

August 2021

Scourie

Business Survey Report

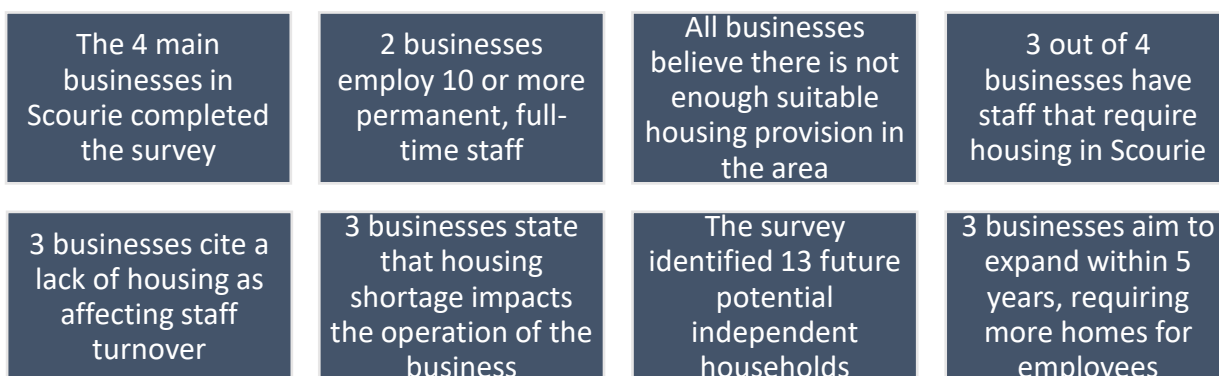
Executive Summary

Communities Housing Trust (CHT) are working with Scourie Community Development Company (SCDC) to determine both the existing and future housing and business development needs of the community in Scourie. Housing Needs surveys were distributed to residents and those with a local connection or desire to move to the Scourie area. The Housing Needs Report produced should be read in conjunction with this document to understand the full picture of housing demand. The business needs survey was directed at the main local businesses, and each of these were contacted directly via email. The four main operating businesses in the Scourie area responded and the needs of these businesses will be included as evidence of the overall demand in the community.

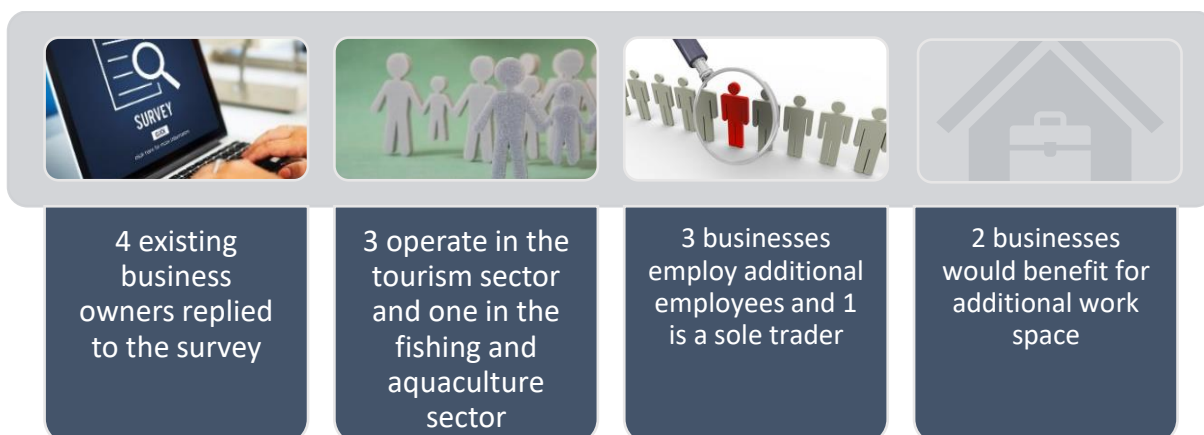
Three of the businesses operate in the tourism sector, the other in fishing and aquaculture and two businesses employ at least ten permanent, full-time staff. The results of the survey clearly show that a lack of suitable housing for employees has impacted on the operation of the business and been a constraint to the growth of the businesses.

The findings from the business survey show clear support for the provision of additional housing in Scourie and evidences the fact that the area is at risk of losing crucial business and local employment opportunities if suitable housing is not provided in the short-term. Providing a mix of affordable tenures could help to retain employees for businesses and sustain the community into the long term. More housing has the potential to attract people with families to the area, as well as skilled workers which could alleviate the persistent recruitment issues that some of the businesses currently face.

