set up costs would be a projected maximum of £1m. Funding would be raised through a mixture of grants and loan finance (see Section 7.4.2). Net annual income, after maintenance costs, loan and capital repayments would be in the region of £40k. CES recommend that a full feasibility study should be carried out at an early stage.

Other considerations / issues to be considered include:

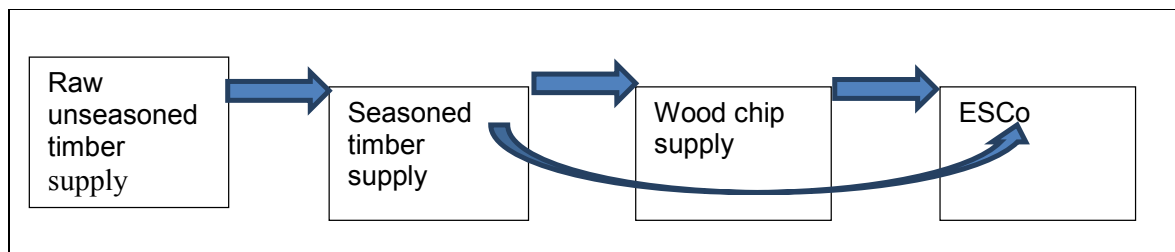
Location of turbine. The location of the turbine within the forest is crucial. Factors include proximity to existing access roads, proximity to the current electricity grid, topography, aspect, altitude and the need for open, non-forested ground.

Connection to grid. At the moment Scottish and Southern Energy indicate that there is no existing capacity locally. However it is likely that capacity will be available in 2015.

Feed-In Tariff (FIT). Currently it stands at 27p per unit, with the additional 5p per unit paid by the electricity company that the electricity is sold to. As the FIT rate and therefore income is guaranteed, once agreed, CGDT would be able to raise an unsecured loan from a bank on a pay back of 10 - 15 years to cover the capital costs of construction.

4.4.2 Woodfuel

The CGDT Animateurs Survey Reports identified rising fuel costs as a major concern for residents with over 70% stating that they would consider using woodfuel for heating. A research project carried out on behalf of CGDT in 2011 identified a number of options open to the community in terms of developing a community woodfuel market. These are illustrated in the below diagram:



Source: CGDT

Diagram: Community Woodfuel Options

The further along the chain in the above diagram, the larger the operation and the more capital investment and labour required. The benefits that can be realised are undoubtedly higher further along this chain since more income can be raised and the more opportunities for training and employment can be created. However the wider economic benefits of a local energy supply can still be realised with a smaller scale project. It should also be realised that if a smaller scale operation is opted for in order to avoid the cost of investment by CGDT in equipment, this will necessarily fall elsewhere, i.e. on households or on private enterprises, in order for the supply chain to be complete. The scope of a community woodfuel supply business operation making use of the timber in Stronafian Forest will have to be decided by CGDT in consultation with the community.

The report recommended the following steps should be taken in preparation and as research for any woodfuel project:

- Home energy project – home energy audits and assistance and advice on efficiency and insulation.

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- Heating audit – assess the energy consumption, fuel type used, and age of heating systems of properties.
- Research feasible year-on-year supply of woodfuel. Negotiate terms of this supply with forestry contractor in order to determine likely cost and type of fuel (brash/SRW)
- Conduct market research based on heating audit and willingness of members of the community convert/feasibility of a CGDT led pilot scheme to demonstrate benefits and reliability of new technology.
- Identify skills that exist in the community/need to be developed in the community and research training opportunities.

CGDT was awarded Climate Challenge Fund funding in March 2012 for a project which will provide advice and assistance to householders in taking steps to insulate their homes, and reduce their energy bills. It will also provide advice for householders to help them make informed choices to install biomass heating systems to further reduce their carbon footprints. It is expected that this will contribute towards an increasing demand for woodfuel in the area.

There is at present a limited local market for firewood – both in terms of supply and demand. Several local forestry workers informally deliver unseasoned wet wood and other suppliers in the wider area include Kilfinan Community Woodland in Tighnabruaich (14 miles away) and a supplier in Otter Ferry (12.5 miles away), neither of whom supply to the Colintrave / Glendaruel area.

This Business Plan assumes CGDT develops a firewood market based upon selling dried softwood logs. This would involve the purchase of harvested roundwood 3m long logs from the Forest Tenant (retained from the harvesting operations) and their processing into logs suitable for wood burning stoves. This could be done on a volunteer basis by CGDT directors and members utilising leased equipment and / or through the employment of a local contractor. CGDT could also deliver bulk orders of uncut log lengths. Firewood sales to the area would be in addition to (i.e. not displacing) current firewood sales. It is anticipated that increasing oil, gas and coal prices will aid firewood market development over the coming years.

An advantage of a small-scale, low-cost operation is that it would allow CGDT to assess the local market, develop skills and to grow the overall local woodfuel market. The scale of the proposed operation means that profits projected are low. Costs and income are set out in Section 4.2.

4.5 Housing

One of the main issues raised in the various community consultation exercises carried out in the past 5 years (see Section 2.5) relates to the local need for affordable housing.

Planning

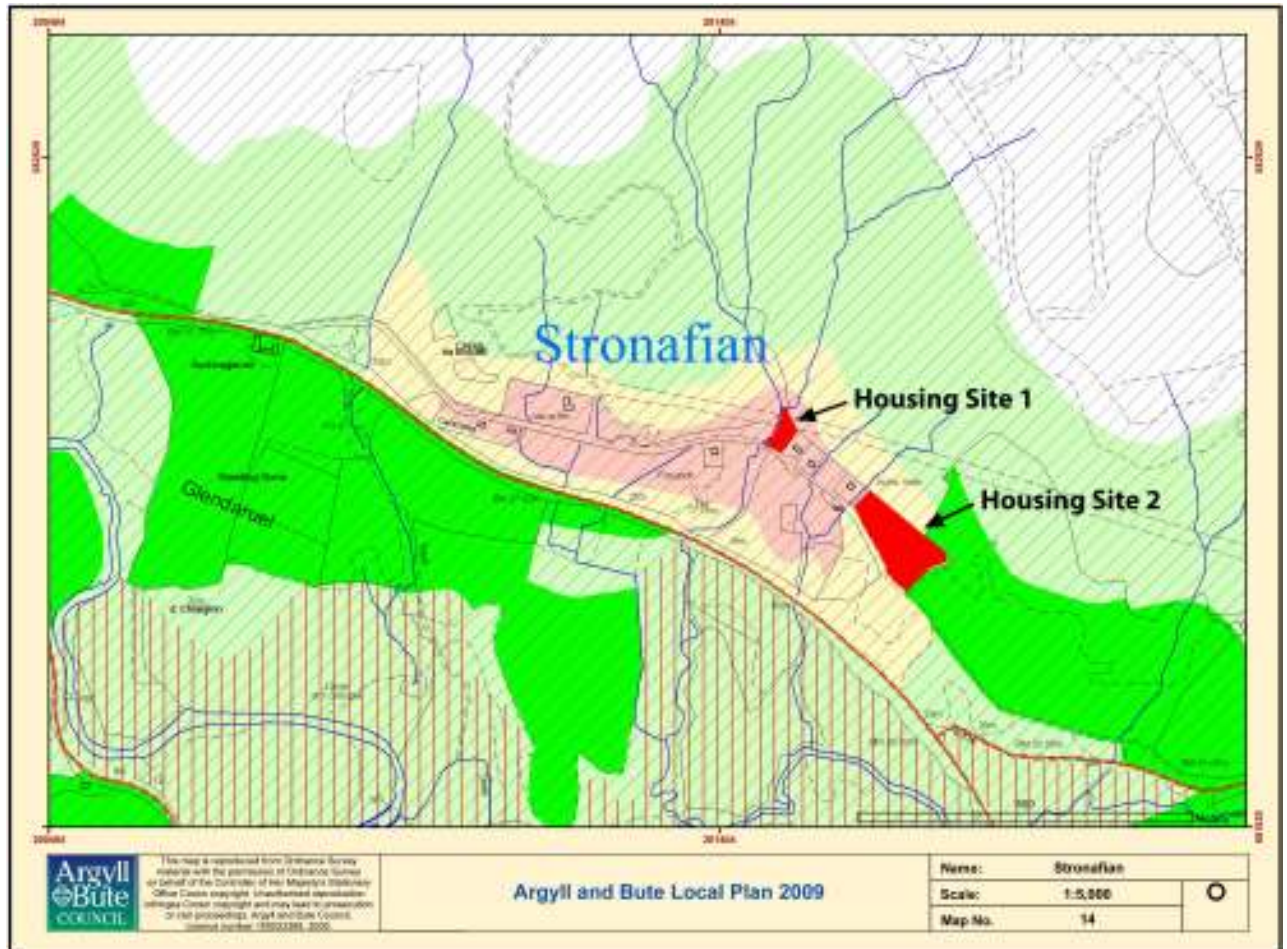
Planning issues relating to the Stronafian Forest area are covered by the Argyll and Bute Local Plan, adopted in 2009. This is currently being revised with the new Plan coming into effect in 2014. Planning issues relating to Stronafian village and its immediate surroundings are set out and detailed in Sub-map 14 of Local Plan (see Map 6 below) and in the planning document *Site Description CB29 Auchenbreck*.

