



Annual Report 2015

Introduction: The main theme of 2015 was the opening and the initial months of operation of the Atlantic Islands Centre.



Opening day, June 2015

Atlantic Islands Centre – Building and Operation. The practical completion of the Atlantic Islands Centre occupied the first five months of the year, with a number of last minute delays frustrating attempts to plan firm dates for the opening and other events. However by May anticipation of the opening was growing daily. The Luing History Group had the honour of the first event in the AIC, an invitation preview and members' evening in early May, in recognition of the part the group played in the initiation of the project in 2003.

The fit-out of the AIC, in addition to the work done by Leach Colour under contract, occupied much volunteer time, with much time and effort devoted to ensuring the building was in excellent condition for the official opening in June. This was performed by Brendan O'Hara MP, with Michael Russell MSP unfortunately taken ill that morning, and attended by over 120 residents and invited guests on a glorious summer day.

With little publicity other than word of mouth, residents and visitors then came in their hundreds, also on occasions taxing the capacity of the team of staff and volunteers to the limits. The installation of a footfall counter enabled an estimate of the numbers of visitors in the 7 months to the year-end of about 7000, compared with the forecast in the business plan for the first full year of operation of 5000. The decision to open the Centre 7 days a week all winter proved popular with residents and visitors.

Registered Office: Atlantic Islands Centre, Cullipool, Isle of Luing, Oban, Argyll. PA34 4UB

Registered Charity SC036441

Registered Company SC282766

The operation of the AIC required the awakening of the dormant Isle of Luing Trading Company, a wholly owned subsidiary of the Trust. The Trust board initially appointed four directors to form the board of the Trading Company (TC), with the appointment of two more later in the year. Pete Hooper now serves on both boards as the link person, while the Chairman of each board is invited to attend the meetings of the other board. The Trust solicitors prepared draft Intra-Group and Services Agreements which have been used provisionally for the first year of operation to govern the relations between the boards, with the intention that these should be reviewed, finalised and formally adopted in 2016. This has proved to be a wise move, as both boards have had steep learning curves during the initial year, and that learning still continues.

A Scottish Government ERDF audit team visited the completed project in October (during the Activities Week) for a complete compliance check with EU rules for such funding. Such visits are never a pleasant experience, but on this occasion the audit was completed well within the allotted 3 days, with all queries raised answered to their satisfaction.

The management of the whole construction project continued to be ably handled on behalf of the Trust by the Project Development Manager (PDM). Sufficient funding from Big Lottery and Highlands and Islands Enterprise (HIE) remained to enable the Board to continue the PDM role until practical completion on a self-employed basis.

The Trust is very conscious of the enormous contribution made to the success of the AIC operation by the band of more than 30 dedicated volunteers, including the Luing Bakers, a team of fifteen who provide the daily delivery of home baking that has been a major part of the success of the café.

The success of the AIC was recognised by it being 1 of 3 projects shortlisted for the SURF community led regeneration Award in December 2015. Looking ahead into early 2016 the project won the Scottish Civic Trust My Place Award, out of 28 nominated projects throughout Scotland.

Employment: Laura McIntyre took up the post of Centre Development Manager in February 2015 and remains the only Trust employee. However the rapid expansion of demand for the café/restaurant meant that the Trading Company has employed several local people in that operation, including a chef for the summer season, in addition to the volunteers.

Publications: this year the glossy version of the Luing map for visitors was at last produced, and several thousand copies have been handed out on the ferry and at the AIC. The walk leaflets have sold in larger quantities, while Luing History Group publications continue to sell in small quantities both in the AIC and online.

Moorings Project: this development was completed in 2015, but too late for it to be announced in the yachting magazines at the start of the season, so only a few yachts availed themselves of the facility this year. With wide advertising, the prospects for 2016 should be much improved. The aim is to encourage yacht crews, having moored and paid their mooring fees, to come to the AIC for meals, when they may claim a discount on their mooring fees.

Governance: the registered office for the Trust was transferred back to the AIC during the year. This is also the registered office for the Trading Company.

External relations: the Scottish Islands Federation, of which the Trust is a member, had almost completed the SMILEGov Energy Audit Project by the end of 2015, and a report on Luing as one of eight Scottish islands in the project was received, the main conclusion being the well-known one that the old slate-workers' cottages are 'hard-to-heat' and difficult to insulate! There will be updates for each island every year for 5 years.

