

BIRSE COMMUNITY TRUST

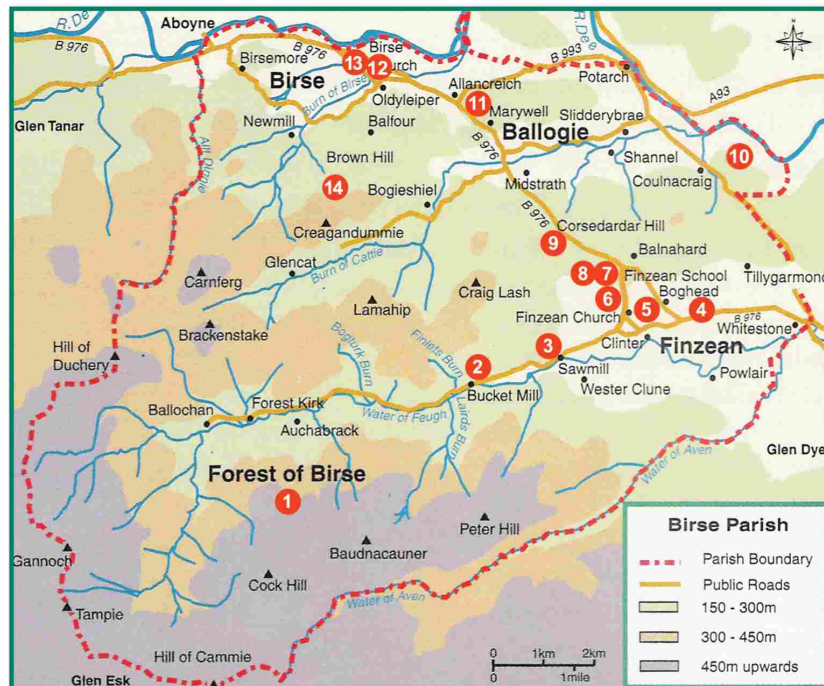
**STRATEGIC PLAN
2016 - 2020**

BIRSE COMMUNITY TRUST

The Old School, Finzean, Banchory AB31 6NY

Scottish Company Number SC188799 : Scottish Charity Number SC028220

BIRSE PARISH



Birse Parish covers over 125 sq.kms. (50 sq.mls.) of Mid Deeside. The four main parts of the parish are the three local communities of Finzean, Ballogie and Birse and the largely uninhabited Forest of Birse. There are more than 600 voters on the Electoral Register covering the parish, which has a total population of over 800 living in around 300 households. Half of the parish's population and households are in Finzean.

BCT is directly involved in managing fourteen sites in Birse parish on behalf of the community. The sites are marked on the map and the legal basis of BCT's involvement in each is listed below.

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| 1. Forest of Birse Commonly <i>ancient rights (>3,750 ha.)</i> | 8. Birse Parish Archive <i>ownership (<1 ha.)</i> |
| 2. The Bucket Mill <i>ownership (c.1 ha.)</i> | 9. Corsedardar <i>long term lease (<1 ha.)</i> |
| 3. Finzean Sawmill <i>ownership (c.1 ha.)</i> | 10. Slewdrum Forest <i>ownership (168 ha.)</i> |
| 4. Finzean Community Woods <i>long term leases (17 ha.)</i> | 11. Ballogie Soutar's Shop <i>ownership (building only)</i> |
| 5. Finzean Community Path <i>long term lease (<1 ha.)</i> | 12. Birse Kirk <i>ownership (<1 ha.)</i> |
| 6. Finzean School Wood <i>long term lease (<1 ha.)</i> | 13. Birse Community Hall <i>ownership (<1 ha.)</i> |
| 7. Finzean Old School <i>ownership (<1 ha.)</i> | 14. Balfour Forest <i>ownership (241 ha.)</i> |

BCT Strategic Plan 2016-20

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INTRODUCTION

Birse Community Trust (BCT) is a registered charity (*Scottish Charity Number SC028220*) that was set up in 1998 by the local community in the civil parish of Birse.

BCT's overall purpose is to develop and implement projects that help "*to promote the common good of the inhabitants of Birse parish and deliver wider public benefits*".

BCT is constituted as a company limited by guarantee (*Scottish Company Number SC188799*) that is controlled by the local community, with everyone on the Electoral Register covering Birse parish eligible to be a voting member of BCT and responsible for electing the local Trustees that manage the company on behalf of the community.

BCT's financial years run from 1st January to 31st December and during BCT's first 17 years of operation to the end of 2015, BCT has carried out a wide range of activities on behalf of the community.

The purpose of this Strategic Plan is to provide a framework to help guide the management and development of BCT over the next five years from 1st January 2016 to 31st December 2020.

This five year Plan is BCT's sixth Strategic Plan since it started in 1998. The first four Plans were for three years each during BCT's early development, while the fifth plan covered 2011-15. This Plan is, like all the previous Plans, about direction rather than detail.

In the Plan, after an initial background section on BCT's development during its first 17 years, the main sections cover the three core components of BCT's operations: Governance, Activities and Resources.

These main sections describe BCT's strategic objectives for each of these core components and how BCT intends to implement them during the period of the Plan. The underlined statements in each section are the main policies that BCT will follow to implement the Plan. These statements are also listed separately in a 'Summary of Key Points' report that BCT has produced as part of the Strategic Plan.

BCT's Trustees are consulting the local community in Birse parish on this draft Plan before they finalise an agreed version. The Plan covers many different topics and Trustees will keep these under review during the period of the Plan, amending or revising any aspects if that is considered appropriate.

At the end of 2019, after the first four years of the Plan, BCT's Trustees will review the Plan and BCT's implementation of it as a first stage in preparing to develop BCT's next Plan from 2021.

BCT documents mentioned in this Plan can be viewed on BCT's website:

www.birsecommunitytrust.org.uk.

1. BACKGROUND

1.1 Origins and Role

- 1 The civil parish of Birse was a unit of local government for centuries until 1930, when the Birse Parish Council was abolished and its functions centralised to the County district level as part of a re-organisation of local government in Scotland.
- 2 In 1975, when Scotland's counties were replaced by larger and more centralised Regions and Districts, a system of Community Councils was introduced as voluntary bodies to represent the views of local communities to local government and others.
- 3 At that time, the Birse parish area became part of the Mid Deeside Community Council (MDCC) and as a result of a local initiative, the Finzean Community Association (FCA) and Ballogie Community Association (BCA) were formed to enable the views of these communities to be represented on the MDCC. Shortly afterwards, the existing Village Hall Committees in Finzean and Ballogie handed over their responsibilities for the Halls to the new Community Associations.
- 4 By the 1990s, there was increasing recognition locally that the communities in Birse parish needed greater capacity to be able to tackle more local issues and opportunities themselves. This led to BCT being set up in 1998 as a community company to develop and implement projects on behalf of the three communities in the parish.
- 5 BCT's role in carrying out projects differed from the responsibility of FCA, BCA and local Community Councillors to represent the democratic views of the local communities, and it was agreed from the start that BCT's project activity would be guided by their concerns and priorities.
- 6 When BCT started, it was actively involved in other initiatives to strengthen local democracy in the parish. These resulted, firstly, in the Birse Area Community Association being formed in 1999, so that each of the parish's communities had its own Community Association. Secondly, the parish withdrew from MDCC and established Finzean Community Council (FCC) and Birse & Ballogie Community Council (BBCC) in 2001.
- 7 Thus, by 2001, the parish had six local democratic community groups based on the Electoral Register, with each type of group having its own main role:
 - Three Community Associations*, with each community have its own Association responsible for their village hall, community social life and local identity;
 - Two Community Councils*, with each half of the parish having its own Community Council responsible for ascertaining and representing the views of their area;
 - One Community Company*, BCT, covering the whole parish and responsible for developing and implementing projects on behalf of the local communities.
- 8 Since 2001, representatives of these six local community groups have met regularly as the Birse Parish Liaison Group (BPLG) to share information and cooperate over issues and projects of shared interest. The BPLG has met twice a year on average for the last 15 years, with BCT providing the Group's secretariat.

