

SKERRAY COMMUNITY LAND PURCHASE

Feasibility Study

for

Skerray Steering Group

by

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and

Associates

July 2006

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1.1 The Opportunity

This feasibility study was commissioned by the Skerray Steering Group (SSG) to investigate

the opportunities and viability of community purchase and ownership of the “Skerray Estate”, which extends to 2,600ha in the parish of Tongue, North Sutherland. For the purposes of this feasibility study, Skerray Estate is defined as the croft land that pertains to the townships listed in paragraph 1.6 below.

“Skerray Estate” is factored as part of Sutherland Estates from the estate office in Golspie. The Estate is not on the market but the community, under Part 3 of the Land Reform (Scotland) Act 2003, could submit an application to Scottish Ministers to purchase the croft land. This would require the consent of a majority of both the crofting community and the crofters within the crofting community

Skerray is a crofting estate with a limited sporting interest, which is influenced by a number of natural heritage designations. This study examines the scope, under community ownership (or through other means) for the Estate to generate increased economic, social and environmental benefits, both for the local community and for the wider public – in particular, visitors to the area.

Past outward migration from Sutherland shows the need for people to be at the heart of area development and have access to resources, including land. For Skerray to thrive, the area needs to retain, attract and nurture able and motivated people, enjoying a good standard of living within a strengthened community.

The economic principle for communities purchasing land is to ensure that the income and wealth which it is capable of generating stays within the local community. There will be immediate opportunities to foster development and provide local employment (as shown in this report), but much of the potential benefit will only be realised in the long term. In other community land purchases, the communities have been as much interested in providing the next generation with a sounder base as in improving their current economic welfare.

This report explores the scope for community purchase of the Skerray croft land to generate economic, social and environmental benefits in ways which the community will determine. There are a number of options for how the community might move forward, and these are discussed in Section 6. Partnership with the existing Estate owner rather than purchase is one option.

1.2 The Community’s Response to the Opportunity

A public meeting was held in Skerray on 15 June 2004, at which the possibility of declaring a community interest in a buy-out of the Skerray Estate was discussed. A steering group of four local residents was formed to consider the possibilities of community ownership, and this group approached the HIE Community Land Unit for funding to set this study in motion.

A further public meeting was held on 28 July 2005 to which the Assynt and Melness Crofters Trusts were invited to talk about their experiences. Since that meeting, a local animateur has been working in the community to refine community thinking on the project. The results of her work are included in this report.

1.3 The Study Team

Our team for the study has comprised:

Steve Westbrook, economist
Duncan Bryden, rural development and conservation specialist
Agnes Rennie, community consultation
Atholl Newlands (Bowlts), estate management specialist
Graeme Scott, chartered accountant

1.4 **Our Approach to the Study**

Our team members visited the area to assess the estate at first-hand, to obtain local views on different aspects of potential estate purchase, and to gather relevant information. Our local consultation included:

- meetings with the Steering Group
- a public meeting
- a drop-in session in the village hall
- meetings with township grazings committees, etc

The formal community consultation process that has been an important part of this feasibility study is summarised at 1.5 below, and the main findings from this are discussed in Section 3. In addition, the consultancy team has spoken to individuals in the community with knowledge of the Estate and its development potential.

A meeting was held with Lord Strathnaver in March to discuss Sutherland Estate's response to the community's potential interest in acquiring the Estate and to request financial and other potential information on Estate operation. Subsequently, financial information was received on croft and common grazings rents and other information on Estate assets.

1.5 **Terms of Reference for the Study**

The objectives of this feasibility study were stated in the brief as follows:

- Analysis of the current income and expenditure pattern of the estate as available information allows
- Analysis of estate viability against a range of development options
- Provision of annual income and expenditure projections, bearing in mind development opportunities and various ownership scenarios
- An analysis of options for raising funds
- An analysis of the strengths and weaknesses in pursuing ownership through either an amicable purchase or purchase through the Land Reform Act

1.6 **The Skerray Community**

Skerray is a small crofting community on the north coast of Sutherland, located on a rocky promontory between Tongue in the west and Bettyhill to the east. The housing in Skerray lies mostly along a loop of minor single track road north of the A836 Tongue to Bettyhill road. The name 'Skerray' means, literally, "*between the rocks and the sea*".

There are 11 townships scattered across the Skerray Estate: Torrisdale, Achtoty, Lotts, Clashaidy, Clashlevan, Achnabat, Clashbuie, Tubeg, Modsary, Lamigo, Stathanbeg, Strathan, and the deserted village of Sleitel. A fuller list of townships/croft land that might be included in a community purchase of the Estate is provided as Appendix 1. There are two offshore islands: Island Neave, *The Priest's Island*, close to Skerray harbour, and, one mile from the harbour, Island Roan, which was last inhabited in 1938. According to Sutherland Estates, neither of these islands are under crofting tenure, and we were told that they would not be available for community purchase. The community, however, understands the islands to be under crofting tenure. This issue would need to be resolved if the community decides to move forward on a potential purchase.

The information contained in the Tongue and Farr ward profile, part of the Sutherland Local Plan consultation process, does not break down figures for the Skerray area. The population of the three main settlements in the ward is put at 596 in 293 households.

The Steering Group have advised us that the current Skerray population is 91 full-time residents in 46 households, composed as follows. The ages of some residents were estimated.

Up to 16	14
17-39	12
40-60	30
Over 60	35
	91

The estate has 65 crofts, with 31 crofting households and 43 crofters. 55 people are involved in crofting activity, including ploughing, bringing home peats etc for others – a high proportion of the area's adult population.

The Skerray area is classed as 'fragile' by public sector organizations. The term 'fragile' is used to summarise the key range of problems faced by remote, rural communities Scotland. The Scottish Index of Multiple Deprivation (SIMD) identifies Tongue and Farr as one of the most disadvantaged areas in Scotland using 31 indicators. The Highland Council's 'fragility measure' for rural areas has seven indicators. The 'worst' third of rural Highland areas for each of the seven indicators are those defined as fragile. Skerray qualifies as fragile based on at least 5 or 6 indicators. The classification is based on the following indicators:

- Population density, by Highland Council settlement zone
- % Population change between 1981 - 1991, by Highland Council settlement zone
- % Change in population aged 0-15 years, between 1981 - 1991, by Highland Council settlement zone
- % People aged over 18 claiming income support, by 1996 Ward
- % Of long term unemployment, by District Ward
- 10 minute drive time to 5 key services – Post Office; Food Shop; GP; Primary school; petrol facility. The Tongue and Farr area has 3 Post Offices, 4 food shops, 2 petrol facilities and 2 health centres.
- Areas outwith 1.5 hr drive time of Inverness

Skerray has poor public transport service provision, which gives rise to relatively high levels of car ownership. 75.8% of people in Tongue and Farr have access to one or more cars compared to 74.9% across Highland.

The range of standard socio economic 'fragility' indicators appears to present Skerray, and indeed much of north Sutherland, in a rather negative light and perhaps causes some local resentment. Skerray won the Crofting Township of the Year Award in 1997 and many activities are carried out communally. The area does have some genuine problems, but these should not overshadow the assets and opportunities of the place and the capacities of the people.

The Skerray area has benefited in the past ten years from several initiatives designed to counter fragility in North West Sutherland, including:

- The North West Sutherland area was one of the original *Initiative at the Edge* (IATE) areas designated by the Scottish Executive. This status expired in April 2004. IATE is a partnership programme which aims to give communities the power to identify their needs and develop projects accordingly. North Sutherland has subsequently received additional funding under the Social Inclusion programme.
- The area was part of a LIFE demonstration project called Duthchas designed to promote sustainable development in remote rural areas with high environmental quality and fragile economies (1998-2001). The priority project for Skerray was identified as 'local produce production and marketing'. From this project, the North Sutherland Community Forum (NSCF) was established, which is a democratic community organisation charged with taking forward development across North Sutherland.
- There is a local community enterprise called NORCELT (North Coast Community Enterprise Ltd)
- The North West was recently declared Scotland's first European Geo Park. Although the park boundary falls on a Mhoine west of the Kyle of Tongue there may be spin-off opportunities through this designation.
- The Tongue and Farr area is identified by the SIMD as a Rural Service Priority Area, with the intention of finding innovative solutions in providing health care, training or childcare services.
- The North West Food Link was set up in 2005 by 16 growers from Lochinver to Melvich to make fresh and locally grown food more widely available locally.

Three old croft buildings in Skerray were renovated in 1996 and provide community and visitor facilities, including Jimson's shop selling local goods, a garden centre and the Post Office. There is a community office with fax, photocopier and computer. An adjacent building houses the Skerray Historical Association. The Association's annual exhibition has recorded 1,000 visitors through signatures in the visitor book and it is suggested that there may be a further thousand unrecorded visitors. Currently the Skerray Historical Association is researching funding possibilities for renovating the church hall. Once funding becomes available, the Association plans to move to the hall and create an archive of records and photographs, space for the archivist and items relating to the history of Skerray. Digitised archive photographs relating to the area cannot yet be viewed, although visitors already research genealogy and use the archives. The new facility will have basic facilities including toilets.

The Mackay Country website notes that Skerray also has an artist's studio Tigh Hughag (painting weeks are run with artists in residence), community workshop, and a busy garden centre that features the unique chrysanthemum '*Highland White Dream*' The Skerray Village

Hall is a relatively small building, but is renowned for providing a diverse range of entertainment.

1.7 **Consultation**

To engage with people in the community, we used a range of measures, including a public meeting, drop-in events and face-to-face consultation, to order to involve local people of all ages. The Steering Group assisted in facilitating a high turnout to events and meetings, and have carried out more detailed discussions with local people. Given the relatively small size of the community we consider that coverage has been extensive. We also drew on the experience of existing community groups in the area and those already engaged in land management and other community development.

In consulting the community, we gathered and assessed ideas and enthusiasm for development opportunities that could arise if the area were in community ownership. Consultation with statutory bodies, and other organisations has also provided important background information. Consultees have included national bodies, including Scottish Natural Heritage (SNH) and Forestry Commission Scotland (FCS), regional organisations, including Caithness and Sutherland Enterprise (CASE) and Highland Council (HC), and local groups, including the Sutherland Partnership (SP) and the North Sutherland Community Forest Trust (NSCFT).

