



Assynt Business Survey 2019



This survey was commissioned by Assynt Development Trust

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1. Executive Summary

- HSCHT were commissioned by Assynt Development Trust to carry out a Business Survey in the area to identify both existing and future housing and business development needs
- The survey link was distributed to 124 businesses in the area and in total 40 surveys were returned. This gave a return rate of 32%.
- Most respondent businesses operate in the tourism sector 55% (22).
- Of the 40 surveys that were returned, 12 were from employers and 28 from self-employed businesses
- 22 respondent businesses have employees – 12 employers and 10 self-employed. The remaining 18 respondents are self-employed with no employees.
- A total of 9 respondents answered ‘Yes’ to having difficulty recruiting or retaining staff due to housing shortages. This highlights that a lack of housing is actively restricting local businesses from achieving business sustainability and potential expansion.
- A total of 10 respondents answered ‘Yes’ to having difficulty recruiting staff due to a lack of suitable / skilled workers locally.
- 10 respondents also answered ‘yes’ to a shortage of housing in the area affecting the operation of their business. The best solution to housing shortages in the area identified by these 10 survey respondents was community owned housing (8) followed by social rent (6) and affordable plots (5). All three are affordable housing options and demonstrates the desire for a range of affordable housing tenures in the area.
- The potential need for a range of affordable options was supported by the low salary levels in the area. Employers were asked to provide information on salary levels to help identify the more appropriate housing tenure. Salary information was provided for 103 individuals, 88 of whom (85%) earn less than £20,000 a year and below the ward average household income of £29,788.
- Businesses identified that a total of 8 houses are required now for their employees
- When looking at future need and how many houses businesses anticipated employees would need in 5 years’ time, the total was 14.
- 68% (27) of respondents answered “no” to the question “do you believe that there is adequate housing provision locally and within community distance of your business”. This again demonstrates that businesses strongly believe that there is inadequate housing provision in the area.
- A number of businesses (17) anticipate that if more housing is not provided in the community it will impact on the operation of their business with 1 business saying they may have to leave the area and 3 stating that they may have to reduce staff numbers.
- A large number of homes 188 (26.9%) are second homes / holiday homes. This is significantly higher than Highland average of 5.7% and Scotland wide average of 1.5%. This may be a contributing factor in employers struggling to house employees due to housing shortages in the area.
- Only 3 businesses would consider a joint venture to provide affordable housing. Given the apparent problem with housing in the area, options for these ventures should be fully explored by the Assynt Development Trust.

2.3 The survey link was emailed to existing and potentially new businesses and invited them to comment on both their existing needs (if any) and potential future needs to assess future housing and business development needs.

2.4 The study used information from a number of sources:

- Desktop analysis of available demographic, housing demand data and employment statistics
- Analysis of other relevant reports and statistics.
- Returned survey questionnaires

2.5 A total of 124 businesses were emailed the survey link. A total of 40 surveys were returned. This represents a return rate of 32%.

2.6 It should be noted that respondents did not answer all questions in the survey applicable to them. The report therefore provides a breakdown of how many respondents answered each particular question.

