

Community Asset Transfer Scheme (CATS) for our national forests and land

ASSET TRANSFER REQUEST FORM

Introduction

Please read the relevant parts of the <u>Community Asset Transfer Scheme</u> (CATS) Guidance before completing this form. You may also wish to refer to the Scottish Government's <u>Asset</u> <u>Transfer Guidance for Community Bodies</u>.

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

Please return the completed form and supporting documentation to:

Community Asset Transfer Scheme Team Forestry and Land Scotland 231 Corstorphine Road Edinburgh EH12 7AT

E-mail: <u>fls.communities@forestryandland.gov.scot</u>

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

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

SECTION 1: Information about the community transfer body making the request

1.1 Name of the community transfer body making the asset transfer request Raasay Development Trust (RDT)

1.2 Community transfer body address

This should be the registered address, if you have one.

Postal address:	Raasay Development Trust
	Raasay Community Hall
	Inverarish
	Isle of Raasay
Postcode:	IV40 8PA

1.3 Contact details

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

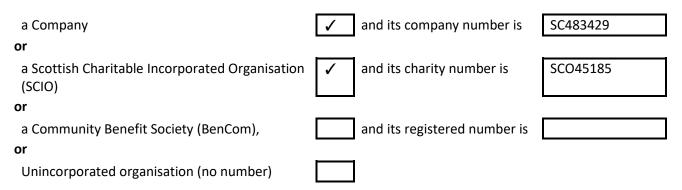
Contact name:	Elizabeth Macleod
Postal address:	Raasay Development Trust
	Raasay Community Hall
	Inverarish
	Isle of Raasay
Postcode:	IV40 8PA
Email:	raasaydevelopmenttrust@gmail.com
Telephone:	

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

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

1.4 Type of eligible community transfer body

Please select one option and make with an "X" in the relevant box to confirm the type of community transfer body and its official number, if it has one:



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

If the organisation is an eligible community transfer body under the Community Empowerment (Scotland) Act 2015 go to Section 2.

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

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

No Yes Please give the title and date of the designation order:

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

No	Yes	
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If yes what class of bodies does it fall within?

Section 2: Information about the land and rights requested

(see CATS Guidance Section 1.2)

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

You should provide a **grid reference** and attach a **map** clearly showing the boundaries of the land to which this asset transfer request. You should also provide any name by which the land is known, and you may also wish to provide additional description. You can contact your Forestry and Land Scotland <u>Region</u> office for assistance in providing a copy of the map. *If you have identified the land on Forest Enterprise Scotland's <u>Register of Land</u>, please enter the details listed there.*

Grid reference:

NG 55770 36087

Name and description of the land:

Please see attached plans

The proposed intake 1 is just upstream of the Burma Road foot bridge that crosses the Inverarish Burn. The proposed pipeline would follow the Burma Road to the mine buildings where it would cross the road and then follow the old railway track. The proposed intake 2 is along "Mine Burn" and will take advantage of an existing intake weir dating back to the iron ore mines that could easily be adapted for use with hydro power. The water taken from this dam would be piped towards the mine buildings where it would join the main penstock pipeline from the Inverarish Burn intake.

The proposed location for the outfall is situated approximately 270 metres upstream from Henderson's Bridge. This location is just upstream of the remaining pillars of the old Railway Bridge that crosses the Inverarish Burn. The powerhouse would be situated amongst the trees adjacent to the Fearns road. The proposed powerhouse location lies roughly 25 metres from the Fearns road and is approximately 440 metres from the 11kW 3 phase power lines.

If your request is for a building, you should provide a street address and the Unique Property Reference Number (<u>UPRN</u>) if known.

Address:

UPRN (if known):

Section 3: Type of request, payment and conditions

(see CATS Guidance Section 1.4)

3.1	1 Please tick what type of request is being made:		
	for ownership (under section 79(2)(a))	- go to Section 3A	
1	for lease (under section 79(2)(b)(i))	– go to Section 3B	
	for other rights (section 79(2)(b)(ii))	– go to Section 3C	

<u>3A – Request for ownership</u>

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

Proposed price: £

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

<u> 3B – Request for lease</u>

a) What is the length of lease you are requesting?

40 years

b) How much rent are you prepared to pay? (see CATS Guidance Section 2.2) Please make clear whether this is per year or per month.

Proposed rent:

- Rent to be 2% of turnover until the 20th anniversary of the Commissioning Date after which it becomes 3%
- Decommissioning bond £20,000

Please attach a note setting out any other terms and conditions you wish to be included in the lease, or to apply to the request in any other way.

<u>3C – Request for other rights</u>

a) What are the rights you are requesting?

Do you propose to make any payment for these rights?