The Trust was represented at the Development Trusts Association – Scotland (DTAS) 2015 conference held in Inverness in September 2015. Membership of DTAS is becoming increasingly important as the opening of the Centre will mean the Trust becomes an operational development trust and social enterprise. In particular, DTAS operates a bulk electrical energy purchasing contract for its members, giving substantial savings on electricity costs. The Trust has now joined the scheme which means that the AIC benefits from this bulk purchase scheme. A separate scheme for bulk purchase of heating oil for residents in communities represented by a DTAS member organisation is also in existence, but so far no supplier has been found who will join the scheme for delivery to Luing.

One very important development led by the local DTAS field officer was the initiation of a partnership of four Lorn island trusts – Easdale, Kerrera, Lismore and Luing. The first task of this partnership (to be formalised as the Lorn Islands Partnership) is to produce a Lorn Islands Trail with a leaflet available through the Visit Scotland office and other outlets to stimulate day visits to each of the islands by visitors staying in the Oban area. At the end of the year we learned that there might be funding available from a grant scheme from the Scottish Government for a Development Officer to work across all four island Trusts. The Steering Group for the partnership consists of two directors from each trust.

The Argyll and Bute Social Enterprise Network (ABSEN) was absorbed during the year into a larger organisation called the Argyll & Bute Third Sector Interface (TSI). The Scottish Government (SG) has instituted this development across Scotland, with a TSI for each region to coordinate and simplify information exchange and relations between third sector organisations such as development trusts and all levels of governance. We will have to wait and see how the new structure works, but it is clear that SG means this to be an important way of supporting the third sector in future. Together with the established relations with VisitScotland, Argyll & the Isles Tourism Cooperative and the Oban and Lorn Tourism Association, the Trust is now represented by the Trading Company as the relevant social enterprise body.

Direct funding from HIE has ended, but support continues for a while as the AIC is an 'account managed project', which entitles the Trust to various types of support. In 2015, the Trust made little use of this, but as this support mechanism is due to end in 2016, we will no doubt be making use in the coming year before the end date.

Island Events and Activities: A total of 27 events were held in 2015 including 3 shows by professional theatre companies, 4 cookery demonstrations, jewellery and digital photography workshops, and a ceilidh by musicians and storytellers from The Leader sailing boat which was travelling around the Argyll Islands. Talks about the Atlantic Ocean and the Geology of the Garvellachs were each attended by over 50 people and large groups of geologists and archaeologists visited Luing and the AIC at various times. A UHI Music & the Environment Masters residential course was also based at the Centre. During the winter a series of social and food nights proved popular with islanders and a Christmas Craft and Food Fair was a great success. Creative Scotland awarded the Trust almost £15k to expand its AIC arts programme in 2016-2017.

Phone signal: progress to install the Vodafone Sure Signal on the island has been slow this year. The installation teams have been working round the 100 communities in the scheme from Cornwall to the Northern Isles, so our turn should at last come early in 2016. However analysis by Vodafone of the possible five sites for a Sure Signal transmitter led to the acceptance of only three of the sites, at the AIC, the ferry shed and Toberonochy Hall.

Broadband: the Scottish Government-funded Community Broadband Scotland project, Giga-Plus, has agreed a contract with a company to install this major scheme. Work had started by the end of the year on Mull, but it is likely to be later in 2016 before it reaches Luìng.

Sub-group activities

Luìng History Group focused its energies on preparations for the exhibitions upstairs in the gallery in the AIC. It has produced a number of new exhibits, and developed its display facilities considerably, so that it is able to change displays frequently during the season – there has always been something new to see. Moving the collection of artefacts and archives into the storage in the AIC has taken time and the process continues.

Luìng First Responders: the group provides ‘First Person on the Scene’ support to people on Luìng who are awaiting paramedics from the Scottish Ambulance (by vehicle or helicopter). On a small island with no resident medical staff and a vehicle ferry only between 0730 and 1800 six days a week, this volunteer standby service is essential outside these hours. An ambulance from Oban can reach Luìng in about 40 minutes, calling out the ferry if necessary. Luìng Responder volunteers fill this gap, provide basic life support, monitor vital signs, use defibrillators, administer oxygen and use manual suction equipment until the paramedics arrive. Regular training sessions to maintain skills are held once a month. Two responders are on call every night and all day Sunday (when there is no car ferry). The main function of our group - to be on call to provide rapid response when there is a medical 999 call from the Isle of Luìng outside car ferry operating hours - has been achieved for several years now.

