

**MINUTES OF THE 9TH ANNUAL GENERAL MEETING
Of
THE HIGHLANDS SMALL COMMUNITIES HOUSING TRUST**

Held on Saturday, 29th September, 2007 at 10.30a.m., at Highland Council's HQ in Inverness

Trust Members present: Glendale Community Council (Watson Laing), Boat of Garten CC (Mary Clark and Barrie Davison), Dalnavert Community Cooperative (Dr. Ian Glen), Cromarty CC (Ronald Young), Kinraig & Vicinity CC (Gunars Libek and John Anderson), Applecross CC (Murdo Finlayson and Alison MacLeod), Shieldaig CC (Liz Pritchard), Laggan Community Association (George ? and Sheena Slimon), Dores & Essich CC (John Martin), Skeabost & District CC (Bill Hall), Kiltearn CC (A.MacDonald), Watten CC (J.MacDonald) Albyn Housing Society (Jim Oag) and Marybank, Scatwell & Strathconon CC (David Reid).

Also present: Fergus Ewing MSP, Jim MacKay (HIE), Brian Burns (Trust Consultant), Donald Lockhart (Albyn HS) and Di Alexander, Ronnie MacRae, Issi McGrath, Morven Taylor and Susan Hunter (Trust staff).

Welcome

Trust Chairman, David Reid, opened the meeting and welcomed all present, especially those who had travelled a considerable distance to attend this important day for the Trust. A special welcome was given to M.S.P. Fergus Ewing, who was to give the keynote speech.

1 Apologies

Apologies were received from Torridon & Kinlochewe Community Council (CC), Sunart CC, Lochalsh & Skye HA (Lachie MacDonald), Glenelg & Arnisdale Initiative At the Edge, Hughie Donaldson, Robin Nairn, MacKenzie Kerr CA ,John McHardy and Fortrose & Rosemarkie CC (James Cornwell).

2 Minutes of the last AGM (held on September 30th 2006)

There were no matters arising from the Minutes of last year's AGM, which were then approved – proposed by Sheena Slimon and seconded by Jim Oag.

As Mr Ewing had to leave early it was agreed to defer Agenda Items 4, 5 & 6 till after Items 7 and 8.

7. The Chairman's Report

(A full transcript of the Chairman's report is appended to these Minutes).

The Chairman began his report by paying tribute to two long-serving members who have retired from the Board. They are, Kate Gordon Rogers who was appointed by the

Scottish Rural Properties Business Association, and Christine Henderson of Golspie Community Council and who was also Trust Treasurer. David gave warm thanks to both Kate and Christine for their long-standing and greatly appreciated support of the Trust and its work.

David then introduced the theme for this year's Chairman's report 'Change – and the need for change'. He went on to speak of the new business plan which would enable the Trust to continue delivering its services in a challenging financial environment. Although the new business plan addresses many required changes, community engagement remains a core part of our work, but now has an even greater emphasis on community capacity building.

David spoke of the possibility of partnering with the Highland Housing Alliance; in effect to become the 'charitable arm' of a partner organisation which already shares the common goal of providing affordable housing. Such a measure would help secure revenue for the Trust. David assured the members that if any such proposals were taken forward, they would not compromise the current aims of the HSCHT and in any event would always be subject to ratification of all members at an EGM. Referring to the Output and Performance Report for 2006/7 he highlighted the level of community engagements - which now includes housing surgeries - undertaken by the staff. David welcomed Morven Taylor and Susan Hunter who have both joined the Trust's staff in recent months.

David described the huge achievement of the Trust when their endeavours had led to the Scottish Executive and Parliament incorporating a section on Rural Housing Burdens in the Titles Conditions Scotland (Act) 2003. Referring to significant changes over the past year the Chairman described the new policy of using a Shared Equity Model instead of the Depreciated Replacement Cost model for our future plot sales.

