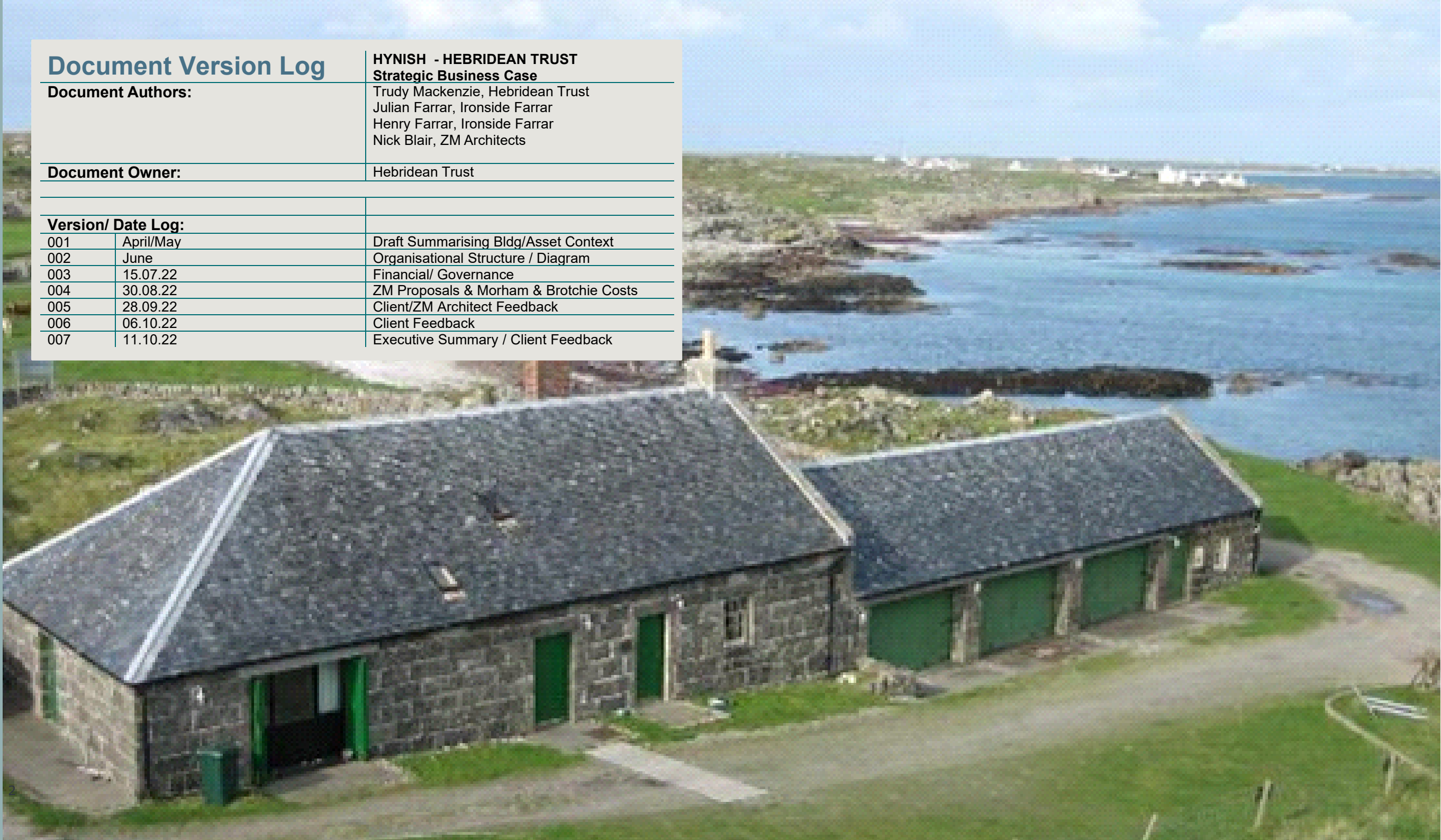




HYNISH

Living Heritage Township
Feasibility Study



Document Version Log

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HYNISH - HEBRIDEAN TRUST Strategic Business Case

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Version/ Date Log:

001	April/May	Draft Summarising Bldg/Asset Context
002	June	Organisational Structure / Diagram
003	15.07.22	Financial/ Governance
004	30.08.22	ZM Proposals & Morham & Brochie Costs
005	28.09.22	Client/ZM Architect Feedback
006	06.10.22	Client Feedback
007	11.10.22	Executive Summary / Client Feedback

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Executive Summary

- The Hebridean Trust has been custodian of Hynish for the past 40 years and are looking to put in place a new management arrangement that can take Hynish forward linked to the needs of the island of Tiree.
- Hynish represents a major asset of cultural, heritage and community value to the island of Tiree.
- Hynish has the capacity to make a significant contribution to Tiree's housing needs promoting the special qualities of place shaped around a creative mix of heritage, hospitality and housing aligned with island needs.
- Investment in the built environment is required to provide affordable, energy efficient homes to meet local needs with The Barracks advanced as a priority project capable of providing 6 homes. The order of investment required for The Barracks Project is £2million.
- An Outline Business Assessment indicates that the Trust should be able to operate on a sustainable basis based on residential and commercial and visitor income streams within a focused Management/Operational Plan supported by external partnership funding for special initiatives and the Listed Building restoration works.



1. Introduction

1.1 Introduction

The Hebridean Trust was established in 1982 and is a registered charity and is governed by its Memorandum & Articles of Association. The Trustees collectively form the Council of Management. The Trust aim to support, stimulate and develop the economies of island communities, to restore and maintain buildings of outstanding architectural work, to protect and preserve the natural environment and to inform the general public about the Hebrides, its way of life, its Gaelic culture and its natural heritage.

The Hebridean Trust has been custodian of Hynish for the past 40 years and is looking to develop a solution that can take Hynish forward linked to the needs of the island of Tiree.

The Hebridean Trust recognises the need for change with a new management organisation that will sustain the highly significant and valued heritage assets whilst addressing the needs of today's communities and ensuring the asset remains relevant and can continue to deliver benefits for future generations.



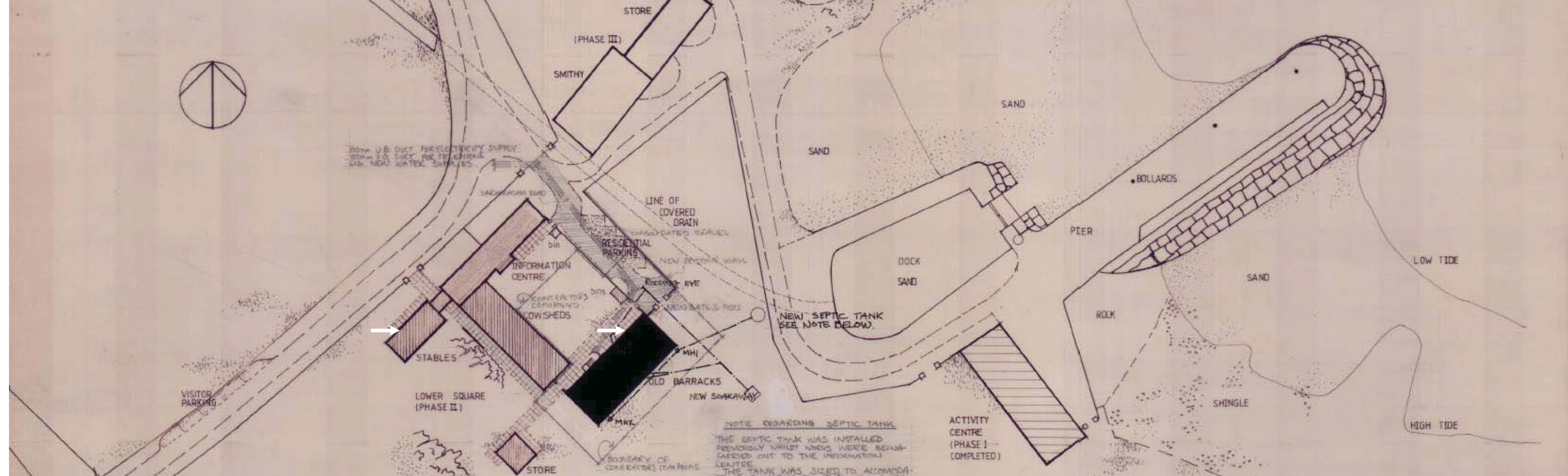
Purpose of this Report

This report has been prepared to draw together and refresh the vision and objectives for Hynish in the context of a planned change in stewardship and the opportunities at Hynish to address housing needs.

Initial study funding has been secured through the Rural Housing Fund to assess the feasibility of bringing forward investment under the Rural Housing Main Fund for to advance building restoration works associated with Hynish and the priority delivery of The Barracks Building.

The Hebridean Trust is starting a new phase of its development and is seeking to develop its plans for Hynish with a new management structure and site development strategy. The plan needs to set out the means of safeguarding the asset, conserving the buildings, land, history and culture and build a new sense of community working closely with local groups within a new Hynish Trust governance arrangement.

The report seeks to draw together in a single summary report the established vision and aims and objectives for Hynish and set out a plan that captures the opportunities and outlines a high-level masterplan and business case for future management. It seeks to do this in the context of Tiree, the Hebridean Trust and the Hynish Centre and to set out a document to initiate a wider engagement around collaboration, community participation, community ownership and future management.



The Buildings @Hynish

“They are as a group, and in their relation to Skerryvore, unique in Scotland and survive in a good sympathetic state recognised by its listing at the highest level.” (Extract from Surveyors report August 2016)

2. Setting Context

Hynish is a small crofting township lying on the most southerly point on the west of Tiree. The group of buildings were built under the direction of Alan Stevenson, mainly between 1837-40, for the construction and servicing/maintenance of Skerryvore Lighthouse. The buildings are listed as Category A by Historic Environment Scotland.

The name, Skerryvore, is derived from the Gaelic words “Sgeir” meaning the rock and “mhor” (“mh” is pronounced “v”) meaning big. The Skerryvore Lighthouse was designed by Alan Stevenson and is the tallest lighthouse in the country and took 7 years to build. The lighthouse is 42m (138 feet) high and constructed, all but the lower 4 courses, of granite quarried on the Island of Mull. Huge blocks of stone were ferried to Hynish to be dressed before being taken to the site around 10 miles south-west of the island. Hynish provided the harbour, construction yard and Shore Base for the construction. The facility provided the lodgings and workshops for those involved in the building of the Skerryvore Lighthouse. In 1982 the Hebridean Trust started to acquire the assemblage of buildings and has since this time been involved in their restoration.

