

Community Ownership of the Bays of Harris Estate

Business Plan for the Bays of Harris Steering Group



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Contents

1. Introduction	5
2. Research Methods	6
3. Bays of Harris Estate in Socio-economic Context	7
Population and Demographics.....	7
SIMD.....	8
Policy Context	8
Community Ownership in the Outer Hebrides	9
4. Community & Stakeholder Consultations.....	11
1 st round of Community Meetings.....	11
Focused Meetings	12
TIG.....	12
The Harris Forum	13
Community Reporting Meetings.....	13
Summary of Consultations Process.....	13
5. Key Findings of the Feasibility Study.....	14
Development Opportunities	14
Current & Future Income Streams.....	14
Freedom of Association	14
Legal Structure	14
Operating structure	15
6. Vision.....	16
7. Development Proposals.....	17
Housing	17
Policy Background.....	17
Housing Delivery	18
Home Energy and Infrastructure Improvements.....	18
Community Facilities.....	19
Community Development Projects.....	20
Leverburgh Marina.....	20
St Kilda Centre.....	20
Crofting Community Development.....	20
Heritage Development.....	21
Macleod’s Gunnery, Berneray	21
The Paisley Sisters.....	22
Potential Development Sites	22

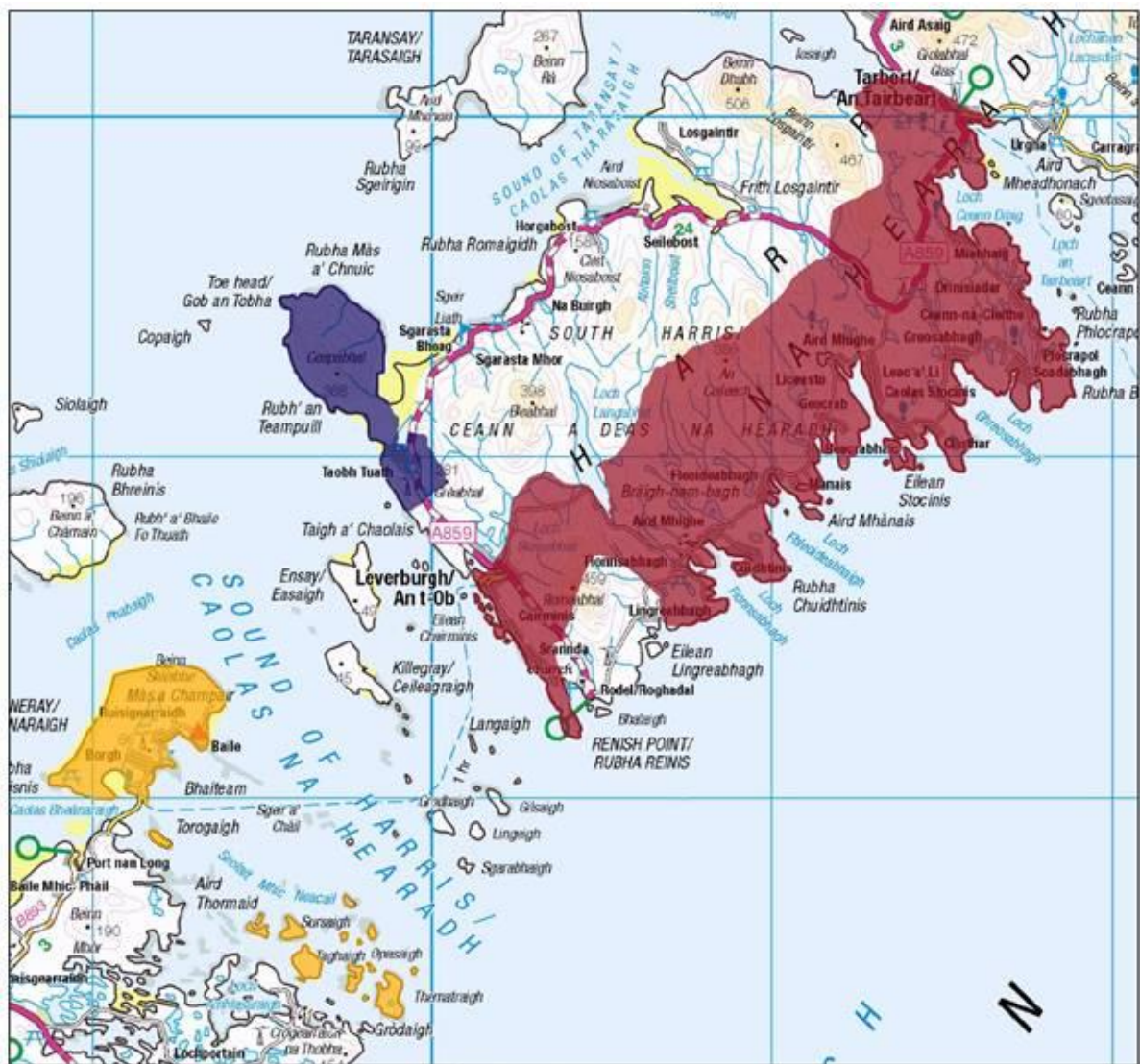
Berneray.....	22
Leverburgh	23
Collam	23
Summary	23
Development Strategy	24
8. Financial Summary.....	25
Bays of Harris – Existing Estate position	25
Crofts.....	25
Other Grazings and Allotments.....	25
Other sites.....	26
Telecoms masts.....	26
Fish Farming.....	26
Sporting, wayleaves & minerals.....	26
Development Opportunities	26
Five year projections.....	27
Estate Purchase Funding.....	29
9. Risk Analysis	31
10. Funding Sources for Acquisition and Development Funding.....	35
a. Scottish Land Fund.....	35
b. Scottish Government Regeneration Capital Grant Fund.	35
c. Rural Tourism Infrastructure Fund.....	35
d. Rural & Islands Housing Funds.....	35
e. Highlands & Islands Enterprise.	35
f. Private Grant Making Trusts.	36
g. Crowdfunding.....	36
h. Philanthropy.....	36
11. Governance	37
Skills Analysis.....	37
Meeting.....	38
Job recruitment and delivery	38
Long term Change	39

1. Introduction

In November 2019 the Bays of Harris Steering Group (BoHSG) commissioned the present consultants to update their business plan for the purchase of the Bays of Harris Estate. The original intention was for the plan to be prepared by April 2020 in order to inform a community ballot on whether or not to pursue a purchase of the estate from its current owners. However, the intervention of the Covid-19 pandemic resulted in a delay to the process. A full feasibility study was prepared first of all, and this business plan arises from that study.

The estate was formed in 1925 when Lewis and Harris were split into lots and sold following the death of the previous proprietor Lord Leverhulme. The Hitchcock family purchased one of the lots which comprises 3 parts: the Bays on the eastern side of Harris, Northton on the west and the Isle of Berneray to the south-west.

Map 1: The Bays of Harris Estate¹



¹ Source: Westbrook et al, Bays of Harris Feasibility Study (November 2017)

The assets of the Bays of Harris estate comprise:

- Approximately 10,927ha (27,000 acres) of land, almost all of which is in crofting tenure with 274 crofts in 28 townships
- 7 telecommunications masts
- 2 fish farm sites
- 1 quarry
- Shooting rights
- Wayleaves

BoHSG was established to investigate the feasibility of purchasing the estate. Following years of discussions, the current owners have indicated that if there is a decisive vote in the community in favour of a buyout, they are willing to negotiate a sale to the community.

2. Research Methods

The research underpinning the analysis contained in the feasibility report and underpinning this business plan was conducted using a combination of methods including the following:

Desk-based analysis of relevant documents including:

- The original 2017 feasibility study by Westbrook et al
- The September 2018 Report & Valuation by Savills

Primary Data Analysis regarding findings from:

- Community Consultation events held in The Bays Centre, Leac a' Li, Leverburgh Community Hall, and Berneray Community Hall on 20th, 21st and 28th January 2020
- A consultation with Harris crofters in The Bays Centre on 9th March 2020
- A Zoom call with younger people on Berneray on 23rd April 2020
- Site visits to the different parts of the estate
- Stakeholder telephone consultations with representatives of Tighean Innse Gall, Hebridean Housing Partnership, Highlands & Islands Enterprise and Comhairle nan Eilean Siar
- A second round of Community Consultation events held to report on the findings of the study held in The Bays Centre, Leac a' Li, Leverburgh Community Hall, and Berneray Community Hall on 31st May, 1st & 2nd June 2022

3. Bays of Harris Estate in Socio-economic Context

Population and Demographics

The Bays of Harris Estate lies in the centre of the Outer Hebrides, with the principal land masses of Lewis and Harris to the north and Uist to the south. All of the islands of the Hebrides have suffered severe population decline since the beginning of the 20th Century. The 3 portions of the estate all reside within the Parish of Harris which experienced a decline in population of 62.3% between 1911 and 2011, falling from 5,449 to 2054 (Table 1).