2.7 In common with other surveys, this report provides a snapshot of the housing need at the time of writing.

2.8 The data from the 2011 census has been used for comparison in this report.

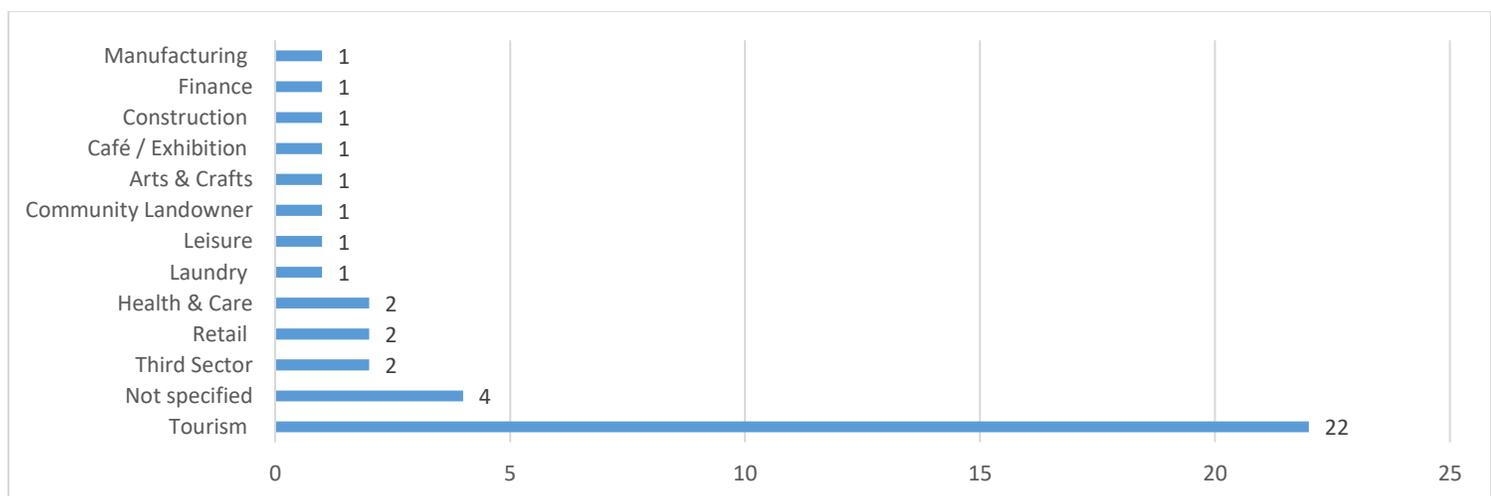
2.9 This report is supplementary to the household survey carried out simultaneously by HSCHT.

3. Respondent Profile

3.1 A total of 40 businesses completed the survey.

3.2 Most respondent businesses operate in the tourism sector 55% (22). Other businesses operated in a range of other sectors and some respondents did not specify what sector they operate in. Table 1 below shows a full breakdown of respondent business sectors:

Table 1: Respondent Business Sectors



3.3 Of the total of 40 participants, 28 were self-employed (70%) and 12 were employers (30%).

3.4 The majority of self-employed respondents (18) have no employees whilst 10 have employees. Data from 2011 census shows that the Assynt Community Council area has a higher level of self-employed people (22.8%) compared to both the Highland (11%) and Scotland wide (7.5%).

3.5 The majority of self employed respondents with no employees operate in the tourism sector (10). Other sectors for this group were: arts and crafts (1), health and well being (1), leisure (1), construction (1), adult education (1), finance (1) and not specified (2).