- 9 These six community groups and the BPLG provide Birse parish with a strong local democratic infra-structure. BCT has always considered that the stronger the local democracy, the clearer the views of the communities and the clearer it is for BCT to carry out its role in developing and implementing projects on behalf of the communities.
- 10 The active nature of this local democracy is illustrated by an analysis of the BPLG's records. This showed that, in each year between 2001 and 2015, there were 40 or more different local individuals serving as Community Councillors, Community Association Committee Members or BCT Trustees. This represents people involved from over 10% of the parish's households at any time.
- 11 The six community groups making up the BPLG are also part of a wider network of other local groups and clubs in the parish, for example, associated with the primary school, local church, village hall activities and other initiatives.
- 12 BCT's development and achievements since it started, need to be seen as part of the wider and very positive level of local community involvement and activity in Birse parish over that time.

1.2 Development

- 1 The number of people living in Birse parish who have been on the local Electoral Register throughout BCT's history since 1998, continues to reduce over the years. By 2015, less than 50% of those on the Register had been on it when BCT started, with the change due to deaths, people moving out of the parish and an increase of over 10% in the local population.
- 2 While a consolidated history of BCT has not been written, there is an illustrated history of BCT's development on its website with the sequence of twice yearly BCT Updates from 1999-2010 and then, the expanded Trustees Report in BCT's Annual Reports in the years since.
- 3 The impetus to establish BCT in 1998 was to save ancient shared rights over the 4,000 hectare Forest of Birse Community and to vest those rights in BCT for the common good of the inhabitants of Birse parish. The historic settlement by which that was achieved was described in BCT's first BCT Update in spring 1999.

Projects

- 4 The settlement over BCT's land use rights in the Forest of Birse Community, including BCT becoming responsible for managing the 500 hectares area of native pinewoods in the Community, was BCT's first major project and provided the initial platform from which BCT was able to take on further projects.
- 5 During BCT's first year, these projects included BCT becoming involved in the ownership and management of other sites in the parish, because of local concerns over the future of the sites and the importance of the sites to the local community. By the end of 1999, BCT had taken on the management of Finzean Sawmill, the Bucket Mill, the Ballogie Soutar's Shop, the Corsedardar War Memorial site, Finzean Community Woods and Finzean School Wood.
- 6 By the end of BCT's first five years in 2003, BCT had also purchased Birse Kirk, Birse Hall and the two buildings at Finzean Old School, so that these historic buildings would

be saved for community use. After years of trying, BCT was eventually able to buy Slewdrum Forest in 2006 and Balfour Forest in 2010. This re-established with the Commonly Pinewoods in the Forest of Birse Commonly, the traditional pattern of three common good forests in the parish with one in each of the parish's three communities. In 2011, BCT created the Finzean Community Path by leasing the route.

- 7 Each of the fourteen sites above that BCT now manages, is described in BCT's annually updated Schedule of Lands and Buildings,. The descriptions each include a summary of the concerns that gave rise to BCT's involvement in the site, the legal basis of BCT's involvement in it, the history of BCT's management to date and BCT's current plans for the site.
- 8 The development and management of this dispersed estate of lands and buildings on behalf of the community, has involved BCT in many different projects and has been BCT's main activity since it started.
- 9 During the same period, however, BCT has also undertaken a wide range of other projects to investigate, conserve and promote the parish's natural and cultural heritage, as well as a variety of other initiatives to contribute towards the common good of the local community.
- 10 The natural heritage projects have involved both the sites that BCT manages and the parish more generally. They include an increasing number of species and habitat surveys, as well as management initiatives such as BCT's cooperation with other local land owners over capercaillie conservation and deer control.
- 11 BCT's cultural heritage projects have been based around BCT's development of the Birse Parish Archive at Finzean Old School. The Archive now holds a diverse collection of old documents, parish records, photographs and different types of artefacts that relate to the parish, as well as reports on different aspects of the parish's history that have been researched as BCT projects.
- 12 BCT's Updates and Annual Reports provide a record of the natural and cultural heritage projects that BCT has carried out over the years, as well as the diversity of BCT's other activities from publishing local history books to organising local site visits, holding events and engaging in other forms of community involvement.

Management

- 13 BCT was busy managing land, buildings and other projects as soon as it started in 1998 and since then, the core challenge for the local Trustees managing BCT for the community has always been to have sufficient resources to meet BCT's relatively extensive responsibilities and commitments.
- 14 BCT's approach to meeting this challenge has included two important aspects since it started, that reflect that BCT was set up to increase the capacity of the community.
- 15 The first aspect is that BCT has always avoided trying to raise funds for its projects within the community, so that it is not competing with other groups in the community for local donations. BCT has had some donation from local members, which have been very gratefully received. However, essentially all of BCT's total income of £1.88 million over its first 17 years, has come from sources outside the parish.

- 16 Nearly £0.5 million or 30% of BCT's total income has been capital funding that BCT received to buy properties. BCT's average annual income over the period excluding the capital funding, has been around £80,000. This income has consisted of grants (55%), donations (24%) and sales (21%).
- 17 A key develop in BCT's income was when it eventually managed to buy Slewdrum Forest (2006) and then Balfour Forest (2010). BCT's strategy from its inception had been to acquire these forests, so that BCT could generate an income from timber sales to help BCT meet its own core operating costs and the costs of other project work for which there are no grants.
- 18 In 2007, after BCT bought Slewdrum, it set up the Birse Trading Company (BTCo) as a subsidiary company to manage the forest and donate surplus income to BCT. Over the 9 years 2007-15, BTCo contributed an average of around £20,000 a year to BCT to help BCT fund its operation. This average excludes a specific donation of £75,000 by BTCo to enable BCT to establish an Endowment Fund, as part of improving BCT's finances.
- 19 The second aspect of BCT's approach to increasing the capacity of the community, has been its limited use of volunteers. BCT's Trustees and BTCo's Directors have always been unpaid volunteers and BCT has benefited significantly by people contributing to its projects as volunteers, particularly with its natural and cultural heritage projects. However, the amount of work required by BCT and the nature of much of the work means that it needs to be carried out by professional contractors.
- 20 BCT's use contractors minimises BCT's competition with other groups in the community for volunteers to help with community activities. At the same time, BCT's approach has always been to pay as local as possible individuals and companies to carry out the work required by BCT, and this local employment is part of the local benefits of the work BCT is carrying out.
- 21 As part of this approach BCT has always monitored the geographic pattern of its expenditure. This has averaged over £75,000 a year excluding property purchases, and during BCT's first 17 years, an average of over 50% of BCT's expenditure has been spent within Birse parish each year and an average of 75% in the parish and Mid Deeside area.
- 22 This local expenditure over the last 17 years has involved an average of over 30 different local contractors each year. These contractors have included people locally who have taken on regular work for BCT to help with its administration or project management, as well as others involved more infrequently to carry out particular types of work.
- 23 BCT's approach to these two aspects of its income and expenditure mean that all BCT has achieved on behalf of the community over its first 17 years has, firstly, been at no direct financial cost to the community and has, secondly, resulted in the majority of the expenditure involved contributing to local incomes.

1.3 Current Context

- 1 BCT's previous Strategic Plan for 2011-15 started shortly after BCT achieved its long term goal of acquiring Balfour Forest. While this enabled BCT to make major improvements to Balfour and Slewdrum Forests during the period of the Plan, BCT also benefitted more generally from the greater financial stability that resulted from being able to derive some timber income from both forests.

- 2 BCT's Annual Report on 2015 reflected that BCT's Trustees considered that BCT was in a relatively sound position at the end of BCT's Strategic Plan for 2011-15. The lands, buildings and other projects which BCT manages were in reasonably good order and BCT's administration was working well. BCT also had sufficient funds at the year end, for the Trustees to consider that BCT should be able to meet its responsibilities and commitments in 2016.
- 3 The key task for BCT's Trustees is to maintain and improve on that position over the period of this Strategic Plan for 2016-20.
- 4 There are many aspects of BCT's current operations and standards to be maintained over the next five years, given the scale of BCT's existing commitments in managing the lands, buildings and other projects for which it is already responsible, and BCT's established patterns for the relatively extensive administration involved in managing BCT.
- 5 However, there is also a continuing need to improve and develop BCT. It remains a challenge for BCT each year to ensure that it has sufficient resources to meet its commitments and responsibilities. There is also significant scope to improve aspects of BCT's current operations and BCT always aspires to develop further projects that benefit the community.
- 6 In this Strategic Plan, the Trustees describe BCT's plans over the next five years for each of the three main components of the management and operation of BCT:
 - Governance* - how will BCT be managed on behalf of the community?
 - Activities* - what are the projects and other activities that BCT plans to carry out?
 - Resources* - how does BCT plan to have the resources to implement its plans?
- 7 BCT's Trustees consider that BCT has achieved a great deal over its first 17 years and recognise that BCT starts this Plan in a more stable financial position than previous plans. The Trustees hope this will provide a good platform for BCT to improve and develop over the next five years.

