COLONSAY COMMUNITY DEVELOPMENT COMPANY
COLONSAY VILLAGE HALL, SCALASAIG, ISLE OF COLONSAY, ARGYLL PA61 7YW

CCDC Board Meeting
1st July 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
COLONSAY VILLAGE HALL, SCALASAIG, ISLE OF COLONSAY, ARGYLL PA61 7YW

Board Meeting
Thursday 1 July 2021
By Zoom 7.00pm

Agenda

1. 7:00 Attendance and apologies
2. 7:02 Minutes of last meeting
3. 7:04 Declarations of interest
4. 7.05 Election of officers; roles and responsibilities
5. 7.10 Matters arising from the AGMs
6. Projects:
    a. 7:15 Scalasaig developments — Carrie/ Grace
    b. 7:20 Former Baptist Manse — Lizzie/ Grace
    c. 7:25 Moorings — Lizzie
    d. 7:30 Campsite — Lizzie
7. 7:35 Opening of the service point — Dannie
8. 7:40 WHHA at Port Mor — Dannie
9. 7:50 Finances and trading company — Callum
10. 8:00 Business Strategy review — Dannie
11. 8:10 Staffing matters — Caitlin/ Dannie
12. 8:20 Crofts — Caitlin
13. 8:25 AOCB
    a. Visits of MSP and cabinet secretary — Dannie
    b. Ridan composter — Dannie/ Willie

donm

COLONSAY COMMUNITY DEVELOPMENT COMPANY
COLONSAY VILLAGE HALL, SCALASAIG, ISLE OF COLONSAY, ARGYLL PA61 7YW

Colonsay Community Development Company
Board Meeting
Thursday 27th May 2021

1. Attendance and Apologies

Board members: Andrew Abrahams (AA), Sue Dance (SD), Caitlin McNeill (CM), Callum Hay (CH), William Joll (WJ), Danny Onn (DO).

Project co-ordinators: Carrie Seymour (CS), Lizzie Keenaghan (LK) (part)

Grace Johnstone

Also present: Clare Hay(minutes)

Apologies: Liam McNeill (LM),

2. Minutes of last meeting. Accepted. LM will post on website.

3. Declarations of interest: none

4. Projects

a) Scalasaig housing and business units

CS confirmed that an ecologist would be coming on 1st June to check the site for nests. Norman Hall-Gardiner had volunteered to clear the site and would be on site, ready to begin as soon as permission had been received.

There had been a query from HIE on VAT registration. It had been noted that registration might be delayed and HIE want confirmation that this will not prevent signing of the contract to start work on the business units. CH said that the accountants had stated that the risk that registration would be disallowed was very small, and that we could sign the contract, begin, and calculate VAT retrospectively. WJ asked when the contract would be signed. CS said it depended on funding from RIHF being committed, and though feedback received was positive, nothing was definite.

CS said that ABC were prepared to give £12k/house for the MOWI houses as well as the CCDC properties. CH said that work cannot begin without funding in place. HIE had indicated that the decision on the business units had to move to mid-July due to delays in the due diligence process anyway. DO added that there could be no decision on when to begin until a programme had been received from the contractors which indicated details of the timing of expenditure, which would indicate what funding would be needed when. AA said project could be staged. A meeting between CS, AA, GJ, CH and DO was arranged to discuss this. DO asked if the board was content for the proposed meeting to agree the way forward. The board agreed unanimously.

Regarding GJ's report regarding TSL's occupation of the Manse, and draft allocation policy there was a discussion about wording on some points.

DO thanked all those reporting for the new standardised format they had devised, which was felt to be very helpful.

Action: DO organise meeting re progressing funding issues

b. **The Old Manse**

LK had nothing to add to GJ's report on the Manse and highlighted that now procurement was complete, responsibility for those aspects had been handed over to GJ. The Landlord Registration was proceeding with no issues. ABC were concerned that the proposed HMO use of the manse by MOWI does not meet HMO requirements. LK has asked ABC to contact Louise

Gibson to speak to MOWI about this. There was a brief discussion about when TSL's decision re which accommodation suited them best would be known.

c. Moorings

LK said all seemed to be progressing. She was waiting for information from SSEN and believed detailed work on the proximity agreement could begin soon. LK was keen to progress details needed for signage and publicity such as bank details and logo, so that these could be commissioned for the start of the next season. LK would bring some ideas to the next meeting.

Action: LK would bring some ideas re signage and publicity to the next meeting.

5. Camping on Colonsay

The decision on the bid for a temporary campsite was due at the start of June. If successful, DO would notify neighbours and the CCC camping subgroup. There was some concern raised re access. However, if the bid was successful, there is an alternative site at Creagh Mhor, though it too has problems. LK said that if the bid went ahead, she would need help with the specification for ordering items like stone for the works for the site.DO would meet LK to discuss this. DO said that the decision regarding the preferred site might need to be made before the next board meeting. He asked if the board was content to allow this decision to be made by those working on the project. The board agreed unanimously.

Action DO and LK to meet re procurement for camp site.

6. Housing at Port Mhor.

Missives have been concluded on the WHHA procurement of rights of servitude on access to the site. The land required for the housing now needs to be transferred to WHHA. It was noted that at the last CCC meeting, Robin Curry said that the planning permission at Port Mhor was secure. There was a discussion about responding to communications from CCC and a further letter from some neighbours at the site. The board agreed that the matter had been settled some time ago following community consultation, and with the support of the community, and that the development should proceed.

7. AGM

The AGM will be at 2.30pm on 12th June in the village hall with suitable social distancing and refreshments provided. Fourteen days' notice is needed, and CM undertook to publish AGM details the day after the board meeting to meet this requirement. It was noted that content of the AGM is defined in the Articles of Association of the CCDC and must be followed. There was a discussion on how to showcase the projects and successes of the CCDC. CM said that various people and bodies needed to be notified about the AGM including ABC councillors, the Charities Commission, auditors, and others. As there are to be two AGMs for two different years on the same day, notification to the public would include two agendas. It was agreed that, if possible, the accounts for both years should be available, though this year's may not be ready in time. CH said they should be ready by July as they were needed by HIE for the due diligence process. It was agreed to meet to plan the AGM in detail.

Action DO organise AGM planning meeting.

(LK declared an interest and left the meeting)

8. Crofts

CM said the sale of the house site for the Keenaghans was progressing satisfactorily. The sale of the site to Colmand Tanya Wren would begin soon. There was one issue of concern outstanding regarding registration of the crofting land, in that the CCDC deeds and those belonging to Rhona Robinson (RR) do not seem to agree. There was one error where a small triangle of land belonged to RR,and this has been corrected in her favour. CM had tried, but not yet managed to adequately discuss the other issue with RR. There was some discussion of the matter. The board agreed that CM should progress the registration, given that there was ample time to challenge it if needed.

(LK returned but left the meeting)

9. Finance

CH noted that most finance issues had been covered under other headings. He reported that HIE was seeking much more detail on the business plans for the units and the housing. He believed some aspects of the modelling would need to be reviewed considering this.

The application to Bankline had been approved – this would allow CCDC to give anyone controlled access to CCDC's RBS accounts, depending on their role and what they need. The necessary equipment was arriving shortly. The successful use of mobile card readers by other businesses on the island was noted and it was suggested that similar systems could be used for the camping and mooring projects. Card payments for fuel were restricted by poor 4G or broadband access in Scalasaig at the moment – but that may change.

10. Staffing (and Staffing Review)

DO said that as there had been a staff resignation from the service point, it was an opportunity to review how the organisation's structure might work in future with the ABC SLA. DO will provide some suggestions. SD volunteered to assist him.

Regarding the holiday pay issue, there was further discussion. WJ said he thought it would be helpful if the member of staff and the ABC contact (Sheila Rennie) spoke directly to each other. He would arrange this and continue to follow up.

