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

# CCDC Board Meeting
# 29th 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
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COLONSAY COMMUNITY DEVELOPMENT COMPANY
COLONSAY VILLAGE HALL, SCALASAIG, ISLE OF COLONSAY, ARGYLL PA61 7YW

Board Meeting
Thursday 29 July 2021 – by Zoom - 7.00pm

# Agenda

1. 7:00 Attendance and apologies
2. 7:02 Minutes of last meeting and matters arising
3. 7:05 Declarations of interest
4. Projects:
    a. 7:06 Scalasaig developments — Dannie/ Grace
    b. 7:10 Former Baptist Manse — Lizzie/ Grace
    c. 7:15 Moorings — Lizzie
    d. 7:20 Campsite — Lizzie
5. 7:25 Report on Cabinet Secretary visit — Caitlin/ Dannie/ Callum
6. 7:35 Finances and accounting — Callum
7. 7:40 Business Strategy review — Dannie
8. 7:50 Crofts — Caitlin
    a. Sales and decrofting
    b. Rectification, registration and the like
9. 8:00 Newsletter/ public meeting/ consultation — Dannie
10. 8:10 Staffing matters — Dannie
    a. Holiday pay for Kirsty
    b. Resignation of Roz Jewell
    c. Restructure
11. 8:25 AOCB - Businness Innovation Grant — Dannie

donm

# COLONSAY COMMUNITY DEVELOPMENT COMPANY

## *PROJECT REPORT – Scalasaig Development*

| | | | | |
|---|---|---|---|---|
| *Project* | Scalasaig Development | | | |
| *Report Compiled by* | Caroline Seymour | | | |
| *Reporting Period* | July 2021 | | | |
| *Project Status* | Previous Status: | | Current Status: | |

## 1. SUMMARY OF ACTIVITY SINCE LAST REPORT

- Visit from TSL and their subcontractor on 20th July. They have confirmed that they are aiming to start groundworks this August, break Oct / Nov and resume in March 2022. Due to complete Autumn 2022.
- TSL also looked at the Baptist Manse during their visit and will be using it to house 3 workers. They will also be bringing up to 4 caravans to have on site.
- Grant offer letter received from RIHF for £1,205,888
- A delayed grant offer letter also received from Argyll & Bute Council for the Regeneration Capital Grant fund award of £335,000 for the business units.
- Both grant offer letters request a Standard Security to be in place – a quote for this work has been received from Callum MacLeod (Harper MacLeod) for this work. It will cost in excess of £2,000.
- I am trying to establish whether we should have the grant offers reviewed by our solicitor, I have been quoted £900 for both contracts. This is currently with John Forbes to advise.
- Meeting with Joe Smee who administers the CAREs grant that we have obtained towards our energy solution for the housing. He has advised that they can be fairly flexible in how the grant is awarded so we are going to revisit and update the original submission.
- Applied to Stafford Trust for a grant of £6000 for one fire suppressant system.
- Applied to Scottish Hydro Electric Community Trust (SSE) for 50% to 75% of the cost of re-routing the electricity cables £18,456.
- Have delayed loan application to September at the earliest. This is because we want to take any loan out as late as possible.

## 2. KEY ISSUES

**No new issues**

## 3. FORMAL APPROVALS / DECISIONS REQUIRED

None

## 4. NEXT REPORTING PERIOD ACTIVITIES

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

## 5. APPENDICES

None

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

**Tel:** 01951 200244 **Email:** colonsayhousingproject@gmail.com

**Scottish Charity Number SC030317**

**Colonsay Community Business Units Application Form**

| | | |
|---|---|---|
| 1. | Contact Name and Address<br><br>Is this application on behalf of :<br><br>Business/group name: | <br><br>Business ☐ Community Group ☐ |
| 2. | Contact details: Tel. no:<br><br>Email address: | |
| 3. | Company registration number (if applicable) | |
| 4. | What facilities would you like to rent, please tick all that apply –<br>67m2 business unit, sole occupancy<br>67m2 business unit, shared occupancy<br><br>Length of lease preferred:<br>1 year<br>3 years<br>5 years<br>Other | <br>☐<br>☐<br><br><br>☐<br>☐<br>☐<br>*Please specify……* |
| 5. | Proposed use of premises and any proposed alterations | |
| 6. | What was your business or organisations turn over, as per your last audited accounts?<br>*Please provide a copy of your Profit and Loss or Income and Expenses for the last year. If you have been trading for less than a year, or are a business start up, please provide a three year income and* | |

| | | |
|---|---|---|
| | *expenditure projection* | |
| 7. | Please provide details of two trade references (these should not include fuel, electricity or phone companies) : | <u>Reference 1-</u><br>Business Name:<br>Address:<br><br>Contact Name:<br>Tel. Number:<br><br><u>Refence 2 –</u><br>Business Name:<br>Address:<br><br>Contact Name:<br>Tel. Number: |
| 8. | Current number of employees<br>*Please provide breakdown of the number of seasonal, occasional employees and year round employees.* | |
| 9. | If you are successful in your application for a unit, how many additional job will be created, please give details of full time, part time, seasonal etc | |
| 10. | If you are successful in your application for a unit, what other changes do you anticipate, turnover, additional work opportunities, please give as much detail as possible | |
| 11. | Do you provide or intend to provide regular staff development and training opportunities? Please give details | |

I understand that all supporting documents provided with this application will be treated as confidential by the CCDC Review Panel.

I agree to CCDC contacting the referees detailed in question 8 above.

I understand that submission of an application form does not guarantee allocation of a unit.

I have read and understood the proposed terms of lease.

Signed …… Date …….