Table 1: Population of the Parish of Harris 1901-2011

1901	1911	1921	1931	1951	1961	1971	1981	1991	2001	2011
5,271	5,449	5,276	4,468	3,991	3,284	2,885	2,780	2,418	2,120	2,054

The rate of decline in population slowed between 2001 and 2011 to 3.1% across the parish (Table 2). Census data for 2001 and 2011 is available at a more local level enabling a close match with the estate boundaries; the only discrepancy being that Rodel and Lingerbay are also included in the data. Population across the estate fell by 3% from 735 to 713. The largest decline was in Northton (10%), followed by the Bays (3%) while Berneray saw a modest increase of 2 people (1.5%). These changes compare to a decade when Scotland's population rose by 4.6%.

Table 2: **Population Data 2001 & 2011**

Location	Year	Population	Change 2001-2011
Scotland	2011	5,295,403	+4.6
	2001	5,062,011	
Estate	2011	713	-3.0
	2001	735	
Bays	2011	503	-3.1
	2001	519	
Northton	2011	72	-10.0
	2001	80	
Berneray	2011	138	+1.5
	2001	136	

The estate suffers from an ageing population as well as a declining one. Children under 16 on the estate comprised 13.0% of the population in 2011 compared to 17.3% for Scotland as a whole (Table 3). In Berneray the figure was only 8.7%. Younger adults (aged 16-44) make up 25.1% of the estate population compared to 38.5% Scotland wide. In Berneray the figure is only 19.5%. The situation compared to Scotland is reversed for older age groups. 39.2% of the estate population are over 60 compared to 23.2% for Scotland. In Berneray this figure is 42.8%.

Table 3: Demographic data 2001 & 2011

Location	Year	Age Group						
		0-4 (%)	5-15 (%)	16-29 (%)	30-44 (%)	45-59 (%)	60-74 (%)	75+ (%)
Estate	2011	3.5	9.5	10.2	14.9	22.7	27.8	11.4
	2001	4.8	13.5	8.6	15.6	26.0	18.9	12.7
Scotland	2011	5.5	11.8	18.5	20.0	21.1	15.5	7.7
	2001	5.5	13.7	17.5	23.0	19.3	14.0	7.1
Bays	2011	3.4	10.7	10.9	15.9	20.3	28.4	10.3
	2001	5.8	13.5	7.9	16.0	23.7	20.6	12.5
Northton	2011	5.6	8.3	11.1	12.5	27.8	26.4	8.3
	2001	2.5	15.0	10.0	12.5	31.3	16.3	12.5
Berneray	2011	2.9	5.8	7.2	12.3	29.0	26.1	16.7
	2001	2.2	12.5	10.3	16.2	31.6	14.0	13.2

These figures show that low numbers of younger people are a particular problem for the area with the problem being most acute in Berneray. Fewer children has resulted in the closures of schools in Drinishader, Manish and Berneray since the year 2000. The very low numbers of young adults and high numbers of older adults make it more challenging to care for the increasing numbers of older people.

SIMD

The Scottish Index of Multiple Deprivation (SIMD) measures the relative deprivation of 6,976 data zones (areas) of Scotland. The Scottish Government website describes SIMD as:

“a tool for identifying the places in Scotland where people are experiencing disadvantage across different aspects of their lives. SIMD gives a ranking for each small area, or data zone, which shows how deprived that area is compared to other areas. Changes in the rank for one area may be due to other areas becoming more or less deprived.”²

The Bays and Northton are covered by the South Harris datazone and Berneray is included in the Benbecula and North Uist datazone. SIMD indicates that both data zones are within the most deprived 10% for the category of geographical access. This is calculated by measuring drive time to key services (GP, petrol station, Post Office, primary school, retail centre, secondary school), public transport time to GP, PO and retail centre, and the percentage of homes without access to superfast broadband (30Mbs⁻¹). The ranking of South Harris has worsened in the period 2012-20. This could be due to the relatively poor provision of superfast broadband relative to other areas, and the loss of Post Office access which has been replaced by a mobile service.

Policy Context

Public policy is strongly supportive of communities and community ownership of land. Since its inception the Scottish parliament has had a continuing interest in land reform and promoting community ownership of land and assets. It passed Land Reform Acts in 2003 and 2016 and a Community Empowerment Act in 2015. These acts give communities rights to register an interest in buying specific land parcels should they come up for sale, to ask public bodies to transfer public

² <https://www.gov.scot/news/scottish-index-of-multiple-deprivation-2020/#:~:text=The%20latest%20update%20of%20the,different%20aspects%20of%20their%20lives.>

assets to them and, in certain circumstances, to enforce a sale of land to a properly constituted community body.

The Scottish Government has supported this legislative provision with financial support to enable communities to buy land and associated assets. The Scottish Land Fund currently has £10m/yr to support land acquisition but this is promised to rise to £20m/yr over the lifetime of the current parliament. Support is available for feasibility studies, land and associated purchase costs, and some early-stage development costs including development office and administrative posts for larger projects.

The Scottish Government has a National Performance Framework³ with the purpose of making Scotland a more successful country. Its national outcomes include:

- We live in communities that are inclusive, empowered, resilient, and safe
- We tackle poverty by sharing opportunities, wealth and power more equally
- We are creative and our vibrant and diverse cultures are expressed and enjoyed widely
- We have a globally competitive, entrepreneurial, inclusive and sustainable economy

Community landownership has the potential to contribute significantly to each of these areas

The Scottish Government also supports community activity through funding streams which are accessible by community landowners. Examples of this include the Regeneration Capital Grant Fund (RCGF) and the Rural and Islands Housing Funds (RHF). The RCGF has a capital budget of £25m each year with a strong emphasis given to the requirement for a high level of community involvement in project development. The money is delivered through local authorities and Comhairle nan Eilean Siar (CnES) has had a successful track record in applying for funding on behalf of community landowners and groups in the Outer Hebrides.

Following the Covid-19 pandemic the Scottish is looking to “Build Back Better” with its Covid Recovery Strategy⁴ with an emphasis on a fairer future. Future policies and practices will also be developed in the context set by the Climate Change Act 2019 which commits Scotland to net zero carbon emissions by 2045. Community groups are recognised as having an important role to play in both these areas with locally led solutions contributing to solving global problems.

Community Ownership in the Outer Hebrides

A community purchase of the estate would be made in the context of already widespread community ownership of land in the Outer Hebrides. The North Harris and West Harris Trusts own 32,500ha or over 60% of the land mass of Harris with a matching proportion of the population. The first significant community landowner in the Outer Hebrides was the Stornoway Trust which was formed in 1922. More recently purchases of the Bhaltois, Galson, Barvas, Carloway, Pairc and Keose estates along with Aline woodland in Lewis and South Uist estates means that more than 50% of the land in the islands is now in community ownership, with over 70% of people living on community owned land.

Community Land Scotland was formed in 2011 to represent the community landowning sector and is able to provide advice and act as a conduit for information and sharing of experiences. A CLS sub-group operates in the Western Isles by arranging occasional meetings for members to discuss issues and challenges they face and to support one another.

³ [What it is | National Performance Framework](#)

⁴ [Covid Recovery Strategy: for a fairer future - gov.scot \(www.gov.scot\)](#)

The local authority Comhairle nan Eilean Siar has consistently been a supporter of community ownership which it has enabled through contributing capital to some of the purchases and by providing capital funds to community projects. Highlands & Islands Enterprise has identified a number of community landowners as key drivers of economic and social development locally and has considerable understanding of the sector. HIE is able to provide post-purchase support in a structured manner through its community account management programme. This programme gives account managed groups access to targeted technical assistance to develop projects within the context of an agreed development plan.

4. Community & Stakeholder Consultations

The process to consider a purchase has been continuing since 2012. An initial round of community consultations was carried out for the initial feasibility study work and intermittent communications were made to the community in intervening years while discussions were continuing with the landowner.

1st round of Community Meetings

The phase of work that has resulted in the development of this plan started with 3 very well attended meetings in the Bays Centre, Leac a' Li (6 miles from the northern end of the estate), Leverburgh Village Hall (adjacent to the southern end of the Harris part of the estate and 3 miles from Northton) and in Berneray Community centre in January 2020.

Turnout was high in all locations:

Table 4: Consultation Meeting Attendances

Location	Number
Bays Centre	55
Leverburgh	60
Berneray	52
Total	167

This represents approximately 23% of the total population and 27% of the population over 16 at the time of the 2011 census.

