

CAIRNGORMS NATIONAL PARK AUTHORITY  
EXPENDITURE JUSTIFICATION

1. Title

<b>LAGGAN FOREST TRUST INITIATIVE – BUSINESS DEVELOPMENT STAFF 2010-2013</b>
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2. Expenditure Category

Operational Plan goal		Code		Project	
Laggan Forest Trust Initiative				Grant	✓
Project spend		Code		Consultancy	

Is this spend to be funded from an existing budget line, existing line with additional funds or is it a totally new spend?	£9,600 in 2010,	Existing budget	✓
		Additional budget	
	£20,000 for 2011&12	New budget	✓

delete as appropriate

3. Description

- Brief overview of project/activity
- Specific elements for which support is sought (if not whole project/activity)

**Background:**

The Laggan Forest Trust (LFT) was established in 1998, following negotiation with the Forestry Commission to forge a partnership with which to jointly manage Strathmashie Forest. This partnership was the first of its kind in Scotland and is now represented by a 25 year partnership agreement, signed with Scottish Ministers in 2004.

The Trust's aims are to:

- safeguard local community interests
- try and increase employment revolving around the Strathmashie Forest
- reduce the depopulation rate and maintain all essential aspects of rural community life (i.e. the school, local shop, doctor etc.)
- conserve, regenerate and promote restoration of woodlands
- promote all benefits of the woodland

Operating as a development trust, the organisation is wholly community owned and led, undertakes a range of activities, working in partnership with Forestry Commission Scotland (FCS) as well as other community groups and organisations, and aspires to achieving economic sustainability through various enterprises.

### **History**

In 2003, a ballot was held following a consultation exercise with the whole community regarding ownership of the forest. There was concern that the community, through the Trust, would contribute significant effort into developing a resource that it did not own. A favourable result translated into the purchase of three separate areas of land by LFT in 2007 through the National Forest Land Scheme, with financial assistance from the Scottish Land Fund.

Since then, the commercial development of these sites has been the ultimate goal in order to deliver the aims of the organisation and provide benefits to the local area. In the first instance, this commercial focus was structured by way of strengthening the Laggan Forest Trust Forestry Company (LFTFC). With LFT as the sole shareholder and beneficiary, LFTFC has managed felling and other forestry contracts on behalf of FCS, providing employment for local people wherever possible.

During this period and following discussion with LFT, FCS also developed and launched 'Wolftrax', a market leading mountain bike centre located at Achduchil, in Strathmashie Forest, which is operated by Base Camp MTB, a private enterprise. To accommodate the facility, temporary planning consent was sought for the trailhead buildings adjacent to the car park including a café, bike hire and retail outlet, pony trekking HQ, and a toilet and shower block. In addition, and in order to assist LFT in delivering on its commitment to the partnership agreement, FCS made provision for an office base. Following this launch, a series of paths and pony trails were constructed through the forest

Since the land purchase, LFT has been working towards developing its long held vision - to provide for the future of the community and demonstrate how a small, isolated place can achieve great things, given the right opportunity. LFT has aspirations of owning and managing its forest, building within its forest, and providing energy for the community through solar energy farms, wind farms, hydro schemes and wood fuel. The forest will educate, house social enterprises, produce food, promote health and wellbeing, invigorate community spirit, provide employment, boost tourism and regenerate the local economy. It will stem the tide of de-population, encourage inward migration, reclaim its transport links and actively seek business investment.

The stepping stones for Laggan's vision and its future will be laid down by developing income streams and the foundation skills and knowledge within the community to realise this ambitious proposition. Collectively, these developments are known as Laggan Forest Initiative (LFI).

The LFT Vision and associated LFI outline plans have evolved through a series of community engagement and consultation activities, where ideas have been debated and a mandate to 'get on and deliver' awarded. Early in this process, funding was secured to improve the provision of path networks, produce pony trekking trails (separate to those for biking), both to ensure year round provision of additional activities. In addition, feasibility studies into the economic viability of enterprising projects in the forest were undertaken and an outline planning application for a purpose built forest centre was prepared, submitted and consent secured.