Name (printed) ……

# Colonsay Community Development Company

## Scalasaig Project – Cost Model update: July 2021

Report to CCDC Board – 29th July 2021

### Background

With confirmation of the RIHF grant and the announcement by TSL that they intend to start a first phase of the project between August and October 2021 a real project timetable is at last beginning to take shape.

Preparations for how to manage company finance and cashflow effectively during project delivery are in hand. The overall cost model, now familiar to the board, will be used as part of that process.

A revised version of the model has been produced in part at the request of Highlands and Islands Enterprise to provide more detail regarding the anticipated build and funding programme for the Business Units.

The revised model is still provisional, but is beginning to line up much better with the anticipated works programme. A summary in attached in the appendix to this report

### Commentary

The cost model (now version 3.0) has been adapted to show financial years (April – March) rather than calendar years as before which will help reconciliation with company accounts.

In the absence of detailed profiling information, several changes to the underlying assumptions have been for the time being, including:

- TSL will bill all preliminaries over the first 3 months of the project (Aug-Oct 2021)
- TSL will bill for the remainder of their costs in equal instalments over the period Aug-Oct 2021, and then Mar-Nov 2022. Other costs (e.g. agents fees etc) will be charged similarly over the same period.
- The business units will be delivered on an accelerated programme and be ready for occupancy from July 2022
- Houses and plots will be ready for sale between Nov 2022 and Jan 2023

In order to project and manage CCDC's cashflow through to the end of 2022 the following has been assumed:

- All grant payments will lag TSL's billing by 1 month.
- In addition to regular drawdown, we will request (and be granted!) a front-loaded payment from RIHF of £150k in August 2021 to help cover preliminaries
- Similarly, in addition to their monthly payments we will request a front-loaded payment from MOWI of £450k in August 2021 to provide us with a cashflow buffer, repaying £300k of that in December. If MOWI agree, this will provide CCDC with sufficient funds to remain solvent during

the first phase of the works without requiring an overdraft, or having to take out the planned £166k loan

- In the same way, we will request a second front-loaded payment from MOWI for the second phase of £250k in March 2022, repaying a final £400k in January 2023.
- If this arrangement is agreed by MOWI, this will protect CCDC's cashflow through to the end of the project. On these numbers, it is assumed that the planned CCDC loan will be taken out in August 2022, and that there are no delays with plot and house sales that would require an extra "bridging" loan into 2023.

It must be stressed that these figures are still hypothetical, and dates and values are still only best guesses. However, the model does now show in broad terms the likely scale of the banking support we plan to seek from MOWI to help deliver the project. The model will be used in discussions to demonstrate the likely position.

As soon as TSL provide their works programme and anticipated payment profile the model will be updated again, and shared with MOWI.

In the event that MOWI do not agree with this approach, an alternative solution will be sought.

The Board will be informed of further developments or issues as discussions with MOWI are progressed.

## Recommendation

I recommend that the Board note:

- the updated model, and the assumptions made in it
- that discussions with MOWI re. banking support will commence on this basis
- that an updated model with more accurate figures will be circulated as soon as possible

Callum Hay CCDC Director / Treasurer

July 2021

# Appendix

# Cost model summary (v 3.0)

**Colonsay Community Development Company**
**Scalasaig Housing & Business Units build phase (excludes operating costs)**

**Housing and Business Units - Combined**

| Project: | Scalasaig Housing / Units Build | | |
|---|---|---|---|
| Date: | Jul-21 | Ver. | v 3.0 |

## 1 Estimated costs

< -- Updated

This is a hypothetical profile, pending a detailed work programme from TSL. Grant drawdown arrangements are also provisional - to be agreed with our funding partners

