

SCOTTISH LAND FUND 2016 – 2021

Assessment Report

Meeting Date – November 2020

URN – 20149784

Recommendation – Not recommended for funding

Assessing Officer – David Knight

HIE Case Officer – Tony Crosbie

Project Name	Acquisition of part of the Queensberry Estate
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Organisation name	Wanlockhead Community Trust
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Asset Type – Estate	Acreage – 3,863
Location – Wanlockhead	Postcode – ML12 6UJ
Local Authority Area – Dumfries & Galloway	No. of beneficiaries – 200

Executive Summary
<p>Wanlockhead Community Trust wish to purchase 3,862 acres of the Queensberry Estate in and around the village of Wanlockhead in the Dumfries and Galloway area. The majority of the land was formerly used as a grouse moor and for upland sheep farming, and the purchase includes one residential property.</p> <p>Community ownership will enable an integrated development strategy bringing together the elements of natural and cultural heritage and of tourism to support the economic and social wellbeing in Wanlockhead. This would include business creation, affordable housing, heritage development, habitat protection and improvement, and new infrastructure for campers and campervans to increase the number of visitors to the area.</p> <p>The asset is owned by the Buccleuch Estate and is independently valued at £1,483,000 (Aug. 2020). There is no discount.</p>

TPV incl. Stage 1	Stage 2 grant request	Grant recommended
£1,528,250	£1,421,187	£0

Breakdown	Capital	Revenue
Year 1	£0	£0

Assessment Gradings

Criterion 1 – Rationale		
Rationale for project	1a – Satisfactory	Satisfactory
Consultation, engagement, & research	1b – Weak	
Fit with programme outcomes	1c – Satisfactory	
Criterion 2 – Planning		
Planning & feasibility	2a – Weak	Weak
Development proposals	2b – Satisfactory	
Business plan & financial projections	2c – Weak	
Displacement & risk	2d – Satisfactory/High	
Criterion 3 – Capacity		
Organisational capacity/experience & track record	3a – Satisfactory	Satisfactory
VFM	3b – Satisfactory	

Description of asset to be acquired
<p>The land to be purchased is situated in and around the village of Wanlockhead in Dumfries & Galloway and extends to some 3,862 acres. The land extends to the north west along the Wanlock Water valley, to the south west along the Mennoch Pass and to the south east to the Lowther Hills and along the route of the Southern Upland Way.</p> <p>There are several commercial licences and tenancies over the land. One area of the land (Donald's Knowe) is zoned for a potential small development of 8 housing units in the Local Plan.</p> <p>The only building included in the sale is a residential cottage which has a sitting tenant who will remain in the property under a current lease. The existing EPC certificate indicates that the property may not meet the current minimum acceptable energy performance standard and capital expenditure may be required in order to upgrade the property to the required lettable standard.</p> <p>The land is predominantly high moorland and much of it is steeply sloping. 3,577 acres (93%) is graded 6 or poorer under the Macaulay Institute's Land Capability for Agriculture Classes, making it unproductive for anything other than sheep grazing. Buccleuch Estate's existing sheep farming activity supports one local job and utilises much of the buyout plan area. To avoid disruption of employment and sheep farming activity, Buccleuch and WCT have agreed terms to enable a continuation of this activity and employment. As a condition of the land purchase, WCT will grant the</p>

Buccleuch Estate a 5-year licence to continue sheep farming on the land. The licence may be renegotiated after the initial 5-year period.

Two areas of the Leadhills-Wanlockhead Site of Special Scientific Interest (SSSI) lie within the buyout area, to the north and west of the village. LDP policy and other protection is afforded to these designated areas. The SSSI is notable for its range of minerals, metal tolerant plants and as a winter hibernation site for a number of bat species.

The asset has existing income streams from a number of sources including gold panning, rental from the house and wayleaves and licenses.

The valuation report also indicated that several areas around Wanlockhead village are subject to unlicensed and unregulated occupation either for parking, garages or additional garden space.

The property is owned by the Buccleuch Estate and has been independently valued at £1,483,000 (Aug.2020). There is no discount.

Context

Situated in the Dumfries and Galloway area, Wanlockhead is Scotland's highest village at an altitude of 467 metres. It has a population of approximately 200 people and lies one mile to the west of the village of Leadhills, which is within the South Lanarkshire Council area.

The area has a long history relating to mining of metals, (lead, zinc, copper, gold and silver) first exploited by the Romans. Wanlockhead was founded as a settlement in 1680, when a lead smelting plant and workers cottages were constructed by the then Duke of Buccleuch. Lead mining declined in the 20th century but the industrial heritage remains visible throughout the area.

