



COLONSAY
COMMUNITY
DEVELOPMENT
COMPANY

Colonsay Community Development Company

Annual General Meeting 2023 (2022/23 Year)

Saturday 23rd September 2023 - Colonsay Village Hall at 11am

1. Attendance and Apologies

Board members: Callum Hay (CH), William Joll (WJ), Danny Onn (DO).

Project co-ordinators: Carrie Seymour (CS)

Members of the public: David and Alison Guest, Nairn Roy, Will Young, ???, William Leigh-Knight, Christa Byrne, Katie Joll, Sheena Nisbet, Jan Binnie, Lotta nnnn Chris Nisbet

Apologies: Helen Mann, Lizzie and Darragh Keenaghan, Andrew Abrahams, Linsay Calmers, Lesley McInnes, Clare Hay (CCC)

DO welcomed everyone to the meeting.

2. Minutes of previous Annual General Meetings held in 2022

The minutes of the AGMs for 2021-22 were considered and approved. There were no queries or matters arising.

3. Chair's Report

Introductions

DO presented his annual report, this year expanded to a detailed presentation including 2022/23 activity, and looking ahead. The presentation will be made available on the CCDC website in due course. A shorter, formal written report is also included in the draft accounts.

He listed current CCDC Directors (6 local and 2 co-opted) and current staff

In addition to staff input there is also a considerable amount of unpaid work carried out by directors and members of the company.

Projects

DO summarized the Scalasaig Housing Project – 4 affordable homes for rent, and 2 for sale. MOWI are also building 3 units for their staff / site manager. There are also 3 self-build plots and 2 new business units.

There are currently 14 applications to rent, and 3 to buy. There has been some interest in the plots, but no offers.

Housing allocation is being done in accordance with CCDC's Allocation Policy, and is being managed by CCDC's Agents - Community Housing Trust (CHT). The house sales are awaiting a decision on selling either with a Rural Burden, or under the New Supply Shared Equity (NSSE) arrangement. These sales schemes seek to keep the houses for sale in public / community control when re-sold by owners in future.

The contractor has experienced cost over-runs on the project and is lobbying funding bodies for additional payments. CCDC has no contractual obligation to meet these claims – it will be up to funders to decide if claims have any merit.

The project has been repeatedly delayed by many factors, including sub-contracting difficulties, limited local accommodation for workers and lengthy statutory processes. The contract is design-and-build, so all of these risks fall to the contractor to assess and manage. Completion is not now expected until spring 2024

Early concerns about electricity supply constraints were quickly resolved, with the help and intervention of Robin Currie (ABC), Jenni Minto MSP and Brendan O'Hara MP. CCDC arranged a follow-up meeting with CCC and SSE to set out Colonsay's likely power demands over the next 10 years as input to SSE's long-term capacity planning process.

The business units are in a similar position, although may be completed sooner – hopefully early 2024.

The campsite project is not really a CCDC project – CCDC is providing in-kind project management support to a CCDC Croft tenant who is leading the project. The project is in-line with community aspirations for a low-key wild camping site with basic facilities, identified as the preferred approach in a 2021 CCC consultation. Planning delays have slowed progress, so the site will not now be operational until the 2024 season

The Moorings had a successful first season, although opened late. Bookings exceeded 1st-year expectations. Although we have a Marine Licence for Moorings we decided to install only 6, until demand can be determined. Unfortunately the planned path upgrade and waymarking for the route from Queens Bay to the Hotel could not be completed as Colonsay Estate approval was and still is withheld. Otherwise, customer feedback has been very encouraging. The Moorings rely on in-kind support from MOWI who have agreed to a three-year arrangement, with annual reviews.

The manse was initially let to a Colonsay Family at an affordable rate, and then for a longer period to TSL Contractors, at a commercial rate which generated a useful

surplus. It's now re-let to a family again. Some basic improvements to make the property more livable year-round are planned in 2023.

The E-Bike Project - a collaboration with Colonsay Bikes and Boards – was delayed by a late grant offer confirmation. This, together with CCDC and CBB resource issues in the spring of 2022 left too little time to “mobilise” and be in time for the peak tourist demand. Tourist hires were to provide income to cover project running costs, so that residents could be offered extended trials / hires for free. CCDC and CBB mutually agreed to postpone the project, and review in the autumn.

CCDC also started scoping exercises for future work including a major upgrade for the Manse, and the next phase of the Scalasaig Housing project. At the time, the future of both the Hotel and Shop were in doubt, and CCDC started work to scope “last resort” projects to acquire both if necessary in future, following consultation with the community who supported this approach. CCDC is grateful to Chris Nisbet who did much of the background work on these projects.

More recently CCDC has also agreed to deliver the proposed Port Mor Harbour restoration project once access issues have been resolved and agreed, and funding secured. CCDC is also exploring options to acquire a further business unit that has recently come on the market.

