	Statement of Deceme for shallouging refusal in detail
The Refusal Notice lists 5 groups of reasons for refusal plus the assessment by FES that the benefits do not exceed the impact on the management of the National Forest Estate, taking into consideration the risk that the benefits will not be delivered and of increased negative impacts resulting from the proposed forest management plan. We address each of these reasons in turn explaining why we disagree with the assumption made.	Rebuttal, Clarification or Challenge
The business plan is written at a high level, with a lack of detail on implementation and outcomes, and a lack of clear overall vision to provide a rationale for a purchase of this scale.	
Lack of Clear Overall Vision to provide rationale for a purchase of this scale.	We are disappointed that our overall vision has not been recognised. We think we set out our vision for what community ownership of the forest and all the associated benefits would achieve for the valleys in our application in 4.1 and 4.2 as well as in the 'Contribution to National Outcomes' appendix. Within the business plan, pages 4-6 are about the wider interventions required to turn the declining situation around and recognising the potential of community ownership, "It would enable EYCDC to progress more of the projects and aspirations identified in the Community Development Plan and maximise the socio-economic value of Gamescleuch Forest."
	The key document which sets out both the need and the opportunities for Ettrick and Yarrow is the Community Development Plan. This is referenced on <b>pages 4 and 5</b> of the Business Plan and contains a vision for a thriving community where depopulation and lack of young people has been transformed by the delivery of some key projects, including gaining community ownership of a forest.
	Community ownership will bring about better outcomes both for the forest and for the community. It would make the Community Development Company sustainable in that core costs would no longer be dependent on

project funding and time and energy can then be directed towards delivering wider projects which fulfil the stated aim of regenerating the valleys and creating opportunities which help people to continue to live and work here.

The income from timber sales and other activities linked to the forest resource would allow us to add value to the forest through improved management with the dedicated, on-going input from two part-time posts and also to cover the core running costs of our office base and Development Coordinator. It allows us to bring a redundant building (Ettrick School) back into use as a new office base with the core running costs covered, but also in doing so, then unlocks the opportunity for other projects than can be developed within the building and extensive grounds.

The need for intervention within the area is demonstrable (and recognised by the panel) but we feel that our overall plan to bring about change has not been recognised. The Community Development Plan was given to the District Manager at an early meeting, and it is highlighted on the first few pages of the business plan. It would have been supplied if requested.

We could also have supplied our 'Final Report' which brings together all the feasibility studies and scoping reports for seven different projects researched in 2013, three of which have been delivered. These would show that the EYCDC has a wider vision for transforming the valleys that goes beyond community ownership of the forest but can link to and build on the opportunities provided by community ownership.

The panel seem to assume that our main objective is to restore the boardwalk and improve access within the forest. We have a clear plan and funding stream for how we could do this, but it is not the 'main objective'.

The business plan is focussed on whether community ownership of the forest is viable and outlining activities which could be developed through

	community ownership. It is not intended to cover the development of every aspect which could flow from ownership of the forest in future, some of which will require more detailed studies and funding applications.  We see achieving community ownership therefore as a springboard to wider benefits and transformational change for the area.
Lack of Detail on Implementation and outcomes	Our implementation plan for the first two years was submitted in the form of a Gantt chart as <b>Annex 7</b> to the business plan. This is the standard project management and monitoring tool; they graphically illustrate all the different operations that comprise a project, the start and finish dates of each operation, and their dependencies (i.e. which operations have to be completed before another can start). They can be used to monitor each element of a project, to calculate which elements are on the "critical path" (i.e. are critical to meeting the overall project programme), and to plan what resources are required to deliver the project. Our Gantt chart is now out-of-date but it shows the various steps that we would be taking and includes monitoring of 9 key progress indicators including volunteer hours to make sure we stayed on course to deliver outcomes agreed with the Scottish Land Fund.
	The business plan and cashflow shows that the revenue from the income generating activities identified in addition to the timber income can cover the core running costs of the community development company, can deliver the benefits identified within the forest and can guarantee continued sustainable management of the forest. We fully expect that more projects and income streams from the forest will be developed once we are underway, particularly around adding value through more processing on site and making use of farm buildings within proximity of the site. There are also project ideas suggested during the community consultation which we can implement without additional cost to what is

already identified and then develop further if there is enough interest. For

example, creating a dark sky viewing site. This would mainly involve marketing the 'dark sky' above Gamescleuch and promoting the area around the storage shed at the top of the new track as a good vantage point. Occasional events would be promoted with experts sharing their knowledge. This would be a simple but effective promotion to visitors at relatively no cost.

