

Mull Housing Summit

Introduction

- Moray Finch welcomed everyone to the housing summit and asked everyone to introduce themselves
- Present: Moray Finch (MF) - Mull and Iona Community Trust, Jodi MacLeod (JML) - Rural Housing Scotland, Derek Logie (DL) - Rural Housing Scotland, Naomi Knight (NK) - TSL Contractors, Malcolm Ward (MW) - North West Mull Community Woodland Company, John Nicolson (JN) - TSL Contractors, Sarah Jane Laing (S JL) - Scottish Land and Estates, Katy Dickson (KD) - Scottish Land and Estates, Cllr Robin Currie (RC) - Argyll and Bute Council Housing Policy Lead, Isabel Bremner (IB) - Argyll and Bute Council Economic Development, Morven Russell (MR) - Hebridean Whale and Dolphin Trust, David Smart (DS) Highland and Islands Enterprise, Kirsten Logue (KL) - Highland and Islands Enterprise, Flora Corbett (FC) - Mull Slaughterhouse, Helen Dewar (HD) - MDive Ltd, Mark Lodge (ML) Argyll and Bute Planning, Matthew Watkiss (MW) Argyll and Bute Council Planning, Sophie Handley (SH) Bell Ingram, Sandy Brunton (SB) - Scottish Rural Parliament, Moira MacVicar (MMV) - Argyll and Bute Council Housing Services, Iona MacPhail (IMP) - Argyll Community Housing Association, Iona Smith (IS) - West Highland Housing Association, Brendan O'Hara MP, Michelle van der Stighelen (MvdS) Parliamentary Assistant, Helen MacDonald (HMD) Mull and Iona Community Trust, Anne Baxter (AB) South West Mull and Iona Development, Celia Compton (CC) - South West Mull and Iona Development, Mike MacKenzie (MMK)
- Organisations represented; Mull and Iona Community Trust (MICT), Rural Housing Scotland (RHS), TSL Contractors, North West Mull Community Woodland Company (NWMWC), Scottish Land and Estates (SLE), Argyll and Bute Council (ABC), Hebridean Whale and Dolphin Trust (HWDT), Highland and Islands Enterprise (HIE), Mull Slaughterhouse, MDive Ltd, Bell Ingram, Scottish Rural Parliament, Argyll Community Housing Association (ACHA), West Highland Housing Association (WHHA), South West Mull and Iona Development (SWMID), West Coast Motors, Isle of Mull Hotel
- Apologies; Alasdair MacLeod - West Coast Motors, Cllr Mary Jean Devon, Neal Goldsmith - Isle of Mull Hotel

Background

- JML provided the background to the summit. The main driver was a common issue reported by local employers on Mull and Iona; lack of housing is preventing them from retaining and recruiting staff. This is not only detrimental to the businesses but to the economic growth and development on the island as whole

Thursday, 25 August 16

- MF asked businesses to set the scene, first of all reading out a paragraph from Alasdair MacLeod who had sent apologies, describing West Coast Motors situation;
 - "I may possibly be able to call in at some point today. However, in case I cannot make it, I would like to wholeheartedly back your initiative in highlighting the chronic shortage of housing for key workers on Mull and in particular the Craignure area. We have two employees who were recently housed in Bunessan, which does help, but we really would prefer to have them based in the Craignure area. We have three caravans in our yard which are used for seasonal employees. If housing were available we would possibly be able to offer them permanent employment. Craignure/Lochdon is rapidly becoming the operational hub of the island's main employers and that situation is creating a demand for housing which sadly is not being met. I thank you for allowing me to air the concerns of West Coast Motors". *Post meeting note; Alasdair also said later West Coast Motors are privately renting a property in the Ross of Mull for a driver, he had intended to include this information.*
 - Naomi Knight | TSL: TSL employs around 150 people, with approximately 40/50 based permanently on Mull. NK talked of her local background and her passion and commitment to making Mull a better place to live. She noted that Calmac were missing from the meeting and perhaps they should have been included, on the basis that they have provided a life-changing service to the island in terms of the new summer timetable. TSL have purchased a house privately in order to provide a home for a key worker, they also use another property, which could have another use i.e self-catering, to house workers. NK suggested that some sort of accommodation unit that would allow people to get a 'taste of Mull' for up to a year, rather than having to trial the island in the winter months when self-catering cottages are available for short-term let or using caravans, would help the situation.
 - NK also spoke on behalf of Neal Goldsmith, General Manager at the Isle of Mull Hotel, the Hotel manages to retain staff by providing an accommodation block but this is not ideal for everyone i.e those who would like to make a permanent home on Mull. One of the hotel's manager's has only been able to access a permanent home in Dervaig, which is not ideal as it's 25 miles away and the role involves working split shifts.
 - Flora Corbett | Mull Slaughterhouse: The Slaughterhouse employs 7 staff, 3 of which live in caravans AND 1 is living with parents. They are recruiting a butcher currently. The previous butcher had to live in 4 different locations during an 18 month period and subsequently left the island due to lack of permanent accommodation, taking a child out of the school. On a personal level, FC explained that she has had 2 lodgers living in her family home for the past 8 months who work on the local fish farm. FC said that the lack of housing also has an adverse effect on Lochdonhead Primary School.

Thursday, 25 August 16

- Helen Dewar | MDive Ltd: MDive currently have vacancies for 6 news post but are unable to fill them due to lack of housing. They receive numerous CVs per week from prospective candidates. There is one member of staff living in Tobermory who would like to move to Craignure/Lochdon, one member of staff living with parents who would like their own home and one member of staff living in a private let but, needs more affordable accommodation Their skipper has moved to the Isle of Iona, after a period in a hotel and short-term private let. The skipper has to take his own boat to Mull early in the morning before the ferries start for the day and drive 30 miles to where the boat is berthed to start work. HD said they had recruited a young apprentice, but he quit after 3/4 months as he was unhappy in the caravan he had found to live in on Mull. She said MDive are in a position to grown as a company but can't due to lack of year round housing.
- MF mentioned a fish farm manager who had wanted to find a home at Ulva Ferry but could not and recently moved to the Isle of Skye.
- AB noted that the short report on the survey issued to local employers suggested there was no need for housing in the Ross of Mull, which she disagreed with, and pointed out that SWMID had recently purchased Tiroran Forest and had long term plans for housing.
- MF noted that these case studies showed that housing was a major impediment to economic growth and that although the 2011 census showed that the population of Mull and Iona is growing, the population is ageing as young economically active people relocate to the mainland. Housing is a key enabler for economic growth and lack of housing is stifling it.
- SB noted that recently, a plot of land on Iona was sold for >£100,000 and that the price of building plots is contributing to the problem

Strategic Housing Investment Plan (SHIP) and Social Housing

- MMV explained how the SHIP operates and that the council is required to submit plans every 2 years to the Scottish Government.
 - There have been 66 affordable homes built since 2009. There is a further 39 housing units allocated to Mull in the current SHIP. (The SHIP covers a 5 year period).
 - The current HOME Argyll list and recent Housing Need and Demand Assessments (HNDA) do not demonstrate any additional need for housing further than what has been allocated in the SHIP
 - The council would welcome the opportunity to work with the employers. ABC would also like to work more closely with communities.

Thursday, 25 August 16

- In remote rural areas, the Scottish Government allocated £82,000 per unit, £12,000 is allocated by the council's Strategic Housing Fund (SHF)
- IMP told the group that ACHA have just under 100 social rented houses on Mull currently. There has been a turnover of just 10 homes since January 2015, this is a very low.
 - With regards to the HOME Argyll waiting list, there are 25 applicants who's first choice is Lochdon/Craignure.
 - Would the businesses be interested in taking on the head lease of an ACHA or WHHA owned property? IMP said this was a possibility but there would need to be significant need demonstrated and the appropriate community consultation would need to be undertaken to ensure the property was not made unavailable to vulnerable groups. The property would not be suitable as a House of Multiple Occupation (HMO).
 - West Lettings now have more rental properties in Tobermory than ACHA.
- The businesses present welcomes IMP's suggestions and FC said that it would allow employers to offer stability to incoming workers.
- IMP highlighted that through the HOME Argyll system, incoming worker points can be allocated to applicants, however the points tend to be deducted upon the worker's arrival
- AB suggested that the housing associations purchase some of the many houses for sale on the island at the District Valuer rate, however, most agreed that sellers would be unlikely to accept the DV rate due to the price premium in desirable locations. IMP said that ACHA would be concentrating on their own stock.
- SJL highlighted the that new legislation in the Private Rented Sector (PRS) could affect private letting on Mull and thought that housing associations (HAs) leasing to businesses was a good solution. However, the new legislation has not yet been enforced and with a new housing minister and unified voice, there is the opportunity to debate it further
- RC mentioned that an HA leases houses to the NHS on Islay and Colonsay, and on Jura there is a housed leased to (the council?) for a teacher and this model works well
- KD asked for clarification as to what is happening in the situation that was described where the nurse/teacher left and the incoming nurse/teacher had their own accommodation as there was a risk of leaving the home empty. IS said that currently, in this situation, a vacancy has been filled by a tenant on a Short Assured Tenancy (SAT). KD explained under the new private tenancy regime (due to come in at end of 2017) there is no provision which allows the infill tenant to be asked to leave in order to make way for a new incoming nurse/teacher who requires the accommodation. IS

Thursday, 25 August 16

said they would find alternative accommodation for the infill tenant but KD said vacant possession could not be gained via this route.