1.8 The Structure and Local Plan

Policies RD7 and RD8 in Highland Council's 2001 Structure Plan support measures and initiatives which assist local communities to take ownership of local natural resources which will contribute to their future viability. Within the Structure Plan, there is a clear commitment from the Council to support renewable energy developments, especially Policy E8, in which the Council supports efforts to make more provision for renewable energy projects in small communities where they can be shown to be appropriate. The Highland Renewables Strategy based on a study undertaken during 2004 and adopted by the Council in May 2006, provides an objective estimate of the constrained renewable energy potential available in the Highland area. Skerray is not in a preferred area for export scale wind farm construction.

Highland Council is currently preparing a revised Local Plan for the whole Sutherland area. Skerray residents are being given the opportunities to input into this new Plan. The existing Local Plan for Tongue and Farr dates from 1995 and is based on the 1990 Highland Regional Council Structure Plan. This Local Plan will be used until the new Plan is adopted, which is scheduled for November 2007.

The current Plan for Skerray noted that housing policy RS2 will apply to eight townships with a presumption against development outwith the established settlement pattern in order to safeguard croftland. However, the new Plan could take a different line (see below).

Scottish Planning Policy 3, Planning for Housing, requires Local Plans to provide sufficient effective land (i.e. free of development constraints) to meet the housing land requirement for at least 5 years and to identify further sites to meet requirements in the medium and longer term. Housing land requirements have to be monitored regularly and reviewed in the light of changing circumstances. Preparatory work for the new Local Plan suggests significant shortfalls in housing in the Bettyhill/Farr, Melvich and Tongue areas – up to 40 houses in the Tongue area alone. The allocation of more land within the villages could help sustain population and local services. In other areas, the need to allocate specific land in advance is less relevant, largely in view of a history of self-build development on single sites either within definable dispersed communities or in the open countryside.

The new Local Plan will consider the scope for additional development of this nature where the existing development pattern allows, servicing can be achieved and there are no other major constraints to development. This has presented the residents of Skerray with a major opportunity to influence the content of the new Local Plan, and Section 3.1 summarises potential.

The Steering Group held a public meeting with two Council officials responsible for the new Plan. They suggested that, if the community wanted it, the whole of Skerray, apart from good agricultural land, could be considered in the new Plan as possible for house sites. The officials looked at the sites that had been proposed by the Steering Group and made comments which are included in this report (see Section 3.1) They also recognized the community's desire for enhanced signage (see Section 3.4)

2.0 ESTATE DESCRIPTION

Our-desk based appraisal of the Estate has identified the following picture of assets and established land tenure.

2.1 Geology, Soils and Climate

The main underlying rock is Lewisian Gneiss with Moine Schist on the western edge of the estate; around the River Borgie the landscape is characterized by fluvio glacial features. Both rock types have been smoothed by glacial activity and now large areas are covered by peat. Peat is an organic deposit and began to be formed over the area 2,500 years ago. Blanket peat is relatively rare in world terms and is confined to a few oceanic regions around the globe. North Sutherland and Caithness are particularly important peatlands in the UK. Peatlands are an effective mechanism for storing organic carbon (carbon sinks). In Skerray, peat has been cut by hand for domestic fuel for many generations

A much smaller part of the estate comprises improved crofting in-by-land, with a rocky sea shore with cliffs and storm beaches open to the Atlantic. Weather records show for the Skerray area, in Scottish terms, low levels of frosts, medium levels of sunshine, temperatures and rainfall but a significant number of days with gales.

2.2 Agriculture and Woodland

Agriculture is dominated by crofting activity with sheep grazed extensively on the common grazings. There are some small patches of arable land on the in-by-land. Some small scale rotational cropping is practiced, providing winter feed for animals and ground cover and feed for wildlife. Efforts have been made to control bracken, rushes and gorse. Hay meadows have been improved and traditional field boundaries and buildings have been renovated. A limited amount of peat cutting is carried out by some of the crofters, and some muir burning is also carried out as a tool for habitat management.

National land use classification places the area in Classes 6 and 7 (rough grazing or very limited use), with severe climatic restraints. National forestry capability classes place the coastal strip in the limited/very limited category, with the rest in the unsuitable for producing tree crops category. However, there are established woodlands of broadleaves and conifers on the Skerray common grazings at the south end on Loch Modsarie. In 2004 a crofter forestry scheme used the Woodland Grant Scheme to plant two further areas, both also to the south of Loch Modsarie. The enclosure to the west of the public road comprises 11.7 ha of planted ground and 6.3 ha of open ground. The enclosure to the east of the public road comprises 48.4ha of planted ground and 36.6ha of open ground and water.

The planting will serve in due course to provide shelter, additional biodiversity and some amenity. SNH had some initial reservations about the landscape impact of the plantations and their design has been modified. The final lines of fencing are not exactly as portrayed on the map as the practicalities of fencing the area meant minor alterations on the ground.

However, fencing around the planted area is new and in good condition. The condition of other boundary or internal fences, dykes and ditches on the estate is variable.

2.3 Topography and Hydrology

Much of the Estate is the classic open cnoc and lochan landscape of Lewisian Gneiss. The Estate begins at sea level and the highest point is approximately 170m. Offshore from Skerray, there are two uninhabited islands. The peatland stores a large amount of fresh water. Blanket bog may be 85% water. The topography of the Estate includes a number of nutrient poor freshwater lochs, fed by moorland run-off and in turn feeding rivers and burns that flow to the sea. The River Borgie, which marches along a section of the southern boundary and on the east side of the Estate below Deepburn is the largest river connected to the Estate.

2.4 **Landscape and Biodiversity**

The principal natural heritage and landscape designations include the Kyle of Tongue National Scenic Area, the Eilean nan Ron North Sutherland Coastal Islands SPA and Site of Special Scientific Interest (SSSI). The southern part of the Estate is included in the West Borgie SSSI, which is part of the Caithness and Sutherland Peatlands (Natura Special Area of Conservation and Natura Special Protection Area and Ramsar site.) Short sections of the River Borgie (SSSI, Natura Special Area of Conservation) lie along the eastern and southern boundaries of the Estate and some of the river catchment is included in the Estate. The Aird Torrisdale SSSI, an area which also has a Geological Review listing, as does another sites in Skerray.covers the ground north west of Torrisdale Bay. Torrisdale Bay, outwith but adjacent to Skerray Estate is part of the Invernaver SSSI and SAC.

Kyle of Tongue National Scenic Area (NSA)

NSAs were established in 1980, and are based on natural beauty and amenity. NSAs are subject to special landscape conservation measures including enhanced protection through statutory plans and policies. NPPG 14 Natural Heritage notes that Town and Country Planning controls have been extended, with planning consent required for more minor forms of development and more limited permitted development rights than elsewhere. The Planning authority (Highland Council) is required to consult with SNH on certain proposals. The Scottish Executive is currently carrying out a consultation on NSAs in which they propose giving the designation greater statutory purpose.

Eilean nan Ron North Sutherland Coastal Islands SPA

The island has a rocky coastline and is covered by maritime heath and grassland. The more sheltered, central area around the abandoned township on Eilean nan Ron was previously cultivated and is now dominated by rank grassland. The island supports a traditional wintering flock of Greenland Barnacle Geese *Branta leucopsis*. The birds roost and feed on both islands, as well as on other small islands outside the SPA, and on agriculturally improved land on the nearby mainland.

Aird Torrisdale SSSI

The site at Aird Torrisdale notified in 1975 covers 178ha and represents a major displacement in the earth's crust known as the Naver Thrust. The Naver Thrust comprises two large bodies of rock (the Moine in the west and the Naver in the east). The site is comprised predominantly of Moine rocks. In addition, a large body of Lewisian rock occurs below the Moine. Numerous granite rocks also occur within the north-eastern part of the site.

West Borgie SSSI, Caithness and Sutherland Peatlands (Natura Special Area of Conservation,

Special Protection Area and Ramsar site)

The Skerray grazings makes up a part (374ha) of the large West Borgie SSSI, which in turn is part of the much larger SAC, SPA and Ramsar site. The SSSI citation identifies features of both geological and biological significance, including fluvio glacial landscapes, peatlands, bird species and alkaline geological intrusions. Of particular bird interest are waders, including greenshank, golden plover, dunlin, and wildfowl, including red and black throated divers, wigeon and greylag geese. The Ramsar citation states that the Caithness and Sutherland Peatlands, close to Skerray, are one of the largest and most intact areas of blanket bog in the world, supporting a number of rare species of wetland birds, including nationally important species.

River Borgie SSSI and SAC (Natura Special Area of Conservation)

The River Borgie SSSI and SAC is 32ha, covering 14km of river. The qualifying interest features for the River Borgie SAC are the freshwater pearl mussel (*Margaritifera margaritifera*), Atlantic salmon (*Salmo salar*) and otter (*Lutra lutra*). The freshwater pearl mussel is a good indicator of clean water and, under the right conditions, can live more than 100 years. It has a complex life cycle involving juvenile trout and salmon. The River Borgie runs approximately northeastwards from Loch Slaim in the south to the sea at Torrisdale Bay. The river is one of two major river systems flowing into this bay. The SAC boundary includes the main stem of the river from the river mouth upstream to Loch Slaim, a distance of approximately 11 km. The boundary follows the river channel, including shingle and gravel banks, and is subject to change as a result of channel movements. Existing road bridges are excluded from the site. The Borgie catchment covers an area of approximately 154 km². A relatively small section of the catchment (perhaps 5%) is included in Skerray ground. Much of the land within the catchment is situated within relatively flat, low altitude peatland. The southeast area drains the highest ground, with a few hills reaching more than 700 metres. Loch Loyal is the main loch in the catchment, although there are also numerous smaller lochs. The geology underlying the catchment consists largely of various forms of nutrient-poor gneisses, metamorphosed sedimentary and alkaline igneous rock. A birch rowan wood occurs on slopes draining into Loch Loyal. Non native conifers, especially in Borgie Forest, cover about 15% of the catchment. A mosaic of heath and acid grassland dominates the riverbanks in the upper catchment, including the Skerray section, and the riparian vegetation is minimal. Between the road bridge and the sand flats and salt marsh at Torrisdale Bay, beside the Skerray section at Deepburn, the river meanders through heathland and rough pasture with significant areas of fen vegetation and riparian woodlands. Throughout its course the river is highly varied with many pools, riffles, rapids and a waterfall, which give rise to a mixture of substrate types.