David concluded his report by warmly welcoming MSP Fergus Ewing, SNP member for Inverness East, Nairn and Badenoch & Strathspey, who had kindly agreed to give the key-note address.

8. Open Forum

“Tackling the Highlands housing problems – meeting the challenge”

- a) Keynote presentation from Fergus Ewing, M.S.P.

David Reid introduced Fergus Ewing MSP as a key member of the new Scottish administration in Edinburgh. Mr Ewing opened his keynote presentation by commenting on the Chairman's Report and congratulating the HSCHT on its

community-based approach, which he felt was one of the Trust's strongest assets and was, in his opinion, the way ahead.

As MSP for Inverness East, Nairn and Lochaber, Mr Ewing has attended around 650 surgeries and the most frequently raised matter is housing. It is, he stated, the most important subject, whether it is homelessness or the condition of private rental housing. Across all parties the common view is that everyone should have a right to secure, warm, good housing. There is clearly a great need which Shelter has assessed as for 30,000 new houses. Waiting list figures suggest that 11,000 new houses are needed in the Highlands alone.

Mr Ewing referred meeting to the work of Stewart Maxwell (SNP - Minister for Communities and Sport) and advised that the official Scottish Parliament website had a comprehensive report on-line. He then spoke of the Housing Supply Taskforce which also looks at the issues of Land Supply, Planning, Water & Sewerage and their effects on the housing shortfall. This Taskforce is due to meet shortly and Fergus welcomed the timely opportunity of the HSCHT's AGM to feedback to the Housing Minister.

Looking at past successes Mr Ewing and Michael Foxley had campaigned to change the 2nd Home Council Tax so that the extra money raised could be ploughed back into the system. Highland Council supported the effort and the 2nd Home Tax, which is now set at 90%, has gained an extra £3M to Highland Council. However, he also cautioned against demonising 2nd homeowners on whom smaller companies often relied for work.

Mr Ewing also praised the work of the construction industry. Although there were some issues with this sector, it had been responsible for a huge increase in apprenticeships: Tulloch had recently been given an award for the 250 apprentices trained by their group. Similarly, Angus MacLeod of Inverness College was commended for his effort to promote further apprenticeships and pioneering work, including the use of Geo Thermal Power, which was partnered with Albyn Housing Society.

He emphasised the need for more development land and, in commenting on the 'Nimby' issue, suggested that there were degrees of appropriateness. Although not always a 'vote winner' he firmly believed that many more houses were needed especially in areas like Aviemore, Kingussie, Newtonmore and many other areas. Mr Ewing also commented briefly on Professor Schucksmith's work for the Crofters' Commission's Inquiry which had already highlighted housing as a major issue.

He believed that, overall, the Land Reform Legislation put in place by the Scottish Parliament had been successful. He spoke of the Right to Buy opportunity for Tenant Farmers and the desirability of allowing retiring farmers to assign their tenancy to 'New Blood' if there was no relative to take over the tenancy.

The other great issue was affordability of rent and the large proportion of tenants who are in receipt of housing benefit. The national figure should be based on what people actually have to pay. The present formula, set by the Department of Pensions and Work, is unrealistic because people have to pay a lot more than artificial limits of the formula. He was also concerned about properly secured long leases as too many

people are subject to eviction at present; he hoped that policy changes, due in 2009, could alleviate some of these weaknesses in the system.

Turning to the recent policy changes at Forestry Commission Scotland he detailed one programme which allows the sale of surplus land and a second which allows communities to buy the surplus forestry land. However, he felt there were too many hurdles in accessing these schemes and so he hoped that the FCS and the government could make some further changes.

Mr Ewing was unable to give any details of the money to be made available for Housing, Health & Justice, as the Spending Review (Scottish Block) would not be available until October or November this year. He did stress that this was a new government, open to new ideas and quoted John Swinney's belief that the local level is the best level for government. "If communities see things happening, then there is a light lit": Mr Ewing cited the positive examples of Eigg and Rum.