- FC said that she believed the community would approve of, and be in support of, HA leasing houses to businesses to help them house workers and grow.
- IMP said that we need a 'back to the future' approach to improve the situation, there are no "worker's houses" left and there used to be this type of housing in every village
- MMV said that the delivery of the next round of the SHIP addresses the need demonstrated through HOME Argyll and ABC's need and demand assessments, but with need going under the radar, how do we put a figure on what we need to build to solve the problem?
- FC asked how a second home is determined and there was a discussion about how second homes are assessed for council tax rates etc. MMV explained that council tax on second homes is used by the SHF to develop affordable housing in the region.
- MF noted that applicants from the mainland for job vacancies on Mull are unlikely to register on the Home Argyll List and therefore this demand is invisible. This is an important factor when deciding how many housing units to deliver.
- AB mentioned that freight does not qualify for RET and this is a problem and said there were 18 plots of land for sale in and around Bunessan in the Ross of Mull. SB suggested that building on Mull was 1/3-1/2 more expensive than building on the mainland/compared with central belt development.
- DL noted that bigger developments achieve economies of scale, therefore reducing the overall costs. For e.g, could RSL led development i.e Lochdon increase the number of units built through partnership with development trust/businesses utilising the Rural Housing Fund (RHF)? DL also pointed out that Open Market Shared Equity price thresholds are extremely low in Argyll compared to the likes of Highland which makes Low Cost Home Ownership (LCHO) and development for LCHO through the RHF in Argyll difficult. ML added that Mull is one of many Housing Market Areas (HMAs) in Argyll where the average price of property is heavily distorted by holiday homes and second homes.
- DL/MF asked if there was potential to increase the Lochdon development and MMV said yes, there could be a phase 2. MMV also updated the group on the Lochdon development and indicated that the project would be on-site next Spring.
- MW highlighted that we need to find a new means of assessing supply and demand for housing as NWMCC are nervous about rental housing take up when the official

Thursday, 25 August 16

lists suggests demand is low in their area. MF asked how we demonstrate the real demand, we need a new method.

Local Development Plan (LDP)

- MW explained how planning policy and the LDP is formed and showed the group the documents and books which make up the policy framework, guidelines and area maps for people who aren't familiar. MW and MLO went on to explain that the current Call for Sites is seeking landowners and developers to submit sites for inclusion in LDP2 and that his process is running until 8/12/16 ahead of the 2017 community consultation when communities will be asked to engage on the LDP policy framework, landowners will be surveyed and this should deliver flexible framework for everyone that is affected. On Muil there are development allocation ins Lochdon, Dervaig, Salen and Bunessan.
- MW said they draw completions data from new Council Tax and Non Domestic Rates records but where possible do not include homes that in planning terms are restricted in their occupancy i.e. annexe to the main home or holiday let. The Non Domestic Rate records help us identify the dwellings that in planning terms were approved without any particular restrictive occupancy conditions but none the less on completion the owners registered them for Non Domestic Rates – presumably as holiday lets.

2015/16	10
2014/15	18
2013/14	11
2012/13	44
2011/12	26
2010/11	47
2009/10	19
2008/09	28
2007/08	28

In the two years of 44 and 47 completions there were 21 and 22 completions respectively on what were Tobermory allocations/PDAs in the old 2009 Local Plan at that time (boundaries now adjusted for the 2015 Local Development Plan). There have been a total of 46 completions across those sites over the years but obviously the bulk came in those 2 years. ML added there had been a steady stream of supply in terms of unit completions.

- SB asked if planning booklets/documents etc were only available electronically. MW responded to say that everything is available online but hard copies of the booklets are available at cost. This cost is half price for community groups and development trusts.

Thursday, 25 August 16

- The group questioned who could fund such accommodation and it was suggested HIE. DS said that this was not an area HIE have worked in before but he would be willing to discuss.
- MF said that there is a shortage of affordable land for development, MW and ML said that they would be willing to listen and try to help deliver a flexible development plan that would allow the appropriate land to be developed for housing.
- DL asked is there was already enough land zoned for housing in the current LDP.
- NK said that TSL had intended to develop on a site they own in Craignure but the PDA was awkward. MW and ML said that planning and TSL could start communicating on how to lessen the issue for development in regard to that site.
- JN brought up infrastructure costs and mentioned Mull has quite for infrastructure currently, hindering new development. ML set out that the planning department are aware of infrastructure issues and can help with co-ordinating liaison between the planning department, developers and infrastructure providers for larger sites.
- IMP was asked about mid-market rent (MMR), she said a subsidiary company of ACHA lets 2 properties at MMR at Dalmally, which were completed with 6 affordable homes. A Local Lettings Initiative was used (LLI)

Rural Housing Fund (RHF)

- DL spoke about the RHF which opened earlier this year, emphasising that it was campaigned for by several organisations as route for community trusts, landowners and private developers to develop affordable housing that is assessed on housing need, appropriate community engagement and it's wider economic benefits.
- DL suggested that the additional housing at Lochdon could be met through the RHF. MMV said there would possibly be scope to increase the number of units through the SHIP.

Economic Development

- Isabel Bremner. Economic Growth Manager, Argyll and Bute Council, gave an overview of economic growth opportunities on Mull, highlighting the importance of physical and digital infrastructure in the ability to achieve growth. In particular she gave some information regarding the current funding opportunities as per the links below:
 - **Rural Resettlement Fund:** The Rural Resettlement Fund was approved at the Council's Policy and Resources Committee on 18th August (a copy of the report can be found by following the link to Argyll & Bute Council website [Website > Argyll and Bute Council - Meetings, Agendas, Minutes > Agenda Item 17](#).The fund

Thursday, 25 August 16

is expected to open for applications in October 2016. However, we are now welcoming notes of interest in the fund by sending an e-mail to the Business Gateway team at business.gateway@argyll-bute.gov.uk or by phone on 01546 604 555. Contact details will be noted so that Business Gateway can be in touch later in the autumn with information on the next stages in applying to the fund. Anyone wanting further information on additional support available to businesses in Argyll and Bute can contact the Business Gateway team or to visit www.argyll-bute.gov.uk/business-and-trade

- **Business Gateway Local Growth Accelerator Programme** – Will be launched by the Business Gateway Team on 01st October 2016, for further information please contact Business Gateway directly.
 - Argyll & the Islands LEADER/EMFF Programme 2014-2020 – leaflet attached.
- DS stressed that HIE have a joint approach with the council to strengthen economic development. He also told the group that HIE are organising an Enterprise Week in Oban in October, location was chosen to enable islanders to attend. RRF will be launched at that time. Details to be circulated.
- DL mentioned that RHS have been lobbying for self-build grants for non-crofters. MMV said that the council are monitoring how the Highland Self-Build Loan Fund works before deciding whether it can assist self-builders or not.

General Points and Ideas

- SJL suggested that the development trust or businesses could develop accommodation as a springboard to to permanent housing (much in line with NK's suggestion at the beginning of the meeting). This is something currently being explored for Jura. SJL said that there was a similar project in Aviemore. Furthermore, this would not be classes as secure accommodation and those on the HOME Argyll list would not lose incoming worker points. MR said that the HWDT tend to employ for a finite period of time or seasonally and this type of accommodation would help their organisation retain and attract staff.
- DS discussed housing development and building in business terms and MMK pointed out that affordable rentals do not recoup the capital costs of development and also the high cost of land. DS asked if this was the fundamental block?
- SJL suggested a partnership build project across several sites on the island to suit the needs of businesses and local employers project managed by one body/umbrella organisation such as the community trust.
- RC mentioned croft housing and the higher grant level available for crofters to build as a means of increasing housing stock and opportunities.

ACTIONS

- Investigate a partnership build project across several Mull sites. Partnership to include and engage with employers, ABC, MICT, RHS, SLE and other private/community landowners and developers.
- Facilitate meeting and discussion between HAs and employers to enable leased properties.
- Find new methods of recording and demonstrating housing need to attract further investment and development, additional to development facilitated by the SHIP.
- Investigate how an accommodation block could be developed to allow new employees on the island find their feet before committing to permanent housing.
- Discuss with HIE how they could support above plans.
- Facilitate further meetings between developers and planning to ensure LDP 2 allows for economic growth and housing development to meet business need.
- Facilitate further conversations between developers and planning to achieve better and less costly infrastructure changes.
- Research FOYER - a route to help young people of disadvantage.
- MW to send links to the Call for Sites and LDP/LDP2 to JML to distribute.
- IB to send JML information on the RRF to be launched alter in 2016
- Brendan O'Hara MP will send a report to Mike Russell MSP

Paul Nicoll

From: Paul Nicoll
Sent: Friday, June 9, 2017 12:26 PM
To: 'colin@nwmullwoodland.co.uk'
Cc: Paul Nicoll
Subject: Isle of Ulva

Sent on behalf of Paul Nicoll

Dear Colin

I refer to our meeting on Monday which I hope you all found helpful.

I thought it would be sensible, in order to assist you with your deliberations, if I tried to give you as much information as quickly as possible so that we can speed up the process.

As discussed, the property will not be publicly marketed for around three weeks, but word has got out and we are being approached.

Paul and I have conference call next Thursday with Knight Frank's International Division to finally agree the marketing price and as soon as I have that and our expectations on what we will achieve, I will provide it.

In the meantime, I am setting out below some of the expenditure that I feel cannot be avoided, but these only give you part of the picture.

As you know, the infrastructure on the Island is fragile and the costs of upgrading it are substantial. Moray mentioned the Housing Infrastructure Fund which is something that I have been involved with at Dunbeg where there is an application for approximately [REDACTED]

I am advised that just about every council in Scotland has made applications and that the [REDACTED] is many times over-subscribed, so the chances of obtaining grant funding for infrastructure are probably very small.

With regard to the properties, we are currently spending around [REDACTED] per annum on running repairs, but basically every property needs taking back to the stone work and re-built internally with new roofs and services.

I have looked back through our files and the business plan that I produced 18 months ago with regard to the capital expenditure that would be required to bring the properties up to a reasonable lettable standard and this excluded the leadings.

The estimation that I came up with in association with our in-house architect and building surveyor, was that we would need to spend a minimum of [REDACTED] on the residential let properties in order for them to meet current standards and also the insulation standards that are going to be required in the next 24 months.

I have managed residential properties on the west coast for approximately 20 years and it is my experience that in order to keep the properties at a reasonable standard, they need to be comprehensively refurbished every 5 years.

The difficulty with this scenario which applies, I think, throughout the UK is that in other parts of the UK you effectively spend around 70% of the rent that you have received over the previous 5 years on renovation, but this is compensated by capital growth. In the case of Argyll, I have always found that the capital growth has not been there and therefore the yield on residential properties is frighteningly low and getting worse due to the significant increase in the cost of building materials caused by the political uncertainty at present.

You will know better than I the costs of building on Mull, but there is always an additional cost on Ulva due the logistics of getting materials across to the Island. At present Jamie is able to operate the new barge as a private individual, however if it was an employee operating the barge, then it would need to be coded by The Department of Transport which would not only be expensive, but would also involve full training being provided to the boatman. The above is further compounded by the fact that four of the buildings are B Listed and therefore the renovations are subsequently significantly more expensive.

