

Minutes ECC Directors meeting Thursday 6th July Edinbane Community Hall

Present: Karen Pettit, Sara Twaddle, John Lawrie, John Boyle, Alistair Danter

Apologies: Roddy Macfarlane, Billy Shanks, John Davies, Kelly McKenzie

1. Minutes of Meeting 25th May approved – Proposed John Lawrie, seconded John Boyle
2. Declarations of Interest – none
3. Matters arising:
 - i. Proposed system for financial authorisation – meeting approved paper prepared by KP – see annex 1
 - ii. Benches for Playpark, KP identified appropriate equipment produced by the Scottish Prison Services, ACTION AD to pass brochure to BS + agree style + no. of benches to be purchased.
 - iii. Comms proposals – no update, to be carried forward
 - iv. Directors ID – all Directors requested to provide ID in order that Mac and Mac – ECC’s lawyers can continue to represent the co. when required.
4. Windfarm status update – SW is currently collating a “status” grid report on all farms in NW Skye, document to be available at next meeting grid to cover:
 - Brookfield (Waternish)
 - Vattenfall (Edinbane)
 - Falke renewables – new owners name to be confirmed – Ben Atekil
 - Wind 2 (Ben Sca)
 - Wind 2 Balmeana
 - Muirhall Energy (Glen Ullinish)Meeting noted that the developers have formed a developers group and meet on a regular basis
5. Development workers report – noted & approved. – attached appendix 2
6. Admin and Finance report, noted + approved – Annex 3 – ACTION AD to seek accountants advice on advisability of consolidation of all cash accounts into a single NSI bond.
7. Shop update – AP + AD held a meeting with Scott Donald KD Partnership following the community consultation to discuss the draft report / capital costings, a few amendments are required, these will be available for the Board to consider after the 19th July In addition it has been agreed with the architect that details landscape proposals are not required for planning application but that they should be developed as part of the design process to enable an appropriate sum to be included in the overall capital development cost / price.

8. Valuation report for additional land next to shop. Valuation received from Bidwells (annex 4) Board approved an initial bid + ceiling for an approach to the owner.
9. Village Centre design – awaiting final project spec from Louise Kerr. ACTION AD to send digital copy of design to Hall committee. Project progression dependant on Hall committee decision

10. Applications:

- i. I Maclean – Student support grant year 1 BA Hons conservatoire £4,000 approved
- ii. SkyeDance – workshop in Edinbane Community Hall, summer activities £35 approved
- iii. Edinbane Community Hall annual grant £ 3,000 approved

DONM – 27/7 to review final shop deign to go to planning
7/9 Main meeting

ECC Financial Controls - Draft

There are three key areas where controls need to be in place. I will list these areas and then expand on them below:

- 1) Approval of expenditure
 - 2) Payments made from the bank account(s)
 - 3) Management accounts to be presented during ECC meetings and bank statements available for all to see at ECC meetings.
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- 1) The ECC needs to have an approval process for authorising payments before instructions are passed to the Treasurer to make the payment and a separate approval process for instructing the bank to make the payments.

The ECC considers and votes on applications for funding during the ECC meetings. Applications might occasionally be approved via email if it has previously been discussed during an ECC meeting. Applications for funding are usually circulated by email in advance of the ECC meetings giving members unable to attend an opportunity to raise any concerns. There is a quorum for ECC meetings to be viable which ensures that spend is adequately considered. Decisions are documented in the minutes of the meeting that are publicly available on the ECC website.

ECC expenditure can broadly be split into three categories:

- a) Applications for funding approved in the ECC meetings. These payments require no additional approval and can be passed to the Treasurer for payment as they become due.
 - b) Spend approved under project budgets. For example, if a £50k budget is set for preliminary works on the shop there will be a detailed breakdown of that spend as part of the approval process. Payments could be made with no additional approval if the actual spend is within budget. Additional approval would be required where actual costs exceed budget. The ECC should consider whether it wants to introduce a layer of authorisation here to verify that the spend was both on budget and satisfactory.
 - c) Adhoc, and expenses greater than budgeted require two directors' approval before being passed to the Treasurer for payment.
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- 2) The bank account mandates for the ECC accounts should be amended to require dual authorisation for amounts greater than £TBD. This is a common practice and ideally should generate emails to the directors alerting them that a payment requires approval.
 - 3) Currently the ECC has an appointed Administrator and a retired director accessing the bank accounts to make payments and transfers. This situation has arisen as the Treasurer had served their maximum term as a director. The ECC should appoint a Treasurer that is also a director. The Administrator is responsible for ensuring that the QuickBooks

accounting system accurately reflects the financial records of the ECC and that there is appropriate supporting documentation for payments and receipts.

