

SCOTLAND'S NATIONAL FOREST ESTATE - COMMUNITY ASSET TRANSFER SCHEME (CATS)

Introduction

Please read the relevant parts of the [Community Asset Transfer Scheme Guidance](#) before completing this form. You may also wish to refer to the Scottish Government's [Asset Transfer Guidance for Community Bodies](#).

The Request must be submitted in writing, either as a hard copy or by email. Please answer all the questions. You can attach additional information as extra sheets or electronic documents. Please be specific. When answering the questions do not repeat any information you have already given, simply refer to an earlier answer or attached document.

Please return the completed form and supporting documentation to:

Community Asset Transfer Scheme Team
Forest Enterprise Scotland
231 Corstorphine Road
Edinburgh
EH12 7AT

E-mail: communities@forestry.gsi.gov.uk

We will confirm receipt of your Request within 5 working days and you will receive a formal acknowledgement letter within 15 working days to confirm whether your Request is valid or requesting further information. We may need to ask you for more information during the assessment and evaluation process.

This is an asset transfer request made under Part 5 of the Community Empowerment (Scotland) Act 2015.

Information about the community transfer body making the request

1.1 Name of the community transfer body making the asset transfer request

Mull and Iona Community Trust

1.2 Community transfer body address. This should be the registered address, if you have one.

Postal address:

An Roth Community Enterprise Centre

Craignure, Isle of Mull

Postcode: PA65 6AY

1.3 Contact details. Please provide the name and contact address to which correspondence in relation to this asset transfer request should be sent.

Contact name: Mr Moray Finch

Postal address: Mull and Iona Community Trust

Craignure, Isle of Mull

Postcode: PA65 6AY

Email: mfinch@mict.co.uk

Telephone: 01680 812905

✓ We agree that correspondence in relation to this asset transfer request may be sent by email to the email address given above. *(Please tick to indicate agreement)*

You can ask the Forest Enterprise Scotland to stop sending correspondence by email, or change the email address, by telling them at any time, as long as 5 working days' notice is given.

1.4 Please mark an "X" in the relevant box to confirm the type of community transfer body and its official number, if it has one.

Company, and its company number is	X	SC172897
Scottish Charitable Incorporated Organisation (SCIO), and its charity number is	X	SC025995
Community Benefit Society (BenCom), and its registered number is		
Unincorporated organisation (no number)		

Please attach a copy of the community transfer body’s constitution, articles of association or registered rules.

1.5 If the organisation is **not** an eligible community transfer body under the Community Empowerment (Scotland) Act 2015:

a) Has the organisation been individually designated as a community transfer body by the Scottish Ministers?

No **Yes**

Please give the title and date of the designation order:

or b) Does the organisation fall within a class of bodies which has been designated as community transfer bodies by the Scottish Ministers?

No **Yes**

If yes what class of bodies does it fall within?

Section 2: Information about the land and rights requested

(see CATS Guidance Section 1.2)

2.1 Please identify the land to which this asset transfer request relates.

You should provide a grid reference and attach a map clearly showing the boundaries of the land to which this asset transfer request. You should also provide any name by which the land is known, and you may also wish to provide additional description. You can contact your local [Forest District](#) office for assistance in providing a copy of the map.

If you request if for a building, you should provide a street address and the Unique Property Reference Number if known. If you have identified the land on Forest Enterprise Scotland's [Register of Land](#), please enter the details listed there.

Grid reference:

NM 671 314

Name and description of the land:

Ardura

UPRN (if known): N/A

Section 3: Type of request, payment and conditions

(see CATS Guidance Section 1.4)

3.1 Please tick what type of request is being made:

- for ownership (under section 79(2)(a))– **go to section 3A**
- for lease (under section 79(2)(b)(i)) – **go to section 3B**
- for other rights (section 79(2)(b)(ii)) – **go to section 3C**

3A – Request for ownership

What price are you prepared to pay for the land requested (see CATS Guidance Section 2.2)?

3C – request for other rights

What are the rights you are requesting?

Do you propose to make any payment for these rights?

Yes **No**

If yes, how much are you prepared to pay? Please make clear what period this would cover, for example per week, per month, per day?

Proposed payment: £ per

Please attach a note setting out any other terms and conditions you wish to apply to the request.

