

**CCDC Board Meeting
25th February 2021**

Document Pack

Public

Please note that not all items on the agenda have supporting papers

Confidential items (e.g. relating to staffing) are
not published in public

**Colonsay Community Development Company
Board Meeting Agenda
25 February 2021- 7:00pm by Zoom**

1. Attendance/ apologies/ minutes of last meeting
2. Declarations of interest
3. Company Secretary
4. Project updates:
 - a. Scalasaig
 - b. Moorings
 - c. The former Baptist Manse
5. Phase 2 Scalasaig housing development/ revenue funding
6. Crofts – including Port Mor road (confidential)
7. Staffing –property co-ordinator appointment
8. Campsite – CCC survey
9. Newsletter
10. Innovation grant scheme
11. AOCB

donm



**Colonsay Community Development Company
Board Meeting
Thursday 28th January 2021**

1. Present

Board members: Andrew Abrahams (Treasurer), Sue Dance (part), Callum Hay, Caitlin McNeill, Liam McNeill, William Joll, Dannie Onn (Chair).

Project co-ordinators: Carrie Seymour Lizzie Keenaghan

Also present: Clare Hay (minutes)

2. Apologies: none

3. Declarations of interest: Lizzie Keenaghan (as crofter with request for the board)

4. Minutes from previous meeting: Agreed

5. Project updates

a. Scalasaig housing and business units project

CS provided a report and updated as follows. A grant of £335K for the business units has been received from the Regeneration Capital Fund. A couple of other funding applications have been unsuccessful, and others are underway. Both Scalasaig planning applications have been submitted, as well as a Masterplan application for later phases on the south site. The ABC planning officer has visited the sites and is very supportive.

The building warrants will be done in phases, the first is due at the end of February. TSL now aim to start site work in June, stop in October and begin the build in March 2022 with completion in August 2022. DO has spoken to John Forbes, as funding may be lost if there is further delay on the CAREs application. Further negotiation with the contractor is needed. £96k from Inspiring Scotland - Islands Green Recovery Programme (contact Rachel Cowper) is to be spent (or committed in terms of orders and contracts) this financial year with £46k going on preliminary fees and £50k on SSE works. Further discussions to follow on expenditure of the balance.

Action DO/CS to query John Forbes about TSL expenditure profile and timetable, length of break and start date. CS to follow up on the use of the £96,000 grant.

MOWI have emailed an offer of £500,000 towards infrastructure, subject to internal agreement, as well as paying for their own housing and supporting the project in other ways if needed. It is not clear what internal agreement means, AA said this should be urgently clarified as funding had to be in place to appoint a contractor.

Action DO/CS clarify MOWI offer status

Action DO contractor to be appointed by the end of February..

There was a discussion as to whether there was a benefit in amending the Rural and Island Housing fund application to include MOWI as a private landlord, as it could bring the cost per house down. LM clarified that MOWI workers do not pay rent, so it is not certain that this would work. DO said the CARES application had been amended and resubmitted but they also want a business plan. It was hoped that the 2019 plan would be adequate for this purpose.

CM provided an update on the crowd funding work. There will be two separate streams, one focusing on a social media crowd funding approach and the other on a formal direct appeal to the Colonsay diaspora and interested organisations. CM is working with Dion Alexander who will coordinate the formal appeal and he can start now. The crowd funding page is ready to go once the financial details have been set up and will be announced in the forthcoming newsletter. It will run for about four weeks during Feb/March aiming to raise £25K. CS said funders would appreciate public acknowledgement on social media.

(Sue Dance joined the meeting)

There was an extensive discussion about amending the house designs, re the merits of varying roof heights, adding gable windows (potentially cost neutral) and provision of shelters at front doors (£2k per house). DO stated these design details had to be finalised as they are needed for building control. Though there was broad agreement on provision of shelters and gable windows, it was agreed that this matter would be finalised within a week by email discussion.

Action all - finalise design detail within a week. DO to initiate the email discussion.

CS highlighted that new legislation requiring the provision of fire suppression systems in new housing would be in place by the time of the build which is not currently in the costs. DO hoped there would be grants available for this.

There was a discussion with regard to the aesthetics of the business unit development. At present timber cladding over the metal structure is proposed but it was felt that tree screening protected by fencing to exclude sheep could do the same job more cheaply. This is to be finalised asap.

Action DO/all finalise whether timber cladding or tree screening along with house details

DO asked whether there was any comment on the masterplan document. This is because the document is taken into account during the next phases of planning, and there is potential to include a design guide for the plots to maintain the sympathetic style of the development.

Action all Provide comment on the Masterplan, at a meeting to be arranged

(Sue Dance left the meeting)

b. Moorings project

LK had submitted a project report, but an email since had clarified SSEN's position. It is now clear that SSEN expect CCDC to take responsibility for moving the moorings if SSEN need access to the cable for maintenance, inspection or replacement works. The safe distance from the cable which removes this requirement is 250m which is not possible at the proposed site. A discussion of the issues followed. While this information made the project look more difficult to deliver, it was noted that it has been put back for a year and that there were possible mitigations to the risk. It may be possible to insure against moving the moorings. It was possible that MOWI might be able to help move the mooring blocks but this was dependent on the weight of the moorings and MOWI's equipment availability at the appropriate time. Was it possible for SSEN to move the moorings themselves and charge the cost back? LK would investigate, revise the risk document and circulate it.