Local Biodiversity Action Plan

In the past, Sites of Local Nature Conservation Interest (SLNCIs) have been referred to as Local Nature Conservation Areas or Local Natural Heritage Areas. These are identified in some of the existing Local Plans covering the Sutherland area. There is a need to review and update these local designations drawing upon the information in the Sutherland Local Biodiversity Action Plan (LBAP) and in consultation with Scottish Natural Heritage, the Royal Society for Protection of Birds and the Scottish Wildlife Trust. The Council will have regard to their local special interest, in either identifying sites, or assessing any planning applications that may affect them. With the support of nature conservation bodies such areas may be eligible for management funding. The National Biodiversity Network database for the 10km square around Skerray notes some key species like Corncrake as absent from the area, but others like Scottish Primrose can be found.

Geological Conservation Review

A Moine GCR site is noted for Strathan Skerray – Skerray Bay.

Landscape

A Settlement Landscape Capacity Study is being prepared for Sutherland on behalf of the Council and SNH to inform preparation of the new Local Plan. This document will be one of many considerations that can help identify potential development areas, but essentially specific landscape and visual characteristics. It will provide advice on visual impact mitigation measures as well as siting and design considerations. The Local Plan will identify the NSA and include appropriate policies for their recognition. The preparation of the Local Plan will have regard to the Settlement Landscape Capacity Study in assessing potential land allocations and settlement boundaries.

2.5 **Land Tenure**

The Skerray Estate is subject to crofting tenure. There are no known agricultural tenancies. Some private properties that are not crofts may have access rights, private water supplies, septic tanks etc.

Under the Caithness and Sutherland Peatland Management Scheme, the Skerray Common Grazings Committee has received annual payments of £4,000 from SNH for 374ha of the grazings that are within the West Borgie SSSI. The payments are subject to a 5 year agreement under which the grazings committee agree to manage grazing, burning and vehicle use on their peatland site in a sustainable manner. The landlord does not receive a payment.

3.0 CONSULTATION FINDINGS

The many ideas generated through community consultation, in particular through interviews carried out by the animateur with members of the Skerray community, are categorized below under the following headings:

1. Housing opportunities
2. Renewable energy
3. Sporting - shooting and fishing
4. Tourism and recreation
5. Harbour and coastline
6. Development of sustainable private and community businesses
7. Land management
8. Minerals
9. Wayleaves
10. Others

3.1 Housing Opportunities

Without exception, everyone wants to see Skerray become a more vibrant community. The community wishes to see the demographic profile changing from the current two fifths of residents being over 60 to a population with a younger profile.

Of the 46 households resident in Skerray all-year, 31 are crofting households. Four houses are rented from Highland Council, but there is no Housing Association provision. Two habitable houses are currently not lived in. Three houses are occupied by couples resident 4-6 months of the year, and 18 houses are rented out as holiday homes.

The number of households in Tongue and Farr as a whole increased by 10% between 1991 and 2001, and, coupled with the high level of private ownership, this suggests a low level of housing turnover. The rate of new build is low at 5 houses per annum over the entire area.

A lack of housing sites or affordable housing is a critical barrier to inward migration and retention of young people. It has taken one local family of five over six years to reach the point of being able to start building a house in Skerray. This long and de-motivating experience puts off all but the most determined families. Young families will not come to Skerray unless the process is made easier. The market price of existing housing is above threshold entry price for most local people. Keeping housing affordable in the face of rising property values remains a challenge. A Sutherland Housing Needs survey in 2003 by Highlands Small Communities Housing Trust (HSCHT) identified three households with a need and three households looking for low cost home ownership options in Skerray, including shared ownership/equity housing, subsidised starter homes and Rural Home Ownership Grant (RHOG) plots.

3.1.1 Site Identification – new houses

Initially, the Steering Group approached the grazing committee to ask for their agreement to identify possible sites to inform this study. Sites were then identified for possible development,

and this information was passed to Ronnie MacRae of the HSCHT, who assessed each site against the following criteria:

Location factors; current land use; ground conditions; access and servicing costs; suitability for affordable housing; water supply; waste water disposal; drainage control; any site contamination; electricity supply; access; sustainability.

The HSCHT report on potential housing sites is provided as Appendix 2.

Due to drainage problems and difficulties in obtaining consents to discharge in Torrisdale Bay and the Pier area, along with protected waters at Borgie River, the Torrisdale to Lotts area would most likely prove difficult to develop. The Strathen area would possibly be best suited to single house plots or possibly croft creation due to the distance from the centre. Achtoty would most likely provide the best option for future development as it meets most of the criteria desirable for affordable housing and would allow for further expansion.

The HSCHT would be happy to discuss options in more detail at any time, and to assist the Steering Group to work through any housing issues that may arise. Careful consideration should be given to a master plan for the area before any further development takes place and again the Trust would be happy to assist with this.

3.1.2 **Site Identification – new crofts**

The release of crofting land, including common grazings, is one of the key potential means of not only helping to meet the housing requirements outlined above but also to sustain and develop crofting communities. It will, however, be important not to undermine the economic viability of crofting townships by developing on productive land.

Croft creation can happen in several ways:

- Splitting or sub-dividing a croft
- Identifying an area of common grazing land and with the landlord's agreement applying to the Crofters Commission to create a croft. The Commission are keen to support creation of new crofts.
- A crofter with shares which they are not using could assign these to a proposed new crofter who could then take an appointment which is deemed to be a croft

There would be no need for the new crofter to fence off all the apportionment – perhaps just a section of approx 0.2h which could be de-crofted and used for a house site (house sites have to be de-crofted and used for incumbents to get a mortgage). It would be up to the grazings committee and the community to define their policy on how much might be fenced/apportioned.

Modsary Beag – on the far side of Loch Modsary on the lower side of the road after the Strathen turn off could be suitable for croft creation as it lies into the hill ground. People could then build houses on the croft. The site would require approval from the grazings committee and perhaps all shareholders.

3.1.3 **Site Issues**

Difficulties and costs of servicing (water and sewerage) and developing sites within traditional settlement patterns as occur in Skerray means that in linear crofting townships there may be opportunities for more closely sited infill development which emphasises existing character. In dispersed townships, there may be difficulty defining boundaries within which development in accordance with traditional spacing distances would be acceptable.

Scottish Water continues to review its site servicing policy, through which a contribution to developers up a limit of £1,500 per house may be available towards the cost of water and drainage works. Skerray's water is supplied through a recently installed 50 mile supply pipe from Caithness. Any water supply costs in excess of the £1,500 limit will be required to be funded by the developer, and this applies to both on-site and off-site infrastructure, including waste water treatment facilities. Continuing high rates for off and on site costs will affect the feasibility of building houses, particularly in places without mains infrastructure.

However, the sites identified by the Steering Group have been prioritised by the Highlands Small Communities Housing Trust as suitable for servicing and have enough room for waste treatment.

3.1.4 Mechanisms to Support Local People in Accessing Affordable Homes

- Public subsidy is available for new croft houses using the Croft House Grant scheme
- Registered Social Landlords have access to funding from Communities Scotland.
- In respect of private sector investment in affordable housing, planning authorities have the power under Section 75 of the Town and Country Planning (Scotland) Act 1997 to enter into an agreement with people having an interest in land based activities if they wish to occupy a certain property. The Section 75 agreement runs with the property and can link occupancy with local activity in perpetuity.

The ideal would be for people requiring affordable housing to have a choice of purchase, rent or self-build; with or without land.

3.2 Renewable Energy

We consider that the most likely opportunities (in the short term) for generation and use of renewable energy lie in onshore wind, hydro and biomass schemes. Other technologies, including wave and tidal, are insufficiently developed at present to offer a realistic return, although there is renewed interest in experimental wave projects. Community based renewable schemes could be run by a separate community company, with any surplus funds going back into the Trust.

There are also many domestic scale opportunities for houses and other properties to adopt sustainable technologies: in new build design and construction; to utilise mechanisms such as heat pumps and photovoltaic systems; or to provide existing properties with solar panels, wind turbines or small scale hydro plants. Renewable obligation certificates (ROCs) which provide an income stream plus lower cost equipment, often imported from places like China, are making it possible and viable for individuals to invest in renewable energy.

The Highlands and Islands Community Energy Company (HICEC) was set up to assist communities in the Highlands and Islands to benefit from involvement in and ownership of renewable energy projects. Through its investments, it seeks to equip communities with the means of securing revenue streams over the long term to support their own development. The SCHRI can also help individuals and businesses install renewable generating capacity.

3.2.1 Export Scale Development from a Community Onshore Wind Model

From informal discussions with Southern and Scottish Energy, it appears there is capacity on the current system for an export capacity of up to 5 megawatts. The existing grid connection to the community is an 11kV line on wooden poles. There is no three phase round the Skerray “loop”, but the three phase connection does cross the Estate. This kind of system has the theoretical capacity to export 1 to 1.5 megawatts of locally generated power. The nearest ‘main’ grid connection is at Lybster on the 132kV line from Dounreay, although Skerray’s connection would be into the transformer at Scullomie. Given a commitment from the Skerray community, HICEC would consider funding a grid study, that would be carried out by SSE. The study would provide details of the grid capacity plus a conditional indication of how much locally generated power might be bought.

3.2.3 Following the study, if invited, HICEC could facilitate a community meeting. They can also provide further ‘start up’ assistance should the community wish to pursue a project. This would not be a green light for development – merely an information exercise. Everyone in the community would be invited by letter. At the meeting, HICEC would explain:

- The types of suitable turbines, with pictures and diagrams
- Approximate costs - as a rule of thumb, construction costs are estimated at £1m per installed megawatt. Costs can be significantly reduced by using second hand equipment, however
- Financing options, including shares and loans (grants are not given on an income generating scheme)
- Income projections for a Community Trust using the HICEC financial model

Income is derived through Renewable Obligations Certificates (ROC’s) – approximately £30 per MW hour until 2011. After 2011, ROC payments may be increased.

