

September 2024

Ratagan & Saraig Business Plan Affordable Housing & Woodland Crofts Project

Commissioned by



Contents

Executive Summary	3
1. About Kyle and Lochalsh Community Trust	4
1.1 KLCT Objectives	5
1.2 KLCT's Community Projects.....	5
1.3 Board of Trustees – KLCT.....	6
1.4 Members.....	7
2. About Lochalsh.....	7
Map 1: Highlands and Islands Enterprise Fragile Areas 2015.....	10
3. Evidence of Need and Support	11
3.1 Housing Needs.....	11
Key findings, survey 2023.....	11
3.2 Business growth	11
3.3 Community Engagement.....	12
4. Technical Feasibility Report.....	12
5. Options Appraisal	13
6. Project Detail & Partners.....	16
Proposed Site Layout – Ratagan Site.....	17
Proposed Site Layout – Saraig Site.....	18
7. Best Value Assessment	18
8. Development Strategy	20
9. Management Strategy	21
10. Project Process	22
11. Proposed Project Plan & Timetable.....	23
12. Risk Management.....	24
12.1 Pre-development exit strategies	25
12.2 Development exit strategies.....	26
12.3 Post development risks	27
14. Conclusion.....	34

Attachments:

1. Housing Needs Survey 2023
2. Letters of support
3. KLCT Consolidated Accounts
4. Valuation Report

Executive Summary

This Business Plan outlines a proposal for the provision of a range of affordable housing options, woodland crofts and other land uses in Ratagan and Saraig, Lochalsh, in the remote North-west Highlands. The Kyle and Lochalsh Community Trust (KLCT) has a firm objective of increasing available housing and local employment opportunities to reverse the trend of out migration in the local area, encourage the retention of young people to live and work in Lochalsh, and achieve economic and environmental sustainability by creating a micro-eco village. The village will reinforce the sense of community by intrinsically linking the land and the people to form a cohesive settlement, fit for the 21st century. The Lochalsh Community Action Plan (CAP) was published in 2022 and the creation of affordable housing to meet the local demand emerged as the top priority for the area.

Land on the south banks of Loch Duich has been offered for sale by Forestry and Land Scotland (FLS) at Ratagan and Saraig, located a mile apart along the road towards Letterfearn. KLCT intend to purchase the two sites via the Community Asset Transfer Scheme (CATS) and provide housing solutions for Lochalsh, combined with the creation of Woodland Crofts, business units and space for community growing. The project team have liaised with Forestry and Land Scotland (FLS) from an early stage, and KLCT have been advised to proceed with their application for the purchase of the two sites together as one project, given their close proximity and their similarities. Feasibility work by an architect, engineer and the Woodland Croft Partnership (WCP) propose that the sites are suitable for development. The number of homes and range of tenures in this proposal is indicative and is based on evidence of strong demand for affordable housing and Woodland Crofts in the area from the Housing Needs Survey data conducted by Communities Housing Trust (CHT) in November 2023. The business units and growing spaces have been included in the proposals as they were highlighted in the Lochalsh CAP as being a requirement.

Once the land has been acquired, the **initial concept** for the project is as follows:

Woodland Crofts:

Create a community owned, sustainable woodland which will be divided into five Woodland Crofts to meet local and wider needs. The initial proposal recommends that the sites can provide five Woodland Crofts – two in Ratagan and three in Saraig. Each croft offers an opportunity for the creation of croft houses and woodland-based enterprises, where crofters can use the land for economic opportunities. This could be through the sale of woodland related goods, products and services. Other communities share tools like wood-mizers, sawmills, planers and table saws for example.

Affordable Housing:

Create a mix of houses for social rent and low-cost home ownership between both sites at Ratagan and Saraig. The initial proposal is for 6 units/ homes at Ratagan due to the site being flat and accessible (2 community-owned and 4 developed by CHT/LSHA). Furthermore, 8 house plots will be created between the two sites, giving a total of 14 potential homes.

Business Units / Workspace:

Create 2 Units for small businesses / workspace at Ratagan. The Housing Needs Survey results suggest that there is local demand for business unit creation. The initial proposed layout has accommodated this on the Ratagan site, which is on the edge of the settlement.

Growing Space: The survey shows support from the local community to incorporate a community growing space into the project offering residents and others the opportunity to share their gardening experience and to eat local produce, thereby reducing carbon footprints.

Future phase

Camping Area:

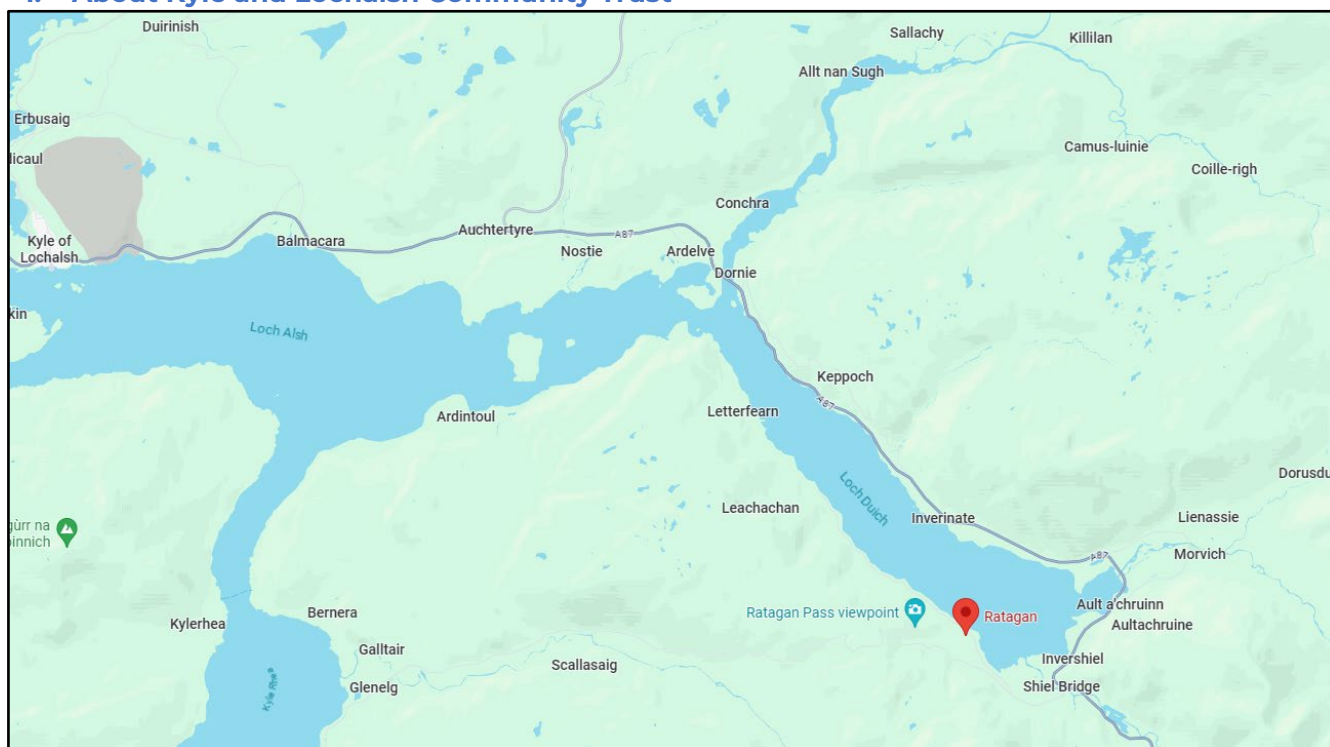
As a means of long-term sustainable income and local employment opportunities, dedicate an area of the Saraig land for camping. Situated on the shores of Loch Duich and close to local attractions like Eilean Donan Castle, the site offers a stopping point to explore Lochalsh and further afield. The site was a former worker's campsite, and this links back to the historic use of the land. Some infrastructure remains on this site, which could be easily upgraded.

To summarise:

Type of Provision	Ratagan Site	Saraig Site
Woodland Crofts	2 for lease	3 for lease
Croft House Plots	2 (discounted sale)	3 for discounted sale
Affordable Homes/ Plots	4 Homes: 2 for KLCT 2 for CHT/ LSHA	2 plots for discounted sale
Self-Build Plot (Open Market)		1 (unrestricted to fund project)
Business Units	2 for lease (KLCT)	
Growing Space	For Lease (KLCT)	
Campsite		Phase 2 TBC
Total Units	6 Homes, 2 woodland crofts, 2 house plots, 2 business units	3 Crofts, 5 house plots, campsite in the future.

KLCT intends to work alongside the Communities Housing Trust to work with them on the next stages of the project. CHT are a component of the Woodlands Croft Partnership (WCP) and are developing a pilot project to create a Woodland Croft ownership model, and a tenanted croft model linking properties (sold or rented) to the Woodland Crofts. CHT are currently supporting Glengarry Community Woodlands to create Woodland Crofts at Lower Ardochy, near Invergarry and have gained expertise through developing the pilot scheme.

1. About Kyle and Lochalsh Community Trust



[Ratagan and Saraig: \(Google Maps\) https://maps.app.goo.gl/UwLaKfRpSUdLp9f58](https://maps.app.goo.gl/UwLaKfRpSUdLp9f58)

Kyle and Lochalsh Community Trust was incorporated on the 9th of August 2012, a company limited by guarantee registered in Scotland (No. SC430036) and a registered Scottish Charity (No. SC043360).

KLCT was established to deliver a community development service for the community of Kyle and Lochalsh, Ross-shire.

Contact details:

Kyle & Lochalsh Community Trust, Toll Office, Kyle of Lochalsh, IV40 8AZ

Community Development Officer: Susan Walker

Email: susan.walker@lochalsh.uk

Trust Manager: Gareth Morgan

Email: gareth.morgan@lochalsh.uk

1.1 KLCT Objectives

KLCT's main purpose is consistent with furthering the achievement of sustainable development in the community.

The Company has been formed to benefit the community of Kyle and Lochalsh, Ross-shire as defined by postcode district IV40 excluding some postcode units, 'the Community' listed in the company's [Articles of Association](#).

KLCT's current objectives listed below from the Articles of Association:

The company's main purpose is consistent with furthering the achievement of sustainable development.

- To advance community development including urban or rural regeneration within the Community.
- To advance the education of the Community about its environment, culture, heritage and/ or history.
- To advance the environmental protection or improvement including preservation, sustainable development and conservation of the natural environment, the maintenance improvement or provision of environmental amenities for the Community and/ or the preservation of buildings or sites of architectural historic or other importance to the Community.