Action LK research risk mitigation options for SSCN distancing requirement

c. Campsite project

DO said there was nothing to report. It was noted that the community council had issued a survey to assess community feeling about camping.

d. Old Manse Project

LK reported that the CCDC had ownership of the Manse from 29th January. It is insured, but services will need to be switched off if it is unoccupied long term. Various possibilities for short term occupation were discussed, but no firm conclusion was reached.

LK has begun registering the CCDC as a landlord, but this cannot be completed until the necessary electrical works are done. Plans for all the other necessary works are in hand and contractor quotes are being organised. DO asked for the scope of works and quotation for electrical checks from Hammer and Thistle.

Plans for celebrating and publicising the purchase were discussed. CH said the communications needed to be thought through, including the history, planned works and planned use. There will be a paragraph for the newsletter in the meantime.

Action LK to pursue the above.

e. Crofts project

The first registration has been accepted at the Crofting Commission. CM has been waiting for the mapping team to do their bit since 13/1/21 and will follow up. The decrofting applications need to be started along with the letting applications so that all are proceeding at the same time LK provided an update on the progress she and Darragh are making at their croft. A meeting will be arranged between them, CM and DO to agree the terms of the sale of their new house plot.

Regarding the access across croft land for the access road for the West Highland Housing Association development, LK reported that WHHA would be aiming to acquire the rights of servitude to the track, not the track itself. There was concern about how any necessary sea defences could be built if WHHA did not own the track. It was noted that this issue belonged to WHHA not CCDC. Discussion revealed other possible solutions and that DO/AA would write to ABC to highlight the issue.

AA felt it should be noted that CCDC as landlords have rented out crofts with known access problems. CCDC was led to believe by WHHA that they were going to purchase the disputed area from MHWS to the Robertson fence line. CCDC was asked by WHHA not in any way to jeopardise their negotiations. WHHA were made aware from the outset that any road improvements had to be defended from storm surge. By only purchasing enlarged Servitude Rights of Access, WHHA would seem unable to defend the road.

Action DO/AA to write to WHHA

6. Finances

AA noted that the company accountant was retiring at the end of the financial year. He proposed that a formal vote of thanks to her for all her hard work on behalf of the CCDC over the years be minuted, and that the occasion should be marked by a gift. All present agreed to this. AA has been researching potential new accountants who have experience working with organisations like CCDC and will report back on possibilities.

AA noted that the financial reserves are good and as developments were starting later than anticipated, it might be sensible to move projects such as the Manse works forward and get them done.

CH reported on his work with LK and CS to develop two types of spreadsheet to assess (i) project cashflow during the build stage, and (ii) long-term financial viability. The draft spreadsheet on the Moorings project will be available shortly. AA said that John Forbes had not provided much detail about the viability of the long term running of the projects.

CH felt that the TSL schedule provided by email did not show enough detail. CS said it was a fixed rate schedule, paying for work done on a monthly basis. CH said that there was also a need to build a comprehensive picture of the funding streams showing what was confirmed, when it was available and other relevant information.

Action AA to organise card and gift for accountant

Action AA report back on accountant replacements

Action DO will meet with John Forbes and CS (+CH?) to clarify funding picture

7. Risk registers

CH said he was keen for comments & suggestions on work done so far on the CCDC risk register. The registers will become working documents and a regular feature of board meetings.

Action All provide feedback

8. Trading Company.

DO noted that new legislation may restrict wood and coal burning which may impact on the trading company's business and on plans to install woodburners in the new housing. To be monitored. The future planning for the trading company will be discussed at a later meeting.

9. Staffing

There is five months funding left for the property coordinator post and there is work to be done in that area. It was agreed to appoint someone to the post from March.

Action CM/DO organise advertisement and interviews for the post.

10. Community Engagement

CM was congratulated on the comprehensive engagement plan provided. CM highlighted the importance of working with the community council and said that Helen Mann had been working with her and was happy to be a contact. CM said she planned to learn from other organisations who have carried out such work especially in the area of post-pandemic views. There would be information in the newsletter about the engagement process. It was noted that the community council had nominated Helen Mann and Richard Buttrick to be contacts for the CCDC and it was agreed that this would be very helpful to the CCDC.

11. Website

It was agreed that the CCDC website needed to be updated and kept up to date. Various ways and means were discussed. LM agreed to take on this role.

Action LM to discuss with TW and DO.

12 Innovation Grant Scheme

Action DO will write a piece about this for the newsletter

13. AOB

None

Date of next meeting Feb 25th at 7pm

Colonsay Community Development Company

Scalasaig Housing Project - Financing

Report to CCDC Board – 25th February 2021

Background

The Scalasaig Housing project is nearing a critical point when CCDC will have to make a binding commitment to the project and take responsibility for almost £3.8M expenditure.

The technical development of the project and the business plan is managed by CCDC's Agent, the Communities Housing Trust (CHT).

While this arrangement is working very well, some CCDC Directors have been concerned that the company has had only limited visibility of the financial position and associated risk during project development, and a much more detailed understanding is required before CCDC commits to the construction contract.

An internal review of the current financing arrangements is nearing completion. A new approach using standardised cost model templates is being trialled with a view to the Company using this method for financial oversight of all its projects in future. This approach also addresses some of the recommendations in the CCDC Strategic Review ("Gass Report") published last year.

The cost models for the Housing project have been developed by Callum Hay, with detailed input from Carrie Seymour and Andrew Abrahams (CCDC) and John Forbes at CHT.

A similar approach is being trialled for the Moorings project and will be reported separately in due course.