At present the accounts for 2017 are still being put together so I don't have exact figures, only budget figures for the forthcoming year.

I think as we mentioned at the meeting, insurance is one of the constants as it is based on re-building costs of the buildings.

The insurance figure not only incorporates the buildings, but also liability for both sea and land and the total premium at the moment is in the region of [REDACTED] per annum.

Items such as heat, light and phones are obviously variable and have no particular relevance.

In terms of vehicle repairs, servicing, provision of small tools and replacement of same, we are currently spending in the region of [REDACTED] per annum.

The Woodland figure I do not have for last year, but I do know that we will now only be receiving a maintenance grant of [REDACTED], but will still be responsible for ensuring that the fencing around the existing woodland is maintained and also there are no incursions by deer or farm stock.

We anticipate that Woodland expenses, including pest control, over the next 12 months will amount to [REDACTED]. This will be in addition to the normal fencing replacement and repair that we undertake which we normally try to limit to [REDACTED] per annum.

There are obviously expenses in relation to the Farm and minimal subsidies which as you can imagine, on the west coast results in a substantial loss on the Farm.

The cost of management of the Island is obviously subjective and you, as a community body, will know what time involvement would be required.

I think the principal cost in managing Ulva is labour which again is variable, but currently stands at around [REDACTED] per annum.

The above variable costs result in an annual loss of approximately [REDACTED] per annum, but this is very much the minimum. Even at these figures, we are going backwards.

I hope the above is of assistance and I will try and be as helpful as I can going forward and as soon as I have further information, will revert to you.

With kind regards.

Yours sincerely

Paul Nicoll MRICS

Consultant

Bell Ingram Limited, Boswell House, Argyll Square, Oban, PA34 4BD

T: 01631 566122 D [REDACTED]

bellingham.co.uk



ROYAL
HIGHLAND
SHOW 2017
22-25 JUNE
PARTNER SINCE 1188
Royal Bank
of Scotland

Please visit us at
our stand on the
Main Ring on
Avenue O



Please come and join us at the Scottish
Game Fair, Stone 30 June - 2 July
2017 on Gunmaker Row at our new
stand G9

Follow us on [twitter](#) like us on [facebook](#) visit our [website](#) or follow our [blog](#)

View our [latest properties for sale](#) and [properties to let](#)

For the Bell Ingram Review Click Here



Please consider the environment before printing this e-mail

This email and any files transmitted with it are confidential and intended solely for the use of the individual or entity to whom they are addressed and should not be disclosed to any other party. If you have received this email in error please notify your system manager and the sender of this message. Bell Ingram do not accept any liability for viruses. Please ensure you have adequate virus protection before you open or detach any documents from this transmission.

Ref:Ulva Sale U2678-1105M



Stuart Hartil
Scottish Government Community Land Team
D Spur
Saughton House
Broomhouse Drive
Edinburgh
EH11 3XD

PN/MP/U2678

Your Ref ZLA/15/1

22nd September 2017

Dear Mr Hartil

**The Executors of the late Mrs J M Howard
Mr H J Howard
Isle of Ulva, associated islands and Ulva Ferry, Isle of Mull, Argyll ("Ulva")
Notice by The Scottish Ministers Under Section 37(5) of the Land Reform (Scotland) Act 2003**

I refer to the above and enclose a formal letter of response on behalf of the owners to North West Mull Community Woodland Company Ltd's most recent late application to register an interest in acquiring the Island of Ulva in terms of Part 2 of the Land Reform (Scotland) Act 2003.

I must say that both the owner and his professional advisors find the actions of the community body in this matter to be quite astonishing, and to demonstrate a complete lack of understanding of the legislation.

Enclosed with the formal response is a copy of a Newsletter issued by the community body, and a press article in relation to the application. Whilst we understand that the community body wishes to garner support for its purposes, it appears to us that it is premature to do so before Ministers have even considered the application on its merits.

do not hesitate to contact me.

Paul Nicoll MRICS
Consultant

Direct Line: 01631 567793
Paul.Nicoll@bellingham.co.uk

Encl.

Boswell House, Argyll Square, Oban, Argyll, PA34 4AT
Telephone 01631 566 122 Fax 01631 566 908
bellingham.co.uk oban@bellingham.co.uk

**Chartered Surveyors
and Estate Agents**

A list of Members is available from our Perth Office
Bell Ingram LLP Registered Office: Durn, Isla Road, Perth PH2 7HF
Registered in Scotland No SO303737
Regulated by RICS



ISO 9001:2008

Stuart Hartil
Scottish Government Community Land Team
D Spur
Saughton House
Broomhouse Drive
Edinburgh
EH11 3XD

PN/MP/U2678

Your Ref ZLA/15/1

22nd September 2017

Dear Mr Hartil

**The Executors of the late Mrs J M Howard
Mr H J Howard
Isle of Ulva, associated islands and Ulva Ferry, Isle of Mull, Argyll ("Ulva")
Notice by The Scottish Ministers Under Section 37(5) of the Land Reform (Scotland) Act 2003**

We refer to your letter dated 6 September 2017, addressed to Mr Henry James Howard, Ulva House, Isle of Ulva, Argyll, PA73 6LZ, in connection with the late application from North West Mull Community Woodland Limited ("**the Community Body**") to register an interest in Ulva under the Community Right to Buy in Part 2 of the Land Reform (Scotland) Act 2003 ("**the 2003 Act**"). Please be advised that this letter has yet to be received by Mr Howard, however the duplicate addressed to Mr Robin Morton of Morton Fraser solicitors was received on 11 September 2017. We are replying for and on behalf of the proprietors of Ulva in our capacity as managing agents for Ulva.

As you are aware the Community Body previously lodged an application with your Department on or about 18 July 2017, in respect of which we responded on behalf of the owner on 7 August 2017. On behalf of the Scottish Ministers you requested additional information from the owner on 10 August 2017. The information was provided by us on 23 August 2017. On 25 August 2017 the Community Body made a Freedom of Information Request in respect of that additional information. You then informed us via email to our Paul Nicoll on 6 September 2017 that the Community Body had withdrawn its application.

On behalf of the owner we should be most pleased to receive a copy of all correspondence between Scottish Ministers and the Community Body. Please treat this request as a request under the Freedom of Information (Scotland) Act 2002 and/or the Environmental Information (Scotland) Regulations 2004.

We should also be grateful for an explanation as to why, when informing our Paul Nicoll of the withdrawal of the July application via email, you failed to mention that you were, that same day, writing to the owner to advise that a new application had been made.

Boswell House, Argyll Square, Oban, Argyll, PA34 4AT
Telephone 01631 566 122 Fax 01631 566 908
bellingham.co.uk oban@bellingham.co.uk

**Chartered Surveyors
and Estate Agents**

A list of Members is available from our Perth Office
Bell Ingram LLP Registered Office: Durn, Isla Road, Perth PH2 7HF
Registered in Scotland No SO303737
Regulated by RICS

We are concerned that the new application made by the Community Body appears to directly respond to a number of points made in our initial response letter on behalf of the Owner dated 7 August 2017. You will be aware of the terms of section 39 (2) (b) of the 2003 Act, in terms of which the Community Body are not permitted to respond to the Owner's views. By withdrawing its original application and submit a new application the Community Body have circumvented the legislation, and extended the time for the Ministers to consider the merits of the Application beyond the time limit which would apply to a timeous application, far less the 30 days, or 44 days where further information is sought, which is permitted in respect of a late application such as both this application and the Community Body's July application.

In order to comply with the terms of the 2003 Act and the time limits therein, we set out below the Owner's response, but do so under reservation of our client's right to formally challenge the Community Body's ability to circumvent the terms of the 2003 Act in this way, which it seems to us may be a contravention of Mr Howard's Article 1, Protocol 1 rights.

As explained in our letter of 7 August 2017 title to Ulva is held in the name of the Executors of the late Mrs Jean Margaret Howard, the beneficial owner is Mr Henry James Howard ("**Mr Howard**"), Mrs Howard's son, who has himself directed the management of Ulva for the past 34 years. The sale of Ulva was instructed by Mr Howard, following extensive analysis of the options for the island and its economic sustainability.

Events up to the submission of this new late application may be summarised as follows:-

- I. The death of Mrs Jean Howard in February 2014 caused Mr Howard to contemplate the possibility of a sale of Ulva.
- II. Active steps to prepare Ulva for an open market sale were taken over the last 18 months. The local community were involved as attempts were made to "tidy up" aspects of the title and various legal obligations in the creation of formal leases and agreements for the use of the pier. A number of visit were made to Ulva by land agents and surveyors for inspection and valuation purposes.
- III. Although no secret was made of the intention to sell, Mr Howard formally intimated the proposed sale to his tenants on 5th May 2017.
- IV. Mr Howard has endeavoured to maintain an open dialogue with the community over many years. Immediately he became aware of the interest of the Community Body in Ulva he authorised us to convene a meeting with representatives of the Community Body as soon as could be conveniently be arranged. This meeting took place on 5th June 2017 when as much information as possible was provided to the representatives of the Community Body and further assistance offered to them. The Community Body stated at this point that no research or consultation on the prospects of seeking a community right to buy had been undertaken previously
- V. A follow up email was sent by us to Colin Morrison, chair of the Community Body, on 9 June 2017, a copy of which is enclosed.
- VI. The Community Body submitted their original late application without any follow up from the meeting on 5th June and the subsequent email of 9th June. This was disappointing, as it is believed further discussion would have assisted to inform the Community Body on many of the challenges around management of Ulva.
- VII. We submitted a response to the late application on behalf of Mr Howard on 7 August 2017.

- VIII. Scottish Ministers requested additional information from Mr Howard on 10 August 2017, thereby extending the time for Ministers to reach a decision on the application from 17 August until 31 August.
- IX. The information requested was provided on 23 August and released to the Community Body on 31 August, the date on which Ministers ought to have reached a decision, in terms of the Community Body's Freedom of Information request dated 25 August. For completeness we enclose a further copy of that information.
- X. The Community Body withdrew the application and simultaneously submitted a new application on 6 September. The withdrawal was intimated to Mr Howard's agent via email, however the new application was intimated by post, arriving some 5 days later.
- XI. On the evening of 8 September a neighbour made Mr Howard aware of a newsletter issued by the Community Body dated 7 September 2017. A copy of the newsletter is enclosed. The Community Body state that they became aware that "the ownership of certain parts of Ulva is now different from the information included in our application" that "certain parts of the estate would not be put on the market", and that "other matters surrounding boundaries of land at Ulva Ferry and details of executors have come to light since we submitted our application".