2. GOVERNANCE

Strategic Objective - to fulfil all relevant statutory, legal and other regulatory requirements in all BCT's activities, and operate in ways that also meet high standards of good governance.

2.1 Constitution

- 1 BCT is constituted as a company limited by guarantee (*Scottish Company Number SC188799*), with its objects, powers and duties set out in its Memorandum and Articles of Association. BCT's operation as a company is governed by UK Company Law and as a Scottish company, BCT reports annually to Companies House in Edinburgh.
- 2 BCT is also a registered Scottish charity (*Scottish Charity Number SC028220*), with its charitable objectives being the four objectives in BCT Memorandum and Articles. All BCT's activities and expenditure need to further these charitable objectives. BCT's operation as a charity is governed by Scottish charity law and as a charity, BCT reports annually to the Office of the Scottish Charity Regulator (OSCR).
- 3 The need for BCT to update or revise aspects of its Memorandum and Articles arises from time to time, and BCT has passed amendments at 6 of its 18 AGMs to date. BCT has no plans for further amendments at present. However, during the period of this Plan, the Trustees will propose amendments to its Memorandum and Articles if the need arises.

2.2 Trustees

- 1 BCT is, like other companies, controlled by its voting membership. This consists of BCT's Ordinary Members, with everyone on the public Electoral Register for the area covered by the civil parish of Birse eligible to be a voting member of BCT.
- 2 BCT's Ordinary Members are responsible for electing up to 7 individuals who are also Ordinary Members to be the company directors or Trustees who, as the Board of Trustees, manage BCT on behalf of the local community.
- 3 BCT increased the potential number of elected Trustees from 5 to 7 by amending its Articles at its AGM in 2015, to strengthen the Board of Trustees by increasing the number of individuals contributing. Trustees will aim to achieve and maintain a full complement of elected Trustees during the period of this Plan.
- 4 The Board of Trustees also has the power to co-opt up to two additional Trustees, when this is considered appropriate. There could be a range of reasons why Trustees might consider this option during the period of this Plan. However, Trustees will consider using the power to co-opt in the following three circumstances:
 - (a) *Elected Trustees*: BCT has generally had a full complement of Trustees during its 17 years to date, but this has not always been the case in recent years. Trustees will consider using the power to co-opt if there are less than 7 elected Trustees following a BCT AGM.
 - (b) *Gender Balance*: BCT aims to have a reasonable gender balance amongst the Trustees on the Board. This was always the case until after BCT's 2015 AGM, albeit the

balance was always three men and two women. Following BCT's 2016 AGM, it became 4:1. Trustees will consider using the power to co-opt when that is considered appropriate to have a reasonable gender balance amongst Trustees.

(c) *Community Representation:* BCT aims to have a Board which includes Trustees from each of the parish's three communities, and to have a reasonable balance between those from Finzean and those from Birse and Ballogie, as the two halves of the parish. Both these have generally been the case to date, with limited exceptions for Birse and for Ballogie. Trustees will consider using the power to co-opt to have Trustees from each of the parish's three communities and a reasonable balance between them.

- 5 The term of a co-opted Trustee ends at the next AGM, while an elected Trustee can serve up to 5 years and then be eligible for re-election for one further period of 5 years. During BCT's first 17 years to its 2016 AGM, 33 members of the community or 5% of the number of voters of the current Electoral Register, have served as a BCT Trustee. Trustees will aim to ensure that the role of a Trustee continues to be one that can be taken on by a wide cross section of local community members.
- 6 BCT has a diverse range of involvements and it is important that BCT is organised so that it can provide appropriate support to Trustees in carrying out their role. As part of this during the period of this Plan, BCT will:
 - (a) *Retained Advisers:* BCT has particular legal responsibilities as a company, as a charity, as an owner and manager of land and buildings, and more generally in its operations and activities. Trustees will therefore continue to retain appropriate legal and accountancy firms to act as BCT's advisers on these and related matters.
 - (b) *Induction and Training:* There is the opportunity to elect at least one new Trustee at each of BCT's AGMs. There are many different aspects to BCT's operations for new Trustees to learn about. Trustees will therefore maintain and improve the current level of induction provided for new Trustees and of other training opportunities for Trustees to assist them in their role.
 - (c) *Administrative Support:* BCT's diverse involvements mean that Trustees have to consider many different topics at their Board Meetings each year. However, an important factor in keeping the role of a Trustee accessible and enabling Trustees to fulfil their responsibilities appropriately, is that their time commitment and work load are kept at a reasonable level. Trustees will therefore maintain and improve the current level of management and administrative support available to the Board.
- 7 Individual Trustees become more familiar with BCT's operations and more experienced at managing BCT, the longer they serve as a Trustee. While many factors can affect how long someone serves as a Trustee, BCT benefits from a good level of experience amongst the Board of Trustees. The six Trustees between BCT's AGMs in 2015 and 2016 had a collective 20 years experience as Trustees. During the period of this Plan, Trustees will aim to increase the total number of years experience as a Trustee of the Trustees on the Board from the 20 year level.
- 8 As part of managing BCT during the period of this Plan and in addition to BCT's Annual General Meeting, Trustees will continue to hold 8 or more Board Meetings each year and have an annual Trustees' site visit to each property managed by BCT.
- 9 During this Plan, Trustees will annually review and amend if appropriate, BCT's Trustees Code of Code, General Code of Conduct, Equal Opportunities Policy and Health and Safety Policy at the first meeting of the Board after BCT's AGM

- 10 During the period of this Plan, the Trustees will aim to manage BCT in ways that maintain and develop BCT's capacity to continue to fulfil its responsibilities and further its objective to promote the common good of the local community in Birse parish and deliver wide public benefits.

2.3 Membership

- 1 BCT is controlled by its voting membership, which consists of BCT's Ordinary Members. Previously, from when BCT started in 1998 to its 2015 AGM, BCT was constituted so that everyone on the Electoral Register covering Birse parish was automatically a voting member of BCT. However, BCT had to revise this membership arrangement to ensure it continued to comply with company law. Now, while everyone on the Electoral Register covering the parish is still eligible to be a voting member of BCT, they need to sign a BCT membership form to become one.
- 2 The change in membership arrangements does not affect BCT's role of promoting the common good of the whole community, and BCT considers that it is vital as a matter of principle that BCT should remain accountable to as many members of the community as possible. The Trustees are therefore committed to making a sustained effort to encourage as many people as possible on the Electoral Register for the parish area to become BCT members,
- 3 By the end of the first year of the new membership arrangement in 2016, BCT had over 300 signed up members. This was approximately 50% of the number of voters on the Electoral Register at the time and represented one or more BCT member in over 50% of the households in the parish. The Trustees' aim is that, by the end of 2017, BCT will achieve a membership of 70-75% or more of those on the Electoral Register for the parish, with one or more members in 80-85% or more of local households.
- 4 BCT recognises that it will lose members each year due deaths and people moving out of the area. The number of people on the Register is also continuing to increase due to the growing population in the parish, and the recent addition of 16 and 17 year olds to the Register. To deal with the continuing turn-over in the composition of the community, the Trustees will develop a systematic approach to maintaining its membership at its target level. This will include:
 - speaking with potential members when opportunities arise;
 - contacting individuals in households where there is already one or more member;
 - encouraging young people to become members when they first join the Register;
 - letting new residents in the area know about BCT and becoming a member.
- 5 The Board of Trustees is accountable to BCT's voting membership over how the Board manages BCT and will aim to maintain consistently high standards of transparency and accountability in all BCT operations. Aspects of this include BCT's AGMs, Board Meetings, Patron's role and communication with its membership.
- 6 BCT's AGM is its main formal meeting each year and BCT writes to each household in the parish to invite each BCT member and others on the Electoral Register to attend. The Trustees will aim to make BCT's AGMs interesting and positive events to attend as part of achieving a good turn out.
- 7 The average attendance of BCT members at its 18 AGMs to date has been 52, although the average over the last few years has been just below that. During the period of this

Plan, the Trustees will continue to review each AGM after the event as part of aiming to achieve a target of 50 or more BCT members at each AGM.