3.6 All 12 employers said “yes” to having employees.

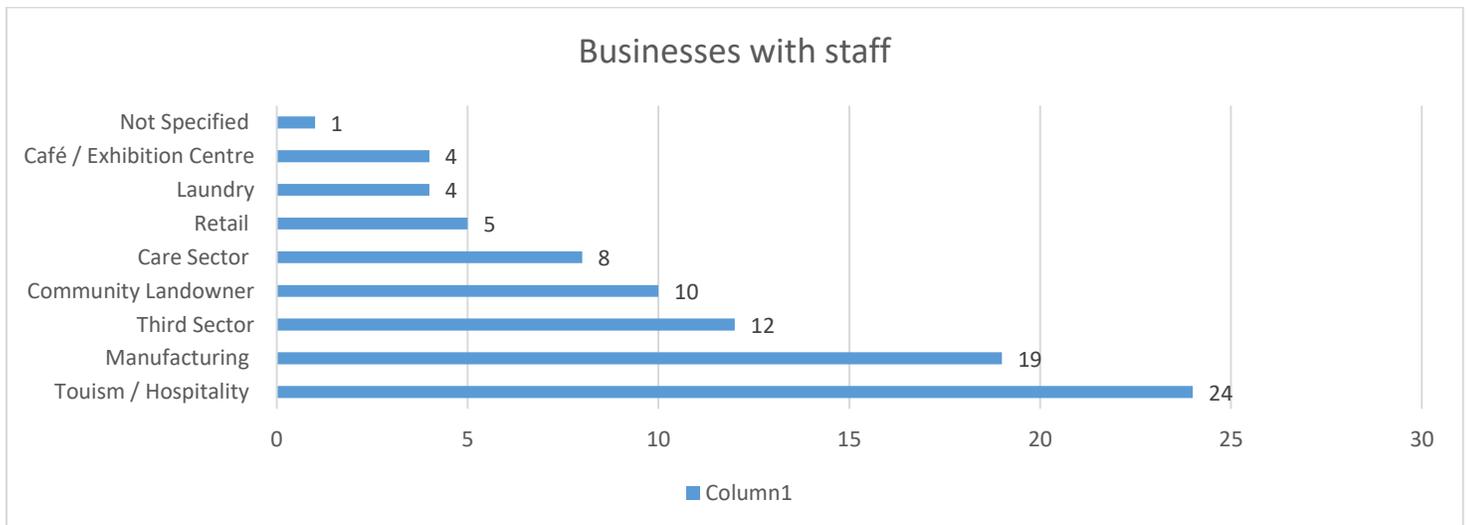
4.1 Respondents with Employee’s

4.1 When looking overall at all 22 respondents that said “yes” to having employees, the majority are small businesses (17) with 5 or fewer employees. 6 of the 17 only have one employee.

4.2 Only 5 businesses have more than 5 employees. All 5 businesses are employers and operate in the following sectors; Care (8 employees), Third Sector (8 employees), Community Landowner (10), Manufacturing (19) and Hospitality (up to 28).

4.3 All businesses combined have a total of 83 employees. Of the 83, the largest group of employees (24) of work in the tourism / hospitality sector. Table 1 below shows a full breakdown of the sectors that employees work in:

Table 2: Businesses with Staff



4.4 The 2011 census also showed that most people in Assynt worked in the tourist sector (accommodation and food services) 15% .

4.5 Of the 22 respondents that employ staff in this survey, the majority of businesses (16) employ staff on a seasonal basis. 11 of these businesses operate in the tourism sector which traditionally operates on a seasonal basis. Other businesses that employ seasonal staff are: laundry, community owned landowner, café / exhibition center and food and drink retail.

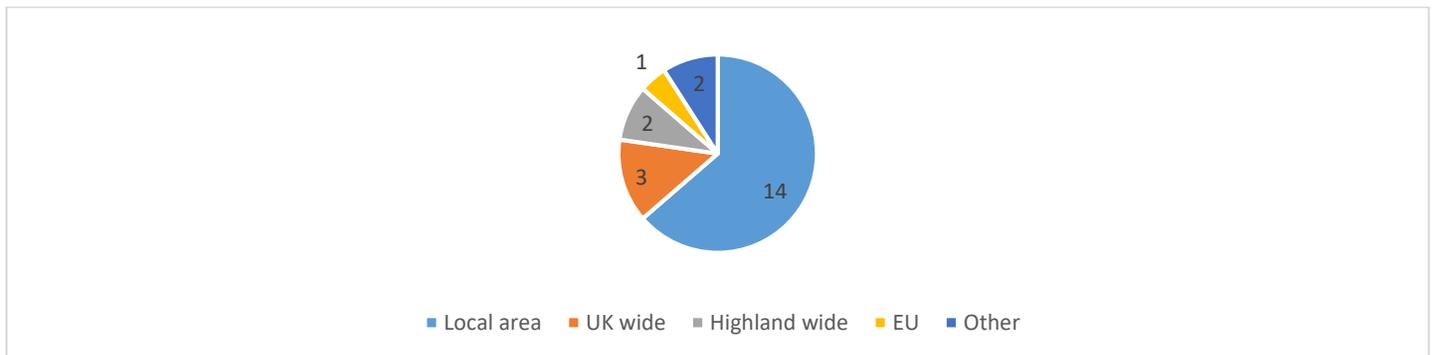
- 4.6 Most businesses (17) have employees that all live locally and have less than 25 miles to commute to work.
- 4.7 Only one respondent (self-employed tourism business) said that all employees (3) have more than a 25 mile commute to work.
- 4.8 Businesses that employ staff were asked “have you ever had difficulty recruiting / and or retaining staff because of a lack of suitable housing locally?”. Only 9 respondents answered “yes” to have difficulty in recruiting and / or retaining staff because of a lack of suitable housing locally.
- 4.9 Following on from this, respondents were asked “have you ever had difficulty recruiting staff due to a lack of suitable / skilled workers locally”? and 10 respondents answered “yes”. 5 of these respondents also answered “yes” to having difficulty in recruiting and / or retaining staff because of a lack of suitable housing locally.
- 4.10 8 respondents answered “yes” to having current employees requiring housing in the area and when asked how many houses are required, this amounted to 15. One respondent did not state how many houses they require but commented that a member of staff *“moved to the area and did not have accommodation in place prior to arrival. Finding good quality affordable accommodations has been difficult.”*
- 4.11 5 of the 8 businesses that have current employees requiring housing in the area have also already had difficulty in recruiting / retaining staff because of a lack of suitable housing locally.
- 4.12 A large number of homes 188 (26.9%) are second homes / holiday homes. This is significantly higher than Highland average of 5.7% and Scotland wide average of 1.5%. This may be a contributing factor in employers struggling to recruit and retain staff due to housing shortages in the area.
- 4.13 Table 2 below shows a breakdown of respondents that have difficulty recruiting staff and / or current employees require housing in the area.