#### 4. Rationale and Strategic Fit

- Objectives/intended beneficiaries
- Evidence of need and demand
- Fit with National Park Plan/Corporate Plan/other relevant strategies
- Linkages to other activities/projects

##### Beneficiaries

The project beneficiaries are the community of Laggan and the local area as well as the 30,000 visitors that visit Laggan annually, including schools, communities of interest etc.

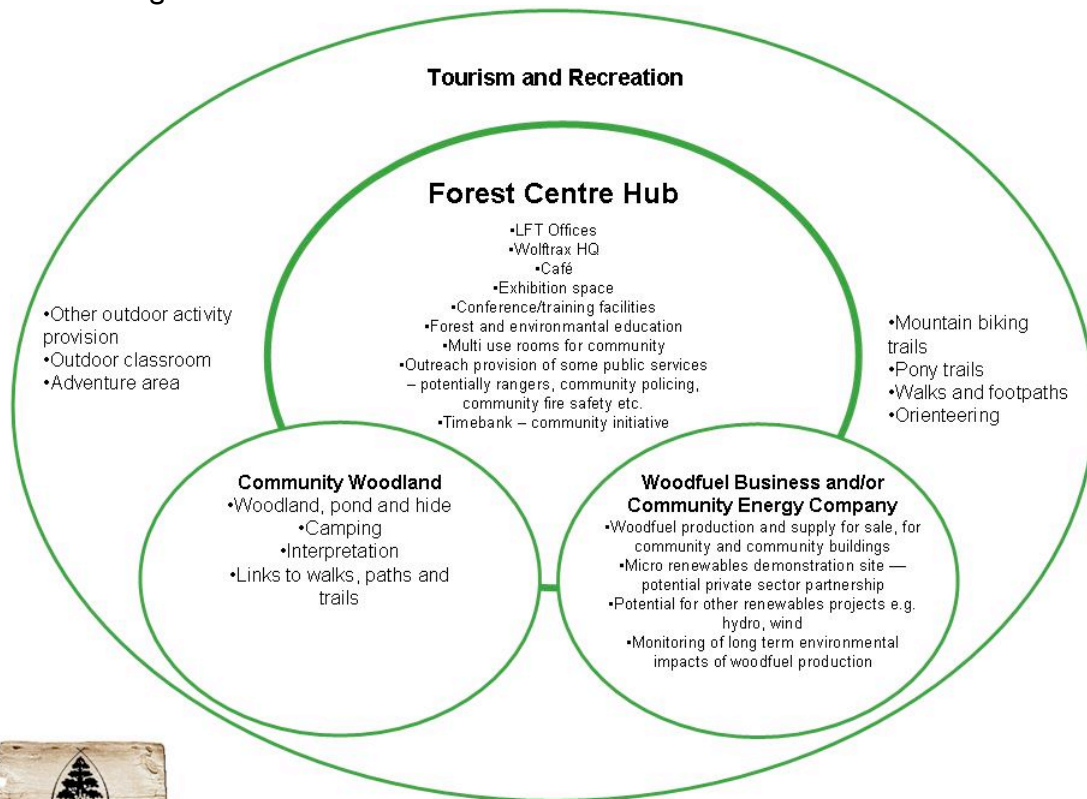
##### Project aims:

##### Laggan Forest Initiative (LFI)

As described previously, the LFI is the means by which LFT can begin to realise its vision - owning and managing its forest – providing energy for the community, building, educating, housing social enterprises, producing food, promoting health and wellbeing, invigorating community spirit, providing employment, boosting tourism and regenerating the local economy.

In the first instance, this multi-faceted development will support a community wood fuel business (social enterprise), campsite; walks, footpaths, pony trails, outdoor classroom and community woodland; and a sustainably designed forest centre, constructed using local wood. The forest centre will provide a base for LFT's activities, including public service delivery, conference space and educational facilities, as well as providing space to rent for the Wolfrax mountain biking operation and other community-based enterprises.