The area has in the past produced some of the world's purest gold at 22.8 carats, which was used to make the Scottish Crown, and 'panning' for gold in the rivers and streams in the area still produces some valuable nuggets to this day.

The nearest settlements with a range of shops, services and amenities are the small towns of Sanquhar (9 miles) and Thornhill (16 miles) and the nearest large town is Dumfries (32 miles). The nearest small shop is in Leadhills (1 mile) and the village has a community centre which has a hall and meeting rooms and is sometimes used to provide bunkhouse accommodation. There is a primary school in Leadhills and older children travel to Sanquhar or Biggar for secondary education.

House prices in area are low in comparison to the rest of Scotland. An internet search in October 2020 showed 2 x 2-bed semi-detached properties and 3 x 3-bed semi-detached properties for sale in Wanlockhead and Leadhills, with prices ranging from £85,000 to £114,000. All were described as in good condition having been recently renovated/updated. Two house plots (each with planning consent for a detached property) were also for sale at £20,000 each.

The local economy is heavily dependent on tourism and there are a number of B & Bs, and self-catering accommodation businesses.

The village benefits from a number of attractions including:

The Museum of Lead Mining and Visitor Centre which also offers guided tours into the Lochnell Mine.

The Wanlockhead Inn – Scotland’s highest pub, which includes 3 ‘glamping pods and a small brewery. The hotel hosts the ‘Wildfire Music festival’ over 3 days which features heavy metal bands. Other previous events in Wanlockhead have included the World Gold Panning Championships.

Nearby in Leadhills attractions include:

The Leadhills and Wanlockhead Railway Heritage Society narrow gauge railway.

The Leadhill Miners Library – founded in 1741 it is the oldest subscription library in the UK.

Much of Wanlockhead is designated as a Scheduled Monument and Conservation Area as it contains significant remains of metal mining and working in one of the most valuable metalliferous areas in Scotland. These include the Queensbury Smelter with its unique flues and Stokoe condenser, the Bay mine with its early steam engine and waterwheel remains, the Glencrieff mine with its relatively complete surface buildings and underground water-pressure engine, the beam engine on the Straitsteps vein, the Pates Knowes smelter, and the ore crusher and dresser near Meadowfoot. Each of these is of national importance.

The Southern Upland Way passes through Wanlockhead. This coast to coast route extends over 344km, linking Portpatrick in the west with Cockburnspath in the east. The recently established South West Coastal 300 road route also passes through the village on the B797, connecting west to Sanquhar and east to Abington.

Lowther Hill, above the village, is home to the only ski area in the south of Scotland, and Scotland's only community-owned ski centre. Operated by Lowther Hills Ski Club, the ski centre runs three ski lifts above the villages of Leadhills and Wanlockhead for beginner and intermediate skiers.

SNS/SIMD data

Wanlockhead is covered by a single data-zone (S01007558) with an overall rank of 3283/6976 (47%). As may be expected, Geographic Access is the lowest ranking domain at 46/6976 (less than 1%), however, with the exception of Crime, which ranks at 3758 (54%), all other domains rank from 4158 (60%) to 4626/6976 (66%).

Criterion 1 – What is the rationale for the project and is it supported by the community?

1.a. Rationale for project – Satisfactory

The rationale for the project is that community ownership of the land will create the opportunity to develop an integrated strategy for the village and community which will focus on economic, social and environmental objectives.

These objectives include business creation, affordable housing development, heritage development and interpretation, outdoor sporting and recreational opportunities, ecotourism, heritage tourism, tree-planting and habitat restoration projects, path development, infrastructure for campers and campervans and the development of renewable energy initiatives in the form of wind or hydro-energy projects.

The rationale for the purchase of the whole area is however not as well evidenced. Most of the proposed tourist infrastructure improvements are planned for Area 1 - The Village – the

Wanlockhead settlement and its immediate setting (see 2b below) and if developed these improvements will provide the bulk of the anticipated future income.

The other 3 areas are being purchased primarily for ecotourism and recreational purposes. The public already have the right to roam in these areas, and provision of new/additional signposts, etc, could potentially be negotiated with the landowner without the need to own the land. In addition, WCT do not need to own these areas in order to better market the area.

Although there is potential income from gold panning licences and organised camping in these other areas there is also the associated liabilities of the litter, damage, etc, from wild camping and potential land/water contamination issues, current costs for which are unknown.