Payment per kW for electricity – currently 4 pence

Payment per kW for green electricity – currently 1.5 pence

24/7 generation would be equivalent to 8,760 hours over a year. However, the wind does not blow all the time. A reasonable estimate might be that only 30% of annual hours would be generating hours (Causeymire wind farm in Caithness has reached 40%).

3.2.4 Examples of other community based wind projects are summarised below:

(1) In Gigha, the Community Trust have erected three re-conditioned turbines from Denmark, which together produce 1 megawatt; for comparison, the windmills at Forss are 1.2 megawatts each. The Trust in Gigha earns in the order of £75,000 per year from its three turbines.

(2) Bro Dyfi, a community owned wind turbine in Wales:

- Limited company – shares sold to community (80 plus people)
- Under-written by Baywind – a community group in Cumbria
- Share offer over-subscribed – raised £54,000
- 40m turbine bought second hand for £80,000
- Delivery, installation and connection
- After a year the return on investment is 4.2%
- Over 15 year life span, return is expected to rise to 8.44%
- £1,000 investment will deliver sufficient dividend to pay all electricity bills
- 30% of profits invested into a Community Energy Fund
- Reduced carbon emissions – 70 tonnes per annum.

(3) North Harris Trust are considering in the order of 4 turbines on its estate, generating 5MW for sale to the grid. The turbines would be community owned, but would require capital funding assistance towards construction. The intention is to establish a reliable income stream, particularly in light of uncertainties over aquaculture which currently provides important income for the Trust through a hatchery lease.

(4) The Findhorn Wind Park has recently purchased three second-hand 225 kW turbines. They will stand alongside the existing 75kW wind turbine and are estimated to be costing in the region of £600,000. The expanded wind park capacity will be 750 kilowatts and produce 1,300,000 units in kilowatt hours per year. The turbines, which have a life expectancy of around 20 years, will be connected to the national grid via underground cables. The power-house, which is constructed from recycled tyres and resembles a spaceship, acts as a go-between for the wind park and the community with automatic switches, allowing electricity to be used or put into the national grid. The 250 residents and their 4,000 annual residential visitors will be able to draw electricity through their individual meters, before it goes onto the national grid, but will be able to take electricity from the grid when there is no power produced.

The cash to fund the turbines has been raised through the industrial and provident society Ekopia, established by the local community in 2001. Ekopia also negotiated a large SCHRI grant to assist with the first year of operation. Other funders included the Cooperative Bank and the Baywind Energy Cooperative Ltd. The majority shareholders of Ekopia are Findhorn Foundation and community members. Ekopia also invests in a range of other community projects with commercial prospects to give a suitable return for investors. Borrowers must have a social as well as economic purpose, and soundly based plans and projections.

Wave – Tried and tested technology is probably ten years away but there are systems like Wavegen’s Limpet and the Polaris which the community could ask about trialing in Skerray.

Air source heat pumps/Ground heat pumps (geo-thermal) – These could be good for a facility like the hall, although the ground heat needs a wet system to run. Electricity from heat pumps would not be saleable to the grid.

Domestic-scale energy generation opportunities include *solar panels* and, possibly, *hydro*. Such projects might be promoted by a Skerray Trust and investigated on behalf of interested residents.

Biofuels are being developed in other areas, and could present opportunities. The rate of growth for willow to coppice would be slow, however, and lodgepole pine prices are reported to be high, which might make woodchip boilers uneconomic.

3.3 **Sporting Potential**

3.3.1 **Stalking and Game Shooting**

Local discussions suggest that red deer tend to occur south of the boundary of the Skerray Estate and that there is no manageable resident population. The absence of deer also means that there is very limited experience of deer carcass extraction and handling, with no larder facilities available locally. Stalkers dealing with carcasses destined for the commercial market are required to undergo hygiene training. We believe the area to be part of the North West Sutherland Deer Management Group, although it is not specifically represented on the group. Deer Management Groups promote consensus of the shared deer resource, including cull targets, habitat assessments, and grazing and trampling impacts based on the principle of sustainable resource use.

Populations of game birds are also very small and would not support commercial shooting effort. Simon Thorp from the Heather Trust confirmed that the Trust is not involved with any project on the Skerray Grazings.

Clay pigeon shooting opportunities could be developed locally, but permanent facilities would require planning permission, and noise would be a consideration. Sporting rights normally go with the land so in acquiring the land the community will also gain the sporting rights. However, under section 83 of the Act, sporting rights can be leased back to the former owner.

3.3.2 **Fisheries**

The River Borgie, including the river corridor and 10 metres on either side of the river channel, are within private ownership and managed on a day-to-day basis by the fishery manager. There are three additional owners of the land adjacent to the main stem, including a large forest plantation owned by Forest Commission Scotland, who have a lease arrangement with the NSCWT. There are also three common grazing areas bordering the river, including Skerray.

The Skerray community, in purchasing eligible croft land, could also purchase contingent salmon fishing rights through the Crofting Community Right to Buy. If salmon rights were

excluded from an initial application to purchase the croft land, however, a subsequent application could be submitted within one year. Fishing cannot be bought in isolation or in conjunction with any land acquired by the community other than that acquired by exercise of the Crofting Community Right to Buy. In this feasibility study, we have not included salmon fishings in our estate purchase scenario, following discussion with Steering Group.

If, in the future, the community were to own the rights to the river running through the Skerray land, modest income might be generated from day or half-day fishing permits, as happens on the Naver for £15 per day; or a mixed trout loch and river fishing permit might be offered.

Loch fishing has some potential:

- Loch Skerray is good (half Borgie and half Skerray ground);
- Loch na Coit above Millburn needs cleaned;
- Loch Crocach has great access but too many small fish;
- Loch Buidhe (half on Tongue and half Skerray ground) needs stocking with new breeds;
- Loch Dubh Beul na Faire, Lochan Ruadh, Loch an Tigh-choimhie are other small lochans
- At present Grian Loch Mor (too shallow) and Loch Claisein are not good.

Two lochs have very good access, being right beside the road and, could be developed for people with disabilities (Lochs Modsarie and Crocach). Mixed day tickets could be issued for both rivers and lochs. Trout permits for the river are possible.

There is potential for habitat and stock improvement on the river and lochs, for example by encouraging native riparian woodland. Any physical improvements would have to take account of designations, including the SAC on the River Borgie, and river works such as croys (angled fishing piers) would require planning permissions and consultation with SNH

There is a visitor market for wild trout fishing and all kinds of country sporting pursuits, from shooting to falconry.

The coastal waters offer considerable potential for sea angling from shore line or boat.

3.4 **Tourism and Recreation**

There are already some tourism related facilities in or close to Skerray, including Jimsons which attracts approximately 2,000 people per annum, a caravan site near the pier and a small number of self catering cottages or holiday homes let commercially(eg at Strathan). The Borgie Lodge Hotel, open all year, is located on the edge of the Estate. The hotel is a 'traditional' four star Highland hotel and its website notes that the hotel is furnished "traditionally" with magnificent stag's antlers, Clan Sutherland tartan carpets, sporting prints and crackling log fires. The product is a *Highland retreat, a haven for nature lovers, fishers, walkers, beach-goers, for simple relaxation or for active sporting holidays with an emphasis on fishing, shooting and stalking.*

Tongue Youth Hostel has some 8,500 bednights per year, and Strathnaver Museum in Bettyhill attracts in the order of 2,500 visitors per annum. Durness Visitor Centre consistently reports in the order of 25,000 visitors.

North West Sutherland provides attractions for a variety of visitors, including specialist groups such as shooting parties, anglers, hill walkers, adventure pursuit groups and bird watchers. People come to the area both as independent visitors and in organised groups. In the introduction to his August 2005 report on Caithness and Sutherland Tourism, John Lennon notes

'Caithness and Sutherland is an outstanding natural environment that suffers from chronically low destination awareness. It remains a marginal destination in terms of total tourism visitation and it possesses a significant unrealised potential.'

Walking is the number one holiday activity for visitors to the Highlands. The majority of visitors are looking for low level walks to interesting places or scenic locations. The Sutherland walking market comprises mainly people from the AB socio-economic group, often in the older age brackets.

The wildlife watching market is generally well educated and mature, with a high disposable income. The number of specialist visitors for whom wildlife is the main motivation is, however, small (less than 5% of the overall market). A much larger proportion, almost 60%, is interested in wildlife as an 'add on' to their visit. Many of these people have an interest in a 'green' lifestyle and may purchase relevant items as a reminder of their visit.

Highland Visitor Survey 2002- 2003 – Sutherland Visitors

This comprehensive survey is the most recent guide to the pattern of visits to Sutherland as a whole, and the survey data is relevant as context to any development or marketing initiatives a Skerray Trust might plan.

Sutherland was slightly less likely to be visited by overseas and non-Scottish visitors than other parts of Highland and so the proportion coming from Scotland was higher. Sutherland did not differ from Caithness in this respect. A high proportion of visitors were from the older age group (43% were aged over 55 years, compared with 33% in the Highlands overall and 38% in Caithness).

Sutherland got more holiday trips (76%) than Caithness (67%) but fewer visits to friends and relatives. Also, more trips to Sutherland were for main holidays. Sutherland visitors tended to be more frequent visitors to the area, having made an average of 4.6 visits in the last 10 years. Length of stay was higher than in Caithness (at 4.2 nights in Sutherland) due to the higher proportion of holiday trips made. Those visiting were quite active during their stay in terms of the range of activities undertaken and, in particular, visitors to Sutherland were more likely to be involved in sporting activities, especially low level walking of up to 8 miles and hill walking. Across the area some 66% were participating in a sports activity compared with 62% of those visiting Highland generally and 43% of Caithness visitors.

About half those who visited Sutherland actually stayed in Sutherland (51%). The peace and quiet, familiarity with the area and the scenery were all identified as attractions to visitors to the area.

Whilst a range of accommodation was used, there was relatively more use of self catering accommodation in Sutherland and fewer people staying with family and friends. Sutherland visitors spent an average of £341 on their accommodation over the stay, more than those in Caithness (£213) or the Highlands (£304).