Objectives

The objectives of this new approach are as follows:

- To ensure that the CCDC Board has effective financial oversight of projects:
 - during the initial development and build stage (capital investment); and
 - to check that projects will be sustainable in the long term (business plan)
- To help the Board make effective decisions, based on an understanding of financial benefits and risks
- Provide a means to assess different project options and arrive at a preferred configuration
- Provide a way to predict and monitor spending, and take pre-emptive action if things go wrong

Approach

Two cost models (spreadsheets) have been developed

Model 1 – the "Build" model

This model sets out the remaining costs associated with the build phase of the project and the likely timing of when these sums will have to be paid. Understanding the timing is important, as this will have a major

impact on CCDC's cashflow. If short terms loans or an overdraft are required to bridge any gap, there will be extra costs - so an allowance is made for this, too.

On the same page all sources of income are set out, and in the same way an estimate of when these funds are likely to be provided is modelled. The timing shown is provisional and has yet to be agreed with our funding partners. It will be updated following discussions with them in the next few weeks.

At its simplest, the model shows if project is in balance, or if there is there a funding gap.

It also shows the ups and downs in CCDC funds month by month as the project is delivered, which is just as important. This will help identify any likely pinch-points so that measures can be taken in advance to minimise the impact on cashflow. It also allows a rough calculation of likely overdraft costs.

While it takes some time to create a model like this, once built it can be updated very quickly to track the project as circumstances change and to monitor expenditure during construction. It also provides a way to explore options: for example, what if the Diaspora appeal produces a very generous donation, or what happens to the finances if instead of selling one of the two houses, we rented it.

Models like this are never "correct" and can only provide a snapshot based on the best information available at the time. The model will be updated at least monthly, and maybe more frequently over the next two years as the project progresses. Project reports at future monthly CCDC meetings will include the latest version of the models, a commentary, and recommendations for any actions required.

An extract from the latest build model (w/c 15th Feb – version 1.3b) is shown at **Appendix 1**.

Model 2 – "Business Plan"

This model looks at the operational phase, once construction is complete. There are annual running costs offset by rental income. CCDC needs to be assured there is always a net surplus (or a cumulative surplus) so that that the project never becomes an undue burden on the company.

Its fairly easy to work out the surplus (or deficit) in the first few years, but most projects have long-term liabilities that don't show up immediately. These can make a big difference.

As well as routine running costs, more frequent repairs and maintenance will feature in later years and major refits or refurbishments will be required too, at long but regular intervals. This will typically include re-decoration costs, boiler or heatpump replacements and new kitchens. If CCDC is to be a socially responsible landlord, the company must make sure funding is set aside ready for when these works fall due.

Consequently the Business Plan model takes a 20-year view of the project, to give enough time to model all of these costs so the project's long-term viability can be assured.

Typically, the first year or two of a project can be difficult as it settles in (especially if there are one-off costs associated with starting up). There are then a few years when everything gets much easier, and the project generates healthy surpluses. It's only when all the later liabilities are accounted for that we'll know that the project is sustainable in the long term. The Business Plan model will help us do that.

The approach adopted in the business plan and shown in the model is to make annualised payments for all planned and irregular repairs/maintenance, and hold these contributions in a "sinking fund" that will gradually accumulate. This will provide a pot to draw from in future when funding is needed. This approach makes financing more predictable, spreading repair and maintenance costs over every year.

An extract from the latest Business Plan model (w/c 15th Feb – version 1.3b) is shown at **Appendix 2**

Commentary

In the coming weeks, CCDC will need to make a legally binding commitment with the preferred contractor TSL to start the housing project.

In order to do so, I believe CCDC must have a clear understanding of how the project will be funded, and be assured that the project is sustainable in the long term before that commitment can be made.

The build and business plan models show how this can be achieved, but both rely on assumptions, some of which are yet to be confirmed.

The “Build” Model

Version 1.3b of the Build model (Appendix 1) shows a balanced position, but with the following assumptions:

- a revised application to RIHF for £1.27M will be successful (already submitted by CHT)
- VAT of £90k on the business units needs to be funded, not previously budgeted for
- CCDC will make a capital contribution of £166k, with a loan paid for from housing rental income
- The outstanding grant application to the Quaker Trust for £50k will be successful
- Plot and house price sale values will be increased to £30k and £125k respectively to help with financing (previously £20k/£117.25k). This position can be reviewed if finances improve
- The Crowdfunding appeal will generate £18k in total
- The Diaspora appeal will generate £10k (a prudent assumption, for the time being)
- CCDC will need an overdraft to help smooth cashflow during the build phase. The overdraft costs will be considered part of the project financing (so not a separate cost to CCDC).

If any of these assumptions prove to be incorrect, further work will be required to ensure that project finances are balanced before a formal commitment can be made.

The “Business Plan” model

Version 1.3b of the Business Plan model (Appendix 2) shows a balanced position too, assuming:

- the original business plan estimates are an accurate reflection of likely costs and income
- costs and income start in November 2022 (but some costs / income phased in)
- annual contributions to a repairs and maintenance “sinking fund” will be made, but phased in
- Reduced % for voids (vacancies) are appropriate, compared to the original BP values
- Available surpluses will be used to support part of a CCDC management post (but see below)

The original Business Plan includes for a large loan to be raised by CCDC (£166k) as a contribution to the capital cost of the project. The repayments of this loan are to be covered from annual rental income.

The loan is by far the largest single recurring cost in the business plan, amounting to almost £10k per annum, over 40 years.