The funds have again been boosted this year with generous donations from residents, from events such as ceilidhs, and book and ‘telephone list’ sales in the shop. Going forward, the Responders are considering the purchase of additional equipment, so a dedicated fundraising event may well be considered in the near future.

Luìng Playing Field: the committee continues to be responsible for the maintenance of the playing field. However a review of the play park equipment in connection with the development of the Trust insurance policy to cover all aspects of the Trust’s operation including these facilities, led to the conclusion that the state of the equipment, after many years of use, was now a serious concern for the committee. On investigation, it became clear that such equipment needed an expert inspection annually – expensive in itself – before it could be insured, and that the risks to the committee members (and indeed to the Trust as well) of continuing without insurance had potential liabilities that were not acceptable. The problem for the sub-group is that it would struggle to generate income to enable the inspection, and then the costs of maintenance and indeed replacement of equipment. Grants might be found for new equipment, but the difficulty of funding maintenance and insurance could cause the sub-group problems in the future. It was with great sadness that the committee decided to close the play park until such time as these problems might be solved.

Websites: the Trust website is now mainly serving the role of a reference site for Trust documents and developments other than the AIC. The AIC now has its own much livelier website, frequently updated, and designed to attract attention, as well as an active Facebook page. TripAdvisor rating shows as 5* already!

Financial: the major financial movements during the year were again those associated with the construction of the Atlantic Islands Centre, including employment costs. Grant funding from Big Lottery is paid into a separate Big Lottery account, which is normally used to feed the Project account as required, while other grant funding is paid directly into the Projects account. Cash flow has been managed by the minimal use of loan funding from Social Investment Scotland (SIS) with an interest rate of 7% - the final loan, the largest taken out, was repaid within weeks as soon as the grant funding arrived, so interest charges were comparatively minor. The underlying funds for these loans from SIS are provided by the Scottish Government. Construction costs continued to be paid by invoices raised after each 4-weekly valuation by the Quantity Surveyor. By the end of the year, however, the final invoice had not been received from the contractors, so some capital expenditure will now happen in 2016 to complete the capital project.

The 2014 accounts showed total incoming funds of more than £500,000. When this figure is exceeded by a charitable organisation, OSCR requires a full audit of the accounts, and not just inspection, which is a costly process. Because of the delay in the final invoice, the 2015 accounts show incoming funds just below this critical amount, thus avoiding a full audit.

The principle for operating the AIC is that the TC is given occupancy of most of the building and made responsible for operating costs. The final details for this will be clarified in the Intra-Group and Services Agreements in 2016, but in line with common practice for a new venture, the TC is given the first year of operation rent-free, the second year at a reduced 'peppercorn' rent, and finally full rent in the third year. As a charity, the Trust is not allowed to give money to the TC to fund its operations, but it can, and has, provided a loan as pump-priming for cash flow at a commercial rate of interest of 2% above bank base rate. This loan was repaid before the end of the financial year at the end of the first season; the Trust may do the same again for the 2016 season if necessary, but only if it has sufficient funds itself.

The funds of the Trust itself, kept separately in the Main account, have shown minor movements in comparison. In general, the Trust needs to keep a healthy balance in this account as a reserve, but the increasing number of Trust-organised events will produce much more activity in this account in 2016. There is no charge for entry to the AIC, but visitors are invited to make a donation at the end of their visit. This approach has now been adopted by many visitor attractions in Argyll and beyond, and has been found to be much more friendly and remunerative than entrance charges. In addition the Trust can reclaim notional basic rate income tax on such donations under the Gift Aid Small Donations Scheme. The resulting resources will be used to fund new displays and interpretation for the Luig History Exhibition in the gallery and the main exhibition area.

The year has been a useful learning phase to understand the future structure needed for Trust and TC accounts which should be developed for the 2016 accounts.

The Trust Board: Following the 2015 AGM there was no change in the composition of the board of directors: Norrie Bissell, Nigel Dyckhoff, Alastair Fleming, Pete Hooper, Eoghann MacLachlan and John Robertson. Annie Tunnicliffe continues to provide invaluable help as Business Adviser. There were no changes to the officers.

Finally the Trust Board wishes to record heartfelt thanks to all the volunteers, about 34 in all during 2015, who did so much to make the launch of the completed Atlantic Islands Centre project such a success. Without them it could not have happened.

The directors of the Isle of Luig Community Trust

April 2016