We would wish to make the following initial points:-

- A. Ulva has been managed by the Howard family in a sensitive manner for the benefit of all, for 3 generations. Residential rents on Ulva are either set at or below the Local Housing Allowance level. Significant efforts have been made nationally to attract long-term residents to Ulva, particularly those with children, over a number of years without success.
- B. We would highlight that we have advised the Community Body that the current cost of ownership of Ulva, taking into account income and expenditure, currently requires Mr Howard to fund a deficit, the deficit varies from year to year but can amount to a six figure sum. The Howard family have made this commitment to Ulva for the greater public good for many years, but cannot continue to do so indefinitely. The late application by the Community Body in July, the subsequent withdrawal of that application and simultaneous new application have direct financial consequences for Mr Howard, as well as causing considerable emotional upset.

We now turn to a response to the detail of the Community Body's application.

Section 2.5

In this section of the application, it is stated that there is 1 plan which accompanies the application, however there are, in fact, three plans attached, although one is referred to as an "inset plan".

This inset plan shows the extent of Mr Howard's ownership at the pier at Ulva Ferry. This information has not changed since Mr Howard's maternal grandmother acquired it in terms of a disposition by the Crown Estate Commissioners in favour of Lady Congelton recorded in the Division of the General Register of Sasines for the County of Argyll on 31 March 1978. This information was disclosed in the title deeds forming Appendix 5 to the Community Body's application of 17 July 2017. This was not therefore new information as the Community Body

assert, and was capable of being ascertained by the Community Body from documents within its control. In any event it is for the Community Body to identify the land it wishes to acquire, the legislation does not require that area to correspond precisely with the owner's title. This error would not, as the Community Body assert in its newsletter, result in the application being declined.

Similarly, the fact that particular parts of the estate would not be put on the market has no bearing on the area in respect of which a Community Body wishes to register an interest. The legislation envisages that applications are made at a time before the property is put on the market and that late applications, such as both the withdrawn and new applications by the Community Body should be exceptional.

Section 2.6

It is noted that the Community Body now state that there are 195 members of the Community Body. The withdrawn application of July 2017 states that there were 198 members. Appendix 1 of that application, which was provided to us, listed those members. The Community Body's articles of association provide a procedure for removal of members. We request Ministers seek clarification as to the circumstances by which the membership reduced between July and September 2017, together with details of the members in question. We are concerned that Mr Howard is a member of the Community Body, but may have been removed as a member without due process.

Section 3.2

The estimated area of the land is stated to be 2000 hectares, in fact the area is 1854 hectares.

Section 3.4

The Community Body state that a separate application will be made in respect of Ardalum House. While it is recognised that title to Ardalum house is held separately from the remainder of Ulva, the distinction is artificial, both are in Mr Howard's beneficial ownership. A similar statement was made in the Community Body's July application, but to date no application has been made in respect of Ardalum House. We wish to be clear that Ulva and Ardalum House will not be sold separately.

Section 3.9

Here the Community Body state that the land in respect of which registration is sought is sufficiently near to land with which a significant number of members of the community have a connection. The explanation given is that Ulva is within a postcode unit by which the Community Body has chosen to define itself, that many people on Mull have close family links with Ulva, that Ulva's cultural heritage is entwined with that of Mull and Ulva is valued as part of the neighbouring communities on Mull. At the meeting which took place between the managing agents, Knight Frank and the Community Body on 5 June, the chair of the Community Body stated that the Community Body's interest in Ulva was largely driven by emotion. A copy of the minutes of that meeting, as noted by our Paul Nicoll, are enclosed.

While it is accepted that those whose forebears lived on Ulva will feel an emotional connection to the island, there is no evidence to support that members of the community have a real day-to-day connection with Ulva. Whilst detailed statistics are not kept, Mr Howard is of the view that very few residents of the Isle of Mull visit Ulva.

The Community Body point to the petition sheets as evidence of these links. We have not had sight of the petition sheets relating to the current application, however the petition sheets relating to the July application were provided to us. These show that of the 151 signatories, three are resident on Ulva itself and 12 in Ulva Ferry on the mainland of Mull. The remaining signatories appear to be mainly resident in Dervaig, which is some 10 miles from Ulva, and further afield.

We note that the geographical area by which the Community Body has defined itself extends to some 18,250 hectares (18.2 square kilometres). The Community Body has not provided any evidence that the majority of the population within that area, who live in the north or west of that area have any connection with Ulva.

Section 4.4

The Community Body state in this section of their application that they obtained an updated Legal Report and searches in the records of the Commissary Department of the Sheriffdom of North Strathclyde. We infer that these further searches were initiated as a direct result of the response made on behalf of Mr Howard to the July application and that the Community Body intended to withdraw the July application as early as mid August. The updated Legal Report discloses no change from that obtained on 8 June 2017. Despite these searches the Community Body failed to identify that part of the area in respect of which they had sought to register an interest had been transferred from the executors of the late Mrs Howard to Mr Howard. This information could have been readily obtained at minimal expense via Registers of Scotland 'Registers Direct' facility and searching the Application Record.

Section 5.2A

The Community Body do not give any relevant reasons why relevant work was not carried out or relevant steps taken towards making an application to register an interest before the property was exposed for sale.

Instead the Community Body seek to rely on the fact that there was no suggestion that the property may be for sale and that Mr Howard did not advise them directly of his intention. This rather misses the point of the legislation where applications should be made timeously. It must be noted however that if Mr Howard had formally notified the Community Body that he intended to sell, any application would inevitably be late. The implication of this section is that Mr Howard himself is to blame for the Community Body's lack of activity towards preparing a timeous application.

We consider it ironic that the Community Body confirms that it has been working on community development in the Ulva Ferry area since 2011, and considered that, as another Community Body was active in the area it had no need for involvement beyond being "supportive" of that other body. The Community Body confirms that it considered "...the possibility of purchasing Ulva..." in 2013, and became aware of the impending sale of Ulva on 4th May 2017, yet failed to take any steps towards making an application to register its interest between 2013 and 4th May 2017, finally making an application on 18 July 2017, by which time the application was considerably late.

It is not credible for the Community Body to assert that it had taken no action because land reform is "in its very early stages" and as a result of lack of knowledge on the part of members of the community. The office holders of the Community Body claim to be members of the community themselves, it is therefore disingenuous to suggest that no action was taken because the community, as opposed to the Community Body did not know of the possibilities. Such a suggestion must lead to questions as to how representative of the community the Community Body is in reality.

We wish to address particular statements in section 5.2, which are repeated several times throughout the application, that landlord and tenant relations are poor, that tenants are in a precarious position, and some have been given very short notices to vacate in recent times. Neither the managing agents nor Mr Howard can recall any tenant on Ulva having been issued with a notice to quit except in one instance where the tenant was in breach of the terms of the lease. The dwellings which are let are let on short assured tenancies, which is the standard form of letting in the private rented sector across Scotland. Tenants on Ulva are therefore in no more a precarious position than those in major conurbations, indeed they may enjoy greater security due to the inherent difficulty in letting residential property on Ulva as highlighted above. These suggestions of poor treatment of tenants are considered libellous in their nature and should be withdrawn.

Instead of providing valid reasons why work was not carried out the Community Body uses this section of the application to make direct responses to the views expressed on Mr Howard's behalf in respect of the July application. This is a direct circumvention of the terms of the 2003 Act.

Section 5.2B

We would refer to the Scottish Government's guidance on Community Right to Buy, where it is stated (para. 60 - 62) that "late applications are to be submitted in only exceptional circumstances". The Community Body has said nothing to demonstrate that the circumstances in this case are exceptional.

The Community Body say that they have been denied access to the estate's financial and other management information. It should be noted that, even if the Community Body were to be successful in its application, it would have the right to acquire the land only, the business of the estate being an entirely separate issue. The Community Body sets out at length its proposals for Ulva which are unconnected with the current running of the estate. Financial and management information regarding the current estate management is therefore irrelevant for the Community Body's purposes.

The Community Body state that financial information was denied to their valuer. We would draw to Ministers attention that Sarah Jackson of Savills approached Knight Frank on July 28 to obtain access to Ulva for the purposes of carrying out a valuation on behalf of the Community Body. While Knight Frank had been formally instructed not to proceed with any marketing they ascertained that Mr Howard was on holiday and that access to conduct a valuation could not be arranged at that time. No financial information was requested, and for the reasons stated above such information would be irrelevant for valuation purposes. In any event we consider a request for access to carry out a valuation on behalf of the Community Body prior to Ministers reaching a decision on the July application to be premature.

The Community Body refer to the "geographical focus" of the Community Body, however as noted above the geographical focus of the Community Body appears to be Dervaig, some 10 miles distant from Ulva.

The sales brochure was withdrawn from the selling agent's website as a result of the Ministers' prohibition letter. The content of the sales brochure, and the content of press articles, do not provide any justification for Ministers approving the late application. We would point out that a press article appeared in the Oban Times on 14 September 2017 (copy enclosed). We consider this article and the views expressed by members of the Community Body to be inappropriate whilst Ministers are considering the application, and may be seen as an attempt to influence Ministers' decision.

The content of the Ulva Ferry Community Plan is noted, however Ministers will appreciate that this relates primarily to Ulva Ferry, rather than to the Island of Ulva itself, and the concerns expressed relating to affordable housing, security of tenure and other issues do not apply to Ulva.

The Community Body's activities highlight that its focus is elsewhere on the Island of Mull rather than on Ulva, and do not provide any justification for the Community body's late application being accepted.

The Community Body consider that ownership of Ulva would provide "a golden opportunity"; if that were truly the case the Community Body ought to have registered an interest before now. It is highly likely that a new private owner will invest significant sums of money on Ulva, bringing opportunities for local residents.

Access to Ulva is assured under Part 1 of the 2003 Act, the statements in the sales brochure regarding ownership of the pier are simply statements of fact. Prospective purchasers of any estate are interested to know how they may take access to the estate in question, and whether or not they are reliant on third parties to maintain that access. Ownership of the pier is no different than ownership of a private road leading to an estate on the mainland.