- 8 Trustees will also continue to maintain BCT's records of attendees at AGMs. This enables BCT to monitor and encourage proportional levels of attendance from each of the three communities in the parish, as well as to aim to continue to have more than 5% of the members present attending their first BCT AGM.
- 9 The Trustees will maintain the current openness of Board Meetings, with any member of BCT able to arrange to attend a Board Meeting, and with Board Minutes written in a style that is informative to those not present. Minutes will also be put on BCT's website promptly once they have been agreed by the Board. More generally, any BCT member will be able to arrange to examine any of BCT's files or papers, except any explicitly marked as 'confidential'.
- 10 BCT considers having a Patron as part of its accountability arrangements. While BCT does not need to appoint a Patron, it has the option in its Articles of Association and has appointed four local Patrons in succession since it started. Each has been proposed by the Trustees, endorsed by BCT's AGM and appointed for a three year, renewable term. The Patron has no specific responsibilities. However, BCT's aim is that a Patron should be a well respected member of the local community and a channel that a BCT member (or other person) could use if, for example, they felt that the BCT's Board was not responding appropriately on an issue. Therefore, during this Plan, the Trustees will continue to appoint a Patron subject to suitable candidates willing to serve in the role.
- 11 BCT has always been committed to informing its members about its operations more fully than just the formal requirements in its Memorandum and Articles. During BCT's first 11 years, it circulated an illustrated BCT Update half yearly to every household in the parish to report on its activities. BCT then changed in 2010 to the current approach of an illustrated, extended Trustees Report in its Annual Report. During the period of this Plan, the Trustees will continue to provide an illustrated account for members of BCT's operations and activities each year, whether this is part of the Annual Report or not.
- 12 BCT's website is a valuable way for BCT to be able to inform members and others of its activities and make available documents involved in BCT's management. BCT aims to keep the website up to date and adds additional material every year. During this Plan, Trustees will maintain and improve the information about BCT's operations and activities on its website. BCT's website is still based on its original design from well over 10 years ago and during this Plan, the Trustees will consider replacing BCT's current website with an improved design to make the site more engaging and better use.
- 13 Informing BCT's membership about its operations and activities is an important aspect of BCT's accountability, and BCT does this in a variety of ways in addition to its Annual Report and website. BCT uses the local Portrait in our Time (POOT) email newsletter and places items in Community Association newsletters, as well as direct contact through meetings and site visits. However, other than BCT's Annual Report, BCT's approach to communicating with its members and the community generally, is relatively limited and *ad hoc*. During this Plan, the Trustees will develop an improved and more systematic approach to communicating with BCT's membership.
- 14 One part of BCT's communication and accountability that is discussed later in section 4 of this Plan, is the level of BCT's direct community engagement and involvement of local members in its projects and other work.

2.4 Community Representatives

- 1 BCT's core local partnership is with the parish's three Community Associations (Finzean, Ballogie, Birse Area) and two Community Councils (Finzean, Birse & Ballogie).
- 2 While BCT's role is to develop and implement projects on behalf of the communities in Birse parish, the Community Associations and Community Councils are responsible for representing the views of their local communities. All BCT members are also, by virtue of being on the Electoral Register, a member of one of the Community Associations and a member of the electorate for one of the Community Councils.
- 3 BCT's relationships with these representative community bodies is a key aspect of BCT's accountability to the local communities in the parish. BCT will therefore continue to work closely with the parish's Community Associations and Community Councils and be guided in its work by their concerns and interests.
- 4 A central part of that relationship is the Birse Parish Liaison Group (BPLG), consisting of the three Community Associations, two Community Councils and BCT. The BPLG facilitates the exchange of information, cooperation and consultation between members of the Group on matters of shared interest. BCT provides the secretariat for the BPLG, which meets on average twice a year and is an important part of the local democracy in the parish. During this Plan, BCT will continue to provide the secretariat for the BPLG and encourage its further development.
- 5 Importantly from BCT's point of view, the BPLG's Terms of Reference include that '*A specific role of the Group is as a parish wide forum of community representatives to provide advice, guidance and comment to BCT on its actions, operations and plans*'. As described in the Background section of this Plan, the elected members of the community bodies that make up the BPLG, include 40 or more different individuals each year from over 10% of the parish's households. This makes the BPLG a very valuable level of consultation and accountability for BCT and during this Plan, BCT will maintain and develop the extent to which BCT is consulting through the BPLG on its operations and plans.

3. ACTIVITIES

Strategic Objective - to conserve and develop the lands, buildings and other property rights and interests managed by BCT, and undertake other projects and initiatives to benefit the local community and wider public.

3.1 Charitable Purposes

- 1 BCT is a company constituted through its Memorandum and Articles of Association. In BCT's Memorandum, paragraph 3 states that BCT was '*formed to benefit the community within the Parish of Birse*' through the four objectives that are set out in the paragraph.
- 2 These objectives are also BCT's charitable purposes as a registered Scottish charity, and all BCT's activities and expenditure need to further one or more of these four charitable purposes.
- 3 Two of these purposes are the traditional charitable purposes 'to relieve poverty' and 'to advance education'. BCT's other two charitable purposes were based on the main planned activities for BCT once it was set up and involve environmental conservation and community well being.
- 4 BCT's environment purpose is to conserve, restore and promote native woodlands, their flora and fauna and the natural environment in Birse parish generally for local and wider public benefit. This objective was based on the significance of the existing native woodlands in Birse parish and the wider importance of native woodlands and forests to the identity and cultural heritage of the parish.
- 5 BCT's local community purpose is to promote the social welfare of the inhabitants of Birse parish by providing facilities and undertaking activities to improve the conditions of life for the inhabitants of the parish for local and wider benefit. This objective was based on the importance of local community facilities and the parish's cultural heritage to local community well being and development in the parish.
- 6 There is a high level of synergy between BCT's environmental, social and educational charitable purposes, with many of BCT's activities each year contributing to more than one of these three purposes. BCT has had no little involvement to date with the relief of poverty, given the relatively limited levels of multiple social deprivation in Birse parish and the other support services available.
- 7 During the period of this Plan, BCT will continue to summarise the overall purpose of BCT's charitable objectives and all its activities as being to promote the common good of the inhabitants of Birse parish and deliver wider public benefits.
- 8 BCT's plans to implement its strategic objective for its activities over the next five years, are described below under BCT's three main types of activities. These are, firstly, managing the lands and buildings for which BCT is responsible, secondly, carrying out natural and cultural projects related to the parish and thirdly, undertaking a range of other local projects and initiatives

3.2 Land and Building Management

Dispersed Estate

- 1 BCT's main activity since it started has been managing a dispersed estate of buildings and land spread across the parish. Each of the fourteen sites involved is described in BCT's annually updated Schedule of Lands and Buildings. The descriptions each include a summary of the local concerns that gave rise to BCT's involvement in the site, the legal basis of BCT's involvement in it, the history of BCT's management to date and BCT's current plans for the site.
- 2 The fourteen sites managed by BCT contribute to the identity and well being of the communities in Birse parish. The sites can be seen as consisting of three types:
Historic Sites (5) - the Birse Parish War Memorial site at Corsedardar, Birse Kirk, the Ballogie Soutar's Shop, Finzean Sawmill and the Bucket Mill.
Community Facilities (6) - Birse Community Hall, Finzean Old School, the Birse Parish Archive Building, Finzean Community Woods and School Wood, and the Finzean Community Path.
Forests (3) - the Commonly Pinewoods and wider Forest of Birse Commonly, Slewdrum Forest and Balfour Forest.
- 3 BCT's plans for each site over the next five years are considered below, with the sites grouped under the above three headings. The management of these sites is a major on-going commitment for BCT on behalf of the community. During this Plan, BCT will maintain and improve the management of each of the sites for which BCT is responsible, to high standards.
- 4 BCT has become involved with each of these sites because of their value to the local communities in Birse parish. During this Plan, BCT will remain prepared to become involved with other sites in the parish where this addresses a community issue or promotes local opportunities, and if the Trustees at the time judge it practical and prudent for BCT to become involved.
- 5 BCT will aim to organise a minimum of two guided visits for members to a BCT site each year during this Plan, while also looking for other ways and opportunities to encourage the sense of involvement of local members in sites managed by BCT.