Management

CCDC has developed a new website and branding. DO expressed thanks to Sarah Hobhouse who led this project and liaised with West Coast Media who designed the site

A new 10-year community plan was developed to lead on from the previous plan which completed in 2022. DO reflected on the success of CCDC's efforts over those 10 years in successfully delivering almost everything in the plan. The new plan sets out broad direction, community priorities and aspirations for the next 10 years and built on the results on business and community surveys, and 4 themed focus groups. DO acknowledged all the work done by Caitlin McNeill to consult, assemble and write the plan.

CCDC embarked on a pilot project with the Scottish Government Islands Team, to develop an Island Profile for Colonsay, capturing socio-economic and other data to help make our case for future support and development funding. This has proved difficult, not least because it's not been tried at small-island level before. It's work in progress and is due to complete in March 2024

CCDC successfully lobbied to keep the Service Point open, which had been a proposed cut in ABC's 2023/24 budget. This was not the first time that closure had been suggested, and is likely to come round again so CCDC needs an “exit strategy”.

DO summarized the overall position as CCDC moving from a project delivery body, to one with a growing asset management responsibility with the addition of the moorings, manse, housing and business units – as well as the 5 community crofts.

This change in emphasis will bring new challenges. The company relies too much on “Employee” Directors at present, and this is not sustainable in the long run. CCDC has started an internal review process, has consulted with other similar bodies and funding agencies regarding long term capacity building. Our goal is to be financial secure enough to employ a permanent Charity / General Manager.

Part of the solution in the long term may rest with the Machair Windfarm proposal. Scottish Power Renewables have won the concession for this offshore area, but it will be 3-4 years before they decide to commit. If the project goes ahead there may be significant community benefits (e.g. year-on-year funding, as well as a pot to bid into for specific projects) which could provide a lifeline to all voluntary groups on Colonsay as well as new funding for specific projects. In a joint approach with CCC, we have succeeded in establishing a specific Memorandum of Understanding with Scottish Power that recognizes Colonsay as a unique entity. Previously, we had been lumped in with Islay and Jura.

In closing DO said 2022/23 had ben a very busy year, and invited any questions

Questions

- SN: Rumours that TSL contractors had left the Housing site, and were not coming back?
 - *DN – No, the lack of activity was because of delays to statutory consents preventing progress, lack of worker accommodation and difficulties appointing sub-contractors for the next stage of the works. The Houses are all but ready. Main drains, roadworks and landscaping still to do. The contractor is expected back on site 2nd October*
- CN: Update on Port Mor Housing
 - *DN: - Not a CCDC Project so we're not party to detailed position. Our understanding is that TSL have reset their bid, to account for rising prices. Negotiations are continuing. We believe WHHA plan to progress the Port Mor roadworks and utilities anyway this year, whatever happens, to take advantage of the roadworks contractors who will be on Colonsay for the similar Scalasaig work.*
- CB: - Seems inconsistent that TSL have left roadworks until last, but you say WHHA may do them first?
 - *DO: - It's TSL's decision re. sequence and timing. It's a Design and Build contract so it's been up to them. There have also been some regulatory delays (again, their sequencing) which have impacted on getting the Road Construction Consent. We think WHHA see an opportunity to get the best possible price for roadworks at Port Mor if they plan this for when TSL's roadworks sub-contractor is here.*
- JB: What access arrangements are proposed in the Por Mor Harbour project?
 - *DN: - A bit complicated. Waiting on notice of the final resolution / agreement from the Council's Access and Legal Officers. Intention is that the harbour will be restored for use which will include access along the road, access to launch boats as before and right to park alongside. Fences and any other obstructions that would interfere with these rights to be moved.*
- WL-K: Confirm CCDC's status – a Charity ?

- *DN: - Yes CCDC is and always has been a Charity. The Trading Company is a wholly-owned subsidiary but is not – it's a PLC.*

4. Treasurer's report

Annual Accounts

CH apologized as he was unable to bring audited accounts to the meeting for discussion and approval. Draft accounts were available, but not the final audited version.

There has been a large number of accountancy firms in the UK choosing to stop audit work over the last 2 years. CCDC's former auditor is one of them. A new auditor was in the process of being appointed but unexpectedly declined the commission in June this year. It proved difficult to identify a replacement, but a new appointment was finally made last week. It will likely be another 6-8 weeks before the audit can be completed and the final accounts presented for approval.

In consultation with our Accountants the Board agreed to present draft accounts to the AGM for noting, and to hold a special meeting later this year for formal approval.

Trading Company

The Trading Company is a wholly-owned subsidiary of CCDC and operates as a PLC.