1.2 KLCT's Community Projects

As well as the affordable community-led housing project feasibility study, KLCT has been actively developing projects on behalf of the community including:

Projects:

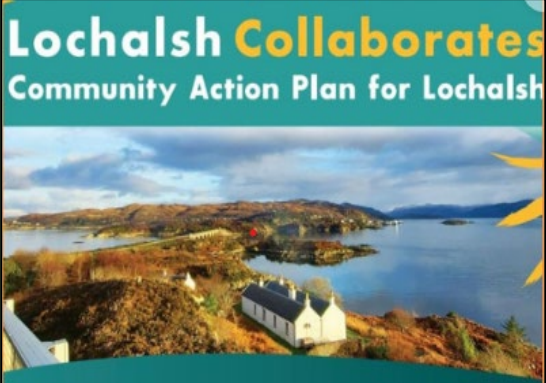
	<p>KLCT were able to secure a large funding package to create the 'Plock', a Community Woodland in land surrounding the main settlement of Kyle of Lochalsh. A range of green activities are available for the community from health walks, tree trails, a forest school and ranger activities educating people of all ages about the local wildlife and environment. The Masterplan is to continue to provide these activities and more and is a wonderful asset to the Lochalsh Community.</p> <p>The Plock – Kyle's Community Parkland Kyle and Lochalsh Community Trust</p>
---	---

Lochalsh Reuse & Recycle Hub





The Lochalsh Reuse & Recycle Hub was born from the Community Fridge, and was created to facilitate key actions highlighted by the Lochalsh Collaborates community wide survey with the aim of:


- Helping to reduce food waste within the local area
- Ensuring all members of our community have access to food
- Encouraging the preloved ethos while reducing landfill waste by accepting donations and offering produce at affordable prices
- Creating a friendly, welcoming atmosphere, with always a welcoming face – a hub in the community

- All monies made over and above running costs are reinvested in community projects
- KLCT's other projects can be found on the website: [Projects | Kyle and Lochalsh Community Trust](#).

 <p>Lochalsh Collaborates Community Action Plan for Lochalsh</p>	<p>KLCT conducted an extensive Community Action Plan for Lochalsh which was published in 2022. The CAP agenda and priorities were based on the findings of an extensive community survey which was delivered to every household in Lochalsh. The priorities for the community ranged from retaining young people, improving health and wellbeing and achieving economic and environmental sustainability. Lack of affordable housing locally was cited as a major concern for the majority of respondents.</p> <p>Community Action Plan Kyle and Lochalsh Community Trust</p>
---	---

1.3 Board of Trustees – KLCT

	<p>Chair: Maggie Byrne</p> <p>Maggie has lived in Plockton since 2004 and spent 20 years as a senior editor at BBC Scotland. Since 2009, has worked as an executive and leadership coach and facilitator. She chaired the Board of MG Alba, a member of Ofcom's Content Board and deputy Chair of Sistema Scotland, a charity which transforms life through music.</p>
	<p>Trustee: Charlene Maguire</p> <p>Charlene has lived in Kyle all her life and is well known throughout Lochalsh. She is the manager at Lochalsh Leisure Centre where she has worked for over 20 years. Charlene has been on various committees over the years and having grown up in Kyle is very passionate about what happens in the area.</p>
	<p>Trustee: Alasdair Mackenzie</p> <p>Alasdair was brought up in the Black Isle but has close family connections to Plockton. A retired Solicitor that worked in the Highlands as a Senior Solicitor for Ross & Cromarty District Council, Assistant Chief Executive with Skye & Lochalsh District Council and latterly for Highland Council.</p>
	<p>Trustee: Anisha Macdermid</p> <p>Anisha has lived in Kyle since 2009 after spending over 15 years working in Marketing Management positions for large hotels in Inverness. Anisha currently works part time as an auxiliary in Broadford Hospital, part time admin at Plockton High School, as well as, running her own Wedding Planning business.</p>

	<p>Trustee: Anne Campbell</p> <p>Anne grew up in Dunvegan on the Isle of Skye and returned to Lochalsh as a Primary Teacher at Dornie Primary School. She lives in Glenshiel and has worked in various Primary Schools in the area. Anne hopes that her proximity and local knowledge will be useful in KLCT's aim to acquire land for affordable housing with the projects planned for Ratagan and Saraig.</p>
	<p>Trustee: Willie Rowe</p>

1.4 Members

The ordinary members of KLCT are vital to the organisation, and there are over 300 existing members.

Membership is free, and open to members aged 16 and over, ordinarily resident in the community and new members must complete an application form.

An extract from Articles of Association outlines the terms of membership below:

<p>Ordinary Members: those individuals aged 16 and over who:</p> <ul style="list-style-type: none"> (a) are ordinarily resident in the Community; and (b) are entitled to vote at a local government election in a polling district that includes the Community or part of it; and (c) who support the Purposes; <p>Associate Members: those individuals and organisations who:</p> <ul style="list-style-type: none"> (a) are not ordinarily resident in the Community; and (b) are not entitled to vote at a local government election in a polling district that includes the Community or part of it; and (c) support the Purposes <p>Junior Members: those individuals who</p> <ul style="list-style-type: none"> (a) are aged between 12 and 15; and (b) who support the Purposes (c) Declaring that junior members are neither eligible to stand for election to the Board nor to vote any General Meeting.
--

2. About Lochalsh

Lochalsh is a district in the North West Highlands that is dispersed across a broad rural area, from Corran in the south, Stromeferry in the north, Kintail in the east and Erbusaig in the west. Lochalsh consists of seven community councils with a population of approximately 2600, made up of settlements scattered across a remote coastal and mountainous area. The largest of these is the town, Kyle of Lochalsh, which is around 80 miles west of Inverness.

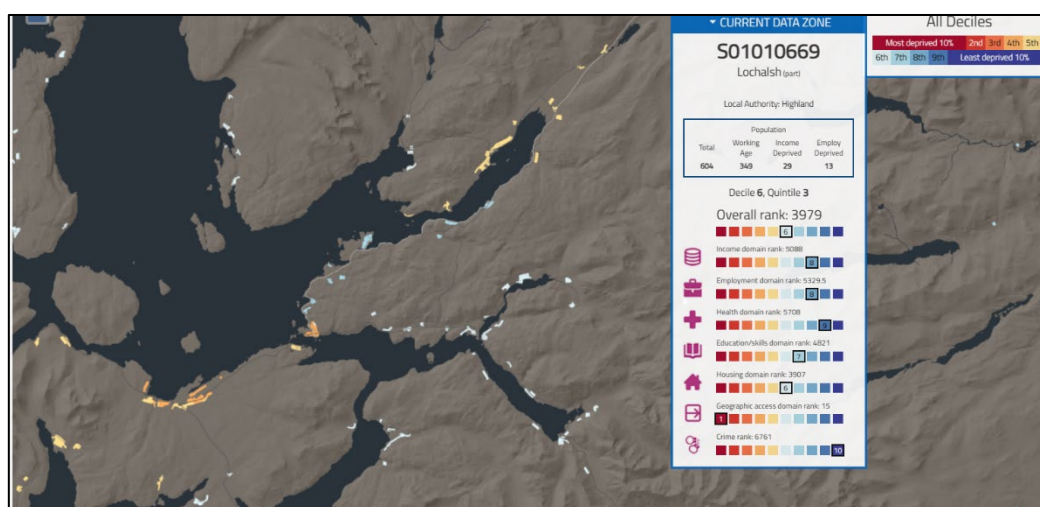
In recent years, KLCT have been exploring the option of a community-led housing project and have conducted early feasibility work. Recently, two sites belonging to Forestry and Land Scotland were made available to purchase at Ratagan and Saraig on the south end of Loch Duich. Ratagan is a small village

within the Loch Duich area of approximately 267ⁱ people, which faces north towards the Kintail mountains and faces Dornie and Eilean Donan Castle across the loch. Saraig is a small settlement located a mile west from Ratagan.

The area of Lochalsh, in common with many rural communities, is experiencing increasing pressure on available housing, which is negatively impacting these communities and the local economy in the area. In 2022, the Kyle and Lochalsh Community Trust (KLCT) published a Community Action Plan based on findings of an extensive community survey, which was delivered to every household in the area. The results helped to set an agenda for the Action Plan and identified priorities for meeting the community's needs. These priorities ranged from [retaining young people](#), achieving [economic and environmental sustainability](#), and [improving health and wellbeing](#). Many respondents cited that the lack of affordable housing in Lochalsh is having a detrimental impact on communities, and the capacity to keep young people and families in the area. The results revealed that people felt that housing in the area is failing to meet the needs of the local population, for a range of reasons.

Due to the lack of housing, some families are being forced to move away further reducing the viability of retaining essential local services, making the community more vulnerable. The community has shown support of the need to attract new people to the area to help sustain and grow the population, but it is clear that current local needs have to be prioritised initially. A recent Scottish Government research note on depopulation ⁱⁱ concluded that the North-West Highlands have the clearest need for resources to try and combat the depopulation crisis, forecasting a decline of nearly a quarter of the current population over the next 25 years if action is not taken. Since then, an [Action Plan to Address Depopulation](#)ⁱⁱⁱ has been published with recommendations on how best to mitigate against the demographic challenges.

The Scottish Index of Multiple Deprivation 2020 exert below shows the Council area of Lochalsh. The indices are ranked from 1 to 10, with 1 being the most deprived and 10 being the least deprived. Based on the diagram below, the highest deprivation factor in Lochalsh is the geographic challenge (index 1) with housing following this (index 6).



Ref: [SIMD \(Scottish Index of Multiple Deprivation\)](#)

The Highland Council explains that many rural and fragile areas are not measured well by SIMD, where deprivation is dispersed. (p.45, HDNA, see below). Another relevant factor is affordability, where p.47 of the HNDA explains that *“It is clear that there are significant problems with affordability. With lower quartile purchases at close to 6 times lower quartile household gross income and house purchase unaffordable in many parts of the area even for households with average incomes. Very large loan to value deposits would be required by many to support an offer of a mortgage”*. This means that buying a house on the open market is virtually unachievable for many people on average incomes.

Furthermore, according to the Highland Council's Housing Need and Demand Assessment (Third Submission) paper published in December 2021, fragile areas in the Highland region can be regenerated by the provision of affordable housing. It states that there is a lower percentage of social housing in Highland than in Scotland as a whole and higher levels of home ownership and private rented housing. Astonishingly, the demand in 2020 on the Highland Housing Register rose by 28% during the Covid

pandemic. It also estimates that 8.9% of stock in the region is lost due to the combination of second properties, holiday lets and vacant properties.

https://www.highland.gov.uk/downloads/file/24868/hnda_third_submission_december_2021 (p. 74/76)

Recent studies suggest that the area has notably worse housing conditions than recorded in government statistics for the Highland Council, and Scotland as a whole. Healthy Homes conducted a survey 'Healthy Homes for Skye, Raasay & Lochalsh' in 2023, which provides the first detailed, community-led, all-tenure housing condition and energy efficiency information specific to the area. The survey found that the area has particular and severe challenges in both the state of repair of homes and the availability of affordable and effective means to upgrade them.

<https://healthyhomessl.co.uk/wp-content/uploads/2023/12/Healthy-Homes-Survey-summary-11Dec23.pdf>

As reported by the data available in 2023 from the Office of National Statistics, the average Gross Weekly Pay for Full-Time workers in the Highlands is £705.30, which equates to £36,660 based on 52 weeks.