The future for Hynish is as a living heritage village combining live-work-visit activities that create a vibrant self-sustaining place. The modern Clachan is seen as an exemplar for the ambition with Hynish capable of developing its mix of heritage, residential, live-work and workshops units. Optimising the fit between the site and buildings, management resources, commercial operational viability and heritage conservation and interpretation requires a clear strategy and plan. The plan needs to provide a strategic framework for management rather than prescriptive solutions to specific opportunities or functions (e.g. Artisan Workshops / Micro Business in Stables / Artist in Residence / Heritage & Education @Harbour).



Over time many opportunities may be considered Hynish as a base for live-work-small business activity. In the current context of change in the custodial management of the site the key requirement is to create a stable framework for a new Trust Management/Body to develop a sustainable model that meets the core objectives and sustains and grows Hynish as a vibrant place of value historically and for future generations.

2.1 Hebridean Trust Vision for Hynish

The Hebridean Trust is starting a new phase of its development and developing its plans for Hynish. The Trust are seeking to create a strong and locally accountable new management structure that can support the vision and ensure Hynish retains its important role for the island of Tiree – past, present and future.

The Hebridean Trust as current guardians of this important asset, have a responsibility to:

- develop Hynish in a way that is sympathetic to ensuring the long term future
- preserve the buildings, land, history and culture
- ensure there is a sense of community
- develop partnerships on Tiree with other groups/people
- develop partnerships with interested parties off island
- continue the policy of employing local people and businesses

One Tiree based Trustee has been appointed and the office moved to Tiree in June 2020. As a result of the global pandemic the Trustees and staff have taken the time to revisit the vision for the future of the Hynish asset.

2.2 Hynish Place Asset – Restoration

The Signal Tower

The Skerryvore Lighthouse Museum was the first of the Trust's projects and it remains an attraction at the centre of the Trust's continuing commitment to develop a modern self-sustaining Hebridean community at Hynish, on the Isle of Tiree. The Hebridean Trust was offered the Signal Tower at Hynish by The Northern Lighthouse Board in 1984. This was repaired and converted into the Skerryvore Lighthouse Museum. This small museum recorded the remarkable story of the design and construction of the Skerryvore Lighthouse by Alan Stevenson (uncle of Robert Louis Stevenson). The tower, which maintains a unique piece of industrial archaeology at the centre of a living community, was opened in 1987. In 2004 the museum relocated to the bigger space of Morton Boyd Hall.

The Stores

The old pierhead store was renovated to become Alan Stevenson House, providing activity holidays to young people facing physical, mental, emotional or social disadvantages. In 2010 the property was upgraded and made disabled-accessible with the aid of Charitable Trust grants and a timely and very generous donation from philanthropist Hamish Ogston.

The Old Smithy

The Old Smithy was restored to provide additional accommodation with disabled access. It was named Morton Boyd House, after Morton Boyd the naturalist. The adjoining workshop was converted into Morton Boyd Hall, a large studio exhibition space, which houses the relocated Skerryvore Lighthouse exhibition.

The Cottage

Restoration of a derelict cottage created further accommodation for the Warden and also the Tiree Information Office. In 2008 The Cottage was incorporated into the "Hynish Centre" (Alan Stevenson House, Morton Boyd House and The Cottage) which provides accommodation for up to 34 guests.



The Barracks - Lower Square

In the late 1980s the Trust was offered the remainder of the Lower Square complex by Argyll Estates for a relatively nominal price. The Barracks building and the Old Stables Cottage, were converted into social housing for local residents.

The Stables & Cowsheds

In 2011 The old stables and cowsheds were converted to the Treshnish Isle exhibition. The building now provides a single exhibition space and three small, retained stores.

Upper Square, Hynish

The reconstruction and conversion of the four Lighthouse Keepers' Cottages at Upper Square, purchased in 1997 provides homes for island families at affordable rents. These unique buildings (listed category A) were renovated for residential use. The renovation project began in summer 2001 with funding from Argyll and Bute Council, Historic Scotland, The National Heritage Memorial Fund and grant-making trusts.

The Harbour

The Harbour/ Reservoir originally built to service the Skerryvore Lighthouse, has also been partially restored. The harbour has outstanding issues of silting albeit that the original freshwater flushing system (reservoir and aqueduct) remain but are currently not usable without further restoration.

Schedule of Buildings – listed as APL Report/Reference

Schedule)	Historical Use	Use to 2021 / Name	Cost Report Ref
A	Coal Store	Coal Store (Walled Enclosure no roof)	
B	The Stores (Alan Stevenson Ho)	Storehouse on Pierhead	3
C	The Old Smithy	Blacksmiths Workshop	1
D	The Old Smithy	Blacksmiths Workshop	2
E	Lower Square Cottage	Residential Part of the Barracks	4
F	Old Stable Cottage	Residential Part of the Barracks	6
G	Old Stables	Stables & Cowsheds Cowshed (3) for housing domesticated animals attached to Stables	5
H	The Barracks	Accommodation and Workshops for key workers / seamen	8
I	The Signal Tower	Tower to communicate with Skerryvore Museum	
J	Upper Square	Accommodation for Lighthouse Keepers Residential	7
K	The Harbour	Harbour to service Skerryvore construction base	
L	Reservoir	Reservoir to provide flushing of Harbour (subject to silting)	
M	Walled Enclosures	Series of enclosed garden ground for growing vegetables	

Schedule of Buildings – Condition & Tenancy /Use

	Condition Assessment (APR)2017	Use /Tenancy (As APR Report Schedule)
A	Reasonable/Good Regular maintenance	Hebridean Trust
B	Good / Very Good	Tourism / Visitor Hostel Short Term Lets Group Bookings
C	Very Good Restored 1997	Hebridean Trust
D	Very Good Restored 1997	Holiday Let Short Term Lets DDA compliant
E	Very Good	Holiday Let Short Term Lets DDA compliant
F	Reasonable	Residential Tenancy Long-term Let
G	Very Good	Hebridean Trust
H	Very Poor Water Ingress Damp/Mould issues	Currently vacant Uninhabitable Not fit for leasing purposes
I	Poor	Hebridean Trust
J	Reasonable	Residential Tenancy Long Term Let
K	Good (assumed)	Hebridean Trust
L	Good (assumed)	Hebridean Trust
M	Good (assumed)	Hebridean Trust Walled Gardens owned Argyll Estate

Schedule of Buildings – APL Report Costs / Updated & Morham & Brotchie based on ZW Proposals 2022)

	Condition Assessment (APR)2017	Morham & Brotchie Costs based on ZM Workscope 2022	Cost Report Ref
A	Reasonable/Good Regular maintenance	£0	
B	Good / Very Good	£730,000	3
C	Very Good Restored 1997	£20,000	1
D	Very Good Restored 1997	£580,000	2
E	Very Good	£340,000	4
F	Very Good. New recent Investment£20k	£50,000	6
G	Very Good	£480,000	5
H	Very Poor Water Ingress Damp/Mould issues	£1,972,000	8
I	Poor	£0	
J	Reasonable	£1,420,000	7
K	Good (assumed)	£0	
L		£0	
M		Outwith Scope No Proposals	
TOTAL (excl Barracks)		£3,770,000	
TOTAL including Barracks		£5,740,000	

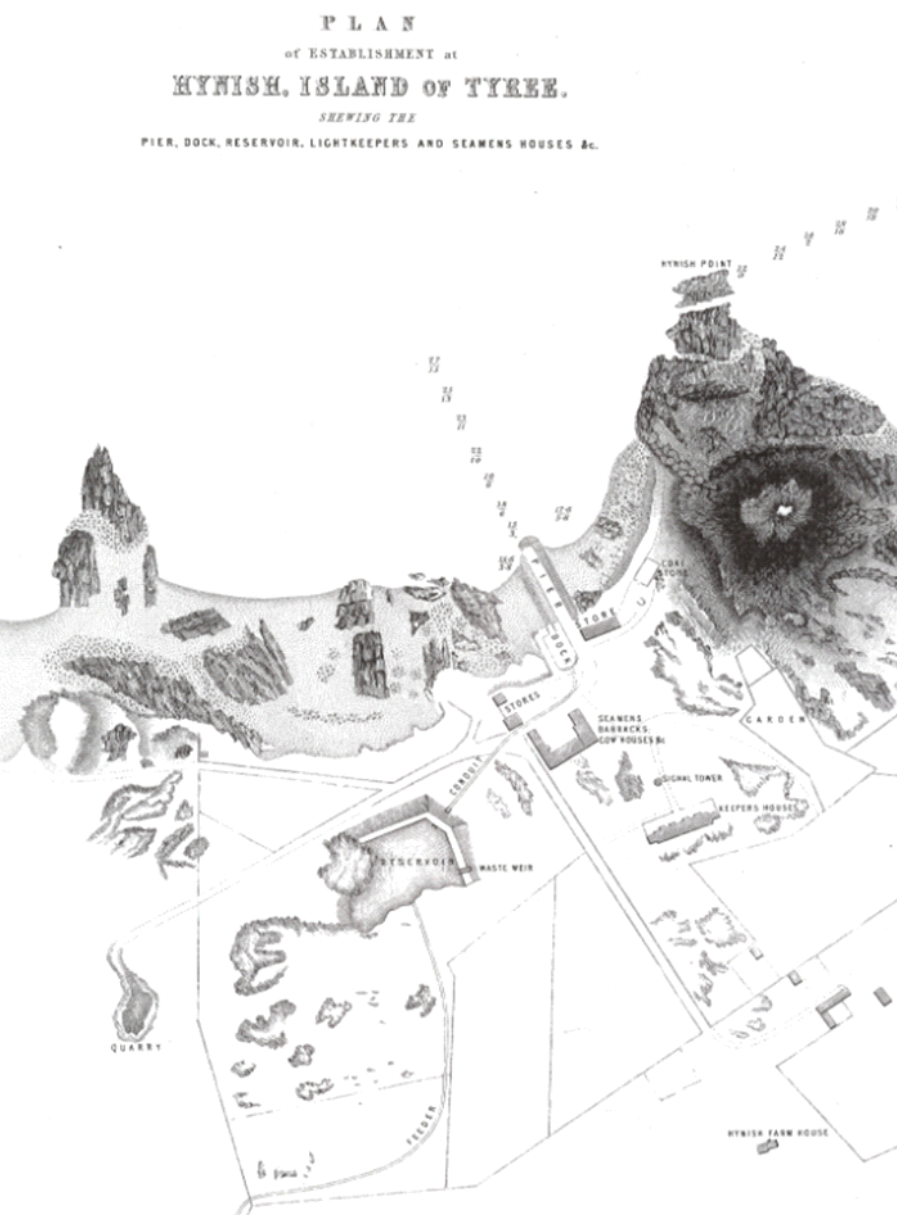
2.3 Special Qualities of Place

Tiree is one of the Inner Hebrides lying 35 kilometers off the Scottish mainland forming a low island 16 kilometers long. The island is divided into 5 farm units 250+ crofts and thirty-one crofting townships. Agriculture, tourism, and fishing, along with the service sector form the core of the economy. The island permanent population is around 680. Hynish lies at the southern tip of the island about 12 km from Scarnish on the B8066.

