

## Response from Rural Housing Scotland

### **Do you think there will be future demand for the Rural and Islands Housing Fund to operate with organisations or areas you cover?**

Yes - there are a number of community organisations who have housing projects which they wish to develop but have been unable to bring these forward. With support from intermediaries and the continuation of funding through the Rural and Islands Housing Fund these projects will provide significant future demand.

Some changes to the Rural and Islands Housing Fund are required to secure and develop the pipeline of projects for the fund:

Funding for intermediary organisations such as Rural Housing Scotland and projects like Our Island Home to enable support to be provided to encourage and enable housing project development.

Flexible draw down of funding with main grant funding from the RIHF provided up front rather than in arrears to enable viable projects to get on site.

### **Do you think that the fund is accessible for applicants from organisations you work with? If Not, can you please explain why?**

Organisations which we have supported to develop RIHF projects have generally been able to access the fund. However many have felt that the application process to be overly bureaucratic and to report that some area teams were unhelpful or dismissive of their ideas/projects.

The administrative support from the RIHF officers has been welcomed and applicants felt staff were approachable if they had questions. However it was generally believed that the administration of the fund was under resourced.

Some groups we have worked with have had difficulty accessing the fund due to local authorities disputing the need for housing in the location where the housing project was to be developed. This could be the case even where the request was for Feasibility funding to undertake a housing needs survey to demonstrate need.

We continue to come across communities and community organisations who have never heard of the Rural & Islands Housing Fund and who had no idea that communities could access funds to deliver housing projects.

The Rural & Islands Housing Fund should in the future expand the promotion of the fund and raise awareness, raise aspirations and raise expectations that community organisations can lead the development of housing solutions for their community.

This will require support for intermediaries such as Rural Housing Scotland to promote the fund, highlight success stories and case studies, and to support the development of community ideas to deliver housing.

**Is there anything that could be done to raise the profile of the Rural and Islands Housing Fund in your local area? If Yes, can you please provide information on how this could be done?**

It is crucial that the Scottish Government support the promotion of the Rural & Islands Housing Fund by intermediaries such as Rural Housing Scotland.

At the start of the RIHF Rural Housing Scotland delivered a series of seminars for community organisations across Scotland to advertise the availability of the fund. Our Annual Conference has provided a forum to showcase successful case studies of community led RIHF projects and for communities to come together a share knowledge and experience and learn from each other. We have organised Community Learning Exchanges to do the same bring communities together to learn from each other. And during lockdown we have organised webinars to show case community led RIHF projects. All of this promotion of the RIHF has been done without financial support.

It is vital for the future success of the Fund and to ensure that many more communities know about the fund, what communities can do, and how to access the fund that more is done to raise its profile.

Specifically provide resources to intermediaries like Rural Housing Scotland to promote the fund, raise awareness of community led housing options and help raise understanding of how communities can deliver affordable housing.

**What did you think of the application process for the Rural Islands Housing Fund? (Please feel free to comment on any aspect of this and if you have any suggestions for how it might be improved please share these).**

It places huge demands on volunteers within community organisations. The process is similar to that for housing associations but most community organisations do not have similar staff numbers or skills to navigate this application process.

Support from intermediaries such as Rural Housing Scotland is essential to enable communities to develop successful projects.

Rural and Islands Housing Fund administration is under resourced and therefore responses to application or questions can be delayed.

The involvement of local authorities can prevent the development of projects which could help deliver wider rural and island policy objectives such as repopulation. The RIHF should support projects which deliver wider Scottish Government objectives and allow these to progress even where not supported by the local authority.

**If the Rural and Islands Housing Fund was to continue post 2021, are there any elements that could be changed or adapted to better support housing development in rural and island communities?**

- Publicity

Fund intermediaries to promote grant, highlight case studies, organise community learning exchanges, webinars and conferences

- Support

Dedicated intermediary support for communities to help initiate, plan and develop projects - including housing needs research.

- Policy

Align funding with rural policy priorities regarding repopulation and rural economic development

- Rural

Provide grant funding for individual and collective self build. Use the RIHF to provide a replacement for RHOGs with grant funding converted to equity share. Young people in rural communities are looking at ways to access homeownership but current shared equity models don't fit with rural development models with few volume builders. OMSE thresholds can limit uptake in rural context and limited resale markets limit opportunities.

RIHF could enable self build shared equity

- Innovation

Encourage applications and develop financial criteria for cohousing and mutual homeownership cooperatives. Both of these models could revolutionise the provision of housing for young and old alike. Providing a now deposit collective home ownership model for young people with limited resources and insecure incomes and providing a collective housing model to reduce isolation and provide mutual support for older people in rural communities.

RIHF has the potential to enable the development of these new rural solutions - through providing support to intermediaries to promote and develop new projects and by developing financial models to provide pathways for their delivery.