House Plots

An important part of CGDT being able to finance the acquisition of Stronafian Forest is the proposed sale of house plots subsequent to taking ownership. However obtaining planning permission for housing in Stronafian Forest would not be automatic as the majority of the area is zoned in the Argyll and Bute Local Plan as either Sensitive Countryside or Very Sensitive Countryside. In the vicinity of Stronafian village itself the Settlement Zone is drawn fairly tightly around existing buildings with the forest area and only includes a small area of land to be purchased by CGDT. The rising ground to the north of the national scenic area and difficulties of servicing also limits the possibilities. The Development Plan does of course allow for special or exceptional cases see e.g. Policies STRAT DC5 and STRAT DC6 of the Structure Plan.

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However an area suitable for housing in the forest has been identified (See Map 5: Stronafian Forest Proposed Development) with two specific locations potentially being suitable shown in Map 6: Stronafian Village Housing Sites (this map is an amended version of the Argyll and Bute Local Plan 2009 Map 14). Housing Site 1, approximately 0.5ha in size, is currently zoned as being in the Settlement Area and as such, on the face of it, the Planning Authority would look favourably on an application for housing on the site. However the site is narrow and adjacent to a steep-sided gorge and thus is unlikely to be able to accommodate any housing development.



Source: Argyll and Bute Council
Amended M. Gault 2012

Map 6: Stronafian Village Housing Sites

The second potential housing area in Stronafian village (Housing Site 2) is considerably larger. In the existing Local Plan it is currently just outwith the **Settlement Zone** and is zoned as being **Countryside Around Settlement**. CGDT have held discussions with the Planning Department as part of the consultation in creating the a new revised Local Plan (due to come into effect in 2014) and it has been agreed that this area will be re-zoned in the Draft Plan to be within the Settlement Zone. It is envisaged that 2 - 3 house plots could be created on this site.

4.6 Woodland Crofts

The woodland croft concept is a recently developed concept and is being supported by an FCS / HIE initiative. The definition from the FCS Woodland Croft website is:

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“A woodland croft is a registered croft created from an existing woodland. Woodland crofts are a new opportunity for individuals and communities to build lives and livelihoods based on the woodland resource. It is also expected that the new approach to management taken by woodland crofters will deliver increased social, economic and environmental benefits. Lifestyles & livelihoods based on woodlands are traditional in many parts of the world, but are currently rare in Scotland. Although it is anticipated that woodland crofts will always involve an element of woodland management, the exact nature and extent of this is not prescribed. Whilst there are constraints on how a woodland is managed at the whole woodland scale, there is considerable flexibility for individual woodland croft tenants to manage their crofts to meet their own needs and aspirations. Woodland crofts are governed by a combination of crofting legislation and forest regulation.” (See [http://www.forestry.gov.uk/pdf/WoodlandcroftsguidanceApr2010.pdf/\\$FILE/WoodlandcroftsguidanceApr2010.pdf](http://www.forestry.gov.uk/pdf/WoodlandcroftsguidanceApr2010.pdf/$FILE/WoodlandcroftsguidanceApr2010.pdf))

There is the potential to create new woodland crofts in Stronafian Forest – particularly close to the existing accesses into the forest. There are two proposed locations for the forest crofts - see Map 5: Forest Development Plan – with a proposed total of 6 new crofts, with each croft being between 2 and 5 ha in size. If there is sufficient demand there is enough land to create additional new crofts. Initial discussions between CGDT and the Planning Department have been positive. Both areas are to be identified as being suitable for woodland crofts in the Draft Local Plan to be put out for consultation in September 2012. It is expected that the new local plan will be adopted in 2014.

It is anticipated that there would be considerable local interest from within the community for the creation of woodland crofts – particularly as it would provide an opportunity for more affordable house plots to be created. It would also however provide opportunities for small, land-based business enterprises. It is important to recognise that the creation of land under crofting tenure would not in itself mean that planning permission for residential dwellings on the croft would be granted. Applications for planning consent for housing would have to be made by each of the new croft entrants.

There are various safeguards that CGDT could put in place to protect the interests of the community

- The right to buy of the crofter can be removed through the Scottish Land Court
- CGDT can apply to become a registered Rural Housing Body, and thus be able to attach Housing Burdens upon the title to the croft land – and in particular the house plot. This would allow CGDT to retain control of rural housing stock by giving the community group the first refusal to buy croft houses when it comes on the market.
- The crofting agreement can be worded so that the occupancy of a croft house can be tied to the tenancy of the croft – the owner of the house must also be responsible for the management of the croft land.
- The criteria used to assess eligibility of those applying for the croft can therefore also exercise control over who can inhabit the house.
- CGDT could sell croft house sites at a lower than market value and take out a shared equity stake

4.7 Public and wider benefits

Community acquisition of Stronafian Forest would allow local community development of a local resource to provide a range of both local and wider public benefits. These can be summarised as:

Economic

- Creation of continuing employment from forest management, harvesting and extraction and onward timber processing.
- Establishment of a strong, sustainable local fuelwood economy through firewood and possibly woodchip sales and delivery.

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- Support development of local tourism industry through enhancing amenity of the area and provision of recreational activities for visitors.
- Creation of forest crofts as opportunities for the establishment of small land-based enterprises.
- The development of a small, community owned wind turbine to generate a revenue income stream to invest in local projects.

Social

- Development of new recreational facilities in the forest including picnic areas, viewpoints, mountain bike trails and an adventure playground.
- Cultural, historical and archaeological interpretation.
- Creation of improved access into the forest for walking, cycling and potentially pony trekking.
- Access into and throughout the forest including waymarked footpaths and all abilities access paths.
- Sale of house plots and creation of new woodland crofts providing much needed housing for new residents to the area.
- Work with residents and voluntary 'action' groups to scope and deliver conservation, heritage, education / lifelong learning and access / health projects and facilities within the forest.
- Promotion and creation of a more healthy, secure and diversified community.
- Facilitate provision of training and skills development opportunities for the local and wider community.
- Creation of forest interpretation and use of the forest as an educational resource by Kilmodan Primary School.

Environmental

- Greater environmental biodiversity of the forest benefiting both wildlife and people.
- Continuing management of the commercial forest by the forest tenant to high silvicultural and environmental standards as set down in United Kingdom Woodland Assurance Scheme (UKWAS)
- Sustainable development of the community-managed forest area through restructuring the conifer crop towards greater diversity of tree species and ages.
- Promotion and use of fuelwood, thus reducing the community's carbon footprint.
- The development of a small, community owned wind turbine thus contributing towards national carbon reduction targets.

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5. Project Delivery

5.1 Delivery mechanism

It is important for CGDT to give careful consideration to the organisational delivery mechanisms needed for the ownership of the land and timber of Stronafian Forest and its subsequent management. Before any decision is made, it is recommended that advice (from e.g. a specialist lawyer and the Development Trust Association Scotland) should be sought to address:

- Company law
- Tax
- Charity law
- European State Aids regulations
- Best practice terms of running a community land initiative

Looking at other similar community forestry projects, it is apparent that one of the primary mechanisms used to satisfy charity law etc, is the use of a trading subsidiary to carry out trading activities. In the context of Stronafian, this could have several advantages:-

- Allowing trading activities which fall outwith charities' tax exemption to be carried on without prejudicing the charitable status of CGDT.
- Providing a separate "compartment" concerning risk exposure – thus minimising any impact on CGDT if the subsidiary activities encounter significant financial difficulties (e.g. if trading subsidiary became insolvent it would not endanger community ownership of the land asset held by CGDT).
- Allowing a separate board to be built up, composed of people with the skills and experience which are appropriate to the activities in question.
- Forming a focus for funding in the case where a funder wishes to direct support towards a body which solely undertakes activities which it wishes to support.
- It can circumvent European State Aid legislation designed to limit the amount of public financial support that can be given to any industry (including the community ownership and management of forests).

It is proposed that the ownership of Stronafian Forest be held by CGDT and for any trading operations (e.g. processing and onward sale of firewood) to be carried out through a trading subsidiary. This would allow CGDT to retain its charitable status, to reduce its exposure to risk and to satisfy European State Aid regulations. All future capital investment in heritable land assets of the forest (e.g. roads, paths, buildings etc) would be done through CGDT, with investment in diminishing assets (e.g. forest machinery) being through the trading subsidiary. Any future buildings owned by CGDT would need to be leased at market rental to the trading subsidiary. For the sake of simplicity this Business Plan assumes that land ownership and trading are carried out solely by CGDT.

5.2 Delivery Timescale

The delivery timescale of the main aspects of the project are set out in the below table:

Stage	Description	Funding & Operation
Phase 1: Acquisition November 2012	<ul style="list-style-type: none">• Stronafian Forest acquisition• Back-to back lease of commercial forest area to third party.	Public sector HIE ,SLF, etc. Private sector
Phase 2: Project Establishment Year 1 -2	<ul style="list-style-type: none">• Woodland survey & management plan• Public consultation re establishment of woodland crofts• Feasibility development of community wind turbine• Establishment of community firewood business• Sale of house plots	FCS CES
Phase 3:	<ul style="list-style-type: none">• Construction and commissioning of community wind	CES, private

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Ongoing Project Development Year 3 -5	turbine <ul style="list-style-type: none">• Creation of woodland crofts, lease of land to new crofters• Forest management<ul style="list-style-type: none">○ Access and recreation development○ Footpaths○ Interpretation○ Archaeological site clearance	finance Crofters commission SRDP LEADER
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Table 7: Project Delivery Schedule

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6. Project Resources

A range of resources will be required to be in place to realise the aims of the community project.

6.1 Partner organisations

A range of partnership organisations are required to help the various elements of the project – from acquisition and project finance, to grant funding. The most significant of these are:

6.1.1 Forestry Commission Scotland

FCS is obviously an important involved organisation as both the public body which manages the forest on behalf of the owners (the Scottish Ministers) and also the organisation which administers the sale of the forest to the community through the Surplus Land NFLS process.