The island has a fascinating history from early settlements through to 20th century. Relative to Hynish the more significant references include:

- *Dùn na Cleite* (fort of the pointed hill) at the end of Happy Valley and at *Dùn Shiadair* (fort of the shieling) in West Hynish.
- Hynish was developed by Alan Stevenson as the construction land base for the Skerryvore Lighthouse (1838 to 1844) and thereafter the Lighthouse Commissions operational base.
- Tiree has been owned by the Argyll family since the 17th century. The Lighthouse Commission owned the site 1836-1892 (on the transfer of the Shore Station) the land was sold to Argyll Estate. The buildings at Hynish were transferred to the Hebridean Trust in the 1980's but all land is retained within the Duke of Argyll estate.
- Hebridean Trust progressively restored the buildings and developed the Skerryvore Exhibition (Morton Boyd Hall) and Treshnish Exhibition (Barracks-Cowsheds) restoring and renting other properties for residential use.

Hynish is a place of contrasts. Exposed headland and harbour; white sand beach and rugged moorland, sculpted rock formations (Happy Valley) and crofted grazings; traditional slate pitched roof stone buildings and flat roof Egyptian style terrace; grey stone walls and ever-changing light and views.



Hynish although developed for a single purpose reads as a series of sites rather than a single entity. Harbour, Barracks, Signal Tower and Upper Square each define and shape separate spaces. The site divides into 3 areas:

1a) The Harbour

Harbour/Pier and Beach and Alan Stevenson House (ASH) and Coal Store. Public access and inviting exploration of the Harbour.

1b) Lower Square

Arrival Car Park within informal court created by Lower Square/Morton Boyd Hall, Morton Boyd House, the Cottage The Stables, Exhibition space and storage rooms. Connected visually as a cluster to the Harbour and ASH. Residential quality and unclear the extent of opportunity to explore / public access.

2) Upper Square & Signal Tower

Upper site visually more remote and not directly connected by surfaced path. Separate road access. Residential and unclear the extent of opportunity to explore / public access. Visitor information board on Skerryvore Lighthouse

3) Wider Site / Reservoir /Quarry / including Heritage Trail

Walks and trails connecting up various connected sites sch as the Reservoir and Channel to Harbour; Quarry; Walled Garden Areas; path connections to Happy Valley.

The qualities of Hynish are perhaps best expressed in images. The following capture the sense of place.





Aerial – Source An Iodhlann

2.4 Island Needs & Opportunity

Tìree is a small Inner Hebridean island with a range of challenges common to many Scottish island communities. These focus on core issues of sustainable place, economic opportunity, housing needs, social services, communications and climate change. This report reviews how Hynish can contribute to these challenges and align its future with the needs of the island.

Island Housing

Housing Needs

- Argyll and Bute Council has completed a Housing Need Demand Assessment (2021 see Summary Appendix).
- The Empty Homes Partnership collated data in 2020 on 2nd Homes/Empty Properties.
- Tìree Community Development Trust (TCDT) recognises that housing is a fundamental to the sustainable place and economic opportunities of the island. Housing provision and the supply of affordable housing is a priority for TCDT.
- Community Engagement (22022 TCDT/TCC) advised that 81% of respondents considered that housing provision failed to support the needs of the community.
- Critical need for affordable homes across a range of tenancy arrangements (long-term rental / short term rental / variable size of units/ etc)

Economic Activity – Tourism

Tourism

- Tourism has an important role within the island economy and requires sensitivity and care in tourism management to ensure it is sustainable and compatible and complimentary to wider activity including natural and social capital. A

challenge for the island is its dependence on tourism and the management of tourism to minimise impact.

- Tìree through the Tìree Community Development Trust (TCDT) operate a Destination Management organisation 'Discover Tìree' and have successfully developed the Tìree Wave Classic, Tìree Music Festival and coordinated the A' Bhuain (Home coming) event.
- TCDT are currently developing 3 year and 5-year Sustainable Tourism Development Strategy, with a wider 2030 outlook, through a specialist consultancy study and including extensive local engagement.

Destination Development -Heritage

- Heritage and local history are a critical element of the Tìree appeal. An Iodhlann is Tìree's Historical Centre and a portal of information on island heritage. An Iodhlann has both permanent and annual exhibitions. The museum has a fine collection of images(postcards/ photographs) of Hynish
- Destinations and much of the visitor appeal of Tìree focuses on the pristine beaches, machair and wildlife and creative arts and culture. Developing of destinations that diversify offer, add additional capacity, low impact would positively support destination management at the island level.

Creative Arts /Craft /Artisan Enterprise & related activity

- Supporting enterprise co-live/work-space that can help to sustain communities and support population and community stability
- Provide for artisan / enterprise businesses on Tìree
- Facilitating enterprise activity with SME / Micro-

business and business start-up workshop and home/workshop space

Developing the Community

- Significant contribution to develop Hynish Township and build a stronger community at the southern end of the island
- Hynish would be well suited to 'Mixed-Use' development incorporating elements of residential / employment / workshop / artisan - craft activity and potentially retail direct to visitors
- Development of Hynish to support economic place based activity creating co-working / enterprise space and establishing opportunities around sustainable tourism- including accommodation / crafts / enterprise, local creative activity and events

Climate Change

Energy

- Tìree needs to transition to a net zero Carbon future and improve its resilience to Climate Change. Energy and greater local energy independence is a critical element of Tìree's future. For Hynish the issue of energy and energy transition is the space heating of buildings; cost and efficiency for tenants and protecting the asset from damp.
- Providing an exemplar/ pilot for re-use and re-purposing of buildings addressing energy efficiency and low carbon neighbourhood planning within the context of Listed Buildings to be agreed with Historic Environment Scotland and working with wider partners such as *Energy Scotland*.



Aerial – Source An Iodhlann



Aerial – Source An Iodhlann



Hynish is an exemplar for 21st century heritage management and interpretation offering a vibrant heritage township defined through its special qualities of place and its mix of quality, energy efficient heritage, homes, and hospitality within the unique island setting of Tiree.

3. Setting a Vision

Defining a new vision for Hynish will build on the extensive work undertaken by the Hebridean Trust and set a framework for refreshing the core messages and future stewardship and management of the site over future decades.

Hebridean Trust has stewardship has ensured Hynish is in a positive place (heritage assets / building condition / governance) to secure a future based on promoting the values of Hynish and creating a living vibrant destination and community supporting the long-term and sustainable management of the site.

Our vision for Hynish is centered on place-making and the development of the township built around a strong and sustainable community providing a mix of affordable homes, workspaces and visitor facilities that collectively create a destination celebrating and supporting the long-term conservation of the island's cultural heritage.

Vision

- Destination – Special Qualities
- Authentic Heritage Experience
- Connected Living/Working Residential Community (WiFi)
- Supporting Education / Interpretation / Enterprise / Skills Development
- Celebrating Place, Heritage and wider Island Needs
- Valued for its contribution today and the heritage of yesterday.

Aims & Objectives

- Provide Stewardship / Custodial Management of site
- Create a sustainable Business Model
- Create a Management Structure aligned to resources
- Operational structure of the Hynish Trust reflects vision

High-Level Masterplan

- Creating a Strategy & Plan
- Heritage / Housing / Hospitality
- Outline Priorities
- Define a Clear Delivery Programme



4. Hynish - Housing Asset

4.1 Hynish Housing

Hynish in addition to its heritage value is a property asset comprising 19 building/building units comprising a mix of residential, workshop, stores, museum-public assembly, heritage buildings all of which require property management. The buildings are leased / rented and occupied/vacant under a variety of tenure arrangements including properties on short term lets and for holiday accommodation. The 6 residential units in the Barracks are vacant due to water/damp ingress and are currently unfit for use.

This section review housing needs on Tiree based on the Argyll and Bute Council statutory Housing Need Demand Assessment (2021 - see Summary Appendix), discussions with A&BC Housing Officers and the Empty Homes Partnership data 2020 on 2nd Homes/Empty Properties.

4.2 Argyll & Bute Council Housing Needs Assessment HNA (2021)

Argyll and Bute Council have completed housing needs assessment across the Council area and report combined data from the Housing Needs Assessment (HNA) for Coll and Tiree

The HNA provides a range of key data around population/housing/etc:

- Coll & Tiree has seen the largest proportionate decline in population since 2001
- (-19%)with continue falls to 2030 projected
- Coll and Tiree represent a low wage economy, with the gross
- weekly pay around 10% lower than the national average
- Market affordability analysis reveals that households in Argyll & Bute must spend 4.8 times the average local income to afford the average house price well in excess of the standard x3.5 multiplier
- Average rent is £4,644 with rent-to-Income ratio of 3.6 (28% rent as a % of income)
- The social rented sector is markedly more affordable than the private rented sector but does nevertheless present affordability issues for the section of the population most in need.
- Housing stock (static at circa 677-680) with up to 32% of stock defined as ineffective - long term vacant /second or holiday home.
- Total RSL stock 54 (7.9%) / Public Rented 50 (7.4%)/ Ineffective 221 (32.5%) / Private Owned 355 (52%)

Coll and Tiree has the lowest balance (8%) of all Argyll and Bute Housing Market Areas

Demand for Affordable homes is substantially in the 1 Bed

There were 8,630 units of social rented housing in Argyll & Bute in 2020, and approximately 10% (800-1,000) becomes available for letting each year.