Please see diagram below:



Laggan Forest Trust Vision for Strathmashie Forest

This project aims to provide the resource to turn the Laggan Forest Initiative development activities into planned, funded and deliverable projects, developing ideas proposed by the community that will lead to financial sustainability and make significant steps towards achieving the overarching vision for the forest. This means building on what is in place – FCS partnership agreement, community mandate, outline planning consents, LFT management team commitment and funding – to develop each area of work, preparing business plans, engaging and inspiring the community, securing all permissions required to build the forest centre, and identifying the enabling capital funding package.

This project is centred on the recognition that the inextricable links that exist between community, public, and private involvement and interests in Strathmashie Forest present some significant challenges for LFT to navigate, along with considering potentially massive opportunities that come with the location, status and context of the development. A Development Manager and Project Officer are required to provide the knowledge, experience, support, and networks integral at every stage, and add benefit to the skills and expertise of the Trust directors and volunteers. In addition, those staff will provide an important element of continuity and management of knowledge and information, as are essential over the period of the project.

LFT and LFTFC, through its partnership with FCS, employ an operational forestry supervisor and administrator, based at its offices in Strathmashie Forest on a part time basis. Continuing its commitment further, FCS has confirmed (letter of support provided) its intention to provide the office facilities for the duration of this project (3 years or less as required) and that it fully supports the developmental staff using the facility. Furthermore, working closely together in the run up to this application has ensured that FCS are informed and have been involved in supporting the direction taken by LFT. As well as the development staff described here, a Community Renewables Officer on a fixed term (6 months) part time contract is being recruited as part of the Climate Challenge Fund award.

The Development Manager and Project Officer will undertake the developmental elements of the Trust's work, complimenting the existing staff and ensuring a robust organisational structure with which to move forward. The work plan for these roles will involve delivery of key identified outcomes during years 1, 2 and 3. Those outcomes will involve business planning, finance, communications and marketing, consultation and engagement and others, in the context of the local area and as an important market provider in the wider Cairngorms National Park.

**Project activities:**

The Development Manager and Project officer will be responsible for:

- Business Development Strategy and Stakeholder Mapping
- Laggan Forest Initiative Capital Programme
- Laggan Forest Initiative Business Plans
- Coordinating the development of LFI planning applications
- Communicating the LFT Vision and marketing LFT including website development
- Partnership working towards developing Strathmashie Forest as a tourism and recreational destination
- Community engagement

- Engaging local businesses in tourism and recreation development
- Supporting the Trust board
- Securing and administering grant funding
- Developing markets and partnerships for delivering education including Curriculum for Excellence
- Developing markets and partnerships for delivering recreation, health and wellbeing including paths to health
- Managing and delivering specific projects
- Representing the Trust at events and external engagements
- Fundraising

### **Context**

It is important to note that Laggan sits on the edge of many of the organisational boundaries that exist across the Highlands, and as a result, may be perceived to be at risk of marginalised service delivery. Indeed, in terms of geographic access to services, the Scottish Index of Multiple Deprivation 2009, rates the PH20 postcode area within the 10% most deprived in the country. This status has worked both ways for the Trust in recent years. It has attracted high levels of support from public agencies for its community ownership activities, when delivery of services to the community has proved more difficult. The lack of any public transport to and from Laggan is a particularly important example.

Moving forward, inbuilt in proposals must be the means by which to provide improved and enhanced services for those living in and visiting the area, along with a lesser dependence on subsidy and recognition that the support required may relate to building confidence and capacity. Through orientation, interpretation and accessibility, the Trust aims to work in partnership with others to showcase Laggan, and its place as the western gateway to the Cairngorms National Park, to achieve economic sustainability.

Critically, this work involves creating, developing and maintaining operational and developmental relationships with public, private and voluntary stakeholders, across a range of different activities, and with sometimes competing objectives and priorities.

### **Laggan Action Plan**

Representatives from the Trust contributed to the creation of the Laggan Action Plan through the 'Our Community...A Way Forward' participatory appraisal process in 2009. The Plan is an important document for the whole community as it represents the priorities and actions deemed essential by all and sets out which organisation should lead in which area. It is one of the ways in which the Highland Community Planning Partnership can engage with the community in terms of service delivery and the Laggan Forest Trust has an integral role in its delivery as the lead partner for delivery of objectives relating to renewable energy and tourism.

