Lael Community Woodland Project

**May 2021**

Dear Broompower Member,

LCR Board voted to purchase land surrounding our hydro footprint from Forest & Land Scotland (FLS) in August 2018. This was approved in principle at the AGM later that year. Subsequently, proposals by Ullapool Community Trust (UCT) to seek a potentially much larger Community Asset Transfer (CAT) scheme in Lael Forest have been explored.  In the last month UCT has decided to pause its interest in this wider land purchase.

A new CAT scheme is expected to become active after the Scottish Parliamentary election. LCR wishes to take forward, independently, its original plan centred around the community Hydro scheme.  Taking forward key themes from the UCT project it is really important that we are ready to make a CAT application at the earliest opportunity. In developing our proposal, we will benefit from further consultations with you as LCR members and the wider community.  The final plan will also require formal authorisation from LCR’s members.

The Board is excited by what can be achieved and we plan to include;

**1.** The purchase of the land leased for our Broompower community hydro (the Hydro footprint).  The land available to buy is in prescribed plots as set out by FLS in 2018, even though the hydro footprint is only a small part of what we must purchase; in this we have no choice (see paragraph 2).  While these plots qualify for Scottish Land Fund (SLF), the portion of our hydro footprint does not, however we are able to make separate funding arrangements for this by voluntary contributions from LCR members.

**2.** Simultaneous purchase of additional land to either side of the hydro footprint (the Lochbroom Community Woodland) under the CAT scheme as based upon the original boundaries outlined by FLS in 2018. The aim is for the two purchases to be incorporated into a single CAT application.

**3.** The areas to be purchased are referred to in the valuation commissioned by UCT as lots 4a and 4b. Lot 4a comprises 41 hectares of mixed timber of varying ages and also open ground. Lot 4b comprises 53 hectares with a large area of clear felled land plus the area between the hydro footprint and the Allt Glac Odhar. The latter area is a mix of mainly mature timber and open ground above the power house.

**4.** While the current land is designated as forestry and we need to maintain a woodland development plan (and the income it offers), community ownership allows us to incorporate exciting opportunities that cannot be realised by FLS.  Foremost in our plans will be to include primary local needs for affordable housing for rent, woodland crofts and employment opportunities. We will also explore hutting and cabin projects which could produce some much needed early income streams.

**5.** All homes should be environmentally sustainably built to passive house standards. The focus will be upon low energy requirements and new small renewables opportunities. Localism will be the guiding principle in order to create local jobs and reduce carbon emissions.

**6.** The current FLS block forest model is highly mechanised and operationally difficult in these lots.  With a future light touch woodland development plan we can optimise a range of cropping cycles, smaller more sustainable forestry and include within the plan the planting of appropriate hardwoods and species that take account of the impact of climate change.

**7.** The expansion of leisure and well-being opportunities for the community can sit alongside attractions and activities for the community and visitors.

*Paragraphs 4  to 7 outline a preliminary prospectus*.

Achieving these objectives will require broad and active support from across the community. The information and records which follow are working documents designed to provide the basis for taking the project forward.

Access is an important consideration as many of the tracks shown on maps no longer exist and there is concern over the state of the only bridge over the Allt Glac Odhar.

LCR was established to facilitate many projects.  Currently the only one up and running is Broompower. This was set out with its own business plan and share proposal and will remain as a separate entity to support its shareholders and the Ullapool Community Benefit Fund; this will not change.  Your Board’s strategy is to manage the Lochbroom Community Woodland development as a second project within LCR with its own identity and bank account. There are of course mutual benefits for both projects working within LCR; gaining ownership of the Hydro strip brings immediate and long-term financial benefits to LCR and security for the Broompower lease (currently set with FLS for 41 years).  The overall purchase improves our capital basis for LCR and opens up significant new opportunities for community benefit. This approach means:

**1.** LCR’s capital base is strengthened and ownership establishes *now*, our long term future beyond the period of the current lease.

**2.** All initial costs inherent in setting up a separate legal entity for the Lochbroom Community Woodland project are avoided.

**3.** Based upon the undernoted valuation your Board wishes to proceed with the purchase by a combination of donations from members and subject to approval by the FSA through a new share offer the purchase of additional shares totalling £50,000 to existing members. *Both are on a voluntary basis as explained in the attached application form*. The donations are needed now and should you wish to purchase additional shares*, only a pledge to do so is required for now*. We suggest pledges be kept within the £200 - £3,000 range**.**

We will lay out a detailed, costed outline to apply for Stage 1 funding from SLF. Those pledging to buy additional shares will receive further details at the time of offering.

**The Valuation relating to the proposed purchase**
The independent valuation of the Inverlael Forest lots 4a, 4b and the hydro footprint by Bell Ingram is as follows:
**Lot 4a:                           £127,000**
**Lot 4b:                           £165,155**
**The Hydro footprint     £19,845 (landlord’s interest)\***
\*Does not qualify for SLF funding.
The prices are subject to negotiation with FLS. The potential capital funding to be raised by LCR is therefore:

The Hydro footprint     £19,845
5 % of Lots 4a & 4b     £14,608
LCR total                     £34,453

The balance of 95% is met by the SLF provided there is justification in the projected community benefits.
Legal fees, LBTT and other costs could increase the total purchase including related costs to between £40k and £50k.

Yours sincerely,

Rob Gibson LCR Board Chair.

**Lochbroom Community Renewables Limited.
c/o Ullapool Community trust Office
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