TABLE 4.14: RSL STOCK by Size & HMA , March 2020							
HMA	0/1 bed	2 beds	3 beds	4 beds	5+ beds	Total	% of A&B Total
Bute	492	403	131	27	1	1054	12.2%
Coll & Tiree	14	24	16	-	-	54	0.6%
Cowal	636	497	295	44	4	1476	17.1%
H&L	432	653	399	53	1	1538	17.8%
I,J & C	128	230	133	12	2	505	5.9%
Kintyre	298	488	271	27	-	1084	12.6%
Lorn	521	699	390	35	4	1649	19.1%
Mid Argyll	212	522	275	23	1	1033	12.0%
Mull & Iona	88	91	56	1	-	236	2.7%
A&B Totals	2,821	3,607	1,966	222	13	8,629	100.0%

Source: Argyll & Bute Council (Annual RSL Returns, 2020)

TABLE 4.18: Common Housing Register by HMA & Size, 2020							
HMA	0/1 bed	2 bed	3 bed	4 bed	5+ bed	Total Applicants	% of All Applicants
Bute	79	42	20	7	-	148	6.0%
Coll & Tiree	15	<5	-	<5	<5	19	0.8%
Cowal	213	115	54	15	3	400	16.2%

TABLE 4.19: Pressure Ratios by HMA and Property Size, 2019/20						
HMA	0/1 bed	2beds	3beds	4beds	5+ beds	Totals
Bute	1:1	1:1	1:1	4:1	n/a	1:1
Coll & Tiree	15:0	1:1	n/a	1:0	1:0	6:1
Cowal	3:1	3:1	3:1	5:1	3:0	3:1

4.3 Argyll & Bute Council 2022 Current Assessment (June 2022) is reported as follows:

Argyll and Bute Council (Development & Infrastructure - Housing Services) have in addition provided the breakdown for Tiree based on current data providing detail relative to waiting list demand for RSL sector, and indicative analysis of the local housing market.

TIREE DWELLING STOCK					
RSL HOUSING STOCK					
ACHA	1 bed	2 bed	3 bed	4+ bed	Total
Sheltered Elderly	6	0	0	0	6
Mainstream	5	8	5	0	18
Total	11	8	5	0	24
West Highland HA	1 bed	2 bed	3 bed	4+ bed	Total
Mainstream	0	11	7	0	18
Total	0	11	7	0	18
COMBINED TOTAL RSL STOCK					
ALL RSLs	1 bed	2 bed	3 bed	4+ bed	Total
Sheltered Elderly	6	0	0	0	6
Mainstream	5	19	12	0	36
Total	11	19	12	0	42
TIREE PRIVATE RENTED STOCK					
According to the Private Landlord Register there are 33 private rented properties on the island.					

The Council Tax Register records over 550 residential properties on the island, of which 30% (around 164 units) would be deemed ineffective i.e. unavailable to permanent residents to meet local need. Based on above figures the tenure split would be estimated as follows:

- Private Rented Sector 6%
- Registered Social Landlord 8%
- Owner occupied & Ineffective 86%

	Ineffective	RSL	PRS	Owner Occupied*	* Owner Occupied sector inferred
% of Total stock	30%	8%	6%	56%	

Tiree Waiting List Data (June 2022)

TIREE WAITING LIST - JUNE 2022						
		0/1	2beds	3beds	4+beds	Total
1st Area of Preference	Need (with points)	12	1	1		14
	Demand (0 Points)	1	1			2
	Total	13	2	1		16
		0/1	2beds	3beds	4+beds	Total
2nd & 3rd Areas of Preference	Need (with points)	1	3	1	1	6
	Demand (0 Points)	1				1
	Total	2	3	1	1	7
		0/1	2beds	3beds	4+beds	Total
1st, 2nd & 3rd Areas of Preference	Need (with points)	13	4	2	1	20
	Demand (0 Points)	2	1			3
	Total	15	5	2	1	23
TIREE RSL LETS 2021/22						
		0/1	2beds	3beds	4+beds	Total
HOMEARGYLL LETS		0	1	0	0	0
TIREE PRESSURE RATIOS 2022						
		0/1	2beds	3beds	4+beds	Total
Waiting List (Points)		12	1	1		14
Lets		0	1	0	0	1
Pressure Ratio		12:0	1:1	1:0		14:1

The data analysis highlights:

- Waiting Lists: 1 x Homeless List (200 points): 2 x Transfer List; 13 x General List
- Property Type: 2 x Housing with Support; 1x wheelchair accommodation; ALL would accept mainstream housing; 2 x Amenity Elderly housing; 3 x Sheltered for Elderly housing (NB. Multiple options allowed)
- Local: 6 not resident on island.
- Household Type: 8 x single persons; 1 x single parent; 1 x couple with no children; 6 x unknown.
- Minimal turnover in 2021/22.
- 2020/21 = 1 let; 2019/20 = 4 lets (1x1, 2x2, & 1x3); 2018/19 = 6 lets (5x2 & 1x3)
- High pressure overall, and particularly for one bedroom properties.

Tiree Price Affordability (June 2022)

House price data is drawn from commercial online websites with A&BC advising some caution as these are not necessarily as comprehensive or robust as official sasines data.

According to Zoopla (Property Agent), there were 9 sales over last 12 months on Tiree, with average price of £220k for detached properties and £175k for semi-detached, although the overall average was estimated at £273,778. Rightmove (Property Agent) recorded a total of 11 sales over last 12 months with average price of £262,182

Council licensed income data from CACI Paycheck Ltd. estimates following household incomes for Tiree:

TIREE	MEAN	MEDIAN	MODE	LOWER QUARTILE
INCOME	£32,742	£26,299	£17,500	£15,629

A rough estimate of an affordable property purchase cost based on a standard multiplier of 4x Household Income would therefore be:-

TIREE	MEAN	MEDIAN	MODE	LOWER QUARTILE
INCOME	£32,742	£26,299	£17,500	£15,629
Affordability	£130,967	£105,197	£70,000	£62,517

Household Income Data (provided by A&BC courtesy CACI Paycheck) is summarised below:

TIREE INCOMES 2021 (CACI Paycheck)	Median Income	Mode Income	Lower Quartile
Est. Household Income	£26,299	£17,500	£15,629
Annual affordable rent	£6,574.75	£4,375.00	£3,907.25
Monthly affordable rent	£547.90	£364.58	£325.60

Argyll and Bute Council observation on this basis, would be that an affordable rent level as being within the modal (most common) and median (mid-point) income ranges say £365 - £550 pcm. This assumes an affordable ratio of 25% of household income.

The average income skews higher and would give a rental level of over £600pcm but this would not be affordable to the majority of island residents nor to those target customers most in need of affordable housing. Current RSL rents (& private it seems) are actually below these figures but properties are older and in poorer condition compared to new builds. As per previous Housing Stats, the average RSL rent on Tiree is around £98 per week, ranging from £86.89 for a 1 bed mid terrace property to £106.79 for a 3 bed semi-detached house. This would give an average monthly rent of circa £392, with £428 being current average rate for 3 bed properties.

4.4 Key Worker & Seasonal Staff

Tiree has a housing shortage as identified by A&BC HNA. More anecdotally, but equally clear is the shortage of accommodation to meet key worker/seasonal staff needs on the island. Discussion with hoteliers/ TCDT / HT all confirm sustained interest in short-med-long term lets as evidenced by employers/ employees. The Housing shortage includes:

- Affordable housing to rent
- Short term /seasonal key worker accommodation at affordable rents
- Affordable homes for local young people to purchase

Returns on second homes / ABnB lets, and market pricing mean any summer seasonal accommodation is tourism driven and unaffordable for staff/ employees in the services sector. TCDT and employers have expressed concerns with the lack of availability of affordable accommodation and its impact on business and service sector capacity to attract staff to Tiree.

The Hebridean Trust decided to offer its accommodation to Key Workers and Seasonal Staff for the 2022 season instead of doing Holiday Lets. The three cottages (Morton Boyd/Stables / Lower Square Cottage) and Alan Stevenson House offer a total of 20 rooms.

The following local businesses/services have made use of the accommodation for their staff:

- 1.Tigh Na Rhuda (care home) – 3 Agency key workers
- 2.Cafaidh Carrieanne - 6-month Manager post to cover maternity and 2 seasonal staff
- 3.Tyree Gin – 6-month post for Distillery Manager
- 4.Aisling’s Kitchen – 2 adults with a child (seasonal plus 1 seasonal worker)
- 5.Tiree Equestrian Centre - 2 seasonal staff
- 6.The Farmhouse Café – 1 seasonal staff
- 7.Blackhouse Watersports – 1 seasonal staff
- 8.Ian MacArthur Construction – 3 key workers for Fuel Station/other construction projects

The Trust have/are also providing short term accommodation for community events (eg: funerals, weddings, Masons event and HIA key worker accommodation). These include providing accommodation for the following key events – Feis, TMF, Screen Argyll Conference, Techwave Conference and RAF Annual Windsurfing Competition.

4.5 Tiree Housing Needs & Affordability Summary

Tiree has a shortage of effective housing. The lack of available housing fails to meet local needs and contributes to a challenging housing market for both existing residents and potential future residents and seasonal workers. The lack of available housing, housing affordability and mix of tenure restricts the ability for young people to find homes.

The data suggests that the key requirement to meet the Tiree's housing need would be:

- Greater availability of affordable homes across all forms of tenure
- Greatest need is the availability of 1 bed / 2 bed homes
- Need for all forms of tenure to be affordable
- Affordability for purchase < £150,000 and/or
- Affordability for rent < £150-200/week
- Significant existing and latent demand for key worker and seasonal based accommodation for key workers.
- Need for a flexible mix of permanent / seasonal short-med term lets.

Hynish with its potential to provide up to a total of 19 units and with 6+ units (currently un-effective land supply due to condition) together with the site's capacity to re-structure tenure arrangements and amend unit sizes has the opportunity to play a key role in Tiree’s housing need going forward.