1.b. Consultation, engagement, research, and level of support – Weak

April-July 2016: WCT undertook intensive community engagement in the development of its Community Consultation Report. Several well-attended local meetings and workshops were organised, and questionnaires, forms and direct feedback were collected to develop a future vision for the community.

Over the following four years WCT held monthly open meetings to keep the community updated and answer queries from fellow villagers. A website was created, and newsletters were delivered to every household regularly to keep updated those who did not attend the monthly meetings or use computers.

In August 2017 Urban Animation held a drop-in community engagement event at the Wanlockhead Community Centre aimed at gaining further input from locals on the buyout and educating local residents on the possibilities that a buyout could bring to the community, using data based on their prior input. The event was publicised through local mailing lists and networks, social media and direct invitations. Approx. 40 people attended.

In October 2019 Urban Animation and WCT organised another drop-in community engagement event at the Wanlockhead Community Centre over an afternoon and evening when members of the community had the opportunity to talk and ask questions directly from the appointed consultant and members of the Community Trust. The event was attended by some 60 people.

Discussions have been undertaken with a number of local MSPs, representatives of the Museum of Lead Mining, the Wanlockhead Community Hall SCIO, the Lowther Hills Ski Club, local businesses, Dumfries and Galloway Council and Leadhills community groups. WCT also undertook visits to other community buy out projects - Mull of Galloway, and the islands of Harris, Lewis and Mull.

In March 2020, in view of the pandemic, WCT suspended public meetings but continued with their newsletter output, facebook and website activity which takes the form of updates. As a result, the community have not had a meaningful opportunity to engage in questioning/discussion/debate with WCT regarding the proposal since the feasibility study and social enterprise plan were published in April 2020. One of the concerns raised in recent correspondence to the Fund is that questions that were submitted to WCT via facebook were either ignored or were not fully answered, with 'confidentiality', GDPR or data protection sometimes being given as the reason.

In August 2020 a ballot was organised by WCT for the village to decide whether to proceed with the community land buyout. WCT limited eligibility for the ballot to those ordinarily resident in Wanlockhead. It is believed that originally, this ballot was to be based on the Dumfries and Galloway Voters List, then after announcing the date for the ballot, WCT produced their own list of voters with 153 names on it. To further add to possible confusion the announcement of the ballot on the website indicated that individuals aged 18 and over would be eligible to vote, but this was later changed to 16. WCT undertook the ballot themselves which has raised further concerns from some members of the community who now question its probity.

The buyout was approved by a majority of 55.6% of those that voted (69 votes in favour and 55 against). Turnout was very high with participation of over 81% of local residents. (124 from a total of 153 eligible to vote). This result raises a significant concern as it is a small margin in favour compared to most other community buy-outs that have been considered by the Fund.

This project will also have an impact on the village of Leadhills due its close proximity to Wanlockhead and the links between the various organisations and visitor attractions. It is therefore surprising that residents of Leadhills were not given the opportunity to vote at the ballot, particularly as WCT ultimately decided on who would be eligible to vote and could have included Leadhills as they were not bound by any requirements such as those associated with a Community Right to Buy ballot.

The Fund is in receipt of an unprecedented number of representations from local residents expressing concerns regarding the ballot, the conduct and general lack of transparency of WCT, and the need for the project. It is understood that a petition against the buy-out is currently in circulation in the village.

Despite the result of the ballot, this criterion is graded as 'weak' in light of a number of concerns raised in relation to the level of community engagement in recent months. WCT have spent a long time developing this proposal but the key information only became available in late April when the feasibility study/Social Enterprise Plan were published. It would appear that there has been little opportunity for the project as now presented to be fully and openly debated and discussed with the community to identify how it fits with their priorities and to address any concerns that people might have.

1.c. Fit with SLF outcomes – Satisfactory

The project fits with the SLF outcomes and priorities.

The project will bring a significant area of land into community ownership (Outcome 1) and empowers the community to be involved its future management and development (Outcome 2). The financial projections indicate that if successful in completing the proposed developments the project would be financially viable, albeit at a marginal level (Outcome 3).

The project could contribute to the SGNPF National Outcome:

- “We live in communities that are inclusive, empowered, resilient and safe”

The project could also contribute to the National Indicators:

- “Community land ownership”

Criterion 2 – Has the project been well planned?

2.a. Planning and feasibility – Weak

Initially, WCT sought to purchase approximately 14,000 acres of land from Buccleuch. This proposal was not supported by Buccleuch and following lengthy dialogue between both parties, with assistance from the Scottish Land Commission and Scottish Land and Estates, a revised land area of 3,863 acres was identified with three large tenanted farms excluded from the sale area.