<https://www.nomisweb.co.uk/reports/lmp/la/1946157421/report.aspx?town=highland#tabearn>

According to the Royal Institution of Chartered Surveyors (RICS), since the recent Covid pandemic there is an increase in the demand for rural properties in Scotland, particularly in the Highlands and Islands, which has driven up the price of rural homes further. The Office for National Statistics reports that UK average house prices have seen a decrease of 2.3% from Dec 2022 – Dec 2023, with Scotland's average property being priced at £190,000, a 3.3% increase over this time frame. England and Wales both saw a decrease of 2.1% and 2.5% respectively. The average house price in the UK was £285,000 in December 2023.

<https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/housepriceindex/december2023>

These factors combine to make a strong argument for KLCT to support the area by undertaking a community-led housing initiative and to make an indent into these significant issues. If ignored they will have a detrimental effect on Lochalsh's long-term resilience and viability.

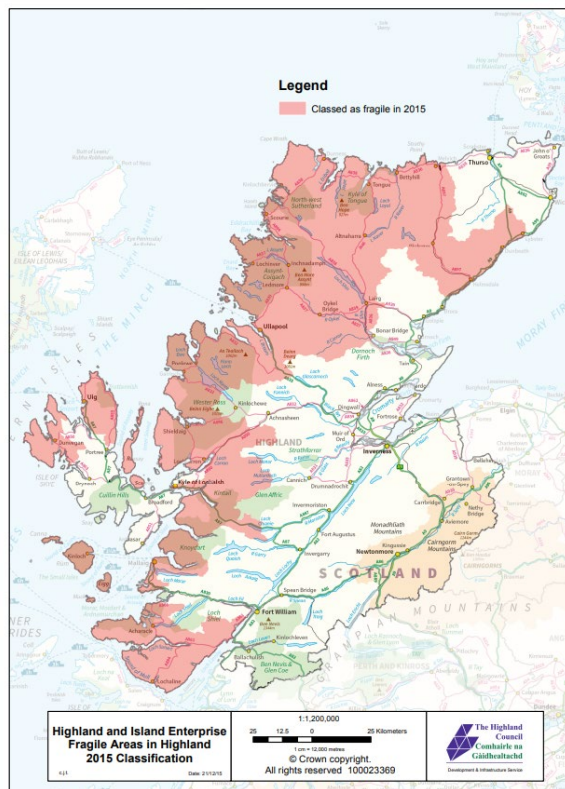
<https://Scotlis.ros.gov.uk> lists the following sales in 2023/24.

Location	Date sold	Price
IV40 8HD	01.08.2023	£345,000
IV40 8HE	20.12.2023	£305,000
IV40 8HD	10.11.2023	£198,000

The above table illustrates the low number of properties that were available for purchase over the one-year period and consequently, the high selling price when they do become available. The above data shows that the average selling price of a property in Loch Duich community council area in 2023 is £283,000, which is nearly eight times the average individual's income level in Highland, and £93,000 above the average price in Scotland of £190,000.

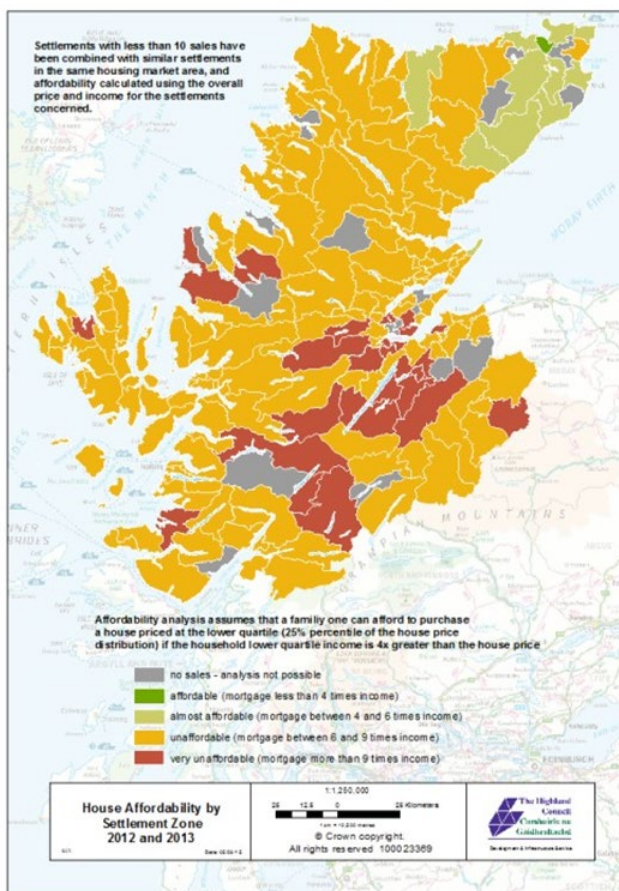
The first graphic below illustrates that Lochalsh is defined as one of the second-most fragile areas in Highland. The second graphic shows that the housing pressure is exacerbated by house prices in the orange areas being 6 to 9 times average incomes (although more recent data clearly shows that this gap has significantly widened).

Map 1: Highlands and Islands Enterprise Fragile Areas 2015



https://www.highland.gov.uk/downloads/file/18775/fragile_area_map_hie_2015

Map 2-2 Affordability of House Purchase, 2012 and 2013 Combined, by Settlement Zone



Source: Highland Council analysis of house sales data from LVIU / Scottish Government and CACI Paycheck Household Income data

3. Evidence of Need and Support

3.1 Housing Need

In 2023, KLCT commissioned Communities Housing Trust to conduct a Housing Needs Survey across the Lochalsh area. This explored the relevant priorities and attitudes of the local community and viability of the provision of affordable housing and Woodland Crofts. The survey demonstrates that the local opinion is greatly supportive of the proposals at Ratagan and Saraig, with **78% of people stating that they are in favour of the community purchase.**



The demand for housing is also strongly evidenced showing that 44 households require more suitable housing in the area, and potentially 32 household leavers anticipated within the next 5 years would stay in Lochalsh if homes were available.

Key findings, survey 2023

- 44 residents of Lochalsh are considering moving home and staying in the area, with the greatest housing need being identified in Loch Duich and Dornie community council areas.
- 16 non-residents expressed an interest in permanently moving to the Lochalsh area, with most interest in low-cost rent as a tenure.
- 32 potential home leavers expressed an interest in affordable housing within the next 5 years in the Lochalsh area.
- Low-cost home ownership was the most popular option for those current residents requiring housing, followed by a site for self-build, with 2- or 3-bedrooms.
- 69 respondents indicated that they know people that have had to move away due to the lack of suitable or available housing locally.
- 27 respondents stated that they would be interested in a Woodland Croft if created in Ratagan and Saraig.

For further details please see the attached Lochalsh Housing Needs Survey.

3.2 Business growth

Business need was explored in the recent Housing Needs Survey assessment, both within the resident's survey and a separate business needs survey, which was sent directly to businesses operating locally. Out of the 44 people who require a new home, 28 people stated that they would benefit from a form of workspace either within their home, land to build a business premises beside their home, or a business unit to rent on the site of any new housing. This shows that the development of housing could have the potential to provide economic benefits to residents, and possibly increase the services available to a rural settlement. This information reinforces the findings from the Lochalsh CAP, which saw significant demand to support micro-business through the provision of land and premises.

Working from home is now a popular feature and opportunities to support and encourage this should be explored within any new development by allowing sufficient garden space for an outbuilding or by allocating an extra room to those requiring an office space. When looking at the non-residents survey, 6 would consider starting a new business venture if they were to relocate to the area permanently.

The business survey received 8 responses from existing businesses in Lochalsh, 7 of which have between 2 and 10 members of staff, with many typically recruiting from the local area. Six businesses stated that they have difficulty in recruiting and retaining staff locally. 4 businesses have had staff turn down job offers in the last five years because they cannot find suitable housing in the area, and also have staff that may need to leave the area due to a lack of housing. Half of the businesses stated that they believe the creation of housing at Ratagan and Saraig would help them to retain staff, and all of the businesses are supportive of the proposal.

Based on this clear demand within the community, business units have been incorporated into the proposed site layout. This will be complimented by the potential of increased economic forestry activities created by the Woodland Crofters on their respective sites, which could include woodfuel, charcoal, furniture making or sawmilling local timber.

3.3 Community Engagement

On 26th October 2023, a community drop-in event was held at the Inverinate Community Hall. Members of KLCT, CHT and the Woodland Crofts Partnership were present to answer questions about the proposal. Architect, Iain Livesley attended to share drone footage and initial plans for the site, which showed the proposed layout of housing and Woodland Crofts on both sites at Ratagan and Saraig. There was a keen community interest in Woodland Crofts, and Jamie McIntyre (WCP) provided a useful presentation to explain the concept. The event was well-attended with around 40 local people and those from further afield who were invited to share their views and opinions for the proposal, of which there is clearly strong, local support.



4. Technical Feasibility Report

In April 2024, engineering firm Harley Haddow carried out an RIBA Stage 1 Inception and Feasibility report for each site at Ratagan and Saraig.

Ratagan Site – Main findings:

- The area of site adjacent to the road appears to be at risk of coastal flooding, and another route may be required to allow access and egress in the event of flooding. There is potential for another access to address this and it would be a feature of the detailed design stage.
- A full Flood Risk Assessment is recommended, and floor levels are to be built 600mm above the maximum water level.

- Discharge for foul effluent to join into Scottish Water sewers 120m to the southeast, or alternatively, a large herringbone soakaway may be required.
- Surface water to be treated through a combination of filter trenches and porous paving
- Water runoff from hill behind may need to be addressed
- Road Construction Consent required from the Highland Council to create a new access

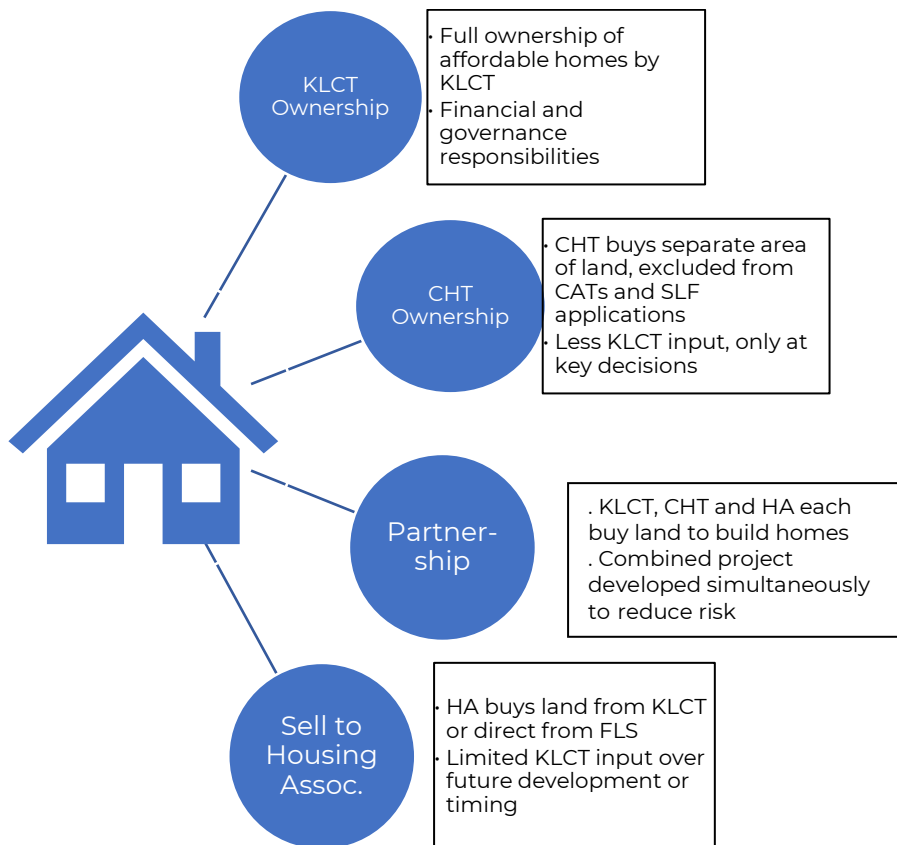
Saraig Site - Main findings

- The proposed campsite area is at risk of flooding based on SEPA maps and finished floor levels should be 600mm above the maximum floor level.
- There is a high risk of coastal flooding on the main road which runs along the lochside. A secondary access road may need to be considered at the detailed design stage.
- Development proposals should remove low points wherever possible to reduce the risk of ponding
- Foul flows will be treated by a proprietary treatment plan to ground, if percolation tests permit.
- The site may require substantial retention and structural upfill.
- New roads formed into the site will require Road Construction Consent

The next stage of development would require a detailed Flood Risk Assessment for both sites.