5. Developing a Place & Destination

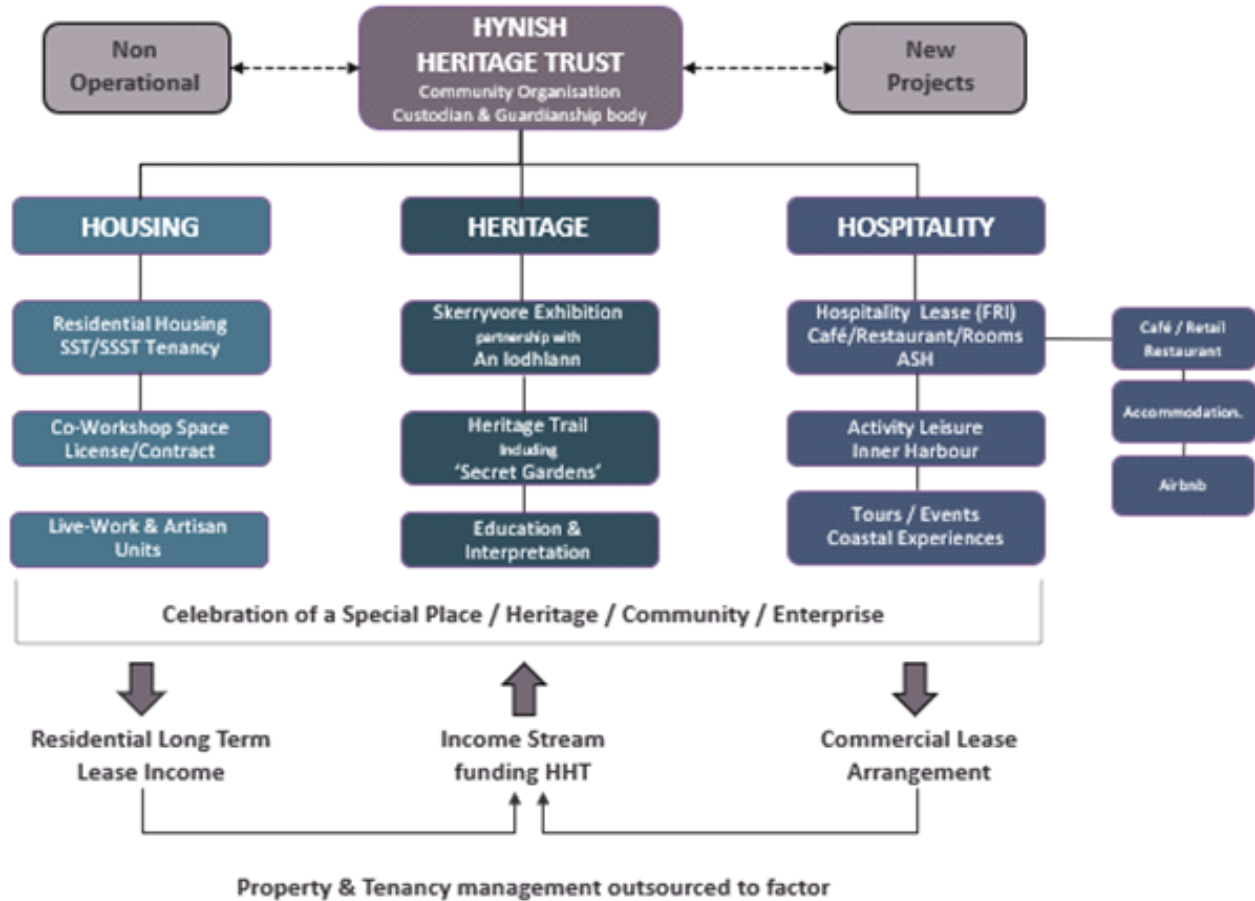
5.1 Developing A Sustainable Business Model

Hynish requires a sustainable business model that provides a sound structure for governance and balances the requirements for investment and the costs associated with maintenance and management with realistic income streams.

The model is effectively a management model reflecting the primary charitable objectives of the Trust and the primary objectives of custodial stewardship.

Any model needs to appreciate the special circumstances of managing and operating facilities within the context of island life, the need to build common understandings with lessees, tenants and wider players (Argyll Estate/ Crofter / Funding Partners) as stakeholders and the limited resources that are available to manage day-to-day operations.

A simple management structure (management by exception) with clearly defined oversight and control but which allows significant levels of transfer of responsibilities / risk and day-to-day management would extend the sense of ownership and collective participation.



Hynish Operational Management Model

The model recognises the Hynish Heritage Trust (working title) key as the over-arching custodian of Hynish with responsibility for governance, stewardship, long-term planning and the delivery of the central heritage strand. Sitting either side of this are the wider property asset management defined within the twin stands of housing and hospitality. Within each strands there will be variable roles/functions and activities indicatively described within the diagram and which may change or be modified over time.

The business model has explored a range of options in discussion with the trustees and stakeholders. The starting point for exploration was that many elements of Hynish have established uses and activity and are fit for purpose, stable and have relative limited flexibility of use and do not require change.

In reviewing the scope for change we are mindful of the need for investment to address the key site challenges (condition of Barrack Building / residential upgrades / future use of ASH and Stables-Stores) and the limited scope/scale of resource and funding available.

The buildings / grounds require investment and once complete the asset will require a proper cycle of annual / 5 yearly maintenance investment. Both annual and cyclical maintenance and upgrading needs to be part of the business planning either as the direct responsibility of the Trust or transferred to others under lease or asset management arrangements.

5.2 Developing Heritage Opportunity

Hynish is a very special place. The foundations for promoting heritage and telling the story of Hynish, Skerryvore, Northern Lighthouses, Stevenson family and the social history of the participants are strong and continue to be relevant to current and future generations.

Opportunities exist to enhance and further develop access to heritage and make the story of Skerryvore more powerful and direct. Visitscotland talk frequently about 'authentic experiences'. A visit to Hynish and Tiree have that special capacity. Recommendations to enhance and augment the experience would include:

Skerryvore Exhibition

- Developing a partnership with An Iodhlann to support the curatorial work for the exhibition and linking the Tiree Historical Centre as part of the networks supporting Tiree's heritage.
- Updating the Skerryvore Exhibition in partnership with Northern Lighthouse Board (NLB) within the Morton Boyd Hall (planned update 2026) creating virtual/digital links with Skerryvore and extending the experience though virtual video visits to the lighthouse through the seasons.

The recommendation is to retain the Exhibition in the current location. Morton Boyd Hall is a good location with ready connectivity to the Harbour / Alan Stevenson House / Reservoir and point of access. Parking for visitors is separate from residential and builds a strong relationship with ASH / Harbour as visitor experience. The hall is well suited to the exhibition scale and the building is well serviced and in good condition.

Developing of the Signal Tower as a longer-term project would be a fantastic asset to the site. Restoration of the Signal tower and a visitor centre facility would strongly compliment Skerryvore Exhibition.

- Enhance the sense of welcome and invitation to explore by addressing the building external, paving, parking, signage and seating strengthening the links to ASH and the Harbour. Create a maintained and welcoming point of arrival for all users (walkers/cyclists/car/motorhome/bus).

Heritage Trail

- Promote a sense of exploration and enhance the experience with a better defined and developed Heritage Trail. From Morton Boyd House create a very simple waymarked route taking in the 10 'place-points' on the site. Provide Guided Tours.
- Promote each with a mini-story (Local Guides-Volunteers) that brings alive the heritage of the location and creates 'photo-reference opportunity' and opportunities for creative arts.eg. Coals in the Coal Store / Bridge Beams in the Harbour / Stonemason - Navvy Cut-Outs in the Quarry / etc
- Develop a Digital App for the Heritage Trail with images / sound capturing the spirit of place

Education & Interpretation

- Seek funding for an 'artist/curator' in residence supported by external funding bringing different artists/curators to Tiree for season of creative activity supporting education/interpretation through arts / graphics/ exhibitions with on-site access to workshop and accommodation (ASH).
- Maximising the use of the Skerryvore Exhibition and partner links (Hebridean Trust An Iodhlann / Northern Lighthouse Board / VisitScotland / HIE / etc to promote the widest access to the exhibition, story and resources.
- Develop with island communities, schools and other groups an open access initiative to extend awareness, generate participation and support volunteering.
- Medium-Longer Term develop the Signal House as an extension of the Skerryvore Exhibition allowing entry to the Signal Tower and viewing of Skerryvore. Restoration of the building and sympathetic extension/ancillary space or subject to funds – a new Hynish Visitor Centre.

Heritage / Arts / Creative Workspace / Co-Working

The Old Stables (Lower Square- Treshnish Exhibition & Cow Sheds) offer opportunity to be developed as a Co-Working / Creative Workshop Space creating a multi-user cooperative space for creative ats / workspaces and small-micro enterprise activity. These units sit in the heart of the Lower Square and are readily accessible both to the resident community and externally.

Creative workshop and arts space has strong alignment with heritage and place. The workshop space we see as an integral part of the new Hynish community offer. The dynamic and functions of this space cross-over between the themes (heritage-housing-hospitality) capable of contributing and adding value to all three of the business themes.

Connecting heritage and creative arts (see also 'Artist in Residence'), creative workspace with a residential community and having flexible space for small business/enterprise activity would add a new dimension to Hynish creating a an additional live-work appeal to the residential units and complimenting the wider educational / interpretation and hospitality offer. The facility would aim to create opportunities for enterprise, inspiration, support and collaboration between practitioners across the island.

The former Treshnish Exhibition space and cowsheds modestly re-developed (energy conservation/ toilets /kitchen /Wi-Fi) would support a new live-work co-working space building a small local enterprise community. Flexibility is key with opportunities for 'hot-desking, collective workshop space, shared meeting room, basic services'.

Space could be available under license and available to resident/non-resident with a modest service charge. Co-Workshop and Co-Meeting spaces charged by use. Effectively residents would have first call on 'Cooperative Membership' with space rented on month-to-month contracts. Link ups across the Hynish site (discounted café / meeting rooms/ office-workshop services) would further add to the sense of community and shared ownership.

The management of the space and functions would in the initial development phase be retained by the Hynish Trust. This will allow the establishment of Co-Working Model. In the medium term the whole of the space could be organised as a Resident-Worker Cooperative leasing the space from the Trust and self-managing lettings/ rental and workshop activity.

5.3 Developing the Housing Opportunity

Hynish is and needs to continue to develop as a community. Tiree has significant issues with ensuring a housing supply to meet demand with housing availability impacting on the whole of the island economy and its capacity to retain and sustain a stable population.

Hynish has a number of opportunities with regard to housing. It can look to position itself as part of the island community with a focus on addressing local needs or alternatively look to its accommodation as a resource for supporting revenues through the added value of tourism. The buildings at Hynish substantially dictate the choice. These are however, for the most part, buildings requiring year-round occupancy to maintain healthy buildings.

The buildings at Hynish buildings are not inherently damp. Before centrally controlled heating, open fires and positive ventilation created high levels of ventilation that quickly evaporated 'structural moisture' while external surface moisture would be driven away by wind. Buildings breathed and the high ventilation meant created an inherent equilibrium. Detailed investigations are on-going at Hynish into damp (rainwater penetration /rising damp/condensation/hygroscopic salts/humidity) but the issues are not unique and not unsolvable.

A strong preference would be to secure year round occupancy for a number of reasons (building health /community/place vitality) and this together with issues around asset and resource management (managing short term lets) advises a preference to secure permanent residential tenancies. The A&BC Housing Need Assessment (2021) identifies clear housing demand for live-work, single bed and two bed properties and Hynish is well suited to meet this demand.

The Barracks (6 units) have been closed since 2019. The Hebridean Trust has identified restoration and bringing these units back into productive use as a priority. Tiree Community Development Trust, Argyll and Bute Council and Rural Housing Scotland all share a common understanding for the need to create affordable housing on Tiree. Collaboration around this shared goal within a small island community should guide the way forward.

Recommendations for housing at Hynish include:

The Barracks (6 Units)

- Prioritise investment to restore the 6 housing units as a flexible combination of 2 bed and 1bed+studio units for all six units and seek new tenants (see architects report).