Mr Howard recognises the validity of Scottish Government policy on land reform and community ownership, however the existence of that policy is not in itself a justification to allow late applications such as this, particularly when considered in light of the Scottish Government's own guidance on late applications.

Section 6.2

It is noted that 151 voters "validated by postcode" signed the petition. We take this to mean that the signatories provided a postcode within the Community Body's defined area when signing the petition. We note however that only 80 signatories are actually capable of being verified as on the electoral register within those postcode units.

It is noted that the petition sheets were "circulated". It is understood that members of the Community Body took the petition sheets round the Community, thereby actively encouraging individuals to sign. The petition will therefore include some element of distortion as a result.

Section 7.1

It is noted with some concern that this section of the application addresses several views expressed on behalf of Mr Howard in response to the original late application of July 2017. This is a direct circumvention of the 2003 Act.

Section 7.2

The Community Body refer to the two new affordable houses recently completed at Ulva Ferry. It is understood that these units were provided by Mull and Iona Community Trust, rather than the Community Body. Local speculation is that the cost of providing these two houses was in the region of £500,000. If that is the case the sustainability of these units must be in question.

The housing needs survey carried out for the Community Body is focused on Dervaig, affirming the Community Body's focus on that settlement, rather than on Ulva or Ulva Ferry. The survey highlights perceived housing need in and around Dervaig. Its conclusions cannot be extrapolated to apply to Ulva, where there are three adult permanent residents, excluding Mr Howard and members of his family. There are a number of vacant dwellings on Ulva, despite being offered for let at rents below local authority housing benefit levels.

Mr Howard and the managing agents experience is that it is not possible to attract people to live on Ulva despite suitable accommodation being available at affordable rents. The Community Body's stated aim of increasing the population must be considered in light of the evidence to the contrary.

Many of the proposals detailed in this section are replicated elsewhere in the application and will be addressed at the most appropriate point in this response, however many of the points made, such as comments on the visitors centre are a direct response to the views expressed on behalf of Mr Howard in respect of the July 2017 application, and therefore circumvent the 2003 Act.

We wish however to highlight that the visitor centre was developed entirely on Mr Howard's initiative and at his expense, with some grant assistance. There was no "deal negotiated with the Inland Revenue in relation to death duties some years ago" as the Community Body claim. Nor is the visitor centre neglected, the signs referred to by the Community Body regarding new displays are believed to have been placed there by the Munro family, who reside at the Ferryhouse, and are members of the Community Body.

In respect of the restaurant, Mr and Mrs Munro, who operate the restaurant, choose to open the restaurant at times convenient to them and to coincide with operation of the ferry. The ferry is operated by the restaurant proprietor's father, who in turn chooses not to operate the ferry on a Saturday, thereby limiting access to Ulva on Saturdays to those with their own boats.

The restaurant is a commercial property. The industry standard for commercial lettings is that fittings and fixtures required for the tenant's business are provided by the tenant and are removed by the tenant when the lease comes to an end.

In respect of Ulva Ferry school, while it is accepted that residents on Ulva with primary school age children might boost the roll of the school at Ulva Ferry, in the past it has not proven possible to attract residents to the island with children of the appropriate age, it is considered that this is due in part to the lack of infrastructure and facilities for young children on Ulva, and reliance on the ferry in attending the school. As acknowledged in the Ulva Ferry Community Plan (Appendix 12 to the application) no Gometra child has sustained the "school run" to Ulva Ferry for more than 2 years. Many of the problems faced by Gometra children attending Ulva Ferry school will equally apply to the more remote parts of Ulva. The long term viability of the school would be more successfully addressed by attracting young families to the Ulva Ferry area on the mainland of Mull.

In respect of the deer population, deer numbers on Ulva are managed in accordance with the Mull Deer Management Group's policy to maintain a stable deer population. It should be noted that deer are able to swim the sound of Ulva, and to cross between Ulva and Gometra easily. It is therefore essential that deer management is carried out in collaboration with neighbouring estates. We enclose a letter by Mr Dominic Griffiths, of the British Deer Society confirming that deer management on Ulva is carried out in accordance with best practice as recommended by the British Deer Society.

Section 8.1

The Community Body state that there is "very significant public interest in community ownership of Ulva", but nothing in this section explains why that is the case. In particular the Community Body acknowledge that "Much work will need to be done... to convince those concerned that sufficiently robust plans are in place to justify going ahead with a purchase." This statement is an acknowledgement that there are no robust plans in place at present. We would remind Ministers that this is a late application with the correspondingly higher threshold to be met to justify approval of a late application, yet the Community Body assert they merely wish to have "the opportunity to try."

Much of the substance of Section 8.1 is repeated in Appendix 10, which in turn is an expansion of Appendix 9 of the withdrawn July 2017 application, augmented to address points made on behalf of Mr Howard in response to that application. As has been highlighted the withdrawal of the July application and submission of this

application on the same day amount to an attempt to circumvent the terms of the 2003 Act, and should not be permitted.

Appendix 10

Appendix 10 to the Community Body's application outlines the Overall Objective and Proposals for Ulva. As before we would highlight that Mr Howard, and his family before him, have strived to provide sustainable benefits for the community and encourage repopulation. These efforts have however met with little success and we would respectfully suggest that in the absence of significant and continuing capital investment the Overall Objective of the Community Body is unlikely to be achieved. Beyond the foregoing general observation, we have responded to each of the Proposals in turn under their respective headings, below. References to individual properties are shown on the enclosed plan.

1. Improve housing stock and other buildings

- a. *A phased programme will be implemented to bring existing housing stock (both presently occupied and presently unoccupied) up to modern standards*

Our experience is that there is no demand for additional housing on Ulva. By way of example number 2 Bracadale has been marketed for rent, at the Local Housing Allowance level for the last 18 months, with no interest shown.

A marketing campaign was launched in 2014 to re-let Ardalum House, at below the Local Housing Allowance level after the family that had occupied the property left due to the various difficulties they encountered through living on an island with a teenage child. The only serious interest was from an individual seeking to rent as a holiday home.

A number of option appraisals have previously been carried out by the current owners to consider renovation of the existing housing stock. Ulva House, The Manse and The Ferry House are all Listed Buildings which, in association with Historic Environment Scotland, will require sensitive restoration. Renovating Listed Buildings often results in modernised houses that are not necessarily suited to modern living or thermal standards.

In our professional opinion and that of our architects we conservatively estimated that the cost of renovating the existing residential dwellings (excluding Bernus and Cragaig) would amount to [REDACTED] exclusive of VAT and fees. However, due to the remote location we would anticipate a contingency of at least 20% of this estimated cost. Renovations attract VAT and for a landlord to be able to recover the VAT amount, they must opt to tax the dwelling and as such, charge VAT on the rent. Tenants, as end-users of these properties, will not be able to recover this VAT resulting in the cost of renting such a property unattractive in comparison to dwellings where VAT is not charged.

The above figures are purely for the renovation of the existing properties and do not take in to account the infrastructure requirements that would be necessary and which are dealt with in more detail below.

At a housing summit organised by Mull and Iona Community Trust in August 2016, it was noted that the demand for housing on Mull was predominately in the Loch Don, Craignure, Salen and Tobermory corridor, located some distance away from Ulva, Minutes of the meeting are enclosed. Having spoken to Argyll & Bute Council about the Rural Resettlement Fund established by them in 2016 we understand that to date there have been no applications relating to either the Island of Mull or Ulva.

b. Derelict structures will be brought in to use, including existing farm buildings and buildings elsewhere on the Island.

There are three farm buildings to which we assume this refers, namely Ardalum, Bracadale and The Hill Steadings. We would state for the avoidance of any doubt that these are all currently used, and none of them are considered to be derelict.

In our studies we have always anticipated that these buildings would convert to provide six residential dwellings in total. None of the structures are a Listed Building, however they are of an age and design that requires careful and sensitive renovation.

Our architect estimated that the cost of bringing these buildings up to a modern habitable condition, for residential use, would be at least [REDACTED] per square metre, exclusive of VAT, contingency and fees. This figure compares with New Build Social Housing costs that equate to approximately [REDACTED] per square metre, with no VAT payable on the mainland of Mull.

The above figures suggest that the total cost of renovating the aforementioned buildings, would be [REDACTED] per unit as opposed to New Build developments of Social or low cost housing of [REDACTED] per unit on the mainland.

The above figures do not include the infrastructure requirements that would be required, not only for the enjoyment of the community, but also as required under statute and local regulations.

c. Plots will be made available for Affordable Housing for rent and/or self build.

The whole of Ulva is currently either "Sensitive" or "Very Sensitive" Countryside in terms of Planning designations. The Very Sensitive designation precludes virtually all development, whilst the Sensitive designation will allow, in special circumstances, developments that are required on an operational need basis, or where it can be shown that there is a rounding-off or infilling of an existing community.

We are of the opinion that due to the number and location of the properties on Ulva at present, there would be no case to argue for operational need for additional housing and the nature of the existing development would preclude development around these areas.

The development of the steadings would, in our opinion, be the only development that the Planning Department of Argyll & Bute Council would allow, as there is no coherent case for the rounding off or infilling of the existing buildings.

The area around The Ferry House is zoned by the Scottish Environmental Protection Agency as being of significant flood risk and therefore not suitable for development. The Ferry House currently floods on a high tide.

Any variation in the Adopted Local Plan for Argyll and Bute for the creation of Affordable Housing and self-build plots at a heavily subsidised rate would raise issues in relation to infrastructure and the economic efficiency of building houses when more accessible land and services are available on the mainland of Mull.

d. Sale of Property with Rural Housing Burdens attached will be considered.

This is feasible, although as detailed below (at response 2), the cost of infrastructure needs to be considered if and when any sales are considered and whether State Aid rules would be violated in that

infrastructure paid for by Government is effectively distorting the property market in the greater area of Ulva and Mull and disadvantaging the private sector. Whilst a rural housing burden might provide a degree of control over acquisition of the property the restriction will limit the availability of commercial loans to prospective purchasers due to the inability of a secured creditor to dispose of the property in the event of default.