As part of the business planning a specialist report on the visitor economy was commissioned from Jura Consultants. Their report assesses the feasibility of visitor development opportunities acknowledging the strengths, weaknesses and threats facing Wanlockhead in terms of accessibility, infrastructure, accommodation, user markets and economic sustainability.

The Report concludes that Wanlockhead is uniquely placed to benefit from its upland location and surrounding landscape by improving its welcome to visitors from Central Scotland and the Carlisle area. With appropriate marketing as a green season mountain destination attraction, Wanlockhead would rely much less upon its snow season facilities, generating a more stable tourism economy. It notes that:

- Wanlockhead would be the only such resort in the south of the country and therefore requires considerably less resource for the majority of the Scottish and English population to reach.
- Wanlockhead also benefits from being located reasonably close to major urban areas (i.e. Glasgow and Carlisle) when compared to other mountain resort attractions in the country.
- Wanlockhead has a strong industrial heritage appeal which will enhance the visitor's experience, a claim unique to Wanlockhead within the mountain resort sector.

The Report also notes that the main constraints are the lack of accommodation, and the very limited food and retail offer.

Dumfries and Galloway Small Communities Housing Trust (DGSCHT) have been engaged by the Trust and have recently commenced an assessment of Housing Needs and Demands within Wanlockhead and across the wider area to appraise options around the scale, tenure and type of housing that may be supported by local demand.

A Feasibility Study and Social Enterprise Plan (published in April 2020) were developed by Urban Animation funded from a stage 1 SLF development grant. (copy forwarded to Committee).

There are some potential liabilities identified within the Social Enterprise Plan which - although considered to a limited extent within the plan - are of such significance that they warrant more in-depth analysis. Some of these issues are considered below.

Wild Camping

Wild camping is prevalent in the Mennock Pass and brings with it significant issues relating to litter, waste and damage to the environment. The responsibility for controlling this would pass to WCT. Costs incurred by the current owner in dealing with issues arising from wild camping are unknown. The Social Enterprise Plan recognises the need to greatly improve the management of wild camping and the need for the development of a management plan but gives no detail on how this will be implemented and enforced.

Land/Water Contamination

It is known that there is land within the village and along the Wanlock Water valley which suffers from contamination by heavy metals, associated with previous mining activity, dating back perhaps 70 years and more. This appears to relate to accumulations of waste material, mine workings and wind-blown residue.

Of the 91 sites listed in 'The Inventory for Scotland of Closed Mining Waste Facilities' which are, or could be, causing serious environmental impact, 85 are in the Leadhills/Wanlockhead area.

The polluter is principally responsible for dealing with pollution and contamination and much of the contamination at Wanlockhead appears to arise from commercial activities dating back to the 1930's and undertaken by companies which may no longer exist. In circumstances where the polluter cannot be found the responsibility passes, in principle, to the landowner. It should be noted however that - under current legislation - responsibility for contamination impacts on water courses only does not lie with the landowner. In cases where remedial work is required in response to land-only impacts, there is provision by the Scottish Government for alleviation of hardship on the landowner, however, the nature and level of this 'alleviation' is not indicated.

The Social Enterprise Plan (SEP) indicates that there are some 36 identified sites within the buy-out area containing mining waste, but all these sites are currently categorised for impacts on the water environment rather than direct land impacts. Issues may arise however where land use changes and the surface is disturbed (e.g. housing development or garden use) or when former mine shafts unexpectedly collapse as happened in 2005 and 2013, and in these instances the landowner may be liable for remedial and safety works. The SEP (page 17) states that '*It is beyond the scope of this Plan to make firm recommendations on potential risk relating to historic land contamination and impacts. However, the information provided here is intended to summarise known and stated material to assist in decision making*'.

In 2012 NHS Lanarkshire published a public information leaflet (Environmental Investigation into waters around Leadhills and Wanlockhead) following a SEPA survey into metal concentrations in the Wanlockhead/Leadhills area. The leaflet advised that although levels of lead, cadmium and zinc in the Glengonnar and Wanlockhead Waters and surrounding soil is higher than in other areas the risk for local residents and the public was considered to be low.

A more recent study by SEPA of the water quality in the Wanlock Water (published July 2020) indicated that the levels of Lead, Zinc and Cadmium gave cause for concern and were in breach of the Environmental Quality Standards. The report suggested works for reducing these levels including capping the Queensferry Tailings Ponds and development of a 'Mine Waste Treatment' scheme. This latter measure would involve a significant land area and would require continuous maintenance and management. Costs for these proposals were indicated at £6.4M.