Either the Treasurer or the Administrator should take ownership of the ECC accounts and provide a financial update on a regular basis at the ECC meetings. External bank statements should be available as they are independent evidence of the bank balances and payments made.

**EDINBANE COMMUNITY COMPANY
DEVELOPMENT WORKER BOARD REPORT – June 2023**

1. SUSTRANS Path

- Alistair & Andrew have split the outstanding access agreements between them and will be following-up with landowners to find out what issues are preventing them from signing.
- Possibility of splitting the path into 2 or 3 phases and reducing the spec to a less expensive, simpler design without Sustrans funding.
- Alistair & Andrew to investigate this option with Mike Hyatt (the path design consultant)

2. Lyndale Renovation Path – ‘Karen’s Track’

- Nothing new to report, Francis Yeats stonemason still working on bridges.

3. Edinbane Shop project

- The community consultation event on the 15th June drew a good turn-out to the day-time and evening sessions.
- Good piece in the WHFP with photo, see full consultation responses report circulated.
- Summary of feedback responses as follows;
 - Generally favourable reaction to overall design ethos, layout and splitting up of functions and buildings
 - Desire for better pedestrian/active travel links to other parts of settlement (strong support for proposed cycle/footpath along main road, also path down from Upper Edinbane)
 - Public toilet provision – general feeling that we should provide more, but need to temper with cost/space constraints, and on-going cost of cleaning etc. (not ECC’s core responsibility)
 - Generally happy with parking layout and provision, but some queries as to what we’re going to do about campervans/RVs – we need to follow up on the adjoining field
 - Consider providing EV charging points
 - More detail wanted on landscaping and planting, creation of a feature entrance to Edinbane
 - Consider PV panels on south-facing roofs
- KDP will take these on board and work up second iteration of design proposals for ECC approval, and thence to planning.
- KDP have completed their draft feasibility report. Initial QS budget cost for the construction is £2,488,000 including fees, excluding VAT.
- ECC to follow up with landowner of adjoining field for additional parking now we have formal open market valuation.

- Andrew to follow up with Highland Council on transfer of land to front of shop site.
- Business planning brief ready to go out to tender, Andrew has recent info. from DTAS about consultants currently active in the community enterprise sector.
- Will advertise business planning tender opportunity and contact selected consultants from DTAS list.

Annex 3
Administrators report

Administrators report ECC 6th July '23

1. Coishletter Housing – Liaison with THC team that is negotiating with Skye Luxury Lodges for potential purchase of land at Coishletter – negotiations are ongoing we should receive further information by the end of August '23
2. Village Centre design – Liaison with Loise Kerr Landscape designer – draft plan approved, circulated to hall Committee who are now deliberating + seeking clarification of “recreational purpose” status of land. LK will finalise the design + include a project task list to bring the project to fruition once Hall Committee give approval for use.
3. Community Consultation on Shop - promotion completed – direct mailing to members, Posters + ad in WEFP + on ECC website. Additional information posted onto website – design, fly through video etc
4. Share option info – to come shortly
5. Finance – 1 successful onboarding session held with Quickbooks, follow up session with Donald Ranking accountants Friday 7th. Annual accounts in preparation prior to submission to Donald Rankin for processing. Request made to Vattenfall for annual payment.

Current financial status:

RBS Current a/c	£ 25,717.57
RBS Reserve a/c	£ 5,396.04
Virgin a/c	£ 73,517.78
Clydesdale a/c	£ 85,293.87
Fidelity Investment	£ 80,225.22

6. Registration for right to buy submission document to SG completed, submission acknowledged + queries raised with regards missing information in submission. Currently following up:
 - A) with ECC lawyer
 - B) specific content gapsNB If there is a positive outcome with THC's approach to SLL the application will have to be resubmitted.
7. Admin with Co.s House ref submission of revised articles of Association – name change had been approved + revised articles but final revised men and arts doc had not been submitted, now in hand.
8. Hours worked:

7:10:22 – 21:12:22	15.5 hrs
2:1:23 – 2:3:23	15.5 hrs
15:3:23 – 29:5:23	19 hrs

Annex 4 Land Valuation

Edinbane Community Company Edinbane
Portree
Isle of Skye

IV51 9PW

Dear Mr Prendergast

OPINION OF VALUE FOR ACQUISITION PURPOSES – LAND AT EDINBANE, ISLE OF SKYE, IV51 9PW (THE 'PROPERTY')

I write further to our Letter of Appointment dated 29 May 2023 and to confirm our opinion of values relative to the above. As agreed we are providing our opinion purely for internal purposes, without liability, and without communication to a third party. We accept no responsibility whatsoever to any other person.

You have asked us to provide an approximate guide figure prepared on a restricted information and time basis for acquisition purposes. As such, in accordance with Professional Standard 1.5 of the RICS Valuation – Global Standards, this advice is excluded from the requirements of VPS 1-5 of the Standards.