5. Options Appraisal

To determine the most appropriate model to provide affordable housing at the Ratagan and Saraig sites, the following options were explored:



AFFORDABLE HOUSING OPTIONS

The partnership model has successfully worked in the nearby communities of Staffin and Raasay, where joint developments with the community groups have been created. These projects have allowed the local development trusts to own affordable housing and rent it on an affordable basis to residents. This offers

a long-term sustainable income stream which covers the costs of providing the housing. The business plan presents the option of an affordable housing delivery partner CHT (or Lochalsh and Skye Housing Association) purchasing the land at Ratagan for affordable housing separately. Initial discussions with both organisations have been encouraging, although would require further discussions and ratification by their respective boards. There is a precedent set of collaborative working on the recently delivered projects at Staffin and Raasay, pictured below.



Staffin: credit Staffin Community Trust



Raasay: credit CHT

An options appraisal considered the most appropriate models, land use tenancies and long-term solutions for KLCT to embark on projects to achieve a micro-eco village concept. These are summarised below:

Woodland Croft Options	
<p>Woodland crofts (https://woodlandcrofts.org/) are growing in popularity amongst the community land ownership sector. They have many benefits to the environment including replanting to create more diverse woodland and ecology, helping to control water run-off and water courses, offering a supplementary income to households, increasing skills in family forestry, reducing carbon footprint, and importantly, offering a plot to self-build a home. Woodland crofts need to be registered with the Crofting Commission. https://www.crofting.scotland.gov.uk/, as with any other croft and there are controls in place to ensure the croft is worked and maintained.</p> <p>Allocations and controls can be set by the landlord, and these will include restricting the right to buy a croft, the right to assign a croft to someone else or whether common grazings areas are provided. A solicitor specializing in crofting law is recommended to be used when registering new crofts to ensure that they meet the current legal standards and represent the community groups' intended purposes.</p> <p>Before proposing the crofts at Ratagan and Saraig, the Woodland Croft Advisor carried out an exercise to determine their suitability, leading to the proposal to create 2 crofts at Ratagan and 3 crofts at Saraig. A revised Forest Plan will need to be created and registered with Scottish Forestry, setting out the proposed planting, management and the timescales of the works. Each new woodland crofter will adopt the plan as their overarching vision for the woodland.</p>	
Landlord KLCT	An annual rental income for the crofts would be payable to KLCT. Controls and allocations policies can be activated to ensure maximum community benefits deriving from the croft input to the local community, environment and to the circular economy. Legal fees will be required to set up the croft tenancies.
Landlord WCP	An annual rental income for the crofts would be payable to the Woodland Croft Partnership. However, at this time the partnership is an unconstituted body and it may be required to change it's standing to take on landlord responsibilities. Legal fees will apply to set up an agreement between KLCT and WCP.
Crofts for sale	In selling crofts on the open market, this would provide KLCT with an immediate income source, although once sold, the only controls are between the owner and the Crofters Commission. Alternatively, some community groups are exploring new models to offer affordable croft housing to for sale, and when this is developed it could offer a viable sale option to KLCT. Legal fees will apply.
Preferred option	Ratagan – offer 2 woodland crofts for rent, 2 croft house plots*

	<p>Saraig – offer 3 woodland crofts for rent, 3 croft house plots* *(A Self Build Croft Plot will be available for each Crofter to purchase) Alternatively a croft house site can be created enabling the crofter access to the Croft House Grant Scheme.</p>
<p>Business Units / Workspace</p>	
<p>Several community groups have either inherited business space when they have purchased land, or they have enabled the creation of business units. For example, in Knoydart, the Foundation have a range of buildings which they purchased in their community buy-out of Knoydart Estate, some of which are being used to encourage economic activity on the peninsula. In nearby Staffin, the development trust created 2 business units as part of their affordable housing partnership development, and one of these units offers a long lease to NHS Highland for a local GP's surgery and other health professionals.</p> <p>More work is required by KLCT to identify users of the proposed business units in Ratagan, although there is a clear demand from our work to date.</p>	
KLCT Build Workshops for Rent	Once the uses are identified, the business units can be incorporated into the project to build affordable homes, potentially offering cost savings. Once built, the workshops can be leased to the tenants offering a sustainable income source. There may be long-term risks associated with changes in occupation, void periods, rent loss etc. Ensuring the most flexible space that can be easily converted if local needs change is desirable. Maintenance and repairs could be made the responsibility of the occupants to reduce liabilities to KLCT.
KLCT create serviced plots for sale, as business units	Serviced plots with drainage, electricity connections, water and BT can be created at the same time as the affordable homes. The service plots can then be marketed for sale. It would be beneficial to obtain Planning in Principle before marketing them for sale. Then the plots would have a defined use within the planning system. Buyers can then submit a full planning application for their business unit based on their requirements. The servicing costs can be recouped at the point of sale, although there could be a delay in selling them which KLCT will need to budget for.
KLCT sell unserviced plots for sale as business units	The financial return for an unserviced plot will be less, although it also offers a lower risk solution for KLCT. Challenges may arise however if other developments are taking place at different times, or the units are not built at all. Legal protections like reversion clauses can be included in sales and full legal advice should be taken for this and the options above.
Preferred option	Build 2 x workshops for rent
<p>Camping Area (Saraig only) Future Phase</p>	
<p>While there are several other campsites in the vicinity, the opportunity to enhance this project with a long-term sustainable income is attractive. In this plan, we have assumed that the campsite will be developed in 3 years' time, following the other activities which have a higher priority. In the interim, the area could be used by the residents at Saraig for agricultural or recreational uses.</p>	
KLCT create campsite and manage it fully themselves as a social enterprise	A full competitor and demand analysis is recommended before embarking on the campsite creation. If this demonstrates a need for the campsite, making a stand-out eco campsite and social enterprise could be a niche model for the area. It could offer employment for local people or the crofters who already work/live on site. The regular income could then be used to benefit the whole of the Lochalsh area by making KLCT a resilient anchor organization for many years.
KLCT offer unserviced site for long-lease to a third party	KLCT would benefit from an annual rental on the land, although a it may be challenging to attract a commercial enterprise to set up in this area if they are not already established. If the site is unserviced, the cost of developing it fully may be prohibitive to a commercial firm, who may have to wait for years to make a yield on their investment. The community would also have no input into the future use of the land it is could be resold.
KLCT sell the area of land for a third party to create the campsite business	The benefits of this approach are the immediate income generated to help cross-subsidise the other elements of the project, like infrastructure costs. However, the community would no longer be in control of the area of land and this may lead to reputational damages.
Preferred option	To be confirmed. We have based the business plan on KLCT creating the campsite and managing it themselves as a social enterprise.
<p>Growing Area</p>	

Auchtertyre Community Garden is an example of a local group which is community run for the benefit of the residents of all ages. Nothing similar exists in the Ratagan / Saraig area although the Lochalsh CAP identified a strong desire for more land for this purpose.	
KLCT offers space for local groups to use	The land could be rented for a peppercorn rent, in exchange for the group who takes on the project, supplying their own polytunnels/polycrubs and temporary structures. Planning permission may be required, depending on the size of the structures and their position on the site (which will apply to all of the options below).
KLCT rents space to crofters and residents	KLCT becomes the organization responsible for creating the growing space and funds and supplies all of the materials, buildings and services. Significant fund raising would be required to set up the project along with additional staff resources to manage this project. If an income stream was required for on-going maintenance a charge per user may generate in the region of £50 to £75 per annum, based typical on allotment rates.
KLCT sells space to small business to create local food supply chain	To help cross-subsidise other areas of the project, KLCT could simply sell the plot to a local business to enable them to create their own growing business. While this would give an immediate return from the sale, the on-going use and future income would be lost. While there would not be an on-going staffing requirement by KLCT, the opportunities to influence the business will be minimal. However, a partnership with a local hotel (s) could be a more viable option, which offers a compromise.
Preferred option	Lease to a local group

6. Project Detail & Partners

KLCT wish to raise funds to enable the purchase of the two sites at Ratagan and Saraig from Forestry Land Scotland. It is proposed that they will initiate a Community Asset Transfer to buy the land, with support from CHT.

Affordable Housing

The proposal is to create a mixed tenure development on both sites with KLCT owning and managing some homes for affordable rent and offering properties and plots for discounted sale with a Rural Housing Burden in the title. These would be protected in the long-term by reducing the selling price by a minimum of 30%. The proposed site layout from the architect has been informed by a pre-application to the Highland Council and this is the basis on which planning consent will be applied for. Both sites' layouts can be seen in the pictures below and were provided by architect, Iain Livesly.

The plans below are an indicative layout of the two sites, incorporating the homes, Woodland Crofts, business units, and community growing area. Out of the 10 units proposed, there will be a range of tenures provided and this will be guided by the local needs ensuring that there are a range of options to stimulate community growth.

The role of CHT would be to act as project and development managers for the next phase of the project to develop the affordable homes and Woodland Crofts, the latter being supported by the Woodland Crofts Partnership.

The project has support from the Scottish Government via the Rural and Islands Housing Fund feasibility funding, which has helped to develop these proposals. With the project being in the programme for affordable housing delivery, this offers the opportunity to more housing delivery organisations including Lochalsh and Skye Housing Association or the Highland Council. The project is at too early a stage to have confirmed agreements in place with any organisation, although there is a strong indication that that a viable project will be supported.