The grading of weak is justified in this criterion as there are potential significant liabilities which may impact on the viability of the project and which need further exploration and explanation on how these risks would be managed or mitigated.

2.b. Development proposals – Satisfactory

For the purposes of planning future developments, the land to be purchased has been divided into 4 distinct areas:

Area 1 - The Village – the Wanlockhead settlement and its immediate setting
Area 2 - Mennock West – a less accessible part of the Mennock Pass, and
Area 3 - Mennock East– a scenic area popular with gold panners and wild campers
Area 4 - Lowther – higher ground with panoramic views.

Specific projects have been identified for these areas and focus on:

- Continuing management of existing activities currently undertaken by Buccleuch Estate, including gold panning, wayleaves and lease management;
- Improved management of under-managed land assets, including wild camping;
- Developing visitor infrastructure with a camping and caravanning site;
- Supporting and developing events and festivals to benefit the local economy;
- Improving the ecology of the area through nature and habitats improvements, including native tree planting;
- Creating capacity for nature tourism businesses as the ecosystem continues to improve.

The main development proposals in the first 10 years of community ownership for each area are shown below.

Area 1 – The Village

Land Ownership - work with residents to rationalise and formalise land ownership boundaries.

Heritage Initiatives - work closely with the Mining Museum, Railway Association, Southern Uplands Mining Heritage Organisation, Historic Environment Scotland, Leadhills Heritage Trust and other relevant partners to improve knowledge, access and information relating to Wanlockhead's heritage.

Campervan Facilities – A campsite offering a five-pitch campervan/caravan pitches plus up to 10 tents with electrical hook ups, disposal facilities and showers could be developed at a suitable location in the village. Capital costs are estimated at £100,000 but would depend on the extent of landscaping required and the proximity to existing services. Planning permission will be required, as will a license to operate the campsite.

Glamping Pods - The business plan suggests development of 6 eco-pods and a toilet/shower block at a capital cost of £78,000. To ensure that there is no displacement of the existing provision at the Wanlockhead Inn (3 x 4-person pods) the new pods will be developed incrementally as overall numbers of visitors increase. There would be an option to lease the land to the Wanlockhead Inn to expand their provision, however, the business plan states that *'Glamping Pod income is essential to the Trust being able to become financially self-sufficient by year 5, and should Pods not be practicable then other sources of income require to be found'*.

Improved Play Provision - enhanced provision in the village for residents and visitors.

Hass Cottage Management Plan – review condition of the house and assess future maintenance requirements.

Events – determine whether there is capacity for an expanded programme of small festivals and events which attract visitors and bring together residents to enjoy and celebrate Wanlockhead's cultural and environmental heritage. Events could include fairs, sporting events

such as cycle and mountain biking events, music, arts, nature, gold panning etc.

Area 2 – Mennock West

Review of Gold Panning Activity - assess visitor numbers and patterns of use, the price and availability of panning passes and tours, information and publicity, events and river management requirements.

Tree Planting - Work with Woodland Trust Scotland (WTS) to undertake new tree planting along the Mennock Water.

“Voluntourism” - Activities in the Mennock West area are expected to be attractive to volunteers interested in wildlife, nature, reforestation, countryside access and environmental management. WCT will seek to work fully with volunteers to maximise value in management of land resources.

Nature Tours - WCT will manage a programme of nature-based tours, enabling visitors to understand how management of the land is changing and to appreciate landscape quality, wildlife and outdoor access.

Area 3 - Mennock East

Wild Camping Management - implement a management plan for camping in the Mennock Pass as a means of protecting environmental quality, minimising nuisance while ensuring that this community land asset covers its costs. The result will be a soft-managed ‘wild’ camping experience for campers which improves conditions for residents and other visitors to the area.

Gold Panning - gold panning activities described above for Mennock West will also take place in this area.

Reservoir Activity - the small reservoir at the east of this area may have potential for fishing and other recreational uses, adding to the range of attractions the village has to offer residents and visitors. There may be scope to bring it back into use for curling, although this will be weather dependent.

Area 4 - Lowther

Year-round Upland Activities – develop a strategy for increasing use of the upland areas at Lowther throughout the year, for recreation, walking, cycling, mountain biking and nature pursuits.

Skiing and Winter Sports - work closely with the Lowther Hills Ski Club and other partners to help secure a sustainable future for winter sports, making productive use of community land. This will also support the proposals around year-round activities making use of ski infrastructure.