At all 3 locations people identified the people and the sense of community as very important. It was said to give a specific identity, a sense of belonging and support in times of need. This was linked to an appreciation of the area as being a safe place to live with low or no crime. The community halls were all appreciated with the Bays Centre, Leverburgh Hall and Berneray village hall being specifically recorded. Crofting and fishing were identified as important at each consultation, with Gaelic and the church also specifically mentioned in Berneray and Leverburgh. Other views were more pessimistic about crofting with fears expressed that it was declining or dying out and concerns over a lack of land use.

The biggest challenge identified by all 3 meetings was that of depopulation and demographics. The lack of young people was acutely felt with concern over the lack of babies being born locally. Alongside this was the needs of an aging population and dangers to future community cohesion as the population becomes more scattered and isolated.

The problem of housing was linked to the demographic challenge. Each meeting identified a lack of affordable housing, especially for young people who could not afford to buy on the market because of the demand for holiday homes. They struggled to rent as well because of the lack of social housing for let, some of which had previously been bought and lost to holiday homes. There was a perceived lack of building land and concerns over the inability to build on crofts due to the lack of services. People at all meetings were in favour of creating new housing opportunities.

The natural environment was very important to local people with multiple mentions of the landscape, beaches⁵, machair, coastline and rocks. People at each site recorded their appreciation of the quiet in the area giving a peaceful environment which they described as unique.

People were appreciative of small local businesses. Despite these local success stories residents were concerned at the lack of employment opportunities to retain population. Well paid opportunities for young people and for women were particularly mentioned, as was the need for year round as opposed to seasonal employment. Change could come if businesses invested in the area and people noted that there is a need for business units/work spaces. Support could be given to entrepreneurs and apprenticeships should be created.

Those attending the meetings saw a range of potential benefits from community ownership which included bringing people together to work for the common good, increased community cohesion, enabling local control of development, combatting depopulation, investing the estate income into the community, getting greater access to public funding, the provision of affordable housing under community control, improvement in crofting administration and greater levels of accountability.

Some comments expressed the view that community ownership would not necessarily bring benefits, while others were more sceptical, either being opposed to the idea in principle or expressing a concern that the separate communities would not be able to work together.

Focused Meetings

A Zoom meeting was held with 7 people⁶ in the 18-40 age bracket from Berneray to explore further the issues facing the younger generation on Berneray. All agreed that the provision of housing for young people was a major issue with prices of houses on the market being out of reach of those with modest incomes. None owned their own homes and others who worked on Berneray lived elsewhere because of the lack of housing. The group thought that there might be some demand for small studio type space for new businesses run by sole traders or possibly with one additional person but thought it unlikely that larger accommodation would be needed.

Grazings clerks in Harris were invited to a meeting in the Bays Centre to discuss crofting issues. A number of crofters and their spouses also attended along with one non-crofter, making a total of 22 present. The discussion covered the implications of community ownership for crofting including administration, opportunities to invest in crofting and the potential release of croft land for new housing and other purposes.

TIG

Tighean Innse Gall is a housing development agency that supports the development of new housing options in the Western Isles. It carries out work for HHP, community groups and develops its own projects. It is open to any kind of partnership arrangement with the proviso that project costs must be manageable.

In response to requests TIG has set up a lettings agency to provide a lettings management service. Entering an agreement with TIG would enable allocations to be made according to an agreed policy but for decision to be made by an organisation seen to be independent.

⁵ Except Bays Centre meeting

⁶ 13 were invited

The Harris Forum

Harris and Berneray have a long history of community action in providing essential local services and more recently economic development. In Harris, the work of a range of different groups is now co-ordinated through the Harris Forum which was set up in 2015 to co-ordinate project development, avoid duplication of activities and identify gaps in provision. The group was able to agree the sharing of Crown Estate revenues available through CnES, indicating a high level of co-operation and positive approach within Harris.

Community Reporting Meetings

The COVID-19 pandemic prevented reporting on the key findings in public meetings for some considerable time. These were finally able to take place from 31st May – 2nd June 2022 in the same three venues as before of the Bays Centre, Leac a' Li, Leverburgh Village Hall and Berneray Village Hall.

A total of 106 people (14.9% of the population at the 2011 census) attended the meetings (Table 5).

Table 5: Consultation Meeting attendances 2022

Location	Number
Bays Centre	45
Leverburgh	30
Berneray	31
Total	106

The format used was a drop-in session from 3-7pm at each venue with A3 sized posters of the key findings on display and the consultants and steering group representatives available to answer any questions and discuss any issues arising. Several questions were posed to prompt discussion and opportunities were also given for general comments.

A lot of comments were generated by the discussion of population decline and also the need for affordable housing. Some of the comments made clear links between the two. All comments on housing were in favour of creating new affordable housing with a view to enabling more young people to stay locally. The link between the need for young people to ensure the future of crofting was also made.

Summary of Consultations Process

The community engaged strongly with the consultations process. This included members who stated that they were not in favour of a buyout (although less attended the reporting meetings). Concern was clearly expressed at the lack of housing, employment and business opportunities, particularly for young people. There was also concern (particularly on mainland Harris) at the decline in crofting and several expressed concern that croft rent would rise under community ownership. Most people attending the meetings could see potential benefits in community ownership, but a minority could not.

At the meetings reporting on the core findings of the study there was strong support for creating new housing opportunities and significant support for creating new business and employment opportunities.

Fuller details of the consultation activities are published in the feasibility study.

5. Key Findings of the Feasibility Study

In addition to the socio-economic research detailed in Section 3 and the views of community members and stakeholder groups outlined in Section 4 the feasibility study identified the following key issues that would have significant impacts upon community ownership and development of the Bays of Harris Estate.

Development Opportunities

A community owned Bays of Harris Estate could play a mix of development roles including **direct delivery** of its own projects, **partnership** working, and **enabling** others to develop opportunities through providing land for appropriate uses.

There are a wide range of areas in which these development roles could be used. These include construction of new houses, improving home energy efficiency, supporting investment in the 4 community centres that serve the estate's residents, the St Kilda Centre at Seallam, the Leverburgh marina, supporting crofting investment, and heritage development projects such as MacLeod's Gunnery on Berneray and creating a memorial to the Paisley sisters in Strond.

There is a history of sites across the estate becoming available for development including Direcleit, Drinishader, Geocrab, and Aird Mhighe, Finsbay, for housing; Berneray and Leac a' Li for community halls, and Northton for visitor centres. There are several sites available across the estate currently and others are likely to come forward over time.

Current & Future Income Streams

The estate has a diverse range of income streams including telecoms masts, fish farm leases, wayleave payments, minerals, sporting and croft rents, bringing in over £80,000/yr and in excess of £100,000 in years where land sales occur. Under community ownership these streams could support part-time Development Manager and Administrator posts while allowing for investment in community and crofting projects.

Illustrative projections have been prepared which demonstrate that the Estate will have a surplus of just over £82,000 at the end of year 5 even after investing in a housing project and having invested £80,000 into crofting projects and community projects. It is apparent that the Bays of Harris Estate is financially viable whilst at the same time capable of delivering significant community and crofting benefit across the Estate.

Freedom of Association

The Bays of Harris Steering Group has given a public assurance to the residents of Northton and Berneray that should they at some point in the future wish to separate from a larger Bays of Harris community landowner and manage their own affairs (or join with another community landowner), they will be free to do so.

Legal Structure

Most community buy-outs/asset owners begin as Companies Limited by Guarantee with some later registered as charities, and there are also some asset purchases that are undertaken by SCIOs. The collective "owners" of the company are the members, but they do not own shares in the organisation.

The main perceived benefit of registering an organisation as a charity is that charities can be entitled to exemption from corporation tax, and whilst, many community organisations take a number of years to generate profits, and the decision regarding structure to minimise corporation tax does not need to be taken until closer to the time that those profits are likely to be realised, this will be a more immediate consideration for the Bays of Harris Estate due to the existing profit making position. If the profits are spent on delivering development activities, then the costs alone can eliminate any potential tax liability.

The Estate earns the majority of its income from rent which is not generally treated as trading income, therefore the Estate can operate as a charitable company without the risk of jeopardising its charitable status unless the organisation decides to establish trading operations itself. There will be a requirement for the funds earned by the Estate as a charitable company to be used to deliver the charitable objectives of the organisation. The organisation could deliver these activities itself directly, or it could provide grants to other organisations in the Estate area to do so, however, even if a charity is carrying out a range of regeneration activities, it would still have to carry out a careful analysis of public v private benefit before deciding to donate money to other organisations, especially if these are businesses or companies without a directly charitable or community purpose.