Questions were then invited from the audience.

1 From Sheena Slimon (Laggan)

The Homelessness Legislation has not been referred to. Local people often miss out because people coming in to the area get priority. Does the SNP have any plans to change the legislation? Rural communities matter especially where people are so reliant on transport to get from their homes to places of work.

A.1 Mr Ewing recognised the complexity of issues that Allocations Policies had to address and the need to identify which priority could and should be addressed first. He felt that the current system does allow for local considerations without being too exclusive as it was essential that provision be made for those in need and immigrant workers. A good percentage of allocations will definitely be for local people although legislation is needed to make the allocations system more flexible.

2 From Sheena Slimon (Laggan)

The Affordable Housing Quota requirement is currently set at 25%. When big developers are building 100 houses shouldn't the AH percentage be raised? Government funding is needed to build houses for *affordability* without having all the other houses 'on the back of it'.

A.2 Highland Council led the way by increasing the affordable ratio at Lochanmor, Aviemore to 50%, Mr Ewing said, although he felt that if the percentage is set too high the private developers who own large landbanks may choose not to build in areas where a high ratio is set as opposed to others where the quota is lower. However, he advised that during the last parliamentary housing debate reference was made to the other council regions now following Highland Council's example.

Due to the pressure on Mr Ewing's time it was decided to take all further questions and/or comments from the floor; and Mr Ewing would then answer as many questions as his time constraints would allow.

3 Donald Lockhart (Albyn Housing Society)

- i) Scottish Water causes the single biggest constraint on new developments. What changes can be made, or is it a fait accompli?
- ii) What is the remit of the Task Force (referred to at the beginning of Mr Ewing's presentation)? Can we have assurance that whilst overseeing the system, all the good things that are happening at present are not lost?

4 Liz Pritchard (Shieldaig)

Request regarding current housing allocations policy. Negotiations between HSCHT and landowners will become increasingly difficult if owners sell land cheaply for local housing and then see these houses given over to incomers instead.

5 Watson Laing (Glendale).

SW is main problem and they have very poor community relations. They have concentrated on quality but refused to supply which is causing serious breaks in the system with people with planning consent unable to build.

6 John Anderson (Kinraig & Vicinity Community Council)

The current emphasis on **Need** not **Local** creates a big problem.

a) John Martin (Dores Community Council)

What effect is the current requirement of 25% Affordable Housing in all developments having? He believed that statistics show that 25% of all approvals in the Inverness and surrounding areas would yield housing for only 2% of those on the current waiting list. Therefore we are not beating the problem. Rural Housing Guidelines in England demand a far higher return where even a single house requires provision of another affordable. In Dores a proposed development of 7 houses, (i.e. fewer than the requisite 10 to activate the AH ratio) will produce only houses costing more than £500,000 each.

In response to the above questions and comments Mr Ewing confirmed that he would be passing these, and similar concerns, to Stewart Maxwell, Minister for Communities & Sport. Mr Ewing then proceeded to talk about some of the specific issues raised.

He regretted the situation with Scottish Water and referred to an example where it took 3 years for SW to agree to move their new treatment plant to the outskirts of Aviemore as opposed to the centre of a housing area as first proposed by them. Similarly instead of investing in repair works to deal with the lost water supply from Loch Einich, (lost through leaking pipework believed to amount to half of the water being drawn from the loch), SW have proposed taking boreholes from the River Spey. Then there is the

suggestion that £250,000 could be spent on an EIS - an assessment of the environmental impact of taking the water from Loch Ericht – some 26 miles away ! There is no doubt that the environmental rules under which SW are obliged to operate make life more difficult. This is also the case with Q & S1 whose remit, as set by the then parliament, only allowed upgrading works – with no increase in capacity.

Regarding the current Housing Allocations policy he confirmed the message was coming through ‘loud and clear’. He also agreed that unless the present situation was redressed landowners would be less willing to co-operate.