In past years CCDC would take a "profit" from the Trading Company, as a valuable income stream. The Board agreed to reduce and eventually cease this practice for several reasons: as new sources of income were being developed the company was less dependent on Trading income; with rapidly rising wholesale fuel prices in 2022/23 we wanted to keep retail prices as low as possible, and the Board recognized that fossil fuel sales will inevitably decline, so we should break this income "dependency".

Colonsay fuel prices are high for several reasons: the cost of delivery; the difficulty of scheduling deliveries to optimize transport costs and a high fixed overhead costs in comparison to turnover. 2022/23 turnover was £79,630. According to industry figures a large supermarket filling station probably sells more petrol and diesel in a weekend than we sell in a whole year.

Despite a very turbulent market (triggered by the Invasion of Ukraine, and the knock-on impact on oil and gas supplies) the Company broke even. 2022/23 turnover was £79,630

Community Moorings

Despite a late start and minimal advertising in the first year of operation the community moorings returned a modest surplus of c. £670.

CCDC found it difficult to predict customers numbers for a brand new facility, but total payments exceeded projections. However, analysis of when those payments were made showed that the season peaked earlier than anticipated.

It is anticipated that business will increase year-on-year as the facility becomes better known. We will review and adjust projections at the close of each season, based on actual performance that year.

CCDC receives generous in-kind support from MOWI, who make their local staff and specialist divers available for repairs and maintenance. The arrangement is reviewed annually. The agreement with MOWI has a break-point at year 3.

Old Manse

The Manse had first a Colonsay Family as tenants (paying at affordable rates) then a longer tenancy by TSL Contractors, at commercial rates. This latter tenancy helped generate a net surplus over core costs of c. £4,000 for the year.

This surplus helped set up an initial repairs and maintenance sum.

Crofts

CCDC receives a (deliberately) modest annual income from the 5 community crofts it owns at Lower Kilchattan and Uragaig.

Exceptional costs in 2022/23 associated with legal fees for plot sales for new build houses, and a requirement by our auditor to re-value the crofts resulted in a net loss of c. £960.

Scalasaig Project

The project is being delivered through a fixed-price contract, reducing the risk to CCDC of cost overruns. The project budget (excluding land) is £3.78M. Total project spend in 2022/23 was c. £1.17M on Housing and £0.22M on the business units – about 45% of the total for each.

Our project partners MOWI offered to front-load their contributions to the project which effectively provided CCDC with a cash buffer that resolved what could otherwise have been regular month-on-month cashflow difficulties. Once again, CCDC is very grateful for MOWI's support.

Campsite

CCDC is acting as a grant-funding conduit for this project. The project is expected to be cost-neutral for CCDC

E-Bikes

CCDC was successful in raising all the funding required, but the principal grant award was made almost 3 months late.

This delay introduced problems for both CCDC and Colonsay Bikes and Boards to point where it became too risky to delivery the project as it seemed unlikely that enough income from tourist hires (to cover operating costs) could be realised. There were also complications with Public Liability Insurance.

CCDC and CBB agreed to postpone the project, and will review in Autumn 2023

Core and Back Office costs

CCDC provides a presence for ABC in the Service Point, under a Service Level Agreement. In return, CCDC is allowed to use the Service Point offices rent-free, and receives a small grant to cover staff costs and office running expenses.

By re-configuring cover in the Service point, CCDC managed to make some cost savings in 2022/23

CCD provided 4 local jobs (total of 1 full-time equivalent) funded by the Service Point Grant, and grants from HIE.

Questions

- CB – Confused about Moorings 3 year and 5 year periods?
 - DO: - *MOWI agreement is for an initial 3 years. We will then jointly review. At that point we may decide to add extra moorings (up to 10 total), we might reduce the number if numbers are lower that hoped or we may have to close down completely if it is failing. We cannot afford to make a loss.*
 - CH; - *The 5 year period relates to our business plan. We've assumed year-on-year growth in numbers, reaching "steady state" in year 5.*

5. Election of CCDC board

DO confirmed that under the rules of the CCDC constitution, two directors had to stand down, as do the two co-opted members. It had been agreed that WJ and DK would stand down, but both had offered themselves for re-election.

Will Young expressed an interest in joining the Board.

Nairn Roy also expressed an interest, but as he is not (yet) a resident he is not eligible to join as a Director. He may be able to contribute in another capacity, and this will be considered in due course.

As there were no other expressions of interest or nominations, DO proposed that WJ, DK and WY were appointed to the Board. This was seconded by CH.

The choice of co-opted members was for the new Board to decide and would be considered soon and confirmed at the next meeting in October. DO expressed

CCDC's gratitude for Linsay and Lesley's contribution in the past year which had been invaluable and hoped they would be prepared to serve another term.

6. AOCB

There were no further questions and no other competent business, so the meeting was closed.

DRAFT