Historic Sites

- 6 The land that BCT manages at *Corsedardar* is a prominent community site with the Birse Parish War Memorial and Birse Parish Millennium Stone, as well as the ancient Dardanus Standing Stone. During this Plan, BCT will continue to maintain Corsedardar to high amenity standards. BCT will also continue to organise the annual Remembrance Sunday Event at the War Memorial and will plan to hold a community event at the Millennium Stone on 1st January 2020, following the events in 2000 and 2010. BCT will also replace the interpretation panel at Corsedardar during this Plan, as the original one is no longer readable.
- 7 BCT has leased the *Birse Kirk* to the Ecumenical Trust for Birse Kirk (ETBK) since 2003. Under the 25 year lease, ETBK is responsible for the management, maintenance and repair of the historic building. During this Plan, BCT will continue to meet ETBK annually to liaise over the lease and conservation of Birse Kirk.

- 8 The *Ballogie Soutar's Shop* is considered with its contents to be the only *in situ* traditional rural shoemaker's premises still surviving in the UK. BCT has catalogued the contents of the Shop as part of its Parish Archive collection. During this Plan, BCT will continue to maintain the Soutar's Shop building and conserve the Shop's contents. BCT will also continue to organise visits for local members to the Soutar's and accommodate other education group visits.
- 9 The *Bucket Mill and Finzean Sawmill*, with the Duncan's Turning Mill on BCT's land at the Sawmill, are important parts of the parish's surviving forest heritage and there are no equivalent surviving mills elsewhere in the UK. The restoration, conservation and continued operation of the Mills has been a major ongoing involvement for BCT since it started. This will continue to be the case during this Plan. The next five years will be an important period in the conservation of the Mills due to several factors. These include the end of sawing at the Sawmill due to Health & Safety, the loss of the Sawmill weir in the 2016 New Year floods and the possible retirement of the millers, David Duncan and Stan Moyes, who have each operated the Mills since long before BCT started.
- 10 During this Plan, BCT will repair the 2016 New Year flood damage at each of the Mills, including repairs to the Sawmill weir. BCT will also continue to carry out an annual programme of maintenance, repairs and renewals at the Mills. As part of this, BCT will ensure the wheel and main drives at each mill are run on a regular basis as part of conserving the Mills. A priority will be to ensure a high level of knowledge transfer from the current millers to successors who will become responsible for working the Mills.
- 11 BCT will also aim during the next five years to secure ownership of remaining parts of the historic Sawmill site, and to complete a Conservation Plan for the Mills in discussion with Historic Environment Scotland and others, as part of securing the longer term future of the Mills. BCT will continue during this Plan to organise visits to the Mills for local members and other groups with a particular interest in the Mills.

Community Facilities

- 12 The *Birse Community Hall* has been managed by the Birse Area Community Association (BACA) as their community hall since 2003 under a 25 year Management Agreement with BCT. Under the Agreement, BACA carries out maintenance and minor repairs, while BCT can become involved for more major repairs. During this Plan, BCT will continue to meet BACA annually about the maintenance of the Birse Community Hall and continue to support BACA's management and use of the Hall.
- 13 The main building at *Finzean Old School* provides BCT with an essential office building for office work, meeting space and storing BCT records and other items. During the last 10 years, BCT has invested in two major projects involving the future of the building, both of which have come to nothing. As the use of the building is limited by the difficulties and high expense of heating it, BCT developed a project during 2008-10 to supply wood chip heating to it, BCT's Archive Building, the Primary School and School House. However, one of the project's grant applications was unsuccessful at the final stage. BCT was then involved during 2011-13 with others in the development of the Old Schools Proposal, which would have involved BCT's offices moving to the Ballogie Old School and the Council's Nursery moving from there into Finzean Old School, so it shared the same school campus with the Primary School. However, while the proposals was strongly supported locally, nothing came of this due to Council funding constraints at the time.

- 14 BCT will continue to maintain and repair the Old School building as BCT's offices. BCT will also continue to consider options for greater use of the Old School building during this Plan, while ensuring BCT still has adequate office space. As part of that, BCT recognises that the community in Ballogie now no longer supports the Old Schools Proposal, because of the current contribution of the Nursery to community life in Ballogie. Finzean Primary School is very important to the local community and during this Plan, BCT will maintain a presumption against options for the Old School that would prevent the building being available for use by the School, if its availability might contribute to the continued operation of the School at some stage.
- 15 The *Birse Parish Archive Building* on the Finzean Old School site is in better condition than the main building, because of the extensive work done to it by BCT to make it suitable for housing the items in BCT's Parish Archive collection. During this Plan, BCT will continue to maintain and repair the Archive building.
- 16 During this Plan, BCT will continue to manage and maintain the *Finzean Community Woods, Finzean School Wood* and *the Finzean Community Path* to high standards of amenity. This will include continuing to encourage and support use of the School Wood by Finzean Primary pupils and to liaise closely with Finzean Community Association over the management of the sites. Most of the car park for Finzean Hall is on land leased by BCT and BCT is keen to support more of Finzean Hall car park being tarred during this Plan, if funds are available.

Forests

- 17 The *Forest of Birse Community* has a very unusual legal constitution, with one party owning the solum of the ground (Birse Estate), two parties sharing the shooting rights (Birse and Ballogie Estates) and a third party holding the other land use rights (BCT). The management of the Community depends on cooperation and agreement between the parties for their interests. During this Plan, BCT will continue to work closely with Birse and Ballogie Estates over the management of the Forest of Birse Community.
- 18 The cooperation between the parties includes an annual meeting each spring to discuss the management of the Community, with BCT providing the secretariat for the meetings. The North Hill Management Agreement is an agreement between BCT and the two Estates, to provide BCT with sufficient clarity to be able to claim forestry grants over the Community Pinewoods area. This Agreement, which has been extended previously, currently runs to 2021. During the period of this Plan, BCT aims to develop and agree with the other parties a clearer operating framework for communication and cooperation over different land uses in the wider Community.
- 19 BCT is currently implementing its FC Scotland approved Forest Plan 2011-30 for the Community Pinewoods, which cover 525 ha of the nearly 4,000 ha Community. The Plan mainly involves encouraging the natural regeneration of the pinewoods, planting some native pine seedlings in the 2003 wildfire site, establishing the individual protected planted native broadleaves, maintaining the network of tracks in the pinewoods area and ensuring adequate deer control. During the next five years, BCT will continue to implement BCT's Forest Plan 2011-30 for the Community Pinewoods.
- 20 BCT aims to extend its native broadleaved planting in the wider Community, particularly in areas beside the Feugh and its tributaries to restore and link up areas of riparian woodland. During this Plan, BCT will develop and start to implement a new programme of native broadleaved planting in the Community beyond the Community Pinewoods area.

Another main aim in the Commonty during the next five years, is to resolve the issues over the route of the Fungle in the Balloch area. During this Plan, BCT aims to develop and implement a project to re-route the Fungle to the east of Birse Castle by restoring part of the original historic route.

- 21 BCT leases *Slewdrum Forest* (173 ha) and *Balfour Forest* (241 ha) to its subsidiary BCTCo, to implement BCT's approved Forest Plan 2011-30 for each Forest. In the next five years, there will be some further timber harvesting in each Forest, as well as further planting and natural regeneration. BCT hopes that the natural regeneration will have spread to the top of Balfour Forest by 2020 and that there will be further improvements to access routes in the Forest by then. BCT will continue to monitor the implementation by BCTCo of the Forest Plans for Slewdrum and Balfour Forests.
- 22 Following BCT's purchase of 5 ha of land as an addition to Slewdrum in 2016, BCTCo is due to erect some new boundary signs and carry out some other improvements on the new land. BCT will monitor the implementation of the work due by BCTCo to integrate the additional land at Slewdrum into the Forest. During this Plan, BCT will investigate whether social housing might be an option for the Ord site in Slewdrum. BCT will also seek to agree a new Minute of Agreement with the Commonty Fishing owners over the management of the Fishing Track on BCT's land to replace the current, out of date Agreement from the 1950s.