- Create new 12month rolling tenancies managed by a RSL landlord as social rented affordable units.

- Identify a RSL management agent for all residential leases with tenancy agreements under either full Scottish Secure Tenancy Agreements (SST) or Short Scottish Secure Tenancy Agreements (SSST).

Lower Square Cottage & Old Stables Cottage (2 Units)

- Retain as existing as permanent residential units with upgrades to kitchens and bathrooms and services as required. The Stables has seen recent investment in internal renovations.

Morton Boyd House (2 Units)

- Restructure to create 2 residential 2 bed units reorganizing the current 4 bed unit to provide a better fit with housing need and refurbish. Potential to manage to allow short-term tenancies. Building in good condition.

Upper Square Cottages (4 Units)

- Retain as existing as permanent residential units with upgrades to kitchens and bathrooms and services as required.
- Upgrade storage buildings to west/east units with a need to focus on energy conservation measures (insulation/etc) and ensuring access to WiFi.

Live-Work Artisan Workspace & Communal Workshop Space

Live-work units allowing options for flexible working and support for small enterprise activity are well suited to Hynish and the configuration of many of the units. The Barracks offers capacity to create adaptable/flexible units to address tenant need with the Cowsheds / Stores of the Lower Square well suited to flexible larger workshop and communal space.

Stables/Cowsheds/Stores (Flexible Units/Space extending to M²) – (see Heritage 5.2)

- Treshnish isles exhibition relocated to Oban (Hebridean Trust) with building refurbished and made energy efficient plus basic services (toilets/kitchen).
- Develop as contemporary Workshop Space offering options to residents for craft/artisan activity or wider users

In summary the future housing provision at Hynish would be as follows:

Property	Current Use	No	Future Use	No.
Alan Stevenson House	Bunk House		See ASH	
Morton Boyd House	Short/Holiday	1	Long Term	2
Lower Square				
• Barracks Houses	Vacant/ Unfit	0	Long Term	6
• Old Stables Cottage	Long Term	1	Long Term	1
• LS Cottage	Long Term	1	Long Term	1
• Stables/Cowsheds	Exhibition	0	Workshop (see Heritage 5.2)	0
Upper Square				
• Residential Units	Long Term	4	Long Term	4
Total		7	SST/SSST Agreements	14

An option considered as part of the ASH Building was to retain Morton Boyd House as a tourism let (2 No. Units under AirBnB /similar short term lets) as part of the hospitality package supporting business case for ASH. A further alternative was that the building could be manager/operator accommodation. The level of provision of rooms within ASH and the unlikely need for an on-site residential operator advised in favour of MB cottage forming part of the residential housing strand.

5.4 Developing the Hospitality Opportunity

Developing Hynish as a 'destination' requires developing a range of complementary elements to its place, heritage, story. Fantastic as Hynish is including its Exhibition and Community Events it needs to do more to create that sense of a being a vibrant, welcoming community place.

Tourism has an important to the island economy and is projected to continue its growth. Heritage, architecture and the distinctive qualities of place are important elements of the island's tourism offer. Developing a sustainable model for tourism requires investment in the supporting infrastructure, a broadening of the peak seasonal appeal and extending the diversity of the attractions and facilities. Calmac's Oban Coll/Tiree carries circa 60k passengers/annum with circa 20k/annum using Tiree Airport (pre-Covid).

The TCDT Growth Plan 2017-2020 advises that the tourism industry is based primarily on self-catering accommodation provision, together with several tourism related businesses such as windsurfing, surfing, craft shops, two hotels, a restaurant/microbrewery, cafés and a campsite. The tourist season is short and peaks in July and August with very limited activity between mid-October and early-April therefor many of these businesses do not operate, or reduce operations, in the winter months. . The peak visitor season is relatively short (+/- 10 weeks in the summer) but new events in May and water sport events in the Autumn have helped to extend the season.

An increase in ferry passengers of approximately 30% between 2002 – 2015(Transport Scotland/Cal Mac Figures for Oban – Tiree/Coll route) and approximately22% increase in air passengers between 2009 – 2015 (HIAL figures for Tiree Airport terminal passengers), shows that the number of visitors to Tiree has increased.

The TCDT objective underpinning the Tourism Strategy is to:

To have a tourism strategy to co-ordinate activity on the island, promoting other businesses and activities to ensure visitors maximise their time on the island and support as many local enterprises as possible.

facilities support more than a Hynish is and needs to continue to develop as a community. Tiree has significant issues with ensuring a housing supply to meet demand with housing availability impacting on the whole of the island economy and its capacity to retain and sustain a stable population.

A strong preference – as previously noted should be to secure year vibrancy through mixed use – all year round activity (residential/ hospitality/heritage/ exhibitions / events/ creative /education) that collectively support a community and a place-based destination.

Hynish with its heritage and special quality of place has a number of opportunities to develop its hospitality (local and visitor tourism) and develop a something of a hub at the southern end of the island.

Capturing tourism spend alongside island /day visitor spend should look to providing a revenue stream supporting the management of the Hynish site and wider Trust activity. The main areas of opportunity that should be considered are seen as:

Alan Stevenson House (ASH)

• Currently operating as a Self-Catering Bunkhouse / Single Managed Room Lets ASH was developed as an educational and participatory facility primarily to support groups (Young People/Schools/Further & Higher Education /Dis-advantaged groups to access and use the site. Group bookings to charitable and educational groups included young adults with special needs from Beannachar Camphill Community and young and adult carers from North Argyll Carers Centre. The site can accommodate 20 and has large kitchen and common ground floor facilities with DDA access.

• The building was converted in 1990 and refurbished in 2012 but has not always been easy to let as a single facility. Management of the unit for short term bookings is relatively resource heavy. Options for the building could include:

Retain as existing and enhance marketing.

Benefits / Advantages	Dis-Benefits / Disadvantages
<ul style="list-style-type: none">• Successful models elsewhere• Requires good marketing/ agency / online bookings• Part of Hynish Property. Management business	<ul style="list-style-type: none">• Potentially too big – better as 2x10 or 3x7• Educational use – limited future• No strong alignment Tiree/community• Requires management / resource

Redevelop as 2-3 Holiday Lets as part of visitor-based holiday / Airbnb style offer.

Benefits / Advantages	Dis-Benefits / Disadvantages
<ul style="list-style-type: none">• Strong summer season income stream• Commercial support	<ul style="list-style-type: none">• No strong alignment Hynish• No strong alignment Tiree/community• Requires management resource.• Limited use Oct-Mar

Redevelop for Long Term Residential Let

Benefits / Advantages	Dis-Benefits / Disadvantages
<ul style="list-style-type: none">• Create 2 No Housing Units	<ul style="list-style-type: none">• Limits 'Mixed-Use' ambition• Significant investment• Better suited to other uses

Redevelop as a Hospitality facility restaurant / café + rooms (Best Fit with Objectives)

Benefits / Advantages	Dis-Benefits / Disadvantages
<ul style="list-style-type: none">• Great/ Optimal 'Hospitality' location• Has established kitchens/Grd Floor flexible capacity.• Large enough to offer commercial opportunity.• Some accommodation for staff /visitors	<ul style="list-style-type: none">• Limited Tiree market• Dependent upon commercial viability•

• Re-development of ASH as a commercial hospitality facility (Café/Restaurant/ Craft-Artisan Retail with rooms to rent) could provide a strong and we believe viable facility for residents, the local community and tourist visitors supporting Hynish. Located just above the Harbour.

• Lease and management agreements would define use and activity ensuring ASH was central to the Mixed-Use and community based ambitions for Hynish whilst providing important hospitality/tourism services that for summer season would sustain commercially viable operations.

• Ground floor (circa 8x25 – 200m2) creating circa say 40 table / 15 lounge / craft artisan retail space / services and support plus first floor 6-8 rooms

• Lease arrangements would be subject to further appraisal relative to future tenant Business Case. Lease arrangements could be on a Full Repairing and Insuring (FRI) or double-triple net lease (NN/NNN) terms or to facilitate a start-up – a profit share / percentage of gross income arrangement.

Hynish Harbour

• Hynish Harbour is central to the heritage and visitor appeal of the site and has some, albeit limited potential to add to the activity / visitor facilities and appeal if seasonal uses (excursion tours/ Skerryvore / sea-life – whale/dolphin watching tours / or similar during summer season.

• Exploring uses and activities wider watersport activity and/or wider island activity sport coordination could provide some seasonal / limited event activity. Clear links and opportunities to link with ASH Lease and operational management.

Events

- Anchored by a hospitality venue (ASH) Hynish and ASH would have opportunity to host and manage a range of modest events /activities appropriate to the location.

Agreement with landowner/crofter would be required to allow occasional use of the grazing area east of Lower Square and SE of Morton Boyd Hall for temporary applications (Marquee/Tepee/Yurts). ASH as a hospitality facility would offer capacity to manage community /creative / commercial events utilizing space within ASH and wider site resources (Workshop Space / Morton Boyd Hall - toilets/indoor space /services).

5.5 Other Elements of the Property Strategy

Single Party Ownership

The Hebridean Trust in the restructuring could also consider more radical strategies for the assets including giving consideration in the short or longer term to asset disposals. Hynish is a place with a unique story. Whilst the Hebridean Trust has always considered it imperative that all assets are held within a single trust ownership it is possible to imagine a more diverse ownership operating with a Site Management Framework with protected right of preemption (Trust Buy-Back) and with all the Listed Building protected through designation.

Hynish has two distinctive groupings of properties- namely Upper and Lower Squares. The Upper Square is residential on medium-long term tenancies. Consideration in the future could include reviewing a sale possibly at change of tenancy to facilitate affordable houses for sale within the island. Clearly this could fragment control but would offer a modest capital injection, relieve the burden of investment and contribute in a modest way to offer affordable homes to purchase to island residents as a component of local housing choice.

Housing could be sold with /without burdens on local resident sales and as noted above with pre-emptive rights for the Trust to reacquire if sold (subject to legal advice). Funding for energy conservation works could be facilitated by sales with funding routes eligible to owners that are not available to landlords.

Promoting New Build – Live-Work Units

The Hebridean Trust in the restructuring could also consider looking to develop with partners an extended Hynish township and developing a broader and innovative 'Clachan Model' with new build live-work units. These would be complimentary to the established Hynish properties offering contemporary accommodation within the township. This could further reinforce Hynish as a place to live-work-visit destination (SMART Clachan Model)and add to island's housing stock. An initial appraisal (ZM Architects) suggested sites within the immediate Hynish built environment are fairly limited (protection of heritage context / place) with perhaps more detailed consideration given to local sites north of the reservoir.