- e. *Buildings at Ulva Ferry on the mainland of Mull will continue to provide storage and logistic benefit for Ulva residents. Existing leases on two of the sheds will be continued (one with the owner of Gometra and the other with a local fisherman)*

The mainland car park and storage are a critical element of any proposal for Ulva. The Island of Kerrera is an example of how development on the island is constrained as it has no car parking on the mainland. The studies we carried out considered the future uses of Ulva Ferry and concluded that there was not sufficient land in Mr Howard's ownership at Ulva Ferry to accommodate all of the existing uses and activities on Ulva.

The proposals set out by the Community Body are for the renovation of existing properties, additional housing, both in existing buildings and new build, the creation of crofts, the intensification of the farm as well as the creation of new businesses and the expansion of existing ones and a substantial increase in the number of tourists. All these activities will clearly require a significant increase in the facilities at Ulva Ferry on Mull beyond what exist at present.

In order to accommodate all these needs, new storage facilities will need to be built, welfare facilities (for not only the residents, but also the ferry employees) as well as car parking and services for tourists will be required. In addition, the access road to Ulva Ferry is single track with passing places and already struggles with the number of vehicles using it, particularly in the summer months.

The area of ground which is owned by our clients on the Isle of Mull is limited and from our topographical assessment of the adjacent ground, significant costs would be incurred in creating additional car parking if, of course, the land were available for purchase. We are not sure whether Compulsory Purchase provisions would be available to the Community Body in order to allow them to fulfil their aspirations.

We have not had an opportunity to look in detail at the current service provisions in terms of water, electricity and sewerage, however we are of the opinion that substantial investment would likely be required.

Argyll & Bute Council was previously approached with regard to alleviating the car parking situation at Ulva Ferry, however the Council advised that it has no funds available to assist with the provision of car parking. No future development can take place on Ulva without car parking and storage facilities at Ulva Ferry.

The adjacent area to the east of Ulva Ferry is already extremely constrained due to the six fishing boats that currently use the pier and car parking on a daily basis, as well as the many tourists that depart from the pier and pontoons on boats operated by Turus Mara and others, leaving their cars at Ulva Ferry.

Any increase in traffic in and around the Ulva Ferry area will have dangerous consequences. We are aware that the fire, police and ambulance services within Argyll are seriously concerned with regard to access to Ferries due to indiscriminate parking and undefined access. Serious concerns have been raised recently with regard to the Island of Kerrera in respect of access for emergency services and the welfare of residents.

2. Improve the Infrastructure

Improving the housing stock, converting other buildings and providing further new build housing were all considered within the feasibility study carried out by ourselves and others. The infrastructure on both Ulva and Mull would be the biggest impediment to future development of Ulva.

The proposals from the Community Company are broad and not specific.

Our studies looked at developments around the Pier, Bracadale and Ulva House, the Hill Steadings and Ardalum. The Bothy at Craigaig and Bernus, which are considered by the Community to be ideal candidates for small holdings or crofts, were considered to be unserviceable due to the huge cost of providing infrastructure. The Community Body identifies the dangers of living on Gometra, however Craigaig and Bernus are equally remote. The bothy at Craigaig in particular is mostly only accessible by foot at present.

a. *The Island Ferry Service will be maintained and enhanced as a permanent year-round provision.*

Although the current ferry is owned by Mr Howard, who meets costs such as licencing, repairs, insurance and various other costs of the ferry, it is operated by Mr Munro, who determines the ferry's operating hours and season. It is Mr Munro's choice not to operate the ferry year round, nor to operate the ferry on Saturdays or after 5pm.

The aspirations of the Community Body are significant and could potentially see up to thirty people living on Ulva. The present open, passenger only boat would be unsuitable for servicing the needs of such a community. Providing a year-round and all weather ferry service that complies fully with Maritime and Coastguard Agency (MCA) requirements would be significant. This has recently been demonstrated with the Island of Kerrera which involved Caledonian Maritime Assets (CMAL) investing in excess of £2m in a new break water for a ferry that serves thirty people.

The provision of such a ferry service would require two full time qualified boatmen at any one time to operate the ferry which, from our study, identified that with the suggested weekend working, would require the equivalent of four full time employees.

The vessel that would be required would need to be significant in order to cope with the strong tide and also to provide for the comfort and safety of the increased number of residents, as well as the suggested significant increase in tourists during the summer months. The ferry would also need to accommodate freight.

The ferryman at Kerrera, who operated a private ferry service, has been taken over by CMAL as it was recognised that the only way that the Island could continue with 30 residents, was for it to be part of the national ferry network. These negotiations took many years and whilst there is now a Cal Mac operated ferry, the Island of Kerrera is still trying to raise money for infrastructure to allow the whole of it to be served by the ferry.

b. *The Piers and slipways on Ulva and neighbouring Mull shore will be maintained and access assured for all users.*

The existing pier on the Ulva side is not suitable for larger vessels and will require a significant upgrade as has been seen on the Island of Kerrera. There are no welfare facilities for the crew on the Ulva side, nor a waiting room for passengers.

Our clients consider that the pier on the Mull side is not suitable for any increased traffic. We are of the opinion that the current facility is not suitable for purpose and are surprised that it is being considered by the Community when a recently opened publicly funded jetty and pontoon has been provided 100 metres away.

In respect of the fishing and commercial vessels using the pier on the Mull (Ulva Ferry) side, Mr Howard instructed his agents 6 years ago to formalise this arrangement and thereby bring about some clarity and comfort for the users' that their legal position as users is secure. However, despite repeated attempts to engage with the users to this end, the proposal to formalise matters was generally met with disinterest. To date only one pier user has completed a formal user agreement.

We are surprised that the Community Body have not acknowledged this position, given that one of the pier users is the father of Mr Morrison (chair of the Community Body). Indeed Mr Morrison (senior) has not completed a user agreement, and has in the past refused to make payment of the modest pier dues imposed, which are used to contribute to maintenance of the pier.

- c. *A transport strategy for the island will be developed. Access tracks and other infrastructure will be sensitively designed. (There is no proposal to put in a network of major, tarred roads)*

This is a direct response to views expressed on behalf of Mr Howard in relation to the Community Body's withdrawn application. The fact remains as noted below that Argyll & Bute roads policy requires roads to be constructed to adoptable standard where they serve more than four dwellings. It is accepted that there is some latitude in this policy, however the scale of development envisaged by the Community Body is such that the planning department are unlikely, in the opinion of the managing agents (who have considerable experience in such matters), to allow deviation from this policy.

- d. *Footpaths and access tracks to the main buildings on the Island will be upgraded and some accessible routes provided.*

As noted in our response on behalf of Mr Howard to the Community Body's previous application, currently there are no Adopted public roads on Ulva. This situation is acceptable at present given the number of permanent residents (four adults and two school age children), the location of the properties in which they reside, and that, due to the limitations of the ferry, tourists travel by foot.

Should the Community Body seek to increase the number of dwellings on the island, we doubt that the current position could be considered acceptable, far less sustainable for the increased volume of traffic this would entail. Some residents would inevitably acquire quad bikes or larger all terrain vehicles, which would then present a danger to those on foot, both visitors and resident, in particular children making their way to the ferry to attend school.

Argyll and Bute Council rigorously enforce a rule whereby no more than four houses can be developed from an unadopted road, with some latitude only in exceptional cases,

It is very difficult to be precise as to the cost of the upgrade to the road infrastructure that would be required by Argyll and Bute Council in order to allow the additional buildings to be brought in to residential use and to accommodate new self-build plots, affordable housing, crofts/small holdings. In

assessing the cost, we have taken a figure of [REDACTED] per running metre of Adopted Road (Mainland Argyll) and added 40% to take account of the logistics of Ulva and the lack of raw materials.

Conservatively, we would suggest that, at the very least, a road constructed to public road adoptable standard would be required from the ferry to Ulva House and Bracadale and on to the Hill Steading, a length of 1,606 metres, giving an estimated cost of approximately [REDACTED] plus VAT. A public road along this section would, in our opinion, allow small areas to be developed, provided the Council was prepared to amend the Adopted Local Plan.

In addition to the public road, consideration would need to be given to the provision of sewage disposal facilities, whether that be a central facility or individual treatment plants. The hydrological study we undertook suggested that the existing water supply was at its capacity and would need significant investment, possibly with the addition of individual boreholes or a rebuilding and expansion of the existing reservoir to provide an adequate water supply. We understand that public buildings such as assembly halls and schools require a public water supply, something that would require substantial investment by Scottish Water.

The Community Body has identified the difficulties associated with the Island of Gometra, in terms of infrastructure, Health and Emergency services and education. We in turn have identified these same issues as being constraints in developing small holdings or crofts at both Bernus and Craigaig. In our opinion, properties in these locations could not be safely developed if the matters identified by the Community Body are not to be properly addressed.

Refuse facilities have not been addressed by the Community Body and whilst some refuse could be composted on Ulva, items for recycling and other non compostable materials would need to be removed from Ulva. This would need to be seriously considered in assessing the type of ferry that is operated as weekly disposal would be necessary. Similarly, there is no consideration given for the needs of an enlarged population in terms of emergency health care and social welfare for elderly or disabled, which we have elaborated upon above.

e. Clarification will be sought on the status and capacity of the existing power cable from Mull

This is a direct response to views expressed on behalf of Mr Howard in relation to the Community Body's withdrawn application. We remain of the view that the current electricity grid connection and the subsea cable connecting Ulva to Mull would require significant upgrading.

f. Under community ownership there will be no impediment to siting a wireless broadband mast on Ulva to serve the island, the surrounding Mull shoreline and beyond.

Regardless of ownership, planning consent would be required for such a mast. Ulva lies within the Loch na Keal National Scenic Area. In addition the Community Body say that Ulva is a candidate Special Conservation Area. These designations would, in all probability restrict the possibility of siting a mast on Ulva. Whilst a wireless broadband mast might provide broadband facilities to the island and neighbouring areas, to provide sufficient bandwidth the mast would require installation of a fibre optic cable connection.

g. Opportunities will be sought for micro-generation where viable.

Solar PV is already installed at Bracadale and benefits from the feed-in tariff which will expire in 14 years, however feed-in tariff has now been abolished for new Solar PV schemes. Whilst Solar is of

benefit to well insulated houses during the summer months, without significant battery capacity, there is little benefit over the majority of the year.

Studies considered micro-hydro, but concluded that there was no viable source.