The point is that we have not tried to detail how every idea would be implemented. Some that are identified within the cash flow are relatively self -explanatory; donations for parking will be made through an online payment site advertised on the information board at the carpark and charges for guided walks and activities will be paid to the coordinator or seasonal ranger when the activity is booked. Firewood sales start both small and local. In Year One we will have very little ready to sell. In Year Two we have identified £2500 expenditure on start up costs which was to buy a second-hand industrial kindling machine. We have also identified £17,000 over Year One and Two to establish the car parking site, buy a second hand container and put up a drying shed.

The income generated and costs of setting up an e-bike hire outlet are referred to on **Page 25** of the business plan where it suggests that the start- up costs and development will be part of a LEADER funding application and are therefore not included in the cashflow. In hindsight treating this as a separate project while still showing the income generated in the cashflow was a mistake. We now have outline approval from LEADER for a funding package of £102,000 linked to the forest purchase and associated activities and within that £13,000 is identified for e-bike purchases and start-up costs.

The large carpark and the back area of the school which has a separate door and space inside for bikes to be stored and worked on, makes the former school an ideal base for this. Mapping out cycle routes and creating packages for visitors is completely in line with the Borders Cycling Strategy

	recommendations as well as the Borders Tourism Strategy. E-bikes will provide an option for less fit members of a family group to take part in cycle rides and to experience a wider view of the countryside than would otherwise be the case. A network of forest roads will be promoted with clearly defined, circular routes and stunning views.
The Main objective of the request is to restore the boardwalks to the Ettrick Marshes and improve access for other recreation activities in the forest. However, it is not clear that the scale of the asset transfer is proportionate to delivery of these objectives and that the community has fully considered what options would best deliver these objectives.	This assumption is simply incorrect, and does not recognise how owning the forest sits within a wider community plan.
Not clear that Asset transfer request is proportionate to delivery of these objectives	We have prepared a document which sets out more clearly the community benefits in financial, quantifiable and qualitative impacts. The long-term, sustainable income stream from the forest gives the EYCDC a sustainable future, while delivering a range of economic, regenerative, social, health, and environmental benefits and addressing a range of inequalities including rural disadvantage. These benefits are set out separately in the accompanying document, <b>Economic Benefits and Best Value Considerations.</b>
Not clear that community has fully considered options to deliver these objectives	We are aware that FES thinks we could take up a lease on the Marshes, upgrade the boardwalk and deliver some of our objectives without taking on ownership. This would put us in exactly the same position that Borders Forest Trust found unsustainable. We would have the liability of maintaining the walks, without the income or control of the surrounding area to make a difference. The options were all considered, and this one was rejected. The panel has not realised that we have a multi-faceted vision which links a lot of different elements together and allows us to build on the community ownership in phases, creating more impact and regeneration than any one part of the plan.

3. The revised felling plans will result in potentially increased visual impacts and risk of windblow. Further evidence of consultation with the community and with Forestry Commission Scotland on the revised felling plans would be necessary to identify and mitigate potential negative impacts.	
Revised felling plan would result in potentially increased visual impact	We refute this entirely. The revised felling plan splits the existing coupes into smaller sub-compartments and proposes to fell one or more of these smaller compartments each year rather than the clear felling of the whole coupe as per the existing FES plan. This is in line with the Scottish Forestry Strategy which states in reference to Low Impact Silviculture Systems (LISS) that, "LISS are under-represented in Scotland and a strategic aim of this Strategy is to increase their coverage." It is also in line with the UK Woodland Assurance Standard recommendations which advocates smaller coupe felling where possible. Our proposed management and felling plan is therefore in line with both UK Forestry Standards and Forestry Commission stated priorities.
	Regarding visual impact, the areas to be felled as identified within the plan are not visible from the valley road or centres of habitation. They would only be visible if you were on the hillside on the other side of the valley at the same level or higher. We will create <b>less</b> visual impact through our management than the existing plan and current FES practise of clear-felling larger areas.
	The existing view of Gamescleuch Forest from the B709 road along the valley floor is described in the FCS Forest Design Plan prepared in 2008, where it states, "West and north west facing slopes (most of Gamescleuch) form the main backdrop to Ettrick Valley, and are effectively the forest threshold for a vast area of conifer plantation forest along Ettrick and Tima valleys. They currently lack species or structural diversity."  The visual impact on the valley was not considered when blanket sitka was planted and the clear felling which has already taken place does not