Inquiries have been made to see if this loan can be reduced (for example, by offsetting with higher grants) so that more of the income surplus can be made available to support a permanent CCDC management post. Unfortunately, the cost of a CCDC post was not included in the original business plan. A part-time permanent post of about 0.5 FTE could be supported if the loan repayments were not required. Otherwise, as things stand the remaining surplus barely supports 0.1 FTE.

We've been advised that it's unlikely we can change this arrangement at this late stage – the loan seems to be a requirement of our public sector funding partners (RIHT, A&BC, HIE) so we have reluctantly decided not to challenge it. We have instead shown a modest contribution to a CCDC post in the Business Plan model (equivalent to about 0.1FTE) to establish the principle that CCDC cannot manage a social housing / business project in the long term on volunteer effort alone.

Once the project is underway we will seek further funding and/or grant support to reduce or pay off the loan as a separate exercise. If successful, the savings will be used to support a permanent CCDC post. The post may only be part-time initially, but it may be possible to increase hours with further income as later housing phases are built, topped up with any income contributions that can be made from other projects.

Overall, most of the project funding is now believed to be secure with the only major unknown being the Diaspora appeal. At present only a modest appeal contribution (£10k) has been assumed in the model as it is impossible to know what the response will be.

If the appeal generates any large contributions, these could be used to reduce the plot and house sales to their original (lower) values. Anything left over could be used to offset or even eliminate the CCDC loan.

We will write to our funding partners shortly to seek written confirmation of their support and the anticipated timing of their contributions if we don't already have it.

Next steps

These models will be kept under constant review. Revised and updated versions will be presented to the Board in March prior to formal commitment to the TSL contract.

Thereafter, project update reports will include the latest version of the models so that the Board can see the latest position during the build phase, and any projected changes to long-term project finances.

Recommendation

I recommend that the CCDC Board:

- Note the trial use of new cost model templates, and any suggestions for improvements
- Note the current position re. funding for the housing project, including the assumptions made
- Agree the proposed strategy re. funding for a permanent CCDC management post
- Agree in principle the requirement for an overdraft facility later in the project.

Callum Hay
CCDC Director / Asst Treasurer
Feb 2021

Appendix 1 – Build

Colonsay Community Development Company

Project Cost Model - Scalasaig Housing & Business Units build phase (excludes operating costs) - Revised RIHF Application

Project:	Scalasaig Housing / Units Build		
Date:	Feb-21	Ver.	v 1.3b

Year:	Year 1 - 2021												Year 2 - 2022											
	Month:																							
	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D
1 Estimated costs	Total																							
1 TSL Indicative cashflow (Jan '21)						249775	329800	291000	242500	194000	50000													
2 Managing Agents fees	700	700	700	700	700	700	700	700	700	700	700			700	700	700	700	700	700	700	700	700	700	
3 Development Agent			25000	25000	9000	1667									750	750	750	750	750	750	750	750		
4 Clerk of Works		300	750	750	750	750	750	750	750						4000	750	750	750	750	750	750	750		
5 Marketing and Legals																					1000	1000	5000	4000
6 Risk and contingencies on 1-5 above (c. 3.5%)			15000			15000	15000	15000							15000	15000	15000	10000	5000	5000	5000			
7 Emerging supply/cost risk - CV-19/Brexit																								
8																								
9 VAT on 2-5 above			1000	1000	1000	1000	1000	1000	1000	1000	1000				1000	1000	1000	1000	1000	1000	1000	1000	1000	3243
10 Business Units VAT (new demand)															15000	15000	15000	15000	15000	15000				
11																								
12 Enhanced heating (offset by CARES Grant)									10000							20000	20000	20000	3000					
13																								
14 CCDC design changes 2021 (tbc)																	5000	5000						
15 CCDC overdraft charges (estimate)																								2000

0.0% Annual Inflation	Index	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00		
Total Estimated Cost		700	1000	141875	27450	11450	268892	347250	308450	244950	206450	51700	0	0	700	278950	343450	372700	343450	340700	265950	133280	49070	56413	2000

Year:	Year 1 - 2021												Year 2 - 2022											
	Month:																							
	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D
2 Anticipated grants and other income	Total																							
1 RIHF (updated Feb '21)			50000	100000	100000	100000	100000	100000	100000															
2 MOWI infrastructure contribution			100000		100000		100000		100000															
3 MOWI housing cost reimbursement																								
4 MOWI Carry-forward from land acquisition																								
5 A&BC Contribution (£12k per unit)									80000															
6 CARES									23000															
7 A&BC Capital regeneration									100000	100000	100000	35000												
8 HIE Managing (Business Units only)																								
9 Inspiring Scotland																								
10 House sales - capital receipt (2 @ £130k)																								
11 Plot sales - capital receipt (3 @ 30k)																								
12 CCDC contrib. to loan (£166k 40yr @ 5%) MAX																								
13 CCDC Crowdfunding appeal (February)																								
14																								
15 UNCONFIRMED																								
16 Quaker Trust																								
17 CCDC Crowdfunding appeal (March)																								
18 CCDC Diaspora appeal																								

0.0% Annual Inflation	Index	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00		
Total anticipated grants & income		96000	12000	156000	100000	200000	152000	302000	202000	302000	140000	100000	0	0	0	203000	274579	375000	375000	416540	102585	160000	130000	0	0

3 Summary		95300	11000	14125	72550	188550	-116892	-45250	-106450	57050	-66450	48300	0	0	-700	-75950	-68871	2300	31550	75840	-163365	26720	80930	-56413	-2000
Projected cumulative cashflow (overdraft demand)		95300	106300	120425	192975	381525	264633	219383	112933	169983	103533	151833	151833	151833	151133	75183	6312	8612	40162	116002	-47363	-20643	60287	3874	1874