| | | | Year: | Financial Year 2021/22 | | | | | | | | | | | | Financial Year 2022/23 | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Month: | Apr | May | Jun | Jul | Aug | Sept | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sept | Oct | Nov | Dec | Jan | Feb | Mar |
| **CHT Summary** | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | TSL Letter of intent / provisional cashflow | £2,657,256 | | | | | | 221438 | 221438 | 221438 | | | | | 221438 | 221438 | 221438 | 221438 | 221438 | 221438 | 221438 | 221438 | 221438 | 221438 | | | | |
| 2 | TSL - Prelims | £621,000 | | | | | | 207000 | 207000 | 207000 | | | | | | | | | | | | | | | | | |
| 3 | Porches | £18,000 | | | | | | | | | | | | | | | | | | | 18000 | | | | | | |
| 4 | Ecologist / Archaeolist Saving | £0 | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5 | AFAA/PH2 | £87,000 | | | | | | 7250 | 7250 | 7250 | | | | | 7250 | 7250 | 7250 | 7250 | 7250 | 7250 | 7250 | 7250 | 7250 | 7250 | | | | |
| 6 | Managing Agents fees | £14,000 | | | | | | 1167 | 1167 | 1167 | | | | | 1167 | 1167 | 1167 | 1167 | 1167 | 1167 | 1167 | 1167 | 1167 | 1167 | | | | |
| 7 | Development Agent | £60,667 | | | | | | 5056 | 5056 | 5056 | | | | | 5056 | 5056 | 5056 | 5056 | 5056 | 5056 | 5056 | 5056 | 5056 | 5056 | | | | |
| 8 | Marketing and Legals | £15,000 | | | | | | | | | | | | | | | 5000 | | | 5000 | | | 5000 | | | | | |
| 9 | Clerk of Works | £11,550 | | | | | | 963 | 963 | 963 | | | | | 963 | 963 | 963 | 963 | 963 | 963 | 963 | 963 | 963 | 963 | | | | |
| 9 | VAT on 6-9, above | £20,243 | | | | | | 1687 | 1687 | 1687 | | | | | 1687 | 1687 | 1687 | 1687 | 1687 | 1687 | 1687 | 1687 | 1687 | 1687 | | | | |
| 10 | Risk and contingencies on 1-5 above | £60,000 | | | | | | 5000 | 5000 | 5000 | | | | | 5000 | 5000 | 5000 | 5000 | 5000 | 5000 | 5000 | 5000 | 5000 | 5000 | | | | |
| 10 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 11 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 11 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | **£3,564,716** | | 0 | 0 | 0 | 0 | 449560 | 449560 | 449560 | 0 | 0 | 0 | 0 | 242560 | 242560 | 247560 | 242560 | 242560 | 247560 | 260560 | 242560 | 247560 | 0 | 0 | 0 | 0 |
| **CCDC Extra** | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | Additional CCDC contingency | £60,000 | | | | | | 5000 | 5000 | 5000 | | | | | 5000 | 5000 | 5000 | 5000 | 5000 | 5000 | 5000 | 5000 | 5000 | 5000 | | | | |
| 2 | Bridging loan cost (plot/house sales) 6 mths | £0 | | | | | | | | | | | | | | | | | | | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3 | Enhanced heating (offset by CARES Grant) | £75,528 | | | | | | | | | | | | | 8392 | 8392 | 8392 | 8392 | 8392 | 8392 | 8392 | 8392 | 8392 | | | | | |
| 4 | CCDC LDO continuity funding - Apr-Nov 2022 | £8,000 | | | | | | | | | | | | | | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | 1000 | | | | | |
| 5 | CCDC Asset Mgr continuity funding from Sept 21 | £16,000 | | | | | | | 1333 | 1333 | | | | | 1333 | 1333 | 1333 | 1333 | 1333 | 1333 | 1333 | 1333 | 1333 | 1333 | | | | |
| 6 | CCDC overdraft charges (estimate) | £0 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 8 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 9 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 10 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | **£159,528** | | 0 | 0 | 0 | 0 | 5000 | 6333 | 6333 | 0 | 0 | 0 | 0 | 14725 | 15725 | 15725 | 15725 | 15725 | 15725 | 15725 | 15725 | 15725 | 1333 | 0 | 0 | 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 Estimated Cost | | **0** | **0** | **0** | **0** | **454560** | **455893** | **455893** | **0** | **0** | **0** | **0** | **257285** | **258285** | **263285** | **258285** | **258285** | **263285** | **276285** | **258285** | **263285** | **1333** | **0** | **0** | **0** |

## 2 Grants and other income

| | | | Apr | May | Jun | Jul | Aug | Sept | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sept | Oct | Nov | Dec | Jan | Feb | Mar |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **CHT Summary** | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | RIHF (updated Mar '21) | £1,205,888 | | | | | 150000 | 87991 | 87991 | 87991 | | | | | 87991 | 87991 | 87991 | 87991 | 87991 | 87991 | 87991 | 87991 | 87991 | | | |
| 2 | MOWI contribution | £1,190,585 | | | | | 450000 | 99215 | 99215 | 99215 | -300000 | | | 250000 | 99215 | 99215 | 99215 | 99215 | 99215 | 99215 | 99215 | 99215 | 99215 | -400000 | | |
| 3 | MOWI Carry-forward from land acquistion | £28,900 | 28900 | | | | | | | | | | | | | | | | | | | | | | | |
| 4 | A&BC Contribution (£12k per unit) | £144,000 | | | | | | 144000 | | | | | | | | | | | | | | | | | | |
| 5 | A&BC Capital regeneration | £335,000 | | | | | | 47857 | 47857 | 47857 | | | | | 47857 | 47857 | 47857 | 47857 | | | | | | | | |
| 6 | HIE Managing (Business Units only) | £145,000 | | | | | | 20714 | 20714 | 20714 | | | | | 20714 | 20714 | 20714 | 20714 | | | | | | | | |
| 7 | Inspiring Scotland | £96,000 | 96000 | | | | | | | | | | | | | | | | | | | | | | | |
| 8 | House sales - capital receipt (2 @ £111k) | £222,000 | | | | | | | | | | | | | | | | | | | | | | 222000 | | |
| 9 | Plot sales - (3 @ £20k) | £60,000 | | | | | | | | | | | | | | | | | | | | 30000 | 30000 | | | |
| 10 | CCDC contrib. (Loan £166k 40yr @ 5%) MAX | £166,528 | | | | | | | | | | | | | | | | | 166528 | | | | | | | |
| 11 | CCDC Crowdfunding appeal | £30,000 | 30000 | | | | | | | | | | | | | | | | | | | | | | | |
| 12 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 13 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 14 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 15 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 16 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 17 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | **£3,623,901** | 154900 | 0 | 0 | 0 | 600000 | 399778 | 255778 | 255778 | -300000 | 0 | 0 | 250000 | 255778 | 255778 | 255778 | 255778 | 353734 | 187206 | 187206 | 217206 | 217206 | -178000 | 0 | 0 |
| **CCDC Extra** | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | CARES | £75,528 | | | | | | | | | | | | | | | | 25176 | 25176 | 25176 | | | | | | |
| 2 | SLF underspend - special grant | £5,000 | 5000 | | | | | | | | | | | | | | | | | | | | | | | |
| 3 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5 | **UNCONFIRMED** | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6 | SSEN - Power diversion grant tbc (50% assumed) | £9,000 | | | | | | | | 9000 | | | | | | | | | | | | | | | | |
| 7 | Quaker Trust | £50,000 | | | | | | | | | 50000 | | | | | | | | | | | | | | | |
| 8 | Asset Mgr & LDO continuity funding (tbc) | £24,000 | | | | | | | | | | | | | 24000 | | | | | | | | | | | |
| 9 | Other ... | | | | | | | | | | | | | | | | | | | | | | | | | |
| 10 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 11 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 12 | CCDC Diaspora appeal | £0 | | | | | | | | | | | | | | | | | | | | | | | | |
| | | £163,528 | 5000 | 0 | 0 | 0 | 0 | 0 | 0 | 9000 | 50000 | 0 | 0 | 0 | 24000 | 0 | 0 | 25176 | 25176 | 25176 | 0 | 0 | 0 | 0 | 0 | 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 | **159900** | **0** | **0** | **0** | **600000** | **399778** | **255778** | **264778** | **-250000** | **0** | **0** | **250000** | **279778** | **255778** | **255778** | **280954** | **378910** | **212382** | **187206** | **217206** | **217206** | **-178000** | **0** | **0** |