3.4.1 Activities

Consultation in the community identified opportunities for a community owned bed and breakfast or bunkhouse facility (or centre) connected with outdoor activities and the environment, as a gap in provision of such facilities on the north coast is perceived.

Accommodation provides the greatest income for most activity centres, and self catering accommodation is popular. Research on independent visitor spending splits a daily spend of £80 per person into 45% on accommodation, 30% on food and drink, 9% on activities, 11% on shopping, and 5% on travel.

Activities that might be developed, or developed further, in the area, include: walking, surfing, sea kayaking, diving, snorkeling, mountain biking, sailing, horse riding, art and photography, natural heritage, etc. In particular:

- Walkers already enjoy the freedom of responsible access to the Estate through Part 1 of the Land Reform Act and the Scottish Outdoor Access Code (SOAC). However, less confident walkers like the reassurance of a network of marked trails, for example the marked trail to Sleteil (which was grant aided by SNH). Community consultation identified the need to improve access in parts of the estate, e.g. round the Dornie, from the pier up to the headland and to Torrisdale beach. The woodland on the common grazing may in due course present opportunities for inclusion in a path network. The Culag Woodland Trust in Assynt recently put together a funding package amounting to approximately £450,000 to construct an all-ability car park, path system, interpretation and disabled angling facility.
- Surfing is a small but growing niche activity along the north coast. Recent championship events have given the area some prominence. Surfers tend to come for short breaks and camp or have a camper van (although surfing is mentioned by the four star Borgie Lodge Hotel). Marketing is through the internet, in specialist magazines or by word of mouth and repeat business. Safety is seen as a big issue and the lack of any safety infrastructure on beaches inhibits promotion of the sport. Torrisdale beach is used by surfers but access is poor.
- Divers from the Caithness Dive Club and Inverness Sub Aqua Club already come regularly to dive round the islands. Attracting divers from further afield would require development of facilities, including accommodation and a place to refill tanks.
- Artists and photographers have been coming to this area for many years as they find the combination of light and scenery very attractive. A business based in Talmine offers landscapes, seascapes and wildlife photography safaris.
- Natural heritage study, including wildlife and geology, is popular with individuals, specialist study groups and educational groups (including universities). Most successful sites have a unique feature or key species close by. Inchnadamph is used by university geology groups and is close to the Moine Thrust NNR site at Knockan.
- The area offers potential for experiencing more unusual natural phenomenon, including Aurora Borealis, astronomical viewing, variable sea conditions and winter storms
- There is a local Ranger Service based at Borgie, and Highland Council has Rangers in West

Sutherland, Durness and Dunnet. The local Ranger can carry out tourism/ education/interpretation work and could work with a Skerray Trust.

3.4.2 **Eco Tourism**

One of the houses on Eilean nan Ron or a completely new structure could be refurbished/built to provide accommodation for those wanting to get away from it all/bird watchers etc. Involvement in such a project by the Skerray community would depend on a wider partnership with Sutherland Estates, who have said that they are unwilling to sell either of the islands. It is understood that the houses on Eilean nan Ron, having stood empty for many years, have recently begun to deteriorate rapidly.

An eco bothy is being designed for use on Handa Island, off the west Sutherland coast, which attracts around 5,000 visitors per annum. Indicative costs are in the order of £200,000. Helicopters have been used in the past to ferry foot path material from the mainland and it is anticipated that building material would be transferred in a similar fashion. Eilean nan Ron is an SPA which may affect proposals, and the pier is in poor condition and landing in poor weather is difficult. Landing on Neave island, which is not designated, can be easier and there is a sandy beach.

The Historical Society has already acquired the tenancy of the deserted township of Sleitel. A similar eco bothy construction suggestion has been put forward for the remains of buildings at Sleitel, unoccupied since the 1950s. The tenancies are registered in the name of Betty MacKenzie, but the intention is to re-assign the land to local crofters, decroft the houses and turn them into some form of habitable properties, possibly for tourism use. This is another project the Skerray Historical Society have brought forward, and a community land trust and the society could perhaps work together to explore the detailed feasibility.

Boat trips around the islands and along the coast is the best way to view wildlife and to look inland to the mountains. Eilean nan Ron and Rabbit Island have seals, seabirds, peregrine falcons, and other cetaceans may also be seen. Successful boat operators elsewhere on the west coast and islands have invested significant capital in the right vessel and safety equipment. Some vessels carry underwater viewing equipment.

3.4.3 **Culture and Archaeology**

The Estate has over 40 records on the Royal Commission for Historic and Ancient Monuments Canmore database. These range from a Chapel on Neave Island, hut circles, cairns, a horizontal watermill, cup marked stones, duns, broch, ship wrecks to a threshing machine on Lamigo Croft. On the historic Scotland database, there are 20 listed structures in Tongue parish but none are shown for the Skerray Estate.

Culture and archaeology lend themselves to a range of value adding interpretative activities which can both promote the area and conserve the resource. For example:

- Significant numbers of visitors come to Skerray for genealogical purposes and wish to see historical records. A community archivist had been funded to catalogue and manage records to make them easier to access. The Historical Society is intending to cater for these visitors in its new archive in the Church Hall.
- Eilean nan Ron once supported 10 families and was last inhabited in the 1930s. The

island ferry is in the Wick Heritage Centre and there is already a publication about the island. A particular type of foot plough is noted for Eilean nan Ron

- The Skerry lifestyle is quite distinct from most of the rest of Britain, and people would like to be able to find out more about what people do for a living, how the crofting systems works, etc
- A Strathnaver Archaeological Trail was mentioned as an opportunity to connect Torrisdale to other archaeological locations in the area.
- In Portskerra/Melvich, a project funded by a Millennium Award enables visitors and local people to borrow from the shop a portable CD player with a guided walking tour of the area. The CD accompanying the tour has interpretive commentary and music related to route being followed. CDs are flexible and easily changed, and can be an alternative to expensive panels or leaflets. The project leader would welcome an engagement with Skerry to help produce a similar product.

3.4.4 Interpretation

The cultural and natural heritage of the Skerry Estate could be interpreted more extensively through a range of media, from websites and audio guides to print and panels. Local people could be trained to provide a guiding service. Also, a booklet about the area would give people more information if they want it.

3.4.5 Tourism Marketing

The Durness Development Group was delegated by the NSCF to take forward and implement the MacKay Country Project on behalf of all the local communities, including Skerry. The Mackay Country website is an extensive and detailed site set up in 2002. The project is setting up a 'brand' for both place and product and there is some evidence of the Mackay Country name on road signs entering the area. A link to the Mackay Country website from any new Skerry site (see below) would be advisable.

Marketing Skerry specifically both on and off site would be important to attracting and maintaining customers. The internet offers potential to make contact with a huge audience. e.g. through a community website (skerry.org?). Individual businesses such as self-catering/holiday homes and boat trip operators could benefit from this type of site.

More signage is essential to attract passing trade. Information allows visitors to make choices. Highland Council are keen to support this and the officer responsible has spoken to the Steering group. Skerry is already mentioned on Borgie Lodge Hotel website, and they are keen to provide a link to a new Skerry website.

Skerry could continue to participate in event-based tourism, such as Highland Archaeology Week, Highland Wild Trout Challenge, and Environment Week

3.5 The Harbour and Coast

Sutherland Estates own the foreshore and immediate sea bed of the Skerry Estate. Sutherland and Argyll are the only estates in Scotland who own the foreshore (most of the Scottish coastline is owned by the Crown Estate). However, Crown Estate have put aside money for a study into the steps and landing site at Island Roan. This was a project involving the Skerry

Historical Society. Currently all their efforts are going into getting funding from the Lottery for the Church Hall project, but they may consider working in partnership with a community trust to take forward access and habitat improvements on Island Roan.

SNH has also allocated resources for Island Roan as they, and Sutherland Estates, want the sheep taken off and the island left for a period to allow the grazings to recover.

A harbour in good condition would help in improving access to the islands. The land at the harbour was given to the Skerray people by the Duke of Sutherland in a Feu charter dated 1895 in favour of the Skerray Harbour Trustees (The feu is held by Dod and Christine Mackay, but as far as is known there are no current trustees).

It is believed under Section 57 of the Harbours Act 1964; Harbours Piers & Ferries (Scotland) Act 1937 (amended by LG (Scotland) Act 1973 sch 19 para 13) that Highland Council exercises jurisdiction as the harbour authority. Skerray is not a “harbour of refuge”, and boats are taken out of the water in October until the following spring. There is some uncertainty over the nature of the arrangement between the Trustees, the Estate and the Council, and whether the Council, the Estate or the Trustees own the pier.

The pier required major repairs to the steps and upper surface, and boat owners were unhappy at how this was progressing. However in March, the Council had repairs to the steps carried out. The harbour is essential as a base for pleasure craft, occasional boat trips to Eilean nan Ron and some recreational fishing trips. Local harbour users formed an informal group to lobby for repairs.

The harbour and shore around the bay could be enhanced. To improve access and hence use of the harbour, the community consider there is potential at the harbour including

- a toilet and shower
- an additional pontoon
- re-instatement of a winch
- a shed for boat repair
- a kiosk for coffee/tea
- storage for ropes/fuel

Parts of the shoreline around the bay also needs urgent attention to combat erosion. Wire gabions may be the most appropriate way to stabilise critical sections.

Caithness and Sutherland Enterprise has commissioned a report on the scope to create a network of pontoon facilities around the coast from Lochinver to Helmsdale to attract visiting leisure craft. The Steering Group requested that Skerray be included in the study.

3.6 Development of Sustainable Private and Community Businesses

Crofters in Skerray rear cattle and sheep (mainly sold as calves and lamb), grow vegetables and fruit, and produce timber and crafts. Most crofters supplement any crofting incomes with other jobs, such as contracting, working for Highland Council, landscape gardening or whatever else is available. Already, some local produce is available and sold through the local shop. People would like to see this expanding. This falls naturally under the jurisdiction of the North West Food Link. The newly appointed co-ordinator lives in Skerray. Norcelt, the community

enterprise, may also be a good local vehicle for future developments, and co-operation with businesses such as Highland Wholefoods could work well with the Food Link.

