

Name: North West Mull Community Woodland Company (NWMCWC)

Place: Dervaig, Isle of Mull

Headline: Two landlocked, commercially challenging, plantations turned into a significant asset for the community through shift from state to community ownership

Keywords: community-owned; asset; commercial forestry

Context: Dervaig is a community of about 200 households in the north coast of one of the largest Scottish islands, Mull. While the remote location and natural setting attract incomers seeking lifestyle change, often able to draw on savings, those who have grown up on the island find it difficult to balance the cost of living with the scarce opportunities for income. A particular issue is the cost of housing which has risen in response to immigration, often becoming unaffordable for local families, leading to earlier outmigration of local people. Most of the forests on the island are conifer plantations established decades ago, providing little or no employment for residents.

The two forests in this case study consist mainly of plantations of exotic conifers (Langamull 251 ha and West Ardhu 421 ha), predominantly Sitka spruce planted in the 1960s on wet peaty soils where the natural forest cover would consist of low oak and birch forest. This part of Scotland is very exposed to wind. When the community company NWMCWC bought Langamull and Ardhu forests, there were concerns that the forests were rapidly reaching economic maturity and at increasing risk of windthrow, which would drastically reduce both their natural capital and financial value. An NWMCWC director described the forests as 'neglected' in 2009.

The National Forest Land Scheme provided an opportunity for the community to purchase the forests. This programme was developed in the wake of the Land Reform (Scotland) Act (2003), to provide opportunities for communities to buy public forestland even if not already on the market (Forestry Commission Scotland 2013). The Scottish Executive had designed the programme including rules about the type of institution which could purchase such land, and the definition of geographical and political boundaries for eligible communities. Applications for Community Acquisition under the NFLS must demonstrate that there will be benefits to the whole local community rather than only to some individuals, and that benefits for the immediate community are not outweighed by dis-benefits to the wider community, environment or economy.

What was the initial aim? The NWMCWC describes its purpose 'to purchase and manage, in the interest of the local community', specifically 'to maintain and improve the amenity, recreational access and biodiversity value of the woodlands'. In 2005 the woodlands around the village were offered for sale by FCS and a group of locals decided that they would try to purchase to retain control within the community. An open meeting was held and a working group formed which via detailed public consultation morphed into the Company and the acquisition process. All the main elements highlighted in the public meeting's wish list were incorporated into the fledgling Company's business plan.

What actually happened and what has been achieved?

Currently the company employs three people, provides a fully accredited local source of quality firewood, is the sole supplier of government-accredited woodchip, has supported a Forest School (whereby children are taught a wide range of classes in the forest environment), hosted tree planting events to increase the percentage of native broadleaves, and facilitates annual archaeological training courses and studies by two universities which are attended by many overseas students and raise local tourist values and pride in place. The community company has also

established new woodland crofts (again through opportunities generated by new legislation), is working with both the Scottish Government and a Local Housing Association to deliver affordable housing and has FITS pre-accredited Micro Hydro project which will be partially funded by an innovative Community Debenture scheme. Both the housing and the income from sustainable renewable power generation are important goals for the community.

Perhaps the most significant achievement has been the commercial production of timber, which was not one of the original objectives of community acquisition. The forests were formerly considered unharvestable by the Forestry Commission because of the remote location, weight restrictions on the narrow public roads, and technical difficulties with a floating pier. One has now been clear-felled and the other partially harvested.

The community company put together a successful plan to finance the new haul road at a total cost of £2.3 million, of which 36 per cent was funded through a grant from the EU Strategic Timber Transport Scheme (STTS), 23 per cent from local and national government agencies, 11 per cent from contributions in kind from local landowners, and 29 per cent through an innovative arrangement with an international forest management company, UPM Tilhill. This community-private finance initiative is the first of its kind in Scottish forestry, and has attracted considerable attention. The investment from Tilhill was fully repaid through the sale of timber by January 2015. This was the first application from a community company, and the scale, complexity and social negotiations required took four years and doubled the initial expected cost. But by 2011 the road was opened, and by 2014 the company annual reports record that one of the forests has been harvested.

Overall, infrastructure has been improved through the construction or upgrading of 16.5 km of forest road and four bridges, including improved access to two farms plus an upgrade of 3km of public road. The upgrade of the public road completed the North West Mull Timber Extraction route servicing FES and private woodlands which over a twenty-year period will bring 600,000 tonnes of previously landlocked timber to market. In addition, the NWMCWC has led a participatory approach to designing a new path network. The new access road has helped to provide recreational access, and the planned footpaths will further add to this physical asset.

The land was purchased in 2006 at a price of £343 000, using a range of public funding awards, trust funds, local fundraising activities and an interest-free loan. The 2014 company accounts note 'a recent valuation of the land at £1,000,000 despite the extraction [of timber]' [from the plantations], indicating a tripling of asset worth.