CGDT will work with FCS in its capacity as the forestry regulatory body (e.g. permissions for felling) as well as their role as the national advisory body (e.g. on Woodland Crofts). FCS can also assist CGDT with funding initial / start-up costs through their Seedcorn Fund.

FCS also administers the forestry aspects of the Scottish Rural Development Programme – the principal public funding and support mechanism for rural land use and associated activities.

6.1.2 Highlands & Islands Enterprise

HIE, through its local area office and through its Community Asset Team play a vital role in providing capital and revenue grants as well as advice and project support. The project will be working closely with the HIE local area office to enable the sustainable development of the forest resource.

6.1.3 Community Energy Scotland

Community Energy Scotland (CES) is Scotland's only national charity dedicated to supporting communities to develop renewable energy projects. CES provides independent and ongoing support for all aspects of community energy project development as well as administering funding programmes on behalf of third parties such as the Community and Renewable Energy Scheme Loan Fund (CARES).

The development of a community wind turbine is a vital element to the project, to aid in project cashflow and also, in the long term, as an important source of revenue income to fund the various other aspects and aspirations of CGDT. CES is therefore an important partner organisation.

6.1.4 Argyll & Bute Council

It is anticipated that Argyll & Bute Council will have an important role in the development of the project particularly in relation to their regulatory functions regarding planning and roads. The main aspects of their involvement will be:

- Planning permission for the internal forest roads
- Involvement as a statutory consultee leading to the approval of a new forest design plan.
- Consent regarding built development within the forest (e.g. house plots, woodland crofts, community wind turbine etc.)

6.1.5 Other partner organisations

There is a range of other partner organisations that CGDT will work closely with to achieve mutual objectives / goals. These include the Crofters Commission, Kilfinan Community Company, Bute Land Company, Community Woodland Association, and Scottish Native Woodlands.

6.2 Human Resources

Project management during Year 1 of the project will be undertaken by the existing Development Officer funded through HIE's CAM Programme. Thereafter a full-time Project Manager (potentially as an

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extension of the existing CAM Programme) is proposed. Further IT / administration support is proposed at the approximate equivalent rate of 1 day per week.

Employees will report directly and be accountable to the CGDT. CGDT will work closely with funding bodies and other agencies to ensure clear and transparent communications and co-ordination of the project activities. A Job Description for this Community Forester post is included in Appendix 7.

6.3 Community Contribution

The community contribution towards the project will entail:

- Development work carried out by the CGDT Development Officer.
- Management input by the CGDT Board.
- Volunteer input into forest management activities by CGDT members and wider local community.
- Community fundraising activities towards land acquisition and its subsequent development.

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7. Project Finance

7.1 Acquisition Costs

Under the terms of the NFLS, the District Valuer (DV) has set the value of Stronafian Forest at £1.55m (10th September 2010).

Quotes for the legal fees for the acquisition and subsequent lease of the commercial forest area to the Forest Tenant have been provided by solicitors as being a likely maximum of £17,820 including VAT. Total acquisition costs are therefore estimated as being £1,567,820.

7.2 Acquisition Funding

The principal sources of funding for the acquisition of the forest is summarised in the below table:

Funding Source	£
HIE grant (via Community Land Unit)	108,910
SLF grant	75,000
Lease - Capital Payment	1,300,000
Loan	50,000
Community fundraising	25,000
FCS Seedcorn Fund	8,910
Total	1,565,000

Table 8: Acquisition Funding

7.2.1 Highlands & Islands Enterprise (HIE)

HIE's Community Land Unit can provide financial support for the acquisition element of community land projects and this can form a vital funding bridge for any community land purchase. HIE guidance indicates that, as the CGDT area is classified as Fragile, projects are able to apply for funding up to a maximum of 40% of the project costs. However such a rate of grant support from HIE is extremely unlikely due to the large scale of the proposed project and HIE's current (and likely future) budget restrictions. Informal discussions indicate that HIE would consider an application for a smaller grant (say up to £100k) towards land acquisition cost, plus a grant of 50% of the legal costs.

7.2.1 Scottish Land Fund

It has been announced that the new Scottish Land Fund (SLF), to be run jointly by HIE and The Big Lottery Fund will be operational by the summer of 2012 and will focus on giving capital grants for the community purchase of land. An SLF grant of £75,000 towards acquisition costs is proposed. A small annual revenue grant is also proposed to contribute towards the employment of a project manager and early developmental costs.

7.2.3 Lease – Capital Payment

It is anticipated that CGDT will be able to offset a significant proportion of the capital acquisition costs from a back-to-back lease of that part of the land that is the productive conifer forest. Current negotiations with a potential forestry tenant indicate that the one-off, up-front payment for the lease would be £1.3m.

7.2.4 Community Fundraising

A necessary element of land acquisition funding is the raising of a proportion of the price paid by the community itself and this is a requirement of the NFLS and the Community Land Unit of HIE. It is proposed that the community contribute approximately £50,000 towards the acquisition cost from sources such as:

- Charitable Trusts. There are a number of grant giving charitable trusts that have supported community land initiatives in the past. In particular CGDT would be able to apply to the

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Cruach Mhor Windfarm Trust which distributes funds received from the adjacent Scottish Power run windfarm development to local charitable and community organisations.

- Local fundraising. This can include fundraising events (sponsored activities such as walks, swims etc), ceilidhs, raffles, bring-and-buy etc.
- Private donors. Many of the large community land buyouts have been assisted by sizeable donations from private individuals who have had links with the area, or support the communities' objectives.

7.2.5 FCS Seedcorn Fund

This is a discretionary FCS fund available to establishing community groups. A contribution of 50% of the total legal fees of £17,820 for the acquisition and lease to the Forest Tenant is proposed.

7.2.6 Loan

It is expected that a loan may be required to finance a portion of the acquisition costs. Loan finance could be raised from a variety of sources including:

- High street banks e.g. Bank of Scotland etc.
- Social banks which specialise in loans to community and social enterprises – e.g. The Charity Bank, Co-operative Bank, Triodos.
- Agencies which provide grant and or loan finance to community and social enterprises, though specific funds: e.g., Social Investment Scotland or HIE.
- A benevolent local individual / individuals

Taking out a loan however raises some issues:

Loan term. The longer the loan period, the more interest payments will need to be paid. The cost of borrowing the proposed capital is significant. £50,000 borrowed for 1 year at a soft loan rate of 6% pa would equate to an interest payment of £3,000. A more likely loan rate would be 8% which would equate to charges of £4k per annum. An arrangement fee would also be payable. Taking out loan finance for longer periods would be financially onerous to CGDT and therefore it is vital that the duration of any loan is minimised.

Loan repayment. In order to be able to access loan finance in the first place, CGDT would have to demonstrate the ability to repay the capital borrowed. As CGDT propose to lease the commercial forested area to the Forest Tenant they in effect will already have sold the valuable timber and thus can't use future income from timber sales to repay the loan. The other source of capital income available to CGDT is through the sale of land. During Year 2 (i.e. 2014) it is proposed that CGDT sell 2 building plots bringing in a gross income of £100,000.

Security: A lending body will normally require security over an asset held by the borrower. This could be either a **Standard Security** granted over property owned by the borrower or a **Floating Charge** - a means of securing debt over any assets (land or moveable property) held by a company. Grant funding bodies (such as HIE) may also require a security over property when giving grant towards land acquisition and the issue of ranking (precedence) would need to be agreed.

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7.3 Project Development Expenditure

The projected development expenditure is outlined in the table below with full details in Appendix 2.

DEVELOPEMENT EXPENDITURE	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	TOTAL
Infrastructure works						
Housing infrastructure	1,500	10,000				11,500
Forest croft establishment		3,000	9,000			12,000
Land Management						
Management plan	5,452					5,452
Forest management	2,200	2,200	4,400	4,400	4,400	17,600
Archaeological site management			6,000	1,000	1,000	8,000
Access, recreation & education	1,000		10,000	10,000	10,000	31,000
Firewood business costs	3,600	4,600	4,600	4,600	4,600	22,000
Wind Turbine						
Feasibility	10,000					10,000
Capital costs			1,000,000			1,000,000
Revenue costs			40,000	40,000	40,000	120,000
Staff and Operational Overheads						
Project Manager		27,860	27,860	27,860	27,860	111,440
Admin		2,000	2,000	2,000	2,000	8,000
IT		1,500	250	250	250	2,250
Office costs		2,660	2,660	2,660	2,660	10,640
Training	750	750	750	750	750	3,750
Insurance	1,200	1,500	1,500	1,500	1,500	7,200
Bank Charges (@8% of loan)	4,000	4,000				8,000
Loan Repayment	0	50,000				50,000
Total Development Expenditure	29,702	110,070	1,109,020	95,020	95,020	1,438,832

Table 9: Project Development Expenditure

7.4 Project Development Income

It is expected that CGDT will need to access funds from a range of public bodies and other organisations. Funding opportunities will depend upon activities being carried out, but it is expected that grant funding levels will reflect the range and extent of public benefits being created (i.e. the more public benefits that are proposed, the greater the level of public funding) The broad-based objectives of CGDT and its proposed integrated approach to future community ownership and management of the forest, ties in extremely well with the objectives of grant-giving bodies, particularly SRDP and LEADER, and it is likely that CGDT will be able to attract grant funding at rates of up 75 - 90% of eligible costs for some operations.

Project development costs (improved access, recreation facilities, interpretation etc.) and ongoing forest management expenditure (replanting obligations, deer fencing, road construction etc) will need to be met through sourcing funds from:

- Development funding grants (from bodies such as LEADER, charitable trusts etc);
- Land management grants (through SRDP);
- Income from the community owned wind turbine
- Development of income generating activities of CGDT's trading subsidiary (e.g. local processing of timber and its onward sale for firewood).