4 Overdraft		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Monthly charges		2.8%	0	1302	568	0	0	0																		

2021 estimated overdraft cost: **0**

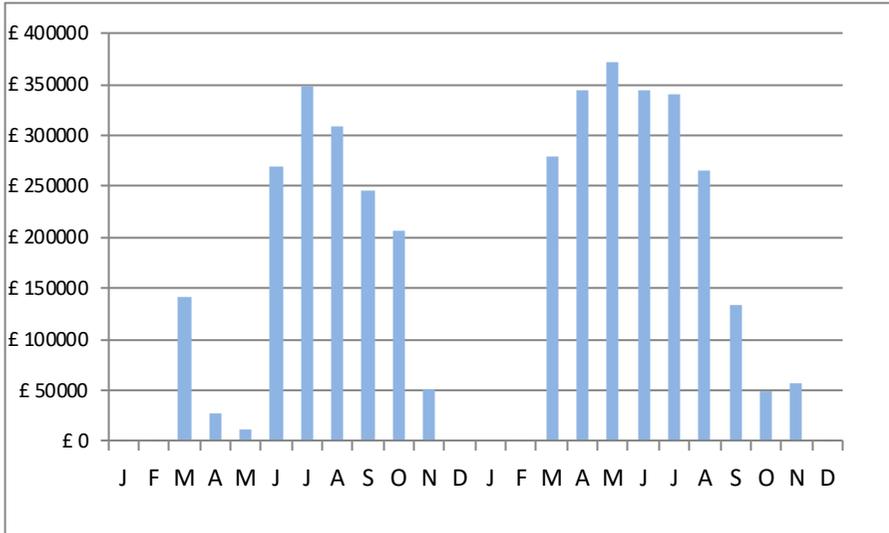
2022 estimated overdraft cost: **1870**

Colonsay Community Development Company

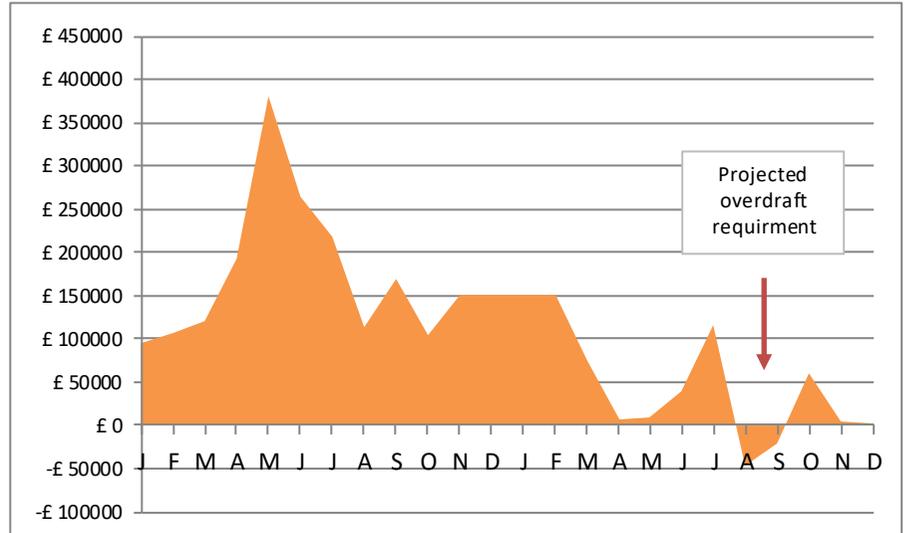
Project Cost Model - Scalasaig Housing & Business Units build phase (excludes operating costs) - Revised RIHF Application