Significant income streams are now starting to flow. The most recent published company accounts report income of £1,564,289 income from timber sales in 2012-13; and £1,249,696 in 2013-14. Of this a significant proportion contributes to the repayment of Tilhill, and another significant proportion must be set aside to fund the statutory restocking of the felled forest. So, in reality none of the net profits from the first rotation will be available as free cash for re-investment in the community although the asset base has allowed and will continue to allow the Company to deliver its objectives. Knowledge has also been transferred from the project to other existing and aspiring community woodland groups, and to policy stakeholders, through many invitations to contribute to training and case studies.

As a result of all this activity, the community has gone from 'knowing nothing' about forest management, (in the words of one director), to gaining much experience in managing forests, projects, and business, and in accessing funding and support. Achievements include the long term management plan, FSC certification, production of a director's information pack with information on

the roles and responsibilities of a company director and charity trustee; recruitment training; presentation skills; woodfuel training for 4 people; chainsaw use for thirty two participants including commercial operators, logistics equipment training (tractor and telehandler driving, timber loading crane operations and delivery vehicle training) for 6 ; and mobile sawmill use for eight participants. Knowledge has also grown in other parts of the community, for example through the involvement of schoolchildren.

As a result of community ownership, the forests have been brought into silvicultural management, and have been harvested; and a wider range of species has been established, thereby diversifying the biological resource. In addition, planned restructuring of the forest will bring stand diversity. It is likely that the forests can and will provide a greater range of ecosystem services, as a result of these changes.

Evidence of outcomes

There is plenty of quantitative, external and objective evidence; and several narratives which present local interpretations. NWMCWC is 10 years old, and as a pioneer and innovator it has been the subject of several case studies, reviews and evaluations (McIntyre and Frost, 2011, Forestry Commission Scotland, 2014, Francis and Gauld, 2012, Lawrence, 2009). This case study can draw on these and the community company's own reports, accounts and records made available through its website www.ncmcwc.co.uk.

What were the factors that contributed to those outcomes?

NWMCWC was the first community to purchase former FES land through the NFLS and had to pioneer ways of addressing bureaucracy that have since become smoother for others; but they also had access to funding sources which are now scarcer (HLF etc.).

This success in commercial production has made good use of legislative changes and funding opportunities, and an innovative partnership with big forestry business.

As a government body, the Forestry Commission was not eligible for funding from the STTA, and so the change in ownership has intrinsic potential for these increases in capital.

Adopting quite "hard headed" decision making with the ability to monetize activities being given priority in the first 8 years and the softer benefits being postponed.

However, they would not have happened without a lot of work from a few dedicated members of the community company.

What difficulties arose? These achievements are the result of great effort on the part of a small number of people, and considerable frustration and disenchantment with bureaucratic process, and difficulty finding candidates willing to act as directors. While community support for the project has been high, evaluations have identified a component of the community which did not feel involved or informed. Both NWMCWC and the community have been disappointed that contracts for road construction and part of the timber harvesting were awarded by Tilhill not to local business, but instead to mainland businesses which were found to be more competitive.

How replicable is this experience; what is its potential as an element of a better approach to forestry?

NWMCWC was a pioneer, being the first community company to buy land from FES through the NFLS, and the first to develop a community-company partnership in order to finance infrastructure.

Other communities have built on this experience, and as shown by other case studies in this portfolio, a number of community companies and trusts are now developing commercial community forestry.

What might the indicators / metrics be that help to tell this story at a wider level?

These are all indicators that have been quoted by company members and / or reports:

1. Volume timber harvested which would not have been harvested under FES ownership: ~~140 000~~ 125,000 tonnes
2. Expected annual income for community use, now that the Tilhill loan is paid off will be minimal despite gross revenues being shown in 2014/15 as over £1.5M due to the low net price per tonne achieved for timber sales as a result of the additional transport costs imposed by the Island location. In addition, if / when the microhydro is up and running, the expected income from this source is £30 000 / annum.
3. Area brought into productive management: 300 + ha (total land is 371 ha but not all forest) The balance of the productive area will be managed using small scale felling over an extended time frame to provide fuel wood for the company's woodchip and cut and split wood fuel business.
4. Number of children participating in Forest School: 7 -10 each school year
5. Number of jobs created: Over 3 years active felling and transport 7 FTE
6. Number of local jobs From 1.5 FTE 2006 to 2010 to 2.5 FTE 2010 to 2016 rising to 4 FTE in 2016/17
7. Ratio of grant to earned income: 2006 to 2009 90% grant funded, 2009-2014 90% earned income 2014-2106 due of the cessation of harvesting 40% grant funded. Which perhaps demonstrates the marginal viability during the early stages of transition.

Key messages:

Turn the question "what obstacles are there to taking on the project" on its head by asking instead "what do we have to do to make it happen" same question but different emphasis.

Just do it

Don't be afraid to suggest different ways forward and new solutions.

Facilitating community ownership: -

- Increases community resilience
- Allows communities to access funds that would otherwise not be available
- Develops a communities' ability to deliver projects
- Brings significant training opportunities
- Brings together all age groups.