Developments of the Harbour

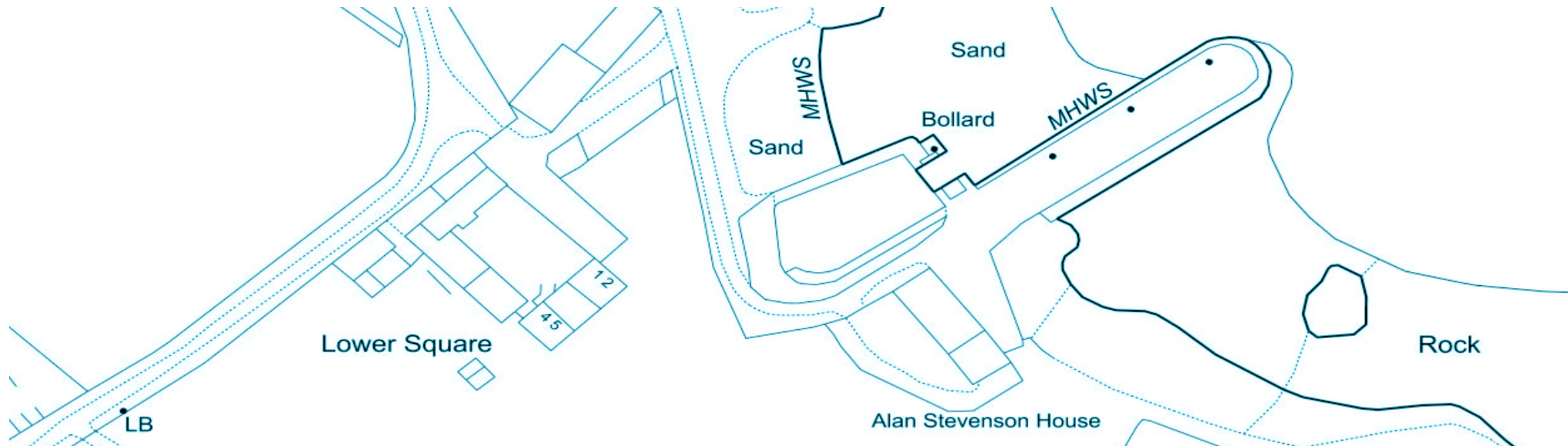
The issues with silting and lack of protection within the Hynish Harbour are well known and are a constraint on its use. Longer term opportunity might exist to add to the mix of activity with Boat Excursions (Wildlife Tours / Skerryvore Tour / Scarnish-Hynish Trips) or other harbour based activity. Wave attenuators and wave protection have moved on significantly in recent years with the development of small boat marinas and could subject to assessment potentially offer summer protection against summer easterlies. Clearly other issues (Siltation / Restoration of the reservoir and flushing mechanism) would also need addressing but the value of creating for the summer season activity within the harbour should not totally ignored.

MIXED USE COMMUNITY

A Living Heritage Township
Assumptions around Future Use of Buildings

Recommendation

	Primary Function/Use		Supporting Function / Use	
	Building Future Potential Uses	Residential + Co-workspace	Heritage Visitor Experience	Hospitality Mixed-use
A	Coal Store			
B	Alan Stevenson House			
C	Morton Boyd Hall			
D	Morton Boyd House			
E	Lower Square Cottage			
F	Old Stables Cottage			
G	Exhibition Space (Stables)			
H	The Barracks			
I	The Signal Tower			
J	Upper Square			
K	The Harbour			
L	Reservoir			
M	The Walled Gardens			



6. Developing a Business Case

Hynish will need investment to bring all properties back up to a habitable and market acceptable level with capital investment in building fabric alongside potentially other works to create a sustainable energy plan.

6.1 Capital Expenditure

Investment in the infrastructure and building restoration works at Hynish have typically been undertaken as collaborative projects with partners and/or external funders providing enabling capital grants. It is assumed similar arrangements can be advanced in the future to fund outstanding building works and ensure Hynish can then operate on a sustainable revenue income/ expenditure model. The Business Case therefore:

- Assumes all asset management/ restoration /construction projects costs are externally funded including all fees and associated costs with building restoration / consents /legal / and valuation costs with any Trust contributions from capital reserve funds
- Assumes any governance restructuring costs associated with transfer of assets and establishment of Charitable Trust / SCIO including all legal and related formation costs are externally funded with any Trust contributions from capital reserve funds

Capital Restoration /Conservation Costs

- ZM Architects have costed the Building Restoration Works to restore all operational Hynish Buildings to a serviceable level (excludes Signal Tower) see table:

BUILDING CAPITAL WORKS COSTS				
Ref.	M&B Ref	Building	ZM architect	Morham & Brotchie
A		Coal Store	No works	£0
B	3	Alan Stevenson House	Full upper Floor Refit	£730,000
C	1	Morton Boyd Hall	External works	£20,000
D	2	Morton Boyd House	Conversion to 2 No Flats	£580,000
E	4	Lower Square Cottage	Full redevelopment	£340,000
F	6	Old Stables Cottage	Internal decoration	£50,000
G	5	Former Exhibition Space (Stables/Cowsheds)	New Studio/Workspace fit out	£480,000
H	8	The Barracks	Full redevelopment	£1,972,000
I		The Signal Tower	No Works	£0
J	7	Upper Square	Full redevelopment	£1,420,000
		External Environment / Public realm	No Works	£0
		TOTAL CAPEX		£5,740,000

6.2Revenue Income /Expenditure

Developing a robust and sustainable model for managing Hynish is critical to the Hebridean Trust and any successor Trust organisation. Hynish is seeking to develop a viable model going forward that offers both a sustainable management structure and commercial / operational business plan that will generate sufficient income to support Hynish Trust activity and create a modest 'sinking /future investment fund' to meet future investment needs.

This initial Business Case assessment sets out high level capital costs, projected revenues, income and expenditure, and a five-year income and expenditure model. It seeks to establish if Hynish with appropriate governance and the asset /operational management capacity and a strategy for site management (heritage/residential/hospitality) could operate sustainably and without undue liability going forward.

Projected Residential Rental Income (based on upgraded properties June 2022)

Rental Potential Income (Rents increased to Affordable Levels by stages) Gross income under SST/SSST Lease agreements					
Ref.	Building	Exist	Bed	Tenancy Rent/Month	Annual Rental Income
	Morton Boyd House Unit 1	400	2	425	5,100
	Morton Boyd House Unit 2	400	2	425	5,100
	Lower Square Cottage	600	3	625	7,500
	Old Stables Cottage	600	2	625	7,500
	The Barracks Unit 1	0	2+	425	5,100
	The Barracks Unit 2	0	2+	425	5,100
	The Barracks Unit 3	0	2+	425	5,100
	The Barracks Unit 4	0	2+	425	5,100
	The Barracks Unit 5	0	2+	425	5,100
	The Barracks Unit 6	0	2+	425	5,100
	Upper Square Unit 1	300	3	425	5,100
	Upper Square Unit 2	250	2	400	4,800
	Upper Square Unit 3	250	2	400	4,800
	Upper Square Unit 4	300	2	425	5,100
	TOTAL RENTAL INCOME				75,600

Notes on Income: Rental Levels

- Assumes ability to raise tenancy based rentals to a market level rent for affordable homes. It is understood rentals have remained unchanged for an extended time for some tenants. The median (midpoint) income on Tiree is £26,299 pounds (A&B Housing Report). Affordable rents are a rent set at 80% of market rent. A 'genuinely affordable' rent is considered to be between 25-30% of income after tax. Suggesting a broad range of £365/ £550month. Average household spends 30-40% of their income on rent depending on area / local market and property availability.
- Argyll Community Housing Association (ACHA – significant RSL on Tiree) use a % based on household incomes based on the Living wage. ACHA rents are generally between 14% to 16%+ of household income. However, this is higher for single persons (29% to 30%), single parents (18% to 22%), pensioners (19% to 26%) and couples with no children and one partner employed part time (19% to 20%).
- Commercial rents are challenging to set. Hospitality season is max 6 months and viable hospitality opening possibly 8 months /annum. Tiree's tourism season is short 12-14 weeks but ABnB rentals are strong for 6 months with almost 100% occupancy. Assumed commercial rental levels from other tourism locations reduced to 60% for seasonal shortage. 8 month viable operational turnover @ £3,750 / month. ASH offers 7 rooms (2022) offered @£100/night. 24 weeks x 7 x 50%occupancy provides 588room/nights @£100 – Gross Income £58k
- Note: confirmation on island rental levels for social/ affordable housing was sought A&BC. ABC notes an affordable rent level as being within the modal (most common) and median (mid-point) income ranges say £365 - £550 pcm. This assumes an affordable ratio of 25% of household income.
- The average income skews higher and would give a rental level of over £600pcm but this would NOT be affordable to the majority of island residents nor to those target customers most in need of affordable housing.
- Current RSL rents (& private it seems) are actually below these figures but properties are older and in poorer condition compared to new builds. As per previous Housing Stats, the average RSL rent on Tiree is around £98 per week, ranging from £86.89 for a 1 bed mid terrace property to £106.79 for a 3 bed semi-detached house. This would give an average monthly rent of circa £392, with £428 being current average rate for 3 bed properties.