enhance the landscape. The first coupe identified for felling will tidy up an area where the trees are falling over and allow us to replant more sensitively with native species as well as allowing us to create a less steep pathway down to the open area along the side of Gamescleuch burn. (The pegged steps down have been removed at this point by FES so there is no access down at present.) This will be both an environmental and visual improvement on what is there at present. We have attached a powerpoint in which the last photograph shows this area. Ref. Powerpoint forest pictures. This criticism of 'potentially increased visual impact' is repeated in four sections of the evaluation panel report as a negative impact despite being completely unfounded. This should have been ruled out as a 'negative impact' from the site visit but in fact was never raised as an issue. Revised felling plan would result in potential increased risk of windblow The revised felling plan seeks to fell smaller coupes and redesign the forest in a more sensitive way. There will always be a balance to be struck but felling larger areas has more visual and environmental impact which we are seeking to avoid. The potential risk of windblow was considered carefully by our consultants in choosing green edges of coupes, as outlined in the business plan on pages 32-33. It should be noted that our proposed felling plan has been viewed by FCS staff and forest planners who did not foresee any great problem. Wind Hazard Classification (WHC) is assessed in the current Gamescleuch Forest Design Plan approved by FCS. It states, "Despite a degree of exposure, with altitudes between 230m and 500m above sea level, most of Gamescleuch appears to be protected from the full force of the prevailing southwesterly wind by the neighbouring high ground. WHC varies from 2-5, but most of the forest is WHC 3-4." Nevertheless, we accept that there is always a risk and it is therefore

included in our risk register on **page 38** of the business plan under 'Small scale storm damage to trees' with the commentary, "This will always be a risk, but the part of Gamescleuch Forest below the road is less exposed than other parts of the Forest and the soils are well drained. A phased harvesting of the timber may result in windblow if there are exceptional winds. Windblown timber can be harvested and the reduced price for clearing windblown timber by machines is usually between £1 - £3/ tonne. First Loss excess for storm damage can be obtained, but it is expensive."

Our revised felling plan would pose no risk to forest retained by FES which is all above the level of the forest road and therefore not sheltered by any of the areas below the level of the road, and clearly our felling plan does not intrude into the edges of any of the retained FES coupes.

Further evidence of consultation with community and FCS would be necessary to identify and mitigate potential negative impacts.

This seems to only restate the process of developing a new Long Term Forest Plan which we intend to do and which we will have to do to gain approval for a new felling plan. This is referenced on **page 32** of the business plan where it states, "EYCDC will require a new approved forest plan and this should be completed within the first year before any timber harvesting can take place. FCS grants based on the size of the forest are available to assist with producing the plan."

The current approved Forest Design Plan was prepared in 2008 and approved in April 2009 so the existing 10 year felling plan is due for revision anyway. There is a clearly set out process for preparing what is now termed a Long Term Forest Plan which involves community consultation and discussion with the local FCS office. Our implementation plan allows 6 months for this process although we then allow a further 6 months as we do not envisage felling until the end of 2018/early 2019. It should be noted that we have already presented the revised felling plan at several public meetings so we have already undertaken more community consultation than is normal practise.