We also considered Anaerobic Digestion. It was felt that the only sustainable source would be human sewage which would not have sufficient nutrients for it to be of any benefit and it was concluded that Anaerobic Digestion would be of no economic or social benefit.

Wind energy was considered. However, due to the planning designations both locally and nationally, as well as the presence of sea eagles, it was felt that there was no viable opportunity. That said, the most effective wind source was identified as being on the south side of Ulva, a distance of approximately 4 kilometres from the main population and as such, even if consent were granted, the cost of infrastructure would likely be so significant as to negate the benefit.

h. Options to turn one of the Steading Buildings in to a public building for social events, entertainment space etc. will be investigated.

We identified the Church as being the most appropriate centre for the community space. However this was considered to be problematical due to the cost of infrastructure that would be required in order to make access to the building safe, not only for able bodied people, but also the disabled.

The infrastructure investment mentioned above, considered extending the road network to the Church. However due not only to the distance, but also the topography, it was felt that this was too significant a cost to be considered. The study concluded that bringing the access up to a public standard would cost [REDACTED] plus VAT. (Plan enclosed)

In addition, it was felt that as the building would probably be used mostly in the evenings or during the winter months, lighting to and from the ferry and the other properties would be required which would result in significant additional infrastructure costs.

i. The Church will be maintained and its possible wider use, for example as a music venue will be investigated.

Please see above at response 2(i).

3. Revitalise and expand agriculture.

a. The existing farm will be re-let.

The current farm encompasses the whole of Ulva with the exclusion of the Forestry Schemes. We have undertaken detailed analysis of the agricultural potential of Ulva based upon the opportunities, costs and subsidies that are available.

Currently, Ulva receives [REDACTED] in Basic Payment Scheme Entitlements (BPS) and [REDACTED] in Less Favoured Area Support Scheme (LFASS).

The current stock levels are low and support a flock of 57 ewes and a herd of 20 Galloway cows. From our studies and from historical records it is our professional opinion that the maximum stock that could be sustained on the farm is 30 cows and 1,000 ewes.

The current farming regime has evolved in order to minimise the loss on the farming operation due to the significant amount of capital that would be required in order to increase stock numbers. In addition, the BPSE are historically low. Securing the necessary qualified labour is also difficult.

The Community Body's proposals for the farm are, in our view, simplistic and lacking specification. As has been set out, not only would the farming enterprise require significant capital and labour, it would also require to make its own silage and feed, as bringing feed to Ulva effectively requires two ferry journeys, is extremely expensive and could not be reflected in the values of the output.

A let farming operation would also require that one of the houses be used as a farmhouse.

In our analysis of this option, we were unable to decide which was the most appropriate property to use as a farmhouse as all have disadvantages. We did feel however, if this option were to be considered, that a new modern agricultural building would be required to accommodate modern machinery and ideally a new farmhouse adjacent. We identified the Hill Steading area as being the most appropriate location for the farming operation, however we were unable to work up a business plan that would be economically sustainable.

An incoming tenant would not only need capital for the acquisition of stock, but also for machinery and working capital going forward.

The Community Body would need to provide a new portal framed agricultural building as there are no agricultural buildings on Ulva that are suitable. This building would need to be serviced with water, drainage and electricity. We are of the opinion that the building would need to be of such a size which would entail a Building Warrant which would require significant additional expenditure in complying with regulations regarding fire-fighting facilities.

In addition, the Community Body, as landlord, would need to provide fixed equipment suitable for the operation of the farming enterprise.

The investment in fixed equipment that would be required by the Community Body could be significant as we are currently being quoted [REDACTED] plus VAT per metre for stock fencing and up to [REDACTED] plus VAT per metre for deer fencing. In addition, the stock handling facilities require modernisation and upgrading.

We are of the opinion that, conservatively, a tenant would require capital of at least [REDACTED] and a tenancy agreement of at least 25 years in order to create a viable and sustainable business plan.

It is worth mentioning that the effects of Brexit are not yet fully known and although the Scottish Government should have the powers to vary the support mechanism for agriculture, it is generally thought that the current system of subsidies simply for farming, will disappear and proactive farming involving costs to the farmer will be the new system which could significantly undermine any business plan prepared under the current regime.

The Community Body suggests that there are a number of individuals who would be keen to take on the farm, however from our experience of letting and trying to let three farms recently on Mull, as well as a number on the west coast, there is very little demand due to the political uncertainties as well as the significant costs of entry. The managing agents were involved in the letting of Saorphin Farm on the mainland of Mull. The tenants selected were a young and enthusiastic family. The tenants featured

in the BBC documentary "This Farming Life" recently due to their decision to give up the tenancy at the end of its initial term, as the business was not viable.

We also looked at the possibility of dividing the farming enterprise into a number of smaller units. When considering this option, infrastructure issues were significant as was Argyll and Bute Council's Planning policy under the Adopted Local Plan as well as the cost of creating farmhouses that would be habitable in a manner that does not incur the issues identified by the Community Body with the Island of Gometra. From our recent experience Argyll and Bute Council would reject any application for farmhouses on smaller units as having no economic viability and thus justification.

The idea of dividing Ulva into several units was primarily due to the significant monopoly power that would be available to the farm tenant, should the farm be let in its most viable manner, i.e. as one unit.

A farmer operating around the community on an evolving basis would find that it is extremely difficult to coherently plan for the future.

The most agriculturally valuable arable ground, which is in short supply, is also the most appropriate land on which the Community would wish to build their various enterprises and as such there is inherent conflict within the Community Body's proposals. Any diminution in the arable ground suitable for silage would have a direct economic impact on the farming operation.

b. *New Small Holdings or Crofting land will be made available.*

The Community Body alludes to Bernus and Craigaig as being used for the creation of new crofts and we have addressed the issues that have been identified with this particular scenario, particularly with regards to service and access. Crofts would pose a significant financial burden upon the Community Body and also potentially significantly affect the wider agricultural unit.

The Crofting Commission insist that a crofter lives within 32 kilometres of their croft. In order to fulfil the Community Body's business plan and aspirations, the crofters would reside on Ulva and, as such, a house would need to be provided, either by the Community Body or the croft tenant. Any croft house would require services and other infrastructure.

Crofting law gives statutory right to crofters to acquire their croft for 15 times the annual rental value, which potentially could see large areas of Ulva being removed from community ownership at significantly less value than they acquired it for.

Furthermore, we identified that in order for a croft to be viable and assuming they were located within the Ferry House to Hill Steading corridor adjacent to a newly upgraded road, they would require a minimum of 2 hectares of arable in-bye ground, in addition to the creation of the common grazings on the hill ground. The removal of these 2 hectares per croft of arable ground would significantly impact upon the viability of the wider farming unit or units, however without the in-bye ground, the crofts would be unsustainable.

The creation of crofts would require that a large area of common grazing would need to be allocated and fenced so that stock from the crofts did not impinge upon the health status of the wider farming unit. The creation of the common grazing would also impact upon the viability of the farm.

We estimate that for each croft, an outrun of 121 hectares would be required and assuming that 5 crofts were created, an area of 605 hectares (1500 acres) would need to be set aside as common grazing and fenced. Our provisional quotation for the fencing of the common grazing at the rate of [REDACTED] plus VAT, per metre, suggests a capital cost to the Community of [REDACTED] excluding the cost of building croft houses for the crofters.

- c. Existing productive land will be protected from developments as much as possible

This is a direct response to views expressed on behalf of Mr Howard in relation to the Community Body's withdrawn application. We remain of the view that the land most suitable for development in terms of topography, ground conditions, drainage, and access to services is also the most productive land.

- d. Reinstatement and expansion of productive ground will be a priority

Again this is a direct response to views expressed on behalf of Mr Howard in relation to the Community Body's withdrawn application. There are only limited areas on Ulva where land might be improved to allow use for growing forage crops for winter keep, however the cost involved would be disproportionate to the area of ground which could be brought into productive arable use. The vast majority of Ulva is suitable only for rough grazing, and is categorised as such by the Scottish Government for the purposes of the Basic Payment Scheme.

4. Manage Forestry Sustainably and Seek New Opportunities

- a. The requirements of the Forest Design Plan which will be inherited on purchase will be met.

The requirements of the SRDP Farm Woodland Premium Scheme partially involves the removal of agricultural activity for the next 20 years, thus reducing the size of the farm. Studies have shown that even with intensive management, Hardwood Native Regeneration schemes on the west coast of Scotland do not produce timber that is of use to the timber industry and as such, the only activity that can generate an income is small scale schemes for firewood.

The main grants associated with the scheme have now ceased, however the liability to maintain the scheme continues. Mr Howard is not aware of any restocking requirement beyond compliance with the Scottish Government's Control of Woodland Removal policy.

- b. Micro harvesting and timber milling using NWMCCWC [the Community Body] equipment and expertise will be promoted.

The comments above (at response 4(a)) apply in terms of the quality of timber produced.

- c. Options for Agro-forestry in existing woodland and in the long term within the new broadleaf woodland will be investigated.

Our comments above (at response 4(a)) apply.

5. Tourism

- a. Unlock the very large tourism potential, largely untapped at present.

Tourism has been actively encouraged on Ulva for many years, with the owners producing a comprehensive visitor guide, maintaining an interactive website (<http://www.isleofulva.com/>), which, in addition to the Visitor Centre, provides tourist information for Ulva, promoting the award winning restaurant, walks, heritage and ecological and wild life information.

Mr Howard commissioned a report by Hospitality Scotland on the economic sustainability of tourism on Ulva and a copy is enclosed. The report envisaged that a maximum of 10,000 visitors per annum could be achieved, however despite sustained efforts, visitor numbers have remained at between 4,500 and 5,000 per annum.

Our clients have endeavoured to open Ulva for 6 days a week from Easter through to October. Ulva is not presently open to tourists seven days a week as the ferry operator, Mr Munro, chooses not to operate the ferry on Saturdays.

Our clients also established the Restaurant, Sheila's Cottage, the Visitor Centre, as well as contributing heavily to the regular ferry service as noted previously.

The success of the Boathouse Restaurant, which was originally established in 1992 by Mr Howard and run by him for several years, is partly due to the business acumen of the tenants, but also due to the exceptionally low rent of [REDACTED] per month and the leasing of the adjacent dwellinghouse to the restaurant tenants at 42% below the Local Housing Allowance. Historically there has been no written tenancy agreement in place, but a written lease has now been entered into to formalise the arrangement prior to the proposed sale.