Specifically, through the award of £44,395 from the Scottish Government's Climate Challenge Fund, the Trust will work with Laggan Community Association (LCA) to deliver activities that will help the whole community reduce its carbon footprint, as part of the Laggan Action Plan Renewables theme.

The Laggan Forest Trust Woodfuel Initiative will identify the potential for renewable energy solutions in homes and buildings throughout the area, from small improvements to large scale developments. Future options, including the potential to form a

community energy company and the construction of a district heating system, will be researched, before recommendations are made to the community. As part of this funding award, the Trust will be able to recruit a new temporary member of staff to kick-start the Initiative by organising events to raise awareness and provide energy advice.

### **Economic Research**

In terms of the updated economic research, which was funded by CNPA in early 2010, the key findings support the vision for development and include the following points. The report has been provided as additional background with this application.

- The temporary central facilities currently in use need to be replaced by permanent facilities when current permissions expire. If this does not happen then an important demand and economic generator will be lost in this remote rural part of the Cairngorms National Park. These central facilities have played an extremely important role in the success of the facility creating a balanced visitor destination targeting a niche market
- It is considered that if the local community via LFT is more in control of the visitor development and ongoing operation, it will be easier and more effective in channelling benefit towards the local community, with direct links, signposting, packaging and a showcase for other local businesses
- From 2006 to 2009 it is estimated that the visitor numbers have almost doubled to around 25,000 to 30,000 per year. Currently, this provides 16 FTE jobs.
- To grow visitor numbers on the site further and hence allow the Centre to become more sustainable, other visitor markets must be attracted, such as general visitors and family tourists. The facilities that will drive such demand include; an improved café, gateway to Cairngorm National Park and local area orientation and Interpretation, sculpture trail, children's forest play facilities, etc.
- There is an opportunity for Laggan to widen its appeal to other activity markets rather than just mountain biking. This will be achieved by developing an activity base: office, storage, classroom / workshop space and inviting other activity operators to be based here. This again helping to increase visitors. A more diverse market will help to boost the demand for overnight accommodation and better links with the local community will ensure that more benefit is channelled locally.
- The report demonstrates that the Forest Centre in the future with the facilities described could attract around 50,000 visitors a year, 35,000 mountain bikers and 15,000 other visitors. It illustrates that the commercial elements of the Centre are viable and can pay annual rentals to LFT. The overall income received by LFT from developing the Forest Centre is estimated to cover the cost of maintaining the building and employing a manager. In addition, an increase in visitors would positively impact on the number of onsite jobs noted above,
- Although not essential for viability, if LFT can negotiate the receipt and control of car parking revenue from the FCS in exchange for providing trail maintenance and renewal, this would help to give the Trust greater control over the overall project, add further job creation and provide training opportunities and a limited financial safety net.
- The idea of creating a community initiative around micro-renewables is exciting and innovative. The Forest Centre's role would be as a showcase for this initiative, introducing general visitors to the concept and giving them working and living examples. It will be possible given time to show living and working examples of the concept within the local community and how the local

community has embraced the theme. In addition it is anticipated that the Forest Centre would act as a hub for courses and lifelong learning experiences.

The Trust recognises the extent of the work required to put those recommendations into action and is committed to securing funding for paid staff as the only way in which to sensibly proceed from this point on. It is with some impatience that sources have been identified as per this application given the deadlines with which the Trust, and community of Laggan, is faced.

### **External Considerations**

Against this backdrop, there is a significant influencing and nationally important project underway. The Scottish and Southern Beaulieu Denny Transmission Project has been the subject of local opinion and activity for some years, and following a lengthy public enquiry, was granted permission in early 2010. As described previously, LFT has a dual role to play and must take into account the opportunities – forestry contracts, timber, energy and renewables, national visibility, role in the wider CNP context, income – and constraints – planning, mitigation, disruption and timetabling, local opposition – therein. The significance of this project must not be underestimated in the overall progression of the LFT vision and will require some expert navigation through negotiation and delivery.