Details of proposed project development, expenditure and anticipated incomes are set out in Appendix 2.

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	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	TOTAL
DEVELOPMENT INCOME						
Sale of assets						
House plot sales		100,000				100,000
Croft leases			42,000			42,000
SRDP / LEADER / FCS Grants						
Management plan (FCS)	5,452					5,452
Access, recreation & education			7,500	7,500	7,500	22,500
Forest management	3,700		3,460	3,460	3,460	14,080
Archaeological site management			6,000	1,000	1,000	8,000
Project Manager (LEADER / HIE)		35,070	33,820	33,820	33,820	136,530
Firewood b'ness set up (LEADER)	1,800					1,800
Wind Turbine						
CARES Loan	10,000					10,000
Share Issue			120,000			120,000
Social bank loan			80,000			80,000
Bank loan capital			800,000			800,000
Revenue income				80,000	80,000	160,000
Other Income						
Ground rent from forest crofts			4,500	4,500	4,500	13,500
Windfarm screening payment		6,880				6,880
Community fundraising	10,000	2,000	2,000	2,000	2,000	18,000
Other funding sources			2,500	2,500	2,500	7,500
Firewood sales		6,000	6,000	6,000	6,000	24,000
Total Development Income	30,952	149,950	1,107,780	140,780	140,780	1,570,242

Table 10: Project Development Income

7.4.1 Grant Funding

There are a range of grants available for land managers from national government and European funds. For the Development Income projections the following has been assumed:

Scottish Rural Development Programme

SRDP funding will form a significant element of development cost funding and will include grants for woodland management and restructuring, environmental improvement, access and recreational provision. However the existing round of SRDP funding comes to an end in 2013 and all remaining funds have either already been allocated, or will have been by the time CGDT take ownership of Stronafian. The replacement SRDP programme will not be launched until 2014 and it is expected that funds will not be available until late 2014 / early 2015.

It is not possible to determine what the new SRDP funding priorities and rates will be. However it is likely that they will be similar to the existing programme and that community led projects providing a wide range of local and wider public benefits will be looked favourably upon. It is therefore assumed that the proposed SRDP grant income is based upon existing funding rates. Under SRDP Rural Priorities, funding to community groups has been up to a maximum of 90% of the costs. However, for the purposes of this Business Plan, more conservative estimates have been made with the following grant intervention rates being assumed:

- Access, recreation and education: 75% of costs
- Archaeological site management: 100% of costs (some other funding may be available)

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FCS Seedcorn Funding

This is a discretionary fund and is available to community groups. Proposed funding: 100% of CGDT's costs of production of forest management plan – provisional estimate of £5,452 based upon grant normally allowed under SRDP Rural Priorities (see Appendix 2).

LEADER

As with SRDP the current LEADER programme is finishing at the end of 2013. All the current funding has already been allocated. CGDT would therefore not be able to access significant LEADER funding until the new programme becomes active at the end of 2014 / early 2015. However it may be possible to access small amounts of LEADER funding in 2013 and a 50% contribution towards the costs of establishing the firewood business is projected.

It is thought that the replacement LEADER programme will have roughly the same aims as the existing programme – i.e. aimed at promoting economic and community development within rural areas. It is a bottom-up method of delivering support for rural development aimed primarily at small and medium sized community-driven projects that are pilot and innovative in nature. The main aims of the existing fund are:

- Revitalising Communities
- Progressive Rural Economies

LEADER Resources are targeted at those rural areas identified as most in need, based on basic qualifying criteria such as sparsity of population, but importantly addressing issues such as ageing population, rural depopulation and job losses.

Proposed LEADER funding is to fund, in partnership with HIE, 100% of the employment and related costs for the Project Manager and associated costs. This post may be a continuation of the existing LEADER-funded HIE Community Area Manager (CAM) post.

7.4.2 Wind turbine

With a FIT contract in place, a loan of 70% of construction costs should be possible to finance via a commercial or social bank. The remainder of the funding would come from a share issue and potentially a further grant or loan from bodies specialising in funding community renewable energy schemes (e.g. the Community Generation Fund or the Scottish Executive's extension to the CARES scheme to cover capital costs which is shortly to be announced

Finance for the capital construction costs of £1m are proposed to come from

Bank loan:	£800k
Share Issue:	£120k
Other loans / grants:	£80k

A CARES loan of £10k, administered through Community Energy Scotland (CES), is projected for Year 1 to fund CGDT to carry out feasibility studies etc. This loan is repayable only if the project proceeds and therefore the £10k loan has been included in the total capital project costs of £1m.

A net revenue income of approximately £40 to £70k / annum is projected for the first 10 years. Thereafter net revenue income would increase by 50% to £60 - £105k / annum. For the purposes of this business plan, a conservative net income of £40k is assumed for Years 1 - 5.

All the above figures are based upon advice given by (CES)

7.4.3 Domestic firewood sales

Financial projections for firewood sales are based upon following assumptions:

- Year 1 will involve the acquisition, drying and stockpiling of one years supply of firewood. No sales will take place in Year 1. LEADER funding of 50% of this initial set-up / stockpiling costs.

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- A CGDT Trading Subsidiary will process, dry and deliver 80 tonnes of air-dried softwood per annum, based upon supply of an average of 2 tonnes per house to 40 houses @ £75/tonne.
- Costs are assumed to be £25/tonne and include lease of firewood processor from local contractor (3 days @ 40T/day) & on-site labour for processing (6 man-days), miscellaneous handling & bagging (12 man-days).
- Acquisition of timber from Forest Tenant based on £20 / tonne.
- Delivery cost is assumed to £12.50/tonne

7.4.4 Local fundraising

It is assumed in the Development Income projections and the 5 Year cashflow that CGDT would continue to raise funds through its membership, supporters, donations, grants from charitable trusts etc. This type of funding is often “unrestricted” (i.e. not tied to any particular project) and would therefore be key to CGDT meeting its ongoing core costs in owning and managing the forest (e.g. insurance payments, administration, etc). Proposed local fundraising levels are £6k in Year 1 with £2,000 pa thereafter.

7.4.5 Other funding sources

It is also expected that CGDT will be able to access additional project funding from a range of sources including charitable trusts (e.g. The Robertson Trust, The Gannochy Trust, etc) and other grant-giving bodies (e.g. the Crown Estate’s Coastal Communities Fund).

Projects which would be particularly attractive to such finding bodies involve education, access, sustainability, environmental management and other public benefits. Proposed funding of 25% of access, educational and recreational projects from Year 2 – 5 (to match SRDP funding).

7.5 Financial viability

The financial viability of the project is dependant upon both acquisition and project development costs being met through a mixture of grant funding, earned income and sale of land and forestry assets.

Given the high value of the land and timber crop, and the lack of major grant funding sources, it would not be financially viable for CGDT to purchase the whole Stronafian outright without disposing of part of the asset immediately upon acquisition. The lease of the commercial forest area to a Forest Tenant will generate a capital income of £1.3m and this, combined with grants from HIE and the new SLF would cover most of the acquisition costs. However a short-term loan of £50k may be required – to be paid back at the end of Year 2 through income derived from the sale of land. It is proposed that CGDT would dispose of land for 2 house plots in Year 2 (raising £100k gross), and 6 woodland croft sites in Year 3 (raising £42k gross). Early discussions with the Planning Authority indicate that these proposals are acceptable in principle and will be incorporated in the Draft Local Plan currently being drawn up.

It is possible that there will be cashflow issues (particularly in Year 1) and loan finance / an overdraft facility will need to be arranged. However, if sufficient progress is made on the sale of development plots and the community owned wind turbine, the capital and income generated would allow CGDT to service any loan interest payments and to repay capital borrowed within a 12–18 month period. Servicing of significant levels of borrowing for a longer period would be financially prohibitive.

In order for project development to be viable in the short to medium term, the expenditure proposed (improved access, recreation facilities, interpretation etc.) and ongoing forest management expenditure (replanting obligations, deer fencing, road construction etc.) will need to be met through funds from a range of sources including:

- development funding grants (from bodies such as LEADER, HIE, charitable trusts etc);
- land management grants (through SRDP);
- development of income generating activities (including local processing of timber for firewood)

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The broad-based objectives of CGDT and its proposed integrated approach to the future community ownership and management of the forest ties in extremely well with the objectives of grant-giving bodies, particularly SRDP and LEADER. Though it is likely that CGDT will be able to attract grant funding at high rates of up to 75 - 90% of eligible costs, the use of more conservative estimates in the cashflow projections (generally 75%) is prudent.

The development of a small community-owned wind turbine is a crucial element of the project as it would be able to generate a gross annual income of approximately £80K. This would be sufficient to service capital and interest repayments (based upon a grant to loan ratio of 30:70% on capital development costs of £1m and provide a conservative net annual income of £40k. After Year 10 when the required loan is scheduled to be fully repaid, net income is expected to increase to a minimum of £60k.

It is assumed that some additional income would be due to CGDT from payments from Cruach Mhor Windfarm in respect of retaining part of the timber area for visual screening of the wind farm. The amounts due are however not significant.

The 5-Year Cashflow forecast for the project shows that it is theoretically financially viable. However this is, to a significant extent, dependant upon CGDT's ability to create and realise the development value from house and woodland croft building plots. Both of these development projects are fraught with potential difficulties and / or delays which would jeopardise the financial viability of the whole project. It is therefore vital that CGDT successfully finalises these aspects of the project as soon as possible after taking ownership of the forest. The development of the medium-sized community owned wind turbine is a significant opportunity for CGDT to create a revenue generating project that would be able to help finance and support a wide range of community projects in the local area. However, analysis of the 5-Year cashflow shows that the income from the wind turbine is not crucial to the financial viability of management of the Forest project.