Section 4: Community Proposal

4.1 Please set out the reasons for making the request and how the land or building will be used.

This should explain the objectives of your project, why there is a need for it, any development or changes you plan to make to the land or building, and any activities that will take place there.

The main objectives of the project are to generate a long term income for the Trust and to increase the amenity value of the forest area and thereby to increase the benefit to the local community.

The land is currently planted to Sitka Spruce (115Ha) with the rest being open ground (60Ha) and the remainder planted to broad leaf (23Ha).

We plan to work with the neighbouring Torosay Hill Estate and the intention is to negotiate a long term, maintaining lease with them. Under the lease, MICT would retain full access to the forest on behalf of the community for all the activities that we wish to make provision for. The lease would effectively sub-contract the responsibility for ongoing management and maintenance of the forest to Torosay Hill Estate. The working arrangements are described more fully within the Business Plan. The "Heads of Terms" on which the lease will be based are appended to this application.

MICT and Torosay Hill Estate will prepare a new Forest Design Plan to harvest the Sitka Spruce and then to restock with native broadleaf and Caledonian pines, consistent with the Plantation on Ancient Woodland (PAWS) report commissioned for the forest. The vision behind the new management plan is to link with and extend the Mull Oak Woods Site of Special Scientific Interest (SSSI) that borders Ardura Forest.

In discussion with ornithologists and ecologists, we would increase the area planted to broadleaf providing this does not impact adversely on habitat for Hen Harriers and other protected species. Generally, the Forest Design Plan would aim to increase biodiversity and would seek to achieve ecological restoration of the land.

IT is intended to create a new destination for flora and fauna on an island already famous for its wildlife.

The "old road" that runs through the forest will be restored as a path, forming part of the aspirational long distance route from Craignure to Fionnphort – which itself would form a part of the St. Andrews to Iona route. The path passes close by Pedlars Pool which has a small memorial and interesting local history.

After discussions with the nearby Lochdonhead Primary School it is intended to develop a forest school on the land to help the teachers become suitably qualified by funding training in Outdoor Learning and Forest Schools.

Other ideas for the land would include a wildlife viewing hide, dark sky viewing hide, eco camping, nature walks and Ranger led activities plus other ideas which the community might put forward that are consistent with our aims stated above.

4.2 Benefits of the proposal

Please set out the benefits that you consider will arise if the request is agreed to (see CATS Guidance Section 3.2)

This section should explain how the project will benefit your community, and others. Please refer to the guidance on how the relevant authority will consider the benefits of a request.

Benefits

The innovative partnership proposed by MICT will allow most of the profit from the sale of timber to be invested to generate income which will contribute to the otherwise unfunded core costs of the organisation.

Currently, MICT has to spend time and effort closing the funding gap to ensure that these core costs are met in full. This is a partial distraction to the preferred activity of delivering successful projects for the community. It is anticipated that if this acquisition is successful, all the efforts of the Board and staff will be focussed entirely on delivery of projects.

Transfer of Ardura Forest from the Public Sector to Third Sector ownership of MICT will bring about transformational change to the long term financial position of MICT.

The investment capital will be retained in case it is ever required to pay for management and maintenance of the woodland.

Restocking with only native species and not cash crop e.g. sitka spruce, will bring significant ecological benefit by increasing biodiversity.

The partnership proposed by MICT will bring in several hundred thousand pounds of private sector investment for the restocking with native species and ongoing management and maintenance costs.

Alternatives approaches include;

-
- *Forest Enterprise Scotland retain ownership – which would require public sector investment in re-stocking, paid for with net proceeds of the sale of harvested timber. Ardura is on the list for disposal, hence this Asset Transfer Request*
 - *An Asset Transfer Request from MICT (or another Community Body) based on a conventional commercial forestry model, with significantly less benefit for biodiversity and amenity value. Income arising from this model would be reinvested in restocking and maintenance costs. Income would be intermittent with long periods of no income and small annual costs for maintenance and management. Ultimately the profit derived would be somewhat unpredictable and subject to market fluctuations and therefore would carry some risk.*
 - *A private sector purchase with a Forest Design Plan based on restocking with exotic species for a conventional commercial forestry model, with significantly less benefit for biodiversity and amenity value. There would be no financial community benefit from this approach.*
 - *A Private sector purchase with a Forest Design Plan based on restocking with native broadleaf species. This would deliver the same benefit for biodiversity but none of the financial or other community benefits.*

The existing Forest Design Plan makes provision for some restocking with broadleaf, but relies heavily on natural regeneration which may well be less effective in achieving restoration of the ancient woodland.