Action: DO and SD begin researching possible staffing structures

Action: WJ continue to follow up holiday pay issue

11. AOCB

None

12. Date of next meeting

24th June 7pm

Colonsay Community Development Company

Scalasaig Housing & Business Units build phase (excludes operating costs)

Housing and Units - Combined

Project:	Scalasaig Housing / Units Build		
Date:	Jun-21	Ver.	v 1.7a

		Updated		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**	v	Total																									
1	TSL Letter of intent / provisional cashflow	x	£2,657,256								58000	291000	242500	194000					242500	291000	315250	291000	315250	242500	124830	49426		
2	TSL - Prelims	x	£621,000								300000	160000	161000															
3	Additional TSL (identified since Jan '21)		£60,000							5000	5000	5000	5000	5000					5000	5000	5000	5000	5000	5000	5000			
4	Managing Agents fees		£14,000		700	700	700	700	700	700	700	700	700	700	700			700	700	700	700	700	700	700	700	700		
5	Development Agent		£60,667				25000	25000	9000	1667																		
6	Marketing and Legals		£15,000																4000					1000	1000	5000	4000	
7	VAT on 3-5, above		£20,243		900	900	900	900	900	900	900	900	900	900	900	450	450	900	900	900	900	900	900	900	900	900	900	443
8	Clerk of Works		£11,550							900	900	900	900	900	750				900	900	900	900	900	900	900			
9	Risk and contingencies on 1-5 above (c. 3.5%)		£130,000				15000						15000	30000					15000	15000	15000	10000	5000	5000	5000			
10	SSEN supply - contingency		£60,000									50000		10000														
11	Bridging loan cost (plot/house sales) 6 mths		£8,125																						8125			
12	Enhanced heating (offset by CARES Grant)		£75,528											10000						20000	20000	20000	5528					
13	CCDC LDO continuity funding - Apr-Nov 2022		£8,000																	1000	1000	1000	1000	1000	1000	1000	1000	
14	CCDC Asset Mgr continuity funding from Oct 21		£15,000											1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000
15																												
16	CCDC overdraft charges (estimate)		£3,500																									3500
	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	1.00	1.00
				Total Estimated Cost	**1600**	**1600**	**41600**	**26600**	**10600**	**9167**	**365500**	**508500**	**426000**	**252500**	**3350**	**1450**	**1450**	**2600**	**270000**	**335500**	**359750**	**330500**	**335278**	**258000**	**148455**	**58026**	**6900**	**4943**
2	**Anticipated grants and other income**		Total																									
1	RIHF (updated Mar '21)		£1,205,088				50000	100000	100000	100000	100000	100000	100000						125000	125000	125000	125000	55088					
2	MOWI infrastructure contribution		£500,000				100000		100000		100000		100000		100000													
3	MOWI housing cost reimbursement		£672,585																		250000	250000	100000	72585				
4	MOWI Carry-forward from land acquistion		£24,579					15411		9168																		
5	A&BC Contribution (£12k per unit)		£144,000											80000					28000	36000								
6	CARES		£75,528											23000					50000	2528								
7	A&BC Capital regeneration		£335,000								100000	100000	100000	35000														
8	HIE Managing (Business Units only)	x	£145,000																	145000								
9	Inspiring Scotland		£96,000								96000																	
10	House sales - capital receipt (2 @ £130k)		£260,000																						130000	130000		
11	Plot sales - (3 @ £20k)		£60,000																				20000	20000	20000			
12	CCDC contrib. to loan (£166k 40yr @ 5%) MAX		£166,528																				166528					
13	CCDC Crowdfunding appeal		£32,500				32500																					
14	SLF underspend - special grant	x	£5,000					5000																				
15	Other donations		£2,700				2700																					
16	**UNCONFIRMED**																											
17	Quaker Trust		£50,000							50000																		
18	CCDC Diaspora appeal		£0																									
	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	1.00	1.00
				Total anticipated grants & income	**0**	**0**	**185200**	**120411**	**200000**	**159168**	**396000**	**200000**	**300000**	**138000**	**100000**	**0**	**0**	**0**	**203000**	**308528**	**375000**	**375000**	**341616**	**92585**	**150000**	**130000**	**0**	**0**
3	**Summary**																											
	Optimism Bias																											
	Costs		**0.0%**		1600	1600	41600	26600	10600	9167	365500	508500	426000	252500	3350	1450	1450	2600	270000	335500	359750	330500	335278	258000	148455	58026	6900	4943
				Cost profile	**1600**	**1600**	**41600**	**26600**	**10600**	**9167**	**365500**	**508500**	**426000**	**252500**	**3350**	**1450**	**1450**	**2600**	**270000**	**335500**	**359750**	**330500**	**335278**	**258000**	**148455**	**58026**	**6900**	**4943**
					Ignore this section for now - used for sensitivity testing																							
	Income		**0.0%**		0	0	185200	120411	200000	159168	396000	200000	300000	138000	100000	0	0	0	203000	308528	375000	375000	341616	92585	150000	130000	0	0
				Grant / income profile	**0**	**0**	**185200**	**120411**	**200000**	**159168**	**396000**	**200000**	**300000**	**138000**	**100000**	**0**	**0**	**0**	**203000**	**308528**	**375000**	**375000**	**341616**	**92585**	**150000**	**130000**	**0**	**0**
				Net monthly position (shortfall)	**-1600**	**-1600**	**143600**	**93811**	**189400**	**150001**	**30500**	**-308500**	**-126000**	**-114500**	**96650**	**-1450**	**-1450**	**-2600**	**-67000**	**-26972**	**15250**	**44500**	**6338**	**-165415**	**1545**	**71974**	**-6900**	**-4943**
				Projected cumulative cashflow (overdraft demand)	**-1600**	**-3200**	140400	234211	423611	573612	604112	295612	169612	55112	151762	150312	148862	146262	79262	52290	67540	112040	118378	**-47037**	**-45492**	26482	19582	14639
4	**Overdraft**																											
	Monthly charges		**2.8%**		**44**	**88**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**1294**	**1251**	**0**	**0**	**0**

2021 estimated overdraft cost: **132**

2022 estimated overdraft cost: **2545**

COLONSAY COMMUNITY DEVELOPMENT COMPANY

PROJECT REPORT – Scalasaig Development

Project	Scalasaig Development			
Report Compiled by	Caroline Seymour			
Reporting Period	June 2021			
Project Status	Previous Status:		Current Status:	

1. SUMMARY OF ACTIVITY SINCE LAST REPORT

- The ecologist revisited the site on 1st June. She confirmed that the site was clear of nesting birds so we could clear the area. This had to be done within 48 hours of her final inspection. Volunteers helped to clear the access route and take down a section of the dry-stone wall, as per the Ecologist's instructions. Grateful thanks to all the volunteers who gave their time, effort and machinery to help us:

  Norman Hall-Gardiner
  Dave & Jan Binnie
  David Hobhouse
  Callum & Claire Hay
  Dannie Onn & Lotta Leahy
  Phil Jones
  Lizzie Keenaghan
  Colm McNicholl
  Colin Flower

- The Archaeologists were on site 22nd June to carry out their assessment. I have yet to see their report, but they informally told us that they had not found anything of significance.
- RIHF have verbally approved the request for £1.2million, the formal approval is yet to be received. They were not supportive of the self-build plots and also have changed the LCHO offer from a Rural Housing Burden to a shared equity scheme. We are awaiting the formal offer to fully understand what the award entails.
- Argyll & Bute Council have approved an award of £144,000. This is £12,000 for each unit proposed, so includes the Mowi housing and self-build plots.
- Have contacted Gregor Cameron regarding the Clerk of Works as they will be performing that role for the WHHA development and we are hoping that we can make a saving by using the same contractor. They have also said they are willing to look into using a local to provide them with information and updates to keep their site visits to a minimum.

PROJECT REPORT – Scalasaig Development

2. KEY ISSUES

Start Date

Due to the delay with getting a decision on our main funding application to the RIHF we have been unable to sign a contract with TSL. This has meant that they have now committed resources elsewhere and may not be able to start this year. Once we have confirmation of our funding package and are in a position to sign the contracts, we can properly enter into negotiations with them to start this summer.

3. FORMAL APPROVALS / DECISIONS REQUIRED

None

4. NEXT REPORTING PERIOD ACTIVITIES

- RIHF formal decision on housing funding
- HIE decision on BU funding
- Detailed Programme of Works from TSL to include start date.
- Review and sign contract with TSL
- Appoint Clerk of Works

5. APPENDICES

- Cost Model v1.7a
- Funding Overview v1.3

Old Manse

Ideas for use, as distilled from business planning through 2020

Generally most favoured and likely

- Accommodation for TSL contractors
  Short-term accommodation/emergency housing for displaced family/people (or long-term affordable rental to a family?)
- Campervan hard standing areas with electricity hook-ups, loo & shower block
- Key-workers short-term furnished accommodation

Generally less favoured

- Affordable housing (now happening elsewhere)
- Live/work unit, business units/ studio space (now to be at Scalasaig)
- Building further house
- Community café & garden/orchard/farm produce outlet – business opportunity for couple/family running it for CCDC while living at Manse
- Storage units/freight storage
- Land split in two/self-build plots
- Campsite/bunkhouse
- Holiday rental for CCDC income generation – *not possible given SLF agreement & Terms of Sale?*

Lizzie's idea

- creating two flats, one up, one down, with a completely altered internal layout

We need to take feedback from Colm & Tanya, who are living in the Old Manse currently as a family home. I gather that the internal layout has not been easy to make use of as a family, and specific feedback would be useful.