Operating structure

In addition, the operating structure underneath the legal structure also needs to be established. The estate covers a large area with distinct communities. Therefore, appropriate governance structures are important to ensure balanced representation of directors from across the estate. Two indicative structures are shown in the feasibility study which achieve this. Directors would be elected from the membership on an area basis to ensure local, democratic accountability. When projects are being delivered in a local area these can be overseen by a working group/committee with its own Terms of Reference comprising one or two directors plus other local volunteers. Modern technology allows board meetings to be held via video-conferencing and employees can be based in any part of the estate.

6. Vision

The trend of a declining and ageing population with limited economic and housing opportunities for local people, combined with declining traditional industries does not have to become an inevitable and continuing outcome for the Bays of Harris communities. The positive views that local people have of their environment and culture, the ideas generated by the consultations, the opportunities outlined in the feasibility study and the revenues generated by the estate can be brought together to create a more sustainable future for the Bays of Harris Estate.

The following is therefore an appropriate vision for the Bays of Harris:

A healthy, active, and demographically balanced Bays of Harris inspired by, and living sustainably within, this special environment and our Gaelic island culture

Underlying this vision, a community-owned Bays of Harris Estate will work according to a number of principles that reflect community values and a culture of promoting community empowerment and entrepreneurialism. The community will:

- Promote projects which are respectful of the environment⁷ and cultural traditions while being supportive of new approaches to life in the islands.
- Seek to release land at fair prices for businesses, community premises and private residential accommodation for working families.
- Seek to release land and facilitate development of affordable rented housing for working families.
- Work with the crofting community to help encourage more effective use of crofts and common grazings.
- Assist with the development and management of a tourism industry which benefits the wider community.
- Develop income streams to support the maintenance and improvement of the estate while creating a fund (of any surplus) to distribute to appropriate community groups, on a request basis.
- Work, as appropriate, with other local and national organisations who operate for the good of the community and the environment.

⁷ i.e. projects which minimise environmental damage/disturbance and work towards carbon neutrality

7. Development Proposals

In order to deliver its vision a community-owned Bays of Harris estate will need to directly deliver, work in partnership or facilitate the provision of a range of opportunities on the estate. It will do so in the key areas of Housing, Community Facilities, Heritage Development, Community Development Projects and Crofting Development

Housing

Objectives:

- The provision of new housing opportunities for local residents
- The sale of individual plots to self-builders
- The improvement of the existing housing stock

Action	Development Cost	Potential Funding Sources	Indicative Start Date
Commission study into potential housing development sites	£10 -15,000	Rural Housing Fund	2023
Develop 2 affordable houses	£400,000	Rural Housing Fund/Own resources/Commercial Borrowing	2025
Identify sites for potential self-build housing			2023
Develop policy on providing house sites with Rural Housing Burdens for sale			2023
Sale of first self-build plot			2025
Develop a further 2 affordable houses	£400,000		2027

Policy Background

The Outer Hebrides Community Planning partnership Local Outcome Improvement Plan 2017-27 sets out the following as its vision:

Our vision is to promote and realise the full potential of the Outer Hebrides as a prosperous, well-educated and healthy community enjoying a good quality of life, fully realising the benefits of our natural environment and cultural values

In order to achieve that vision its first priority is that “The Outer Hebrides retains and attracts people to ensure a sustainable population”. One of 4 points of focus for delivering that goal is “There is housing across the islands which meets the needs of all of our people and is affordable to them to heat and maintain over the life of their home.” It notes that 62% of households in the islands have

been assessed as being in fuel poverty and 26% in extreme fuel poverty. By 2028 31.1% of island residents are predicted to be over 65. Many of these residents are living in older properties that are difficult to heat and the cause of fuel poverty.

The feasibility study identified the demand for properties in Harris and Berneray in 2020 as given in Table 6

Table 6: Local Housing Demand

	1 Bedroom	2 Bedroom	3 Bedroom	Comments
Harris	29	16	8	
Berneray	2	1	0	Duplicate applications - also included in North Uist figures
North Uist	11	7	4	

The total demand for 53 units in Harris is a significant increase in recent years with 29 waiting in December 2016. The total of 3 for Berneray is less than the numbers identified in the Zoom call with younger people there and is likely to reflect the fact that a number of people will not have registered, thinking that the chances of renting a property are slim.

Housing Delivery

A community owned Bays of Harris estate will prioritise the provision of new housing opportunities. The feasibility study identified that housing could be provided either by the community itself, in partnership with Hebridean Housing Association or Tighean Innse Gall, or through the release of land for self-build.

A combination of some, or even all, of these options will deliver real benefits in terms of providing new housing opportunities, halting rural depopulation and rebalancing the demographics of the area. The community will take the lead because of the importance of the issue and because of the lack of investment by other bodies in the recent past. An application to the Rural Housing Fund for a detailed study of available sites will therefore be a priority following a community purchase of the estate. A number of existing sites (discussed below) will be considered, as will other sites following a public call immediately post-purchase for potential sites to be suggested by crofters/grazings committees. New housebuilding will be pursued as individual projects on separate sites or as partnership projects which can reduce unit costs and share risk. The community will use the income from the sale of plots to private individuals and to other housing bodies to reinvest in its own projects.

Home Energy and Infrastructure Improvements

A Bays of Harris community landowner could play a major role in facilitating the improvement of the quality of housing on the estate, especially in the area of energy efficiency. Other community landowners have pioneered such a route, using their position embedded in the community to reach throughout their area in a way that those from outside struggle to do. NHT worked in partnership

with TIG in 2008 to provide energy efficient light bulbs and energy monitors throughout North Harris. Free energy efficiency surveys were carried out and improved insulation was installed in eligible households free of charge. More recently TIG has partnered with Barvas Estate and Galson estate to deliver similar measures.

TIG is currently developing a Local Heat and Energy Efficiency strategy on behalf of CnES and will be mailing surveys to households later in 2020. It would welcome the opportunity to partner with a Bays of Harris community landowner to develop innovative ways of reaching those households which are difficult to reach and maximise community benefit. Measures could include home insulation, advice on energy efficiency and replacement of oil boilers with renewable energy systems, and even ways of making transport more efficient (TIG is currently exploring options enabling islanders to rent electrical cars for a modest monthly sum to take advantage of savings in fuel costs and to use the benefit of locally generated renewable electricity). Work on energy efficiency can also lead to opportunities to address other issues such as improving access for elderly residents with declining mobility.

Community Facilities

The size and geographical shape of the Bays of Harris estate are indicated by the fact that its population has access to 4 community facilities; 2 within and 2 just outside the boundaries of the estate. The people of Berneray have access to and give great support to the **Berneray Community Hall** which is owned and operated by the Berneray Community Association. This community support includes through Berneray Week being used to raise funds for the operation and maintenance of the facility. The residents of Northton on the west side of Harris and those from the southern end of the geographical Bays of Harris access services and community facilities in the **Leverburgh Village Hall** which is very close to the boundary of the estate. Those who reside at the northern end of the estate access Tarbert for services and make use of the **Tarbert Community Centre**, operated by the Harris Mutual Improvement Association (HMIA). Prior to the Bays of Harris Iomairt aig an Oir (Initiative at the Edge) the north and south ends of the Harris part of the estate did not have a common social meeting place. However, the construction of the **Bays Centre** at Leac a' Li in the centre of the geographical Bays in 2004 has provided a real focal point for the scattered community and it also attracts users from other parts of Harris. Its appeal as a venue arises significantly from its compact size and intimate atmosphere. In practice, residents of the geographical Bays of Harris use both the Bays Centre and their nearest larger centre in Tarbert or Leverburgh.

Community halls will typically have a need for major renovations on a 20-40yr timescale in addition to smaller repairs and improvements that will occur every 10yrs or more frequently. The Berneray Community Hall committee have started to investigate the replacement of the roof of the building which is estimated to cost £40,000. In the medium term they would also like to replace the heating system. The Bays Centre committee plan to replace the floor in the near future as it is wearing out through constant use. They also intend to install a new boiler as the original system no longer works and the building is currently being heated by stand-alone heaters. Possibilities for expansion of the building are limited because the site is tightly defined and therefore room for extensions and car parking is restricted. In addition a significant increase in size would risk losing the compact intimacy of the venue that is a key point of attraction. One possible beneficial addition that has been considered is that of a conservatory type addition to give extra room and a pleasant outlook in summer.

A Bays community landowner will have the opportunity to use part of its revenue to support redevelopment of any of the 4 community centres/village halls in its role as a facilitator of development because all provide a service to residents of the land which a Bays of Harris estate community landowner will purchase. As the land is being purchased to deliver community benefits this could include the 2 facilities that are just outside of the estate. It could provide money to help bring a funding package together and it could also provide officer time to assist voluntary committees with funding applications or project development.

Community Development Projects

Leverburgh Marina

A project to improve the marine facilities in Leverburgh was first proposed by the Leverburgh Moorings Association but is now being taken forward by HDL. They were recently successful in getting funding for a bathymetric survey and feasibility study to improve facilities including the provision of pontoons in the port. The project would be developed as an addition to existing marine facilities operated by HDL in Tarbert and Scalpay (c.20 miles away).