Events - WCT will explore options for growing programme of outdoor active and sporting events using the higher ground around Lowther Hill and the new and existing facilities in the village.

2.c. Business plan and financial projections – Weak

The Social Enterprise Plan provides costed options for an overall 5-year projection for the Estate's Integrated Development Strategy. This indicates a grant revenue requirement for the first 4 years, and financial independence from grants by year 5.

The plan indicates that the estate currently generates an income of some £20,250 p.a. from the rental of the one residential property (£6,450 p.a.), gold panning activities (£7,800) and wayleaves and other licences (£6,000). Costs involved with the ownership of the land (land management, insurances, etc.) have not been supplied.

The financial projections for the first 5 years show a surplus of £4,855 in Y1 and £6,127 in year 2 but income in these years include revenue contributions from the SLF of £20,750, and £21,110 which will not be available as there is insufficient time remaining in this fund for the revenue to be spent. The biggest expenditure is on staff costs for a development officer at £36,000 p.a.

No costs have been included in the projections for the initial upgrading of Hass Cottage to meet the current legal requirements for a rented property.

In years 3, 4 and 5 income projected from the proposed Camping site averages £16,500 p.a. however, this will be dependent on securing the necessary funds for the development and completing the project.

Year 5 includes a projected income of £15,717 from Glamping which will also be dependent on securing funds and completing that development.

The projections for the main capital developments and the overall future operating income and expenditure are shown at appendix 3.

This criterion is graded as weak as the financial projections indicate that even if all the proposed developments are undertaken the project will be marginally financially viable at best, and there is no information on the current costs incurred by the estate for land management and/or dealing with any issues, such as the damage and litter arising from wild camping.

2.d. Displacement and Risk – Satisfactory/High Risk

WCT have requested a grant of £1,423,337 which is £423,337 above the maximum grant normally available from the SLF. If awarded the full amount requested, WCT will still have to find an additional £75,000 to complete the acquisition and there is currently no indication as to where these funds will come from although applications to other funders are in process (notably SOSE). If awarded less this will compound the issue as substantially more funds will need to be raised. This raises the concern that WCT would have insufficient time to secure all the funding and complete the acquisition before 31 March 2021.

Funding needs to be secured in order to undertake the proposed developments (camp site and Glamping pods) which are indicated to be important sources of income for the Trust going forward. No funds for these have yet been secured.

<p>The Social Enterprise Plan indicates that WCT intend to employ a project development officer and given the nature of this project that is considered to be advisable. However, without grant support, there is currently insufficient income generated to meet the cost of employing a development officer.</p> <p>A displacement issue could arise in relation to the proposed Glamping Pods which, if operated by the Trust, would be in direct competition with the Pods owned and operated by The Wanlockhead Inn. As indicated in the report, WCT have the option to lease ground to the Inn for them to extend the number of their Glamping Pods, however, this would result in much reduced income for the Trust.</p> <p>As indicated in section 2a above, there are a number of significant risks associated with this project which is judged to be a High Risk.</p>		
<p>Criterion 3 – Does the applicant have the capacity and experience to deliver the project?</p>		
<p>3.a. Organisational capacity/experience, and track record – Satisfactory</p>		
<p>Incorporated in Dec. 2016, Wanlockhead Community Trust is a company limited by guarantee and is currently in the process of registering as a charity. This has been delayed and WCT cite challenges with their application due to OSCR's website which keeps deleting their texts and/or refuses to upload documents.</p> <p>The Trust is managed by a board of 8 directors with a range of skills and experience. They include former and current business owners, a director of Community Land Scotland, and two environmental scientists. The Trust has no paid staff and acknowledges that it does not have the range of skills and capacity to manage the future development of the project and will seek to employ a development officer to assist. As indicated in 2d above, the business plan shows funding from the SLF over 2 years, which, due to the closure of the fund, will not be available.</p> <p>Membership is open to individuals aged 16 and over who are resident in the area and entitled to vote at local government elections. There is also an Associate membership (no vote) and a Junior membership (no vote). There are currently 40 members.</p> <p>The Trust was specifically set up to undertake the buy-out of the estate so has no track record of project delivery.</p> <p>The most recent set of account available (for the year ended 31 March 2018) indicate a turnover of £14,933 however there is no further information in the accounts to show the actual income/expenditure. Net assets are shown as £303.</p>		
<p>Stage 1 development</p>		
<p>Stage one grant of £25,000 awarded in Dec.2016 for feasibility study and business plan. Increased by £5,000 in April 2020 for contribution to valuation costs. Total £30,000.</p>		
<p>Stage 2 budget</p>		
	Costs	SLF grant recommended
<p>Capital</p>		