Commitments and constraints on use

Septic tank use - only for if the house remains a house. With the idea of creating two flats, we may need to get legal advice as to whether the deed of servitude terms would cover this.

Sale terms – as noted from the draft 24th Nov. 2019

Future use - The Purchasers will use and manage the Property for the benefit of the community of the islands of Colonsay and Oransay (''the community'') in accordance with the Purchasers' charitable purposes and objectives. In that respect the Purchaser will give consideration to either or both of the following potential uses:

1)The use of the existing dwellinghouse or any replacement and/or additional dwellinghouse for the residential accommodation at an affordable rent of a person or persons living permanently and working in the community, together with the immediate family and/or household of such a person or persons; and/or

2)The use of the remaining land not occupied by dwellinghouse or dwellinghouses and related structures as garden or other ground ancillary to the residential occupation of the dwelling house(s) and/or for the purposes of a community enterprise or other community-based economic activity (for example, but not restricted to a community campsite) providing employment and/or income for a person or persons living permanently and working in the community.

Scottish Land Fund - 'The grant is for the delivery of the project as described below. The property will be developed to meet the current need for short-term temporary accommodation for families and key workers on the island. Up to 6 new campervan pitches will also be developed on the site to increase the provision for tourists and provide temporary space for tradespeople with their vans.'

Scottish Land Fund outcomes - as detailed in offer letter dated 26th May 2020

Overall aims: 'our community will have a stronger role in and control over their own development, and own well-managed, financially sustainable land and buildings'

- Community event/activity to celebrate acquisition
- Open day for community to view and comment on proposals
- Planning applications submitted
- Amend CCDC policies
- Secure funds for post-acquisition works
- Develop and publish letting policy (all by end of Year one)

COLONSAY COMMUNITY DEVELOPMENT COMPANY

PROJECT REPORT – Old Manse

Project	Old Manse			
Report Compiled by	Lizzie Keenaghan			
Reporting Period	June 2021			
Project Status	Previous Status:		Current Status:	

1. SUMMARY OF ACTIVITY SINCE LAST REPORT

- Disappointingly it seems that TSL may have found accommodation that isn't the Old Manse

2. KEY ISSUES

- It was hoped that the Old Manse would be occupied by TSL for the next 18 months, with rent coming in, and some upgrade work undertaken. This time was going to be taken to consult the community on future use. If the Manse will now unoccupied from July, then different plans need to be created.
- We need to decide what the long-term use of the Manse will be by determining ourselves a few viable options that fit our brief, and then presenting to the community in consultation options that would work, to choose from and comment on.
- One idea of mine: creating two flats, one up, one down

3. FORMAL APPROVALS / DECISIONS REQUIRED

- Decision on how to short-list and develop ideas that we are sure would be viable.
- Decision on when & how to proceed with community consultation, once we're happy that our viable options are clearly thought through & described.

4. NEXT REPORTING PERIOD ACTIVITIES

- Working on viable use options & community consultation process
- Sharing feedback from Colm & Tanya

5. APPENDICES

- Summary of all ideas for use from previous business planning & constraints/commitments.

EFFECTIVE DATE [xxx]

PROXIMITY AGREEMENT

BETWEEN

COLONSAY COMMUNITY DEVELOPMENT COMPANY

and

SCOTTISH HYDRO ELECTRIC POWER DISTRIBUTION plc

RELATING TO EXISTING SUBSEA ELECTRICITY CABLE INFRASTRUCTURE IN AND AROUND LOCH STAOSNAIG, COLONSAY

THIS AGREEMENT is made between

COLONSAY COMMUNITY DEVELOPMENT COMPANY a company registered in Scotland (Company Limited by Guarantee with Charitable Status, Charity Number [XXX]) whose registered office is at [XXX] hereinafter referred to as "CCDC" (which expression shall include their successors and permitted assignees), of the first part

and

SCOTTISH HYDRO ELECTRIC POWER DISTRIBUTION plc a company registered in Scotland (No. SC213460) whose registered office is at Inveralmond House, 200 Dunkeld Road, Perth PH1 3AQ hereinafter referred to as "SHEPD" (which expression shall include their successors and the transferees), of the second part.

WHEREAS:

A. CCDC propose to develop, construct and operate New Moorings for visiting yachts as per information provided by them to SHEPD as detailed within Appendices [xx].

B. SHEPD owns and operates the SHEPD Power Cable (as hereinafter defined).

C. It is anticipated that some construction works and installation of the moorings shall be carried out in close proximity, circa 100 metres to the SHEPD Power Cable.

D. CCDC and SHEPD wish to protect their respective assets.

E. This Agreement sets out the terms and conditions governing the proposed Proximity Area and is intended also to govern the terms and conditions of Accepted Layout.

NOW IT IS HEREBY AGREED by and between the parties as follows:

1 DEFINITIONS

In this Agreement, the expressions set out below shall bear the following meanings.

"Affiliate"	- means in relation to any party, any company which is a Subsidiary of such party or a company of which such party is a Subsidiary; or a company which is another Subsidiary of a company of which such party is a Subsidiary;
"Appendix"	- means the Appendix, comprising of [x] Parts (named as Appendices) annexed and executed as relative hereto;
"Accepted Layout"	- means the proposed development referred to in 'A' above or such other layout as may be varied and amended by agreement between the parties in accordance with the terms hereof;
"Authority"	- means an authority whether statutory public local European international or otherwise United Kingdom Government or Scottish Government department or agency or a court of competent jurisdiction;
"Confidential Information"	- means any information in whatever form about or concerning SHEPD or CCDC and their Affiliates and any of their contractors, sub-

contractors, employees, servants or agents including, but not limited to, business products and methods of Works of any of the aforesaid persons but not including any such information which:

(a) is or becomes generally available to the public (other than by reason of a breach of this Agreement); or

(b) is known to the receiving or acquiring party at the time of its receipt or acquisition; or

(c) is subsequently acquired from a third party on terms that it may be disclosed and/or used where such third party is lawfully entitled to disclose on such terms; or

(d) is required to be disclosed by a court of law, regulatory authority or tribunal of competent jurisdiction.

"Future Cable(s)" - means a cable or cables to be laid by SHEPD after the development contemplated by this Agreement has been completed;

"Minimum Separation Distance" - means at least one hundred (100) metres of any part of the Accepted Layout from the SHEPD Power Cable;

"Necessary Consents" - means all consents licences permissions orders exemptions and approvals required from any Authority (and shall include for the avoidance of doubt all assessments which may be required to be undertaken before the issue of any of the foregoing) or required by CCDC providing for the construction, operation and maintenance of the development of the New Moorings;

"Operational Requirements" - means the obligations on CCDC providing for the construction, operation and maintenance of the New Moorings, as set out in Appendices [xxx];

"New Moorings" - means all structures, materials, anchors/blocks, ropes/wires, moorings, support vehicles/vessels used by/installed by CCDC, together with all other ancillary apparatus, fixtures and fittings, all as shown in Appendices [xxx];

"Proximity Area" - means the area where the New Moorings or any Works is within two hundred and fifty (250) metres of the SHEPD Power Cable, being the area shown edged red on the plan contained in Appendix [x];

"SHEPD Power Cable(s)" - means the power cable(s) installed and owned by SHEPD between Loch Staosnaig, Colonsay and Islay along the route shown in red in Appendix [x] (which route is indicative only);

"Subsidiary" - a company is a subsidiary of another company if the latter owns legally or beneficially, directly or indirectly, the shares of the former, such share having the right to fifty percent (50%) or more of the voting rights under ordinary circumstances in a general meeting of shareholders;

"Works" - means any operation in the Proximity Area which includes, without limitation, Works within the Proximity Area, and any maintenance or remedial Works of whatever nature (including removal) therein relating to either the construction and ongoing operation and maintenance of the New Moorings or the SHEPD Power Cable. Any

recovery operations carried out within the Proximity Area by either SHEPD or CCDC after the date of termination of this Agreement shall continue to be regarded as Works under the terms of this Agreement and the rights, obligations and liabilities of SHEPD or CCDC in respect of the performance of Works under this Agreement shall continue to apply.