## 3 Summary

| | | Apr | May | Jun | Jul | Aug | Sept | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sept | Oct | Nov | Dec | Jan | Feb | Mar |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Net monthly position (shortfall)** | **159900** | **0** | **0** | **0** | **145440** | **-56115** | **-200115** | **264778** | **-250000** | **0** | **0** | **-7285** | **21493** | **-7507** | **-2507** | **22669** | **115625** | **-63903** | **-71079** | **-46079** | **215873** | **-178000** | **0** | **0** |
| | Projected cumulative cashflow (**overdraft demand**) | 159900 | 159900 | 159900 | 159900 | 305340 | 249225 | 49109 | 313887 | 63887 | 63887 | 63887 | 56602 | 78094 | 70587 | 68079 | 90748 | 206373 | 142470 | 71391 | 25312 | 241185 | 63185 | 63185 | 63185 |

## 4 Overdraft

| | | Apr | May | Jun | Jul | Aug | Sept | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sept | Oct | Nov | Dec | Jan | Feb | Mar |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Monthly charges | **2.8%** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** |

2021 estimated overdraft cost: **0**

2022 estimated overdraft cost: **0**

**KEY**

| | |
|---|---|
| 150000 | Advance payment from RIHF (tbc) |
| 450000 | Front-loaded payment from MOWI (tbc) |
| -300000 | Repayment to MOWI (tbc) |

These are all assumed front-loaded contributions
They show an idealised profile, avoiding the need for a CCDC overdraft
and defer the requirement to take out the CCDC loan until mid-2022

# COLONSAY COMMUNITY DEVELOPMENT COMPANY

## *PROJECT REPORT – Old Manse*

| | | | | |
|---|---|---|---|---|
| *Project* | Old Manse | | | |
| *Report Compiled by* | Lizzie Keenaghan | | | |
| *Reporting Period* | July 2021 | | | |
| *Project Status* | Previous Status: | | Current Status: | |

## 1. SUMMARY OF ACTIVITY SINCE LAST REPORT

- Considering future use options

The requirements for use can be summarised as such: CCDC must use the Old Manse **to address the need for affordable, secure accommodation** on the island, and we are to use to grounds for **community enterprise, providing employment/income**.

Whatever the future use is, the house interior and access track both require improvements. I have omitted here the idea of campervan hard-standing areas, given the community survey of January 2021 showed that there wasn't enthusiasm for campervans. In the case of building something else behind the Old Manse in the grounds, some thought would need to be given to architectural continuity, as the building is quite distinctive. I have suggested studio apartments, because I'm aware that the new homes to be built soon don't include such small places, and having a diversity of rental options can be useful. I have omitted for now my idea of creating two flats within the Manse, as architecturally this could be tricky – probably easier to improve it as a family home.

This is my preliminary short-list of ideas:

- **House improvements for long-term let to a family** – requiring improved internal layout (altering walls), damp-preventative works, rear porch, front conservatory/porch & internal renovation/decorating
- **Bunkhouse built in grounds behind the house** – to be run by the couple/family residing in the house; a business leased from CCDC. This would provide a rental opportunity for both home & business, let out together.
- **Residential building behind the Manse containing two units**: studio apartments for long-term affordable rent or key-worker short-term accommodation.
- **Café in grounds behind Manse** – with similar idea of letting house & business together. A small cafe could possibly be incorporated into the bunkhouse proposal.
- **Construction of island-based haulage/storage depo** – again to be run as a leased business by the people living in the house.

Just to sweep in all previous ideas – here are the remaining ones: campsite, business units, studio space & self-build plot.

## *PROJECT REPORT – Old Manse*

An idea for a community consultation process could be to ask simply whether people would consider it a good idea to upgrade the house to better accommodate a family long-term (…that would get a 'Yes' surely), and then additionally whether they would like to see the grounds used for 'business creation' (to be leased to the couple/family at the Manse to run) – or the building of studio apartments for either long-term rent/key-workers. If we keep it general to some extent we could avoid the leakage of ideas. Just an idea…

## 2. KEY ISSUES

- We need to get meter readings to SSE from the end of Colm & Tanya's stay.
- Should it be unoccupied for longer than a month before TSL, we'll need to turn off water/electricity and begin logging weekly checks again.
- I haven't heard an update on CCDC's landlord registration, so I've been assuming that all is well.

## 3. FORMAL APPROVALS / DECISIONS REQUIRED

- I'd like to ask the Board's view on the options I've suggested.
  I would suggest we find an opportunity to walk up and behind the Manse, to properly imagine on the ground how it would be to build there, from the perspective of space, access, view, privacy & siting additional septic facilities.

## 4. NEXT REPORTING PERIOD ACTIVITIES

- Considering in more detail the viable use options & preparing for community consultation process
- Sharing feedback from Colm & Tanya

## 5. APPENDICES

- None

# COLONSAY COMMUNITY DEVELOPMENT COMPANY

## *PROJECT REPORT – Moorings*

| | | | | |
|---|---|---|---|---|
| *Project* | Moorings | | | |
| *Report Compiled by* | Lizzie Keenaghan | | | |
| *Reporting Period* | July 2021 | | | |
| *Project Status* | Previous Status: | | Current Status: | |

## 1. SUMMARY OF ACTIVITY SINCE LAST REPORT

- A draft of the proximity agreement that our solicitor Amy and myself are happy with is currently with SSEN, and we're awaiting their comments on it.