A local company in Borgie has developed soaps, aromatherapy products and insect repellent. They are VIBES award winners and trade on providing hand made, luxury products in an ethically responsible way in a remote north coast setting.

By way of comparison, the Gigha Heritage Trust encourages businesses to set up or relocate to the island according to the criteria set down in its Development Plan. The emphasis is on providing direct employment and businesses which add value to local products or deliver quality products to a niche market. Examples include Gigha Beer, a small scale creamery (fudge) and a smoke house. Trust housing and housing plots are allocated preferentially to those with locally required skills or employment offers, or who are establishing a business.

3.7 Land Management Opportunities

Production support mechanisms for agriculture and crofting are changing. Single farm payments and Land Management Contracts (LMC), plus the new tier 3 payments, will encourage changes in agricultural practice. The Council's new Local Plan will encourage agricultural diversification. The livestock market in Lairg and an abattoir in Dornoch support opportunities for high quality livestock production. The North West Cattle Producers Association (NWCPA) believes that retaining a critical mass of cattle and cattle keepers is fundamental to the social, economic and environmental well being of local communities. Membership is open to all farmers and crofters producing cattle in Sutherland and Wester Ross, and the NWCPA is working to highlight the role of cattle in rural areas, develop markets, provide training and support producers.

There would be potential for land management agreements on Skerray Estate, although payments would most likely accrue to individual crofters or the grazing committee (as with the Peatlands scheme). The Rural Stewardship Scheme includes capital and annual payments for management options, including, for example, moorland, wetlands and bracken covered areas. The Land Management Contract Scheme provides crofters with a menu of activities, including payment for maintaining access.

The Skerray Machinery Group was set up to purchase equipment that can be shared.

3.7.1 Biodiversity Management Commitments

Land owners and managers can have commitments with regard to designated sites. In the past, these have been the subject of Natural Care scheme arrangements with SNH. In future, any payments for these and forestry grants may come through the LMC scheme.

If the community owned land, there would be the possibility of liaising in conjunction with the grazings committee with various public and funding agencies over land management.

3.7.2 Croft Creation

Crofts can be created from either vacant common grazing shares or a crofter with shares that are not being used. There is a pilot at present in Latheron where 2 new crofts of 5 acres and the equivalent of 40 acres on the common are being created. The compensation/payment is set at

about £100 per acre for the 5 acres. The big benefit is that the incoming crofter can then apply for the housing grant (£32,000 from April 2006)

It makes sense to identify somewhere which has services relatively near for a possible house. The Steering Group considers that Modsary Beag could be a possibility. Any croft creation would need to be planned in close partnership with the grazing committee and shareholders.

3.7.3 **Woodland Management**

The North Sutherland Community Forest Trust is a membership organization with some 340 members from a population of approximately 1,600 people who live in its area of operation. The NSCFT is managed by volunteer directors, including two who live in Skerray, and keeps members informed through a newsletter. The log cabin at Borgie, due for completion in autumn 2006, has a turf roof and a wood fuel heating system, and will provide office accommodation for the NSCFT, and provide a base for the Countryside Ranger and Forestry Commission Scotland staff. The Trust can provide training in chain saw work and sawmilling.

Forestry Commission Scotland operates a forest plantation within the Borgie catchment. The existing trees were mainly planted in the 1950s and 1960s, right down to the edge of the river, and the predominant species is Sitka spruce. The total forest area extends to just under 3,150 ha, of which the production area equals just over 1,450 ha. A new forest design plan was developed for the Borgie Forest in 2002. The NSCFT has negotiated a 25 year agreement with the Forestry Commission Scotland for Borgie and a number of other large mainly conifer plantations in North Sutherland. The agreement specifies that any work on the plantations must be offered to the NSCFT first, and the Trust will tender and sub contract to a pool of local self employed contractors.

3.8 **Minerals**

Mineral rights (excluding oil, gas, coal, gold or silver) may form part of an application to purchase eligible croft land or may be specifically excluded from the property to be purchased. If excluded from the application to purchase the croft land, a subsequent application can be made to purchase the rights provided the application is submitted within the time limits specified by the Act – 5 years. Mineral rights cannot be bought in isolation or in respect of any land acquired by the community other than that acquired by exercise of the crofting community right to buy. Apart from small scale local borrow pits for extracting stone for tracks and fill, there is no mineral extraction on the Estate.

The Local Plan makes no mention of any potential mineral extraction sites. Under NPPG 4 Land for Mineral Workings clauses 17 and 18 notes that proposals likely to affect SACs or SPAs, Ramsar, NSAs and SSSI sites will only be allowed in the most exceptional circumstances, and only if:

- developments, including mineral extraction, will not adversely affect designated habitats or species. Two SSSIs on the Estate are designated for their geological or geomorphological interest and are unlikely to be locations for mineral extraction.
- there is an over-riding national interest in allowing developments to take place and no reasonable alternative

3.9 **Wayleaves and Communication Masts**

Utility infrastructure (powerlines, telephone lines and water pipes) cross the Estate, but Sutherland Estates advise that all utility wayleaves have been capitalised, and that there are no mast sites.

3.10 **Other Ideas**

Many other individuals brought up ideas which have not, at this stage, been investigated but which are possible projects for a community trust in the future. These include:

- A care facility, either for elderly residents or for people with learning difficulties or disabilities, such as Camphill in Aberdeenshire – which might run as a social enterprise. Facilities and resources for the elderly and sick were generally highlighted as disgraceful for the most part, with heavy reliance on neighbours. The demographic profile suggests that the number of elderly will increase in the short term.
- A recycling facility. To supplement Council facilities, some communities have set up community composting
- Recreational facilities for children and young people, such as a play area or football pitch (could Melvich park be re-instated?);
- improvements to the common ground, such as the boggy areas where animals are in danger, bracken and whin control;
- a cash crop of Xmas trees;
- a skills register to highlight all the skills in the area;
- build on the craft work already being done and encourage more to be made and sold locally;
- a small factory for local employment;

3.11 **Developing a Trust and Exploiting Development Opportunities**

To comply with the requirements of the Land Reform (Scotland) Act 2003, the community body must be constituted as a company limited by guarantee and the majority of the members must be members of the crofting community (crofters and certain other local residents). For these purposes, people who are eligible are those on the local electoral role. A number of directors will be legally responsible for the operation of the Company. The election of directors is through an open and democratic ballot and all those who are members of the Trust are eligible to vote. The main purpose of the body must be consistent with furthering the achievement of sustainable development.

Crofters currently comprise a third of the community. However, if a community trust with members is successful in buying the Skerray Estate, this community will also become the crofting landlord. Although this will mean that crofting tenants could also be members of a Trust that is their own landlord, there remains a legal relationship between the two parties. The

powers of the Trust will essentially be the same as the current owners, Sutherland Estates. This means that individual crofters could claim part of the value of developments, such as renewable energy, as currently, and consent for activities on croft land will still be required.

Enhancing community capacity will be important. Development projects will require leaders to develop the concept, carry out detailed planning and raise funding. During this process it is important to involve and communicate with the rest of the community.

During our visits as consultants in June and July 2005, people in the community were seeking clarification on issues associated with a possible community estate purchase, and raised the following concerns:

- What is the process of creating a Trust and who can become members?
- Will crofters and non-crofters have equal status?
- What status will crofter spouses and members of their family have?
- Who will decide what the price of the land will be and will it cost more if we proceed with a hostile buyout?
- Where will a small community like Skerray get the money from?
- We have no resources apart from the land and the land is worth nothing.
- Does the community have the necessary expertise to run the company?
- Where will the money come from to run the company?
- Is the community too small to avoid local division when decisions have to be taken about neighbouring crofts?
- There are a lot of cliques already, can we put that aside to make this work?
- Some people think that if the community owns the land they will not have to pay rent, others worry that the rents will rise?
- What will happen to security of tenure?
- The community has reached a plateau after a period of being constantly in the public eye, and it is time for consolidation now instead of taking more on.

In our Conclusions (Section 9), we respond to these concerns, which are similar to those raised in the early stages of other community land purchase feasibility studies which we have carried out.

4.0 FINANCING ESTATE PURCHASE

4.1 Support Funding Availability

The Scottish Land Fund (SLF) has been able to grant aid 75% of the cost of acquiring a crofting estate through Lottery funding, and the Community Land Unit within Highlands and Islands Enterprise 75% of the remaining 25% (94% together). This leaves the community to raise 6% from a range of potential sources, if the maximum amounts are awarded from these two sources. These other sources might include:

- Other public bodies, eg the local authority
- Relevant trusts, foundations, etc
- Donations (corporate or individuals)
- Borrowing (only recommended against secure net operational income after acquisition)
- A sale price discounted from the independent valuation
- Miscellaneous fundraising, eg from special events, an international appeal, etc

The SLF/CLU contribution would be towards the purchase price of the estate, any Stamp Duty Land Tax (SDLT) payable (if the purchaser is not a charity), any VAT charged by the owner, and conveyancing fees.

The SLF arrangement, however, is being superseded by a Growing Community Assets (GCA) scheme within the Big Lottery Fund: a 3-year scheme with an overall budget of £50 million. GCA will build on the work of the SLF, which has shown that community ownership and control of assets can have a critical role in making those communities stronger and more sustainable. This happens through enabling communities to acquire, develop, improve, protect, manage, enjoy, understand and sustain environmental and other assets for the benefit of the community and the wider environment.

The SLF has continued to operate while administrative arrangements are being made for the GCA scheme, but we are informed that contributions towards Highlands and Islands community land purchases are likely to be at least as high as currently.

4.2 Establishing the Funding Requirement

The first step in taking forward community interest in Estate purchase, if this is demonstrated, would be to commission a valuation, for which financial support should be available.

The valuer would most likely assess the value of the croft land at 15 times the annual rental, although the scope for Sutherland Estates to increase rents prior to sale would be taken into account. Also, the potential development gain to the Estate from future sales of housing plots and any other potential development sites would be considered. If this were based on sales of land in the recent past, there should not be much uplift on the croft land valuation.

4.3 **Illustrative Estate Purchase Scenario**

If the croft land, including future development value, were valued of £40,000 and other costs totalled £5,000, the GCA/CLU contribution – on current norms – would be £42,300 (94% of £45,000). This would leave the community to find £2,700 from other sources; although prudent fundraising would target a sum higher than this to help towards initial Estate development.