This advice has not been based on full research of the asset and as agreed no site visit was carried out. Given the exclusion from VPS 1-5 of the Red Book, the figure provided is therefore not subject to the usual detailed investigations that would normally be undertaken, and we have based our appraisal on certain assumptions and upon information received from you, and/or representatives and obtained via Bidwells own research and reference to publicly available web-based resources without further verification.

Should a formal valuation be undertaken without the restrictions set out above (i.e. a full Red Book valuation) then we cannot guarantee the figure will remain the same.

1. Location

The Property is situated in the village of Edinbane in the north of the Isle of Skye. Edinbane is approximately 14 miles northwest of Portree and 8 miles east of Dunvegan.

Please refer to the attached site plan (Appendix 1) and google street view photo (Appendix 2).

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Your ref: Our ref: DD:
E:

Date:

AMK/CK/59/00/120
01397 747596 angus.kelly@bidwells.co.uk 06/06/2023



2. Description

Briefly and for the record, the Property comprises 0.4 acres of agricultural land which comprises the western edge of Croft 16, Edinbane. The land is predominantly rough grazing land with a small grouping of native trees which hug the western boundary of the Property adjacent to the roadside.

The major soil group is composed of Brown Earths and is a part of the Darleith soil association which is characterised by its dark brown to brown or reddish-brown subsoil. The dominant land use for this type of soil is as arable, grassland or rough grazing land. The parent material derived from basaltic lavas and other igneous rocks such as dolerites and agglomerates. On the Carbon and Peatland 2016 map the land is rated as Class 0 which indicates mineral soils in which peatland habitats are not typically found.

The land capability for agriculture is rated as Class 5.1. This means the land is capable for use as improved grassland and will have few problems with pasture establishment and maintenance and potential high yields.

The land capability for forestry is rated Class F4. This means the land has moderate flexibility for the growth and management of tree crops.

The SEPA Flood Risk Map indicates the land is not susceptible to potential flooding.

3. Access

The Property is accessed via the Old Dunvegan public road, which is connected to the A850 which itself branches off from the main trunk road on the island, the A87. From the junction of the A850, the Property is found on the east side of the Old Dunvegan Road.

4. Services

We understand the Property is not currently serviced.

5. Condition

The Property was not visited and as such we have not been instructed to carry out any surveys of the Property.

6. Planning

We have assumed for opinion of value that there would be no unduly onerous constraints on the site or consent for any alternative use.

We have provided a value for the land without planning and the value of the land with the benefit of planning. When considering the value of the land with the benefit of planning we have assumed planning permission for a carpark site only. Said car park is to be associated with an adjacent community centre development. We have not considered the value of any residential planning permission which may be granted on the Property.

7. Environmental

Our opinion of value is on the basis that the Property and its environs are entirely free from contamination or pollution and noxious or invasive non-native species of weeds. In the event of contamination or any other environmental issues being discovered, further specialist advice should be obtained. Should it be established that contamination or infestation does exist, this might reduce the value reported.

8. Tenure

The Property forms part of Croft 16 Edinbane which we understand is under crofting tenure.

9. Sporting

We are not aware of any active sporting on the Property.

10. Title

The Property is registered on the Land Register. We have not been made aware of any restrictive covenants or overage arrangements affecting the Property.

11. Market Commentary Agricultural Land

Farmland values in Scotland remain strong with demand robust across all farm types. Analysis of data from the past 12 months shows that overall land prices increased during the first half of 2022, although they flattened off in the autumn. The average value of prime arable land on the east coast was £9,500/acre, but varied widely according to location, from an average of £4,500/acre in the Highlands to £16,000/acre in the Lothians. The price paid for land suitable for afforestation peaked at the beginning of the year, reaching in excess of £8,000/acre in some cases, before falling back during the second half of the year. Meanwhile, the average price paid for grass leys increased from £3,500/acre in 2021 to £4,000/acre in 2022. The main buyers of agricultural land were farmers looking to expand their businesses or invest rollover proceeds from development land.

Development Land for use as carparking

There is currently a limited market for land being sold with the benefit of planning permission for such developments on the Isle of Skye, therefore comparables have been taken from the west coast of Scotland. We would note that crofting transactions on Skye are often driven by special buyers such as where they are buying out the landlords interest. Upon review of comparable croft sales within Edinbane and in neighbouring villages, a common theme was that of the landlord's interest being bought by the crofting tenant.

Valuation Commentary

Our opinion of value of the Property is in comparison with properties sold and, if required due to scarcity of open market sales, private transactions we are aware of and properties currently on the market. We have adjusted the available evidence to take account of the location of the Property, relative land quality, condition, current use and other relevant factors. We consider there is a sufficient range of evidence to allow us to form a fair view of the Property value.

