



**Colonsay Community Development Company
Board Meeting
Thursday 25th Feb 2021**

1. Present

Board members: Andrew Abrahams (treasurer), Sue Dance, Callum Hay, Caitlin McNeill (chair), Liam McNeill, William Joll.

Project co-ordinators: Carrie Seymour Lizzie Keenaghan

Also present: Clare Hay(minutes)

2. Apologies: Dannie Onn

3. Declarations of interest: LK (crofts) AA (accountants)

4. Minutes of previous meeting/ matters arising: Agreed. LM will post on website. All matters arising are covered in the agenda apart from

Actions here if any

5. Company Secretary

Tanya Wren has resigned as company secretary and has provided a job specification for the role. There was a discussion about the role and its possible future. The directors wished to minuted their thanks to Tanya for all her hard work in the role.

6. Project updates

a. Scalasaig housing and business units project

CS reported that the planning application for the first phase has been submitted, together with the masterplan. A decision was expected by 9/4/21. The decisions on final housing detail had been made. Semi-detached houses would be of the same style, simple porches would be provided to type A and B (Type C already has a porch) and gable end windows to type A. There was no change in the proposed timing of the work plan, due to start in June and finish for the year in October. An application for increased funding from Rural and Island Housing Fund (RIHF) for £1.27 million had just been submitted. This includes the Mowi housing. £75k has been requested from CARES to cover further sustainable features, and consultancy to advise on their use in this project context.

HIE are putting together an appraisal for funding for the business units. Discussions have been held with the Ecology Bank, over possible loans. The Bank is providing a letter of support to go in with the RIHF Housing application. £150-160k may be needed. HIE advised that SLF is due to close at the end of this financial year and due to an overall fund underspend, there may be additional money available to those projects that have been awarded SLF Stage 2 funding. CCDC have been advised to write to apply for money to cover some of the unexpected costs and additional revenue for extending the Property Coordinator role.

CM reported that the crowd funding appeal stands at £17.2k and with two weeks to go, efforts were being made to contact other donor groups. The diaspora appeal was underway. Dion had begun contacting possible donors and a list of donors had been made, which Dion would provide to the CCDC for to help with management of incoming donations. There was a discussion as to how directors could help fill any gaps in the list.

Various other routes to potential donors were under investigation including second home owners. Sarah Hobhouse with her links to the marketing group was following the idea up. It was agreed to liaise with CCC about this. The various appearances of the campaign in the media were noted. SD asked whether the CARES funding bid needed to be added to the plans.

AA noted that the result of the RIHF application which had just been submitted, would be known within 12 weeks, in May at the latest, and the contractors were due to begin in June. He was assured that the Board would only sign up to the TSL contract once this funding had been awarded. AA asked whether there would be any planning constraint on the design of houses on plots. The planning officer had indicated houses must match the existing scheme. DO has a continuing action to follow up the masterplan with a design guide for self-build and phase 2 plots. This has been discussed with and supported by the planning officer, David Love.

CH presented his paper on financial modelling of the project phase 1 build, and ongoing business plan. He highlighted the importance of complete financial clarity given that this is a £4M project. CS said that John Forbes had indicated there may be a VAT bill of £90K on the Business Units HIE are aware of this and may include it in their appraisal. CH said this was a new cost which has only recently been identified, but has been included in the model. CH indicated that for now, much of the model had to be based on the assumptions in his paper, and that all the model could do at present was indicate how costs and income might vary and highlight probable pinchpoints. The only fixed data was the TSL schedule and some funding dates.

There may be the need for an overdraft towards the end of the project, but it depends on how quickly the house and plot sales go through. WJ noted that VAT could cause problems. It was agreed that specialist accountancy advice would be needed. The model was a work in progress which would be regularly reviewed.