3.3 Heritage Projects

- 1 BCT is committed to conserving and promoting the Birse parish's natural environment and the local community's social well being. BCT carries out natural and cultural heritage projects as part of promoting these objectives. While some of these projects relate to the sites that BCT manages, other projects involve other local sites or all of the parish.

Natural Heritage

- 2 BCT aims to improve the natural heritage interest of the areas of land it manages, and BCT's largest natural heritage project is the restoration of native woodlands in parts of the Forest of Birse Commonty. BCT also cooperates as a land owner over parish wide wildlife management initiatives with the three other largest land owners in the parish, Finzean, Ballogie and Birse Estates. An example is the Birse Parish Deer Management Group. These parish wide initiatives include other topics such as capercaillie and black grouse conservation and raptor monitoring. During this Plan, BCT will continue to cooperate with other local land owners over local wildlife management issues and local land management generally.
- 3 BCT has also carried out an increasing number of habitat and species surveys and studies in the parish over the years, while also encouraging work by outside researchers and compiling existing records about the natural heritage of the parish. BCT holds all its natural heritage reports and records at Finzean Old School, and has produced several publications about the parish's natural heritage. BCT shares its species records with the North East Scotland Biological Recording Centre. During this Plan, BCT will aim to carry out further local habitat and species surveys and continue to compile natural heritage records about the parish.
- 4 BCT encourages and supports Finzean School to carry out natural heritage projects in the School Wood. BCT also recognises that there are members of the local community who are interested in natural heritage topics, who might become involved in appropriate

projects. For several years over 10 years ago, when BCT had a funding package from SNH for natural heritage projects, BCT had a Natural Heritage Advisory Group of interested local members involved in helping identify and supervise a range of the projects. During this Plan, BCT will aim to identify and develop natural heritage projects that involve more members of the community.

Cultural Heritage

- 5 BCT has been actively involved in conserving and promoting the parish's cultural heritage since it started, because of the importance of the history of the area and the local community to local identity and community development. All the buildings that BCT owns are significant parts of the parish's cultural heritage. The hub of BCT's cultural heritage projects is the Birse Parish Archive in the building at Finzean Old School which was, in part, the original 18th century school building.
- 6 The Parish Archive is a collection of items of interest related to Birse parish. The collection is all housed in the Archive Building, apart from some of the items in the collection which BCT acquired with the Mills, Soutar's Shop and Birse Kirk and which have been left in situ at those sites. Some larger items are also stored in the Birse Hall steading. BCT started the Archive shortly after it was set up and the Collection includes a diverse range of documents and artefacts that have been donated to BCT, as well as records and reports that have been produced as part of BCT projects. BCT has Acquisition and Disposal Policies to guide what is accepted into the Collection and to define the circumstances in which BCT might remove anything from the Collection. During this Plan, BCT will continue to maintain, conserve and develop the Parish Archive Collection.
- 7 Over recent years, BCT's management of the Archive has been on a care and maintenance basis following a couple of false starts in involving people to project manage the Archive. One result of this is that, while donations are still being made to the Collection, cataloguing and storing items appropriately has fallen behind. During this Plan, BCT will improve the supervision and management of the Parish Archive.
- 8 As part of managing the Archive, BCT has held exhibitions of items from the Collection and produced local history publications to make the Collection more accessible and improve local awareness of the parish's history. However, there has been little activity in recent years and BCT has made limited use of its website to show items in the Collection. During this Plan, BCT will aim to hold at least one Archive exhibition a year and make better use of BCT's website as part of improving access to the Archive Collection.
- 9 BCT has continued to undertake individual projects on aspects of the parish's cultural heritage. In recent years, these have ranged from projects on the archaeology of the Forest of Birse to projects investigating the official census statistics that describe the current community and show how it is changing over the years. BCT recognises that there are many people in the community who are interested in local history and considers that there is significant scope to involve more people in helping with local history projects, with the Archive providing a base for increased project activity. During this Plan, BCT will aim to involve more members of the community in developing an increasing number of local cultural heritage projects.

3.4 Other Projects and Initiatives

- 1 BCT as a company is constituted with wide ranging powers for the types of activities it can carry out, so long as the activities further one or more of BCT's charitable purposes. The nature of BCT's purposes means that BCT's project activities can generally be considered under the three previous headings above. BCT's main 'Other Projects and Initiatives' involve sales by BCT for supplying local goods or services (other than commercially harvested timber from BCT's forests).
- 2 BCT has always sought to earn some income each year from sales, as part of trying to remain viable. Some 'sales' can be simply because a funding body pays its grant for a project on receipt of an invoice, rather than a grant claim form. However, BCT has always sold wooden items from the mills and BCT publications, as well as occasional other types of items. Local services provided by BCT have included charging for some visits to BCT sites and being paid to organise local consultations in the parish for public bodies. In all cases, the sales complement BCT's charitable purposes (for example, supporting the mills, improving local consultations). During this Plan, BCT will look for and develop opportunities for BCT to earn income from the sale of local goods and services that support BCT's other activities.
- 3 A particular type of sales has been the subscriptions paid by BCT's Associate Members. The scope for BCT to have Associate Members is set out in BCT's Memorandum and Articles. These members pay an annual subscription and are entitled to attend BCT's General Meetings, but have no voting rights. This category of membership was for supporters of BCT living outside the parish and BCT actively recruited Associate Members when it started. While BCT had over 150 Associate Members in its early years, BCT has allowed the numbers to fall over the years to less than 50. This has mainly been because of the limited benefits that it has been offering Associated Members beyond BCT's Annual Reports. During this Plan, BCT will review whether or not to develop Associate Membership of BCT more clearly as a form of supporter's subscription.

4. RESOURCES

Strategic Objective - to manage BCT's operations in ways that are effective, efficient and transparent, and secure sufficient income to cover annual expenditure and develop adequate reserves.

4.1 Capacity

- 1 The implementation of this Strategic Plan depends on BCT's Trustees having sufficient resources each year to enable BCT to fulfil its existing commitments and the additional improvements and developments set out in the Plan.
- 2 The management of BCT involves a relatively extensive amount of work each year. This is because of the nature of the fourteen sites for which BCT is responsible, the range of its other projects and activities, and the level of administration involved in operating BCT each year.
- 3 One measure of the scale of BCT's operations is the level of its annual expenditure. This has averaged over £80K a year since BCT's first Annual Accounts in 1999 (excluding capital expenditure, but including BCT's subsidiary BCo since 2008). The figure in Annex 1 also reflects that BCT's annual expenditure has been around that average level most years.
- 4 Since BCT started, there have been two core aspects to its approach to having sufficient resources to be able to operate viably. Both aspects reflect BCT's aim of increasing the capacity of the local community to act on its own behalf. Firstly, BCT does not raise funds locally for its projects to avoid competing with other groups within the local community. Secondly, BCT employs as local as possible individuals and businesses to carry out the work required by BCT below the level of the Trustees, minimising its competition with other local community groups for the limited pool of voluntary time within the community. These approaches mean that BCT's achievements since it started have all been at essentially no direct financial costs to the community and have been achieved by paying local people to carry out the majority of the work required.
- 5 BCT's Annual Report on 2015 reflects that BCT was in a reasonable sound position after its first 17 years, but it remains a central challenge for Trustees each year to have the necessary human and financial resources to be able to operate BCT viably. The implementation of this Plan will require Trustees to manage BCT in ways that maintain and increase BCT's capacity to fulfil its responsibilities and develop further BCT's contribution to the common good of the local community.
- 6 An important aspect of BCT's capacity is its ability to cope with negative impacts on its resources. These could include, for example, an unexpected large increase in expenditure or significant reduction in anticipated income, or the loss of a key person from BCT's management. While BCT's ability to withstand such events has improved over the years, it remains relatively vulnerable to the impact they can have. During this Plan, Trustees will aim to manage BCT in ways that improve BCT's resilience against adverse changes in circumstances.