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8. Risk Analysis

Given the complexity of the proposed project and its various elements, there are a number of potential risks associated with this project. These are summarised below:

Risk Description	Impact	Probability	Existing controls	Action required	Lead Responsibility
Acquisition funding not in place by November 2012.	High Would lead to the community not being able to purchase the forest and it being put up for sale on the open market.	Medium Loan finance may not be available. Local fundraising may not reach target. Forest Tenant may not wish to enter into binding agreement prior to purchase. HIE may not have sufficient budget in 2012.	Agreement in principle already in place with Forest Tenant. Discussions with HIE indicate £100k funding is feasible. Note of interest registered with new Scottish Land Fund Community have until Nov 2012 to put funding package in place.	Legal agreement of lease with Forest Tenant. Use of Business Plan to facilitate fundraising. Ongoing community fundraising.	CGDT
Cashflow issues, particularly in the first year of project.	High Could lead to CGDT or trading subsidiary going bankrupt.	Medium	Separation of operational risk from asset ownership though proposed use of trading subsidiary.	Establishment of contingency fund. Raise loan finance over and above acquisition loan to provide working capital. Apply for grant funding to cover early employment costs.	CGDT
Planning permission not granted for housing plot.	High. Cashflow implications in Year 1. CGDT unable to finance forest acquisition	High Area is not currently zoned for housing development	Discussions with Argyll & Bute Council re planning.	Early application for outline planning permission from Argyll & Bute Council.	CGDT
Planning permission not granted for Woodland Crofts	Medium - High Capital income vital to repay loan capital for financing acquisition.	Medium - High Theoretical support from agencies and Council but relatively new concept with no track record.		Discussions with A&B Council, Crofters Commission, FCS etc.	CGDT
Community Wind Turbine development not possible	Low - Medium Inability to fund other CGDT projects. Diminished revenue income would have a	High Positive feasibility study, planning consent, grid connection etc required. If all	Discussions with Community Energy Scotland.	Initial feasibility study.	CGDT

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Risk Description	Impact	Probability	Existing controls	Action required	Lead Responsibility
	small effect on ability to finance woodland management	positive, capital loan and grant funding required.			
Reduced income received from lease to Forestry Tenant.	High A significant reduction in lease value would adversely affect ability to fund acquisition of forest.	Low Value of lease depends upon value of timber. Volume of timber resource is quantifiable. Values are relatively stable. Windblow risk can be assessed.	Lease value already proposed by Forest Tenant.	Conclude lease negotiations with Forest Tenant.	CGDT
Development funding not in place.	Medium May limit the range and extent of development activities undertaken.	High Current round of SRDP funding is coming to an end in 2013 and replacement will not be on stream probably until late 2014.	Current SRDP funding projected at a maximum grant intervention of 75%.	Ongoing discussions with FCS.	CGDT
SRDP funding not awarded.	High. SRDP is one of the principal development funding mechanisms for and management in Years 2 - 5.	Low Whilst SRDP is competitive, the project satisfies almost all current application requirements and is likely to receive support in future.	CGDT ensuring project proposes to delivers a broad range of public benefits.	Early discussions with Forestry Commission, LEADER etc.	
Volunteer burnout.	High CGDT unable to maintain operations as per programme, leading to loss of income from grants, land asset sales and income from turbine.	Medium The project will require considerable volunteer input from the community, particularly in the first few years.	Proposed employment of part-time member of staff, along with part-time IT / Admin support. Support from CGDT Development Officer until end of 2013.	Ensure the number of volunteers involved is sustained. Delegation of activities to a wider number of directors & members and their ongoing input actively encouraged. Creation of trading subsidiary.	CGDT and potential trading subsidiary

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9. Conclusion

On examination of the various aspects of the community acquisition and management of Stronafian Forest it is clear that CGDT has set itself an ambitious objective. However the forest is a potentially valuable community land asset that could enable social, economic and environmental projects to be developed for the benefit of the local and wider public. And in the medium to long term, the forest and its associated projects could help generate significant revenue income into the local economy.

Whilst CGDT is a relatively young organisation, it has a board of directors with a good range of experience and a high capacity. With the support of the Development Officer, CGDT has the resources to progress the project during the next 2 years. It is clear that the community has considerable social capital and the drive and determination to make this project succeed.

The principal issues surrounding the project relate to the ability of CGDT to finance the acquisition of the forest. In particular the large capital sum required for the acquisition (£1.55m plus legal fees) would necessitate the disposal of some of the assets through the lease of the commercial forestry area to a forest tenant for a period of 99 years. This would generate a considerable capital income (£1.3m). It would also ensure that the forest continues to be managed both professionally and productively.

Project development post-acquisition will focus initially on drawing up plans for forest management as well as for recreation, access and amenity, the establishment of forest crofts, and progressing projects to ensure the generation of revenue and capital income – i.e. the sale of a house plot and establishing a wood fuel enterprise. The development of the community owned wind turbine is also a crucial initial element of the project. The financial viability of the project is to a large extent dependant upon external factors and it is vital that the planning issues relating to housing and wind turbine development are taken forward in the period up until the transfer of ownership in November 2012, and immediately thereafter.

Project development proposals after the initial set-up period of 2 years will create a range of additional local and wider public benefits to include the provision of footpaths and interpretation, creation of employment opportunities, environmental improvements such as the planting of significant areas of broadleaved trees. These projects will be able to take advantage of the new SRDP funding which is expected to come on stream in late 2014 / early 2015. Taken together the proposals represent an integrated and holistic approach to forest management fulfilling local sustainability principles.

The community ownership and management of Stronafian Forest is a potentially profitable and sustainable project and would be able to provide a range of economic, social and environmental benefits to the local community and the wider public. Accordingly, if CGDT can demonstrate that it is able to progress the development of a wind turbine and create a housing site within the forest it is likely that CGDT will be able to attract grant funding for both the acquisition and subsequent management of the forest. The project also however has the potential to generate sufficient additional revenue to significantly contribute towards other proposed projects by CGDT and as such, the community purchase of Stronafian Forest could play a crucial role in the future sustainable development of the Colintrave and Glendaruel area.

Appendices

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Appendix 1: Stronafian Forest - 5 Year Cashflow

	Year 1 2013	Year 2 2014	Year 3 2015	Year 4 2016	Year 5 2017	TOTAL
INCOME	£	£	£	£	£	£
Acquisition Funding						
HIE grant (land acquisition)	100,000					100,000
HIE grant (legal fees)	8,910					8,910
FC Seedcorn Fund (legal fees)	8,910					8,910
SLF capital grant	75,000					75,000
Loan finance	50,000					50,000
Community fundraising	25,000					25,000
Sale of assets						
Forest Lease	1,300,000					1,300,000
House plot sales		100,000				100,000
Croft leases			42,000			42,000
SRDP / LEADER / FCS Grants						
Management plan (FCS)	5,452					5,452
Access, recreation & education			7,500	7,500	7,500	22,500
Forest management	3,700		3,460	3,460	3,460	14,080
Archaeological site management			6,000	1,000	1,000	8,000
Project Manager (LEADER / HIE)		35,070	33,820	33,820	33,820	136,530
Firewood business set up (LEADER)	1,800					1,800
Wind Turbine						
CARES Loan	10,000					10,000
Share Issue			120,000			120,000
Social bank loan			80,000			80,000
Bank loan capital			800,000			800,000
Revenue income				80,000	80,000	160,000
Other Income						
Ground rent from forest crofts			4,500	4,500	4,500	13,500
Windfarm screening payment		6,880				6,880
Community fundraising	10,000	2,000	2,000	2,000	2,000	18,000
Other funding sources			2,500	2,500	2,500	7,500
Firewood sales		6,000	6,000	6,000	6,000	24,000
Total Income (A)	1,598,772	149,950	1,107,780	140,780	140,780	3,138,062
EXPENDITURE						
Acquisition costs						
Land acquisition	1,550,000					1,550,000
Legal fees	17,820					17,820
Infrastructure works						
Housing infrastructure	1,500	10,000				11,500
Forest croft establishment		3,000	9,000			12,000
Land Management						
Management plan	5,452					5,452
Forest management	2,200	2,200	4,400	4,400	4,400	17,600
Archaeological site management			6,000	1,000	1,000	8,000
Access, recreation & education	1,000		10,000	10,000	10,000	31,000

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Firewood costs	3,600	4,600	4,600	4,600	4,600	22,000
Wind Turbine						
Feasibility	10,000					10,000
Capital costs			1,000,000			1,000,000
Revenue costs			40,000	40,000	40,000	120,000
Staff and Operational Overheads						
Project Manager		27,860	27,860	27,860	27,860	111,440
Admin		2,000	2,000	2,000	2,000	8,000
IT		1,500	250	250	250	2,250
Office costs		2,660	2,660	2,660	2,660	10,640
Training	750	750	750	750	750	3,750
Insurance	1,200	1,500	1,500	1,500	1,500	7,200
Bank Charges (@8% of loan)	4,000	-4,000				0
Loan Repayment	0	50,000				50,000
Total Expenditure (B)	1,597,522	102,070	1,109,020	95,020	95,020	2,998,652
Net Inflow (A-B)	1,250	47,880	-1,240	45,760	45,760	139,410
Opening Balance	0	1,250	49,130	47,890	93,650	
CLOSING BALANCE	1,250	49,130	47,890	93,650	139,410	139,410

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Appendix 2: Project Development Details, Estimated Costs and Income.