Status & No. of Employees	Problems retaining staff due to lack of housing	Problems recruiting skilled staff	Where are staff recruited from	Do current staff require housing in the area?
Employer – 10 employees	Yes	Yes	Highland wide	Yes – 4 houses
Employer – 19 employees	Yes	Yes	Not specified	No
Employer – 4 employees	Yes	Yes	Not specified	Potentially 1
Employer – Up to 28 employees	Yes	Yes	EU	Yes – 4 houses
Employer – 8 employees	Yes	Yes	UK wide	Yes – not specified
Employer – 5 employees	Yes	No	UK wide	No
Self Employed –1 employee	Yes	No	Local area	No
Self Employed - 3 employees	Yes	No	Local area	Yes – 3 houses
Self Employed- 1 employee	Yes	Not specified	Local area	Yes – 1 house
Employer – 1 employee	No	Yes	Local area	n/a
Employer- 4 employees	No	Yes	Local area	n/a
Self-Employed – 2 employees	No	Yes	Local area	n/a
Self-Employed –2 employees	No	Yes	Local area	n/a
Self-Employed – 4 employees	No	Yes	Local area	n/a
Self-Employed – 1 employee	No	No	Local area	Yes – 1 house
Self-Employed – 2 employees	No	No	Highland wide	Yes – 1 house
Self-Employed – 1 employee	No	No	Local wide	Yes – 1 house

4.14 The vast majority of businesses (14) recruit their staff from the local area. Only 3 of these businesses that recruit locally have had a difficulty recruiting staff because of a lack of suitable housing locally.

4.15 The largest employer to this survey is the only business in the survey that said they recruit staff from the EU. Brexit may have implications on staff recruitment from the EU going forward.

Chart 1: Location of Recruitment



4.16 Respondents were asked to provide salary information on salaries and information was provided for 103 individuals. Out of the 103, 47% (48) earn up to £10,000 and 39% (40) earn between £10,000 - £20,000. Based on these incomes, affordable housing for rent may be the best option for individuals seeking housing in the area.

4.17 The average ward household income for North, West and Central Sutherland in 2013 (and has probably increased since then) was £29,788 (CACI Paycheck). From the results of this survey, only 5 individuals out of 103 (4%) are earning over £30,000

5 Business views on housing provision in the area

5.1 Most respondents believe that there is not adequate housing provision locally and within commuting distance of their business, with 27 answering “no”.