- I'm awaiting contact from MOWI's legal term, with a draft of a liability-limiting agreement, that will allow them to assist CCDC with practical work as agreed without liability concern. I've prompted our MOWI contact Stephen McIntyre for this. Once we have it, I need to run it past our advisor Cameron at NFU Mutual, to double-check that all is well.

## 2. KEY ISSUES

- Opting for Square payment system - seems a good idea, and will allow a QR code for our signage.
- Awaiting logo ideas from Carol
- We're still awaiting SSEN's cable data – once we have it we can re-plot, put together our refreshed submission to Marine Scotland & Crown Estate for the licence and include the map in the proximity agreement.
- We're awaiting an outcome from Alex – his thoughts on path route & signage, in light of his new planning application, from conversation with Dannie

## 3. FORMAL APPROVALS / DECISIONS REQUIRED

- None

## 4. NEXT REPORTING PERIOD ACTIVITIES

- I am currently revisiting our cost model, but it may not be ready to share ahead of Thursday's meeting.
- Progress on all the things I've noted as 'awaiting…'

## 5. APPENDICES

- None

# COLONSAY COMMUNITY DEVELOPMENT COMPANY

## *PROJECT REPORT – Campsite*

| | | | | |
|---|---|---|---|---|
| *Project* | Campsite | | | |
| *Report Compiled by* | Lizzie Keenaghan | | | |
| *Reporting Period* | July 2021 | | | |
| *Project Status* | Previous Status: | | Current Status: | |

## 1. SUMMARY OF ACTIVITY SINCE LAST REPORT

- **Funding possibility**
  I had a conversation with Kathryn Howell at HIE about our campsite plans. She passed on the possibility of Scot Gov funds for the development of tourism infrastructure for next spring coming to Argyll & Bute Council. This isn't at all confirmed, and it's too soon to guess at our chances, but it encourages us to keep the project in mind. Through our application for the composting loo units, it seems that certain departments of Argyll & Bute Council are aware that we would like to create a campsite, and Kathryn considered this to be encouraging.
- **Possibility of leasing campsite business to Helen**
  I discussed also with Kathryn the set-up here where the site so far chosen for a campsite is a croft owned by CCDC, with a croft tenant who would like to manage it. I wanted to be sure that if CCDC is successful in applying for funding, that it would be acceptable for it to create a private business. Kathryn considered that it would be fine as long as CCDC were to gain something from it as income for the community, and that might be in rent. She suggested making contact with the Isle of Gigha's Heritage Trust who lease community-owned businesses to individuals.
- **Isle of Gigha Heritage Trust: model of leasing businesses**
  Jane Millar has shared the following information with me and is happy for it to be seen by CCDC's Directors.
  The Heritage Trust owns land, premises and businesses. They currently lease out their 5 self-catering holiday cottages to be run by individuals on the island, and they are seeking funding at the moment to create a campsite, which they will then also lease out as a business. It works for them because the Trust gets a return for their work & assets for community use in rent, and they can offer businesses as opportunities - to be run independently by individuals. They use long-term 10 year leases and reviews based on annual business reports, in order to keep the rent appropriate, and give the tenant security. They shared with me the Head of Terms they use for their letting agreements – please find attached.

If we used this model, CCDC could satisfy funders in getting a return for the community through business rent, and it could allow Helen to independently run the campsite as she wanted – which may require hiring someone to run it in its infancy. I described this scenario as an option to Helen, and I'm awaiting her thoughts on it. I'm aware that once we get into decrofting territory it becomes more complicated, but in order to begin with the most basic facilities to try it, decrofting wouldn't be required.

- **Croft access**
  I mentioned to Kathyrn also for transparency that the croft I lease from CCDC neighbours the site chosen so far for the campsite. I wanted it noted that access infrastructure in the form of a stone track for the campsite would benefit my croft also, and for this reason I hadn't been involved at the site selection stage this spring. Kathryn noted this and considered it to be fine - as long as it had been noted in either minutes or a report that site selection was undertaken without me, with my interest declared.
- **Environmental Health guidance**
  I had a useful conversation with Jacqui Middleton at Argyll & Bute's Environmental Health department. Please find also my attached summary. I sought this guidance based on my realisation that we could not seek substantial funding for a campsite and only open 28 days of the year. In applying for even just for a change of use for the land with Planning - Environmental Health, Scottish Water & SEPA would be consulted, so it's wise to seek their guidance at this stage.
- **Planning visit to possible sites**
  We have pencilled in for this Friday 30th a visit from David Love, Argyll & Bute's Head Planner. He has offered to look at the possible sites for establishing a campsite – an informal arrangement at this stage.
- **Composting loos**
  I left a message with Will Dady suggesting the idea of a temporary composting loo sited at Kiloran (and possibly the Strand). I haven't yet heard any more from Argyll & Bute Council on the waste grant for the loos, and I assume that it's on hold for us for next spring.

## 2. KEY ISSUES

- Last month I noted in my report that the main challenges seemed to be in finding people available for the work involved, and also the logistics of bringing in stone for the track. After my conversation with Jacqui at Environmental Health, I need to add that bringing in the quantity of water required for hand-washing, drinking/cooking and pot washing – would also be a challenge to consider and plan for carefully.