Project:	Scalasaig Housing / Units Build		
Date:	Feb-21	Version:	v 1.3b

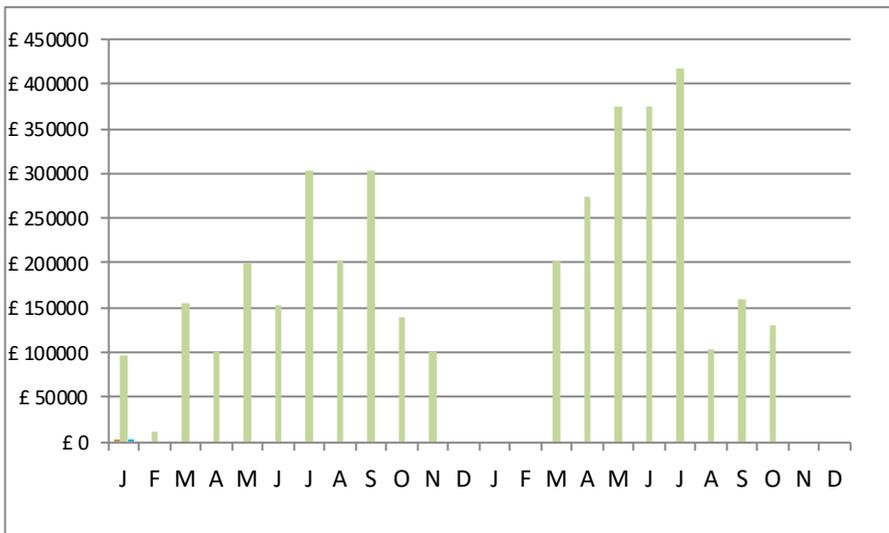
Cost profile - 2021-22



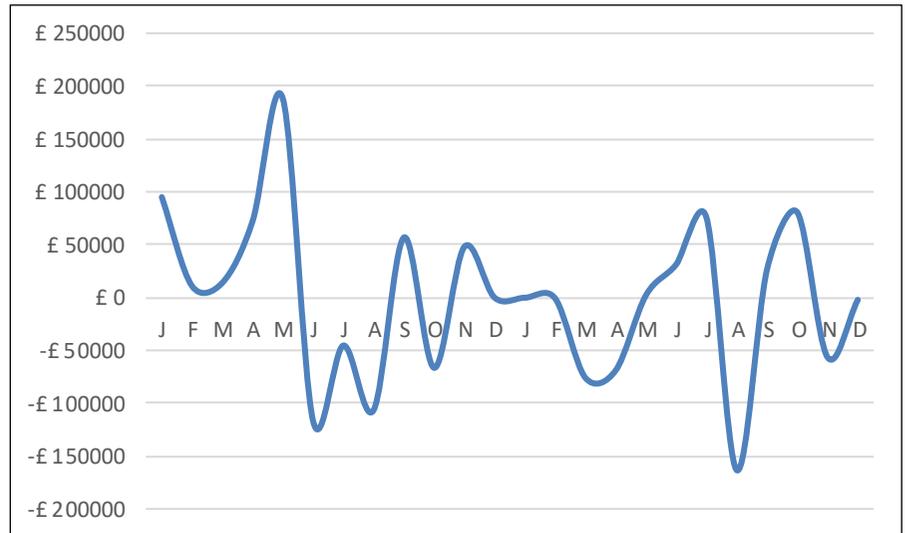
Cumulative Cashflow (overdraft)



Income and Grants profile - 2021-22



Monthly cash position - 2021-22



Appendix 2 – Business Plan

Colonsay Community Development Company

Project Cost Model - Scalasaig Housing and Business Units (excludes build cost) - Original BP figures, adjusted

Project:	Scalasaig Housing / Units		
Date:	Feb-21	Version:	v 1.3b

Period:	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Start Year:	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041

1 Estimated revenue costs

Notes

2 months Full years →

1 Business Units Expenses	phased in	605	3632	5220	5450	5792	5792	5908	6026	6147	6270	6395	6523	6654	6787	6922	7061	7202	7346	7493	7643
2 Housing Repairs	phased in			1851	3775	3851	3928	4006	4087	4168	4252	4337	4423	4512	4602	4694	4788	4884	4982	5081	5183
3 Insurance		142	850	867	884	902	920	938	957	976	996	1016	1036	1057	1078	1100	1122	1144	1167	1190	1214
4 Management		333	2000	2040	2081	2122	2165	2208	2252	2297	2343	2390	2438	2487	2536	2587	2639	2692	2746	2800	2856
5 Long term maintenance	phased in			1851	3775	3851	3928	4006	4087	4168	4252	4337	4423	4512	4602	4694	4788	4884	4982	5081	5183
6 Voids - Business Units	10.0%	71	424	636	687	763	778	794	809	826	842	859	876	894	912	930	948	967	987	1006	
7 Voids - Housing	2.5%	84	504	514	524	535	546	556	568	579	591	602	614	627	639	652	665	678	692	706	720
8																					
9 CCDC Management (provisional)		333	2000	2040	2081	2122	2165	2208	2252	2297	2343	2390	2438	2487	2536	2587	2639	2692	2746	2800	2856
10																					
11																					
12																					
13																					
14																					

Figures in yellow cells are new, or have been adjusted c.f. original BP values

0.0% Annual Inflation	Index	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	Total	1568	9409	15018	19257	19938	20206	20608	21022	21441	21872	22309	22754	23212	23674	24148	24632	25125	25628	26137	26661

3 Estimated Loan charges

(from Capital summary) £166528 40 yrs @ 5.0%

Total	4852	9705	9705	9705	9705	9705	9705	9705	9705	9705	9705	9705	9705	9705	9705	9705	9705	9705	9705	9705	9705
Total Expenditure	6421	19114	24723	28962	29643	29911	30313	30727	31146	31577	32014	32459	32917	33379	33853	34337	34830	35333	35842	36366	

5 Estimated income

Notes

2 months Full years →

1 Business Units income		706	4238	6356	6866	7628	7628	7780	7936	8094	8256	8421	8590	8762	8937	9116	9298	9484	9674	9867	10064
2 Housing units income		3360	20160	20563	20974	21394	21822	22258	22703	23158	23621	24093	24575	25066	25568	26079	26601	27133	27675	28229	28793
3																					
4																					
5																					

0.0% Annual Inflation	Index	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	Total	4066	24398	26919	27840	29022	29450	30038	30639	31252	31877	32514	33165	33828	34505	35195	35899	36617	37349	38096	38857

6 Summary

Net benefit (cost)	-2354	5284	2196	-1122	-621	-461	-275	-88	106	300	500	706	911	1126	1342	1562	1787	2016	2254	2491
Cumulative benefit (cost) - cashflow estimator	-2354	2929	5126	4004	3383	2922	2647	2558	2664	2964	3464	4169	5081	6207	7549	9111	10899	12915	15168	17659

Colonsay Community Development Company

Project Cost Model - Scalasaig Housing and Business Units (excludes build cost) - Original BP figures, adjusted