Projected Residential Rental Income (based on upgraded properties August 2022)

Rental Potential Income (Rents increased to Affordable Levels by stages) Gross income under SST/SSST Lease agreements					
Ref.	Building	Exist	Bed	Tenancy Rent/Month	Annual Rental Income
	Morton Boyd House Unit 1	400	1	375	4,500
	Morton Boyd House Unit 2	400	1	375	4,500
	Lower Square Cottage	600	3	600	7,200
	Old Stables Cottage	600	2	500	6,000
	The Barracks Unit 1	0	2+	450	5,400
	The Barracks Unit 2	0	2+	450	5,400
	The Barracks Unit 3	0	2+	450	5,400
	The Barracks Unit 4	0	2+	450	5,400
	The Barracks Unit 5	0	2+	450	5,400
	The Barracks Unit 6	0	2+	450	5,400
	Upper Square Unit 1	300	3	475	5,700
	Upper Square Unit 2	250	2	400	4,800
	Upper Square Unit 3	250	2	400	4,800
	Upper Square Unit 4	300	3	475	5,700
	TOTAL RENTAL INCOME				75,600

Projected Commercial Rental Income

Rental potential Income Gross Income under Standard Commercial Lease				
Ref.	Building	Commercial	Tenancy Rent/Month	Annual Income
	Alan Stevenson House	400m ²	3,000	34,000
	Events (Various)			2,000
	TOTAL RENTAL INCOME			36,000

Other Income Assumes relatively conservative estimates reflecting resource				
Ref.	Building			Annual Income
	Grants	No Allowance Supporting funding specific projects		
	Donations			3,000
	Specific Project Crowdfunding	No Allowance Ares of potential opportunity		
	Fundraising			4,000
	Tourism / Visitor Tours /			10,000
	Skerryvore Exhibition Income			7,000
	Co-Workshop / Workplace			4,000
	TOTAL OTHER INCOME			28,000

Total Potential Income 5 year Period				
Ref.	Building		Annual Income	Total 5 year
	Residential		75,600	378,000
	Commercial		36,000	180,000
	Other		28,000	140,000
	Total Income Annum		139,600	
	TOTAL INCOME 5 YEAR			698,000
	Allowances Non-Recoverable Costs			
Res	Allowance for 1 vacant+ 6 months		(3,000)	(15,000)
Res	Allowance for Non-payments		(1,275)	(6,375)
Res	Allowance Vacant/6 month refurb		(3,000)	(15,000)
Com	6 month loss income 1@5 years		(3,600)	(18,000)
	Sub Total		(10,875)	(54,375)
	Figures tested and reviewed with Hebridean Trust based on actual income / visitor numbers.			
	TOTAL INCOME		128,725	643,625

Projected Revenue Costs

Total Revenue Expenditure					
Ref.	Building		Annual Expenditure	Total 5 year	Notes
	Trust Operating Costs	Sub £41.5		£207,500	
	Potential Future Operating Costs HT to confirmed against 2021 Costs				Costs low and dependent upon Volunteer Support
	Payroll		25,000		Assumed provision
	Insurances		7,500		As advised HT
	Marketing / Promotion/ Web		3,000		s advised HT
	Accounting		3,500		s advised HT
	Legal		1,000		No allowance for HT Amended set Up
	Office Costs / Heating / Rates		0		Assumes no Office Cost
	Sundries		1,500		As advised HT
	Building & Property Operating Cost	Sub £20		100,000	
	Hynish Building Refurbishment*		20,000		ZM indication of provision for annual /cyclical maintenance support fund
	Cleaning/ Site Management		0		
	Heritage Operating Costs	Sub £12		60,000	
	Hynish Endowment Fund		5,000		
	Curator/Seasonal Tri-annual Appt		3,500	0	
	Heating / Lighting /Sundries		3,500		
	Skerryvore Exhibition / Facility		0		
	Rates		0		
	Residential Asset Management	Sub £45.0		225,000	Costs too high for affordable rental returns. Need RSL to reduce factoring costs / Insurance
	Factor / Agent Cost		10,000		Concern with return on residential
	Insurances (TBC)		20,000		
	Tenancy Minor Works Funds		15,000		Circa £1,000 annum based on RSL Tenancy Costs
	Rates		0		
	Commercial	Sub £0.0		£0	
	(incl above)				
	Other				
	TOTAL EXPENDITURE		£118,500	£592,500	

* Anticipate external funding also secured. All building works excludes grants and external funding including special projects (energy etc) and all grant support/ funding

Notes on Expenditure: Hynish Trust Operational Costs

- Assumes a new Hynish Trust retaining charitable status and volunteer / unpaid Trustee roles. Restructured to secure a viable bases excluding all grant/ support external funding (Part-time Trust Development Manager support or other major application based funding awards.
- Assumes a part-time professional Development Officer operating on 3 day week flexible contract reporting to the Board responsible executive for coordinating education/ curator/funding can be secured gross costs £25k/ annum
- Insurances as advised HT. Insurance arrangements not wholly clear. Check.
- Assumes building a programme of cyclical repairs (Building Refurbishment) provides for on-going conservation and restoration work to buildings during the period 2023-2028 at a cost of £100,000/annum to Hynish Trust (other costs secured from external funding)
- Assumes a modest Endowment Fund is established to support educational/ training/ curatorial activity advancing the Trust's charitable purposes
- Factor charges 10-12% of rental income and are undertaken locally. No reference for costs. Dependent on wider scope of RSL/Social Landlord if TCDT
- Note: All sums reviewed with Hebridean Trust. Costs reflect actual expenditures Q1 2022. No contingency sums for future expenditures. Note costs predate 20222/23 cost inflation / market cost shift – no provisional allowances or OB.

SUMMARY

INCOME v EXPENDITURE Projected Balance Income v Expenditure Positive Cash-Flow			
		Annual	5 years
Income		£128,725	£643,625
Expenditure		£118,500	£592,500
TOTAL BALANCE		+£10,225	+£51,125

6.3 Operational Management

The Hebridean Trust and any future Trust structure have a number of challenges around resource capacity and capability in managing a portfolio of activity whose scope is as broad as the Trust's objectives, remit and areas of responsibility.

Simplifying operational management and partnering with island and off-island bodies (Partnership / Collaborative Working / Out-Sourcing) could offer mutual benefits and capacity, expertise and added activity and resilience of operations.

The Hebridean Trust should look to operate with clear financial management controls, that positively take advantage of the Trust/SOIC charitable status, look for support funding, partner collaboration and promote volunteering whilst maintaining financial discipline around expenditure. This is the model that has demonstrated success and demonstrated its resilience during the challenges during the Covid period.



7. Next Steps Recommendations

7.1 Hebridean Trust

The Hebridean Trust and Hynish are at a cross-roads. Within the next 4-6 months some fundamental decisions will need to be taken and concluded to ensure Hynish has a sustainable governance and management organisation and a Management Plan for the future.

The Hebridean Trust has recognised the need for change and restructuring and is in dialogue around potential future succession arrangements. The Hebridean Trust are seeking to create a Tiree based Hynish Trust creating a local management and with a clear preference to see both the Tiree Community Development Trust and An Iodhlann as having a participating role in some form going forward.

The key issues for governance and management are around creating an effective structure that aligns to realistic resource and a deliverable business case. Governance arrangements will need to change and ideally would create a simple, locally accountable structure that:

- Continues to secure the long-term custodial stewardship of Hynish as a site of historical importance and a place that has a positive contemporary contribution (heritage /residential/economic) to the island.
- Seeks to minimise liability and allows a transfer of asset within a clear and strong business plan that is sustainable within current/future resources
- Secures positive outcomes for Tiree based on the property asset in addressing long-term housing needs.

7.2 Hynish Trust & Resources

The charity is operated by Trustees who for the most part act as both trustees and provide the Executive. The charity has no permanent employed staff and makes use of short-term staff appointments and volunteers to manage and conduct its activities. Defining the operational remit and aligning resources (Charity Management / Educational Purpose / Estate-Assets & Property /Event Activity / etc) requires a sustainable management and governance structure and resource.

The Charitable Trust activity requires:

- Hynish Charitable Trust structure to support governance under CC/OSCR (within Hebridean Trust or separate)
- Charity Governance
- Financial Reporting
- Legals / Accounts / Policies / Compliance
- Accountable Management Training / HR / Support Services
- Etc

The Property & Estate Management requires:

- Estate Management
- Management of Properties /Buildings (Contract Works)
- Property Agency & Letting Agency
- Tenant Management
- Etc

The Operational Activity requires:

- Managing Trust activity (not estate/visitor management)
- Engagement & Stakeholder Management
- Partnership Programmes
- Project Management / Studies
- Grant Applications
- Research
- Etc

The Educational / Visitor Management / Education / Exhibition Curator

- Skerryvore Exhibition
- Educational Activity
- Web site
- Visitor & Event Management
- Coordination Volunteers / Tours / Special Events
- Etc

7.3 Developing Partnerships to Support Funding

The Hebridean Trust have been active in developing partnership with others to seek to address the investment requirements of Hynish and ensure Hynish the assets that is Hynish can be a contributor to island needs.

Hynish can be an exemplar for both island place regeneration and re-purposing of heritage assets to meet the needs of 21st century residents and supporting a mix of uses based around heritage, hospitality and tourism. Collaboration with Argyll and Bute Council, Rural Homes Scotland, Energy Saving Trust/Home Energy Scotland, Historic Environment Scotland and Scottish Government are

helping to set a framework addressing the special needs of island communities and informed by the SMART Clachan model.

Partnership funding will be critical to protect the heritage and re-define the value and purpose of Hynish as a living community.

7.4 Hynish Building Refurbishment

Hynish requires a major refurbishment programme extending over a number of years to bring the buildings (building fabric / internal-external condition) back into a sustainable condition. The required scheme of repair across the buildings and that would bring all the residential units back into serviceable use under Scottish Short Term Tenancy arrangements will be extensive and will therefore need to be carefully designed, planned, procured and implemented. Critical to this will be securing long-term solutions (weather-proofing /energy conservation / thermal insulation / internal fit-out) which thereafter can be maintained and funded in a sustainable manner through the future Trust.

The assemblage of buildings at Hynish are generally in good condition. They are however coming into the next cycle of investment in terms of maintenance / repair. The main exception is The Barracks Building - In overall terms the building is in very poor condition primarily due to chronic penetrating damp emanating from all four external walls and chimney stacks. As a result, the 6 flats contained with the Barracks Building are currently unfit for occupancy.

The extent of fabric dilapidation at The Barracks is significant needs to be the priority for investment. Investment costs are circa £2 million.

7.5 Hynish Programme for Delivery

The re-organisation of the Hebridean Trust will hopefully create opportunity to re-focus on Hynish and through stronger local partnering and participation re-energise the commitment to find a long-term sustainable future that is integral to the needs of the island and local communities. The key next steps and actions include:

- Advancing the Hebridean Trust transition towards greater local participation, responsibility and ownership. Develop/Amending the Trust's governance structures and articles of association, etc. (eg. Establish the Hynish Trust)
- Reviewing the Feasibility Study and associated Architectural Assessments and Cost Reporting with partners and Trustees.
- Extend dialogue with wider groups (Tiree Stakeholders / Trusts / Island Groups / Local Authorities / Agencies to communicate the importance of Hynish (national /regional /local) and seek their support.
- Update and set out the Vision and Strategy on a refreshed Hynish web-site that in the interim allows online booking of accommodation / tours, donations etc.
- Establishing a Hynish Trust Priority Action Plan 2023 to create a Task Based Framework for operational management in lieu of medium term work to develop a full governance structure and prepare and publish a Hynish Management Plan.
- Commission and advance the detailed Technical /Architectural Studies to bring forward The Barracks Refurbishment Contract.
- Develop Funding Bid for Capital Grant Support for The Barrack Building Works
- Create Prospectus for Alan Stevenson House as a Commercial Hospitality Lease and test the level of market interest and capacity for enterprise activity based on a café/restaurant/rooms model.
- Support wider groups, friends and volunteers and encourage them to be 'ambassadors' for the asset that Hynish.