2 INTERPRETATION

2.1 The Appendices to this Agreement form part of the Agreement and any clause which contains a reference to an Appendix or any part thereof shall be read as if the Appendix were set out at length in the body of the clause itself.

2.2 The headings in this Agreement are inserted for convenience and shall be ignored in construing this Agreement.

2.3 Where the sense requires words denoting singular shall also include the plural and vice versa. References to persons shall include firms and companies and vice versa. Reference to the male shall include the female.

2.4 This Agreement represents the entire understanding of the agreement between the parties in relation to the matters dealt with herein and supersedes all provisions, undertakings and agreements, whether oral or written, relating thereto.

3 CAPACITY OF THE PARTIES

Both CCDC and SHEPD warrant that they are duly authorised to make this Agreement.

4 PROCEDURES AND CONDUCT OF THE NEW MOORINGS CONSTRUCTION/INSTALLATION WORKS

4.1 SHEPD agrees to the installation of those parts of the New Moorings within the Proximity Area subject to the terms and conditions contained in this Agreement.

4.2 The New Moorings (insofar as lying within the Proximity Area shall be installed and operated only in accordance with the Accepted Layout or on such other location and layout as SHEPD and CCDC may agree from time to time in writing with both parties acting reasonably. When agreed, such alternative approved layout(s) shall be deemed to be the Approved Layout.

4.3 CCDC shall not later than three (3) months prior to the planned date for commencement of the Works (or such other period as SHEPD may agree to) identify the position of the SHEPD Power Cables within the Proximity Area. If requested, SHEPD shall provide CCDC with the latest available positions which they have for the SHEPD Power Cables and shall provide, upon request, any reasonable assistance to CCDC in locating the SHEPD Power Cables at Loch Staosnaig. If, following the provision of such reasonable assistance, the position of the SHEPD Power Cables have not been identified by CCDC, the parties shall discuss and agree upon a suitable method for carrying out the Works.

4.4 CCDC shall then consult and (if requested) meet with SHEPD and provide SHEPD (at CCDC's cost) with such designs, details and procedures, including risk assessments and method statements for performance of the Works which will enable SHEPD to satisfy itself as to the safety and security of the SHEPD Power Cables and the technical adequacy of the Works. Such designs, details and procedures shall include, but without limitation thereto, construction methods, designs and programmes, vessel handling and positioning systems (if used during the construction), mooring deployment details, provision of adequate separation between the SHEPD Power Cable and the development and protection of the SHEPD Power Cables. Following confirmation by SHEPD to CCDC that it is satisfied it has

sufficient information, there shall be a period of fourteen (14) days after during which period SHEPD shall comment on the implications for the safety and security of the SHEPD Power Cables and the proposed Works.

4.5 After consultation pursuant to Clause 4.4 and not later than twenty-eight (28) days prior to the planned date for commencement of the Works (or such other period as SHEPD may agree to), CCDC shall provide electronically to SHEPD the final designs, details and procedures and SHEPD shall examine such final designs, details and procedures and will endeavour to give their written acceptance (which shall not be unreasonably withheld or delayed) to such final designs, details and procedures within fourteen (14) days from the date on which it receives the same. No Works shall be carried out by CCDC prior to SHEPD's written acceptance as aforesaid.

4.6 In granting their written acceptance of CCDC's final designs, details and procedures, SHEPD shall not be under any duty whatsoever whether arising out of this Agreement or generally at law to ensure the accuracy, correctness or completeness of such final designs, details and procedures. Written acceptance of the final designs, details and procedures by SHEPD shall not release CCDC from any other obligation or liability under or arising out of this Agreement or generally at law and shall not as between the parties be capable of amounting to negligence or contributory negligence on the part of SHEPD in the event of any claim or proceedings arising out of or in connection with the Works.

4.7 CCDC shall ensure that all aspects of the Works, (including, for the avoidance of doubt, any mooring weights and/or anchors) shall not be within the Minimum Separation Distance.

4.8 CCDC shall not deploy grapnels, anchors or other ground mooring equipment across, over, above or within the Minimum Separation Distance during or after the installation, operation or decommissioning of this particular development.

4.9 CCDC shall allow SHEPD reasonable access to the SHEPD Power Cables, for the purpose of urgent maintenance Works, during any:

(a) survey performed by CCDC to identify the position of the SHEPD Power Cables pursuant to Clause 4.3;

(b) installation of the New Moorings within the Proximity Area;

4.10 SHEPD shall make reasonable efforts to procure that any Works carried out on the SHEPD Power Cables shall be carried out in such a manner that minimises any disruption to the New Moorings.

4.11 CCDC shall give at least twenty eight (28) days' notice to SHEPD of their intention to commence Works (including, for the avoidance of doubt, any future Works within the Proximity Area),.

4.12 Prior to and during development Works, the Proximity Area shall be inspected by CCDC or on its behalf, at CCDC's expense, by means of such method as shall be reasonably determined by CCDC, to ascertain that all aspects of the development and the SHEPD Power Cables have the agreed Minimum Separation Distance within the Proximity Area in accordance with this Agreement. In the event that any Works and the SHEPD Power Cables have not been adequately separated, CCDC shall consult with SHEPD to determine the most appropriate course of action and CCDC shall, at its own expense, carry out the agreed course of action to provide such separation.

4.13 CCDC shall provide SHEPD with:

(a) the as-built co-ordinates and layout plan within twenty-eight (28) days after completion of the New Moorings of the actual as-built construction details of all deposits, anchors, moorings and all other associated fixed or temporary ancillary apparatus in the Proximity Area and at the same time or thereafter within the following twenty-eight (28) days;

(b) north-up admiralty charts containing:

- Latitude and longitude (WGS84) and UTM grid co-ordinates of any as-built infrastructure;
- Planned and actual as-built position of infrastructure;
- Surveyed position of existing cables and/or marker locations;
- Any features observed or significant events during installation;

(c) [as applicable/available] any video footage; spatial data and; access to any written reports conditioned under the marine licence stating the nature and quantity of all substances and articles deposited below Mean High Water Springs.

4.14 With reference to 4.13 (a), (b) and (c):

all as-built data and reports shall be provided digitally and provided in two (2) formats:

- Microsoft Word (.doc/docx) editable word processing format; and
- Adobe PDF format with bookmarks applied to each section, and no document security settings applied;

all charts shall be provided in both CAD format (DWG files) and Adobe PDF format with layer controls;

any video footage [as applicable/available] shall be provided in .WMV format;

all spatial data acquired during the project shall be provided as GIS shapefiles and assigned metadata conforming to, as a minimum, ISO 19115.

5 OPERATION OF/FUTURE WORKS AT THE NEW MOORINGS OR THE SHEPD POWER CABLES

5.1 Following the completion of the works in accordance with Clause 4 above, CCDC shall maintain and operate the New Moorings in accordance with the Operational Requirements.

5.2 Following the completion of the works to create the New Moorings, whenever future Works are proposed on the SHEPD Power Cables or in association with the New Moorings, (excluding urgent maintenance or repair), the party intending to carry out the Works shall give three (3) months written notification to the other party before the Works is started. Such notification shall state the nature of the Works proposed, the intended commencement date and the likely timescale for the conduct of such Works. In cases where urgent maintenance or repair Works must be carried out, shorter verbal notification followed immediately by e-mail may be given. Except in an emergency, SHEPD shall not carry out Works without the prior consent of the other party, such consent not to be unreasonably withheld or delayed.

5.3 CCDC agrees to permit SHEPD, at SHEPD's expense, to re-lay the SHEPD Power Cables within the Proximity Area, in a location to be agreed between the parties, both acting reasonably, in terms of Clause 5.3.1 (a) if such re-laying becomes necessary for any reason.