5.2 A number of business (10) said that a shortage of housing in the area has affected the operation of their business.

5.3 Most of the businesses (6) that have been affected by a shortage of housing are in the tourism / hospitality sector. Other business sectors of those affected were: retail, arts and culture, café / exhibition center and manufacturing.

5.4 All 10 that answered “yes” to a shortage of housing affecting their business also all answered “no” to there not being an adequate housing provision locally and within commuting distance of their business.

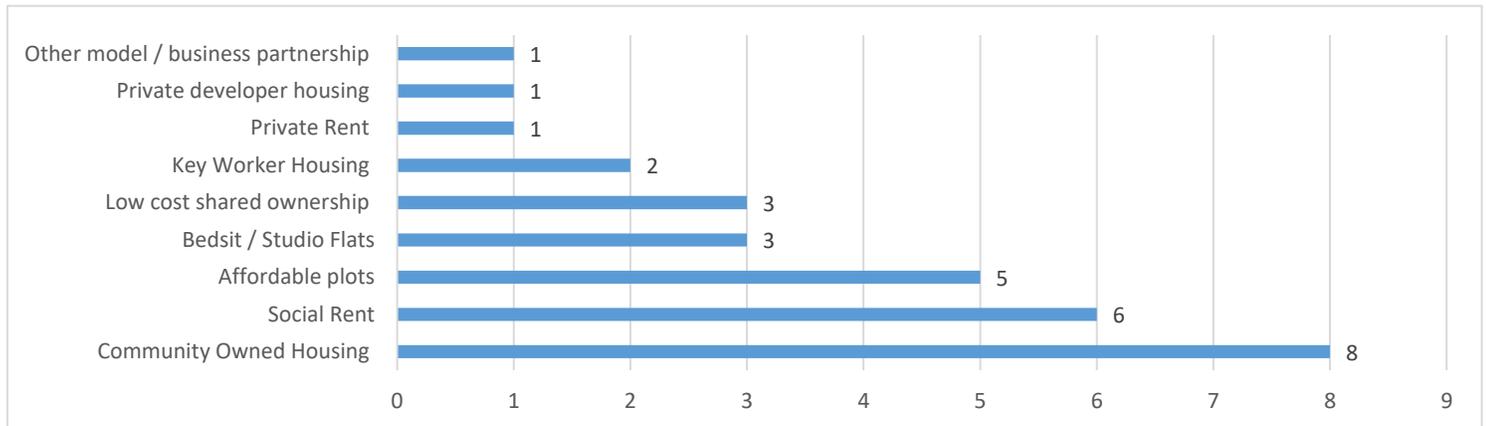
5.5 The respondents were asked to comment on how the shortage of housing has impacted their business and comments were as follows:

- The area needs more people in general.
- No accommodation for those who wish to train/study with me