In concluding his visit, Mr Ewing said that the timing of his visit was very useful as the feedback from today’s Highlands Small Communities Housing Trust AGM could be factored in to policies which are still at their development stage. He invited all present to email him with any additional comments. Mr Ewing confirmed he would seek a meeting with Stewart Maxwell before the November meeting of Housing Task Force.

The meeting then returned to the remaining agenda items.

4 Trust Accounts

The meeting was advised that the Trust Accounts had already been considered by the Trust’s Board who were recommending them for approval.

David Reid apologised that neither the Trust’s Financial Adviser nor Auditors were able to be present to speak to the accounts. However, with the prior agreement of Robin Nairn and Auditors MacKenzie Kerr, Di would take any questions about the (previously circulated) accounts back to them for further comments.

There were no questions and the 2006/7 Annual Accounts were then adopted - proposed by Bill Hall and seconded by Ronnie Young.

5 Appointment of Auditors

MacKenzie Kerr were unanimously confirmed as Auditors.

6 Election of Community Elected Directors to the Trust Board

The Board consists of 16 members of whom 6 community elected members - who stand for 1 year - make a very valuable contribution to the Highland’s Small Communities Housing Trust.

This year there were 5 nominations for election. These were James Cornwell, Ranald Coyne, Liz Pritchard, Bill Hall and Ronnie Young who were subsequently re-elected.

As the Chairman’s Report (original Item 7) had already been covered the meeting then resumed at Item 8b

8b continued ... resumption of Open Forum discussion

Di advised the meeting that he had suggested to Fergus Ewing that the Housing Task Force should come to the Highlands and take evidence.

Questions were then taken from the floor.

John Martin (Dores Community Council) stated that previous LLI (Local Lettings Initiative) had been well thought of at the time of the original allocations but had changed by the time of re-letting. Donald Lockhart explained that that a review of the original LLI had been undertaken as required by the 2001 Housing Act. The outcome of this review had not proved to be particularly helpful and Donald thinks that legislation must be changed again to deliver what it is meant to achieve.

Di Alexander congratulated Albyn on leading the way with Local Lettings Initiatives approach but asked Donald to explain to those present how the new Community Needs Initiative – the successor policy to their LLI - operated. Donald believed that although the new CNI allows extra points for local connection it still won't be able to give local people sufficient priority. E.g. People in Dores may still be sidelined by people living in Inverness who have a greater housing need. Finding ways of giving local needs greater priority is important and further funding will probably be required to consider the most practical solutions - perhaps as part of the Community Needs Initiative.

Barrie Davidson from Boat of Garten asked if Albyn's approach was universally employed by all housing associations, e.g. Cairn Housing?

Donald Lockhart explained the nature of their partnership with other Housing Associations, including Cairn. Albyn was happy to share their views with others, including MSPs, in an effort to improve this complex allocations issue. Di advised that the Community Council/s could ask Cairn for their position on Local Lettings Initiatives and the Trust would be happy to sit in and/or advise, if CCs would find that helpful.

Bill Hall was clear that the Housing Task Force must be made aware of the problems caused by current allocations policies.

Jim Oag spoke of the Common Housing Register, which was being drawn up between Highland Council and local Housing Associations. He felt that Dores had struggled for 20 years for its housing and Jim hoped that any new housing there would benefit from the LLI.

Sheena Slimon referred to a recent Press & Journal article about the Highland Housing Alliance's project using modular buildings. Were these systems good for rural areas or were they more suited to urban situations?

David Reid referred to the Trust's Milehouse project at Kincaig. Regarding the HHA's project, Di felt that although some previous modular systems had proved problematic all attempts to find sustainable methods of reducing housing procurement costs were worth exploring. The model referred to was, although still at an unproven stage, a

highly engineered and exciting idea by an Orkney company working at the old woollen mill at Brora.