4. The request has not identified adequate resources to deliver the project including: how a forest management plan would be developed; how costs compare with benefits and addressed the practical issues of obtaining forestry certification; and evidence of how the community will create jobs in the community additional to those currently supported by management of the forest.	
Not identified adequate resource to develop forest management plan	There seems to be some confusion around this. The relevant process in this instance is the development of a Long Term Forest Plan, not a 'forest management plan.' If the forest area is over 100ha then a Long Term Forest Plan is required, not a 'forest management plan.' Grant funding exists for the former but not for the latter.
	The availability of a grant has already been discussed with the local FCS office hence the statement on <b>page 32</b> where we say that 'FCS grants based on the size of the forest are available." The rate per ha for an area which has not already had a grant funded plan is £25 per ha. Our eligible forest area is 173ha. The grant is payable once the LTFP is approved and it must meet the requirements set out in the UK Forestry Standard. The process and requirements are clearly set out in the FCS 2016 publication, 'Long Term Forest Plans Applicants Guidance.'
	Some of the work has already been carried out in the developing of our felling proposals and we are well placed as a community organisation to carry out the scoping requirements. We also have £1500 identified in the Cash Flow in Yr 1 (2018) to buy in forestry consultancy advice as required.
	Beyond that we will have the experience of a local professional chartered forester with a lifetime experience in forestry who has offered his help and expertise on the steering group.
	We therefore feel that we have identified adequate resources for this.

	The panel also comment that there is a risk that we may not be able to recruit a community forest manager at the salary level indicated. We have researched this and think that we are comparable to other similar jobs. A comparable job description is attached showing the salary for a community forester. FES expectations of the job title 'forest manager' may have led to this assumption.
Not identified how costs compare with benefits and addressed practical issues of obtaining forestry certification	We intend to seek certification under the UK Woodland Assurance Standard (UKWAS) and agree with the aims of ensuring sustainable and responsible management. With regard to the practical issues: Firstly, meeting the UK Forestry Standard requirements for the approval of the Long Term Forest Plan will cover the sustainable planning and management aims required for UKWAS. Secondly, we clearly intend to meet all legislative requirements for health and safety at work and environmental protection. Thirdly, none of the requirements for achieving and retaining the UKWAS go beyond what we would consider good environmental practise.
	There is an administrative element involved in terms of record keeping and having appropriate management policies in place but we do not intend felling the first timber until the end of 2018/2019 and therefore have allowed time to work through what is required. We do not consider it beyond the skill set of the resources we can call on.
	There are options, however. Firstly, we could enter into an agreement with a forest management company who would attend to this on our behalf. Many small woodland owners do this by joining a group scheme under a large forest management company. They would expect to take on the overall forest management and felling. Secondly, we could pay a forestry consultant to prepare the necessary documentation. (Tilhill Forest Management carried out an early assessment and options appraisal for us on Gamescleuch. Their estimate for achieving UKWAS recertification for Gamescleuch was £1200 initially and a further £1200 five

years later.) We can take further advice on the best approach but our cashflow projection is based on £1500 worth of forestry consultancy in Year One and £1000 for every year thereafter. This seems reasonable in view of the work which will already have been carried out in the preparation of the Long Term Forest Plan and an estimate of £1200 with re-certification only required every 5 years. The benefits in terms of the timber being more desirable for processors and the price premium which can be expected is outlined on page 35 of the Business Plan. There are various views on the cost/benefit ratio of certification with the reduced requirements for small producers and the revised standards only approved this year. However, we have taken the decision to seek and maintain UKWAS certification as good practise and responsible, sustainable forest management. The request has not identified adequate resources to deliver the project The proposition by the community has to be set against the alternative including; No evidence of how community will create jobs in community use of the resource, in this case the continuation of ownership and additional to those currently supported by management of the forest management by Forest Enterprise. The internal benefits assessment by Forest Enterprise estimates that this area of forest contributes 6 jobs to the total estimated figure for FES Dumfries and Borders District current forest management and timber operations. As the forest area is only 0.3% of their holding, this is an extrapolation to include private sector employment linked to downstream harvesting, haulage and processing, estimated at 2000 jobs. The direct employment dependent on this area of Gamescleuch is probably less than 0.25FTE. There is no suggestion that anyone from this Forest Enterprise District will be made redundant as a result of the asset transfer and the District Manager has confirmed that there will be no reduction in staffing

as a result of the asset transferring into community ownership.

EYCDC did not calculate the downstream timber jobs or include them in a benefits calculation within the original submission as they will essentially remain unchanged and will certainly not reduce as a result of the asset transfer. The timber in Gamescleuch will still be felled over the longer period although in different parcels. We therefore suggest that these extrapolated FTE jobs should be counted equally under both scenarios of community ownership or continued FES ownership.