Yes 🗌 🛛 No 🗌

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

Proposed payment: £ per

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

Section 4: Community Proposal

You may wish to refer to relevant sections in supporting documents.

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

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

RDT are proposing a run-of-river hydro scheme and location plans are attached. Such a development would consist of the following built structures:

- an intake structure, built on the riverbed to abstract water
- a buried penstock (plastic pipeline) from the intake to a powerhouse
- a powerhouse containing a turbine and generator
- a tailrace and outfall to carry water from the powerhouse and return it to the watercourse
- a buried electrical cable from the powerhouse to a grid connection

A run-of-river hydro scheme only operates if and when there is adequate flow in the burn. Such a scheme does not store any water or create a large dam, as is the case in traditional, larger hydro developments.

RDT have worked with consultants and a twin intake configuration has been proposed. The intakes will be at Inverarish Burn and an unnamed burn. This unnamed water course has an existing intake weir dating back to the iron ore mines that could easily be adapted for use with hydro power and will be referred to as Mine Burn going forward. The existing intake is constructed of concrete and has a height of approximately 2 meters. This weir would require very little work to be adapted to host a suitable filtration system so that the water from this stream may be used effectively. The water taken from this dam would be piped towards the mine buildings where it would join the main penstock pipeline from the Inverarish Burn intake.

The location of Intake 1 on the Inverarish Burn would require to be situated at the same altitude as that of the existing Mine Burn intake. Initial surveying suggests that this location is just upstream of the Burma Road foot bridge that crosses the Inverarish Burn. The proposed pipeline would follow the Burma Road to the mine buildings where it would cross the road and then follow the old railway track.

The proposed location for the outfall is situated approximately 270 metres upstream from Henderson's Bridge. This location is just upstream of the remaining pillars of the old Railway Bridge that crosses the Inverarish Burn. The powerhouse would be situated amongst the trees adjacent to the Fearns road.

The proposed powerhouse location lies roughly 25 metres from the Fearns road and is approximately 440 metres from the 11kW 3 phase power lines. The twin intake scheme and proposed pipeline route will enable a 137kW scheme to be achieved (using 100 litres/sec and producing approximately 440,000 kWh per annum). Due to a grid constraint we cannot export more than 50kW to the National Grid until SSEN upgrade infrastructure on Skye.

SEPA CAR licences have been granted under the following references and the licences are attached

- CAR/L/1137561 Inverarish Burn
- CAR/L/1137829 Mine Burn

Planning permission has been granted under the following references and the decision notices are attached

- 19/00314/FUL Inverarish Burn
- 19/00310/FUL Mine Burn

OFGEM FiT Pre-accreditation has been applied for and we have a valid grid connection offer from SSEN.

The proposal to develop a hydro scheme is discussed within our 5-year development plan (see attached) which details what is "BEST" (Business, Environment, Social and Tourism) for Raasay. Under environment the community wants to safeguard our environment for future generations and to explore renewable energy schemes to reduce our carbon footprint. Under social welfare the community is wanting to address fuel poverty. Fuel poverty is a key issue on Raasay with 44% of our residents identified as being in fuel poverty during a 2018 housing needs and demand assessment undertaken by the Highland Small Communities Housing Trust. Recent issues with coal deliveries have also highlighted concern over our reliance on imported fossil fuels.

The development will provide our community with a small income which will be utilised to pursue the projects within RDT's 5yr Development Plan and a proportion will be allocated to a community benefit fund.

Reducing the reliance on carbon based fuels is also a key strategic aim of the Scottish Government who recently declared a climate emergency which will amend "the Climate Change Bill to set a legally binding target of net-zero greenhouse gas emissions by 2045 at the latest with Scotland becoming carbon neutral by 2040. The existing targets proposed in the Bill were already world-leading. In response to calls from young people, scientists and businesses across the country, Scottish Ministers have adopted the advice of independent experts, the UK Climate Change Committee. This means that in addition to the net-zero target for 2045, Scotland will reduce emissions by 70% by 2030 and 90% by 2040 – the most ambitious statutory targets in the world for these years." <u>https://www.gov.scot/news/climate-change-action-1/</u>

4.2 Benefits of the proposal

Please set out the benefits that you consider will arise if the request is agreed to (see CATS Guidance Section 3.2). This section should explain how the project will benefit your community, and others.

Please refer to the guidance on how the relevant authority will consider the benefits of a request.

It is proposed that the Inverarish and Mine Burn Hydro development will provide community benefit through three strands.

• Community Shares – community shares will be offered, this will generate finance to develop the hydro infrastructure and will after a period of three years provide interest on the shareholders initial investment.