The real problem with all such projects is getting cost down to a manageable level and although it had been difficult to bring the Orkney model in at benchmark it may be easier to roll out on the mainland. House prices have risen by 20% per annum over the last 10 years –so how is the housing system going to increase the supply whilst working with a finite sum of money?

Ronnie Young asked if the Common Housing Register idea was going out to wider public consultation. If not, Jim Oag suggested that communities should seek to input at an early stage. It was explained to the meeting that the CHR idea had been formed at a time when it was thought that all Highland Council housing stock would be transferred to a Highland Housing Association. It is essentially a common waiting list of Highland Council and all Housing Associations; the important question is how the allocations policies fit within a system that has for example, a Black Isle Waiting List as opposed to a Cromarty List? Given the concerns over allocations policies it is important that clarification is achieved.

Liz Pritchard said that Albyn had advised their community that the new LLI would follow the same areas covered by the ‘concentric circles’ of the previous model in their area.

However, Liz was concerned over recent publicity relating to the Highland Housing Alliance plots in Tain, which, ostensibly for affordable housing for locals, had been bought and resold immediately to developers. She was worried as people are getting confused between these plots and ours and the negative ‘mixed messages’ which is being sent to communities and landowners alike.

Di explained that the Tain plots were aimed at ‘mid market’ range where there was also a need and the majority had been bought by local residents for their own use. Nevertheless the HHA was now looking to attach some form of burden to future sales to avoid similar problems in future.

John Martin referred to previous unsuccessful attempt to co-partner the HSCHT in a small housing development. John wondered if there could be a situation where the HSCHT took ownership of e.g. 6 plots. 4 of these for affordable housing use, 1 open-market for the landowner, and 1 open-market for the Trust to sell to reduce the site servicing costs?

Di explained that whilst the Trust is always happy to look at new ideas it must be understood that we too are bound by the planning policies which relate to the site. The Trust often undertakes a long and extensive process to bring in projects wherever possible, but at the end of the day, the planners are the ‘gatekeepers’ not the Trust.

John Anderson Referring to the Cairngorm National Park Authority’s Local Plan Review, John advised that his community council has asked for priority to be given to

sufficient land for affordable housing. David Reid advised that his Community Council was sharing similar views and were finding HC Planning Department very helpful.

David Reid then turned discussion towards the possibility of the HSCHT becoming the HCHT, the Highlands Communities Housing Trust, and thereby becoming the charitable arm of the HHA. If the idea were taken forward it would require an Extraordinary General Meeting for all members to vote. The proposal is about bringing together 2 organisations with similar aims to their mutual benefit.

Gunnars Libeks asked why this was being considered and it was explained that it presented both a partnership working and a revenue funding opportunity. At present the HSCHT is funded by a Voluntary Housing Organisation Grant from the Scottish Executive and the tripartite funders of HC, CS and HIE. However, the latter group is now severely constrained in its future funding ability. The Trust is therefore looking at funding from charities and, possibly, combining with the HHA. This would mean the HHA could defer Corporation Tax liabilities towards funding the HSCHT, and, combine our efforts to cover the highlands as a whole.

Concerns were expressed over the core of the Trust's work being lost. It was explained that efforts would be made to ensure that was not the case; however, we will need to make certain changes if required. This is undoubtedly a difficult time for the Trust and strenuous efforts are being made to overcome these funding challenges.

Sheena Slimon felt it was logical to have the large and the small organisations working together and she presumed that the paper relating to any proposed changes would be circulated to the membership at the appropriate time?

Liz Pritchard felt communities would benefit from knowing what the HHA actually do and Di confirmed that a paper giving full explanations would be forthcoming.

Housing Conference

The final subject raised was the Housing Conference entitled 'Building our Communities' which the Trust is planning to run next April (11th and 12th) in Inverness with funding support from HIE.

There being no other issues raised the meeting was closed at 12.40pm.

The Chairman and Di once again thanked all the attendees for coming along and giving such valuable and constructive contributions to the AGM.