*Lochdonhead Primary school is the nearest school to Ardura Forest. Although the school has capacity for as many as 50 pupils, there are only five in the current academic year, due mainly to depopulation of economically active families from Mull. The school has previously been under threat of closure by the local authority. MICT is supporting the school in several ways to try and sustain the number of pupils to avoid the threat arising again. Providing a **Forest School** will help make the school even more attractive to parents of children already in the area or considering moving in. The forest school would provide opportunities for outdoor learning and would bring a range of benefits to the educational outcomes for the pupils. It is anticipated that the pupils would spend one day per week at the Forest School. In addition, placement within Ardura would provide exciting recreational opportunities. It is hoped that other schools on the island, particularly those in the south (Bunessan and Iona) will also be able to make use of the Forest School. These schools travel through Ardura on the way to swimming lessons in Craignure and timetabling could allow half a day per week at the Forest School. The benefits of Forest Schools are proven in other areas and the head teacher, staff and parent council are supportive.*

For several years, MICT has been working on a project to develop a long distance route from Craignure to Fionnphort. Scottish Natural Heritage (SNH), working in partnership with MICT, commissioned a report MULL LONG DISTANCE ROUTE - A SOCIO ECONOMIC STUDY in 2013. The report is included as supporting information to this request. One of

the conclusions was that additional income to the Island economy from tourism of between £0.9m and £1.1m would be generated once the path is complete. Restoration of the Old Road which runs for 2 miles through the Ardura would be a key part of this route – which is around 35 miles in total. Capital funding for this long distance route has not been forthcoming so the acquisition of Ardura Forest will be strategically important in allowing the first element of the route to come to fruition.

Similarly, promoting camping within the forest would support the tourism benefit providing that low impact facilities like composting toilets were provided.

Once the commercial crop has been harvested and the planned extent of broadleaf re-stocking completed, the whole 200 hectare site will be a haven for wildlife with open spaces for butterflies (the Marsh Fritillary is already present), flora such as devils bit scabious and hen harriers.

Ownership of its own forest will help MICT to sustain Mull and Iona Ranger service, one of the oldest, community led ranger services in Scotland. It will provide a focus for ranger led activities, including conservation work as well as educational visits and developing tourism based opportunities.

Scottish Government National Outcomes:

We realise our full economic potential with more and better employment opportunities for our people.

By increasing the financial strength of MICT, ownership of the forest will indirectly generate future employment opportunities, both within MICT and from projects which MICT delivers.

Our children have the best start in life and are ready to succeed.

Providing opportunities for the local primary school to learn in the forest will add to the diversity of learning experience within the school environment and will help ensure that the children do indeed have the best start in life.

We live longer, healthier lives. We have strong, resilient and supportive communities where people take responsibility for their own actions and how they affect others.

By increasing the financial strength of MICT and allowing it to flourish, ownership of the forest will help empower residents to become involved in initiatives and projects to address issues which impact adversely on island life. By increasing the amenity value of Ardura, residents and visitors will be encouraged to become involved in outdoor leisure and conservation activities, helping to promote healthier lifestyles.

We value and enjoy our built and natural environment and protect it and enhance it for future generations.

MICT intends to involve local people in the way that the forest is operated and to offer volunteering opportunities for conservation and ecology projects which help restore the majority of the land to a habitat which supports higher levels of biodiversity.

Scottish Forestry Strategy:

The intention of the project is to focus on indicators for Community Development and Access & Health and not on timber production.

Ranger led activities and the forest school in Ardura will contribute to all the indicators for community development and access & health..

Viability

MICT is a well-established and respected organisation, originally constituted in 1997 as a Charity and Company Limited by Guarantee. Since then MICT has developed a track record of successful delivery of community development and capital projects. The Articles of Association are reviewed annually and have been updated several times in recent years to ensure compliance with new legislation (e.g. Land Reform Act, Community Empowerment Act ...etc.) MICT currently employs around 25 staff (12.9FTE) and has a board of up to 14 volunteer member Directors. MICT recently recruited a Deputy General Manager (0.6FTE) to increase senior management resource and has also increased its administration support function.

