

Economic Impact and Best Value Considerations for the Ettrick and Yarrow valleys in relation to the community purchase of Gamescleuch Forest and the Ettrick Marshes.

Increased Visitor Income to the Ettrick and Yarrow valleys

The Community Development Plan for the Ettrick and Yarrow valleys recorded 668 bed spaces within the Ettrick and Yarrow valleys in 2012. (**Ref. Community Development Plan**)

This figure includes the caravan parks and chalets so the impact of winter closures has been taken into account.

Based only on half a year or 180 days this means we can count 121,576 bed spaces over the year. Applying an average occupancy rate of 25% gives an estimate of existing visitor nights in the valleys annually of 30,394.

A 10% uplift as a result of promoting the Ettrick Marshes, forest walks, ranger led activities, cycling trails, and providing heritage/cultural/wildlife information at the former Ettrick School building, would give an additional 3000 visitor nights within the valleys.

Other comparable projects promoting nature tourism, walking routes and ranger-led activities have generated uplifts of 10% or more within their immediate area. The Castle Loch community trust in Lochmaben, Dumfries and Galloway, purchased Castle Loch, added walkways, visitor facilities, enhanced the natural environment and runs activities around Loch. It is now attracting 17,000 visitors per year. (**Ref. Visit Scotland Regional Director Support Letter.**)

The Ring of the Loch circular path around St Mary's Loch which was created by EYCDC and opened in 2015 is attracting on average 100 walkers per week or 5000 per year. An uplift of more than 10% has been experienced by the Gordon Arms hotel in Yarrow over this period.

The Scottish Tourism Economic Assessment Monitor (STEAM) use a multiplier of £150 spend for each visitor night. The benefit to the Ettrick and Yarrow valleys area would therefore be **£450,900 per annum.**

In addition, there will be day visitors who are staying with friends and family. Estimating a further 3000 day visitors per year each leaving behind on average £45 (the STEAM impact figure for day visitors is £45) we would be creating an additional benefit for the valleys of **£135,000 per annum.**

The total visitor spend as a result of our project would therefore be £585,900 per annum.

The Visit Britain Economic Impact and Employment Report calculated that every £60,000 of visitor spend equates to 1FTE.

The additional benefit to the valleys in terms of jobs would therefore equal 9.7 FTE.

Volunteer Time calculated for financial contribution

Ettrick Marshes Volunteers: 20 hours per week for 50 weeks x £8/hr	£8,000 pa
EYCDC Board (based on the last 12 months) 600 hours x £8/hr	£4,000 pa
EYCDC Board additional professional input 100 hours x £16.50/hr	£1,650 pa
James Hogg Exhibition volunteers 275 hours x £8/hr	£2,200 pa
Total Financial Contribution from Volunteers	£15,850 pa

It is expected that the EYCDC board of 10 directors will contribute at least as much time, if not more, over the first few years of community ownership. 15 meetings plus preparation (including public meetings) x 4 hours, plus additional professional input from the Treasurer and various directors of 100 hours pa.

The James Hogg Exhibition volunteer time is shown as the community ownership of the forest will enable the James Hogg Exhibition to remain open. If EYCDC do not take on the former school building as a management base, the James Hogg exhibition will close as it cannot sustain the cost of keeping the building on its own.

The exhibition is currently open for 17 weeks over the summer months for 3 afternoons a week. Staffing the exhibition plus organisation is 15hrs/week. Occasional events and group bookings out-with the normal opening hours require an additional 20 hours.

Visitor numbers to the exhibition have averaged 300 per season with about 100 travelling from out-with Scotland, either with a special interest in Hogg or ancestral interest in Ettrick.

The economic impact contribution of the exhibition should also be recognised. This will be lost if the community purchase of the forest does not go ahead.