	Valuation of Estate	1,483,000	0
	Legal fees	8,250	0
Capital total		1,491,250	0
Revenue			
	Contribution to employment of a Development Officer	7,000	0
Revenue total		7,000	0
Stage 2 total		1,498,250	0
Total project value: stage 1 grant (£30,000) + stage 2 costs (£1,498,250) = £1,528,250			
3.b. Additional or match stage 2 funding			
Source	Amount	Secured?	
SSE Clyde Windfarm	£15,320	No	
John Muir Trust	Not Known		
SOSE	Not Known		
The Woodland Trust	Not Known		
Justification for revenue request (if any)			
None recommended			
Additional T&Cs			
<ul style="list-style-type: none"> You will provide us with written confirmation that the matched funding detailed in your application form is in place and ready for you to use for this project delivery, together with your undertaking that you will inform us in writing if there are any changes to the provision of this funding. That we will hold a 10-year standard security on the land and building. 			
State Aid assessment			
Low risk - The intervention is unlikely to affect trade between Member States			
Assessing officer comments			
This project is not recommended for funding due to the combination of risks and concerns associated with it. Whilst it is acknowledged that WCT were working under the restraints of COVID, and the timescale for submission of the SLF application, given the scale of the financial request and the potential risks with the site, it is particularly important that the community had all the information about the project, and the opportunity to discuss it and have any questions fully answered, in order to make an informed decision at the point of the ballot. The strength of opposition as expressed through the ballot should have given the group a reason to pause and consider what could be done			

to understand the concerns and identify mitigations. The application is perhaps premature as there is still considerable ground work to be undertaken.