The Office and Finance Manager is supported by the Board, preparation of the annual accounts and audit is sub-contracted to Wylie and Bisset, a reputable firm of accountants. MICT has finance procedures in place to ensure control and reporting of income and expenditure, for both the revenue and the capital aspects of the operation which turned over in excess of £1.1m in 2016/17.

MICT is recognised by the Scottish Government as a social enterprise with growth potential and accordingly accesses support and advice under the Highlands and Islands Enterprise 'account management' programme.

MICT owns and manages a number of assets including;

- An Roth Community Enterprise Centre, our headquarters building in Craignure. This incorporates Island Castaways; a very successful charity shop, our own offices and a number of rooms for rent either on long leases or short term "hot desking"

- The Gantry self-storage facility on land leased from FCS with capacity for 22 storage containers

- Ulva Ferry Pontoon, a marine facility for recreational yachts built to increase economic benefits to the local community from marine tourism and to help repopulation of the local area

- Ulva Ferry houses, two, 3 bedroom houses occupied by local families for mid-market rents specifically to boost the local primary school

In addition, MICT owns a 0.8 Hectare site near Tobermory acquired from FCS in 2016 for development of Tobermory Light Industrial Park. Funding for construction is in place and work is in progress.

Management of Scotland's National Forest Estate

Our proposal is complementary to the management of the Estate given that the forest has been earmarked for disposal.

Utilisation

Outline discussions regarding the future management of the forest are to reinforce the intention of the existing Forest Design Plan by increasing the area of planting and by specifying native broadleaf species. In preparing the new Forest Design Plan, cognisance will be given to the Plantation on Ancient Woodland Sites (PAWS) report and the areas of concern raised therein.

The financial benefit of the proposal to Mull and Iona Community Trust and its aspiration for independence from grant funding for core costs is significant. The indirect wider community benefit is difficult to quantify but the track record of the Trust in delivering multi-faceted community development projects is second to none and well recognised across Scotland.

4.3 Restrictions on use of the land

If there are any restrictions on the use or development of the land, please explain how your project will comply with these. The local [Forest District](#) office can provide assistance in identifying any restrictions and how to comply with them.

Restrictions might include, amongst others, environmental designations such as a Site of Special Scientific Interest (SSI), heritage designations such as listed building status, controls on contaminated land or planning restrictions.

According to the Local Development Plan of Argyll and Bute Council, the forest is located in a Special Protected Area and in the Countryside Zone. This restricts development, but

advice from the planning authority is that the low impact developments will not be restricted.

*Ardura Forest is close to the **Mull Oakwoods** Site of Special Scientific Interest, the **Cnuic agus Cladach Mhuile** Special Protected Area and is adjacent to land designated as an Area of Panoramic Quality.*

Informal feedback from Scottish Natural Heritage is that the low impact development proposed to encourage public access will not threaten or undermine these designations.

4.4 Negative consequences

What negative consequences (if any) may occur if your request is agreed to? How would you propose to minimise these?

You should consider any potential negative consequences for the local economy, environment, or any group of people, and explain how you could reduce these.

Nearby neighbours may be concerned about disturbance, pollution, restrictions of access or similar. These concerns will be addressed during the consultation stage and will be resolved in a consensual manner. The nearest neighbours will be invited to join the steering group in order to improve communications and to provide the best possible opportunity for concerns to be reduced.

4.5 Capacity to deliver

Please show how your organisation will be able to manage the project and achieve your objectives.

This could include the skills and experience of members of the organisation, any track record of previous projects, whether you intend to use professional advisers, etc.

MICT is recognised by the Scottish Government as a social enterprise with growth potential and accordingly accesses some support and advice under the Highlands and Islands Enterprise 'account management' programme.

For this project, as with all MICT projects, a steering group has been established to manage the project. In this case, a minimum of two board directors will sit on the steering group, supporting the project manager, volunteers from the community and external stakeholders. The directors on the steering group will support decisions taken

by the steering group and report back to the monthly Board meeting. If they feel it necessary, a decision will be deferred to the full board. The two Directors are already in place and engaged in the current discussions.

Recent examples of successful project delivery include Garmony Hydro (£1.4m), Ulva Ferry pontoon (£450K), An Roth Community Enterprise Centre (£1.5m) and the Ulva Ferry Housing Project (£450K). These have all been managed with in house staff and board members as described above.