Woodland Crofts

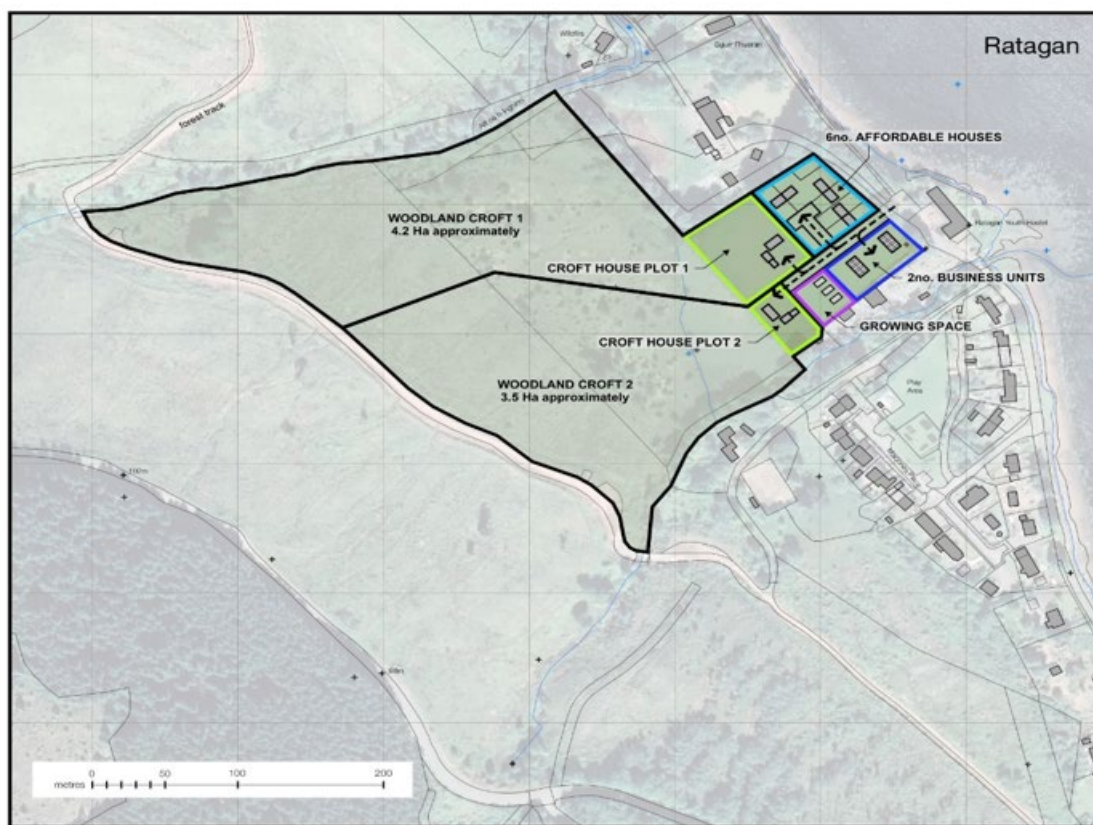
The project will also entail the creation of 5 Woodland Crofts split between the two sites. This will allow residents of the Woodland Crofts to manage the woodland sustainably and provide housing, including croft housing. Acquiring the land for a multi-purpose development which has high sustainability, and

environmental objectives will help to strengthen the community. The development will also support intergenerational family networks and offers the opportunity to support employment through each phase of the project and in turn through the increased economic activities created by the Woodland Crofters on their respective sites.

The feasibility study on Woodland Croft creation also explored the possibility of including the land up to the forestry track and old Military Road shown above to create a third Woodland Croft and associated croft house site. However, this was discounted following discussions with Forestry Land Scotland and KLCT, given the instability of the land and the steepness of the slopes involved.

Proposed Site Layout – Ratagan Site

Layout Map 1: Entire Site



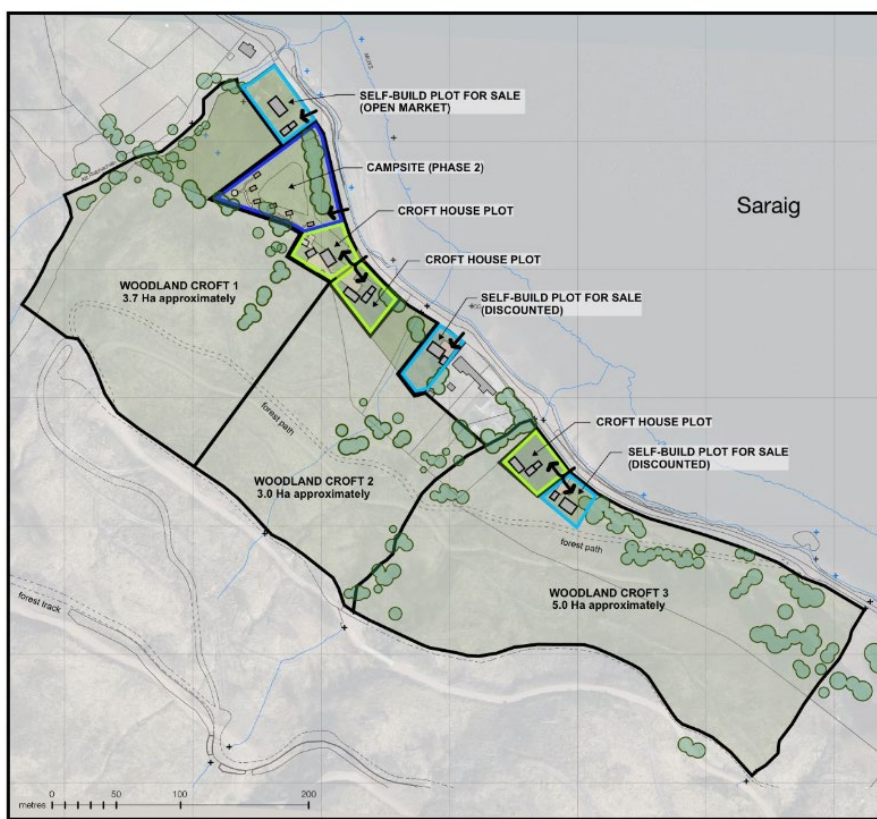
The marked site in red on the map below shows the area solely for affordable housing creation at Ratagan, marked in turquoise in Layout map one.

Layout Map 2: Affordable Housing



Proposed Site Layout – Saraig Site

Layout Map: Entire Site



As on the Ratagan site, the possibility of an extension to the boundaries of woodland crofts 1 and 2 up to the forest road was explored and ruled out for the same reasons. The new croft boundaries shown above, relate to the revised boundaries and are shown as a minimum of 3ha in size, which is the preferred minimum standard for the Crofting Commission.

7. Best Value Assessment

The benefits of the project to the local economy in Lochalsh is tremendous in comparison to the current usage of the land. At Ratagan, the field has as a temporary grazing area for horses and the rear of the site has been felled and remains dormant. At Saraig the land is not currently utilised for any purpose.

Economic development

- Local, small scale forestry industries will be created by the woodland crofters through their management of the forests – this may include wood fuel, crafts, timber sales or eco-tourism
- Business units will provide much needed space for local start-ups or established businesses
- Increased tourism through the development of a campsite based on the original workers campsite at Saraig

Regeneration

- Woodland crofters will regenerate the woodland areas through replanting and their ongoing management and maintenance of the land
- The population and demographics will be altered through the provision of more family homes in the micro-eco village

Public health

- Fit for purpose modern homes will provide a safe and healthy environment to live in
- Recreation opportunities on both sites will be encouraged for walking and exercise

Social wellbeing

- People will be able to gather and socialise to grow produce for their families
- Families will boost the number of children in the local primary school, which is under threat of closure due to the low number of children in attendance

Environmental wellbeing

- Local woodland management will reduce the requirement for industrial, large-scale forestry
- Woodlands will be regenerated with a variety of tree species, natural to the site
- Opportunities to work locally will be provided on the crofts and live/work opportunities in the affordable housing

Reducing inequalities of outcome from socio-economic disadvantage

- Affordable housing will provide new homes in an area with a severe lack of affordable housing to rent or to purchase.

Other benefits that might arise from the alternative use of the asset - Community benefits

- The local community groups will have greater interaction with each other and become more confident to deliver other local projects of local significance

Value calculations

Heading	Description	Calculation	Total
Financial	<ul style="list-style-type: none"> • Volunteer time to develop the project 	6 volunteers 2 hours pw 156 weeks Rate £12.00 ph	£22,464
Outcomes - quantitative	<ul style="list-style-type: none"> • Alleviating homelessness through provision of affordable social homes ^{iv}(6) • Alleviating homelessness through provision of discounted self-build plots (4) • Creating local employment through the provision of workshops (2) • Creating local employment through the provision of woodland crofts (5) 	£11,027 per home 6 homes £11,027 per plot 4 plots £4,000 (est.) 2 workshops £25,000 per croft 5 crofts	£66,162 £44,108 £8,000 £125,000
Outcomes - qualitative	<ul style="list-style-type: none"> • Improved community cohesion through provision of growing spaces for all to use 	estimate	£10,000

	<ul style="list-style-type: none"> Improved community cohesion and collaboration between local groups – Loch Duich Community Council and Kyle and Lochalsh Community Trust 		
Total Value	Social value to local economy		£275,734

While the estimated social value to the local economy is greater than the combined valuation of the land at Ratagan and Saraig (£83,000 + £106,000 = £189,000), KLCT requests a discount of 40% from the Red Book valuation carried out by Galbraith which was finalised on 22nd July 2024. Further details are available in the costs section.

8. Development Strategy

Vision:

Create a community-led micro-eco village that provides long lasting social and economic benefits to the community to reach our goal of increasing affordable housing and Woodland Crofts in Lochalsh

Standards for new affordable housing

As part of a joint project KLCT shall construct quality affordable homes in an attractive setting. We will set and meet standards that produce quality, energy efficient homes that are sustainable in the long-term, and encourage the use of local materials, timber and local employment.

Woodland Crofts

KLCT will create Woodland Crofts tenancies that will be registered with the Crofting Commission.

Key Stakeholders and Partnerships

KLCT shall build on and enhance our relationships with Communities Housing Trust and Lochalsh and Skye Housing Association. We shall engage with key local stakeholders, local government and media as required. We will carry out further community engagement activities for all projects and seeking feedback and incorporating this into proposals for the site.

Where we will build

KLCT will build on the sites at Ratagan and Saraig, once acquired. We shall create a long-term housing strategy for Lochalsh and maximise compatible funding streams.

What we will build

The top priorities will be to:

- Provide affordable community owned homes in Lochalsh, offering homes to rent, discounted homes for sale and self-build plots to purchase
- Create Woodland Crofts to provide long-lasting sustainable and environmental benefit to the Lochalsh area.
- Design and build “future proof” new homes where possible incorporating features for a range of users.

Procurement and Community Benefits

KLCT will adopt procurement methods that deliver optimum value for money and facilitate the delivery of community benefits.

Financial Capacity

KLCT will ensure that the provision of new homes is financially viable and fundable, meets our business plan and funders requirements, and will not impact adversely on our future interests. We recognise the challenges of this as development in remote, rural areas can cost up to 30% more than in other locations.

Governance and Delivery of the Development

KLCT will ensure leadership and scrutiny for the proposed development activities working closely with CHT in this regard.

Risk Management

KLCT will be proactive in assessing and managing the risks associated with our development role within this project.

Environmental Standards

KLCT will strive to provide housing with the highest energy efficiency standards in line with the appropriate building regulations and standards.