The community proposal is to create 3 part-time posts, a Project Coordinator, a Community Forest Manager and a Seasonal Ranger. Different staffing scenarios were considered but this gave the best chance of recruiting the mix of skills required and matching them against the desired tasks within the budget envelope. We also considered that part-time posts on a self-employed fee basis would give both the EYCDC and the post-holder a useful degree of flexibility and suit the pattern of part-time jobs supplementing other earned income which is common in the area.

Panel Comment: Not clear that 3 posts represent additional employment: one post of coordinator will be retained, forest manager post will to some extent displace existing forest management resource, seasonal ranger likely to be same person currently employed by FES

## We refute this assumption entirely.

The funding for the Development Coordinator comes to an end in March 2018. It will not be extended so this job comes to an end. The coordinator post linked to the forest purchase and associated plans will have a new role and be a new job.

The community forest manager post will not displace any existing resource in FES. It would clearly be a new post, focussed entirely on the Marshes and the forest. The reduction in the forest area to FES in the South of Scotland is 0.3% if this transfer goes ahead and we dispute that it would have any impact on their current management resource. This question was put directly to the District Manager during the site meeting and it was confirmed that there would be no reduction in FES posts as a result of the asset transfer.

	The seasonal ranger post would absolutely <u>not</u> be 'the same person currently employed by FES' and we have no idea why the panel should think this.  We do not see anyone from FES carrying out this role within the Marshes area at present and there is certainly no person dedicated to this area of land. We refute entirely therefore that we would be employing the same person.  We would recruit these posts in the normal manner and the post holder would be managed by EYCDC.
Panel Comment: Potential for woodfuel supply would replace an existing business and no discussions seem to have taken place on timing, whether the business would be sold as a going concern or whether EYCDC would pick up existing customers	The proposal to sell kindling and logs locally in upper Ettrick in 2019 will not cause any displacement to an existing business at the bottom of Yarrow. Both the business referred to, and our own production expectations, are small scale.  The business plan mentions the business based in Yarrow valley, 18 miles away only to show that we had considered the potential for displacement.  We don't think there will be any displacement or impact on a local business. Bags of kindling and logs are currently available at the local garage in Selkirk 18 miles from the Marshes and require transport to pick up. We are proposing a modest income from wood fuel but a huge benefit to elderly residents local to the Ettrick valley.  The panel seem to have speculated on a negative impact when there is none.
Panel thought the financial plan appeared very marginal – projected cumulative cashflow over 25 years of £25k	Object is not to make money for EYCDC but to make the forest work for the community. The re-investment in the community and the wider financial benefits are set out in the accompanying document, <b>Economic Benefit and</b>

	Best Value Considerations.
Panel comment: Most of the income is generated in the first 10 years	Only a ten year felling plan was prepared by the consultants and these net income figures from standing sales were used. Beyond this ten year plan, only estimates for thinning were shown. This does not mean that all the timber income has been taken. This is a false assumption which could have been clarified by either side.
Panel comment: Timber income is front loaded	This appears to be a misconception by the panel that could have been corrected or clarified by FES. 25% of the timber will be taken in the first ten year plan, and a similar amount in the second ten year plan etc. to create and sustain a long-term income stream for the community and to restructure the forest.
Panel comment: The proposals will generate very little income for the community	Felling larger areas would generate more income but would make the project less sustainable over the long-term. The cash flow is enough to cover all the costs required to generate additional community benefit from the forest while covering the core costs of the EYCDC, allowing additional projects for community benefit to be developed. The economic benefit to the valleys of the overall project is considerable as shown in <b>Economic Benefit and Best Value Considerations.</b>
Panel comment: Majority of income, other than grants, is from timber harvesting revenue. Stated that this will be used to provide local employment but not clear whether this will create new jobs other than the 3 posts noted, or displace jobs from elsewhere.	In the first instance, and probably for most of the sub-compartments, the timber will be sold as a standing sale and the buyer will arrange the harvesting. The smaller lot sizes make it more likely that a local contractor could get the job but we have not implied that we will contract the harvesting work ourselves. There is at least one person with the equipment to carry out the harvesting within our postcode area who we could contract, and this will be explored for a smaller sub-compartment once we are established.
No explanation of how contracts will be managed to use only local resources	We have not stated or implied that we will be employing local people directly to harvest the timber. There may be some instances when we will do this but we have not built this into the business plan as we decided to