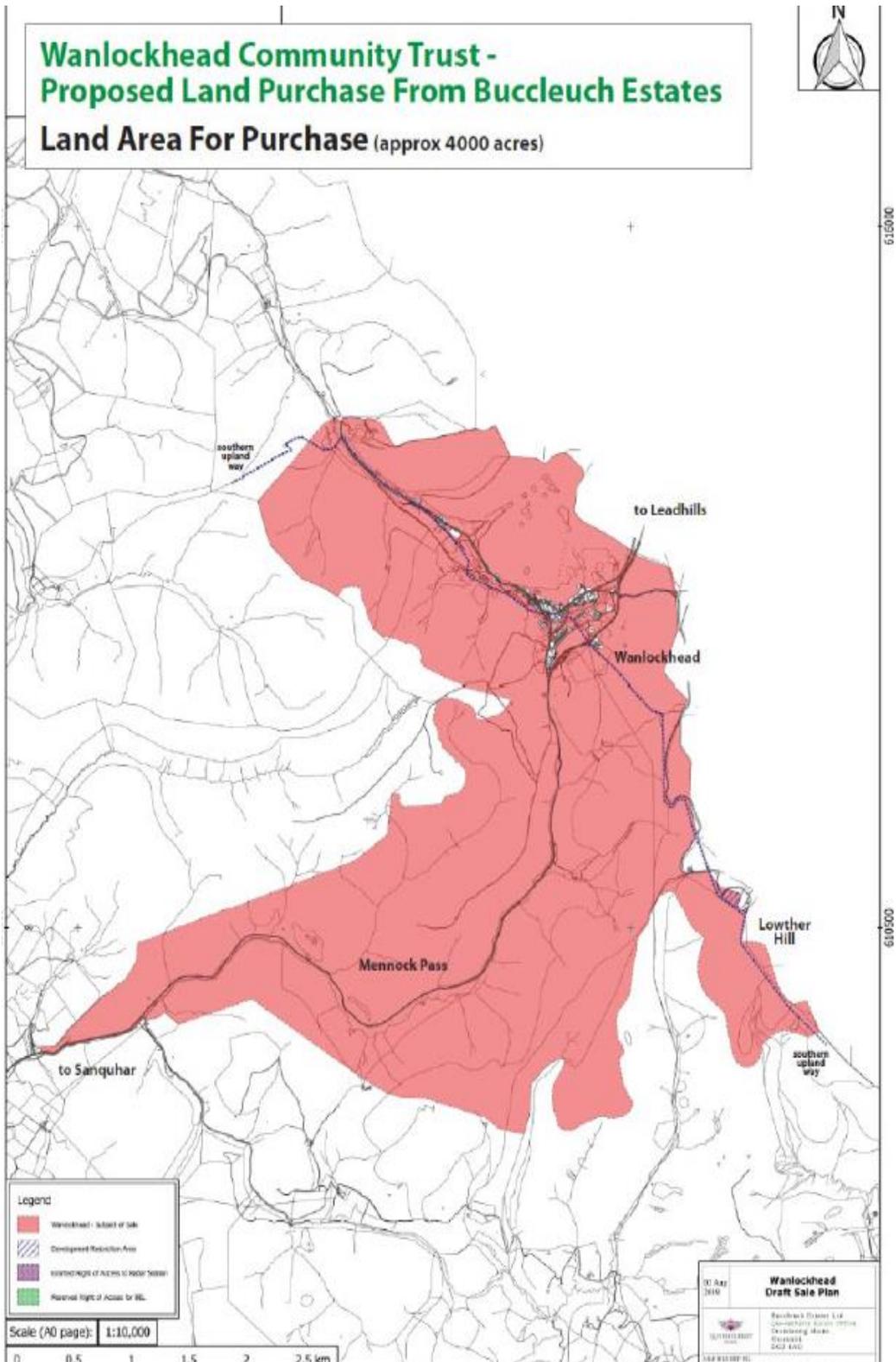
Case officer comments

The group have been active in pursuing this asset since 2016. At the start of the process relations with Buccleuch Estates were strained and CRTB was felt to be the most appropriate route. However following concessions on both sides, relationships improved to the point where Buccleuch were happy to agree a negotiated sale and offer reasonable heads of terms. The group have worked towards the completion of the feasibility study, ballot and valuation which, due to the current situation meant they were pushing to submit in time for the final SLF3 Committee. This has not allowed sufficient time to fully explore other funding sources. It is unfortunate, as in many ways the media publicity that the project attracted paved the way for other community buyouts in the South of Scotland.

Appendix 1 – Location



Appendix 2 – Plan of area to be purchased (shaded red)



Appendix 3 – Finances

Extracts from Business Plan

Figure xvi. Capital investment requirements first 5 years

	Year 1	Year 2	Year 3	Year 4	Total
Marketing strategy	15,000				15,000
Land management strategy	20,000				20,000
Paths signposting and leaflets	6,000				6,000
Wild camping	10,000				10,000
Campsite		100,000			100,000
Glamping pods				81,000	81,000
Total net	51,000	100,000	-	81,000	232,000
VAT	10,200	20,000	0	16,200	46,400
Total cost	61,200	120,000	-	97,200	278,400

Figure xiv. Projected income from Glamping Pods

	£
Income	32,250
Wages (0.75 FTE at Living Wage)	4,429
25% allowance – heat, light, maintenance, water, waste, insurance	11,288
Surplus	16,533

Figure xiii. Projected Annual Income from Campsite

	£
Income	24,003
Wages (0.75 FTE at Living Wage)	£9,500
25% allowance – heat, light, maintenance, water, waste, insurance	£6,000
Surplus	8,511

Appendix 5 - Income Statement

Operating Income and Expenditure		Year 1	Year 2	Year 3	Year 4	Year 5
Trading Income:	Wild camping		3,240	3,240	3,402	3,572
	Camping and caravanning			24,003	25,203	26,463
	Glamping					32,250
	Gold panning activity	7,800	7,800	8,580	9,009	9,459
	Other licenses	6,000	6,000	6,000	6,000	6,000
	Total trading income	13,800	17,040	41,823	43,614	77,745
Charitable activity income:	Hass Cottage rental	6,450	6,450	6,450	6,450	6,450
	Fundraising Events		3,000	5,000	5,000	5,000
	Total charitable income	6,450	9,450	11,450	11,450	11,450
Grant income:	Scottish Land Fund	20,750	21,110			
	Windfarm funding	6,000	6,000	12,000	12,000	
	Total income	47,000	53,600	65,273	67,064	89,195
Trading direct costs:	Wild camping		3,608	3,608	3,788	3,978
	Camping and caravanning			15,492	16,267	17,080
	Glamping					15,717
		-	3,608	19,100	20,055	36,775
Charitable activity costs:	Development officer	36,000	36,720	37,454	38,203	38,968
	Office costs & fees	5,000	5,000	5,000	5,000	5,000
	Hass Cottage maintenance	645	645	645	645	645
	Training	500	500	500	500	500
	Events costs		1,000	1,500	1,500	1,500
		42,145	43,865	45,099	45,848	46,613
	Total costs	42,145	47,473	64,199	65,903	83,387
	Net surplus / deficit	4,855	6,127	1,074	1,161	5,808