

COMMUNITY OWNERSHIP OF THE BAYS OF HARRIS ESTATE

FEASIBILITY STUDY – KEY FINDINGS 13/07/22

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 suffers from an ageing population as well as a declining one. 39.2% of the estate 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.



Photo: Eilidh Carr

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.



Photo: John Maher

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 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/yr 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.



Photo: John Maher

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.

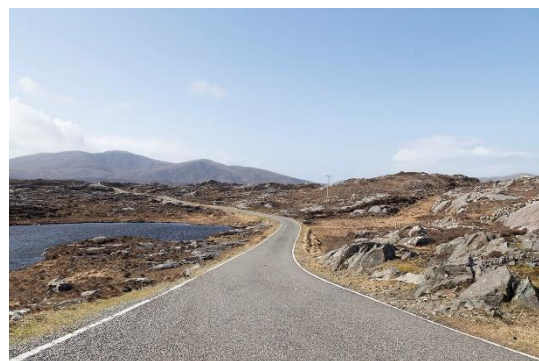


Photo: John Maher