## *PROJECT REPORT – Campsite*

## 3. FORMAL APPROVALS / DECISIONS REQUIRED

- I'd like to ask the Board what it's views are on:
  - the Gigha Trust model of leasing a business
  - the logistics of setting up a site next spring/summer

## 4. NEXT REPORTING PERIOD ACTIVITIES

- We will hopefully have heard from Helen – her thoughts also on:
  - the Gigha Trust model of leasing a business
  - the idea of her hiring someone to run the campsite business in its infancy
  - the logistics of setting up a site next spring/summer

- We will hopefully have David Love's views on sites with regards a future planning application, and an indication on how arduous or otherwise this could be.

- I will hopefully have heard from Jacqui Middleton again, who offered to find out from SEPA what their guidance is on humanure composting loos systems.

- We may know more on the possibility of funds through Argyll & Bute Council.

## 5. APPENDICES

- Summary of guidance from Jacqui Middleton at Argyll & Bute Council's Environmental Health department

- Business letting agreement Heads of Terms – shared by the Isle of Gigha Heritage Trust

## Summary of campsite guidance from Jacqui Middleton at Argyll & Bute's Environmental Health department

**Parking**
Parking area would need to be clearly designated, to be sure of safety in terms of cars near tents & campers.

**Density**
I described the density as maybe being an area of 3 acres, and up to 10 tents at a time - Jacqui had no concerns.

**Composting loos**
Jacqui was happy with the composting loo plan, and offered to approach SEPA herself to find out what guidance there is currently about humanure systems. She said that composting loos are becoming more acceptable.
We would need to build a designated, confined & out of the way area for the composting loo solid waste to be stored - enclosed composting bays for example where it could rot down for 2 years or more. The person running the campsite would need to routinely empty the loos and store the solid waste here. Jacqui thought this sounded fine, but it would need to be risk-assessed. Composting loos regularly use those green corn starch compostable bags now inside the barrels, to make it easy to empty them by just lifting out the bag, and replacing with a fresh one. Jacqui recommended making people aware of the composting loos in the campsite advertising/literature, to be sure that only people who were happy with it would come and stay. SEPA will be concerned with run-off, the effect of rain washing substances onto neighbouring land/sea or water sources, so we would need to consider carefully the gravel soakaway for urine at each loo, the siting of the humanure composting bays & the soakaway from the pot wash area.

**Hand washing**
A hand washing area with soap/water is a requirement at loos. Alcohol sterilising gels only work on washed hands to kill bacteria - if hands are unwashed, then the bacteria can hide in dirt, so the alcohol can't disrupt their cell walls. This would mean installing a separate water/sink/soakaway area, separate from the main supply of drinking water offered at the site.

**Phone signal**
Jacqui asked about phone signal, for allowing people staying at the campsite to call out in an emergency. It's okay to have limited signal, but she recommended letting people know in advance to expect that they'd be out of signal, and making people aware of the particular signal spots/required network/closest neighbour - in case there was a need to call out.

**Pot wash area & food waste**
We would need to provide a place to dispose of food waste: left-over cooked food, tea bags, vegetable peelings and so on. It would need to be contained so as not to attract rodents. We would also need to provide a designated pot wash area with a soakaway that could cope with the water/waste from washing pans after cooking.

**Water tanks**

Jacqui alerted me to considerations with water stored in tanks - we would need to consider shading the tanks, and be aware of the turn-over of water. A black tank for drinking water is a good idea because it limits green growth, but the black surface can really warm up the water, and that isn't ideal. We would need a wooden shade box around the tank to block direct sun on it. Bringing in water from an outdoor tap at the Old Manse would be fine as it's in the Scottish Water system, but Jacqui advised that the residual chlorine wouldn't protect much against re-contamination through the process of filling & topping tanks, so we would need to have careful practice around this, in terms of the pump system being used only for this task and storing it carefully between uses - for example. As no showering is to be offered, Legionalla wouldn't be a concern (inhalation-related rather than consumption), but we would need to monitor the turn-over of water from the large site tank, to be sure that it was fresh water that campers were taking. Adding slow-release chlorine tablets is a possibility, but if you mid-judge the water volume it makes for very unpleasant water.

**Signage**

For all of this, Jacqui recommended good signage, for things like parking area, phone signal spots, all things water/loo-related, and this would be part of our risk management, in communicating well with campers.

**Water quantities - my own thoughts**

After living recently at our caravan with water in 10 litre containers, I can see that my previous estimate of 10 litres per person per day is very minimal, once you get onto washing dishes. I think 20 litres per person per day would be the absolute minimum we could use as an estimate, and we would need to alert campers to the need to be very careful with use. It would be so easy to use more than that just by being liberal when teeth brushing or doing dishes, and we'd find it a challenge to bring in large quantities regularly.

My main awareness after this conversation is that it wouldn't be sufficient to only provide one tank of water on site. We would need a hand washing area at the loos, a pot wash area and the tank we had in mind as drinking/cooking water provision. This does increase the water infrastructure requirements & considerations, and add to the time it would take to run the site in terms of bringing in water regularly.

If we estimate 2.5 people per tent on average, and up to 10 tents at a time, with 20 litres used each day per person, that's a provision of 500 litres of water each day at a minimum; half an IBC tank brought to the site daily - the white cubes you'll most likely be familiar with seeing.

Lizzie Keenaghan
26th July 2021
Project Coordinator
Colonsay Community Development Company

# Colonsay Community Development Company

## Financial Management for Projects

Report to CCDC Board – 19th July 2021

## Background

With the Scalasaig project about to start, the company needs to be in the best position it can to manage its finances during project delivery.

While the principle of securing project grants, paying contractors fees and making regular grant draw-down requests is familiar territory for the company, the scale of the Scalasaig project is at least an order larger than anything the company has delivered before.