Our clients wrote the enclosed booklet on Ulva which is available widely across Mull and in bookshops on the mainland and also promoted Ulva via its own website (www.isleofulva.com). Feasibility studies have been carried out by our clients, identifying the delicate balance between encouraging tourists and visitors and creating an environment that destroys the very reason people visit.

Infrastructure for tourists is essential and as mentioned previously, significantly greater car parking and mainland facilities will be required in order to fulfil the objectives of the Community Body.

Mention is made that the partnership with Mr Munro in respect of the ferry would continue. This statement does not take into account the substantial capital costs of the ferry that would be required.

Following the lack of a tenant willing to occupy Ardalum as their main residence a study was carried out and it was concluded that Ardalum could be used as a hostel/bunkhouse. Consent was obtained, the property converted at considerable expense to the estate, and a tenant was secured. Despite extensive marketing and publicity, the tenant found after 18 months that the hostel was not a viable operation, gave up the lease, and left Ulva.

Ulva House, being a Listed Building, was considered as a Guest House and Study Centre, however it was decided that there was insufficient accommodation within the property to create a viable enterprise and that it was not feasible to create en suite facilities that are now viewed as essential.

b. *A Camp site with facilities will be established, possibly including pods or shepherd's huts.*

This proposal has been amended from the Community Body's application of July 2017 in response to the views expressed on behalf of Mr Howard in respect of that application. We remain of the view that Infrastructure constraints in terms of the supply of water and sewerage and the perceived short season, work against the creation of this facility.

In addition, wild camping is encouraged in accordance with guidelines set up by Scottish Natural Heritage and the British Canoe Association and any further proliferation would potentially destroy the attractiveness of Ulva. www.isleofulva.com/visitor-information/camping-guidelines/

c. Premises for an artist's residency, studio space, shop or gallery will be developed

This is a new proposal from the Community Body. While the estate have not previously considered such a venture suitable premises would need to be identified, the necessary consents obtained and the identified property converted.

The issues highlighted above in respect of construction costs for a dwelling and studio will apply. We consider that the most suitable site for such a business would be in the area between the Boathouse restaurant, the Visitor Centre and the Church. There are no suitable buildings within this area at the present time.

d. The potential to develop pony trekking, mountain bike hire will be investigated

This is a new proposal from the Community Body. A pony trekking venture was set-up on Ulva some time ago by Mrs Rhoda Munro, who lived on Ulva and was then secretary to the Mull branch of the British Horse Society. However Mrs Munro found the business was not viable and ceased operating after only two or three years. The re-establishment of such a venture would require a suitable field/grazing area as well as creation of visitor facilities. Qualified/experienced staff would be required to operate such a business, who in turn would require accommodation on Ulva to attend to the Ponies' welfare. The issues highlighted above in respect of construction costs for a dwelling and studio will apply.

While Ulva extends to over 1800 ha there are only limited paths/tracks available for pony trekking and/or mountain biking activities. The path network would require to be extended and improved to provide suitable terrain for these activities.

e. New marine business will be encouraged in the shallow coastal areas such as sailing, kayaking and coastal cruises

Sailing and kayaking already take place. Any expansion of activities on the Mull side of the Sound could be accommodated and promoted more effectively by the use of the existing publicly funded pontoon facility at Ulva Ferry without the need to acquire Ulva.

f. Sea fishing trips will be promoted

Our response at paragraph 5(e) applies. Sea fishing and other tourist boat trips are already conducted from Ulva Ferry.

6. Enhanced bio-diversity and safeguard habitats and species.

Ulva has no statutory ecological designation, it has no Sites of Special Scientific Interest or Special Areas of Conservation. Ulva is managed in the interest of bio-diversity, hence, partly, the low stocking density on the farm.

The Community Body's desire to increase the agricultural activity with the establishment of one or more farms and several crofts, could potentially work against a co-ordinated ecological approach to Ulva which is currently possible, thus harming the holistic management of the Ulva ecosystem.

7. Support marine industries, fishing and aquaculture.

a. Sustainable inshore fisheries development will be encouraged and supported by provision of premises

Our clients have looked at sustainable inshore fisheries development. However, they determined that the most appropriate place for such a development was on the Island of Mull due to the logistical difficulties of accessing Ulva and the additional costs.

b. A mutually beneficial framework agreement will be sought with commercial users of the piers (Previous initiatives having failed)

As noted above Mr Howard has attempted to enter into such an agreement in the past, however with only one exception the commercial users of the pier have so far failed to engage with Mr Howard, and appear to prefer any informal arrangement.

c. Re-instatement of abandoned and / or establishment of new oyster farms will be evaluated

The oyster farm has been in situ since 1995 and occupies the most appropriately sheltered location on Ulva, however the water exchange in that location has meant that the growth of the oysters has been extremely slow and consequently uneconomic. Research undertaken would suggest that there is no suitable location on the north side of Ulva due to the exposure.

d. Feasibility of mussel farming will be evaluated

The possibility of establishing a mussel farm in the northern channel between the Island of Mull and Ulva has been considered. The waterway is a navigable waterway and following the recent community opposition to the relocation of a fish farm within this area, it is considered that a mussel farm could represent a hazard to vessels. It is felt that there is a suitable exchange of water and sufficient depth for a farm, however the fall of spat is limited. In addition, it is felt that if mussel farming were to be an option, then it would be best operated from the Island of Mull as there are more appropriate shore based facilities for depuration and storage as well as more cost-effective transport links to the markets.

e. Seaweed harvesting could be re-established, particular in the niche edible seaweed market. Seaweed farming potential will be investigated

We have had extensive discussions with the Scottish Association of Marine Science with regard to seaweed farming on the west coast and the opportunities therein. Seaweed farming is in its infancy, however it is felt that the northern channel, due to its sheltered location, is the most appropriate location. Due to the existing fish farm (and the possibility of a mussel farm) there are limited areas that would be given Planning Consent and approved by Marine Scotland due to the potentially congested nature of the channel.

As with other proposals by the Community Body, seaweed farming and harvesting would be more cost effectively and economically operated from the mainland of Mull in order to avoid the additional transportation and infrastructure costs. Hand harvesting is a possibility, however from investigation,

again the logistics of transporting seaweed from the far south of Ulva to Craignure is significantly higher than harvesting and transporting the same seaweed from the Island of Mull.

f. *A boat slip and/or boatyard on Ulva could be feasible as a new business*

There is no known demand for such a facility, however even if there was such a demand the majority of boats on Mull are based at Tobermory, Craignure and on the Ross of Mull. Ulva would therefore not be the most advantageous location for such a facility.

8. **Conclusions**

Based on the Community Body's proposals, and on the analysis set out above, we estimate the costs of the Proposals set out by the North West Mull Community Woodland Company would be in excess of [REDACTED]. Even allowing for donations, soft loans and grants, this would incur unrepayable capital and interest charges over a 25 year period. We question how these proposals can be considered as sustainable, particularly when we understand from Argyll and Bute Council that there is only one person on the housing list for the Ulva Ferry area and no particular first preference demand for the whole of North West Mull.

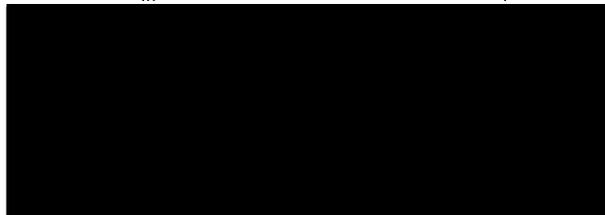
We have endeavoured to demonstrate impartiality in analysing the Proposals set out by the Community Body and applied the knowledge gained by the managing agents from their involvement over many years with Ulva, with many other islands on the West coast of Argyll and Lochaber, and from the transfer some years ago of assets owned by British Alcan to the Kinlochleven Land Development Trust at Kinlochleven.

The Isle of Kerrera (which has been referred to throughout this response for comparison purposes) has significantly more residents, has historic infrastructure provided by national utility companies and the Local Authority, and still struggles to retain and attract residents, even though it is commutable to Oban. Ulva has no discernible infrastructure, nor have the Community Body demonstrated that there is a desire for people to move to the island or that the costs of achieving their Overall Objective can be considered compatible with the aim of furthering sustainable development. The Community Body proposals could only be achieved through significant investment of public money, with no discernible return on the investment in terms of creating a sustainable community on Ulva. In comparison the Community Body have highlighted the success of projects elsewhere on the mainland of Mull, where public funds could be utilised more effectively in the area in ways which have proven beneficial outcomes. The vast majority of the Community Body do not have a connection with Ulva.

The alternative to the Community Body's involvement is an open market sale to a purchaser with sufficient resources to maintain, restore and improve Ulva, identifying possible opportunities for sustainable development and investing appropriately. The success of this approach has been demonstrated in the past with new private owners providing significant investment, providing direct employment as well as wider benefits for the local community. Good examples of this can be seen on a nearby estate on the mainland of Mull itself, on the Isle of Jura and elsewhere. Given the substantial costs required to give effect to the Community Body's proposals it would not be in the public interest for a right to buy to be registered. There is potential for an open market sale of Ulva to bring about public good and significant benefit to the community without being a drain on the public purse.



Finally, we confirm that following your letter of 6 September, all marketing of Ulva for sale has ceased. If the Scottish Ministers decide to decline this late Application, we would be happy to re-engage in discussions with the Community Body whilst marketing recommences.



Paul Nicoll MRICS
Consultant

Direct Line: 01631 567793
Paul.Nicoll@bellingham.co.uk

Encl

Annexations

- i. Email from Paul Nicoll (Bell Ingram) to Colin Morrison (Community Body) dated 9 June 2017;
- ii. Minutes of meeting with Community Body
- iii. Response to Further Information requested by Scottish Ministers dated 23 August 2017;
- iv. NWMCWCL Newsletter;
- v. Article in 'Oban Times' dated 14 September 2017;
- vi. Plan of individual properties on Ulva;
- vii. Minutes of Mull and Iona Community Trust meeting in August 2016;
- viii. Plan showing road adoption proposals;
- ix. Report by Hospitality Scotland Limited on the economic sustainability of tourism on Ulva;
- x. Ulva Tourism Booklet.
- xi. Dominic Griffiths – Deer Management