9. Management Strategy

Management strategy:

Housing: To create safe, secure properties which are maintained to the standards agreed for the benefit of the residents, local community and KLCT

Woodland Crofts: To create a Land Management Plan which will outline the community's long-term priorities sites, and ensure Woodland Crofts are integrated with them.

Maintenance

As Registered Private Landlords KLCT shall adhere to the current repairing standards as outlined in the Scottish Government's model Private Residential Tenancy Agreements.

Sinking Fund

KLCT's business plan identifies an amount to be set aside for major repairs for each property on a monthly basis as rent is received. KLCT Board of trustees will agree any major repairs with the service provider. An existing small, restricted fund for repairs to projects is currently in the annual budget.

Long-term repairs

KLCT shall agree a planned preventative maintenance policy with a service provider. Inspections will be carried out annually to monitor the condition of the buildings.

Housing Management

The appointed service provider will arrange for repairs and day-to-day maintenance of the properties. They will allocate properties, arrange for new tenancy agreements to be issued, welcome tenants, collect rents, and manage arrears and complaints.

Allocations Policy - Housing

KLCT will agree an allocations policy with CHT which is widely used in other rural areas and highlights household priority factors and community priority factors. This policy will be implemented by the service provider on our behalf.

Allocations Policy – Woodland Crofts

KLCT will agree an allocations policy with the community and project partners, ensuring that there is an objective process in place to allocate crofts according to local priorities, and deal with any issues that might arise.

Voids

KLCT shall try to minimise void periods by working closely with the local community, housing partners and the service provider to advertise properties prior to the end of a tenancy. The retention of a proportion of monthly rents will cover any reduction in income due to void periods.

Tenancies

KLCT shall use the Scottish Government's model Private Residential Tenancy Agreements. These provide greater security for residents and clearly set out the expectations of the tenants and the landlords.

Community Units/ Growing Space

The policy for the management of the community area, will be created to reflect the activities carried out. They will be managed directly by KLCT or another local constituted group if appropriate.

Review

The management strategy will be reviewed as necessary by KLCT's Board of trustees. The appointed service provider will alert the Board to any regulatory or legal implications. The service agreement will be reviewed annually by the Board.

10. Project Process

A Minute of Agreement shall be established to identify each organisations roles and responsibilities in the project. A broad outline of the process from this point is below:

KLCT:

- Apply to Forestry and Land Scotland (FLS) to purchase the asset via the Community asset Transfer Scheme (CATS)
- Once approved, apply to Scottish Land Fund (SLF) to purchase the two sites
- Secure Rural & Islands Housing Funding and other grants/private finance
- Work alongside project partners to develop the detailed proposals
- Agree use and partners to develop the business units and community space
- Agree allocations policies for housing and Woodland Crofts with CHT based on priority community factors
- Keep local community informed at key stages of the project

CHT:

- Project manage consultants for the design and engineering phase to obtain statutory consents
- Secure agreed funding and other grants/private finance
- Provide expertise on Rural Housing Burdens
- Project management and facilitation for whole development on behalf of KLCT
- Obtain Full Planning Permission for the site
- Undertake tendering process to identify costs
- Appoint contractor
- Manage contractor throughout build, including staged payments, Clerk of Works inspections and monitoring
- Arrange for handover of properties and buildings

WCP

- Provide project management of the Woodland Croft creation, on-going management and oversight
- Offer expertise from the Woodland Croft Partnership and input into identification of most suitable delivery models
- Ensure stakeholder involvement and influence at key project stages
- Promote project on a wider scale to other communities
- Management of Woodland Crofts Register of Interest

11. Proposed Project Plan & Timetable

Date	KLCT	CHT
August 2024	Make CATS application to purchase sites from FLS	
August 2024 - March 2025	CATS application approved	

November 2024	Apply to SLF for funding to purchase sites	
March 2025	SLF Panel result	
March 2025 – May 2025	Purchase sites at Ratagan and Saraig (on Ratagan, excluding the area for affordable homes)	Purchase site for affordable homes (LSHA may be interested in a joint venture)
May 2025 – July 2025	Input to planning process and community engagement	Secure funding for Architect and Engineer
July 2025 – Jan 2026	Apply to Crofting Commission to create new registered crofts, and create and allocate the growing spaces	
July 2025 – Dec 2025	Secure statutory consents. Secure funding for tendering exercise to develop affordable homes and business units	Project management of the Architect and Engineer team to develop proposals to include Full Planning, Building warrant, Utility connections and road construction consent.
Jan 2026 – Feb 2026		Undertake tendering exercise
March 2026 – June 2026	Secure RHF & project finance	Work on behalf of both partners to secure funding package
July 2026		Appoint contractors
August 2026 – September 2027		Construction phase - Arrange for staged payments and inspections by Clerk of Works until completion
October 2027	Take Handover & organize publicity	Take Handover
October 2027 – October 2028		Defects phase (1 year)
2029	Consider options to create campsite at Saraig (if still a requirement)	

12. Risk Management

Careful consideration to the potential risks should be given prior to embarking on a community-owned housing project, as with any development project. While this list is not exhaustive, we have outlined the main risks which communities should be aware of.

12.1 Pre-development exit strategies

Area of concern	Identified risk	Mitigation/Action required
Community support	Unsupportive of development	Strong community engagement in early stages. Further consultation on sites and uses. Explanation on need, tenures & benefits to long-term sustainability.
KLCT Board	Lack of agreement on route forward	Work closely with CHT to overcome any difficulties and provide strategic direction based on experience of similar projects.
Planning/Building Warrant	Site not considered suitable for a higher density development.	Check site suitability in advance of submitting revised applications. KLCT may wish to amend the designs slightly to meet their needs.
Feasibility studies	Unsuitable ground conditions for affordable homes or croft houses. Unobtainable or expensive connections to utilities.	Some projects may abort at this stage if the ground conditions prohibit the required development to take place. This site housed a previous building confirming, that the land is suitable for construction.
Training and skills	Lack of qualified construction workers	Encourage use of local contractors to employ trainees.
Archaeological studies	Sites or objects of significance uncovered	Liaise with appropriate specialists before development.
Contamination studies	Site contamination	Not explored – but unlikely to be present given historic uses of both sites.
Land purchase	Note expressions of interest in suitable sites. Agree/secure funding. Demand for the proposed crofts.	Access issues, boundaries discrepancies, unusual title conditions can all arise during legal work. Identify as much information as possible about the land prior to engaging solicitors to reduce risks and costs. Invite notes of interest from prospective crofters.
Development funding	Explore options to secure funding at the outset.	Prepare detailed financial plans at the outset and make funding applications and/or agree loans or grants in advance.
Contractor Estimates	High construction costs in West Highlands and restricted local supply of skilled contractors.	Encourage use of contractors with experience of similar rural projects.
Budget vs Tender Returns	Where possible agree fixed costs using professionals. Issue tender documents to a wide geographical area to encourage a more diverse response.	Re-evaluate costs and make savings. Secure additional funding if required. Delays or worst-case scenario the project put on hold or stopped completely.

12.2 Development exit strategies

Area of concern	Identified risk	Mitigation/Action required
Unforeseen costs arising during construction.	Budget increases from original estimates.	Ensure servicing costs are clearly identified. Obtain fixed cost quote where possible in advance. Retain a contingency in the budget for unforeseen costs. Negotiate with contractors regarding increases. If necessary, source additional funding.
New Woodland Crofts	Creation of crofts not approved	Woodland Crofts are supported by Scottish Government, and Crofting Commission (CC) policy to support their own creation; early dialogue with CC required.
New Woodland Crofts	Lack of interest in specific crofts	Varied tree type cover over the different crofts to ensure different preferences are catered for. Early engagement with interested parties to identify potential crofters.
Forest Plan	Non- adherence to plan by crofters	Condition of compliance would be the tenancy agreement.
Project Partner Relations	Potential breakdown in relationship	Minute of Agreement in place covering all aspects of partnership working. Clear roles of responsibility outlined.
Accommodation for construction workers	Lack of local affordable accommodation	Consider temporary use of part of the larger site for accommodation. Seek planning consent if required. Encourage use of local contractors.
Contractor goes out of business	Establish staged payments	By paying for work on its completion this offers the contractor security over cash flow. It also means that any work done will have been paid for and another contractor could be engaged if necessary.
Defects/maintenance issues	1 year defects liability period in contract	Ensure that there is a suitable clause to allow for all defects to be made right by the contractor. This should include latent defects after the 1 st year.
Heating/ventilation/water/sewage	Ensure systems installed are suitable for property and for users	At the design stage consider most suitable systems, including user and maintenance. Provide user instructions and training to occupants. Set up maintenance contracts where required.
Difficulties in obtaining completion certificates	Engage with contractor and local authority	The contractor is responsible for ensuring that the building meets the planning and building warrant requirements and obtains the completion certificate.

Delays in grant funding/loan payments	Financial planning	Prior to development beginning, establish a cash-flow which includes all funding streams and payments. Include an element of contingency.
Delays	Agree build schedule	Delays can impact on many aspects. Some contracts have penalties for delays, but this can add costs to the contract sum.

12.3 Post development risks

Area of concern	Identified risk	Mitigation/Action required
Inability to rent properties	Approach housing suppliers and businesses and service providers to check their needs. Option to sell properties. Option to use homes for alternative uses e.g., tourism	Widely market the properties. Build in an element of finance for void periods for rented homes. Subject to agreement from funders, agree to use properties for other uses or to sell as the last resort.
Management of crofts	Crofts not worked or put to purposeful use	Failure to adhere to crofting regulations will be breach of tenancy or other agreements with potential sanction of removal from the croft; robust allocations process will identify most suitable crofters to mitigate this risk.
Crofts given up by occupiers	New crofters cannot be identified to take on the croft, leading to an income shortfall	Demand for Woodland Crofts is strong and growing; almost certain to be able to fill croft from local interest or wider Register of Interest.
Tenancy is terminated by tenant	Expected income not received to cover financial liabilities	Maintain waiting list of interested parties so that allocation can be made as soon as possible
Inability to secure funding for community space proposals	Approach funders prior to the completion of the construction of the homes.	The area can remain an area of open ground until such time as funding has been secured for the agreed community uses.
Owner/ Occupier of Woodland Croft notifies of intention to sell. Pre-emption right activated	Cannot secure the funds required to buy back the croft	Work with CHT to secure short-term loan to exercise pre-emption. Maintained list of interested parties notifies of opportunity and advertise widely
Void properties (costs)	Market properties widely to all contacts on each re-let	Usually around 3% of annual rental should be set aside
Repairing obligations	Service agreements and call out agreements with local contractors	This may be done by us or by the management provider. In either case, a structured approach to on-going maintenance and repairs is required. E.g., Annual servicing of boilers/heating systems. Have a policy for emergency repairs.
Fire/theft/damage to properties	Insurance	Ensure that the insurance policy taken out is suitable for renting properties including void periods

Issues with property management provider	Minute of agreement	It is advisable to have a minute of agreement with the management provider that both parties agree on at the outset.
Major repairs	Set aside a sinking fund	Usually around 10 - 15 % of annual rental income should be set aside to cover for major repairs
Tenancy management	Register with the local authority as a private landlord. Third party tenancy management can have the advantage of delivering the service at arms' length, reducing potential for conflicts.	Guidance is available to private landlords. Notice can be issued to tenants who do not follow the tenancy agreement. Seek legal advice where appropriate. Set aside % of rent for void periods or rent arrears.