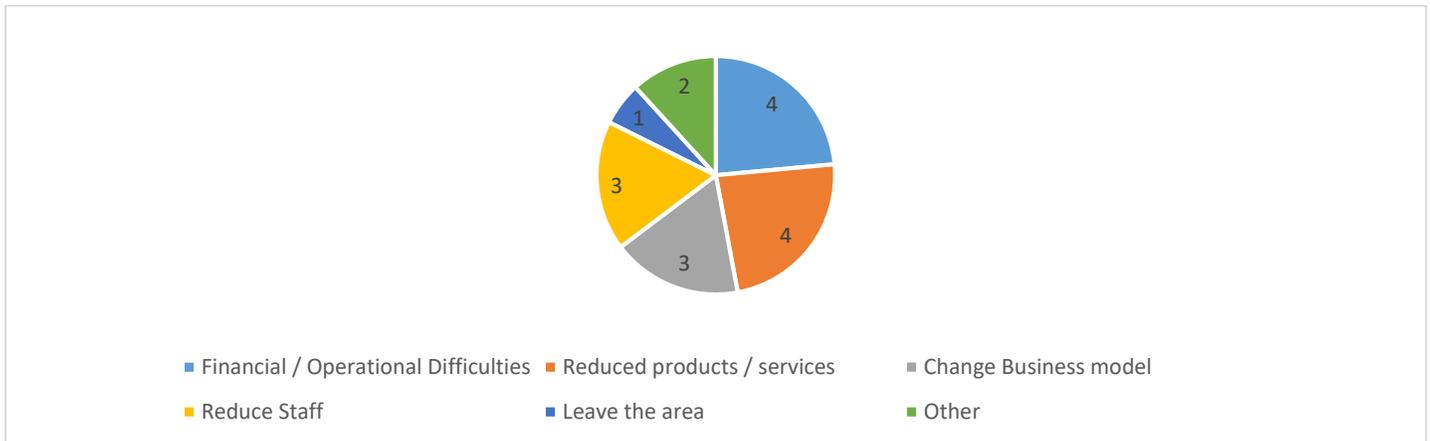
- We have had to live in a touring caravan without connected electricity. This makes it difficult to do admin/email/enquiries. We sometimes go to a local facility to conduct this part of our business.
- We did not manage to open 7 days a week last summer due to lack of staff.
- Team members who could have stayed long terms decided to leave as they could not find any appropriate accommodation
- We have to use accommodation that could be used for paying guests to accommodate seasonal staff.
- A volunteer/helper has had to leave the area due to lack of housing.
- Employee had to live with relatives for 6 months.
- When we started, lack of housing almost drove us away from the area, but with loans from HIDB, we overcame the problem. Nothing recently has had a serious impact.
- Not enough people live in the immediate area which makes it harder to recruit cleaners for changeovers

5.6 Following on from this, these 10 respondents were then asked to identify what they saw as the best solution to the housing shortage in the area and most respondents (8) selected the option of Community Owned Housing followed by Social Rent (6) and affordable plots (5). The table below shows a full breakdown of all answers (please note that more than one option could be selected):

Table 4: Potential Solutions to housing shortage in the area



5.7 Overall, 17 respondents thought that if more housing is not provided in the community, that this will impact on the operation of their business. These respondents were asked to anticipate what the outcome could be on the business and top answers were financial / operational difficulties (4) and reduced products / services (4). The chart below shows a full breakdown of answers:



5.8 Again, most of the businesses (9) are in the tourism / hospitality sector. Other sectors: community owned landowner, arts and culture, café / exhibition center, retail, third sector and education.

5.9 One business said that they would leave the area if more housing is not provided and this business operates in the tourism sector and currently employs 3 staff.

5.10 A further 3 businesses said that they would have to reduce staff if more housing is not provided. 2 of these businesses operate in the tourism sector and 1 in the retail sector.

5.11 Only 3 respondents would consider a joint business venture to provide affordable housing. All 3 are businesses with staff ranging from 8 – 28. Comments provided from these respondents were as follows:

- *As we own land we will have to find a way to build houses possibly in partnership.*
- *Help with funding and designing clever housing with green ethos*
- *We work in partnership with trust Housing*

5.12 All respondents were asked to identify what they considered to be the most limiting factors to growing their business and the top three answers were: poor broadband, lack of affordable housing and transport. Respondents also expressed concern about young people leaving the area and the aging population.

5.13 In contrast, respondents were asked to consider what are the most significant opportunities in growing their business and the top three answers were: NC500, increased tourism and the availability of local workers.

5.14 The working age (16-64) population of Highland continues to be influenced by young people leaving Highland for higher and further education. Over the last 25 years there has been a decline of -23% in the number of working age people in the Sutherland area (HC Planning & Development Service, Briefing Note 52).

5.15 Looking to the future, 10 respondents said that they anticipated that their business would grow within the next 5 years and that they anticipated that housing would be required for additional employees. All 10 of these businesses also answered “yes” to there being a detrimental effect on their business if more houses are not provided in the community. 4 out of the 10 also said “yes” to staff requiring housing in the community at present.