• Community Benefit Fund – A Community Benefit Fund will be set up to disseminate a proportion of the income generated to members of the community and local organisations/causes. Participatory budgeting events will be held to ensure that the funds are distributed in a way that meets the community's needs, wants and priorities.

• Income for RDT – Any remaining income generated will be utilised by RDT to pursue aims as set out in our 5-year development plan.

4.3 Restrictions on use of the land

If there are any restrictions on the use or development of the land, please explain how your project will comply with these. Your Forestry and Land Scotland <u>Region</u> office can provide assistance in identifying any restrictions and how to comply with them.

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

Please see section on negative consequences where planning conditions are discussed.

4.4 Negative consequences

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

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

The hydro proposal has been assessed during the consenting process and conditions have been stipulated to minimise any potential impacts. Planning and SEPA conditions ensure the environment and community concerns are highlighted and addressing these conditions is a statutory requirement.

We will comply with the conditions outlined below through appointing an experienced Hydro technical consultant to discharge and address the conditions specified. We will also appoint a project manager to oversee the project timeline and risk register.

The SEPA CAR licences detail the locations, authorised activities, abstraction rates and flow requirements and sets out the following conditions

• Fish screens are required at set locations detailed within the licence.

• Two months prior to construction starting, detailed drawings and a construction method will be required and construction cannot commence without the written approval from SEPA.

- SEPA require notification 7 days prior to construction commencing.
- Construction should take place out with periods where fish are likely to be spawning.
- All monitoring equipment is required to be calibrated and maintained in good working order at all times.
- Records are to be kept on site and should be readily accessible.

• SEPA requires that they are notified within 24hrs of any incident with the potential to impact on the water environment.

<u> 19/00314/FUL – Inverarish Burn</u>

Conditions

o The external finishing of the powerhouse must be approved by the planning authority.

o The development cannot be undertaken in a phased approach and must be completed within 2 years and in accordance with the application and environmental statement.

o To investigate, evaluate, preserve and record archaeological and historic features potentially affected by the development a programme of work will be agreed with the planning authority.

o To minimise disturbance to protected species an otter survey is required to be undertaken within 2-3 months of the anticipated date of commencement.

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0	Noise levels during construction and operation cannot exceed NR 20 at nearby premises.	
0	A private water supply appraisal is required and should be submitted to the Planning Authority.	
0	Access to core paths must be maintained.	
<u>19/0031</u>	0/FUL – Mine Burn	
Conditio	15	
0	The development must be completed within 2 years and in accordance with the application.	
o the antic	To minimise disturbance to protected species an otter survey is required to be undertaken within 2-3 months of anticipated date of commencement.	
0	Access to core paths must be maintained.	

4.5 Capacity to deliver

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

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

RDT started life in 2011 as the Raasay Development Partnership (RDP), a body whose purpose was to implement the island's development priorities by coordinating the efforts of both residents and local community bodies.

The Partnership's fist achievement was securing funding from Highlands and Islands Enterprise to appoint a Local Development Officer. Its second achievement, in 2012, was the community buy-out of the island's shop and post office. The shop, now constituted as an independent community benefit society, received the Scotland Award as part of the Rural Community Ownership Awards 2016. It is a lifeline for local residents.

In 2014 RDP became a constituted body and changed its name to Raasay Development Trust (RDT).

In 2017 and with support from the Scottish Land Fund, RDT purchased the 'Pit', an old quarry site for the development of a local wood fuel enterprise. A grant from the Climate Challenge Fund enabled the community to purchase equipment and appoint a Coordinator for a year. The Coordinator established a team of volunteers that continue to meet every Saturday to process logs purchased from Forestry and Land Scotland into firewood. At the time of writing this application, the enterprise is just covering its costs. The social impact is, however, significant. Our wood fuel initiative involves the community in sustainable energy solutions. It also reduces fuel poverty locally and provides volunteering and training opportunities. Indeed, with Fergusson Coal not delivering due to potentially going into administration, residents desperately need this service to continue and grow while remaining affordable.

In 2018, the Boathouse, a small building by the new ferry terminal was transferred into RDT's ownership. The development of the Boathouse, which is part of the impressive designed landscape around Raasay House, is linked to the proposed construction of pontoon facilities. A LEADER-Phase 1 grant is enabling RDT to apply for planning and the necessary licences to progress the project.

A 2019 application to the Scottish Land Fund has enabled RDT to pursue the purchase 2.4 acres of land for the purpose of building affordable houses. RDT will work in partnership with the Highland Small Communities Housing Trust and Lochalsh & Skye Housing Association to deliver the project.

The development of a community Hydro scheme has been progressed by a successful application for a CARES loan from Local Energy Scotland. The project has now received planning permission, SEPA CAR licence, is pre-accredited with OFGEM and has a valid grid offer from SSEN.