CH presented the second part of the financial model, the operational phase of the project. The numbers used came from the original business plan, and the model covers 20 years as long-term planning is needed. The key message is that the model at present indicates there is only enough to fund about 10% of a F/T asset manager post as this was not allowed for in the original plan. The main problem is the current requirement for CCDC to raise funds for phase 1 by mortgaging the phase 1 properties, the repayment of which, based on the assumptions in the model, adds a cost of £10k p.a. to the business plan. There was extensive discussion of the issues raised and a number of possible solutions proposed. AA was concerned that without a property manager in place, this role would fall to directors and that 5 years of guaranteed support for such a post should be built into the project, before finally committing

Action: CH/CS Models to be updated and reported monthly until further notice

Action: CH/AA to develop ideas for funding the property manager role separately, and report back
Action VAT query who? identify appropriate action)

SD congratulated CH on his work on the model, and asked whether considering the CCDC as a whole in terms of funding might help, in that projects would come on stream at different times and cross funding may be possible. CH confirmed that while this was possible (and it was the long term plan), each project should have its own funding identified and secured before committing. MOWI are backing the project, and have offered to be “bankers” (so an overdraft isn’t needed) but CH said he thought it best to know what this would cost so CCDC can cover it if MOWI can’t provide that help when needed.

b. Moorings Project

LK reported that the only model for the moorings project that seems to work so far, is that in which MOWI supports the annual maintenance. DO and LK will take this forward with MOWI. The uncertainty in the potential occupancy of the moorings was proving difficult to resolve. Costs are very evident, the income less so. LK has researched similar projects on other islands. As Colonsay is not known in the market, widespread advertising will be required in the first year which is an additional cost.

Much also depends on the wording of the proximity agreement with SSEN. There is scope to re-adjust the wording to enable MOWI to help with maintenance. It would seem very difficult to get another contractor to come to the island to do this work, LK has had no response to requests for indicative quotes.

LK has researched contacts in the sailing world who have not been encouraging in terms of revenue to be expected. Research from other similar islands suggests that high occupancy of the moorings is unlikely and a figure of 40% has been quoted for facilities like those proposed, with no extra facilities like pontoons or facilities on shore. There was a discussion of possible ways forward including a phased approach. It was noted that a resource of at least 4hr per week would be needed to run the moorings. Several contacts were provided by those present for further research.

Action LK/CH investigate options

Action LK/CH to report cost models for several options to the next meeting
(CS left the meeting)

c. Former Baptist Manse Project

The Board accepted the quotation for electricity work provided by LK. The Board agreed to claim the 50% unoccupancy Council Tax rebate for 6 months, providing the CCDC could prove the conditions required were met. The dates of TSL's occupancy have not been confirmed. TSL need details of planned alterations, but this is dependent on the community consultation going forward. Other people are interested in taking the Manse for short term lets. SD congratulated LK on her work on the moorings and the manse,

Action DO/CS to work with TSL/JF to agree plans and TSL commitment.

7. Phase 2 Scalasaig Development Funding. It was noted that if phase 2 followed phase 1 quickly, there could be significant savings to the project if the contractor remained on site, and further income if the Manse was occupied by TSL. Given the time lag in making bids and securing funding, if CCDC wants to progress Phase 2 without a gap the work on fundraising needs to start soon

Action: For further discussion at next meeting

8. Crofts

Action has been taken to streamline communication with the Crofting Commission and Michael Russell MSP has intervened to request that the CCDC work at the Crofting Commission be expedited. DO has been working on this and will report to the next meeting. CM is working on mapping for crofters. LK declared an interest in applying for an Innovation Grant.

(LK left the meeting)

9. Staffing

CCDC has appointed Grace Johnston as the property co-ordinator. She will start work on 1st March initially on reviewing the structure of the company. The directors welcomed the appointment.

10. Campsite

It appears that the community is strongly in favour of a designated campsite. DO feels the CCDC should be prepared to be involved in this as a community project. It appeared the community does not favour camper vans/mobile homes, but does support 'wild camping' provided the appropriate standards are maintained. It is anticipated that the CCC will manage these standards.

11. Newsletter

CM reported that all the content is ready and the newsletter will go out next week. WJ said he was organising moving the composting equipment to a new site, so this could be reported in the newsletter.

12. Innovation Grant Scheme

No further information has been received. Carried forward to next meeting.

13. AOCB.

The board wished to record thanks to CM and CH for all their good work. New accountants will be needed by 31/3/21. AA declared an interest in that he felt his own accountants may be suitable. After some discussion the Board agreed that AA and CH should progress this and report to the board.

Action: AA/CH to progress appointment of new accountants

Date of next meeting 25th March 2021