Sale of Assets	
Lease of commercial area of forest	The lease of 550ha of commercial area of forest to Forest Tenant as per proposals and negotiations (as at February 2012).
Sale of house plots	House plot values as per Options Appraisal. Conservative estimate of £50,000 per plot.
Sale of woodland croft house sites	Each of the 6 woodland crofts would have the theoretical potential for a house site contained within it. Values for the purchase of the lease of croft: £7,000 per croft site.
Infrastructure Works	
Entrances	Two new amenity entrances with car parks, gates etc. Requires levelling, new roading, bell-mouth entrances etc.
House plot services	Estimated at £1,500 to cover application for planning and any sale costs.
Woodland croft services	Estimated at £2k per croft - £12k total. To cover any access works, infrastructure provision etc.
Forest Management	
Forest Management	For the 110ha under community management: Expenditure: To cover forest management costs not met by forest tenant or croft tenants such as tree safety, fence repair, litter clearance and all other miscellaneous costs Years 1 and 2: £20 /ha = £2,200 pa Years 3-5: £40/ha = £4,400 pa Under SRDP Land Management Options, annual grant based upon: £75/ha for first 10 ha = £750 £30/ha for next 90ha = £2,700 £1 for remaining 10 ha = £10 Total = £3,460
Forest Plan Preparation	SRDP Rural Priorities 'Forest Plan Preparation': £20/ha for 1st 200ha & £3.50/ha for 415ha remainder = £5,452. £100 per ha for area in tenant's management
Recreation and Conservation	
Access, recreation and education	Estimated sum per annum of £10k to include: Construction of new footpaths All abilities access path cost at £25 / m. Standard path costs of £15/m with steps, culverts and boardwalks in addition. Signage and interpretation Entrances x 2 Car park x 2 Footpath maintenance Grant at 90% of costs
Management archaeological site	Maintenance and enhancement of sites, conservation and access as per agreed Adopt a Monument Scheme and with consent of Historic Scotland / RCHAMS. Would include: <ul style="list-style-type: none"> • Initial survey work • Clearance of brush etc and annual strimming: SRDP LMO 100% funding. Estimated initial cost of £1,000 with annual costs £500 pa thereafter. • Interpretation through on-site boards, leaflets and through electronic media: £5,000 in Year 3 and 4.
Conservation	Bird / bat boxes: A local 'forest volunteers' conservation project. SRDP grant will cover cost of bird/bat boxes at £15/box. Estimate 100 boxes p.a. for 2 years.
Other Projects	
Woodfuel	Income

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	<ul style="list-style-type: none"> Year 1 will involve the acquisition, drying and stockpiling of one years supply of firewood. No sales will take place in Year 1. LEADER funding of 50% of this initial set-up / stockpiling costs. A CGDT Trading Subsidiary will process, dry and deliver 80 tonnes of air-dried softwood per annum, based upon supply of an average of 2 tonnes per house to 40 houses @ £75/tonne. <p>Costs</p> <ul style="list-style-type: none"> Assumed to be £25/tonne and include lease of firewood processor from local contractor (3 days @ 40T/day) & on-site labour for processing (6 man-days), miscellaneous handling & bagging (12 man-days). Acquisition of timber from Forest Tenant based on £20 / tonne. Delivery cost is assumed to £12.50/tonne 										
Wind Turbine	<p>Capital expenditure estimated costs £1m including a CARES loan of £10k, projected for Year 1 to fund CGDT to carry out feasibility studies etc. This loan is repayable only if the project proceeds.</p> <p>Revenue expenditure of £40k is projected to cover maintenance, loan finance etc.</p> <p>Capital Income</p> <ul style="list-style-type: none"> Bank loan: £800k Share Issue: £120k Other loans / grants: £80k <p>A net revenue income of approximately £40 to £70k / annum is projected for the first 10 years. Thereafter net revenue income would increase by 50% to £60 - £105k / annum. For the purposes of this business plan, a conservative net income of £40k is assumed for Years 1 - 5.</p>										
Windfarm screening payments	As per sums identified in Valuation, assumes payments by SSE of £6,880 in 2014 and 2018.										
Overheads and other costs											
Project Manager	<p>Annual costs for employment of Project Manager (proposed as a continuation under HIE's CAM Programme)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Project Manager wages, NI, pension</td> <td style="text-align: right;">24,000</td> </tr> <tr> <td>Employer's NI</td> <td style="text-align: right;">1,920</td> </tr> <tr> <td>Pension (5%+costs)</td> <td style="text-align: right;">1,440</td> </tr> <tr> <td>Payroll services</td> <td style="text-align: right;">500</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">£27,860</td> </tr> </table> <p>Funding (of salary as well as below office and associated costs) Year 1: CAM Post already funded through HIE's CAM Programme until Dec 2013 (itself funded by LEADER) Year 2: HIE 100% funding Year 3- 5: LEADER Programme</p>	Project Manager wages, NI, pension	24,000	Employer's NI	1,920	Pension (5%+costs)	1,440	Payroll services	500	Total	£27,860
Project Manager wages, NI, pension	24,000										
Employer's NI	1,920										
Pension (5%+costs)	1,440										
Payroll services	500										
Total	£27,860										
Administration	Nominal amount for administration. Year 1: £1,000 Years 2-5: £2,000 pa										
Information Technology	IT - Assumes use of existing computers, hardware etc. Purchase of digital mapping programme along with training module - £1,500 in Year 1. £250 / annum Years 2-5.										
Insurance	Forest insurance (including fire insurance): £1,200 pa Other insurances (Public Liability, Employers and Equipment Insurance) £300 pa HIE / LEADER/ CAM funding of 100% of non-forest insurances										

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Training	For staff and volunteers: £750 pa
Office costs	Office and other costs for Years 2-5 (Year 1 funded by existing CAM funding) Rent: £2,000/annum Broadband: £320 / annum Phone: £240 / annum Stationary, postage etc: £100 / annum

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Appendix 3

CADISPA Community Consultation 2007

In the spring of 2007 a Community Planning Appraisal was carried out by the University of Strathclyde through their CADISPA department. The aim of this study was to allow members of the Colintrave and Glendaruel community an opportunity to express their views on what they would like to see changed and what they wish to conserve in their community, how any change could be implemented, how local people could control this and how it could be made sustainable. It was hoped that the findings would help provide the basis for a development agenda that can be used to take the community forward over the next ten years.

All residents in the community were invited to participate, including those of school age and following discussions it was agreed that second-home owners should be included in the study, as this group was also concerned with the future of the community, specially as a number of these people plan to retire to the village.

A questionnaire was sent to every householder in the area and to a random sample from the Glendaruel caravan park. The questionnaire contained a series of questions designed to gather basic demographic information and quantitative (statistic based) and qualitative (people's perception and opinions) data to cover all the aspects of a sustainable community, and also to include an opportunity to comment on any other issues.

The response rate to the survey was 38%, and this was further strengthened by interviewing businesses and focus groups with young people and the primary school.

The data collected was then analysed to identify local concerns about the state of the area, and to explore potential solutions to problems.

The key priorities for future development were identified as being:

- More social, educational and sports facilities/opportunities are needed within the community in order to improve both quality of life for residents, and to provide alternative venues for visitor activities.
- The preservation and protection of the built (artifacts, buildings and other points of interest) and the natural environment. This is the reason many people come to the area and why local people take such pleasure from the area.
- There is a dearth of activities for people locally, in particular, those in the 12-18 age group and the older population. Residents intimated a strong need for new activities to overcome issues of boredom and loneliness.
- The need to stimulate economic development, job and wealth creation and service provision through enterprise and training – a business association with strong links to any new development trust was suggested.
- There is a great need to market and promote the area further to encourage more visitors and to strengthen local people's sense of heritage. This would create economic and social benefits to the villages.
- The need to improve the tourist experience.
- The need to improve the transport infrastructure.
- The need to tackle the lack of affordable housing for the elderly, young families and local people. Also identified was the risk that the villages would become increasingly attractive to older, retired people or, those with second homes.
- Regular consultation with the community was important to ensure that the Trust has a mandate to act, and negotiate with external agencies on behalf of the community.
- Development needs to be driven by local people in partnership with outside organisations.

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- A need was identified for improved broadband provision, accessible for all, and for improved telephone connection.
- The limited ambulance service was not acceptable to local people.
- There is a need for the community to identify a strategic approach to staged development, and to work together to achieve development for the villages over a period of years.
- There is a clear role and need for an organisation such as a Development Trust to lead these developments and to capture the skills and enthusiasm of local people in partnership with the Community Council.

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Appendix 4

Colintraive and Glendaruel Animateurs Consultation 2010

The responses to both the Colintraive and Glendaruel survey are summarised below:

Leisure and Recreation

Respondents were asked as to their current activities that they took part in, their use of facilities and their views on the future development of the area:

Recreation & Leisure Activities	Colintraive		Glendaruel	
	Engaged in	More Facilities Needed	Engaged in	More Facilities Needed
General Sports	14	18	18	20
Walking	49	17	59	25
Cycling/Riding	29	15	27	30
Nature Conservation	17	12	28	29
Wildlife Watching	30	19	38	25
Sailing/Water Sports	33	27	9	8
Swimming Pool	12	13	12	7
Dog Walking	24	5	27	0
Camping	9	9	8	3
Fishing	17	10	15	19
Golf	11	6	11	11
Children's' Play Park	13	10	11	3
Horse-Riding	5	6	3	9
Astronomy	6	7	10	13
Archaeology	10	8	16	18
Heritage	16	8	17	15
Other	15	0	5	0

Source: CGDT

Table: Current and Future Use of Recreation and Leisure Facilities

The vast majority of the population wanted to see services, recreation and facilities improved and believed that all the facilities are now much worse than a few years ago. Additional facilities suggested included:

- Clachan of Glendaruel revived with bar, cafe restaurant, post office and shop. A purpose built hall/pavilion, affordable housing and some form of purpose built/sheltered housing for the local elderly (to stop them having to move away for their community and friends).
- Better public transport
- Creation of a riverside walk
- Making more of the Cowal Way
- Good signage to archaeological sites and places of interest
- Repair of bridges at Waulk Mill and Emhoru to create a cycle/walk way off the main road
- Community Centre for tea, chats, exchanging books, socialising.
- Better facilities for gardening, running, diving, kayaking, shooting, crafts, aerobics, tennis, a putting green, art and discos for the children.