Business Survey Key Findings:



1) Respondent Profile & Response Rate



- A total of 4 respondents completed the survey and all 4 already have an established business in Scourie.
- Only 1 respondent to the survey was a sole trader with no additional employees. This respondent business operates in the tourism sector.
- When looking at the 3 respondents that said “yes” to having employees, 2 are classed as employers and 1 is classed as self-employed.
- Table 1 below shows a summary of business that have employees:

Table 1: Businesses Summary

Type of Business & Sector	Total Number of Employees	Full Time Posts	Seasonal posts	Experience trouble recruiting staff due to lack of housing
Employer – Tourism	10 or more	All posts	Half	Yes - frequently
Employer – Tourism	10 or more	Less than half	Half	Yes – all the time
Employer – Fishing & Aquaculture	170	All posts	None	Yes - frequently

- Two respondents, both based in the Tourism sector, said that their business would benefit from additional workspace with one stating that they require office space and the other a workshop.

All business with employees have had trouble recruiting / retaining staff due to lack of suitable housing locally

The lack of affordable housing has affected staff turnover for all 3 businesses

All 3 businesses said that they have current staff looking for housing in Scourie

- When asked “have you had difficulty in recruiting and /or retaining staff because of a lack of suitable housing locally”, all three businesses with employees answered “yes” with 2 saying that they frequently had problems and the other business stating that they experience problems every time.
- The business that experiences problems every time commented that “*Lack of candidates locally and lack of available accommodate for staff from outside the immediate area*”.
- Along with this, the businesses all reported problems with having difficulty in recruiting staff due to a lack of suitable / skilled works locally. When asked what locations staff are typically recruited from, UK wide was selected by 2 respondents and 1 by the other respondent.
- Although all 3 businesses said that they have current employees that require housing in the Scourie area, only 1 respondent provided further information on how many houses are required and they estimated that 1 – 2 houses were required.

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Respondent Views on Housing Provision:

All 4 businesses state that housing is inadequate for their employees

The shortage of housing has affected the operation of 3 businesses

If more housing is not provided Scourie, 3 businesses will have to reduce staff and 2 may leave the area

Self-build plots and community-owned rented housing selected as being a possible solution

- The 3 businesses that said “yes” to a shortage of housing in the area affecting the operation of their business are all businesses that employ additional staff. When asked on how many occasions has this impacted on their business, all answered “frequently”.
- These 3 respondents were then asked to select the options as to what they foresee as the best solution for the housing shortage and affordable plots and community owned rented housing were the top two solutions selected by 2 respondents followed by: low-cost home ownership (1), affordable rented housing provided by local authority / housing association (1). One respondent offered the further solution of “*relaxation of planning rules to permit building on available land where need can be demonstrated*”.
- All 4 respondents envisage that if more affordable housing is not provided in Scourie, then this will have a definite impact on the future operation of their business.
- When asked to provide further details on the anticipated outcome for their business if more affordable housing is not provided, most said they would reduce staff (3) or leave the area (2). Other outcomes were: change business model (1), financial/ operational difficulties (1) and reduced products / services (1).
- Many homes in Scourie are second homes/holiday homes (21%). 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.

2) Business Growth and the Future



- 1 business said “yes” to considering a joint venture to provide additional housing in Scourie. This business is an employer in the tourism sector and have experienced problems every time they have tried to recruit staff.
- Lack of skilled workers (3) and lack of affordable housing (3) were identified as the top two limiting factors in business growth. Other factors identified were: poor transport links (1) and lack of seasonal worker accommodation (1).
- When asked about what the most significant opportunities were to growing their business, only 1 respondent answered this question and stated that the most significant factor was “*having a reliable skilled workforce*”.
- 3 out of the 4 respondents businesses anticipated that they will grow withing the next 5 years. The only business that did not anticipate they would grow is a tourism related business.
- One respondent that anticipated growth implied the business growth would be dependant by stating that “*increase in available accommodation and there increase in staffing levels*”
- It is anticipated with the growth in businesses that additional housing will be required for new employees.

3) Conclusion

Many rural businesses across Scotland are faced with the challenges that a lack of adequate housing causes for an employer. Whether this is retaining existing local staff or attracting a skilled workforce to rural places, there is proof that housing shortages restrict potential growth of the local economy.

One of the biggest factors driving population loss in rural Scotland is the lack of affordable housing, particularly for the young who want to live and work in these areas.

A recent study conducted by Highlands and Islands Enterprise concluded: "Housing supply and its affordability has a critical influence on the ability of businesses to recruit and retain staff, with business expansion affected by these issues. This is particularly problematic in areas where tourism and second homes put pressure on accommodation, and other areas of seasonal or cyclical employment" (Stimulating Housing Development, HIE, 2017).

The findings from the business survey show clear support for the provision of additional housing in Scourie and evidences the fact that the area is at risk of losing crucial business and local employment opportunities if suitable housing is not provided in the short term.

The businesses' employees that are evidenced in the findings as not being adequately housed, should be included in the overall business case for providing more affordable housing in Scourie. If employment opportunities are reduced, there is a risk of losing economically active people which can be detrimental to population decline in rural areas.

Providing a mix of affordable tenures could help to retain employees for businesses and sustain the community into the long term. It is essential to not only keep but improve local services and rebalance the demographics by providing a more stable infrastructure for the community. More housing has the potential to attract people with families to the area, as well as skilled workers which could alleviate recruitment issues that some of the businesses currently face.