In total, between 2015-2018, RDT secured £246,790.98 in grant funding to pursue its aims. So far, in 2019, in excess of £110,000 in funding has been secured towards progressing the projects detailed within the Development Plan.

Our 9 volunteer Directors, and development officer, bring a wealth of experience to our projects. Where specialised skills, which we cannot source amongst our small population, are required we work with organisations such as Local Energy Scotland's CARES team to ensure we can access the skills and support required. We also employ project coordinators where funding allows.

Section 5: Level and nature of support

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

You should describe the community your body represents and include information on the proportion of your community who are involved with the request, how you have engaged with your community beyond the members of your organisation and what their response has been.

You should also show how you have engaged with any other communities that may be affected by your proposals.

RDT represents the community of the Island of Raasay. Our communication strategy for the Hydro project is attached and details our communication goals, our target audience and the methods of communication we employ.

Through the production of our 5-year development plan the community was consulted and project specific consultation events are ongoing.

Section 6: Funding

Please outline how you propose to fund the price or rent you are prepared to pay for the land, and your proposed use of the land

(see CATS Guidance Section 1.5)

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

Lease cost rates have been estimated by the RDT with support from Local Energy Scotland and their CARES <u>Financial</u> <u>Model</u>.

<u>Disclaimer</u>: This model is copyright Scottish Government and all rights are reserved. This model has been developed as part of the Scottish Government's CARES programme which is delivered by Local Energy Scotland. The model has been prepared for Local Energy Scotland by its consultant Ricardo Energy & Environment and is an indicative early stage financial model to help community groups understand the potential profitability of community renewable investments. Any information and results derived from the use of the model are subject to the accuracy of data inputs supplied by the user. All results should be checked and challenged before any reliance, publication or use. This model has been independently reviewed by F1F9, but they have not undertaken a formal 'model audit' that can be relied upon. The Scottish Government, Local Energy Scotland, F1F9 and Ricardo Energy & Environment hold no liability for any subsequent adjustment or amendments made to the model or any loss or damage arising from any reliance on or use of the information generated by this model by any community group, lender, investor or other interested parties.

Based on modelling scenarios, the resulting rent of 2% for the first 20 years was determined and showed an economically viable project for the community. The CARES Financial Model is unable to incorporate step changes in rent and therefore the figures below are based on a 20yr period at 2% rent.

Financial Model Inputs: Scenario – Baseline (P50) with grant funding 'Raasay FM V3 Nov 2019'

- Development phase Feb 2015-March 2020
- Construction period May 2020 Aug 2021
- 138kW power of turbine; P90 ~560,000 kWh per yr (Estimated of P90 for 2 hydro schemes WHS July 2017 report)
- FiT Tariff (pre-accreditation) Generation rate 8.4 p/kWh and 5.65 Export rate 5.6 p/kWh (for 20 yrs)
- Estimated operating cost £9.6K; Estimated Maintenance costs £2.5k [from 'OPEX estimate 170513 DB comparison']

Project Finance

Development costs estimated: £120k; Source of funding = CARES Development Loan available to RDT; Status = confirmed.
Construction costs estimated: £898k; Intention to funding through Community Share Offer (Working with Community Shares Scotland) and grant funding.

RDT are progressing an application with SSE to their Highlands Sustainable Development Fund 2020. Awards will be made by May 2020. <u>www.sse.com/communities/sustainablefund/</u> The RDT will apply for up to ~£300k towards CapX as this is private grant funding and compatible with FiT regulations. The status of the application is pending. This has also been modelled by Local Energy Scotland and included as an input, for the purposes of this application.

Financial Model Outputs: Scenario - Baseline (P50) with grant funding 'Raasay FM V3 Nov 2019' 2% land rental

- Cost per kW £8.2k
- Equity return per kW £2.3k
- Project IRR (%) 2.86%
- Total dividends £462,454

Signature

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

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

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

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

1. Name

Address

Date

Position

Signature

2. Name

Address

Date

Position

Signature

Checklist of accompanying documents

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

Section 1 – you <u>must</u> attach your organisation's constitution, articles of association or registered rules

Title of document attached: RDT ARTICLES OF ASSOCIATION

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

Documents attached: MINE BURN AND INVERARISH BURN LOCATION PLANS

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

Documents attached: PLANNING 19/00314/FUL AND 19/00310/FUL INVERARISH- CAR-L-1137561 – Licence and MINE- CAR-L-1137829 - Licence GRID CONNECTION OFFER

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

Documents attached: 5YR DEVELOPMENT PLAN

Section 5 – evidence of community support

Documents attached: 5YR DEVELOPMENT PLAN

Section 6 – funding

Documents attached: CARES DEVELOPMENT LOAN CONFIRMATION LETTER