A Leverburgh regeneration programme is also being developed which has the strong support of HIE/CnES

St Kilda Centre

HDL are working with Seallam on a project which could see the redevelopment of the Seallam building in Northton as a St Kilda interpretation centre.

Crofting Community Development

Crofting has historically played a major role in keeping people on the land, although crofting on its own has not been sufficient to prevent a major decline in population in the area. However, it is likely that if security of tenure had not been granted by the Crofting Acts and people had been unable to build their own homes, there would be few people resident across the state today.

Crofting can still play a significant role in maintaining the fabric of the community and contributing to a sustainable economy and society in the decades to come. Traditional crofting activities of livestock rearing and crop growing have declined significantly due to the changing economics of agricultural production and support being less favourable to those in remoter areas with poorer quality land, the rise in people's ability to earn an income solely from paid employment, and the reduction in active crofters making it harder to carry out communal activities. Nevertheless, there continues to be significant traditional activity on the part of some and a diversification into other activities such as tourism businesses by others.

A Bays of Harris community landowner will seek to use some of its revenues to support crofting community practices and development. In seeking to regenerate the area it will focus on providing support to longer term investments which by their nature are made by those who intend to stay in an area. It will aim to provide focussed support to individuals looking to start crofting activity for the first time or to start a new business, because keeping people in/attracting people to the community and enabling young people to raise families will bring strong benefits at the community level in terms of population numbers, improved demographic profile and a strengthened economy. There can also be spin offs to local townships through issues such as improved fencing of hill ground

leading to reduced problems caused by straying livestock, woodland creation improving local amenity, and self-closing gates improving access and reducing the problem of gates being left open.

Following a community purchase a fund will be created to which common grazings/individuals could apply. Decisions will be made on the basis of set criteria such as benefits to be delivered, match funding available from other resources, own resources to be used, age of applicants and family members. Crofters are familiar with applying to programmes such as the Scottish Rural Development Programme (SRDP) where applications are scored against set criteria, so this will not be a novel approach. For illustrative purposes a figure of £10,000/annum is used in the cash flow projections in Section 8. Intervention rates in the Crofting Agricultural Grant Scheme (CAGS) are 60% for those 41 and over and 80% for those under 41. Where groups apply the standard intervention rate is 60% but for those meeting the young farmer criteria the rate is 90%. An intervention rate of 10% from a community fund would lead to a total investment of £100,000.

Heritage Development

The estate has a number of older buildings and archaeological remains that are of significant local, national and international interest. Historic Environment Scotland operates a listing system to protect the heritage interest. Buildings must have special architectural or historic interest to be listed. There are 3 categories of listing:

- A – Applies to buildings of national or international importance (about 8% of total listed buildings)
- B – Applies to buildings of regional importance (about 50% of total listed buildings)
- C – Applies to buildings of local importance (about 42% of total listed buildings)

The highest concentration of listed buildings on the estate are found at Ruisgarry, Berneray. CnES has designated the area as a conservation area in recognition of the importance of the site. Ruisgarry Conservation Area includes 4 blackhouses at Cnoc an Dudain, MacLeod's Gunnery, Berneray Hostel and Annexe and 2 further blackhouses. All are B listed except for MacLeod's Gunnery which is A listed. Other listed properties on Berneray are the former Parliamentary Church and Manse (both B), the parish church (C) and Davaar Cottage (C).

On Harris the Manish church, former manse and Manish School and Schoolhouse and 9A Quidinish are B Listed. 1 Flodabay is C listed.

Older structures and archaeological remains are protected via Scheduled Monument status. There are 4 Scheduled Monuments on Berneray comprising 1 souterrain, 2 cairns and Cladh Maolrithe (incorporating standing stones, cashel, chapel and shielings). There are 3 Scheduled Monuments in Northton comprising the ancient church at Rubh an Teampuill, a settlement, 500m east of Rubh an Teampuill and a settlement west of Traigh an Taoibh Thuath.

Macleod's Gunnery, Berneray

The Gunnery is situated on a croft in Berneray and is the only A listed structure on the estate so is recognised as being of international importance. As noted in Section 4 the restoration of the Gunnery was a desire of a number of respondents on Berneray. The gunnery and other blackhouses

on the croft need to be rethatched to be conserved and suitable uses need to be found for them. The croft has a new tenant who has indicated that he is open to discussions regarding the best way forward to secure the future of the buildings on his croft. A community owned bays of Harris estate will look to play a role in exploring the options open for renovation and future management of the buildings; first of all through facilitating a study of options available, potentially using officer time to source funding opportunities and to do background research and development necessary to progress a project.

The Paisley Sisters

The modern Harris Tweed industry owes its origins to two sisters from Strond, Christine and Marion MacLeod who trained in weaving skills in Paisley enabling the production of a superior quality of cloth⁸. The Leverburgh Enhancement Group supported by South Harris Community Council wish to create a suitable memorial at the site of their former house and weaving shed. A Bays of Harris community landowner will aim to support and facilitate such a project if help is requested.

Potential Development Sites

Berneray

A site on the Berneray common grazings was first made available more than 20 years ago with the intention of plots being made available to people for self-build. These were not taken up at the time, due in part to the thought locally that the first person to develop a plot on the site would incur extra costs e.g. in paying for a new transformer which might be beyond their means and which subsequent developers could take advantage of. The land is therefore still available for development. It is very accessible, being a strip of land approximately 300m long and 30m deep adjacent to the single-track road running through the island. The land lies in the north side of the road from the junction with the causeway road to approximately 50m from the local shop. The 33kVA supply to the island runs immediately behind the site and the water main runs nearby. The land would appear to be shallow peat with smooth bedrock showing through in places.

This site could accommodate up to 8 detached houses or slightly more if there were a mix of detached and semi-detached units. Alternatively, it could provide space for a mix of housing and small business units. As noted above the costs of developing a new site can make it difficult for individual private housebuilders to develop a solution that is viable for themselves. However, this is a situation where a community landowner can play a pivotal role in unlocking the potential that lies in land.

BoH will therefore look to explore the potential of this site through support from the Rural Housing Fund. It will also look to partner with other bodies such as Tighean Innse Gall, Hebridean Housing Partnership and Highlands & Islands Enterprise to develop a mixed development approach that would cater for different needs and share the development costs of the site. This could include a system of shared septic tanks to reduce sewerage costs for individual units.

⁸ <https://www.facebook.com/harristweedauthority/photos/a-rare-image-of-the-blackhouse-and-weaving-shed-of-the-paisley-sisters-in-strond/637485092989550/>

Leverburgh

The South Harris Community Council has previously identified the potential of a site at the edge of Leverburgh for new housing, just beyond the last house in the village on the 'Peat Road' to Aird Mhighe. The site is in a natural bowl immediately below the former water tank that fed Leverburgh, adjacent to a small burn that runs off the hill. Visual evidence of overflow from the burn when in spate would suggest it stays fairly close to its banks and that there would be significant developable land for a number of houses. Water and electricity lines are close by to the site.

Collam

A croft owner is willing to make land available for housing development if the community is successful in purchasing the estate. The site is adjacent to the road, there is a water main and power lines close to the site and the ground appears to be reasonably shallow peat with some bedrock visible.

Historic sites

The community has made a number of sites available for housing and community purposes in the past including:

Mill Road, Direcleit: 8 units

Drinishader: 4 units built by North Harris Housing Association in 2003

Geocrab: 4 units

Aird Mhighe, Finsbay: 4 units

Berneray Community Centre

Leac a' Li Community Centre

Seallam, Northton

McGillivray Centre, Northton

In the light of the above it can be expected that further sites will come forward over time and the fact of community ownership may encourage these. At the time of its purchase the North Harris Trust had no specific sites identified for development, but it has constructed its own office building with 2 flats above and has enabled the construction of eight HHP units at Ceann an Ora. It has facilitated the sale of a number of plots at various locations with 3 currently under development and is currently in negotiations with HHP to jointly develop land at Scott Road, Tarbert. It has also built three 60m² business units at Iomairt an Oban on the edge of Tarbert.

Summary

The proposals in this across a range of sectors demonstrate that there are a wide range of opportunities within the estate and close to its boundaries serving the residents of the estate. There is also a strong desire to improve existing infrastructure and services as shown by the active

engagement of existing community groups in developing new ideas. There is significant scope for a community landowner to fulfil the 3 roles of direct delivery, partnership and enabling as outlined in the feasibility study report. It will take the lead on delivering some projects (particularly housing and business space) by working on its own and/or in partnership with others and it could support a range of other projects financially and/or with officer time.