5.16 Overall, it was anticipated that at least 14 houses would be required. Table 5 below shows a summary of the businesses that anticipate that they will require housing in the future for employees:

Table 5: Businesses requiring housing for employees within the next 5 years

Number of houses required within 5 years for employees	Impact on business if more housing not provided
1	Change business model
Occasional use	Not specified
5	Not specified
Not specified	Financial / Operational difficulties
1 or 2	Reduced products / services
1	Reduced products / services
3 or 4	Change business model
Not specified	Reduce staff
1	Financial / Operational difficulties
At least 2	Change business model

5.17 One respondent that did not specify the number of houses they would require stated “There is a chronic lack of affordable housing in Assynt, hard to put a number on it”

6 General Comments:

6.1 Respondents were asked to leave general comments and all comments are below:

- *Our community needs affordable housing. We, as a business, are not big enough to recruit people into the area (hence don't directly need new housing) but will draw our staff from the pool of people around us. The bigger and more vibrant this pool is (ie not holiday home owners and retirees looking to withdraw from the world) the more chance there will be suitable staff available for us. Also, the more people there will be doing other things in the community which will help draw people to our business.*
- *Affordable housing is urgently needed in North Assynt for local young folk and others coming in with the skills needed to maintain a thriving population. The population is ageing with hardly any houses available for younger people.*
- *Over regulation is completely crippling the economy in this area: planning, building, environmental, food, fire, access, the list is endless. Entrepreneurs trying to start up don't have a chance because of the extra costs and delays. It takes the crofting commission 2 years to make a decision on land.*
- *You build a batch of houses, you just have to import people in to fill them, sorry but that does nothing for the locals or the community, usually increases the social dependency on the state.*
- *The Assynt foundation has a huge amount of land and would probably be willing to go into a partnership to provide housing land.*
- *I think there is a lack of suitable affordable accommodation for families in or near to the village (Lochinver).*

- *I don't want more houses in Assynt because there are no jobs and the houses will get filled with unemployed people bringing a whole new level of competition and bring down any hope of making any profit.*
- *As an employer we would be keen to develop houses for rent as well as sale or shared equity.*
- *Don't plan on expanding my business but would like my employee to have affordable secure tenancy.*
- *Housing is a factor, but needs to be tied in with employment - people need a reason to come here. Biggest housing issue in Assynt is that there are too many holiday lets and too few permanent homes. Would personally only be supportive of any developments that had a guarantee of first option to local youngsters and no quick sale clause*
- *Employers valuing their staff and investing in them.*
- *Housing is not the answer. You need employment FIRST.*
- *Lack of alternative employment opportunities seems to be most limiting factor to growth in the local community*

7. Recommendations & Conclusion

7.1 Recommendations

- Discuss the report with Assynt Development Trust and create a housing strategy to establish a clear way forward for delivering new homes and housing options.
- Following the inaugural meeting, consider setting up a small steering group with local businesses to inform future development and identify appropriate support mechanisms.
- Liaise with businesses that have said 'yes' to considering a joint business venture to provide affordable housing.
- Review current Scottish Government funding initiatives (e.g. the Rural Housing Fund, Scottish Land Fund and the Infrastructure Fund) to develop new targeted options which are specific to the area e.g. smaller homes to rent or buy, self-build support mechanisms, low-cost home ownership, home improvements, social rent or community-owned rented housing and empty homes initiatives etc.
- Create a strategy for direct engagement with local businesses and service providers.
- Liaise with HIE and other strategic partners.

7.2 Conclusion

There are many challenges in delivering housing in rural communities such as Assynt. The Business Survey clearly demonstrated that businesses have difficulty in recruiting and retaining staff due to housing shortages and believe that there is inadequate housing provision locally and within commuting distance of their business. A range of affordable housing options such as; community owned housing, social rent and affordable plots were identified as the best solutions to housing shortages. This is further supported by the fact that 85% of survey respondent's employees earn less than the ward income average of £29,788

A range of affordable options may help to sustain the community into the long-term and it is essential to retain and improve local services and to rebalance the demographics. More affordable housing may also help to retain

and attract young people with families to the area and skilled workers and help alleviate the recruitment problem that many businesses in the area currently face.