### **Strategic Fit**

The LFT business development plans and associated projects deliver many of the priorities of the Scottish Government, CNP Plan, the Highlands' Single Outcome Agreement and the Scottish Forestry Strategy. However, importantly, the work of the LFT features at the most local level in the Laggan Action Plan, derived from the 'Our Community...' participatory appraisal, where LFT is the lead partner for delivery of objectives relating to renewable energy and tourism.

## **5. Option Analysis**

- Are there other ways in which the above objectives could be achieved?
- If so, why is this the preferred option?

There were two other options considered for delivering this work:

- 1) The community volunteers and Board members could be supported/trained to deliver this project themselves;
- 2) The CNPA, FCS, HIE or THC could undertake the work;

The first option was ruled out as it the volume of work and expertise required is too great. Whilst the Trust Board accepts its role in shaping the work plan to 2013, they recognise the need for it to be managed by an appropriately resourced staff team.

The second option was ruled out as it would not fit within the remit of any one organisation and there would not be sufficient resources to lead such work.

## **6. Risk Assessment**

- Are there risks to the CNPA in funding this project/activity?
- Are there risks in the project/activity not being delivered to required timescale/quality?
- Comment on the likelihood of such risks occurring, their potential impact, and (where appropriate) any action that would be taken to mitigate the risks.

### **Risks**

#### *Failure to secure funding for years 2 and 3*

This project has been planned on a three year basis as the minimum realistic time and resource requirement with which to deliver. Ongoing dialogue with funding partners throughout the project planning process has been on this basis and collaboration has been a fundamental part of the success of the Trust strategy development and associated funding applications to date. The changes to the public sector financial landscape over the summer of 2010 have resulted in some uncertainty regarding commitments for years 2 and 3 and it is important that should it be impossible to commit at this stage, an 'in principle' decision is taken. This demonstrates support for the project and underlines agreement on the need for the activities to take place, as well as keeping the funding package requirements on the agenda for decision makers once finances are confirmed during the remainder of 2010.

#### *Failure to attract and/or retain staff as planned*

#### *Failure to deliver the desired outcomes of the project within the timescale specified*

The LFT board and management team have a long standing relationship with members of the community, contractors and the organisations that have provided support in recent years. Through these connections, LFT is confident that it can attract candidates of the required calibre. In addition, existing networks will be used to promote the recruitment advertising.

The LFT Management Team has a remit to oversee the delivery of the Trust work plan agreed by the LFT Board. Specifically, this means it will be primarily concerned with the delivery of the commitments agreed as part of the work plan of the Development Manager and Project Officer, as well as providing a monitoring and reporting mechanism for the operational and administrative functions of the Trust and the LFT Forestry Company. This team currently meets on a weekly basis and will continue to do so for the duration of this project. In addition, regular project steering group meetings would act as a 'checking mechanism', overseeing the approach and delivery of the Trust, providing external governance and support and advice where appropriate. It is through this group that the Trust will seek input from identified FCS and CNPA representative, and others, in addition to existing communication and engagement arrangements.



## 7. Costs and Funding

- Detail the financial costs of the project/activity
- Detail the sources of funding
- Detail any non-monetary costs to the CNPA (such as Member or staff input)

The total cost of the project is £294,641.64 over 3 years. The proposed contribution from the CNPA is £30,000 over 3 years (10.18%). This means a commitment of £9,600 in year 1, and £10,200 per annum for years 2 and 3.

Project costs are outlined in detail in the excel file that accompanies this document. The funding from LEADER of £122,320.82 is confirmed for the 3 years and the CNPA is match funding is required for the 3 years.

## 8. Funding conditions

- Detail the project specific conditions that need to be included in any contract for services or grant offer letter in order that CNPA obtains the intended outcomes and Value for Money.
- In the case of grant offers, our Financial Memorandum requires that SEERAD agree these conditions in advance of the grant offer being made.

The project specific conditions will be agreed with the Finance Manager however quarterly stage payments in advance, with adequate evidence of spend, would allow the Trust to manage its cash flow efficiently for the duration of the project. As LEADER funding has been confirmed for 3 years it would be advantageous to agree 3 year funding for the CNPA funding.