Development Strategy

A key advantage for a community landowner that owns a large estate is that it can take a strategic approach to development to address the needs of the whole community. A strategic approach to developing the estate will contain 3 core elements:

1. Housing Needs Analysis. The data gathered so far has shown that there is a significant housing need across the estate although the exact dimensions of it are unclear. Funding from the Rural Housing Fund would enable a comprehensive analysis to take place, the scale of the need to be made known within the community and the results used to drive decision-making on the development of new projects.
2. Assessment of Development Sites. Parallel to the needs analysis available sites can be assessed for their development costs and their locational advantages. The publicising of the results of the housing needs analysis and the community engagement that comes through that process may encourage the identification of further potential sites for analysis within the community. These sites could be assessed as a group and sites prioritised according to ease of development.
3. Developing specific projects with partners. The site assessment work will identify the extent of opportunities that could be developed and matched with the needs analysis will enable the community to take decisions on how to develop particular sites and with whom. As noted above housing can be developed by the community itself, in partnership with HHP and/or TIG or a combination of these. Similarly, business accommodation can be developed with support from CnES & HIE.

8. Financial Summary

Bays of Harris – Existing Estate position

Significant work has been carried out over the last 8 years to establish the existing Estate operating position. Most recently in 2018, a valuation report has been prepared by Savills which identifies the assets on the Estate and a summary of the financial position, plus the Feasibility Study prepared in November 2017 also contains a detailed financial analysis of the estate. A summary of the main income sources are provided below:

INCOME	
Croft rent	2,920
Other grazings & allotments	73
Slipway	25
Telecoms	42,712
Fish farms	15,700
Sporting	1,050
Wayleaves	18,122
Minerals	2,492
Annual income	83,093

The owners have provided data for more recent income figures which confirm that the above income level is ongoing with a total income figure for 2021 of £84,283 with an increase in the Telecoms income but fall in croft rent and mineral income.

In addition, periodic land sales occur which can increase the annual income to around £100,000 in total but this is not income that is assured each year, or that is necessarily at a steady level, but it does allow an additional source of income for the Estate to reinvest back into the Estate itself.

Crofts

The Croft data available is not entirely accurate but rent receipts in the year to 31 March 2017 was £2,920 with the 6 year average calculated at £3,263. Rents have not been raised for many years which is not unusual and often the situation with crofting estates. The high level of income from other sources means that there are no plans to raise rents.

Other Grazings and Allotments

There are a small number of tenanted grazings on the Bays of Harris estate which return around £73 per annum.

Other sites

There is also a slipway adjacent to the Tarbert Distillery which yields £25 per annum and a lease that runs to 1 March 2036.

Telecoms masts

There are a number of telecoms masts on the Estate which return rental income on an annual basis and will continue to provide income over the next 10 – 17 years which is estimated at £17,250 and subject to RPI increases every 5 years. Additional income of over £25,000 is earned through site sharing arrangements but this type of income could be limited in the future.

Fish Farming

On the Estate there are leases with fish farming companies that generate rental income from the lease of sites.

Sporting, wayleaves & minerals

Further income is generated from a shooting rights lease, and quarry lease, as well as a steady source of revenue from wayleaves.

Development Opportunities

Community Estate Owners can deliver development projects in 3 ways:

- Directly - using its own resources and personnel.
- Enabler – allowing other organisations, businesses and individuals opportunities to take forward economic activity and projects on the Estate through the use of its resources through leases, delivery of business units, grants etc.
- Partnership – working with other organisations to deliver projects in partnership.

Most estates undertake a mix of the 3 methods depending on the most appropriate delivery method for each project. For the Bays of Harris Estate, it will act where possible as an enabler as it currently has a range of assets from which a healthy level of income is earned.

In the future, where possible it will look to create opportunities to lease further assets where this will either earn income for the Estate and/or create business opportunities locally that will add to the economic output of Harris, in particular job creation. The most likely contribution of the Estate however is likely to be in relation to distributing grant funding or donations to other community groups to be able to use the funding to leverage further economic and community objectives. It will establish a clear set of priorities and rules for the use of the funds to ensure that the primary objectives are being delivered with accountability and transparency at the core of the decision-making process.

The resource of the Bays of Harris Estate's development officer will be extremely important to the delivery of the Estate's own objectives and will also form a resource for the community as a whole by assisting other groups with the delivery of projects where they initially don't have paid staff to deliver their own projects. It will be important for the organisation to source grant support for development staff so that the rental income earned by the estate can primarily be used as prime pump grants to leverage additional external funding into projects.

The Bays of Harris Estate does not own any property and does not have an established base on the Estate. This means that the organisation is very lean in terms of running costs and maintaining this situation will be a real advantage to the organisation, not only in terms of low operating costs, but also being agile in terms of enabling the Estate to be run from any part of the geographical area with a development officer working from home and the Estate not having a fixed geographical administrative base.

Five year projections

Five year projections have been prepared which show a summary of the existing income sources earned by the estate, including a conservative estimate of land sale income occurring periodically. Operating expenditure has been added to the illustration and the assumptions for these costs are also included.

The main costs shown are in relation to employment costs with the assumption that a 0.6 FTE Development Manager will be required as well as a 0.25 FTE Administrator. Costs are also included for the provision of home office working by staff as well as general company operating costs such as insurance, accountancy costs, training, subscriptions etc. It is anticipated that ongoing legal costs will be paid in relation to crofting transactions as well.

It is assumed that 100% of the Development Manager salary will be grant funded for the first two years and 50% in year 3.

Funds have been allocated at a rate of £10,000 - 20,000 per annum to match fund crofting projects proposed and taken forward by crofting townships on the Estate as well as for community projects on the estate, except for the years where a housing project commences where some of the funds may be allocated to these projects.

In addition, a contingency reserve fund has been created from 10% of the non-croft rent income (including housing surplus) in order to have sufficient income set aside for future development and maintenance of housing assets as the Estate grows and the commercial asset income is less assured.

In the first 5 years it is planned to commence immediately in drawing up a Housing Plan with the anticipation of building 2 affordable rental houses in year 3 on Berneray, followed by a second phase on Harris in year 5. Alongside the housing project, it's proposed that a business unit would also be built which would help stimulate economic activity and provide rental income to the Estate.

The illustrative projections prepared demonstrate that the Estate will have a surplus of just over £81,000 at the end of year 5 even after investing in a housing project and having invested £80,000 into crofting projects and community projects. It is apparent that the Bays of Harris Estate is financially viable whilst at the same time delivering significant community and crofting benefit across the Estate. This is based on the assumption that the steering group will have the ability to raise the full purchase price without taking on any borrowing.

Bays of Harris Estate						
Summary of annual income and expenditure						
	Notes	Year 1	Year 2	Year 3	Year 4	Year 5
INCOME						
Croft rent	1	2,920	2,920	2,920	2,920	2,920
Other grazings & allotments	1	73	73	73	73	73
Slipway	1	25	25	25	25	25
Telecoms	1	42,712	42,712	42,712	42,712	42,712
Fish farms	1	15,700	15,700	15,700	15,700	15,700
Sporting	1	1,050	1,050	1,050	1,050	1,050
Wayleaves	1	18,122	18,122	18,122	18,122	18,122
Minerals	1	2,492	2,492	2,492	2,492	2,492
Development grant funding	2	23,879	25,073	13,163		
Housing grant	3	15,000				
Housing Ph1 - net cashflow	4			821	1,642	1,642
Housing Ph2 - net cashflow	5					
Business units	6			2,700	2,700	2,700
Housing land sale	7			20,000		
Land sales	8			18,000		18,000
Annual income		121,972	108,166	137,777	87,435	105,435
EXPENDITURE						
Development manager	9	19,879	20,873	21,916	23,012	24,163
Administrator	9	7,000	7,350	7,718	8,103	8,509
Office running costs	10	4,000	4,200	4,410	4,631	4,862
Operational budget	11	5,800	6,090	6,395	6,714	7,050
Legal fees	12	1,000	1,050	1,103	1,158	1,216
Crofting/Community project fund	13	20,000	20,000	10,000	20,000	10,000
Housing plan	14	20,000				
Housing project - own contribution	15			50,000		
Business units - own contribution	15			50,000		
Contingency reserve fund	16	8,017	8,017	8,369	8,452	8,452
Loan interest	17			2,180	4,360	4,360
		85,696	67,580	162,090	76,429	68,610
Net income/(expenditure)		36,276	40,586	(24,313)	11,006	36,825
Cumulative net income/(expenditure)		36,276	76,861	52,549	63,555	100,380
<i>Loan capital repayments</i>				3,750	7,500	7,500
Net annual cashflow		36,276	40,586	(28,063)	3,506	29,325
Cumulative net income/(expenditure)		36,276	76,861	48,799	52,305	81,630
Capital costs						
Estate acquisition		1,263,500				
Business unit				50,000		
Housing project				400,000		
		1,263,500	-	450,000	-	-
Funded by:						
Grant funding		937,886		200,000		
Own contribution		325,614		100,000		
Loan funding				150,000		
		1,263,500	-	450,000	-	-