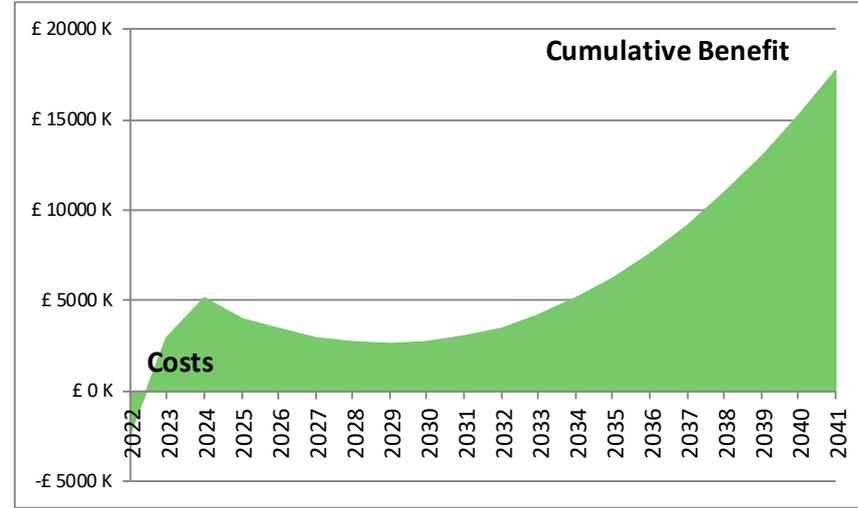
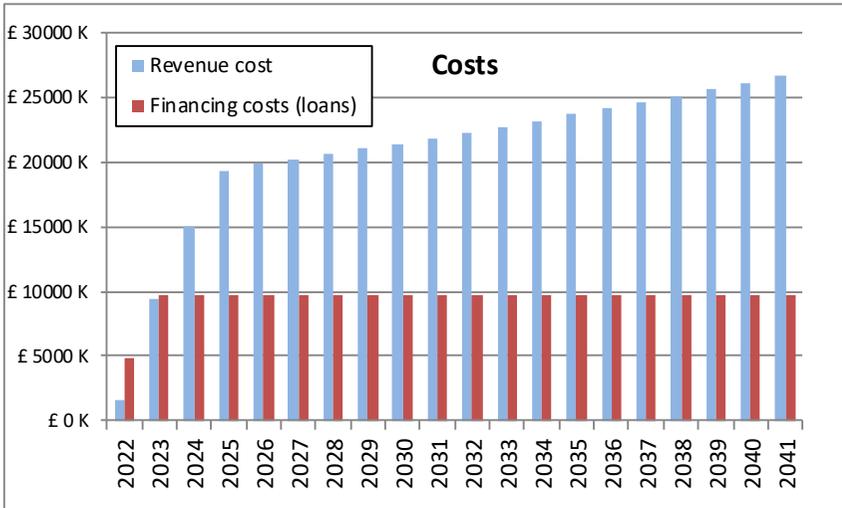
Project:	Scalasaig Housing / Units		
Date:	Feb-21	Version:	v 1.3b

Costs

Net Present value: £ 11.07 K

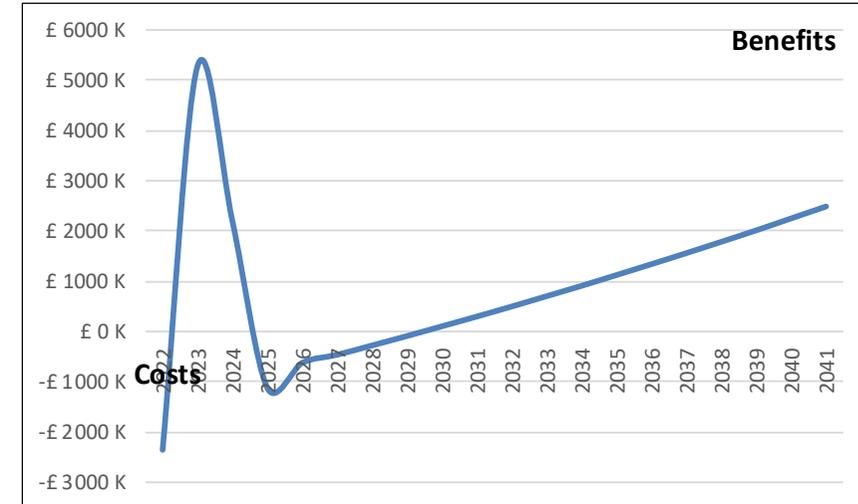
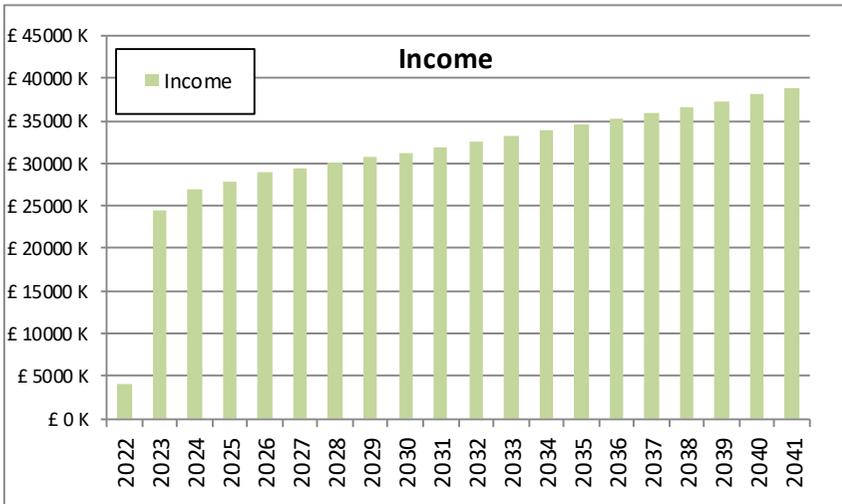
Cumulative cost/benefit cash flow

Break-even year: 2023



Grants and income

Year-on-year cost or benefit



CCDC Project reports

February 2021

Old Manse

Electrical work

Ken Barnes has called in to assess the work; he thinks the wiring is decent.