In financial terms, the purchase of land for the project was a big step up, and although complex it was essentially a one-off. The Scalasaig construction project is potentially more demanding will involve around 12 months intensive construction activity, two separate contracts (Housing and the Business Units), draw-down from multiple funders and sums of around £0.3M going through the company accounts each month.

Effective financial management during this period will be critical.

## Proposal

Earlier work by CCDC to develop cost models will be enhanced as better cost profile information becomes available from TSL. These models will be used to help manage the project and cashflow overall. This work will be done by Carrie Seymour (Project Co-ordinator) and Callum Hay (Director / Treasurer).

At the same time, more rigorous monthly reporting and checks will be used for day-to-day management and within the company accounting systems. Tanya Wren has indicated that she can now devote more time to her bookkeeping / financial management role, and is keen to help.

The objective of these measures is to provide the essential scrutiny necessary and ways to provide "early warnings" so that any unexpected issues can identified and action taken in good time.

This work is likely to benefit the company in the longer term as these improvements are expected to result in better financial management of all projects undertaken in future, large and small.

It is proposed that Tanya's hours be doubled (7hrs / pcm to c. 15 hrs pcm) for the duration of the Scalasaig project, or to the end December 2022 (which ever the sooner) to provide the necessary capacity and expertise, Tanya to work in collaboration with Carrie and Callum and the company's accountants, Simmers & Co.

The extra hours will also include for preparations to introduce card payment systems for the Trading Company. Details of the proposals for card payment systems will be covered in a separate report to a future Board meeting

It is proposed that the additional cost of Tanya's fees (to be confirmed, but estimated at £50 - £100 pcm) will be carried as an additional project cost and covered from the allowance of c. £130k for contingencies. This will be offset by a contribution from the Trading company to reflect any time spent on preparations for card payment systems.

## Recommendation

I recommend that the CCDC Board:

- Note the recommendation to strengthen the company's financial management capacity for delivery of the Scalasaig project;
- Agree that the hours commissioned from Tanya Wren are temporarily increased for the duration of the Scalasaig project (or to the end December 2022 whichever is the sooner) in consultation with the Treasurer, the Chair, and the Director (Staffing)
- Agree that the additional costs be met from the Scalasaig project, with a contribution from the Trading company as appropriate.

Callum Hay CCDC Director / Treasurer

July 2021

# COLONSAY COMMUNITY DEVELOPMENT COMPANY

## *PROJECT REPORT* – COMMUNITY HOUSING, BUSINESS UNITS & MANSE

| | | | | |
|---|---|---|---|---|
| *Project* | Community Housing, Business Units & Manse | | | |
| *Report Compiled by* | Grace Johnston | | | |
| *Reporting Period* | July 2021 | | | |
| *Project Status* | Previous Status: | | Current Status: | |

## 1. SUMMARY OF ACTIVITY SINCE LAST REPORT

**The Manse**

- Colm and Tanya have now moved out of the manse. The property has been cleaned and meter readings taken. SSE have been notified.
- Grace with coordinate weekly checks for insurance requirements.
- TSL have visited the Manse and will house up to three workers from August through to the end of October.
- Still awaiting Private Landlord application approval.

**Business Units**

- HIE came back to us with several questions regarding the due diligence and finance tables. A meeting was held with HIE, accountant, Grace and Callum and relevant info supplied. The funding paper can now go to the panel for approval. Thank you Callum!
- An application form for the business units has been produced and is attached.

**Community Housing**

- Grace has been working on a presentation which will be delivered at the CHT EGM Thursday 29th. CCDC has now signed up as a member of CHT (free).
- Contact has been made with WHHA to discuss future management arrangements – awaiting reply.
- Updating of housing list in progress.
- Discussions with other community housing initiatives suggest that becoming a member of the Scottish Landlords Association is incredibly worthwhile as they provided unlimited helpline access, discounted training and helpful documents/factsheets. The cost is £95 per year.

## 2. KEY ISSUES

No new issues

## 3. FORMAL APPROVALS / DECISIONS REQUIRED

Approval/comments from board on BU app form

Decision on joining Scottish Association of Landlords

## 4. NEXT REPORTING PERIOD ACTIVITIES

- HIE decision on business units funding
- Approval of Private Landlord application
- TSL start on site
- Update housing list

## 5. APPENDICES

- BU application form

THE ISLE OF GIGHA HERITAGE TRUST

# HEADS OF TERMS
# LEASE OF HOLIDAY COTTAGES – ISLE OF GIGHA
# BY ISLE OF GIGHA HERITAGE TRUST
# March 2020

## A. The Properties

The following properties, as identified on the attached plans, will be included in the lease:

1. The Steadings, comprising the letting units of the Byre, the Barn and the Stable
2. Nos 1 and 2 Ferrycroft Cottages

The cottages can be let in two separate lots or a single lot.

The cottages will be let with rights of access for pedestrian and vehicular use along the access tracks.

The cottages will be let with rights of access to all services required to operate the holiday cottage business.

## B. Lease Term

The cottages will be let for a term of 10 years from a date to be agreed in 2020.

Both parties will have a right to break the lease at each rent review.

## C. Rent

Offers of rent will be invited from interested parties.

IGHT expect these offers of rent to be in excess of:

*Year 1 - £25,000 pa*

*Year 2 - £30,000 pa*

*Year 3 - £33,000 pa*

VAT is not chargeable on the rent.

The rent will be reviewed every 3 years. Rent reviews will be the higher of the existing rent paid or an equivalent of 33% of the gross income received (before any expenses of any sort are incurred) in the previous year.

## D. Rent Payments

Rent will be payable on a monthly basis, monthly in arrears. Failure to pay rent for a period longer than three months, or regular failure to pay the rent when due, will be grounds for IGHT to commence possession proceedings.

A rent deposit equivalent to 3 months rent will be paid at the start of the term.