Notes - Assumptions							
1	Income based on existing income levels from the Estate.						
2	Assume year 1 & 2 development manager post and office running costs grant funded in full with 50% funding in year 3.						
3	Assume 75% funding sought for housing plan through non-SLF grants.						
4	Berneray housing project with 2 houses built in year 3 and income generated from part way through year 3.						
5	A second housing project on the estate with a further 2 houses built in year 6 and income generated from part way through year 6. This does not impact on the financial position in the first 5 years.						
6	Alongside each housing project, a basic business unit could also be built to generate economic activity and return some rental income to the estate.						
7	As part of the housing projects it is expected that these could be taken forward in conjunction with a housing agency such as HHP and that as part of the arrangements that some land sale income would be generated for the Estate as well.						
8	It is expected that there will be periodic land sales related to crofts that the landlord will benefit from which are illustrated in the projections as occurring intermittently. The assumption is that the land sale proceeds would provide a significant contribution towards the delivery of housing projects.						
9	Assume a Development manager is employed on a 0.6 FTE basis to take forward development projects, and that a 0.25 FTE post for administration is also created which could be combined into one post.						
10	Assumption that development manager will work from home and be provided with an allowance to cover office running costs.						
11	Allowance to cover the running of the organisation such as costs related to Directors' meetings, travel costs of development manager etc.						
12	A cost for legal fees has been incorporated for the ongoing work required in relation to croft administration, commercial leases etc.						
13	Set aside of £10,000 - 20,000 per annum to match with other funding provided by crofting townships for crofting related projects and for community projects being taken forward by community organisations.						
14	Housing plan to be created in first year of operation.						
15	Assume that the organisation provides a capital contribution towards the housing projects and business units from own funds.						
16	Contingency reserve fund to be created to enable 10% of the non-croft rental income to be set aside for future development work on the Estate, particularly as the mast rental income may not continue at its existing level indefinitely.						
17	Assuming that the balance required to purchase the estate of £325,614 is covered by a commercial loan with an interest rate of 5% repayable over 20 years. Also housing projects are assumed to require £150,000 loan assuming an interest rate of 5% over 20 years.						

Estate Purchase Funding

It would be possible for the Estate to be purchased with some loan borrowing, however, this would then impact on the organisation's ability to take forward development projects due to the need to use a proportion of annual income to repay loan capital and interest.

The projections are based on the ability of the community to raise £325,614 in excess of £1m potentially raised from the Scottish Land Fund. However, if this balance is taken in the form of a commercial loan this will have an impact on the Estate's ability to deliver the sale level of community benefit. Loan repayments will be almost £26,000 per annum which will limit the Estate's ability to set aside as much funding for crofting/community projects (£25K instead of £80K in the first 5 years),

particularly in years where the housing projects are taken forward. The business units would need to be dropped if commercial loan funding is required for the acquisition.

Therefore, the aim is to fund the purchase either without borrowing or with borrowing only the minimum required. It will seek to do this via:

- Seeking grant support from SLF greater than the £1m normal threshold (such as was achieved by the North West Mull Community Woodland Company in the purchase of the Isle of Ulva)
- Organising an online Crowdfunder drawing on the successful campaigns of groups such as the Langholm Initiative⁹ and the Old Forge Community Benefit Society¹⁰

⁹ The second Crowdfunding appeal can be accessed at: [Fundraiser by Kat Mayer : Langholm Moor Second-Stage Community Buyout \(gofundme.com\)](#)

¹⁰ [The Old Forge Community Benefit Society - a Community crowdfunding project in Mallaig by The Old Forge CBS \(crowdfunder.co.uk\)](#)

9. Risk Analysis

Table 7 Risk Factors and Mitigation				
Risk Factor	Likelihood	Scale of Impact	Description of Impact	Mitigation
Owner refuses to sell	Medium-High	High	<ul style="list-style-type: none"> Unable to proceed with community buyout as planned 	<ul style="list-style-type: none"> Work for as high a favourable vote as possible in community ballot Negotiate with landowner in a respectful manner Consider applying to the Scottish Government for a compulsory purchase for reasons of sustainable development
BoH unable to secure funding to complete purchase of Bays of Harris Estate	Low to Medium	High	<ul style="list-style-type: none"> Unable to proceed with community buyout as planned 	<ul style="list-style-type: none"> Fully engage with SLF during its assessment process Prepare crowdfunding appeal to target likely givers Develop a programme of press releases to maximise publicity for appeal Discuss with potential lenders the options for loans
Unable to secure development funding for first 3-5 years .	Low to Medium	Medium	<ul style="list-style-type: none"> More challenging to progress with proposals as currently stand 	<ul style="list-style-type: none"> Early discussions with key potential funders. Approach more funders than may be necessary to spread risk. May have to revise initial proposals.

Table 7 Risk Factors and Mitigation				
Risk Factor	Likelihood	Scale of Impact	Description of Impact	Mitigation
Delay in securing development funding for first 3-5 years.	Medium	Medium	<ul style="list-style-type: none"> • Unable to recruit development staff within timescale. • Will affect proposed budgets and ability to deliver on original targets. 	<ul style="list-style-type: none"> • Submit applications/ proposals at earliest opportunity. • Greater activity undertaken by voluntary directors. • Develop fall-back plans in order to meet key deadlines
Inability to secure high calibre staff.	Medium	High	<ul style="list-style-type: none"> • May impact on development initiatives required to meet objectives. 	<ul style="list-style-type: none"> • Use networks and contacts to encourage applications. • Offer flexibility in contract regarding location, and hours and days worked. • Offer home working. • Use contracts with existing community landowners and development organisations with known expertise to pool development staff resources.

Table 7 Risk Factors and Mitigation

Risk Factor	Likelihood	Scale of Impact	Description of Impact	Mitigation
Inability to recruit within planned timescale.	Medium	Medium	<ul style="list-style-type: none"> • Delays in delivering key activities. • Knock-on impact on development of Estate. 	<ul style="list-style-type: none"> • Prepare recruitment documentation in advance of securing funding. • Liaise with partner organisations in advance of securing funding. • Ensure high calibre candidates attracted to posts avoiding need for re-advertisements
Lack of local support for development proposals	Low	High	<ul style="list-style-type: none"> • Reduces credibility of BoH as community landlord 	<ul style="list-style-type: none"> • Continue to engage and communicate with community on activities.
Erosion of support from partner organisations	Low	High	<ul style="list-style-type: none"> • Inability to deliver identified benefits. • Loss of local credibility and support will impact on fundraising and other activities. 	<ul style="list-style-type: none"> • Continue to work closely and ensure benefits accrue to all parties. • Make use of potential benefits of being the largest community buyout in some years to garner support from public organisations

Table 7 Risk Factors and Mitigation

Risk Factor	Likelihood	Scale of Impact	Description of Impact	Mitigation
Inability to maintain cohesion of different parts of the estate	Low to Medium	Medium	<ul style="list-style-type: none"> • Disagreements at board level • Negative publicity and loss of public confidence • Uneven distribution of benefits of community ownership 	<ul style="list-style-type: none"> • Establish working groups for different areas • Arrange board visits to different parts of the estate • Arrange occasional estate wide events to celebrate common heritage • Maintain right of Berneray and Northton to choose a separate future post purchase
Lack of skills/ capacity to deliver	Low/Medium	High	<ul style="list-style-type: none"> • Inability to manage estate • Loss of credibility in community • Inability to access development funding 	<ul style="list-style-type: none"> • Instigate initial director training • Mentoring • Recruitment of new Directors to fill skills gaps • Ongoing training for Directors & staff • Use of Working Groups to draw in wider talent pool • Use contracts to buy in expertise from existing Community Landlord Organisations
Volunteer fatigue means reduced ability to deliver.	Medium	Medium	<ul style="list-style-type: none"> • More difficult to maintain self-financing Estate able to deliver wider community benefits 	<ul style="list-style-type: none"> • Aim to secure higher numbers of volunteers via Working Groups to spread workload. • Recruitment of staff for key activities should reduce overall workload.

10. Funding Sources for Acquisition and Development Funding

The funding landscape has some elements that are constant at the current time while others are variable due to the UK's exit from the EU. This means that European funds such as those from the LEADER programme will no longer be available, but others will gradually take their place.