Investment in Community Benefit and Infrastructure

Over the first 11 years (as per the cashflow which covers a ten year felling plan starting in Yr 2) the amount **reinvested for community benefit** within the area is as follows:

Ettrick Marshes infrastructure and facilities	£42,500
Training provision in rural skills enhancing employability	£19,500
Bringing a redundant building back into use	£44,000
Access improvements and forest infrastructure	£38,000
Promotion of the area	£ 9,000
Equipment for volunteers and community firewood	£24,000
Total	£177,000

Plus investment in the sustainable future of the forest through replanting **£65,817**

Direct Financial Benefit from Job Creation

Income generated from the forest will directly support 3 new jobs with a total value over the 11 year period of **£296,000**.

Community Forest Co-ordinator (£15,000)

Existing funding for the EYCDC finishes in March 2018 and the current Coordinator post will end if no other source of core funding can be found. The current post is funded for 20 hours per week from the Strengthening Communities Fund within Scottish Government and it **has been confirmed that funding for this post will cease at the end of March**. The post was to develop the governance and strength of the EYCDC Board and to develop a sustainable income stream which would make the community company less reliant on public funding for core running costs.

Community ownership of the forest would sustain a Co-ordinator post for a minimum of 20 hours per week. The current income figures on the cash flow show this post being funded for the first 8 years, allowing time for other community projects to be developed which may generate additional income or include management time as an element within the grant funding. There is considerable flexibility within the cash projections as more timber income could be brought forward if required. This could bridge any gap between project funding or if additional income generating projects are still not on stream.

The job will be part-funded by the Scottish Land Fund and by LEADER over the first two years. It will have a new remit of coordinating and administering management of the forest, setting up new systems and policies while also supporting the board with management information. After the initial development phase, the post-holder will be able to spend more time on developing additional community projects and fund-raising.

Community Forest Manager (£25,000 pro rata)

Community ownership of the forest would sustain a Community Forest Manager post for a minimum of 20 hours per week. This post would be focussed on carrying out the practical tasks required to make the forest more visitor friendly, carrying out risk assessments, liaising with forest contractors as required, preparing a work plan for each period to be presented and approved by the board, supervising volunteers and trainees, ensuring safety requirements are adhered to and organising skills training. The first two years may require more than 20 hrs per week as the investment in improved facilities has to be programmed within this time as well as the preparation of the new Long Term Forest Plan and documents for forest certification. The LEADER funding allows for an increased input over the first 15 months but it has been difficult to extrapolate this into the cashflow in time for the review. An example of a comparable job description is attached showing the salary based on £25,000 pro rata is in line with similar positions. **Ref. 'Comparable job description for community forester'**

Community Forest Seasonal Ranger (£7000)

This position would suit a graduate ecologist with good people skills. It is a seasonal position for 16 weeks, 35 hours per week for the first two years and thereafter, if no additional budget is found, 16 weeks at 20 hours per week. The post-holder will monitor and record species, plan and carry out habitat enhancements in conjunction with the forest manager, provide interpretation of the Marshes environment and lead visitor activities and guided walks within the forest and surrounding area. A draft job description for this post is attached. **Reference 'Seasonal Countryside Ranger job description'**

Deer Management – Potential saving for FES

The spend on deer management per year within the community forest is budgeted at £1200, so spend over the first 11 year period within the community forest will be **£12,000**. If Forest Enterprise continue to spend the same amount as previously on their retained area of Gamescleuch then the management cost will have doubled.

We can save FES £12,000 over the period by controlling deer on both sides of the forest road.

Long term financial viability and sustainability of proposed community ownership

The asset transfer guidance refers to a medium to long term plan as being 5-10 years.

Our 25 year cash flow for the forest, produced at the request of the Scottish Land Fund, showed that the community ownership plan was sustainable over a much longer period but generated some misunderstandings. The main difficulty was that the proposed felling plan was prepared on a ten year basis and income was therefore only estimated from thinnings beyond Year 11. The actual annual income from timber sales would be higher. We are now showing only up to Year 11 which covers the period of the felling plan. Both the original 25 year cashflow and the 11 year cashflow are attached. **Ref. Gamescleuch Forest 25 Year Cash Flow and Gamescleuch Forest 11 Year Cash Flow.**

The net income from timber sales over the first ten year felling period is £318,805.