I'm awaiting the quote through Hammer & Thistle.

This is for: EICR certificate, PAT testing, connected fire alarms & CO monitors - all to meet landlord requirements

Council tax

I returned the Council Tax enquiry to Argyll & Bute Council, and followed up with CCDC's charity number SC030317. I stated that there were no current occupants, and that the building was considered 'Unoccupied dwelling under repair' – as we're awaiting Ken's work & TSL will hopefully make improvements. They have so far offered a 50% reduction for 6 months if we evidence the repair work, but haven't made reference to CCDC's charitable status, so I'm continuing to ask about this.

Legal documents

Legal documents from Macleod & MacCallum have been printed, filed and saved. These are: the Disposition, the Land & Buildings Transactional Tax (nothing due, Charities Relief), Deed of Servitude and Sale conditions between CCDC & BU

TSL

I spoke recently with David Stewart of TSL regarding their use of the building. He wanted to wait into 2nd week of March to speak about it, once more is known with TSL's build project as a whole.

I made him aware that CCDC has the building to be able to address the need for affordable housing here, and that TSL's use of it through the build project fits perfectly with this – but if they weren't going to use it, we would want to know sooner rather than later.

He asked whether the changes that TSL might make would be permanent or temporary. Driveway improvements would be permanent for example, but internal changes may not be, if extra partitions/shower/toilet/bedroom facilities were put in – CCDC needs to decide what the future use will be. I'd like to have more clarity on this the next time we discuss it. I could send layout plans?

We agreed that looking at it together in person (TSL & CCDC representatives) would be ideal, to assess alterations needed more easily than communicating at a distance, but whether that can be achieved is another matter.

Insurance – unoccupied terms

It will have been unoccupied a full month at the end of February. The water is already off, and I'll switch the red electricity switches off, and re-lock it in the next few days. I can commence regular logged checks.

Moorings

Cost modelling

Cost modelling with Callum has been very useful in highlighting the financial implications of usage (income) at different levels, and modelling different scenarios of expenditure. We can put in all anticipated outgoings and see varying financial outcomes. It was interesting to see that given the income that other islands report, we couldn't put in high percentages of occupancy, as it might be realistic only ever to have 6 out of ten moorings in use, and overall across the months 40% occupancy seemed a realistic guess. One cost model I created imagined MOWI's help in maintenance, and the replacement of worn components (an arrangement that another island has) and this was the only cost model where CCDC didn't expend more than the income.

A possible way forward...

In light of the above - a possible way forward might be to suggest to MOWI (&HIE) that we would be happy to have fewer moorings (less capital outlay), if they can commit to taking care of them for us (more manageable if fewer). We're not at the stage of suggesting this yet, but it's an idea that has emerged from cost modelling

Licence condition wording

I have asked Robin Burnett at SSEN if there is scope to re-word the proposed licence condition for temporary move of the blocks. It could be manageable (with 2 tonne blocks & MOWI's help) if only for cable replacement, but not for maintenance and inspections also. His initial response was promising, and I'm awaiting more detail. He clarified that survey data (quoted for us at £13,000) will be shared with CCDC regardless of whether we go for the Proximity Agreement, and I've asked if he can clarify what the benefits to CCDC would be from entering into the agreement, as it will increase our costs (annual insurance & initial legal fees).

Quotes for temporary block move

I approached MOWI for advice on which marine contractors within a day's travel of Colonsay would have the capacity to temporarily move our blocks. There are not many options. North West Marine (expensive) of Oban is one, but they haven't responded to my enquiry – it is an unusual piece of work, and where the blocks would be moved to is uncertain.

Ian Binnie's mooring & Dunstaffnage Marina

Ian Binnie has been very helpful in sharing his mooring design specification, also in Queen's Bay – it is a 2 tonne block. He recommended making contact with Dunstaffnage Marina for advice on spacing & swing room in particular. He has put me in touch with William Wilson, the moorings convenor there, and I'll speak with him soon. I'd like to make contact as it's a place where advertising might be useful, if yachts setting out from there would be interested in new Colonsay moorings.

Equipment quotes from Gael Force Marine

I have new quotes from Gael Force for multi-plait rope (rather than chain), the originally proposed 2 tonne blocks, and winter buoys printed with 'Unavailable – out of season'. All these design adjustment ideas are to make the licence condition possible, to reduce wear/maintenance costs and annual boat work.

Communications with funders HIE & MOWI

I don't have a catch-up scheduled at the moment, but this is okay for now, giving us time to prepare to share new equipment quotes and findings from our cost modelling.

It would be useful to know how the other island with MOWI taking care of their moorings came to have that arrangement – as it seems only viable for us if we manage to agree the same.

Licensing process with Marine Scotland

Our case is still open with Marine Scotland, and we don't owe any more fees because the process is prolonged. If we wanted to make various minor design adjustments, we would need to propose a summary to our caseworker Ellie Noble, and statutory consultees will be asked again to comment, in a brief version of the original process.

Lizzie Keenaghan
23rd February 2021