Kyle & Lochalsh Community Trust - Aggregated Cashflow										
RATAGAN - 25 Year Cashflow										
Description	1	2	3	4	5	6 to 10	11 to 15	16 to 20	21 to 25	TOTAL
Income	Acquisition	Dvlpt								
Scottish Land Fund Grant	57,829									57,829
Scottish Land Fund Discount	38,553									38,553
Self Build Plot Sale - Discounted sales		68,000								68,000
Discounted sales		-								-
Community Regeneration Fund		100,000								100,000
Rural Housing Fund		322,640								322,640
Rural Housing Fund (Additional)		25,566								25,566
SSE		50,000								50,000
HIE		37,898								37,898
Quaker Housing Fund		-								-
Crown Estate Scotland		50,000								50,000
National Lottery Awards		20,000								20,000
CARES Funding		50,000								50,000
SSEN		100,000								100,000
Local Businesses		-								-
Community Contribution		11,998								11,998
Other Grants		11,472								11,472
Private Finance		50,591								50,591
Growing Area Lease			50	50	50	250	250	250	250	1,150
Rental Income (2% annual increase)			33,618	34,290	34,976	185,661	204,985	226,324	249,882	969,736
Total Income	96,382	898,165	33,668	34,340	35,026	185,911	205,235	226,574	250,132	1,965,433
Expenditure										
Land and Associated costs	96,382									96,382
Self Build Plot Cost		111,000								111,000
Growing Area		13,000								13,000
Growing Area water + bins			1,200	1,224	1,248	6,622	7,312	8,072	8,914	34,592
Total Development costs		771,165								771,165
Loan Repayment			5,284	5,284	5,284	26,418	26,418	26,418	26,418	121,524
Management			2,800	2,856	2,913	15,461	17,071	18,847	20,807	80,755
Property insurance			1,167	1,190	1,214	6,443	7,112	7,852	8,669	33,647
Maintenance			5,883	6,001	6,121	32,489	35,872	39,601	43,723	169,690
Voids			1,009	1,029	1,050	5,572	6,153	6,797	7,504	29,114
Sinking Fund			5,883	6,001	6,121	32,489	35,872	39,601	43,723	169,690
Total Expenditure	96,382	898,165	23,226	23,595	23,951	125,494	135,610	147,188	159,758	1,633,559
Surplus	-	-	10,442	10,755	11,075	60,417	69,425	79,386	90,374	331,874
SARAIG - 25 Year Cashflow (KLCT)										
Description	1	2	3	4	5	6 to 10	11 to 15	16 to 20	21 to 25	TOTAL
Income	Acquisition	Dvlpt								
Scottish Land Fund Grant	72,867									72,867
Scottish Land Fund Discount	48,578									48,578
Self Build Plot Sale - Market Price		70,000								70,000
Self Build Plot Sale - Discounted sales		68,000								68,000
Discounted sales		15,000								15,000
Community Regeneration Fund		-								-
Rural Housing Fund		66,984								66,984
SSE		-								-
HIE		52,800								52,800
Quaker Housing Fund		-								-
Crown Estate Scotland		50,000								50,000
National Lottery Awards		-								-
CARES Funding		-								-
SSEN		-								-
Local Businesses		-								-
Community Contribution		-								-
Other Grants		11,998								11,998
Private Finance		-								-
Campsite			35,280	35,986	36,706	194,841	215,124	237,514	262,239	1,017,690
Rental Income (2% annual increase)			-	-	-	-	-	-	-	-
Total Income	121,445	310,786	35,280	35,986	36,706	194,841	215,124	237,514	262,239	1,449,921
Expenditure										
Land and Associated costs	121,445									121,445
Self Build Plot Cost		134,786								134,786
Campsite		176,000								176,000
Campsite running costs			34,596	35,288	35,994	191,060	210,946	232,901	257,141	997,926
Total Development costs		-								-
Total Expenditure	121,445	310,786	34,596	35,288	35,994	191,060	210,946	232,901	257,141	1,430,157
Surplus	-	-	684	698	712	3,781	4,178	4,613	5,098	19,764
GLOBAL SURPLUS	-	-	11,126	11,453	11,787	64,198	73,603	83,999	95,472	351,638

Ratagan Project Costing	Kyle & Lochalsh Community Trust							CHT					Global	
	SR - 2 bed unit	SR - 3 bed unit	Business unit	Self Build Plot	Woodland Croft	Growing Area	Total	Disc. Sale 2 bed unit	Disc. Sale 3 bed unit	SR - 2 bed unit	SR - 3 bed unit	Total		
No. bed	2	3		3				2	3	2	3			
No. bedspace	4	6		6				4	6	4	6			
No. unit	1	1	2	2	2	1	9	1	1	1	1	4	13	
Project Costs														
1) Land Acquisition														
Land Valuation	83,000	9,222	9,222	18,444	18,444	18,444	9,222	83,000	5,750	5,750	5,750	5,750	23,000	106,000
Legal fees on Acquisition	4.5%	415	415	830	830	830	415	3,735	259	259	259	259	1,036	4,771
Valuation Report	1,800	200	200	400	400	400	200	1,800						1,800
Creation of Legal Templates	1,000	77	77	154	154	154	77	692	77	77	77	77	308	1,000
Forest Plan & Masterplan	2,340	180	180	360	360	360	180	1,620	180	180	180	180	720	2,340
Project Management Costs	5,535	615	615	1,230	1,230	1,230	615	5,535						5,535
Total costs - Land Acquisition		10,709	10,709	21,418	21,418	21,418	10,709	96,382	6,266	6,266	6,266	6,266	25,064	121,446
2) Woodland Crofts														
Title Plans								-						-
Architect								-						-
Planning fees								-						-
Plot Servicing	50,000				100,000			100,000						100,000
Construction of croft houses								-						-
Legal and Registration Fees of new crofts								-						-
Individual Stock Valuations for tenant woodland crofts								-						-
Valuation of Owner Occupier woodland crofts								-						-
Forest Plan	5,000				5,000			5,000						5,000
Legal fees	1,500				3,000	3,000		6,000						6,000
Project Management	1,500				3,000			3,000						3,000
Total costs - Woodland Crofts		-	-	-	111,000	3,000	-	114,000	-	-	-	-	-	114,000
3) Growing Space														
Legal Costs + lease	2,000						2,000	2,000						2,000
Plot Servicing (Water & Bins)	10,000						10,000	10,000						10,000
Project Management	1,000						1,000	1,000						1,000
Total Costs - Growing Space		-	-	-	-	-	13,000	13,000	-	-	-	-	-	13,000
4) Housing & Business Units														
Feasibility & Consents		12,892	12,892	25,784				51,569	12,892	12,892	12,892	12,892	51,569	103,137
Legal Fees (on sale)	2,500				5,000			5,000	2,500	2,500	2,500	2,500	10,000	15,000
Build Contract		250,000	290,000	44,000				584,000	250,000	290,000	250,000	290,000	1,080,000	1,664,000
Development agent, Clerk of Works, Client Agent	8.5%	21,250	24,650	3,740				49,640	2,500	2,900	2,500	2,900	10,800	60,440
Finance & costs associated (incl. home report)	10.0%	2,729	3,025	-	-	-	-	5,753	7,000	8,200	2,729	3,025	20,953	26,706
Developers contributions, CAG, bins and contingency	10,200	10,200	10,200	20,400				40,800	10,200	10,200	10,200	10,200	40,800	81,600
Marketing fees (Let = £500, Sale = £1,500)		500	500	1,000	3,000			5,000						5,000
VAT on Fees	20%	8,969	9,549	9,985	1,000			29,403	5,619	5,699	5,619	5,699	22,636	52,039
Total Costs - Housing & Business Units		306,440	350,816	104,909	9,000	-	-	771,165	290,711	332,391	286,440	327,216	1,236,758	2,007,922
Total Costs		317,149	361,525	126,328	141,418	24,418	23,709	994,547	296,977	338,657	292,706	333,482	1,261,821	2,256,368
Funding														
Scottish Land Fund Grant		6,425	6,425	12,851	12,851	12,851	6,425	57,829						57,829
Forestry & Land Scotland Discount	40%	4,284	4,284	8,567	8,567	8,567	4,284	38,553						38,553
Self Build Plot Sale - Discounted sales	25%				68,000			68,000						68,000
Discounted sales	80%							-	128,000	152,000			280,000	280,000
Community Regeneration Fund	100,000	14,286	14,286	28,571		28,571	14,286	100,000	25,000	25,000	25,000	25,000	100,000	200,000
Rural Housing Fund (Benchmark 2024/25)		121,688	133,968		66,984			322,640	121,688	133,968	121,688	133,968	511,311	833,951
Rural Housing Fund (Additional)	10%	12,169	13,397					25,566	12,169	13,397	12,169	13,397	51,131	76,697
SSE	50,000	25,000	25,000					50,000	25,000	25,000	25,000	25,000	100,000	150,000
HIE	30%			37,898				37,898						37,898
Quaker Housing Fund								-						-
Crown Estate Scotland	50,000	12,500	12,500	25,000				50,000						50,000
National Lottery Awards	20,000	5,000	5,000	10,000				20,000						20,000
CARES Funding	50,000	25,000	25,000					50,000	25,000	25,000	25,000	25,000	100,000	150,000
SSEN	100,000	50,000	50,000					100,000	17,474	17,474	17,474	17,474	69,895	169,895
Local Businesses								-						-
Saraig Surplus Contribution		5,999	5,999					11,998						11,998
Other Grants		11,147	38,727	3,440	14,984	25,571	1,286	11,472	57,353	53,182	42,724	66,704	1,107	10,366
Private Finance	30yr - 10.00%	23,652	26,939					50,591			23,652	26,939	50,591	101,182
Total Funding		317,149	361,525	126,328	141,418	24,418	23,709	994,547	296,977	338,657	292,706	333,482	1,261,821	2,256,368