5.3.1 Except in the case of emergency or urgent maintenance Works:

(a) SHEPD shall consult with CCDC and provide CCDC (at SHEPD's cost) with such designs, details and procedures for performance of the re-laying which will enable CCDC to satisfy itself as to the safety and security of their New Moorings operations and the technical adequacy of the re-laying. Such designs, details and procedures shall include, but without limitation thereto, construction methods and programmes, vessel handling and positioning systems, trenching details, stabilisation details, provision of adequate separation between the SHEPD Power Cables and the New Moorings apparatus/installation and protection (if required) of any New Moorings associated apparatus. There shall be a period of fourteen (14) days after each consultation phase referred to above during which period CCDC shall be entitled to comment on the implications for the safety and security of the New Moorings and the technical adequacy of the proposed Works;

(b) After consultation, pursuant to Clause 5.3.1(a) and not later than one (1) month prior to the planned date for commencement of the re-laying, SHEPD shall electronically provide CCDC with the final designs, details and procedures;

(c) In giving their comments on SHEPD's designs, details and procedures CCDC shall not be under any duty whatsoever whether arising out of this Agreement or generally at law to ensure the accuracy, correctness or completeness of such final designs, details and procedures. Approval of the final designs, details and procedures by CCDC shall not release SHEPD from any other obligation or liability under or arising out of this Agreement or generally at law and shall not as between the parties be capable of amounting to negligence or contributory negligence on the part of CCDC in the event of any claim or proceedings arising out of or in connection with the Works;

(d) SHEPD shall give fourteen (14) days' notice of their intention to commence re-laying or maintenance Works on the SHEPD Power Cables.

5.3.2 SHEPD shall allow CCDC reasonable access to their New Moorings for the purpose of urgent maintenance Works, during any:

(a) survey performed by SHEPD pursuant to this Clause 5; and

(b) re-laying or maintenance of the SHEPD Power Cables within the Proximity Area;

5.3.3 During re-laying or maintenance of the SHEPD Power Cables, CCDC shall make all reasonable efforts to procure that any Works carried out at the New Moorings shall be carried out in such a manner that the relaying or maintenance of the SHEPD Power Cables may be carried on without delay or interruption.

5.3.4 Either during the re-laying or as soon as practicable after the re-laying of the SHEPD Power Cables, the Proximity Area shall be inspected by SHEPD or on its behalf, at SHEPD's expense, by means of such method as shall be reasonably determined by SHEPD, to ascertain that the New Moorings and the SHEPD Power Cables have achieved the Minimum Separation Distance within the Proximity Area in accordance with this Agreement. In the event that the New Moorings and the SHEPD Power Cables have not achieved the Minimum Separation Distance, SHEPD shall consult with CCDC to determine the most appropriate course of action and SHEPD shall, at its own expense, then carry out the agreed course of action to provide such separation.

5.3.5 SHEPD shall provide CCDC with the actual as-laid location of the re-laid SHEPD Power Cables as soon as practicable after the completion of the installation in term of this Clause 5.3

5.4 Each party shall make all reasonable efforts to ensure that any Works conducted within the Proximity Area shall be carried out in such a manner that the Works may be conducted without delay or interruption. Where necessary for Works or to allow repair to, or maintenance of, the SHEPD Cables, SHEPD shall be entitled (endeavouring to give a minimum of 3 months' notice where possible, but such notice not to be required in the case of emergency) to demand that the operation/use of and/or any CCDC planned or unplanned construction, maintenance, repair, removal works associated with the New Moorings (or any associated part thereof) within the Proximity Area be temporarily ceased at no cost or claim to SHEPD. Prior to issuing such demand, SHEPD shall insofar as possible (having regard to the operations of the New Moorings and the nature of the repair Works), seek to programme such repair Works so as to minimise disruption to CCDC.

6 LIABILITIES FOR DAMAGE

6.1 Subject to the limitations specified in Clauses 7, CCDC shall be liable for, and shall indemnify and hold harmless SHEPD for, any damage to the SHEPD Power Cables which arises out of or in connection with Works carried out by CCDC.

6.2 Subject to the limitations specified in Clauses 7, SHEPD shall be liable for, and shall indemnify and hold harmless CCDC for, any damage to the New Moorings which arises out of or in connection with Works carried out by SHEPD.

6.3 In the event of either SHEPD or CCDC being liable for damage to the New Moorings or the SHEPD Power Cables respectively, the party whose asset has suffered the damage shall make all reasonable effort to notify the other party of the existence of the damage to the SHEPD Power Cables or the New Moorings respectively, as soon as practicable.

6.4 In the event of either SHEPD or CCDC being liable for damage to the New Moorings or the SHEPD Power Cables respectively, the owner of the damaged asset shall make all reasonable effort to minimise costs and shall take all reasonable action to repair the SHEPD Power Cables or the New Moorings respectively, as soon as practicable.

6.5 Subject to the monetary limitations specified in Clause 7.1, CCDC shall indemnify and hold harmless SHEPD for any demand, claim, suit, or proceeding brought against SHEPD by any other person (including SHEPD's and their sub-contractor's employees) not party to this Agreement and against any damage and/or costs (including legal fees) agreed to be paid by SHEPD as a result of such demand, claim, suit or proceeding, if such demand, claim, suit or proceeding arises out of or in connection with Works carried out by CCDC.

6.6 Subject to the limitations specified in Clause 7.2, SHEPD shall indemnify and hold harmless CCDC for any demand, claim, suit, or proceeding brought against CCDC by any other person (including employees of CCDC and its sub-contractor's employees) not a party to this Agreement and against any damage and/or costs (including legal fees) agreed to be paid by CCDC as a result of such demand, claim, suit or proceeding, if such demand, claim, suit or proceeding arises out of or in connection with Works carried out by SHEPD.

6.7 Each party shall forthwith notify the other if any claim or demand is made or action brought against it in respect of which the other is to indemnify it in accordance with this Clause 6. The indemnifying party shall (unless the claim, demand or action includes liability not covered by the indemnifying party's indemnity) have the right, at its own expense, to conduct any litigation arising therefrom and all negotiations in connection therewith and the indemnified party shall afford the indemnifying party all reasonable assistance in connection therewith and shall not admit liability or settle such claims or demands or any associated costs, proceedings or damages, or make any payment on account of the same, without the written consent of the indemnifying party, which consent shall not be unreasonably withheld or delayed except under an order of a Court of competent jurisdiction.

6.8 No party to this Agreement excludes or restricts liability for death or personal injury resulting from its own negligence.

6.9 Each party shall be responsible for all pollution or environmental damage caused by it during any Works hereunder and shall indemnify and hold harmless the other party from liability in respect of such pollution or environmental damage.

6.10 Wherever in this Agreement reference is made to Works, repairs or inspections carried out by, or access allowed to, CCDC or SHEPD respectively, this shall include Works, repairs or inspections actually carried out by, or access actually allowed to, the aforesaid's sub-contractors, employees, servants or agents.

7 LIMITATION OF LIABILITY AND INSURANCE

7.1 The total liability of CCDC to SHEPD under this Agreement shall be limited to the sum of TEN MILLION POUNDS (£10,000,000) sterling in total for any incident or series of incidents, related or unrelated, in any period of twelve (12) months starting to run from time to time after every (first) incident (or series of connected incidents).

7.2 The total liability of SHEPD to CCDC under this Agreement shall be limited to the sum of TEN MILLION POUNDS (£10,000,000) sterling in total for any incident or series of incidents, related or unrelated, in any period of twelve (12) months starting to run from time to time after every (first) incident (or series of connected incidents).

7.3 The figures specified in Clauses 7.1 and 7.2 shall be reviewed every five (5) years (if required and failing agreement shall be determined in accordance with Clause 13 of this Agreement), providing always that each Party shall, throughout the duration of this Agreement, insure at its own cost with an insurance office approved to do business in the United Kingdom, (or, in the case of SHEPD only, hold equivalent self-insurance) for, its liability under Clause 6 above, up to the limits set out in this Clause 7. Each Party shall provide to the other Party, on demand (but not any more than once in any calendar year) evidence of such insurance unless the Party self-insures pursuant to this Clause 7.3. SHEPD and CCDC undertake that any policies of insurance of shall contain waivers of subrogation rights which reflect what is set out in this Agreement.

7.4 Notwithstanding the provisions of Clause 7.3 above, CCDC shall ensure that any associated tenant of the New Moorings will also ensure that it holds public liability insurance in relation to its interest in the New Moorings for not less than TEN MILLION POUNDS (£10,000,000) sterling with an established insurance company of repute against all claims, and shall throughout the terms of this Agreement pay the premiums and CCDC when reasonably required by SHEPD shall exhibit to them such evidence that they may reasonably require to satisfy themselves that this provision has been complied with. CCDC shall not do or permit to be done anything which may render any such insurance policy void.

8 FUTURE CABLES AND MARINA/BREAKWATER ALTERATIONS

8.1 In the event that CCDC either alone or together with any joint owners desires to undertake the expansion of existing, or installation of any new plant, seabed/shore deposits, fixtures, moorings etc within the Proximity Area, it shall notify SHEPD of such proposals as soon as reasonably practicable, and insofar as such expanded or new apparatus shall be installed within the Proximity Area, SHEPD hereby agrees to permit such expansion provided that the expansion is carried out in accordance with the provisions of this Agreement.