## E. Repairs

The lessee will be responsible for:

- Keeping the property in good repair and appropriate condition for high quality holiday cottage letting units.
- All internal repairs to the property including repairs to all services inside the property.
- All external decorative repairs, including regular redecoration of the external walls and timberwork and keeping all lighting and other external equipment in working order.
- Keeping gutters and downpipes clear and clean.
- Keeping the landlord's fixtures and fittings and equipment identified in the Inventory in good repair and replacing such when broken or worn out.
- Keeping all outside areas, including grassed areas regularly mown and tidy and in good condition.

The landlord will maintain responsibility for all structural repairs to the cottages.

## F. Insurance

The lessee will be responsible for insurance for all contents, including accidental damage and for public liability and employer's insurance. The landlord will keep insurance for structural repairs on its policy

## G. Improvements

Incoming lessees are required to undertake the following works within 18 months of the lease commencing:

- External delineation of space around the cottages
- Upgrading bathrooms in the Ferrycroft Cottages
- Installing heating in the Ferrycroft Cottages

The works must be agreed in advance with IGHT. Subject to agreement on the extent and design of the works and reasonable estimates being provided, the costs of the upgrades will be split equally between the IGHT and the lessee. IGHT will pay its contribution to the costs of the works once the work is completed to IGHT satisfaction.

## H. Customer Satisfaction

The lessee to maintain records of customer feedback either in written form or via Trip Advisor or website reviews and make these available to IGHT when asked. Continuous and consistent poor feedback or reviews will be grounds for IGHT seeking re possession of the properties.

## I. Inspection

The lessee shall make the properties reasonably available for inspection by the landlord, no more than quarterly, subject to the landlord giving at least 48 hours' notice of their intention to inspect.

The lessee shall provide IGHT with occupancy rates quarterly.

## J. Inventory

The cottages will be leased with an Inventory of fixtures and fittings and equipment, which will be appended to the lease. This inventory must be kept in good repair at all times. An annual inspection of the inventory by the landlord will ascertain the condition of the inventory. Should the lessee provide additional or upgraded inventory this this will be recorded on the Inventory Schedule and will remain the lessee's property (unless it has been replaced or improved due to the landlord's property being worn out or broken).

# Colonsay Community Development Company

## DRAFT Summer Newsletter notes – July 2021

Proposed publication date: 9 August 2021

Housing Fund award for Scalasaig Dannie/ Carrie/ Caitlin pictures?
AGMs (Dannie summary)
Port Mor housing (Dannie)
Looking forward
Misc:

- plea to use composter
- camping on hold but let us and CCC know if there are any issues
- (maybe compost loos depending on CE response at 5 August meeting)

Anything else?

[No significant development on moorings, so leave until autumn.]

**Housing Fund Award**

Hooray! We now have full funding for the new community-led housing at Scalasaig. At her visit last month, the Cabinet Secretary for Rural Affairs and the Islands, Marie Gougeon, delivered the news about the Rural and Islands Housing Fund award of £1.2 million to our community. The CCDC board has now accepted the tender from TSL to build the houses and business units at Scalasaig. We expect work to start in earnest in August. The contractor will take a break during the winter months but still expects to complete before the end of 2022.

As planned, the former Baptist Manse will now be occupied by the proposed contractor for the housing and business developments on the island. We are glad to have been able to let it short term to a local family in need of temporary housing. Look out for our community consultation on future use of the former manse site.

Throughout the construction phase we will be busy preparing allocations policies and management structures to look after these valuable community assets when they are built. We will share progress and seek your views as we go along.

**AGMs**

With the covid restrictions eased, we were able to catch up on our AGMs for the last 2 years in the Village Hall in June. The reports are on our website. (check!) The meeting was well attended – the hall was full (with social distancing!) and the reports were well received with a round of applause for the work done on the community's behalf by the staff and directors of CCDC. Questions were asked about the progress of the Port Mor housing, which we believe is due to go ahead soon. Support was also offered if we were to consider community purchase of the hotel and bar.

**Port Mor**

For some years now, CCDC has been co-operating with West Highland Housing Association to deliver affordable housing at Kilchattan. This was designed to meet part of the housing needs and demands of the community. Planning permission was obtained in 2017, but implementation has been stalled. Covid has again been a factor, and the legal processes for acquiring suitable access to the site for the

development are taking some time.  CCDC has given the right to develop to WHHA. They continue to pursue this project and we are waiting to hear when they expect to start.

**Looking forward**

As last year, we continue to work towards a sustainable future for the community company, where the income from the assets is used to pay for their management and upkeep.  The board recognises that the responsibility for the assets will rest with the community, but the management tasks should be handled by suitably qualified or experienced paid staff.  Some elements of this will be outsourced to specialist companies, but CCDC seeks to employ an asset or a charity manager to oversee the business of the company.  Our property co-ordinator, funded by SLF, is working towards this aim and we will be restructuring the company and staff to achieve this.

CCDC has carried out an internal review of the progress made against the recommendations of the Gass Report.  In brief, we have made significant progress in terms of engagement with external stakeholders; risk management; communication of our projects; delivery of key projects; streamlining of board meetings; strengthening the board; and raising money through crowdfunding.  We have been less successful in engaging with CCC on an inclusive ambition due to their reduced role following mass resignations early this year. Other recommendations will be addressed as we move forward.  Again, we will share this with you as we move forward.

**Other things**

With the community council we listened to your concerns about camping las year. The pilot Campsite and Ranger project did not go ahead this year because the funding was not awarded, but we are looking into funding streams and consents for a possible project next year.

The community composter is up and running, with the collection bin up past the fire station.  Please make use of it.  It will help to remove the smell from our bins during the summer months.  For details about caddies and what you can compost, visit or call the service point.