4.2 Management

- 1 BCT's Trustees are responsible for directing and overseeing the management of BCT through their Board Meetings and other meetings, site visits and involvements. The management of BCT below the level of the Board is then implemented by the Trustees contracting out the work required to a range of different self employed individuals and other businesses.
- 2 BCT's policy has always been to use as local as possible contractors to carry out BCT's work and to monitor this each year by analysing the geographic distribution of its expenditure. This shows that around 50% or more of BCT's expenditure each year (excluding capital purchases) tends to be spent within the parish and around 75% or more in the parish and Mid Deeside area. During this Plan, the Trustees will monitor the extent of BCT's use of local contractors by analysing the geographic distribution of its expenditure each year.
- 3 This approach means that there is a network of individuals and businesses in the parish and beyond, each dealing with some aspect of implementing the management of BCT. These include people carry out aspects of BCT's administration and project management on a regular basis, and others involved on a more infrequent or occasional basis. In supervising BCT's work, the Trustees will ensure that all those carrying out work for BCT do so to high professional standards and in line with BCT's General Code of Conduct.
- 4 The administration of BCT and the management of its sites and other projects involve many different aspects and a wide range of topics each year. One of the important benefits for BCT of involving a number of different people in BCT's administration and project management, is to improve BCT's knowledge security. During this Plan, the Trustees will ensure that BCT's approach to its administration and project management aims to minimise the loss of knowledge and experience when the individuals involved change.
- 5 An important aspect of BCT's knowledge security and ensuring that BCT operates effectively and efficiently, are the established patterns of administration that BCT has developed over the years. Much of the administration occurs on a recurrent basis and this provides a regular framework for the management of BCT, including the papers, reports and actions on various topics that occur at particular Board Meetings or times of year annually. During this Plan, the Trustees will maintain and develop BCT's existing administration annual work programme.
- 6 The individuals involved by BCT in carrying out the administration and management of BCT directly below the Trustees, provide the hub of BCT's operations. It is essential that this hub has the sufficient capacity to ensure effective coordination in the implementation of BCT's operations. Providing this coordination can be a challenging role, because of the range of topics and activities involved. During this Plan, the Trustees will aim to strengthen the capacity of BCT's central administration.
- 7 Another key role in BCT's operations is performed by the individuals who act as BCT's project managers. BCT's policy is that each of the sites which it manages has a project manager, with individual project managers covering more than one site where appropriate. The Archive and other BCT projects also need project managers, and increasing the number of projects that BCT is undertaking should lead to the involvement of more individuals as project managers. During this Plan, the Trustees will ensure each

BCT site has a project manager and increase the number of individuals involved with BCT as project managers.

- 8 BCT's wholly owned subsidiary BCo manages Slewdrum and Balfour Forests under leases from BCT to implement the Forest Plans 2011-30 for each Forest. BCo was set up by BCT for this role, because of the scale of commercial timber harvesting involved in managing these Forests. if BCT wanted to develop another significant commercial activity at some stage, BCo could take that on for BCT if that might be more appropriate. While BCo is an independent company, BCT's Trustees are responsible for approving (or removing) BCo's Directors. For most of BCo's existence and as at present, one of BCo's Directors has also been a BCT Trustee. During this Plan, the Trustees will aim to increase the number of BCo Directors to a minimum of four and maintain the link where a BCo Director is also a BCT Trustee.
- 9 There are many shared interests between BCT's forest management of the Community Pinewoods and BCo's management of Slewdrum and Balfour, including involvement in parish wide topics such as deer control and wildfire protection. The Directors of BCo act as advisers on BCT's pinewood management through BCT's Community Advisory Group. BCT and BCo also maintain an agreed paper on their respective roles and responsibilities to ensure clarity in the relationships between them. During this Plan, the Trustees will maintain the advisory role of BCo through BCT's Community Advisory Group and continue to work closely with BCo on a range of topics.
- 10 Below the level of BCT's Trustees, administrators and project managers, the implementation of BCT's management relies on a wide range of other local contractors. Some carry out work regularly for BCT when required, others more infrequently. BCT also benefits from cooperating with local partners in taking forward its work. These include the local Community Associations and Community Councils, other groups within the community, the three main local land owners, Finzean, Ballogie and Birse Estates, and BCT's other neighbouring land owners at the sites that it manages. During this Plan, the Trustees will aim to maintain and develop BCT's existing cooperation with other local community groups, the main local estates and other local interests.
- 11 A significant number of people in the community are involved each year in helping to carry out the work required by BCT, whether as Trustees, contractors, partners and in other capacities. However, this is distinct from people participating in projects and other activities intended to involve members of the community. Over the years, BCT has organised a wide range of activities for community involvement including, for example, different types of events, natural and cultural heritage projects, training opportunities, local consultations, site visits and other initiatives. The level of BCT's community involvement activities has varied over the years, depending on BCT's administrative and financial capacity. There is significant scope for BCT to increase this type of activity as an important part of its operations. During this Plan, the Trustees will aim to increase the number of activities that BCT organises to encourage community involvement in BCT's projects.
- 12 In addition to BCT's local partnerships, the management of BCT's sites and other projects involves contact with a range of public bodies and other interests. BCT has had on-going and very helpful relationships since it started with Forestry Commission Scotland, Scottish Natural Heritage, Historic Environment Scotland and Aberdeenshire Council. The relationships with each of these bodies have involved many different aspects over the years, including grant funding, formal approvals for BCT work and other initiatives.

During this Plan, the Trustees will aim to maintain and develop BCT's relationships with its main public sector partners.

- 13 BCT also has contact with a range of non-government organisations (NGOs) and networks as part of its work. Some NGOs can be helpful with particular projects, for example, the RSPB with local capercaillie and raptor conservation. BCT also benefits from contact with other networks. While the diversity of BCT's interests mean it could be a member of many organisations, BCT has maintained a policy of only paying a subscription to one organisation. BCT has been a member of the Development Trust Association Scotland since it (DTAS) was established. DTAS is the representative body for Community Development Trusts like BCT and provides a variety of services for members. BCT benefits from contact with DTAS and other community networks in a range of ways. These include awareness of funding schemes and other opportunities, as well as the chance to get specialised advice and to learn from the experience of others. During this Plan, the Trustees will maintain BCT's awareness of and contact with the wider community sector.

4.3 Finance

- 1 BCT's financial year runs from 1st January to 31st December and at the end of 2015, BCT completed its 17th financial year. Each year, BCT uses a firm of accountants to produce BCT's Annual Accounts and assess them as an Independent Financial Examiner. The Accounts are then submitted after BCT's AGM, to Companies House and to OSCR.
- 2 BCT's Annual Accounts 1999-2015 are on its website and provide a record of BCT's financial history. BCT has also produced BCT's Financial Tables 1998-2014 to make the pattern of BCT's finances since it started clearer. This document has sections describing some of the main financial totals in BCT's Annual Accounts and showing how each of the totals has changed over the years. During this Plan, the Trustees will update the data sets in BCT's Financial Tables to 2018, as the end of BCT's first 20 years of operation.
- 3 All BCT's expenditure has to be related to furthering its charitable purposes and the overall level of BCT's expenditure each year, is a measure of the level of its activity as a local charity. BCT's annual expenditure since it started (excluding capital payments for land and buildings), is shown in the graph in Annex 1. This reflects that BCT's average annual expenditure including its subsidiary BCo, has been over £80K and that most years the level of expenditure has been relatively close to that level. Since BCT purchased Balfour Forest in 2010, the level of its expenditure has reduced while BCo has been investing significant amounts in improving Balfour and Slewdrum Forests. That initial expenditure by BCo to improve access and other aspects of the Forests is planned to reduce over the next few years, while BCT plans to develop more projects as part of this Strategic Plan. As part of this,, the Trustees will aim to increase the level of BCT's project activity so that BCT's average annual expenditure is £60K or more during the period of this Plan.
- 4 While all BCT's expenditure is for its charitable purposes, a benchmark for BCT's performance is the percentage of its expenditure spent directly on carrying out its charitable activities as opposed to that spent on administering the charity. As BCT's administration costs are relatively independent of the number of projects it is managing, BCT's level of project activity is a main influence on the balance between the two types of expenditure. A number of factors can affect the balance year to year, such as the timing of projects relative to BCT's financial year. In recent years, the amount BCT has been

spending on project activity has reduced. With increased project activity during this plan, the Trustees will aim to manage BCT so that 66% or more of its annual expenditure is spent of project activity rather than administration.

