



Rural Housing Strong Communities

Community Housing Seminary, Ullapool, March 2014

Funded by:



Highlands and Islands Enterprise
Iomairt na Gaidhealtachd 's nan Eilean



Introduction and aims of seminar

Good quality, affordable housing is crucial to the sustainability of any community, in particular those in remote, rural areas like Skye, Lochaber and Wester Ross. Affordable housing enables young people to stay in the rural communities where they were born and in turn to raise families of their own. It also allows newcomers to move into a community, bringing with them valuable new skills, knowledge and expertise.

Across the communities of Scotland's remote and rural north-west there is frequently a lack of affordable housing. After years of relying on others to provide it, many communities are now looking at what they can do themselves to tackle their housing problems.

Mindful of communities' desire to help themselves, in late 2013 Highlands and Islands Enterprise (HIE) took the decision to fund a series of seminars across the HIE region with a focus on community housing. They approached Ullapool Community Trust to be the local organizing partner for the Skye, Lochaber and Wester Ross event, which took place at the Macphail Centre in Ullapool on 27th March, 2014.

The aims of the event were to increase awareness and understanding of the challenges and benefits of community housing projects and to increase communities' confidence when considering taking such projects forward.

This report contains a summary of the content of the day, as well as capturing feedback from delegates on their thoughts about the event and the difference it made to them.

The Programme

The event was chaired by Kathy Ross, Chair of Lochbroom Community Council, and comprised a series of presentations through the morning and early afternoon, finishing with a choice of two workshops or an informal

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networking session. A marketplace of stands from the organisations represented by the speakers and a small number of architects and building companies also ran throughout the day.

Copies of the presentations are available on request (from Ullapool Community Trust – email address at the end of the report). Below we have included short summaries of the content of each presentation and the discussion at the workshops.

Presentations

The Knoydart Experience

Davie Newton, Knoydart Foundation

Davie talked about his experience as a longstanding member of the Knoydart Community involved in developing and subsequently managing a series of small community owned housing units on the peninsula. He touched on the challenges of allocation and his recommendation that, however challenging, allocation should always be kept within the community rather than being handed over to an external agency.

The main focus of his presentation however was on what happens after the initial allocation is over, and the fact that allocation is really only the beginning of a process of ongoing property management and maintenance. In Knoydart's case these tasks were initially given over to external contractors. However the community quickly decided that they would prefer to keep this work 'in house' and set up a community maintenance company which won the contract from the housing association to maintain the community housing units. Taking this step meant not only that money was kept within the local community, but it also created employment, training and skills development opportunities for local people, increasing community confidence along the way. With this new-found confidence, future plans include tendering to build further houses and a community hall.

The North Harris Experience

David Cameron, North Harris Trust

David's presentation opened with a brief description of the role of Community Land Scotland, of which David is Chair, before going on to concentrate on a community housing project undertaken by the North Harris Trust which created two two-bedroomed flats and offices in Amhuinnsuidhe Quayside in North Harris. David described the process of selling three serviced plots to raise over £60,000 towards the build. This was then combined with funding from the Western Isles Council. When it came to allocating the properties, demand was ten times greater than supply posing further challenges in terms of allocations.

To help ease the housing problem in North Harris in other ways, the Trust has recently granted 50 feus to legalise title on croft houses, enabling the owners to build extra houses on their land should they wish to do so. David explained that the Trust is very aware of

the importance of serving the needs of the whole community including the elderly and disabled, and that they are constantly looking at ways to do this.



Affordable Housing in a Nutshell

Ronnie Macrae, HSCHT

Building affordable community housing has an ongoing social and economic impact well beyond that of the build process itself and on the family given a home. This was a key theme of Ronnie's presentation: the boost to skills and capacity creating and managing housing can give a community.

When planning a new housing development Ronnie advised that communities start thinking broadly, looking at all the options and then narrowing the focus down through a process of information gathering and consultation, in particular making use of local knowledge. He commented that he has seen successful outcomes from a wide range of different affordable housing models. An important key to success is that the approach is locally-appropriate and has buy-in from the local community.

In practical terms a realistic assessment of all costs is critical at the outset, including post-build costs such as maintenance and management. Potential partners and funding options



will vary for each community. The Development Trusts Association is a useful source of advice. A long lease model can allow access to private sector finance, for example. Rent to buy is another option. New options to consider are always emerging and many communities are very innovative.

The Rural Housing Challenge in Lochaber, Skye and Wester Ross and the Highland Council's response

Allan Maguire, Head of Housing Development, The Highland Council

Allan began his presentation with some statistics about house building in Skye, Lochaber and Wester Ross in recent years, showing how the number of houses built per annum declined over the four year period 2008/9 to 2012/13 from 450 new homes per year to just under 250 per year. This decline was particularly marked in Inverness. The number of affordable homes being built also dropped over this period, with the decline in funding from 2008/9 making a marked impact. The Highland Council is currently looking at ways to reverse this trend and is meeting with Scottish Government Ministers very soon. Paying to maintain and repair existing properties is having an impact on new-builds too. Because no funding is given to housing associations for maintenance and repairs they find themselves having to use money originally intended for building new homes on maintaining existing ones instead.

Allan then went on to set out a series of other issues, in addition to inadequate funding, that he feels are impacting on house-building in the north west of Scotland:

- It costs more to build on the west coast than in Inverness: Land costs are still high for the quality of land purchased and landowners think prices are going to rise so are reluctant to sell. Landowners in the west of Scotland are some of the toughest negotiators Allan has ever met! Infrastructure costs are higher more generally in rural areas too.
- The Scottish Environmental Protection Agency (SEPA) have recently issued a flood map which shows nearly all of the Highlands to be on a flood plain, putting building costs up.
- With all of this, once the land has been purchased and made ready there is often little left of the original budget for the build itself (£65-70K grant per unit is usually needed) In other areas cross-subsidy from speculative developments is often possible, but very little speculative development takes place in the Highlands cutting off this potential funding stream.
- A further constraint is the lack of a skilled workforce in the Highlands. Apprenticeships in the area have dropped from 400 to 200 since 2008.



The Highland Council’s response has been to set up a development forum in each area to identify need, land and funding available (bearing in mind that a subsidy will always need to be in place for affordable housing provision). The Highland Council itself is now building again for the first time in 20 years. In Ullapool specifically, the missives were concluded on 26th March on the former Glenfield Hotel site. The old Ullapool hotel site now has a Highland Council funded affordable housing development underway. Redundant Highland Council buildings across the region will now also be used for affordable housing. There is a scheme underway too which offers a £20,000 grant to assist with house renovation if the property is then leased to the Highland Council.

Allan is keen to see more community-led projects as these partnership projects have a better chance of being funded. Bespoke projects tend to work best. The Council is also looking at the potential for developing a ‘shared apprenticeship’ scheme where an apprentice works for several contractors within his or her own community, rather than ‘following the contractor’ which often takes the apprentice and his/her developing skills out of the community.

The Helmsdale Experience

Paul Harrington, Helmsdale & District Development Trust

The driver for Helmsdale and District to begin to look at building the first affordable homes in the area for over 35 years was a declining population. The local population had declined by between 3 and 5%, and keen to stem this the Development Trust are pushing ahead



with a plan to build four affordable housing units wholly owned by the community, plus a further three privately owned units, all on land gifted to the Development Trust by The Highland Council. The money raised from selling the three plots for private development is helping fund the community builds, which are scheduled for completion in October this year.

Attempts at working in partnership with others have met with mixed success in Helmsdale. The community itself is the most important partner.

The key lessons Paul felt that Helmsdale has learned as a result of the process of developing the housing are the importance of being both transparent and tenacious; listening to relevant experts; keeping in close touch with the views of the community; managing everyone's expectations and having a clear exit strategy should things not work out as planned.

Resonating with a point made earlier by Allan Maguire, Paul commented that by their reckoning it is costing £22K more per unit to build in Helmsdale than in Inverness or the Central belt, mostly due to additional transport costs.

Forest Crofts for Housing

Jamie McIntyre

Jamie opened his presentation with an overview of the policy context for crofting and the opportunities it offers not just to individual families but to communities in terms of retaining population; creating affordable housing; managing the land sensitively; and generating income. For families there are the additional benefits of gaining access to woodland and supporting a sustainable lifestyle and livelihood.

There are possibly 4000 woodland crofts across Scotland although the precise number isn't actually known. They provide lots of opportunities – and planning departments tend to allow a very wide variety of different uses of the land.

It is desirable to tie the croft to the croft house, allowing families to live and work on the croft land. However the fact that a proposed building is on a croft is by no means a guarantee of planning permission should changes require to be made or new building erected. That said, once permission is granted, building on your own woodland throws up numerous possibilities, for example creating cladding, walls and flooring for your new home from the your own woodland.

Currently there are no specific development grants for woodland crofts. However Jamie and others take the view that it is a much better way to manage woodland than we currently see across much of Scotland.

Project funding and the Scottish Community Shares Unit

Alex Walker, Ekopia

The final presentation of the day was delivered by Alex Walker, a social entrepreneur based in Findhorn near Forres. Alex focused on project funding groups he's been involved with in

the past and in particular the role of the Scottish Community Shares Unit. He gave a series of examples of raising money for projects from within the Findhorn community, including a community share issue via a Community Benefit Society model which raised £1M. One of the advantages of a Community Benefit Society approach is that there is no need for a formal prospectus for the share issue. Reasonable dividends on these shares have been returned to the community, and the shares operate on a one investor one vote basis, regardless of investment size.

Another route to fundraising has been the development in Findhorn of their own local currency.

The new Community Shares Unit in Scotland is a partnership project with the Development Trusts Association (DTAS) as lead partner. Scotland lags behind many other countries in the practice of community share issues and one of the aims of the new unit is to give this model of funding a much needed boost here.

Alex cautioned that in spite of these numerous possible routes to raising funding, patience is needed as it can often take several years to get funding in place.





Workshops

Community Housing – Assessing your project's viability (with Ronnie Macrae)

This workshop started with Ronnie, the facilitator, explaining some of the background to the organization of which he is CEO – The Highland Small Communities Housing Trust (HSCHT). A not-for-profit organization, HSCHT was set up specifically to help communities take forward small-scale housing projects for community benefit. Set-up funding was provided by The Highland Council, Highlands and Islands Enterprise and the Scottish Government; the organization has now progressed to being entirely self-funding.

The discussion then moved on to consider project viability and how to assess this. Ronnie's view was that projects are best when done in partnership with The Highland Council. This gives the community organization, for example a development trust, the advantage of a strong, established partner who will carry part of the financial burden while at the same time leaving them free to seek additional funding from a variety of other sources. Issuing share options is one possible route by which some organizations have sought to raise additional capital.

One of the first things to consider in any project is your exit strategy should problems arise, for example not being able to raise enough capital.

Affordable homes with affordable rents do not fund themselves. They need some form of additional funding to get them built and make them work financially. A potential unit will cost on average £110-120K

Innovative ways of funding your project (with Alex Walker)

This workshop provided delegates with an opportunity to discuss in more depth the points raised by Alex in his presentation. In particular, delegates were interested in the community share issue process and how the parent company operated. How, for example, had the company managed to get such a good response to their share issue? The answer seemed to be clear communication and carefully timed information provision. The discussion then continued on the theme of funding options drawing on Alex's extensive experience of this area.

Delegates' feedback on the event

An online evaluation using SurveyMonkey gathered feedback from delegates on their feelings about the event.

Delegates found all of the presentations useful to various degrees. The presentations they considered most useful were:

- Knoydart Experience
- 'Affordable Housing in a Nutshell'
- The Highland Council's response to the rural housing challenge



- Project Funding and the Community Shares Unit

A deliberate decision was taken in planning this seminar to leave generous amounts of time for informal networking – at mid-morning coffee, during the lunchbreak, and with a 'networking and mini-meetings' option available as an alternative to workshops in the second half of the afternoon. Opinions were mixed as to whether this was a good approach with half of the respondents to the evaluation survey considering that it was about the right amount of time, while the other half felt too much time had been allowed for networking. One delegate commented that the networking time should have been left to the end of the day making it optional for those who wished to stay.



Delegates felt the event was well-organised and ran smoothly. When asked they had no specific recommendations for improvements.

In terms of the overall usefulness of the event to their work, delegates commented:

"I think there was a lot of useful information there, and the day will have provided a) food for thought; and b) contacts. It was very helpful to hear the Knoydart management and repair side of the story ..."



"... this venue worked well and the pace and planning of the day, speakers etc ... all made for an excellent and very useful event for me."

On the question of whether the seminar had achieved its aims of increasing awareness and understanding of the challenges and benefits of community housing projects and increasing communities' confidence in undertaking such projects, the consensus in the evaluation surveys was that the event had done this. Respondents commented:

"Yes. You did all of that for me. Good range and breadth of speakers and attendees."

"The seminar certainly helped to increase my awareness of the whole aspect of community housing. The potential and the pitfalls."

Delegates welcomed the presence of architect and building companies with hands-on experience of working on small community projects in the marketplace. They also particularly valued the input from Allan Maguire, Head of Housing Development at the Highland Council.

Suggestions for improvements

In their feedback delegates suggested that for a future event it would be good to have someone from the planning department along to speak.

One delegate suggested that as well as hearing about the planning, build, initial allocation and maintenance of affordable housing, input on the ongoing revenue costs of such projects would also have been useful.

Although most delegates welcomed the range of presentations through the day and the pace of the event, one delegate felt that the programme was rushed, with too many speaking slots and not enough time to discuss and digest what had been said.

Delegates enjoyed the catering, which included tea/coffee and breakfast bars on arrival, tea/coffee and juice mid-morning, a lunch of sandwiches and fruit, and teas/coffees in the afternoon. One delegate would have liked less of a focus on 'bread-based' food, which would also have made it more accessible for some of those delegates with special dietary requirements.

The marketplace stimulated a lot of interest and delegates enjoyed mingling and chatting by the various stands which had been brought along. More space for this at a future event would be helpful.

Conclusions

The seminar was well-attended and positively evaluated by all participants. Delegates felt it achieved its intended outcomes of raising their awareness and understanding of the challenges and benefits of community housing projects, as well as increasing their confidence when considering pursuing such a project.

Future events could be improved by the inclusion of a speaker from the planning department, input on ongoing revenue costs, more space in the 'marketplace' area and planning the programme to ensure plenty of time to discuss and digest the content of each presentation before moving on.

Contacts

To obtain copies of any of the presentations or for further information about the event, please contact:

info@ullapoolcommunity.org or call 01854 613879

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