This is based on the proposed felling plan prepared by our forest consultants. Felling plans usually cover a ten year period and approval to fell is only given for ten years. The felling plan is shown within the business plan on **page 32** with the projected felling regime and income shown in **Table 2 page 44.**

The 25 year cashflow requested by the Scottish Land only shows timber sales from thinning beyond this ten year period as a further ten year felling plan will not be done until 2028. This has created the impression that we are using all the available resource within the first ten years and will only be carrying out thinning thereafter. The assumption has then been made that we may not be able to sustain our operations and deliver community benefit beyond this ten year period.

This is not the case. **At the end of the first ten year period we will have felled only 25% of the available timber.** If we fell roughly 25% in each ten year period we will have a sustainable income for a further 30 years. By 2058 the areas already felled and replanted at the time of transfer will have matured and the cycle of felling and replanting can start again.

The purpose of the 25 year cash flow was to show that the community would be able to sustain ownership and good management of the forest asset over a longer period. Even with income figures based only on thinning, we demonstrated that the core management requirements for the forest and the core costs of the community company could be met. In fact, the timber income will not be based solely on thinning beyond Year 11 and the 2028 felling plan will be designed for environmental and social benefit but with a view to maintaining similar income streams in each future ten year period.

In more detail, there is an estimated 100.6ha of mature forest (including the area currently designated as long term retention which we comment on below)

The areas we propose to fell during the first 10 year plan amount to 25.97ha or roughly 25% of the total.

The Long Term Retention Area

The area currently designated as Long Term Retention in the existing Forest Design Plan has been looked at carefully. Within our draft felling plan we propose to fell some 14.14ha of a total LRT of 57ha. Most of our proposed felling is of stands of trees that are beginning to fall over due to windblow, with the remainder (in 5b and 5c) of larch which is prudent to fell because of *Phytophthora*.

One area of the LTR next to the forest road has already been felled by FES due to windblow. This is shown in the harvesting data on **page 44** of the business plan.

The designation of Long Term Retention has been discussed with FCS staff and forest planners. It does not mean that the area can never be felled, only that it will be managed for longer term retention. It has not been designated as a 'natural reserve.'

The commentary relating to this area (Coupes 8 and 10 on FES felling plans) within the existing FES Forest Design Plan (Map 4) is as follows: "Coupes 8 and 10 provide the central backdrop of the forest, and already have greater species and landscape diversity than the rest of this area. Further thinning will prolong the life of this area, and in due course open it up to allow some natural regeneration, in particular native broadleaves. Options for future management using low impact silvicultural systems (LISS) should be explored during this plan period."

Regrettably, further thinning has not been carried out by FES. Management using low impact silvicultural systems means felling in much smaller areas rather than clear felling which is exactly what we are proposing to do.

It should be noted that Coupes 3 and part of coupe 5 were previously designated as Long Term Retention with a view to gradually thinning to favour native broadleaf expansion. However, it has since been decided by FES that Coupe 3 should be clear-felled and this is due to take place in 2023.

Governance and Accountability

Information on the governance arrangements of EYCDC is provided on **page 21** of the Business Plan with further details of the current directors given in **Annex 1**. It is also included within the application form. Further information on company policies is given below.

Since the business plan was prepared we have taken steps to register as a charity. Our application for charitable status prompted a change to the Articles of Association and this was approved at our AGM in November. We have been told by OSCR that we will now be eligible for charitable status and it should be approved within the next few weeks.

The EYCDC was registered with Company House in 2013. Funding for a full-time development coordinator became available in 2014 and EYCDC advertised and recruited for this post. Two members of the board attended training on recruitment and employment legislation. The board carries employment liability insurance as well as public liability insurance of £5 million.