After professional advice during the feasibility and business planning stage of the project, MICT intends to appoint an Agent to deal with the sale by auction of the standing timber to maximise the income generated from the proceeds. This approach recognises that MICT is not yet experienced in forestry management.

In order to develop a fully compliant Forest Design Plan, MICT, in partnership with Torosay Hill Estate will engage support services from an Independent Forestry Adviser.

Section 5: Level and nature of support

5.1 Please provide details of the level and nature of support for the request, from your community and, if relevant, from others (see CATS Guidance Section 3.2)

This could include information on the proportion of your community who are involved with the request, how you have engaged with your community beyond the members of your organisation and what their response has been. You should also show how you have engaged with any other communities that may be affected by your proposals.

In drawing up a lease based on agreed Heads of Terms, there is strong support from our private sector partner. This support is on several levels:

- The principle of supporting MICT with a long term income to underwrite unfunded core costs*
- Improving community access onto the land*
- Increasing biodiversity*

Lochdonhead Primary school and the parent council are supportive of the acquisition of the forest and specifically the creation of a forest school. Please see attached letter of endorsement.

MICT works very closely with Mull Community Council which is supportive of the acquisition and the community benefits that will arise. Please see attached letter of endorsement.

MICT has a long established partnership (Mull Eagle Watch) with the Royal Society for the Protection of Birds (RSPB) which is supportive of the acquisition, of the community benefits and in particular the benefits to biodiversity that will arise from the project. Please see attached letter of endorsement.

Isle of Mull Bird Club recognises the potential benefit of the project to biodiversity and have provided a letter confirming their support.

Section 6: Funding

6.1 Please outline how you propose to fund the price or rent you are prepared to pay for the land, and your proposed use of the land (see CATS Guidance Section 1.5)

You should show your calculations of the costs associated with the transfer of the land or building and your future use of it, including any redevelopment, ongoing maintenance and the costs of your activities. All proposed income and investment should be identified, including volunteering and donations. If you intend to apply for grants or loans you should demonstrate that your proposals are eligible for the relevant scheme, according to the guidance available for applicants.

We are in receipt of a Stage 1 Scottish Land Fund grant and have the stage 2 application ready to submit on conclusion of this Asset Transfer Request.

If necessary we will take out a short term loan for the balance of any offer from the Scottish Land Fund towards the land purchase cost. However, we believe that the community benefit arising from investment of the proceeds of timbers sales will justify a discount on the final sales price. Any discount agreed would contribute to the match funding requirement of an offer from Scottish Land Fund (intervention rate between 75% and 95%)

Post- acquisition, woodland management costs such as maintaining boundary fences, deer management, planting of seedlings, "beating up", dealing with wind blow etc. will be borne by Torosay Hill Estate under the terms of the lease. Due diligence on the financial capacity of Torosay Hill Estate to sustain such costs is work in progress.

Maintenance of the infrastructure installed by MICT for community benefit will be paid for by income arising from investment of the net profits from the timber sale.

Signature

Two office-bearers (board members, charity trustees or committee members) of the community transfer body must sign the form. They must provide their full names and home addresses for the purposes of prevention and detection of fraud.

This form and supporting documents will be made available online for any interested person to read and comment on. Personal information will be redacted before the form is made available.

We, the undersigned on behalf of the community transfer body as noted at section 1, make an asset transfer request as specified in this form.

We declare that the information provided in this form and any accompanying documents is accurate to the best of our knowledge.

Name

Address

Date

Position

Signature

Name

Address

Date

Position

Signature

Checklist of accompanying documents

To check that nothing is missed, please list any documents which you are submitting to accompany this form.

Section 1 – you **must** attach your organisation’s constitution, articles of association or registered rules

Title of document attached: MICT Articles of Association 13 Nov 2017.doc

Section 2 – any maps, drawings or description of the land requested

Documents attached:

Section 3 – note of any terms and conditions that are to apply to the request

Documents attached: Appendix to Question 4.2.pdf

MICT-Torosay Hill Estate Heads of Terms.pdf

Section 4 – about your proposals, their benefits, any restrictions on the land or potential negative consequences, and your organisation’s capacity to deliver.

Documents attached:

Section 5 – evidence of community support

Documents attached: Letter of Support from Mull Community Council, Letter of Support from RSPB, Letter of Support from Isle of Mull Bird Club, Letter of Support from Lochdonhead Primary School Parent Council

Section 6 – funding

Documents attached: