

## Community Ownership of the Bays of Harris Estate Summary of Feasibility Study and Business Plan



Credit: John Maher



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Credit: Eilidh Carr

### Context

**The population of Harris fell from 5,449 in 1911 to 2,054 in 2011. The population of the Estate fell by 3% from 2001 to 2011 compared to a 4.6% increase across Scotland. There were declines of 10% in Northton and 3.1% in the Bays, but growth of 1.5% in Berneray.**

**The Estate has an ageing population as well as a declining one.** 39.2% of the Estate's population are over 60 compared to 23.2% for Scotland. In Berneray this figure is 42.8%.

### Community Consultations

**Three public consultations were held in 2020 attracting 157 people with over 50 at each venue.** This represents approximately 27% of the population over 16 at the time of the 2011 census. A further 3 meetings were held in May/June 2022 to report on the key findings of the study.

**All 3 communities within the whole Estate shared an appreciation of similar things** under the 3 general headings of **environment, community and culture**. Each meeting identified **the people** and the **sense of community** as very important. Focussed meetings were held with young people from Berneray and on crofting in Harris.

**The biggest challenge identified was that of depopulation and demographics.** The **lack of young people was acutely felt** with concern over the lack of babies being born locally. 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.**

Those attending the meetings **saw a range of potential benefits from community ownership** including **increased community cohesion**, enabling **local control of development**, **combatting depopulation**, **investing the Estate's income into the community**, getting **greater access to public funding**, the provision of **affordable housing**, improvement in **crofting administration** and greater levels of **accountability**. Some expressed the view that **community ownership would not necessarily bring benefits** while others were more sceptical, **being opposed to the idea in principle** or **expressing a concern that the separate communities would not be able to work together.**

### 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, creating business space and supporting investment** in the 4 community centres that serve the Estate's residents, the St Kilda Centre at Seallam, the Leverburgh marina, crofting, and heritage development projects such as MacLeod's Gunnery on Berneray and creating a memorial to the Paisley sisters in Strond.

## Financial Analysis

**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 annually and in excess of £100,000 in years where land sales occur.** In this situation **there is no financial reason to have to increase croft rents.** 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 £12,000 at the end of year 5, even after investing in two housing projects 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 Estate earns the majority of its income from leases which are not 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.

## 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.** 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 videoconferencing and employees can be based in any part of the Estate.**

## Vision and Business Plan

A community-owned Bays of Harris Estate will contribute to ***"A healthy, active, and demographically balanced Bays of Harris inspired by, and living sustainably within, this special environment and our Gaelic island culture"***

**Development projects** in the **first five years** of community ownership of the Estate will focus on:

- Delivering **affordable local housing**
- Creating **business units to facilitate local economic development and employment**
- Establishing a **community investment fund to support crofting and community projects** on the Estate