The board has well developed employment policies and contracts. EYCDC has a health and safety at work policy, a lone-worker policy, an equal employment policy and an equal opportunities policy. **These policies are attached and could have been supplied at any time if requested.**

It complies with data protection and is aware of the Protection of Vulnerable Groups Disclosure requirements. Self employed post holders are required to carry their own public liability insurance. The current coordinator has an up-to-date Emergency First Aid at Work +Forestry certificate. Directors submit annual Registration of Interest forms and a standing item on the board agenda is any declaration of interest.

Directors and staff can claim back expenses; this is agreed in advance if there is a long distance involved, and sharing transport is encouraged.

Also attached is an EYCDC contract of employment to show the process of dispute resolution and accountability within the organisation. EYCDC has not operated its own payroll as it chose to buy in this service from the Southern Upland Partnership. However, both the current co-ordinator and several members of the board have payroll experience should it be required in house. **Ref. EYCDC Contract of Employment - Sample**

We have prepared and submitted annual accounts timeously to Company House and have discussed VAT and tax liabilities with our accountant as well as the implications of registering as a charity. We have also had an initial meeting with the lawyer who would act for us if the purchase is approved, gone through land registration requirements and checked our estimates for the legal work required if the purchase is approved.

The Articles of Association require a percentage of the directors to stand down every year, although they can stand for re-election. Induction for new board members is provided, with mentoring if required and board training has been provided by DTAS. Board members have attended a number of training seminars both in the Borders and at conferences, have

engaged with other community development companies and have undertaken learning journeys to other sites. They are actively and confidently engaged with their leadership, project development and governance and accountability role.

Younger members of the community company are encouraged to consider joining the board and we have had two directors under 30 over the last 4 years. **The board is aware of the need to plan for succession and future governance.** The mentoring concept was agreed to make sure younger or less experienced board members could develop their confidence and make sure their perspective was heard.

Membership of EYCDC is growing every month. It currently stands at 182 full members who are resident within our postcode areas and 34 associate members. This is already well beyond the targets we had set and included in our Land Fund application. A fresh target could be 25% of residents in the valleys which would be 200 members. Engagement over the proposed forest purchase has been high.

Members are sent regular email updates and we are developing a website where minutes, company documents and news can be posted. We already manage a valleys Facebook page which has over 800 members where events can be publicised or information shared.

The community is very self-reliant and many residents are active or have experience of managing clubs, village halls, buying groups, the volunteer run playgroup, flower shows, annual agricultural show or school boards. Public meetings are usually well attended and residents are frustrated by public sector actions / inactions which could often be solved or better managed locally.

Asset Transfer of Gamescleuch Forest and the Ettrick Marshes will further develop community capacity and give local people control and ownership of an important resource which could be delivering far more benefit to the community than it is at present.

Effective Partnerships

Community support for the project is strong as evidenced by the petition gathered during the summer. The 8 pages of signatures were submitted to the CATS manager at FES and probably could be shown to the review panel if required. We do not want the signatures to be shown online but we prepared a **summary sheet which is attached**. We asked residents who are eligible to be on the electoral roll for the Boston Hall in Ettrick village and who live within a 5 mile radius of the forest if they supported the project. 112 signed to show their support out of a possible 146, some of whom were not at home during the period of the petition. This represents a 77% community support within the immediate area of upper Ettrick. **Ref. Petition Results Letter**

All ten directors live within the valleys and are actively engaged in the community both generally and within their own village hall catchment area. Two board members are long-standing members of the **community council** with one of them the current chair of the community council. Three board members have either holiday cottages, run a café or own and manage a tourist attraction and are members of the business group called the **Ettrick and Yarrow Tourism Association**. **Letter of support from both bodies were submitted and are attached.**

Links with **Scottish Borders Council** are strong as the current coordinator was an SBC councillor for 14 years until May and the Treasurer was head of the architects team within the council. The council no longer has a rural development officer but assistance has been provided by **Business Gateway** who have offered on-going help and advice. **‘Ref. Business Gateway support letter’**

The council access officer and ranger section have also been supportive. The access officer carried out an assessment and provided estimated costings for the improvements he recommended for the board walk and forest paths. This was used to apply for funding to Foundation Scotland who manage the Langhope Rig wind farm Sustainable Fund. This application for £10,000 was approved subject to us obtaining ownership of the asset. **The boardwalk and path survey is attached. Ref. Ettrick Marshes Path Survey and Ettrick Marshes Path Survey Map.**