Page 3

12. Value

We are of the opinion that the Market Value of the absolute ownership interest of the Property in its current condition without the benefit of planning as at the date of this letter is in the region of £1,700 (ONE THOUSAND SEVEN HUNDRED POUNDS).

We are of the opinion that the Market Value of the absolute ownership interest of the Property in its current condition with the benefit of planning for use as car park site only as at the date of this letter is in the region of £10,000 (TEN THOUSAND POUNDS).

It should be noted that values change over time and that the opinion of value provided above is given on the date specified. It may not be valid on an earlier or later date.

13. Basis of Value

Market Value (MV) is defined in the RICS Valuation – Global Standards as:

“The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction after proper marketing where the parties had each acted knowledgeably, prudently and without compulsion.”

Market Value ignores any price distortions caused by Special Value or Marriage Value.

Special Value: "An amount that reflects particular attributes of an asset that are only of value to a special purchaser."

Notwithstanding the disregard of Special Value where the price offered by prospective buyers generally in the market would reflect an expectation of a change in the circumstances of the Property in the future, this element of 'hope value' is reflected in Market Value.

14. Allowances

No allowance has been made in the opinion of value for the liability or effect of taxation, goodwill or costs associated with disposal.

Page 4

15. Confidentiality

Neither the whole nor any part of this report nor reference thereto may be included in any published document, circular or statement in any way without prior written approval of the form and context in which it may appear.

The report has been prepared solely for the purpose stated and is to be regarded as confidential to the persons to whom it is addressed, and it is intended for use by them alone. Consequently, in accordance with our normal practice, no responsibility is accepted to any third party in respect of the whole or any part of its contents even if that third party pays all or part of our fees, or is permitted to see a copy of our letter.

Yours sincerely

For and on behalf of Bidwells LLP

Angus Kelly MRICS

Partner, Head of Fort William

Enclosures



APPENDIX 1

SITE PLAN



Figure 1.1 – The Property comprises the 0.4 acres of land as shown outlined in blue and is designated for use as a car park to serve the adjacent proposed community centre development.

APPENDIX 2

PHOTOGRAPHIC SCHEDULE

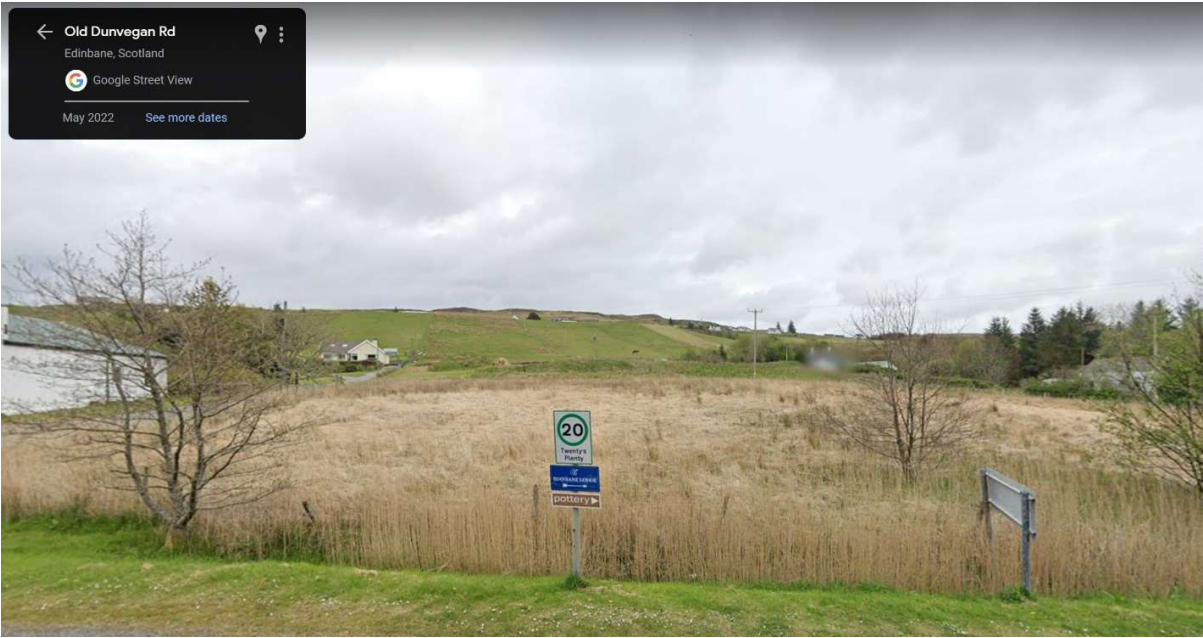


Figure 2.1 – The Property as per most recently available online imagery (May 2022).