RATAGAN - 25 Year Cashflow (KLCT)	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	TOTAL	
Description	Acquisition	Dvlpt																									
Income																											
Scottish Land Fund Grant	57,829																									57,829	
Scottish Land Fund Discount	38,553																									38,553	
Self Build Plot Sale - Discounted sales		68,000																								68,000	
Discounted sales		-																								-	
Community Regeneration Fund		100,000																								100,000	
Rural Housing Fund		322,640																								322,640	
Rural Housing Fund (Additional)		25,566																								25,566	
SSE		50,000																								50,000	
HIE		37,898																								37,898	
Quaker Housing Fund		-																								-	
Crown Estate Scotland		50,000																								50,000	
National Lottery Awards		20,000																								20,000	
CARES Funding		50,000																								50,000	
SSEN		100,000																								100,000	
Local Businesses		-																								-	
Community Contribution		11,998																								11,998	
Other Grants		11,472																								11,472	
Private Finance		50,591																								50,591	
Croft Lease		-																								-	
Growing Area Lease			50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	1,150
Rental Income (2% annual increase)			33,618	34,290	34,976	35,676	36,390	37,118	37,860	38,617	39,389	40,177	40,981	41,801	42,637	43,490	44,360	45,247	46,152	47,075	48,017	48,977	49,957	50,956	51,975	969,736	
Total Income	96,382	898,165	33,668	34,340	35,026	35,726	36,440	37,168	37,910	38,667	39,439	40,227	41,031	41,851	42,687	43,540	44,410	45,297	46,202	47,125	48,067	49,027	50,007	51,006	52,025	1,965,433	
Expenditure																											
Land and Associated costs	96,382																									96,382	
Total Woodland Crofts Dvlpt		3,000																								3,000	
Self Build Plot Cost		111,000																								111,000	
Growing Area		13,000																								13,000	
Growing Area water + bins			1,200	1,224	1,248	1,273	1,298	1,324	1,350	1,377	1,405	1,433	1,462	1,491	1,521	1,551	1,582	1,614	1,646	1,679	1,713	1,747	1,782	1,818	1,854	34,592	
Total Development costs		771,165																								771,165	
Loan Repayment			5,284	5,284	5,284	5,284	5,284	5,284	5,284	5,284	5,284	5,284	5,284	5,284	5,284	5,284	5,284	5,284	5,284	5,284	5,284	5,284	5,284	5,284	5,284	5,284	121,524
Management			2,800	2,856	2,913	2,971	3,030	3,091	3,153	3,216	3,280	3,346	3,413	3,481	3,551	3,622	3,694	3,768	3,843	3,920	3,998	4,078	4,160	4,243	4,328	4,415	80,755
Property insurance			1,167	1,190	1,214	1,238	1,263	1,288	1,314	1,340	1,367	1,394	1,422	1,450	1,479	1,509	1,539	1,570	1,601	1,633	1,666	1,699	1,733	1,768	1,803	1,839	33,647
Maintenance			5,883	6,001	6,121	6,243	6,368	6,495	6,625	6,758	6,893	7,031	7,172	7,315	7,461	7,610	7,762	7,917	8,075	8,237	8,402	8,570	8,741	8,916	9,094	9,275	169,690
Voids			1,009	1,029	1,050	1,071	1,092	1,114	1,136	1,159	1,182	1,206	1,230	1,255	1,280	1,306	1,332	1,359	1,386	1,414	1,442	1,471	1,500	1,530	1,561	1,592	29,114
Sinking Fund			5,883	6,001	6,121	6,243	6,368	6,495	6,625	6,758	6,893	7,031	7,172	7,315	7,461	7,610	7,762	7,917	8,075	8,237	8,402	8,570	8,741	8,916	9,094	9,275	169,690
Total Expenditure	96,382	898,165	23,226	23,585	23,951	24,323	24,703	25,091	25,487	25,892	26,304	26,725	27,155	27,591	28,037	28,492	28,955	29,429	29,910	30,404	30,907	31,419	31,941	32,475	33,018	1,633,559	
Surplus	-	-	10,442	10,755	11,075	11,403	11,737	12,077	12,423	12,775	13,135	13,502	13,876	14,260	14,650	15,048	15,455	15,868	16,292	16,721	17,160	17,608	18,066	18,531	19,007	331,874	

Saraig Project Costing	Disc. Sale 2 bed unit	Disc. Sale 3 bed unit	Business unit	Self Build Plot (Market)	Self Build Plot (Disc. sale)	Woodland Croft	Camping Site	Total
No. bed	2	3			3			
No. bedspace	4	6			6			
No. unit	0	0	0	1	2	3	1	7
Project Costs								
1) Land Acquisition								
Land Valuation	106,000	-	-	15,143	30,286	45,429	15,143	106,000
Legal fees on Acquisition	4,500	-	-	681	1,363	2,044	681	4,770
Creation of Legal Templates	1,000	-	-	143	286	429	143	1,000
Forest Plan & Masterplan	2,340	-	-	334	669	1,003	334	2,340
Project Management Costs	5,000	-	-	714	1,429	2,143	714	5,000
Total costs - Land Acquisition				17,016	34,031	51,047	17,016	119,110
2) Woodland Crofts								
Title Plans								-
Architect								-
Planning fees								-
Plot Servicing								-
Feasibility & Consents				17,131	34,262	51,393		102,786
Construction of croft houses								-
Legal and Registration Fees of new crofts								-
Individual Stock Valuations for tenant woodland crofts								-
Valuation of Owner Occupier woodland crofts								-
Forest Plan	5,000			1,667	3,333			5,000
Legal fees on sale	1,500			1,500	3,000	4,500		9,000
Marketing fees (Let = £500, Sale = £1,500)	1,500			1,500	3,000	4,500		9,000
Project Management	1,500			1,500	3,000	4,500		9,000
Total costs - Woodland Crofts				23,298	46,595	64,893		134,786
3) Camping Site								
Legal Costs + lease	5,000						5,000	5,000
Plot Servicing + upgrade existing structure	160,000						160,000	160,000
Project Management	11,000						11,000	11,000
Total Costs - Camping Site							176,000	176,000
4) Housing & Business Units								
Feasibility & Consents								-
Legal Fees (on sale)	2,500							-
Build Contract								-
Development agent, Clerck of Works, Client Agent	8.0%							-
Finance & costs associated	10.0%							-
Developers contributions, CAG, bins and contingency	11,000							-
Marketing fees (Let = £500, Sale = £1,500)								-
VAT on Fees	20%							-
Total Costs - Housing & Business Units								-
Total Costs				40,313	80,627	115,940	193,016	429,896
Funding								
Scottish Land Fund Grant				10,210	20,418	30,628	10,210	71,466
Forestry & Land Scotland Discount	40%			6,806	13,613	20,419	6,806	47,644
Mortgage on Tenant Croft House								-
Self Build Plot Sale - Market Price	100%			70,000				70,000
Self Build Plot Sale - Discounted sales	25%				68,000			68,000
Discounted sales	80%					15,000		15,000
Community Regeneration Fund								-
Rural Housing Fund					66,984			66,984
Rural Housing Fund (Additional)	10%							-
SSE								-
HIE	30%						52,800	52,800
Quaker Housing Fund								-
Crown Estate Scotland							50,000	50,000
National Lottery Awards								-
CARES Funding								-
SSEN								-
Local Businesses								-
Community Contribution								-
Other Grants				46,702	88,389	49,893	73,200	11,998
Private Finance	30yr - 10.00%							-
Total Funding				40,313	80,627	115,940	193,016	429,896

SARAIG - 25 Year Cashflow (KLCT)	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	TOTAL
Description	Acquisition	Dvlpt																								
Income																										
Scottish Land Fund Grant	71,466																									71,466
Scottish Land Fund Discount	47,644																									47,644
Mortgage on Tenant Croft House																										-
Self Build Plot Sale - Market Price		70,000																								70,000
Self Build Plot Sale - Discounted sales		68,000																								68,000
Discounted sales		15,000																								15,000
Community Regeneration Fund		-																								-
Rural Housing Fund		66,984																								66,984
Rural Housing Fund (Additional)		-																								-
SSE		-																								-
HIE		52,800																								52,800
Quaker Housing Fund		-																								-
Crown Estate Scotland		50,000																								50,000
National Lottery Awards		-																								-
CARES Funding		-																								-
SSEN		-																								-
Local Businesses		-																								-
Community Contribution		-																								-
Other Grants	11,998																									11,998
Private Finance	-																									-
Croft Lease																										-
Campsite			35,280	35,986	36,706	37,440	38,189	38,953	39,732	40,527	41,338	42,165	43,008	43,868	44,745	45,640	46,553	47,484	48,434	49,403	50,391	51,399	52,427	53,476	54,546	1,017,690
Rental Income (2% annual increase)			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Income	119,110	310,786	35,280	35,986	36,706	37,440	38,189	38,953	39,732	40,527	41,338	42,165	43,008	43,868	44,745	45,640	46,553	47,484	48,434	49,403	50,391	51,399	52,427	53,476	54,546	1,447,586
Expenditure																										
Land and Associated costs	119,110																									119,110
Total Woodland Crofts Dvlpt																										-
Self Build Plot Cost		134,786																								134,786
Campsite		176,000																								176,000
Campsite running costs			34,596	35,288	35,994	36,714	37,448	38,197	38,961	39,740	40,535	41,346	42,173	43,016	43,876	44,754	45,649	46,562	47,493	48,443	49,412	50,400	51,408	52,436	53,485	997,926
Total Development costs			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Repayment			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Management			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Property insurance			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maintenance			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Voids			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sinking Fund			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure	119,110	310,786	34,596	35,288	35,994	36,714	37,448	38,197	38,961	39,740	40,535	41,346	42,173	43,016	43,876	44,754	45,649	46,562	47,493	48,443	49,412	50,400	51,408	52,436	53,485	1,427,822
Surplus	-	-	684	698	712	726	741	756	771	787	803	819	835	852	869	886	904	922	941	960	979	999	1,019	1,040	1,061	19,764

14 Conclusion

Lochalsh has a proven demand for affordable homes to meet the unmet demand at the local level and, as evidenced in the recent Community Action Plan, the community deem the creation of more housing as a top priority. The proposals purchasing the sites on Loch Duich and offering a range of housing options including Woodland Crofts are strongly supported by the local community. There is also a clear demand for Woodland Crofts locally, but also on a much wider scale throughout Scotland.

Extensive work has been conducted by Kyle and Lochalsh Community Trust to find suitable land for a community-led housing project, and the emergence of the two large sites as a potential Community Asset Transfer is an exciting opportunity for the community and will provide multiple benefits to the wider area. Woodland Croft creation is still in the early stages of the development, and the availability of these in the West Highlands will further promote the benefits of this model, giving people the chance to live, work and thrive in a community-owned environment.

The proposal of Woodland Croft creation is supported at a strategic level by Scottish Government, the Crofting Commission and the Woodland Croft Partnership, and this will help to attract inward investment to support project costs. The creation of affordable homes in Lochalsh is strongly supported by the Highland Council and Scottish Government.

Overall, this project has a real potential to significantly impact on the future viability of the Lochalsh community, improve the lives of those living in the Lochalsh area and to proactively encourage repopulation and potentially, the redevelopment of other sites in the future.

Footnotes

ⁱ Census 2011

ⁱⁱ <https://www.hutton.ac.uk/sites/default/files/files/research/srp2016-21/RD3.4.1%20Note%20WP1-3%20web%20-%20published.pdf>

ⁱⁱⁱ <https://www.gov.scot/publications/supporting-enabling-sustainable-communities-action-plan-address-depopulation/>

^{iv} <https://www.housingtoday.co.uk/news/social-housing-tenancies-generate-an-average-social-value-of-11000-per-tenant-in-scotland-shelter-and-hact-study-finds/5130177.article#:~:text=Building%20Awards%202022-.Social%20housing%20tenancies%20generate%20an%20average%20social%20value%20of%20%C2%A3,Shelter%20and%20HACT%20study%20finds>