Given limited resource in cashflow for forest management, risk that resources from outwith the area will continue to be used.	keep it simple until we are established. We may be able to train and employ some local people to carry out replanting and we would clearly use people living locally wherever possible. This would mainly be to supplement their income from other land-based jobs.  We have a very experienced local forestry director who is joining our group, plus a very innovative engineer who has spent his working life designing and fabricating machinery to do with forestry, plus a chairman who has been involved with forests all his adult life. We don't anticipate that a lack of forest management experience will be a limiting factor.
Costs for using the FES owned road for timber extraction should be included given very tight margins	An amount of £300 pa is included in the cashflow for the years when harvesting has been identified. The amount of road repairs and the balance of how much each side would contribute should be dependent on the proportionate use of the road. This has been agreed in principle.
Resource identified for deer management would be same as currently in place.	We have identified £1200 per annum for deer management. Clearly it makes no sense to double the stalking when the forest area remains the same. There would be a potential management saving for FES if we looked after both sides of the forest road.
Non financial benefits are not well quantified, largely due to a lack of baseline data on visitor numbers both to the wider area and numbers who have been using the boardwalk.	This has been addressed in the accompanying document <b>Economic Benefit</b> and Best Value Considerations
Business case makes no mention of equality issues	Consideration of equalities and benefits to all sections of the community permeates the entire business plan and list of benefits. Rural inequalities, issues for younger people accessing training, issues for elderly facing isolation and lack of transport. The distance from the nearest town and services is highlighted throughout. We outline our contribution to the 16 National Outcomes which includes addressing inequalities. We have well established employment policies including an equal opportunities policy and an equal employment policy. These were not requested but can be supplied.
Due to the front loading of harvesting, not clear how many long-term, sustainable jobs this (harvesting) would provide locally.	The harvesting is only front-loaded to a small extent – there will still be 75% of the timber left after the first ten year felling plan.  The impact of 'front-loading' is identified as a negative impact but this should be dismissed as a false assumption.

The likelihood that additional resources will be required increases the risk that the project is not viable and will have a negative impact on the sustainable management of the forest.	We do not accept that we have not identified adequate resources for all the reasons given above. The panel discussion seems to have been permeated by misunderstandings and false assumptions which could have been clarified or were groundless in the first place. There is therefore no increased risk and no case for saying that there is a risk that the project is not viable.  Community ownership will not have a negative impact on the sustainable management of the forest. There is no evidence for this assumption at all. Current FES management has not delivered the promises to the community of the last design plan, or even met the objectives of the Scottish Forestry Strategy. Thinning has not been carried out, access is discouraged by leaving windblow and blocking routes, and clear felling is creating more visual and environmental impact than our lower impact approach would create. The determination to remove the boardwalks has caused anger in the community and yet the opportunity to have a dedicated resource for an important conservation area has been turned down. We would put more management resource into the forest and towards achieving good outcomes than FES is in a position to do.
Assessment is that benefits do not exceed impacts on management of National Forest Estate given that:	Community benefits and impact on economic development of the surrounding area far outweigh the transfer of 0.3% from the NFE and will not impact on management. The £875,000 will contribute to FES targets in other ways.
Risk that benefits will not be delivered	There would be less community benefit under FES management.  The loss of the environmental marsh area to the NFE is not a reasonable reason to use for refusing community ownership. The marshes will not be 'lost' – rather they will be receiving more care and attention than at

Risk of increased negative impacts from proposed forest management plan	present.  There is no increased risk as rebutted above. The proposed felling plan will have no negative impact on the landscape, unlike the existing management plan for clear felling.
Utilisation assessment	
Scale of the request is disproportionate to the outcomes.	This is a misunderstanding of the reasons for the request. The Economic Impact and Best Value Consideration details the <b>significant beneficial</b> impacts that the project will have and refusal should be considered against the <b>significant negative</b> impacts on the community of not allowing the project to take place.