## 9. Deliverables/ Impact Assessment

- What end products/outputs will be delivered?
- How will success be measured?
- How will the project be monitored and what will be the feedback to the CNPA?

The planned outputs of the project are:  
A business development strategy and associated business plans are produced for the forest centre, campsite, woodfuel business and recreation areas/facilities – with economic sustainability being the primary driver  
A finance strategy is developed, a capital funding package is sourced to fund development and community benefits are identified  
Planning consent is secured for the forest centre and associated facilities, and the build is underway  
A communications and marketing plan is developed and delivered  
Partnership working with a wide variety of stakeholders, towards developing Strathmashie Forest as a tourism and recreational destination, is undertaken  
Continuous community engagement and involvement takes place  
Markets and partnerships for delivering education including Curriculum for Excellence are developed  
Markets and partnerships for delivering recreation, health and wellbeing including paths to health, are developed

Fundraising takes place to cover additional project expenditure

Success will be measured by achieving the above, by the creation of up to 18 jobs at Strathmashie, by retaining the Wolfrax mountain biking centre in Laggan, and in the longer term, by creating a sustainable forest destination that provides benefit for the local community for years to come. Claire Ross (Education and Inclusion Manager) will be giving feedback to the CNPA.

## 10. Value for Money

- In view of the costs, do the deliverables appear to offer value for money? (consider cost of comparable projects, where available).

For the CNPA, the investment of 10.18% of the total project costs will allow this project to begin to deliver on the Park Plan priorities for the CNP area, as well as priorities arising from the community participatory appraisal process. It will address some of the recognised issues for the immediate area such as remoteness (in terms of service delivery), community capacity, lack of employment, local business engagement in tourism and recreation provision, lack of education and training opportunities etc. Importantly, this project could lead to creation of a flagship destination and potential gateway to the National Park and will build on an existing and successful facility. However, the future development will be planned, delivered and owned by the local community, a sustainable return on investment, and this cannot be achieved without investment at the beginning.

## 11. Exit or Continuation Arrangements (where applicable)

- If this is not a discrete, time-limited, project or piece of work, what are the exit/continuation arrangements for when CNPA support ceases?

The work outlined above will all take place from 2010-2013. The business planning process that will be undertaken from the outset will develop the financial model to sustain the work of the Trust, through its development, beyond 2013.

## 12. Additionality

- Does this work/project substitute for or duplicate work being carried out or proposed by others?
- What would be the effects of the CNPA not supporting the project? Would it proceed without CNPA support?

The project does not duplicate work already proposed or ongoing by others. It cannot proceed without CNPA funding, which is being used to lever contributions from other partners.

## 13. Stakeholder Support

- Have the organisations and/or communities that would have an interest in this work/project been involved, and are they supportive?

The information contained in the various headings above describes the history of the project and its roots in the Laggan community. During 2010, much work has gone into ensuring that LFT representatives are actively engaged in the other local community

groups that exist, with a focus on developing partnership working, seeking contributions and sharing information and updates from the Trust. Regular communications are being produced and published in the local newspaper 'The Splash', which goes out to all households in the Parish of Laggan. In addition, the Trust will publish weekly progress reports, minutes of meetings and action notes through its new website, funded by the CNPA and currently in development.

It is essential that LFT retains its ethos of openness and honesty in its business at all times, and then puts this into practice at every opportunity. This has been re-established by reviewing internal management arrangements, and the organization has begun 'refreshing' its relationship with existing local, regional and national stakeholders from the public, private and voluntary sectors.

Looking forward, in order to attract and retain board members to secure continuity and longevity through the development, LFT will make it clear to others what the Trust is set up to do, what its plans and priorities are, how it operates, who is involved and how it is funded. It will demonstrate its credibility and accountability to trustees through regular reporting, and show to those who are interested, how to participate and/or volunteer, along with any constraints around that participation.

#### **I4. Recommendation**

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**15. Decision to Approve or Reject**

**Head of Group**

Name:	Signature:	Date:
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**Chief Executive**

Name:	Signature:	Date:
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**Finance Committee**

Name:	Signature:	Date:
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**Board**

Name:	Signature:	Date:
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