The council tourism officer has confirmed that our project fits well with the Borders Tourism Strategy for making good use of the environment, walking and cycling. This letter is attached. **Ref. Council Tourism Officer Support**

Visit Scotland and the Borders Area Tourism Partnership have been supportive and confirmed that our proposals fit with the Borders Tourism Strategy and the Borders Cycling Development Strategy. **Ref. Visit Scotland Regional Director Letter of Support.**

Tweed Forum have provided helpful information on the environmental importance of the Ettrick Marshes and are keen to assist with our management and proposals. Their report on the Marshes is attached. **Ref. Tweed Forum Letter.**

The Southern Upland Partnership helped to establish the EYCDC and managed the funding bid which started the initial Revitalising the Valleys project and steering group. They also managed the payroll on behalf of EYCDC for the first full-time EYCDC development coordinator appointed in 2014. We have regular updates and share many of the same aims of rural regeneration. Partnership working with SUP is referenced on **page 4** and **page 29** of the business plan. A letter of support is attached. **Ref. Southern Upland Partnership Support Letter.**

Borders College provides the main rural skills courses for school leavers. The lack of transport at the right time makes attending college a challenge for valley residents. We hope they will see an opportunity for work placements and on-site training for their own students as well as providing specific skills training commissioned by EYCDC if the forest manager is not able to deliver it. The lack of certainty around our proposal proceeding has made it difficult to engage with any specific proposal for this college year but we would hope that some agreement could be reached for next year's student intake.

Performance Management

The board have managed previous LEADER funding and are well aware of monitoring and reporting on performance indicators. **Ref. Final Report 2013.**

The following 9 performance indicators and targets were shown on the Implementation Plan which was submitted in the form of a **Gantt Chart as Annex 7 of the Business Plan**. The target dates would clearly need revised as would the membership target which has already been exceeded.

Under Outcome of Sustainable Development:

Indicator 1: Complete asset transfer process and secure consent to sell at discount by target date of 29.9.17

Indicator 2: Conclude legal agreements to secure purchase of forest by target date of 01.12.17

Indicator 3: Conclude legal agreements to purchase field by target date of 01.12.17

Under Outcome of Community Control over Development

Indicator 1: Grow the membership of EYCDC to 150 members (revise upwards to 200 as target already reached).

Indicator 2: Finalise Forest Plan and Submit for Approval by target date of 29.06.18

Indicator 3: Number of volunteer hours in Yrs 1 and 2

Under Outcome of Well Managed Land and Buildings

Indicator 1: Secure UK Woodland Assurance Scheme accreditation by target date of 28.12.18

Indicator 2: Meet specified Income Streams by end of Yr 2

Indicator 3: Timber sales in accordance with business plan end of Yr 2 (and would be an annual target)

On-going monitoring will be through a number of qualitative as well as quantitative methods.

Over the first two years of grant funding there will be close monitoring with reports on a quarterly basis to record all agreed indicators both for the Land Fund and also for LEADER. There will be regular financial and management reports to the Board to inform decision making and aid control. In particular, we will be monitoring to make sure that income continues to match, if not exceed, the business plan.

We will install a clicker to record visitors on pedestrian access path into the Marshes. This will record visitors entering from the Honey Cottage end of the forest. We would also put a clicker on the boardwalk loop near Angecroft to record visitors who park at that end of the forest.

Where we provide training courses or lead activities with paying visitors we will use feedback forms to make sure we continue to improve and develop to meet demand.

We will carry out visitor surveys and provide comment boxes for visitors in the Honey Cottage shop and Ettrick School building.

We will record volunteer hours.

We will record the number of participants completing training courses or taking part in activities.

We will analyse how much of our annual spend is recycled into the local economy.

The seasonal ranger will monitor and record species and habitat within the forest and marshes area.