8.2 In the event that SHEPD either alone or together with any joint owner's desires to undertake the laying of Future Cable(s) within the Proximity Area, it shall notify CCDC of such proposals as soon as

reasonably practicable, and insofar as such Future Cable(s) shall be installed within the Proximity Area, CCDC hereby agrees to permit such Future Cable(s) to be laid near the New Moorings.

9 DURATION OF AGREEMENT

This Agreement shall come into effect on the last date of execution hereof and (or as otherwise agreed between the parties) shall continue in force until either the New Moorings or the SHEPD Power Cables have been permanently removed.

10 WAIVER

The waiver of any breach of any term or condition of this Agreement shall not be deemed to be a waiver of any other breach of the same or any other term or condition of this Agreement. No waiver shall be valid unless it is in writing and signed on behalf of the party making the waiver.

11 MODIFICATIONS

No modification or amendment of this Agreement shall be valid unless in writing and signed on behalf of the parties.

12 ASSIGNATION

12.1 This Agreement, and the rights and obligations hereunder of the parties hereto, shall not be assigned in whole or in part by either party without the prior written consent of the other party which consent shall not be unreasonably withheld; except that no consent of any kind shall be required in the case of an assignment:

(a) to a successor to all or substantially all of the assigning party's business; or

(b) to an Affiliate; or

(c) to a purchaser of the whole or material part of the assignor's interest in the respective asset.

12.2 Any transfer by CCDC of the whole or any part of the interest in the New Moorings and any transfer by SHEPD of the whole or any part of their interest in the SHEPD Power Cables shall require the transferor of such interest to:

(a) give notice to SHEPD and/or CCDC (together the "continuing parties"); and

(b) simultaneously with such transfer assign to the transferee of such interest the whole (or in the case of the transferee of a part of such interest a proportionate part) of its rights and obligations under this Agreement; and

(c) make it a condition precedent of such transfer that the transferee shall enter into an agreement with the continuing parties to observe and be bound by the terms of this Agreement; and

(d) until the date of execution of the agreement referred to in Clause 12.1 above, SHEPD and CCDC undertake to be bound by this Agreement.

12.3 The assigning party shall give written notice to the other party of any assignation promptly after such assignment has been effected. Any assignation of the whole or any part of a party's rights or obligations hereunder shall not be valid unless the assignee/successor agrees in writing to be bound by the provisions hereof.

13 DISPUTE RESOLUTION

13.1 If any dispute arises out of or in connection with or relating to this Agreement or the validity or termination thereof, the dispute shall in the first instance be referred to the parties at the mailing addresses detailed in Clause 15.2.

13.2 In the event that the parties referred to in Clause 13.1 shall prove unable to resolve the dispute within twenty-eight (28) days of its referral to them by a final friendly settlement and within said period do not agree that there is a firm and solid basis for such settlement, the parties will attempt to settle it by mediation in accordance with the Centre for Dispute Resolution ("CEDR") Model Mediation Procedure (the "Model Procedure").

13.3 To initiate a mediation a party must give notice in writing (the "ADR Notice") to the other parties to the dispute (in accordance with Clause 15) requesting a mediation in accordance with this Clause.

13.4. A copy of the request should be sent to CEDR.

13.5 The mediation shall start not later than fourteen (14) days after the date of the ADR Notice.

13.6 The language of the mediation shall be English. Any party producing documents or participating in the mediation in any other language will provide the necessary translations and interpretation facilities.

13.7 The mediation shall take place in Edinburgh or such other place as the parties may agree.

13.8 Subject to Clause 13.7, no party may commence any court proceedings in relation to such dispute unless they have attempted to settle it by mediation and that mediation has terminated.

13.9 Without prejudice to Clauses 13.1 and 13.2, any party may at any time commence court proceedings in order to obtain interim relief. Once the issue of interim relief has been disposed of by the courts, the parties will take no further steps in the court proceedings until the mediation has terminated. If no mediation has been instituted, the party seeking interim relief shall serve an ADR Notice on the other party as soon as the issue of interim relief has been disposed of by the courts.

13.10 Unless extended by agreement of the parties, if the matter has not been resolved by the Model Procedure within twenty-eight (28) days of the initiation of such procedure, or if either party will not participate in a Model Procedure, the dispute may be referred to arbitration of an Arbitrator to be appointed in accordance with the Arbitration (Scotland) Act 2010 under declaration that the seat of Arbitration shall be in Scotland.

14 GOVERNING LAW

This Agreement shall be governed in all respects by the laws of Scotland and the parties submit to the non-exclusive jurisdiction of the Scottish courts.

15 NOTICES

15.1 A notification shall be duly served and received if:

(a) delivered personally, at the time of actual delivery;
(b) sent by e-mail, upon transmission of a read receipt from the addressee;
(c) sent by facsimile, upon its receipt being confirmed in writing;
(d) sent by registered post to an address within the same country, four (4) days after the date of posting;

(e) sent by registered post to an address not within the same country, ten (10) days after the time of posting;
(f) sent by courier, on the second business day following the date of despatch.

15.2 All notices and other communications relating to this Agreement (unless stated otherwise) shall be in writing and shall be delivered as follows:

If to SHEPD:

Address:	Head of Subsea Cable Projects Scottish Hydro Electric Power Distribution plc Inveralmond House 200 Dunkeld Road Perth PH1 3AQ Scotland
Telephone:	+44 (0)1738 456000
Email:	submarinecablesproject@sse.com

Emergency Contact tel. no. for SHEPD: 0800 300 999 or 105

If to CCDC:

Address:	[xxxx]
Telephone:	[xxxx]
Email:	[xxxx]

or to such addressees as the parties may from time to time notify pursuant to this Clause.

16 CONFIDENTIALITY

16.1 Subject as is provided in Clause 16.2 each party undertakes that they will keep secret and confidential and will not disclose and will use only for the purposes of this Agreement any Confidential Information which they may receive or acquire pursuant to this Agreement.

16.2 Notwithstanding the provisions of Clause 16.1 either party may disclose such Confidential Information to their respective sub-contractors, to their Affiliates and to their Affiliate's contractors and sub-contractors, and to any of their respective employees, servants or agents who need such Confidential Information for the purpose of enabling the party making disclosure to perform any of their obligations or exercise any of their rights under this Agreement provided that such aforementioned contractor, sub-contractor, Affiliate, employee, servant or agent shall have undertaken to keep such Confidential Information confidential and not to disclose it or use it for any other purpose, and each party shall be liable to the other for any breach by their Affiliates in terms of this Clause 16.2.

17 REPRESENTATIVES

17.1 SHEPD shall be entitled but not obliged to have not more than two (2) representatives present whenever Works is carried out by CCDC at the New Moorings.

17.2 CCDC shall be entitled but not obliged to have not more than two (2) representatives present whenever Works is carried out by SHEPD on the SHEPD Power Cables.

18. INDEPENDENT CONTRACTORS

Each of SHEPD and CCDC is and shall remain at all times an independent contractor fully responsible for its own acts or defaults (including those of its employees or agents). No party is authorised and none

of the parties nor their employees, agents or representatives shall at any time attempt to act or act on behalf of another party to bind the other party in any manner whatsoever to any obligations. Neither party nor its employees, agents or representatives shall engage in any acts which may lead any person to believe that such party is an employee, agent or representative of the other party. Nothing in this Agreement shall be deemed to constitute a partnership between the parties.

IN WITNESS WHEREOF the parties hereto have signed this Agreement together with the appendices and plans annexed as follows:

For COLONSAY COMMUNITY DEVELOPMENT COMPANY

Signed:	_____	Witness Signature:	_____
Name:	_____	Witness Name:	_____
Position:	_____	Witness Address:	_____
Date:	_____		_____

For SCOTTISH HYDRO ELECTRIC POWER DISTRIBUTION plc

Signed:	_____	Witness Signature:	_____
Name:	_____	Witness Name:	_____
Position:	_____	Witness Address:	_____
Date:	_____		_____

THESE ARE THE APPENDICES REFERRED TO IN THE FOREGOING PROXIMITY AGREEMENT ENTERED INTO BETWEEN SCOTTISH HYDRO ELECTRIC POWER DISTRIBUTION PLC AND COLONSAY COMMUNITY DEVELOPMENT COMPANY

APPENDIX 1 – CONSTRUCTION AND OPERATIONAL REQUIREMENTS

1. During construction operations, CCDC shall use all reasonable endeavours to ensure that no vessels with a draft greater than three point five (3.5) metres shall be permitted to traverse above the SHEPD Power Cable within areas where water depth is under ten (10) metres and shall instruct all such vessels to anchor at a location no closer than one hundred (100) metres from the SHEPD Power Cable. For the avoidance of doubt, there must always be at least six point five (6.5) metres vertical lateral clearance between vessel keel and the seabed. For further avoidance of doubt, the specified one hundred (100) metres means the nearest point of the vessel spread – including anchors – to the SHEPD Power Cable.

