

Carron Valley Community Woodland Feasibility Study

Executive Summary

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Executive Summary

Valley Renewables Group (VRG) proposes to purchase 21 hectares of Forestry Commission land at Carron Valley, North Lanarkshire to deliver activities that will benefit the community of Carron Valley and District. VRG will manage this site to increase community access, provide affordable wood fuel and improve habitat diversity, so delivering social and environmental benefits to the community.

A Feasibility Study was commissioned by VRG in 2016 to assess options for the project and a phased development was decided upon, focussing on the woodland management in the first instance (stage 1) with the creation of serviced hard standing (stage 2) and a potential Community building (stage 3) forming a long term proposal. This document mainly focusses upon the development and delivery of stage 1 - Community Woodland ownership and management, which is achievable with very low financial risk as shown below. Stages 2 and 3 will only be progressed by VRG in the future if community support and the financial position are strong. Collectively the 3 stages are known as “The Community Base”.

Vision: The Community Woodland will be a welcoming and accessible space for local people and visitors to meet, get involved with community activities and find information. It will be a catalyst for new groups and events, giving the community more cohesion and resilience into the future.

A part time Woodland Manager will be employed by VRG to facilitate delivery of the Woodland Management Plan, together with organisation of events and activities and volunteer recruitment and management.

Analysis of the 2016 community survey and responses in relation to the Community Base illustrates strong support for community activities that bring local people together and give them an opportunity to take part. 75% of the respondents were supportive of the purchase of the site to develop as a Community Base and 11 people expressed an interest in helping on a voluntary basis. A minority of returned surveys did not support the proposal, with 11 responses opposed to using community windfarm money for the purpose of creating a community building specifically.

The table below summarises the financial position for VRG if it were to deliver the first two stages of the project only, as follows:

- Stage 1 - Woodland Management - (from year 1) can be funded by VRG (windfarm cash) plus a Scottish Land Fund 2 revenue grant of £56k. Financially, this is **very low** risk assuming the LF2 grant is awarded. The total expenditure would be around £113k over the first 3 years (excluding land acquisition).
- Stage 2 (from year 4) including the development of the Community Open Day site (hard standing etc) and ongoing woodland development would cost a further £118k (years 4 - 7) and can be funded by VRG. This stage is very low risk financially.

Project costs summary table				
	Stage 1 total	Stage 2 total	Grand total stages 1 & 2	Notes
Years	Yrs 1-3	Yrs 4-7	Yrs 1-7	
Main activity:	Woodland management	Community Open Day Site		Assumes LF2 pay for acquisition of land
One off capex paid for by VRG	39,000	29,262	68,262	Secured?
Other capex (grant / loan)	0	0	0	
Total capex (A)	39,000	29,262	68,262	
Revenue expend by VRG - woodland management and amenity up to year 7	18,479	88,875	107,354	Secured
LF2 revenue grant	56,000		56,000	Not secured
Total revenue spend (B)	74,479	88,875	163,354	
Total spend (A) + (B)	113,479	118,137	231,616	

Total VRG spend yrs 1-7, for stages 1 & 2	£175,616
Of which capital:	£ 68,262
Of which revenue:	£ 107,354

Delivery of Stage 1, the main focus of this report, would require a total spend of £113,479, (£57,479 from VRG and a grant of £56,000 from the Scottish Land Fund).

Total VRG investment	Total £ Yrs 1 -7, Stages 1 & 2
Capital - stage 1 - Community Woodland	39,000
Revenue expenditure - S1 onwards - woodland manager etc	107,354
Capital - stage 2 - Community Open Day Site	29,262
Total VRG investment from wind farm cash	175,616

VRG windfarm cash balance and use	Total £ Yrs 1 -7, Stages 1 & 2
Windfarm opening balance estimate Jun 17	310,385
Windfarm addition - existing - including Kingsburn from May 17. Index linked (2%)	602,177
Windfarm spend - VRG general running costs (assumed 2% uplift) - NEW	148,686
Windfarm spend - this project	175,616
Closing windfarm balance	588,260

External funding assumed secured in addition to above VRG investment and LF2 capital:	Total £ Yrs 1 -7, Stages 1 & 2
Land Fund 2 revenue	56,000
Total external investment needed in addition to VRG funds and LF2 capital	56,000

Total project investment	231,616
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Due to the current VRG windfarm cash balance and expected future receipts, stages 1 and 2 of the project are very low risk. Stage 3, the Community building (from year 8) is a higher risk aspect of the project as it relies upon significant grant and loan funding being secured. It will not proceed without funding being in place. Stages 1 and 2 can be delivered successfully without progression to stage 3 and still secure significant outcomes including:

- Improvement of woodland habitat
- Woodland activities for local people, promoting health and well-being and achieving educational outcomes
- Community cohesion through events / activities without significant travel
- Woodland amenities (paths, trails, bird hide, wet weather shelter, storage, hard standing for parking / marquee etc.)
- Addressing fuel poverty (through free wood fuel for community members).

VRG has opted not to charge for woodland activities, training opportunities or wood fuel provided by the woodland project in the initial years. In the future, there is the option to charge a minimal fee for these services, and this is estimated to generate an earned income of approximately £3,200 per annum.