The following are a number of continuing sources of funding that the Bays of Harris community will look to use for purchase and potential development of the estate:

- a. **Scottish Land Fund.** The fund has £10m/yr for community purchases of land and other assets. It can give up to 95% grant on capital and revenue costs. BoH has already received Stage 1 funding towards the feasibility study and will apply for Stage 2 funding towards the purchase price and associated legal costs. If BoH is able to secure a discount on the sale price of the property to be purchased this can be credited as a community contribution and SLF could fund 100% of remaining costs. If sufficient funds are available within SLF BoH will give consideration to asking for more than the normal £1m maximum.
- b. **Scottish Government Regeneration Capital Grant Fund.** This fund has been running for some years now and is administered through local authorities. It favours projects with strong community input and looks for strong economic benefit and employment creation outcomes.
- c. **Rural Tourism Infrastructure Fund.** The Scottish Government established this fund¹¹, administered by VisitScotland, to assist areas where infrastructure is struggling to cope with tourism pressures. Only local authorities can apply for the funding, but community groups can apply to their local authority for inclusion in an application. BoH will work with Comhairle nan Eilean Siar to identify suitable projects for inclusion in an application to this fund.
- d. **Rural & Islands Housing Funds.** The Scottish Government established these funds¹² to assist communities to build housing appropriate to local needs in remote areas. BoH will apply for feasibility funding, and following up on development of a successful study will seek to apply for capital funding for housing projects.
- e. **Highlands & Islands Enterprise.** HIE's resources have been reduced considerably in recent years but it is still able to contribute significantly to community-led regeneration projects. BoH will seek to become a community account managed which enables HIE and BoH to take a strategic long-term view to support levels.

¹¹ <https://www.visitscotland.org/supporting-your-business/funding/rural-tourism-infrastructure-fund>

¹² <https://www.visitscotland.org/supporting-your-business/funding/rural-tourism-infrastructure-fund>

- f. **Private Grant Making Trusts.** There are a wide range of grant making trusts that award funding to community groups and charities delivering socially beneficial projects. Each trust has its own criteria and therefore different trusts will support different projects. BoH will research and apply for funding from this wide range of sources with the aid of websites such as <https://fundingscotland.com/>
- g. **Crowdfunding.** This is delivered through a range of online platforms including Crowdfunder, Kickstarter and Indiegogo and involves seeking donations from a wide range of people. Some appeals are highly successful, others less so. The concept of community ownership and the connections that many people have to the islands have the potential to appeal to a wide constituency. The most successful appeals make intelligent use of social media to highlight their cause and spread its message far and wide. Such an appeal could be used both to arrange funding for capital purchase and to provide some capital for investment in the estate.
- h. **Philanthropy.** BoH will seek significant capital donations from individuals who have a connection to the area or who have a particular interest in community-led regeneration. Such donations cannot be relied upon and can be unpredictable, but 1 or more can make the difference between successful purchase and failure.

11. Governance

A key driver of community ownership of assets is that of giving more people a say over how assets are used and greater opportunities to become involved in the management of those assets. It is important therefore that governance structures and management systems are put in place that enable greater opportunities to be delivered. This will be particularly important for the Bays of Harris estate where communities are spread over a large area..

The company that owns the assets on behalf of the community will be governed by a board of directors who are responsible for setting overall policy and strategy of the business. Numbers of directors on a board can vary according to need and what a company is trying to achieve. In the case of the Bays of Harris the community will need sufficient directors to carry out the work of the company and ensure that the constituent communities of the estate are represented.

The feasibility study considered different governance models and consulted on 2 options at the community reporting meetings. A model based on representation in the Bays area being via a north-south split with 3 directors from each (with 1 from Northton and 2 from Berneray) was favoured over single director constituencies over smaller areas. The model will comprise:

Berneray	2
Northton	1
South Bays	3
North Bays	3
Total	9

The creation of a board in this form will ensure representation from across the estate. In delivering activities, projects and change it will be important to have a local presence. Project working groups will be set up for specific projects with one or two directors plus other members of the community and occasionally those with specialist skills from outside the area who are willing to volunteer. Each project working group will last for as long as is required and then can be disbanded with other groups being formed to deliver new projects. In the Bays of Harris estate context it would be logical to have a permanent working group set up for Berneray due to its geographical situation, with groups for other areas of the estate as and when required. Such an approach will allow the board to draw on the wider skills of the community and increase community involvement in the management of the estate's activities.

Skills Analysis

The board will require a diverse range of skills from a diverse group of people to effectively represent the population of the estate and to take forward a broad range of projects. The key requirements in a director will be a commitment to deliver positive benefits for the community and a willingness to commit to giving the necessary time to attend meetings, study papers, and work with others to deliver agreed projects and outcomes.

The board will have more members than that of the current steering group and it can be expected that not all members of the steering group will choose to stand or necessarily be elected as directors. However, an analysis of the skills within the group is a useful starting point to identify the breadth of skills and experience available within the community and to identify skills gaps that could be filled by recruiting people with the necessary skills.

There is considerable existing experience within the group in serving local communities through being members of the local authority and community councils, working for community sector bodies, and serving in the legal system. Members are experienced in the core skills of chairing meetings and providing administrative support to private sector companies and community groups. Some have direct experience in working in economic development, either for the local authority or for local community development organisations.

Group members come from a range of work backgrounds and have a range of skills in maritime activities, engineering, administration and education/training. Several have experience in running their own businesses. Specific skills that are useful for supporting a community landownership company include: writing and publishing skills (print and online); delivery of governance, management and compliance training; website design; experience of writing successful grant funding applications; and acting in consultancy roles.

A key skill that will be beneficial to have on the board is that of management of construction projects. Delivering construction projects can be a challenging, lengthy and complex process. That process can be made easier by having a person with that experience on the board. If there is not a director on the board with that experience, it will be necessary to buy it in.

Meeting

The separation caused by the Sound of Harris will make it challenging to meet up in person on a regular basis, especially when board members are volunteers and have work and family responsibilities. The social distancing caused by Covid-19 has encouraged many people and groups to use various forms of online video-conferencing which have worked well. The key advantages to these are that participants can see one another and that travelling time for all participants is removed. The steering group now uses Zoom regularly for meetings and has found that this works well.

While on-line meetings are valuable it will still be important to have face to face meetings and it will be important to have a proportion of these in Berneray. The Bays of Harris Estate board could meet in person and then online on an alternating basis or could perhaps even meet online for two meetings out of three. In the former scenario there would be six in person meetings and in the latter scenario there would be four. If two of these were held in Berneray and linked with visiting activities taking place there it would help to strengthen the links between the parts of the estate separated by the Sound of Harris.

Job recruitment and delivery

Recruiting staff for an estate operation has both negative and positive aspects when the estate has no built property of its own. There is no building that can be used immediately as an office and therefore no immediately obvious place for a business to work from. However, it also means that

the business is not forced to work from a particular location. This has the potential to be of real benefit in an estate as dispersed as the Bays of Harris.

Posts will be advertised as either available for homeworking or as seeking to find an office location as near as possible to the successful candidate. This will allow the community company to ensure equality of opportunity to employment across the estate and it will also maximise the potential number of candidates and quality of candidates available for any given post. There has been an increasing movement towards homeworking in recent years with employees for a number of community landowners and other community organisations doing so. Helpfully, the expected infill of gaps in 4G provision should also provide near estate wide coverage by the time that the community purchases the estate.

It is now emerging that following the necessity to work from home during the recent Coronavirus pandemic, many employees are expressing a desire for a mix of working from home and an office location with 2 or 3 days of each per week, and there is an expectation of greater demand for flexible/hot desking facilities shared across different organisations. The availability of more flexible office space in future may work well for the Bays of Harris.

Long term Change

The steering group previously discussed with the owners the options for buying only part of the estate if different parts of the community had different views on the way forward. However, the owners are of the view that they either wish to sell the property as a whole or not at all. In particular they were concerned that the revenues currently generated by Northton and Berneray would be insufficient to cover running costs.

The BoHSG has given a public assurance to the residents of Northton and Berneray that should they at some point in the future wish to separate from a larger Bays of Harris community landowner and manage their own affairs (or join with another community landowner), they will be free to do so. An example of where this could be a logical move would be if there were to be a community purchase of North Uist. Given Berneray's strong economic, transport, cultural and educational links with North Uist there could be solid arguments to consider such a linkage.

The majority of the commercial rental income earned by the Bays of Harris Estate is generated in the Bays area, therefore the potential exit of the Northton or Berneray areas will not have a detrimental financial impact on the remaining Bays of Harris Estate, however there is a degree of strength in numbers and all 3 areas will independently be less significant in terms of population, geography and their financial position. Well run community owned estates who can build up a good track record of delivering projects are in a much better position to be able to access funding for future projects and therefore there could be a significant benefit to each of the three areas within the Bays of Harris Estate continuing to work together for the mutual benefit of the Estate as a whole.