2. During construction operations CCDC shall use reasonable endeavours to relay to any contracted or employed parties known to be using vessels the provisions of clause 1 above and the presence of the SHEPD Power Cable, and erect and maintain signage in a location to be agreed with SHEPD to (i) notify vessels ~~with a draft of less than three point five (3.5) metres~~ of the provisions within 1. above and (ii) advise all such vessels of the presence of the SHEPD cable.

3. On completion of the New Moorings, CCDC shall (i) maintain signage at the New Moorings and at the landing point in Queen's Bay (in terms acceptable to SHEPD, acting reasonably) and promulgate information, indicating the presence of the SHEPD Power Cable and will discourage craft from anchoring between the moorings and the cable, and (ii) ensure that any documentation produced for the benefit of skippers of vessels in association with the New Moorings or surrounding area shall have regard to the requirements of this Agreement.

4. CCDC shall use reasonable endeavours (i) to identify times of inclement weather, (via forecasts), that may prevent the safe operation/construction of the New Moorings Works within the vicinity of the SHEPD Power Cables, and (ii) in such times, shall use such reasonable endeavours to determine (in so far as reasonably practicable), to remove, make safe and/or protect the New Moorings to reduce the risk of damage to the SHEPD Power Cables.

5. CCDC shall prevent vessels from utilising the New Moorings from 1st November to 1st March by utilising whatever methods they deem appropriate.

6. SHEPD shall not require CCDC to remove or alter the New Moorings for the purposes of inspecting the SHEPD Power Cable except where this is required in connection with investigation of faults or other critical maintenance activities.

7. For all CCDC Works, including future maintenance Works, the day to day operation of the New Moorings and all other associated Works/operations thereof, CCDC shall (i) ensure that such Works are carried out in accordance with the terms of this Agreement, (including Clause 4 hereof), and (ii) where appropriate, shall give not less than twenty-four (24) hours' notice to SHEPD's Head of Subsea Cable Projects of such Works.

APPENDIX 2 – NEWMOORING DEVELOPMENT PLAN (LOCATION)

APPENDIX 3 – NEW MOORING DEVELOPMENT PLAN (DETAILED LAYOUT)

APPENDIX 4 – NEW MOORING DETAILED DESIGN

APPENDIX 5 – RPL OF SHEPD'S INSTALLED SUBMARINE CABLE

APPENDIX 6 – AS-BUILT CABLE PLANS ALONGWITH PROXIMITY DISTANCE

COLONSAY COMMUNITY DEVELOPMENT COMPANY

PROJECT REPORT – Moorings

Project	Moorings			
Report Compiled by	Lizzie Keenaghan			
Reporting Period	June 2021			
Project Status	Previous Status:		Current Status:	

1. SUMMARY OF ACTIVITY SINCE LAST REPORT

- The Proximity agreement draft was received from SSEN's legal team. It's with CCDC's solicitor Amy Stevenson at Turcan Connell, Dannie & myself. We are in the process of going through the terms very carefully. We expect to pay £500 in legal fees. Nothing so far causes concern, and it seems like good progress to be at this stage finally.
- I am double-checking with NFU Mutual that £10 million liability insurance will be possible, as it's going to be written within the agreement.
- We need to wait until later in July, hopefully no later, to get SSEN's final data set on cable position – then with MOWI's help we can re-plot moorings coordinates at 105m from cable, plus the temporary holding area to the south - and use this map to conclude the Proximity agreement detail.
- MOWI's local team have suggested that planning for spring installation would be more wise than trying to do it in the winter. With the licensing process still ahead of us, it's more likely now to be spring 2022 when the moorings go in. For peace of mind we might want to delay advertising until they are actually on the seabed, leaving getting promotion close to the time we'd like to begin trading – maybe just one of those things, use could be slow to begin with…

2. KEY ISSUES

- I want to be sure when I commission the signage for the bay that the payment details are good and aren't going to change, and that the logo is a good current fit for CCDC.
  The current logo seems dated to me, with the village hall address on it, now CCDC projects are so varied across the island.
  HIE agreed to fund high quality signage from Mark Appleton Design, who has done lots of work for NTS, so I want to be sure that the details aren't going to change.
  Options are: BACS payments either to CCDC or Trading Company, and Paypal link with possibility of QR code.
  A change of bank account name to something simple for CCDC would mean some organisations (Council, HIE, croft tenants…) would need to input new details when making a payment.

PROJECT REPORT – Moorings

3. FORMAL APPROVALS / DECISIONS REQUIRED

- Decision on having CCDC's BACS details on signage and website with altered account name
- Discussion on payment options – can I go ahead and arrange a Paypal link?
- Discussion on the possibility of developing a new logo

4. NEXT REPORTING PERIOD ACTIVITIES

- Revisiting the cost modelling
  This is still to do, but seeming less urgent with MOWI's offer of practical work for 3 years. The main concern was in affording this with marine contractors.
- Reporting on progress with proximity agreement

5. APPENDICES

- Risk Register (to follow)
- Draft of Proximity agreement with SSEN

COLONSAY COMMUNITY DEVELOPMENT COMPANY

PROJECT REPORT – Campsite

Project	Campsite			
Report Compiled by	Lizzie Keenaghan			
Reporting Period	June 2021			
Project Status	Previous Status:		Current Status:	

1. SUMMARY OF ACTIVITY SINCE LAST REPORT

- Disappointingly we were not successful in our funding application to Nature Scot for pilot campsite & Ranger post. We will hopefully receive feedback soon. They don't fund investigative work, and ours was to be a pilot campsite, and the remit of the described Ranger post was limited, so it may have been for these reasons.
- Argyll & Bute Council's waste grant scheme will still support us in funding the two composting loo kits, with the labour to install them & materials to have them in use. They are flexible in allowing us to use the grant to a planned campsite for next spring, or later this summer. I let my contact know that it would be discussed by the Board, and I would respond early July with a plan.
- Dannie & I met Hayley Douglas, the ranger on Tiree, and this was useful. She's funded by SNH and the Tiree Trust's wind turbine. Her role can be summarised as 'education, conservation, recreation'.
- Tangential note: with a new SSEN power cable not too far away, CCDC would do well to think about potential sites for a community-owned, income-generating turbine.

2. KEY ISSUES

- In speaking with Colm & Helen, and thinking on it myself, we are of the opinion that without a track across Colm's croft, it wouldn't be sensible to offer for cars late summer, as the rain can create a difficult, muddy, slippy driving surface over grass.
- CCDC needs to be sure that its pilot campsite is a success. For driving across Colm's croft, that's either in dry spring/early summer weeks, or with a stone track in place.
- For ordering the composting loo kits, the earliest they could be made, received, brought to site and erected would be now into August.

PROJECT REPORT – Campsite

- In speaking with Helen, without the Nature Scot-funded Ranger that was imagined, she is considered now who would run a pilot campsite at her croft, and who would run it if it became permanent? Helen would like to be involved, and it was her plan to run a croft campsite, but with a full-time job she's not able to do this, unless annual leave allowed her a month off next year scheduled at the right time for a pilot – Helen suggested that this could be possible. A croft campsite is likely to begin small, and build up slowly – this would be financially easier to set up, unless HIE for example where to provide substantial funds. Helen is open to a campsite plan that differs from the large-scale plans originally drawn up for pre-planning – smaller, more 'green'. This presents a conundrum however, because it's not worth Helen giving up a full-time job to run a very modest croft enterprise that may not bring in much income. We left this to think on more.

- In investigating the practicalities of setting up the pilot campsite at Helen's croft, the most challenging aspects were:
  - imagining who would do the labour (everyone is busy!)
  - imagining how the logistics of Islay-brought stone would work for the track

  Solutions to these challenges could be planning ahead well for next year to arrange work, and in using stone that is already on the crofts – this would be lower on material costs, but with a fair bit of labour involved.

3. FORMAL APPROVALS / DECISIONS REQUIRED

- Should we go ahead with a low-key version of the 'pop-up' campsite next spring? …at Helen's croft?
- Should we accept the Council's grant for two composting loos with that in mind?
  They mustn't go unused, and we would need to store them somewhere.