- 5 BCT's administration costs include annual overheads such as insurance premiums, utility bills and accountancy and legal fees, as well as all the administrative work involved in operating BCT. Over recent years, BCT has improved the level of its administration while managing to keep its overall administration costs at a relatively low level. During this Plan, BCT intends to strengthen its administrative arrangements and this may lead to some increase in costs. However, the Trustees will continue monitor and carefully manage the level of BCT's administration costs.
- 6 As parts of its financial administration, BCT produces quarterly management accounts, has a system for approving payments and is committed to making payments promptly. BCT has also operated a minimum wage policy of £10 per hour since it started for anyone carrying out paid work for BCT, on the basis that the rate should be above the current statutory minimum wage and at least equal to the recognised level of a 'living wage'. During this Plan, the Trustees will maintain BCT's existing financial management systems, including its living wage policy.
- 7 BCT has had relatively high levels of annual expenditure since it started, and it has always been a challenge for BCT to have sufficient income. BCT's three sources of income are grants, donations and sales. A key distinction in BCT's income is between restricted funds, which have to be spent for the purpose for which they were given, and unrestricted funds which can be spent as the Trustees decide. Grants tend to be restricted funds and BCT needs unrestricted funds for expenditure for which grants are generally not available, including maintenance work on its properties and BCT's administration. Securing sufficient unrestricted funds is a core challenge for BCT, and it is important that BCT covers as much as possible of its expenditure with grants. During this Plan, the Trustees aim to ensure that BCT applies wherever possible for grants to cover the costs of projects and other activities for which grant funding is available.
- 8 Grants do not generally result in any net income of unrestricted funds for BCT, as the grants only cover the specified project costs. An exception to this is some of the Scottish Government forestry grants that BCT can apply for in the Forest of Birse Commonty, where the grants are paid at a flat rate per hectare or year and BCT can do the work required cheaper than the rate of grant. This has been the key factor in enabling BCT to manage its involvements in the Commonty with income from the Commonty since BCT started. During this Plan, the Trustees will aim to continue to manage BCT's interests in the Forest of Birse Commonty as an essentially self financing project.
- 9 A key issue for BCT is how it secures the level of unrestricted funds that it needs each year. The nature and scale of BCT's involvements mean that it generally needs up to £30K or more of unrestricted funds to cover its annual operating overheads, administration costs and the work on its sites and other projects for which BCT does not have grant funding. BCT's target is also to have this level of unrestricted funds at the end of each year, so that it starts the next year holding 6-12 months operating costs as part of managing BCT's finances viably. During this Plan, the Trustees will aim to have between £30-40K of unrestricted funds at the end of each year.
- 10 BCT's economic strategy has always been to own Slewdrum and Balfour Forests, so that BCT can generate its own core contribution to its need for unrestricted funds by harvesting timber from the forests on a sustainable basis. Since BCT became owner of

the forests, its financial position has become much more stable as a result of income from forests through rent and donations from BCo. The forests are managed to implement high standards of sustainable forest management. This determines the harvesting schedule and the possibility of BCo making a donation. During this Plan, some thinning is scheduled to take place in each forest and there may be further in Slewdrum before the end of the period, depending on the wind stability of some timber stands there. A range of factors make BCo's timber income difficult to predict and it is not clear that BCo will be able to make donations to BCT at its average annual level to date. Harvesting will also become more infrequent over future years and this adds to BCT's need to reduce the extent of its reliance on income from the forests. During this Plan, the Trustees will aim to reduce BCT's dependence on income from its forests by developing other sources of unrestricted funds.

- 11 The scale of BCT's requirement for unrestricted funds each year means that BCT has always aspired to build up adequate reserves to improve its resilience against significant falls in income or increases in expenditure. BCT can not hold such reserves directly in its bank accounts, because a charity is supposed to hold only 6-12 months operating costs and to spend any funds over that on furthering its charitable purposes. BCT has therefore established the BCT Endowment Fund with £75K in 2013 to produce income from interest from the capital invested and provide a fund against which BCT could borrow in the event of difficulties. During this Plan, the Trustees will aim to increase BCT's Endowment Fund to £100K or more, invest the majority of the Fund for a return judged appropriate and continue to hold part of the Fund as cash as at present as an accessible contingency reserve.
- 12 BCT might be considered to have other financial reserves, for example, the value of the standing timber in its forests and the potential scope to bring forward some timber harvesting. BCT also owns at least one site that could possibly be sold for a house. However, the Trustees view these as lines of last resort for BCT that they are committed to avoiding. During this Plan, the Trustees will also maintain BCT's policy of avoiding local fund raising within the community for its projects and other activities.
- 13 BCT has always much appreciated the local donations that it has received, and these could be encouraged to help BCT meet its costs. These donations have included some legacies and BCT considers that legacies should become an important part of BCT's longer term finances, as is the case with some other charities. Such legacies could be specifically to BCT's Endowment Fund or a particular project, or else contribute to BCT's general funding. BCT has intended for some time to produce an illustrated leaflet about leaving a legacy to BCT. During this Plan, the Trustees will encourage members of the local community to leave a legacy to BCT.
- 14 BCT has managed to improve its financial position over the years despite all the costs involved in its projects and administration. However, the level of its future income is uncertain and there are many risks and liabilities involved in the sites it manages. These include the many thousands of pounds of contingent liabilities that exist from BCT's current pine planting programme in the Commonly Pinewoods. These liabilities are the amounts of grant that BCT could have to repay if any of these areas do not become established as woodland. BCT anticipates that these trees will have largely become established successfully by the end of this Plan. However, these liabilities are only one of the factors emphasising why, during this Plan, the Trustees will continue to take a very cautious and prudent approach to managing BCT and its finances.

5. FORWARD VIEW

- 1 The purpose of this Plan is to provide a framework to guide the management of BCT over the five years 2016-20, as the next stage in BCT's development.
- 2 BCT starts the Plan after 17 years of operation with many on-going commitments, particularly in relation to the lands and buildings that BCT manages on behalf of the community.
- 3 During the Plan, the Trustees overall aims are to manage BCT:
 - to ensure BCT continues to meet its existing responsibilities and commitments;
 - to ensure BCT continues to manage the lands, buildings and other projects for which it is responsible to high standards;
 - to increase BCT's capacity to undertake more activities on behalf of the community;
 - to increase BCT's annual income and the number of projects that BCT carries out;
 - to improve the level of BCT's communication with its membership and the extent of local involvement in BCT's activities;
 - to improve the resilience of BCT's administrative arrangements and its financial position.
- 4 The Plan describes how BCT intends to pursue these aims through its strategic objectives for each of the three main components of the management and operation of BCT - its governance, activities and resources.
- 5 Under each objective, there are a series of underlined statements which represent the policies that BCT will follow to implement the Plan. These statements also provide over 100 benchmarks against which BCT's performance can be assessed during the Plan.
- 6 These objectives and policies provide the framework that will guide BCT's management during the Plan, As a strategic plan, it is about direction rather than the detail of the activities that BCT will carry out during the Plan.
- 7 The five years of the Plan is a relatively long time in BCT's terms and the particular projects that BCT is taking forward at any stage, will be managed through BCT's Annual Plans and reported in BCT's Annual Reports.
- 8 BCT's Annual Report for 2015 reflected that BCT is starting this Strategic Plan in a more secure financial position than previous Plans, and with its management and administration also both operating reasonably well.
- 9 However, despite all BCT's progress over the years, the core challenges each year remain to try to ensure both that BCT has sufficient funds to meet its commitments and that BCT has adequate capacity in its management team.
- 10 These factors emphasise the need for BCT to have a cautious and prudent approach to its development, as it aims both to do what it already does better and to do more to promote the common good of the inhabitants of Birse parish and deliver wider public benefits.

ANNEX 1