Community Perceptions - Services

The Colintraive Animatuer Report asked about perceptions of services in the area. 26 people thought that the overall Colintraive community services had changed over time while 27 people are unsure. 13 people stated that services had not changed.

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Perception	Better	Unchanged	Worse
Job prospects	2	21	22
Environment	8	27	8
Housing	4	19	20
Schooling	7	28	8
Recreational facilities	19	18	8
Post Office/shop	15	14	14
Social facilities	16	17	12
Sense of community	19	24	5
Sense of security	7	40	1

Source: CGDT

Table: Community Perceptions of Colintraive

Community Purchase of Stronafian Forest

The Glendaruel Report identified that the majority of people (60%) were undecided about the project with 15% thinking that it was a good idea and 20% not interested. The main concern about the community purchase of Stronafian Forest was the cost of the enterprise and the length of time it would take to bring to fruition. The majority believe that the cost of felling and putting in a road would be prohibitive and that any replanting wouldn't provide the community with any income for many years. It was generally agreed that after felling the forest should be replanted in a more sustainable manner, again offering opportunities for charcoal production, coppicing and craft users. The Glendaruel animateur report identified the following ideas for developing amenities in the forest:

- Several picnic sites connected by forest walks
- A forest style children's' playground
- A stocked fishing lake
- Strategically placed hides for bird/animal watching
- Bridleway for pony trekking and a ménage
- A nursery for native plants and trees
- Conservation of chambered cairn
- Forest burials
- Forest crofts
- Local food production
- Energy production (bio mass/hydro/wind/solar)
- Saw mill [providing wood, bark chippings etc
- Sustainable housing
- Quad biking
- Archery
- Stalking and clay pigeon shooting
- Astronomy centre
- Tennis courts
- A lot of the ideas above would provide the community and visitors alike with an exciting and viable forest and would create jobs in the locality

The Colintraive Animateur's Report identified the following suggestions in favour of the project

- The forest could provide scope for developing more tourism.
- It would be ideal for nature conservation, wildlife watching or maybe a bird reserve.
- An adventure park for children along with camping facilities would attract families in order to tap tourism.
- There could be walkways, tracks for cycling, dog walking areas and tennis courts.
- An astronomy Centre could be set up to enable to watch activities in the sky at night.
- The forest could be used as an "outward bound" physical/educational/ecological training centre – perhaps for children from inner-city schools.

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- Could have courses on Scottish Wildlife, trees and plants. It could be very hands-on including cooking and eating edible plants.
- Introduce children to “living off the land”, survival skills and minimal expenditure in order to survive.
- Country-style rustic assault courses; children can be encouraged to build dens etc. using available materials.
- Cabin type huts with water and sewage to provide shelter for children/adults.
- Educational outings to local fish farms, Ostel Bay for beach study, sub-aqua diving in Loch Riddon/Burnt Island, a fieldtrip to where the ravens roost accompanied by a bird enthusiast.
- Local experts may be willing to give free time to develop interests such as using materials to make products to sell.
- Employ local workforce in order to keep our youth and maintain the village school.
- Use the facilities in our environment to exercise, educate and fascinate children and adults.
- The development of business ventures such as:-
 - Using wood from the forest for fuel.
 - Establishment of wind turbines for local energy.
 - Building of new affordable housing in the forest area to attract young families and support the local school and amenities.
 - People setting up business ventures to support the incoming tourists e.g. craft shops, cafes, restaurants, etc.

The Colintrave Animateur’s Report identified concerns about the proposed development of Stronafian Forest. Several people found little relevance in any of the questions to such a project as the buy-out of Stronafian Forest. Most people wanted to hear more details about the proposed plan and how other areas have developed their land in order to make the purchase viable. The cost of purchasing the forest raised many questions.

- Where will the money come from?
- How long before it is a viable business?
- Why is the forestry selling this land if it is such a good investment?
- Does the Trust have to hire someone to run the forest?

Other comments included:-

- The purchase price is too high.
- It would cost a fortune to develop it as a business.
- Already quite a lot of the forest has been harvested.
- Spoil the environment.
- The Forest Project would be an unnecessary burden on the community.
- There are more ways to spend the money constructively e.g. developing more tourist attractions.

Renewable Energy

Most of the respondents in Colintrave and Glendaruel were concerned about the cost of fuel and were interested in alternative sources of energy for their houses. As such most were supportive of renewable energy schemes including hydro, wood as heating, solar, and to a lesser extent, wind power.

Housing

The Colintrave Animateur’s report identified housing as a particular concern:

- 52 people are very satisfied with their current housing situation, 18 are satisfied and 2 unsatisfied as they have dampness in their rented accommodation.
- Better sewage facilities were suggested as some of the raw sewage goes straight into the Kyles.

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- When asked if residents would like to purchase houses in Colintrave the most common answer was that they couldn't afford them.
- 43 people thought there was a need for affordable or sheltered housing while 8 did not and 16 were unsure.

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Appendix 5

Summary of the issues raised at Community Consultation Meeting 11TH July 2010

:

- Clarification sought that the Business Plan to be developed is independent of the windfarm at this time and this was confirmed by the Chairman.
- Whether there were definitive examples of jobs created/housing provided in other community forest projects.
- Why the Forestry Commission were selling what could be such an asset.
- Whether the anticipated purchase price reflects the value of the standing timber
- Observation that there are moves afoot to put pressure on the FCS to gift land for community use, particularly given the Lottery's stance on funding the sale of publicly owned assets.
- Observation that parts of the Stronafian plantation are common land and as such already belong to the community. Although it may be difficult to determine the scope of any common land, as there are often no written records available, investigation should be undertaken.
- Enquiry regarding what happens after the existing 300 acres are felled, given there is likely to be a further 40 years for new planting to reach maturity.
- Whether there were any restrictions on the right to buy in relation to Stronafian.
- View that this was a great opportunity for diversification opportunities and the community should not be seeking reasons not to proceed.
- Clarification sought as to what the Development Trust has done in the 2 years since it was established.
- Highlighting that "green" issues appear prevalent in the Trust's thinking and the Chairman agreed that the opportunity to exploit natural resources in order to implement development opportunities, which in some areas are key to funding opportunities, must be harnessed.
- View that communication between the Trust and the community is problematic and needs to be improved.
- Recognition of the potential of the Stronafian project and urged the community to see the glass as half full and to use the time we have to discuss and investigate further the opportunity for economic and social development.
- Although access to the forest has been discussed, the question of egress was raised in relation to extracting timber.
- Support the ongoing investigation as the potential for an absentee landlord to acquire the forest was a real threat to community development and ongoing benefit.
- Recognition of the excellent opportunity presented to the community and proposed that further investigation was appropriate.
- Suggestion of an informal community consultation day at which questions could be raised and answered.
- Suggestion of a Trust newsletter be considered or e-mail updates with information posted in notice boards for non-computer users.
- Whether any previous community consultation had been carried out.
- Whether there would be an adequate water supply for development within the forest
- How, in the event no alternative use was identified for the forest, would remaining stumps be dealt with following harvesting.
- View that the opportunity which is presented to the community offers potential for investment and should be progressed.

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Appendix 6

Stronafian Forest Options Appraisal Executive Summary

(Carried out by Scottish Native Woods, June 2010)

Colintraive & Glendaruel Development Trust (CGDT) was established in 2008, and is a Company Limited by Guarantee with Charitable Status. It is tasked to revitalise the communities of Colintraive & Glendaruel, ensuring their long term economic, social, cultural and environmental sustainability.

This document is designed to lay out options for the future of the plantation and to inform community discussion on CGDT investigation of proposals to use the National Forest Land Scheme to acquire Stronafian Forest.

Forestry is supported by the Scottish Government for the benefits that it can deliver, including climate change mitigation, business development, and biodiversity. Community forestry can deliver these benefits, with additional local benefits, and Scotland has developed a strong community woodland sector over the last 20 years. Support is available for community woodlands from government agencies and the voluntary sector, with a strong representative body, the Community Woodlands Association.

Stronafian Plantation

The Plantation is part of the National Forest Estate, consisting of two joined blocks and comprises 392 hectares (ha) of conifers, much of which will mature in the next decade. The site also contains 121ha of open ground & small areas of native woodland. The plantation has not been formally valued, however an indicative value is in the range of £1.5m-£2.1m, and the community might expect a valuation nearer the lower end of the valuation.

Options for Stronafian

Running a conventional Sitka spruce plantation

Parts of the site are well suited to producing Sitka spruce, and conventional forestry management is an established approach to land management. The community could use a forestry manager, conducting timber standing sales, while taking responsibility for roads and successful restocking. The mature timber should generate a strong cash flow over the next decade.