4. NEXT REPORTING PERIOD ACTIVITIES

- I'll hopefully have more information from Highlands & Islands Enterprise on possible funding – I'm hoping to speak with Kathryn Howell soon.

5. APPENDICES

- None

Colonsay Trading Company
Colonsay Community Development Company

Trading Company – Supply of solid fuels

Report to CTC Board – 1st July 2021

(For Information - CCDC)

Background

A general ban on the supply of wet wood and conventional coal ("house coal") for domestic heating came into effect in England on 1st May 2021. These fuels have long been identified as being some of the worst emitters of tiny smoke particles (PM2.5) which are known to be amongst the most dangerous airborne pollutants. The particles can lodge in the lungs and penetrate into the bloodstream. In the UK, burning solid fuels is estimated to be the source of up to 40% of them.

The Scottish Government launched a consultation in October 2020 seeking views on similar measures, but has not yet reported. It seems likely that a similar ban will be introduced in Scotland soon.

Sales of kiln-dried wood, and of approved smokeless fuels (which are much less polluting) are not affected by the ban, but it's reasonable to assume that these too will come under scrutiny, and may also be banned or restricted in future.

Historically, the trading company sells approximately 25-30 tonnes of solid fuel annually, of which over 90% is the most polluting house coal. Supplies are usually replenished annually every autumn in a single bulk delivery to minimise transport costs.

Smokeless fuels are more expensive than house coal. Prices vary but are typically 20-30% higher.

Commentary

Clearly, there are compelling health and air quality reasons for ceasing the burning of house coal on Colonsay, irrespective of any ban. That said, there may be a significant financial impact for some in the community if they are forced to switch to more expensive smokeless fuels

There are also commercial issues for the Trading Company:

- as house coal becomes generally less available its price may go up.
- if customers decide not to buy house coal on principle in advance of any ban, the company could be left with large supplies of unsellable product, and a substantial loss.
- The Trading Company must decide this autumn what solid fuel supplies to buy for 2022

In the longer term, all of the products the Trading Company current sells are likely to become subject to further restrictions. This will almost certainly present a commercial threat to the survival of the Trading Company if it cannot diversify. That may in turn result in an income loss to CCDC, as Trading Company surpluses reduce.

This report only focuses on solid fuels. However, it feels like the right time for CCDC to consider a more thorough review to map future energy use on Colonsay in collaboration with the wider community, businesses, the Estate and other bodies.

Proposal

It is proposed that the Trading Company runs down current supplies of house coal (about 8 tonnes at present – June 2021) and only buys smokeless fuels in future.

It is proposed that the Company advises all customers of this proposed change now, seeks views, and consults on what types of smokeless fuel should be supplied in future orders.

It is not known if this will create any practical difficulties for customers, beyond the obvious issue of smokeless fuel being more expensive. An extended transition to smokeless fuels may be necessary to help some customers adapt and prepare. A final decision can be made following the consultation.

Looking ahead, it is suggested that CCDC initiate a review about long-term energy use and strategy on Colonsay.

Recommendation

I recommend that the CCTC Board:

- Note developments in legislation restricting the sale of house coal in England, and the likely follow-on legislation in Scotland;
- Agree in principle that the Trading Company should no longer purchase house coal;
- Agree that a wide consultation should be carried out to alert Trading Company customers to this planned change, and gather information to help plan the transition to smokeless fuel before placing any future orders.
- Agree that CCDC should be asked to initiate a wider debate about future energy use on Colonsay (and the role of CCDC and the Trading Company in that process) to be covered in a separate report later this year, or early next.

Callum Hay CCTC / CCDC Director

June 2021

CCDC board meeting 1 July 2021

Business Strategy review

With the 2018 strategy well on the way to delivery and the earlier projects almost behind us, it is time to review and renew our business strategy. I propose that we consider this in detail at a later meeting, but would seek you views on how we go about this and what we should put in it. I will then prepare a more detailed paper for consideration.

Suggestions for inclusion:

Commentary in the context of the Gass report and our recent achievements, measured against the previous strategy.

The review of the structure of the development company and its re-organisation

Asset management for the community

Identifying the needs and wishes of the island community

Consultation with islanders, the wider community and stakeholders

Potential projects:

- Campsite
- Community plan/ local place plan (with CCC and ABC)
- Review of the sustainability of the Colonsay Community
- Identification of land required for a sustainable community (with CE and others)
- Housing needs and demands assessment (with ABC) leading to Scalasaig phase 2 proposal
- Community pub/ hotel

Costed programme for developments

Partnerships and funding

COLONSAY COMMUNITY DEVELOPMENT COMPANY
COLONSAY VILLAGE HALL, SCALASAIG, ISLE OF COLONSAY, ARGYLL PA61 7YW

Charity Manager

Job Description

Responsible to: CCDC Chair

1. The Employer

CCDC is a registered charity whose objectives are to support community development on the island of Colonsay and neighbouring tidal island of Oransay. Colonsay has one of the more remote communities in Scotland, with a relatively high degree of isolation, exclusion, disadvantage and inequality. It has a fragile economy and community.

CCDC is working towards a sustainable community. Included in its business strategy is the development of community led housing and business units. This is to overcome a shortage of affordable homes; to increase the population to a sustainable level and balance; and to encourage a year-round economy. In recent weeks, CCDC has been awarded significant funding from Highlands and Islands Enterprise (HIE) and Scottish Land Fund (SLF) to enable purchase of land for these projects.

As a part of that funding, CCDC has been awarded money to create an additional part-time post to help us prepare for community ownership of the assets we hope to acquire. This post is therefore limited. However, CCDC expects to develop funding streams to support the work of the company and to enable projects to continue through 2021 and into 2022. CCDC hopes that it will be able to employ locally in subsequent years.

2. The Job

The Charity Manager is responsible for the day-to-day operations of Colonsay Community Development Company, including the efficient management of the charity's growing asset portfolio which currently includes community housing, business units and croft land.

The Charity Manager is responsible for the assignment, direction and review of work. This includes acting as line manager to a small number of staff including the administration assistant(s) and project workers. The Charity Manager will report directly to the CCDC chair, but will be expected to work primarily in an autonomous fashion, offering regular reports to the board of directors and offering guidance and advice as necessary.

The Charity Manager will also act as the Company Secretary, a formal role registered with Companies House. The Company Secretary will ensure that the company is compliant with all relevant company and OSCR legislation, and that the necessary annual compliance statements and other statutory returns are made as required.

Essential Job Functions

A) Ensure that CCDC's properties are maintained to the highest possible standards and in accordance with all necessary government standards as a minimum

B) Deliver an effective and responsive reactive and cyclical maintenance service to CCDC's tenants and other service users

C) Liaise with the community housing tenants association, crofters and community housing subgroup to ensure that policies and procedures are regularly reviewed and improved

D) Create and implement office management best practices and offer training and regular appraisal to administration and project staff

E) Manage the company's regular Board meetings, including developing the agenda (in consultation with the Chair), organise, prepare, submit and present regular project/financial reports for the board of directors and communicate relevant information to the community on a regular basis via social media, workshops and events

F) Work with the company treasurer and administration staff to manage the project budgets and budget reporting, as well as ensuring good financial controls and management across all areas

G) Ensure that CCDC is compliant with all relevant legislation and policy and is continually following guidelines and best practice

H) Manage company contact and membership details, ensuring that they are up to date and compliant with GDPR and related legislation and implement regular reviews as required.

I) Manage company records and data, and publish key information so that it is widely available

3. The Person

Education & Qualifications

- Educated to degree level or have equivalent relevant experience
- Post-qualification experience in community development/asset management
- Track record of continuous personal/professional development

Knowledge & Experience

- Knowledge and understanding of community development in a rural setting
- Awareness of policy and regulatory frameworks applicable to asset management in the affordable housing environment
- Good awareness of budget management; including monitoring and reporting
- Able to demonstrate good knowledge of maintenance techniques

- Experience of effective risk identification and risk management (including Health & Safety implications)
- Experience of dealing with contracts along with proven ability to liaise with and manage/monitor contractors
- Experience in staff and volunteer management

Skills

- A confident team player
- Excellent people; operational and project management skills – proven ability to deal with people at all levels
- Strong personal organisation skills including ability to manage a diverse and sometimes demanding workload
- Proven technical ability to diagnose problems and identify solutions
- Good IT skills
- Good communication skills including written; verbal and interpersonal