- Enable

Provide grant funding up front to enable developments. Lack of development finance can prevent some projects to translate from feasibility to delivery. At Braemar the community have secured the first development finance loan through CAF Venturesome to enable the development of the 15 RIHF homes. This could provide a model for RIHF loan finance or providing grant upfront would be a simpler model to enable development.

- Reuse

Remove perpetuity clause. In our experience private estates have been unwilling to become involved in the development of RIHF project due to the need for the housing to remain affordable in perpetuity. A financial model which linked amount of grant to number of years available for affordable rent would encourage many more applicants from this source.

Removal of perpetuity would also enable communities to develop projects involving long term leasing of empty property.

- Coproduction

Improve communication between Rural and Islands Housing Fund, intermediaries and Scottish Government rural policy practitioners (Islands Team etc)

**What impact is the Rural and Islands Housing Fund having to support more housing development in rural and island communities?**

The availability of the grant is encouraging community organisations to think how they can lead the development of housing to meet their needs.

It is encouraging the investigation of new ideas for housing.

**Is the current Rural and Islands Housing Fund allowing you to help meet affordable housing priorities with organisations you work with / local area? For example is it being targeted in the right rural areas?**

Our view is that the grant should be targeted exclusively in areas defined as rural according to the the Scottish Government's 6 fold Classification 'areas with a population of less than 3,000 people'

5- Accessible Rural - areas with less than a 30 minute drive time to the nearest settlement with a population of 10,000 or more

6 - Remote Rural - areas with a greater than 30 minute drive time to the nearest settlement with a population of 10,000 or more.

Currently small towns are also able to access the Rural and Islands Housing Fund, these locations are also able to access funds targeted at towns, which are unavailable to rural villages.

As discussed above the alignment of the fund to rural and island policy priorities would be welcome. The grant could be targeted towards areas of depopulation and support provided for the work of intermediaries to build the capacity of local communities in those areas to develop relevant housing projects.

Whilst the involvement of local authorities is important they should not have a veto on the development of projects, particularly those targeted at meeting national rural policy priorities.

Access to appropriate land for housing development has also limited development options. Support for the use of Local Place Plans and land reform measures such as the Right to Buy for Sustainable Development could bring forward many more housing projects.

A common problem for community organisations is securing development finance to translate feasible projects into housing developments. The Rural and Islands Housing Fund could provide their grant support upfront to enable projects to proceed. Community organisations do not have significant reserves and therefore upfront finance is essential to enabling development

**Would you want to see the Rural and Islands Housing Fund continue as a mechanism to support affordable housing with organisations you work with / your local area?**

Yes, the Rural and Islands Housing Fund has become a “game changer” in enabling community led housing development in rural Scotland. With some changes the fund could be even more effective at supporting community projects

**Are the right people and organisations receiving assistance from the Rural and Islands Housing Fund? If Not, can you please share further information on this?**

The effective and equitable distribution of the fund depends on promotion and support for rural housing enablers like Rural Housing Scotland.

*“Recommendation 1 - Increase the resource and capacity available to facilitate more rural housing development across all sectors ... We identified throughout our research that the community support organisations (e.g. Rural Housing Scotland, The Highlands Small Communities Housing Trust and Dumfries And Galloway Small Communities Housing Trust) have been key to facilitating new homes particularly within the community and affordable housing sectors. We believe that the work of these organisations is crucial to the ongoing success of the rural housing sector. Accordingly we consider that this valuable resource should continue to be supported and scaled up across the country.*

The Role of Land in Enabling New Housing Supply in Rural Scotland -  
The Scottish Land Commission Report 2020

Funding for intermediary organisations, such as Rural Housing Scotland, to encourage and enable take up of the Rural and Islands Housing Fund is vital to ensure that access to the Rural and Islands Housing Fund is available across rural Scotland.

Ending funding for Rural Housing Scotland and the trusts has had a detrimental effect on the ability of many communities to access the funds. Some communities feel that they have missed out on the Rural and Islands Housing Fund because they had no support to develop projects and enable applications to the fund.

**Can you tell us how the Rural and Islands Housing Fund complements and aligns with other housing funding streams and delivery with organisations you work with / your area?**

The Rural and Islands Housing Fund provides a dedicated resource for the delivery of affordable housing in small rural communities through a variety of organisations and as such helps increase the potential for housing development in these communities. Going forward the Rural and Islands Housing Fund should seek to enable individual and collective self build and new approaches such as cohousing and mutual homeownership cooperatives as well as housing for rent and low cost sale.

It is important that the Affordable Housing Supply Programme continues to deliver housing in rural and remote areas and the Rural and Islands Housing Fund is not seen as the sole source of support for affordable rural housing supply.