Alternatives to plantation forestry

Low Impact Silvicultural Systems are supported by the Scottish Government, and some of Stronafian could be converted to this management regime. This approach has the potential to deliver enhanced levels of community benefit by facilitating increased local utilisation of timber and reducing the landscape impact and scale of forestry operations.

New planting on Open Ground

120ha at Stronafian has not been planted, because it was not suitable for commercial conifer plantation, however there is scope to plant some of this area with upland native woodland species. This will help to meet Scottish Government woodland creation targets and generate a positive cashflow.

Building in the forest

New buildings in carefully selected parts of the forest should be in line with Argyll & Bute's Local Plan. Buildings can deliver community regeneration by meeting local demand for affordable housing. It can also deliver development value to the community.

Community control of the asset would allow scope for further added value from any development. This might be achieved by opting at least in part for affordable self built housing. The development of woodland crofts would allow the creation of small scale woodland based enterprises, attracting young people with an interest in forestry and land use into the community.

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Energy from the Forest

Wood is a broadly carbon neutral product, and can replace more carbon rich fossil fuels. Other communities have created social enterprises based on their community forests, and this could happen at Stronafian as well. Firewood has increased in price over the last three years, and there is also an increasing market for biomass. Linking local heating requirements to wood from the forest, and developing links with other local biomass consumers will both add value to forest residues.

Access to the Forest

There is no formal access into the forest at present. Better access is highly valued by other communities adjacent to forests. There is some scope to link this access with the Cowal Way, thus generating some increase in tourism. Access can also lead to greater use of the forest for education, both for children and for adults. Training can be aimed at both providing employment and at enhancing people's understanding of their local environment.

Community Capacity

Elsewhere in Scotland control of local woodland has generated a range of positive results for the community. The process is not straightforward, and requires a high degree of commitment from the community. However CGDT are well placed to take advantage of the lessons learnt from two other local groups who have taken the decision to take ownership. This might help to smooth some of the trials of acquisition, and ensure that the CGDT make the most of the opportunities that Stronafian represents.

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Appendix 7

Stronafian Archaeology Project Proposed Strategy

Project Name	Stronafian Archaeology Project
Background	<p>Colintraive and Glendaruel Development Trust's overall mission is to work with, and for, the community to identify projects and activities which will improve access to, and provision of, facilities, amenities and services for employment, education, health and recreation. As part of this mission, the CGDT aim to create an economically thriving community through various initiatives which include managing and interpreting key natural and cultural assets of the area and encouraging locals and visitors to explore the area. By June 2012 CGDT aim to have completed the purchase of Stronafian Forest, which is a large area of predominantly coniferous woodland on the east side of the A886 adjacent to Clachan of Glendaruel.</p> <p>Phase 1 of the Stronafian Forest Project wishes to provide access and interpretation to a number of key archaeological/historical assets within Stronafian Forest and to identify any further archaeological and historical remains which could benefit from some form of management, access and interpretation.</p> <p>Phase 2 of the project would include the wider promotion of the Glen through a number of initiatives to include access and interpretation of further key archaeological/historic assets within the wider Glen. This phase would be at some point in the future and would involve working with a number of different landowners and various access constraints/issues.</p>
Aims and Purpose	<ul style="list-style-type: none"> • To improve access to and interpretation of three key sites within Stronafian Forest (Lephinkill Chambered Cairn; Auchategan settlement and Glendaruel cup-and-ring marked stone); • To identify, assess, improve access to and interpretation of other key archaeological sites in Stronafian Forest, where appropriate; • To identify what management needs key sites may require; • To encourage an interest in the history of human activity in Colintraive and Glendaruel within the community, and; • To equip community members with the knowledge, skills and capacity to further explore the archaeological sites in the area. • To seek specialist advice and explore the feasibility of a small-scale targeted excavation on the scooped hollow to the north of Lephinkill Chambered Cairn.
Site Summary	CGDT is particularly interested in three sites within the Stronafian Forest (Lephinkill Chambered Cairn; Auchategan settlement and Glendaruel cup-and-ring marked stone) but they also would like to identify what further archaeological remains survive within the woodland.
Site Description	Lephinkill Chambered Cairn (WOSAS Ref 5118; NMRS Ref NS08SW4) is situated on a wide terrace to the south-east of Ardachearanbeg with tremendous views down onto Glendaruel. This area was under forestry but has been clear felled. It is a large, complex Clyde type Chambered cairn with signs of having been robbed in places to create small sheep shelters. To its immediate north is a small circular hollow (quarry scoop or feature associated with cairn?). An overgrown forest access track ascends steeply from the road, along the terrace to and beyond the cairn. The ambition is to upgrade this track and turn it into a circular route which takes in the Neolithic Cairn, the cup-marked stone (below) and various other features.

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There have been various written descriptions of the cairn since the 19th century. In 1988 the RCAHMS described the site:

This chambered cairn is situated 600m E of Clachan of Glendaruel in a clearing within a forestry plantation; its position above the valley floor of Glendaruel at a height of 140m OD, is similar to that of the chambered cairn at Ardachearanbeag (NS08NW 7), about 900m to the North). The cairn appears as an irregular heather-clad mound of stones measuring about 25m by 11m and 2m in height; it has been disturbed and robbed to provide material for several sheep-shelters, one of which survives almost intact on the mound itself.

The chamber is at the N end and is entered through a concave facade, now partly hidden by blocking material; the E portal stone, measuring 1.0m by 0.25m, still protrudes about 0.5m above the surface of the mound. A small earthfast stone situated behind the E portal and set parallel to it, which might indicate a double portal, could not be identified. The W portal stone does not survive, but a small supporting stone behind its likely position can still be seen; measuring only 0.4m by 0.15m and protruding 0.3m, it is not itself a likely partner for the E portal.

Two displaced side-slabs of the chamber are still visible, both over 0.6m in height. An excavated hollow on the line of the continuation of the chamber suggests that it was originally between 3m and 4m long overall. Parts of what are probably corbel stones can be seen overlying the fallen side-slab on the E side of the chamber.

The site of a chapel (St Modan's) is also noted on historic maps for this location, but no trace has ever been found of it. In the past, however, a well was located approximately 100m to the north (St Modan's Well WOSAS Ref 5114; NMRS Ref NS08SW2). The well consisted of a natural spring surrounded by large stones and quartz pebbles.

Auchategan settlement (WOSAS Ref 5119; NMRS Ref NS08SW5) is located to the south west of chambered cairn above and represents the remains of a multi-phased settlement dating from early prehistory to more recent times. Excavations appear to have taken place in the late 19th century and again between 1967 and 1971. In summary the excavations identified:

Period 1: Two phases of Neolithic occupation (represented by two huts with hearths, postholes and artefacts). Second phase dated to 2300 bc +/-110

Period 2: Burial cairn and cists

Period 3: Post built rectangular structure dated to 660bc +/- 100

Period 4: Iron work site

Period 5: Rectangular stone house (probably medieval)

Period 6: Set of shielings

Very little remains of this settlement, apart from the remains of the Period 5 rectangular house. This needs to be checked on the ground.

Glendaruel cup-and-ring marked stone (WOSAS Ref 4545; NMRS NR98SE3) represents a medium-sized flat boulder within deciduous woodland to the south of Clachan Burn. Ten cups are still discernible. One of the cups is supposed to have been surrounded by a single ring and another by a keyhole-shaped ring, but this could not be identified. To the immediate north of the boulder is a large rectangular enclosure defined by substantial stone and earthen banks. The enclosure is located between the Clachan Burn and a small subsidiary to its

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	<p>immediate south. The date or function of this enclosure is currently unknown.</p> <p>Further archaeological/historical sites: Numerous other sites are known within the Stronafian Forest (see WOSAS Sites and Monuments Record and the NMRS PASTMAP). Along with numerous eminent antiquarians and archaeologists, the following organisations and individuals have also undertaken survey and fieldwork in the area - Cowal Archaeology Society, Charles McLaughlin (local enthusiast) and Noel Fojut (1978 Pre-Forest Survey in Cowal, Clachan, Field Survey Area II)</p>
Site Condition	<p>Lephinkill Chambered Cairn: Slightly ruinous, bracken cover, some robbing</p> <p>Auchategan settlement: Unknown. Need to visit</p> <p>Glendaruel cup-and-ring marked stone: Good but worn</p>
Work already Undertaken	
Key activities	<p>Survey – A desk based study will establish baseline knowledge within the CGDT owned Stronafian Forest of the locations of all known archaeological sites, past archaeological investigations and the extent of these. This will be followed up by site audits which will involve site appraisals and initial surveys to establish condition, quality, visitor potential of sites (survival, access, significance etc) and any management issues.</p> <p>Access – Although a well surfaced path exists to the Lephinkill Chambered Cairn some waymarking and gardening will be required. The Glendaruel cup-marked rock could potentially remain without formal access in order to be discovered a la geo-caching. Access and other works to Auchategan settlement still need to be determined.</p> <p>Interpretation – Following community led research, information will be provided to improve visitors' appreciation of sites in the forest. This will be carried out under the supervision of knowledgeable archaeologists. Presentation of information will be via a combination of sign boards and paper leaflets and online material including mp3 guides and QR code accessed information. Interpretation at the Lephinkill Chambered Cairn will also offer information on other sites of interest which can be seen in the glen. In the case of the Auchategan settlement site, historical reconstruction could provide interpretation and also a more interesting visitor attraction.</p> <p>Conservation – A programme of vegetation removal and ongoing maintenance of the Lephinkill Chambered Cairn will need be put in place. An assessment of what management and maintenance of other key sites within the Stronafian Forest will take place as part of the site audit (see above).</p>