Performance will be reported back to the membership in the annual report presented at the AGM and emailed to all members. They will also receive regular updates of progress throughout the year.

Equalities

Consideration of equality issues is embedded in our vision for the valleys and throughout all our work. It is stated in our first 'object' within the Articles of Association that we have been formed to benefit the community, "to improve the opportunities and lives of people living and working in the Ettrick and Yarrow valleys all for the benefit of the residents of the community without distinction as to their race, age, gender, religion, or political or other opinions." Our strapline has been 'creating opportunities for people of all ages in the Ettrick and Yarrow valleys.' **Ref. Pop Up banner image attached**

The starting point was preparing our **Community Development Plan**. The whole community was consulted through a household survey which went to every house within the valleys and which achieved a 47% return rate. Further work was done through Selkirk High School consulting the pupils who live in the valleys to make sure the younger voices were heard. Community events were held in all five village halls with several feedback meetings as the plan progressed. The Community Development Plan is highlighted at the start of the business plan on **page 4**. It is attached. **Ref. Community Development Plan**

The plan identifies the range of needs and aspirations within the community from all groups and identifies actions to meet them, some short-term or organisational which have largely been carried out and some longer-term objectives relating to infrastructure such as the need for affordable housing for young families, lack of mobile signal and poor broadband, new cycle paths and walking routes and how to turn the increasing afforestation of the valley from a negative into a positive for the community.

The community ownership of Gamescleuch Forest provides a range of benefits which address the needs of different groups within the valleys.

Skills training and work experience with certificated courses in employable rural skills will improve the income earning opportunities for young residents. EYCDC has already provided two 'Emergency First Aid at Work + Forestry' courses in Ettrick as well as Emergency First Aid at Work in Yarrow. We identified this as a priority given the lack of mobile phone coverage, the increase in lone working, the distance and isolation from centres of help and the increased risks from poor roads and outdoor working.

10 young people under 25 gained certificates which were beneficial in their work or which helped them into employment.

The Scottish Borders Community Planning Partnership Strategic Plan has a key theme of reducing inequalities. One outcome is that, "More young people are equipped with the knowledge and skills to proceed to adult working life."

Providing accessible rural skills training in Ettrick using Gamescleuch forest and Ettrick School as a base will be a real benefit for young people in the surrounding area improving both their life chances and their safety at work. We have put a target of training 12 young people within the first three years. **This is shown on page 26 of the business plan.**

The Community Planning Strategic Plan Equalities Theme recognises that, ‘ the rural nature of the Scottish Borders can lead to additional challenges for those experiencing inequalities’ Quoting the study by J H McKendrick ‘Our Rural Numbers are Not Enough’ they highlight that there are particularities to rural living which may exacerbate the problems around inequalities in rural Scotland.

“Access is the underpinning issue in rural areas, affecting all aspects of life – access to services, information, transport links, support, employment opportunities, learning and training.”

Most of Ettrick and Yarrow is classed as remote rural. Residents at the top of Ettrick face a 50 mile round trip to Selkirk to access services. The village of Ettrick is 20 miles from Selkirk but the valley extends a further 6 miles beyond the village. Broadband is very poor and there is still no mobile phone coverage at all. Access to transport is an issue for young people but also for the elderly.

EYCDC piloted a **weekly lunch club for elderly residents** in Tushielaw Inn and have now secured funding for it until next summer. We identified this as a need based on the number of increasingly isolated residents who either no longer drive or never learned to drive. The funding allows for a minibus and door to door pick-up service.

The difficulties of elderly residents regarding heating and solid fuel fires is also identified as a need which the forest ownership can alleviate by providing a local supply of kindling and logs, delivered if required.

Community ownership of the forest will enable this and a range of services to continue by covering the core costs of a management base and coordinator.

The consequences of the community ownership project not going ahead should also be considered. No training, no lunch club, more social isolation, more health issues and less mental and physical wellbeing across all age groups, less opportunities, less employment, less social investment and community capacity, and probably no longer a village shop. **Ref. Letter from Village Shop**