4.4 **The Process**

If the Skerray community wish to proceed with a purchase, the process will depend on whether it is an amicable negotiated purchase (bearing in mind that the Estate has not been put on the market) or through the Crofting Community Right to Buy.

To justify their financial support, GCA and the CLU will look for:

- Strong community support
- A viable Business Plan
- Economic, social and community benefits
- Long term sustainability
- A strong management structure and commitment by key individuals within the community
- Value for public money

The recommended ownership structure for a community “trust” owning and managing land is a company limited by guarantee, with charitable status where this can be obtained. The typical guarantee of £1 per member offers the protection of limited liability should the company ever be wound up. The company’s Memorandum and Articles must ensure that any surpluses are re-invested or put towards furthering the welfare of the community. Charitable status is particularly beneficial in drawing in funding (for the purchase and subsequent development projects) from charitable trust sources.

Part 3 of the Land Reform Act should be consulted in detail for the process of buying eligible croft land by right. Key aspects include:

- Establishing a company limited by guarantee with a memorandum and articles that include specific provisions
- Submitting the application to the Scottish Executive in a prescribed form and including prescribed kinds of information
- Holding a ballot on the purchase which shows that a majority of those eligible to vote (all people resident within the defined area) and a majority of croft tenants are in favour of the purchase

Model documents (constitutions, the wording of charitable objectives, application forms to the Scottish Executive, SLF, etc) are available from other community land projects, and the Scottish Community Land Network is a good source of advice and shared experience.

A ballot is not necessary for a negotiated purchase, but other means of demonstrating community support are required – eg a clear majority at a well advertised and attended public meeting. Also, the CLU will look for broader community representation beyond crofter

directors on a Crofting Trust.

5.0 FINANCING ESTATE OPERATION AND DEVELOPMENT PROJECTS

5.1 Basic Estate Operation

A Skerray Community Trust, once it has ownership of the land, will need to set up mechanisms for Estate management and for planning, raising funding for and subsequently managing development projects. Development projects might be operated by a subsidiary company with its own accounts, or incomes and expenditures might be incorporated in the accounts of the Trust. For clarity of presentation and to demonstrate basic viability, however, development projects are not included in the core financial projections given at 5.2 below. Certain development projects might be taken forward by third parties with support from the Trust.

5.2 Assessment of Financial Viability

The projections below illustrate potential core Income and Expenditure over the first three years of a Skerray Community Trust.

Statement of Income and Expenditure

	Year 1	Year 2	Year 3	
	£	£	£	
Income				
Crofting and grazing rents	1,770	1,770	1,770	
Expenditure				
Animateur officer	4,000	4,000	-	
Less: funding	(4,000)	(4,000)	-	
	-	-	-	
Insurance	250	250	250	
Honoraria	250	250	250	
Office expenses	400	400	200	
Accountancy	350	350	350	
Sundry expenses	<u>300</u>	<u>300</u>	<u>300</u>	
	1,550	1,550	1,350	
Year	£220	£220	£420	Surplus for

Basic Assumptions

(i) All figures above are given at current prices, ie. no adjustments have been made for future inflation

(ii) The above projections are intended to illustrate possible core Income and Expenditure in the first three years of operation and also to illustrate how the community company could manage its day to day affairs. The projections are based on our experience of other small community groups. Some duties will require voluntary input and expenditure must be controlled within available income.

Income

(i) Crofting and Grazing Rents

Sutherland Estates advise that the current rental income from the 65 crofts on the Estate is £1,770, and it is assumed that the Trust will not increase rents. Without acquiring sporting and fishing leases, there are no other current sources of rental or other income from the Estate.

Expenditure

(ii) Animateur Officer and Funding

The Estate is too small to justify the appointment of a full time project officer. However, a part time “Animateur” could be appointed, if it can be demonstrated to the CLU and other partner funders that there are sufficient potential development projects for an “animateur” to research and develop, with a view to establishing sustainable revenue sources.

We have indicatively budgeted £4,000 in Years 1 and 2 for animateur assistance, based on a full time annual equivalent salary of £12,000. This budget could be higher or lower depending on circumstances, but CLU staff have indicated a strong likelihood that 100% funding could be provided from CLU and other partner funders for a post of this nature. The person should have a development focus rather than being an estate manager, which would not attract support funding.

(iii) Insurance

Based on informal discussions with a local broker, we have budgeted £250 per annum for insurance. This is broadly comparable with costs incurred by other small community estates, and is for a “Property owner’s combined policy”, assuming that no buildings are owned and that there is no direct employment. For this purpose, we have assumed that the animateur would be a self-employed person with other sources of earned income. We understand that if shooting and fishing leases were also obtained by the community company, total annual insurance might rise to c£450.

(iv) Honoraria

As is the practice with other small community trusts, volunteer help will be required for croft rent administration, book-keeping and general secretarial duties. These duties could be shared between one or more individuals (or rotated). We have budgeted £250 per annum to cover these honoraria.

(v) Office Expenses

The budget figure provided of £400 per annum should cover the cost of telephone expenses, postage, stationery and advertising incurred by volunteers and the animateur. We have dropped the budget to £150 in Year 3, when it is assumed that the animateur will no longer be employed. If equipment such as a computer needs to be purchased, this could be funded through a start-up grant of up to £2,000 available from the CLU.

(vi) Accountancy

We have budgeted £350 (including VAT) as an indicative fee for annual preparation of company accounts and compliance with Companies Act legislation.

(vii) Secondary Expenses

The annual budget shown of £300 per annum is effectively a contingency fund for other expenses, which might include travel/meetings expenses, minor legal or other professional fees, minor repairs/ maintenance, etc.

Net Annual Surplus/ Deficit

The projections demonstrate that the community company should at least break even annually on its core activities, on the basis thatcroft rents cover minor expenses. A modest increase in croft rentals would be an option if annual costs prove to exceed annual expenditures by a small margin.

We emphasise though that volunteer help will be required to carry out management and administrative duties and that very careful control must be kept over expenditure.

5.3 Development Projects

5.4 Potential Sources of Funding for Development Projects

These include:

Caithness and Sutherland Enterprise: CASE have a wide range of programmes for assisting developments, through grant aid or through partnership funding.

SNH: In autumn 2005, SNH introduced some changes in the way they assess applications for grants. Applications for less than £10,000 can be made at any time. Applications for contributions of £10,000 or more will be assess in two competitive funding rounds each year, with closing dates on 15 April and 1 September. SNH encourages applications well before the closing date to give applicants time to provide any additional information SNH may request before the closing date. Priority areas of relevance to Skerry include: Paths and routes
Attractive places to live Involving people Biodiversity.

Grants for small projects up to £3,000 – *SNH's New Community Grants Scheme* is specially designed for communities and community groups to enable them to improve their local natural heritage and to develop their capacity to take action in managing it.

Forward Scotland Small Grants - Grants of up to £1,000 for constituted groups that wish to pursue an environmental project with wider social or economic benefits. These grants can provide vital support by helping to fund preparatory work for major projects, such as feasibility studies, community capacity building, consultation exercises and publicity.

The Triodos Bank offers savings accounts and investments and specialises in providing funding for community based schemes.

The Scottish Community Foundation Community Grants are one-off sums of up to £5,000. The majority of the funding is directed at locally based work carried out, and often initiated by, members of that community.

The Scottish Community Foundation - Your Community, Your Environment – This grant is aimed at helping community groups deliver sustainable environmental projects in their local area. The scheme is designed to help communities in the early stages of a project when it is still just an idea. Grants range from £1,000 - £5,000 and are available for not-for-profit community groups who need assistance with the cost of carrying out relatively small, one-off capacity-building or development work.

Support for Land Management Schemes

Environmental management schemes, including *Land Management Contracts*, *Rural Stewardship Schemes*, *Natural Care*, and the *Scottish Forestry Grant Scheme* are designed to deliver public benefits through improved land and environmental management by financially supporting the positive contributions made by land managers, including crofters. These schemes are currently under review with the intention of creating a more integrated system of support.

The Crown Estate's Marine Stewardship Fund was established in 1999 to provide grant-aid to practical projects and programmes which make a significant contribution to the environmental management and stewardship of the marine estate. To-date the fund has provided in the region of £1 million to marine and coastal projects around the UK.

Projects supported by the Fund must be related to Crown Estate land, either by demonstrating good management of a particular Crown Estate property, or enhancing stewardship of Crown Estate foreshore and seabed by furthering best practice in coastal and marine management.

Project proposals need to indicate how they will have lasting benefit for Crown Estate assets, how this will be achieved, project outcomes and how the project will be publicised and evaluated.

Experience from other areas suggests that indicative financial projections for a new community trust can be prepared from the start up period forward 3-5 years. However, grant giving bodies like SNH and FCS will require a management plan for the relevant features for which their support is requested and will only provide 'standard' figures at feasibility stage.

Support for Community Energy Schemes

SCHRI provides grants and expert advice on small scale renewable projects, such as the installation of solar panels and wind turbines within community centres, schools and individual households.

The Highlands and Islands Community Energy Company (HICEC) has just published a new guide to help community groups find their way through the complex process of securing finance for renewable energy projects, in particular, small wind schemes. HICEC has produced the guide in response to a clear need amongst its client groups for advice on how to construct a finance package in a way that ensures community control. The guide comes with an interactive spreadsheet that allows the user to adjust factors such as wind turbine output, electricity price, proportion of debt finance and proportion of equity so that a good understanding can be gained about the impact these have on key issues such as debt repayments and cash balances.

5.5 Funding Advice

Guidance on obtaining funding can be gained through membership organisations such as the Development Trusts Association Scotland, the Scottish Community Land Network and the Community Woodland Association, which also provide networks for sharing good practice.

5.6 Own Income Generation

Pump-priming capital finance for development projects, or revenue support for desirable projects that would not cover their operating costs, might be generated through:

- Sales of house plots
- Other sales or rentals of land
- Wayleaves for mobile phone masts, etc
- Surplus from energy generation
- Rentals of buildings erected or restored
- Surplus from environmental management agreements
- Partnerships with other organisations, eg to improve fishing for visitors

As emphasised earlier, income will often be shared with the crofters, who will need to agree to new land uses, etc.

Any short income streams might be annual or one-off. An initial Business Plan would be needed to support an application to the SLF/ CLU for funding towards Estate purchase, but business planning will tend to evolve once the Estate is owned and opportunities have been explored in detail.

6.0 LAND PURCHASE AND DEVELOPMENT OPTIONS

6.1 Introduction

The Skerray community have a number of options:

- (1) to accept the status quo
- (2) to strive to develop closer links with Sutherland Estates in order to progress the community's development aspirations
- (3) to negotiate an amicable arrangement with Sutherland Estates for purchase or lease of some or all of the Skerray land and assets
- (4) to use the measures set out in the Land Reform (Scotland) 2003 Act to purchase the Skerray ground and assets through the Crofting Community Right to Buy
- (5) to register an interest in the land so that it can never be sold without giving the community first refusal, but not to purchase the land meantime.

A Skerray Development Group could be formed to progress particular developments whether or not the community assume ownership of some or all of the land.

If the community does decide to submit an application to Scottish Ministers to register an interest in the Skerray Estate, submissions would be lodged under Part 3 of the Land Reform (Scotland) Act 2003, which requires the consent of a majority of both the crofting community and of the crofters within the crofting community.

In a meeting with our consultancy team, Lord Strathnaver made it clear that Sutherland Estates would resist selling the land – having an attachment to the area and believing that residents would be served better through continued ownership by Sutherland Estates than through a community purchase.

This opposition to a community purchase would need to be taken into account by the community in deciding how to move forward – although strong backing from the community for a purchase might possibly influence Sutherland Estates' stance.

The purchase scenario in Section 4 above assumes that the community will purchase, outright, all of the croft land, but not (initially at least) the sporting and fishing rights. This could be varied for other scenarios, eg (3) above would be a less expensive option.

6.2 Development Priorities

Following consideration by the Steering Group of our draft report and their further consultation within the community, the following have been identified as priorities for consideration once the land is in community ownership or another positive option from those given at 6.1 above is taken forward. In some cases, exploratory research or detailed feasibility analysis will suggest that particular themes from the list below would not be viable (or fundable) in the short term, although they might remain longer term opportunities.

- Housing and house sites
- Make house sites available to young people at affordable prices – if they leave in the future they could pay back the market price at that time.
- Creation of crofts
- Renewable energy – both wind and wave power.
- Recycling facility
- Care home or care facility – maybe a social enterprise
- Care home – Camphill idea – for people with disabilities
- Local produce
- Small wholefood supplier – as a social enterprise (possible link with Norcelt)
- Overcoming erosion at the shore
- Recreational facilities, e.g. a football park
- Land improvements – on the hill ground
- Fishing development – there is great potential in sea, lochs and river between Jimmy Campbell's and the sea.
- Develop the walking – almost all who come on holiday want to walk
- Explore adding value to the wood from Borgie – eg encourage a small mill for posts/rails.
- A pontoon at the harbour – or a new slip from about the store area with winch and cradles – for winter access?
- Develop the store area at the pier to supply needs for passing yachts – water, fuel, rope, coffee, and tea
- Cash crop from Xmas trees.
- Cultivation of bog myrtle for Highland Natural Products, or other wild flowers and herbs
- Clay pigeon shooting
 - An outdoor centre – encourage an operator to establish a base in the area

7.0 AN ASSESSMENT OF THE ECONOMIC, SOCIAL AND ENVIRONMENTAL BENEFITS OF ESTATE PURCHASE

As a community land purchase is a permanent commitment, benefits will arise in the longer term that cannot be envisaged at present – indeed, this is a prime justification for community land ownership.

From the analysis and development ideas contained in this feasibility study, however, a wide range of short to medium term benefits should be achievable. These are summarised below.

In assessing the projects that it will take forward, a community land owner should consider economic, social and environmental benefits – the “triple bottom line”. As the three are intertwined, they are itemised together below.

- To provide and facilitate the provision of affordable housing that will enable economically active people to stay in the area and attract new families who will play an active part in the economic and social life of the community, increasing the local population and improving its age structure.
- To widen the range of job opportunities available locally, and to promote new employment that suits the skills and aspirations of the community, including part-time employment compatible with crofting.
- To enhance and support community facilities, both for locals and visitors to the area
- To look after the area’s elderly and infirm residents
- To promote tourism and lengthen the season, building on the area’s outstanding natural environment and with attention to the sustainability of developments
- To enhance the area’s natural environment through management agreements with the relevant agencies and partnership projects
- To promote an enhanced accommodation supply in the area, outdoor activity business development, etc
- To protect and enhance the assets of the Estate for future generations
- To collaborate with neighbouring landowners and development groups in tourism marketing and development, environmental management and recreational provision
- To explore the scope for community scale renewable energy projects, with scope to generate revenue through selling electricity to the grid
- To develop estate and environmental management skills within the community
- To support local production – horticulture, arts and crafts, etc
- To work with others to achieve harbour and berthing improvements that will assist fishing, leisure and other marine activities

- To promote environmental sustainability, eg through recycling initiatives
- To re-invest surpluses generated (eg from the sale of house plots or electricity generation) in Estate and business development
- To increase community self-confidence through the community being in control of its own destiny, drawing extra strength and inspiration from partnerships with other groups, within Scotland and beyond.

8.0

THE STRENGTHS AND WEAKNESSES OF THE ALTERNATIVE OPTIONS

8.1 Status Quo

Strengths

- Avoidance of the community spending its time on plans that might never materialise
- Sutherland Estates might, in the near or more distant future, invest more in Skerray than they receive in rentals

Weaknesses / Threats

- All of the benefits from other positive options would be lost
- Risk of the momentum that has been generated in considering Estate purchase being lost and worthwhile projects not being pursued

8.2 Closer Links with Sutherland Estates

Strengths

- Scope for the community to progress most of its proposals with Estate backing, with the potential for co-funding by the Estate
- Retention of professional estate management expertise

Weaknesses / Threats

- Risk of slow progress if the Estate does not engage fully or has priorities elsewhere which limits its commitment in practice
- Loss of partnership benefits in the longer term if a new private estate owner does not continue the co-operation or runs the estate in a way inimical to the community's interests

8.3 Amicable Purchase

Strengths

- The purchase would go ahead more rapidly than under 8.4, and at a price agreeable to Sutherland Estates, the community and funders
- Sutherland Estates would be likely to provide information that would help the community in running the Estate
- Scope to purchase only the areas of land that might be needed for developments
- Potential for partnership with Sutherland Estates as a neighbouring landlord

Weaknesses / Threats

- The community might run out of volunteer steam at some stage in the future (also applies to 8.4)
- The process could be protracted, especially if estate boundary or crofting tenure issues arise

8.4 **Land Reform Act Purchase**

Strengths

- A system with timescales, an appeal process, etc has been set out to facilitate purchases
- The community will only be supported by Ministers and funders if clear community benefits can be demonstrated
- There would be scope to purchase the fishing rights even though the current lease covers an area larger than Skerryay

Weaknesses / Threats

- The process could become very protracted if Sutherland Estates take an obstructive stance
- Future partnership with Sutherland Estates would be unlikely
- A lot of community volunteer time would be needed before any development could be instigated

9.0

CONCLUSIONS AND RECOMMENDATIONS

9.1 General Conclusions

Local people have demonstrated a resilience and community spirit which has led to a range of successful projects in Skerray, particularly relating to crofting and heritage.

Of the development options identified, there are definite and substantial possibilities in housing and renewable energy, and there are benefits beyond income generation that a trust will seek to bring to the area through community ownership. Although a community trust's role will largely be one of facilitator and catalyst, it should add value over and above the current situation. The purchase of the Estate should stimulate economic and social activity to the benefit of the community that is dormant under the current ownership.

The range of potential development projects identified by the community (see Sections 3 and 6) is impressive, and its track record in initiating local developments gives confidence that these will be followed through – either once the Estate is community-owned or in co-operation with Sutherland Estates if a partnership can be established that both parties are confident will work.

In the light of the potential economic, social and environmental benefits summarised in Section 7, we would advise the community to take the next steps in exploring the scope for community purchase or partnership with Sutherland Estates.

9.2 Viability

The financial analysis in Section 5 suggests that the Estate under community ownership should be viable from year-to-year on current crofting rents.

Over and above this income, housing plot sales and renewable energy development, in particular, should give the Estate a surplus for pump-priming a range of development projects.

9.3 Addressing Community Concerns

In Section 3.11, concerns that had been raised during our community consultation were listed. We would comment as follows:

Creating a Trust and Trust membership: A model Memo and Articles from an existing community land trust should be consulted; although each community has a degree of autonomy in drawing up its Constitution

The status of crofters and non-crofters: The community will determine this, but the SLF / CLU will not support a trust that does not represent the whole community.

The price of the land: This will need to be determined independently if public and lottery funding is involved. An amicable purchase could be below valuation.

Support finance: This is addressed in Sections 4-6 of this feasibility study.

Community expertise: The community has successfully carried out other initiatives, but subsidised training courses in estate management, financial skills, environmental management,

etc would be available, and advice is readily available from other community landowners. Also, we have recommended that an animateur would be employed for two years to help develop the community's capacity.

Size of community: Other equally small communities have successfully embraced community land ownership without damaging divisions or cliques emerging.

Rents: The community trust will set rents, but crofters will have recourse to the Land Court as under any other estate owner.

Security of tenure: This will not change.

Consolidation or progress?: Our consultation suggests that continuing efforts are needed to maintain a vibrant community and to achieve the demographic profile that the community wants.

APPENDIX 1

Skerray Townships and Croft Land

Liaison with the Steering Group gives the following townships / croft land that would be included as part of Skerray Estate:

Torrisdale
Aird (Torrisdale)
Glaickbea
Lotts
Achtoty
Achnabat
Clashcleven
Clashaidy
School (?)
Lambhill (one house)
Harbour area
Tubeg
Clashbuie
Skerray Mains
Torroy
Lamigo
Skerray beag
Strathenbeg
Strathen
Mall (one house)
Clashbain (one house)
Modsary