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*From the community
For the community*

Comments in red were added to
the draft minutes by The
Crafthub.

**Joint Crafthub & REWDT Meeting, The Pier Restaurant,
Tuesday 17 December 2019 at 15.15**

DRAFT MINUTES

Present:

Crafthub – Fiona Mitchell, Murray Stewart, Chris Cox, Clare daintith, Chris Glen
REW DT - John Garson (Chair), Kayleigh Tipper (Vice Chair), Carolyne Tunbridge (Treasurer),
Carole Maguire, Shelagh Grieve & Helen Castle (Company Secretary).

Murray Stewart Chaired the meeting.

Communication – The Crafthub want to have one point of contact with the REW DT, this will be Gill Wigley (email – gill@rewdt.org) it was agreed that Ellie Roberts would be copied in on all correspondence as Gill is only in the office 3 days a week (email – ellie@rewdt.org). The REW DT Sub-Group members are Kayleigh Tipper, Shelagh Grieve, Carole Maguire & Alison Mainland with Gill attending.

It was agreed that the Crafthub will always be invited to send a representative from their board to all future sub-group meetings. This will ensure moving forward that communication between the two organisations is clear and that no one feels left out of future discussions and planning. Other community groups will be invited to the REW DT's sub-group meetings as appropriate.

Notice to Quit – The reasons behind this were explained by John, due to the DT having a sub-lease with the Crafthub, once the ownership changes to the REW DT a new lease will need to be signed (rather than a sub-lease), hence, the Notice to Quit, which is a legal requirement. John noted that the letter could have appeared to be harsh, but this was not the intention.

Purchase Date – Helen explained that the reason for the notice to quit being the 06 January is due to the completion date agreed with the owner. The DT will take full ownership with effect from 07 January 2020. The payment to Lows for this purchase will be sent via CHAPS on 18 December 2019 to the DT's solicitors (Lows).

Café/Provision of Refreshments Element of the Crafthub Business – the Crafthub shared that the café element is currently 64% of their business turnover and therefore if there is any reduction in their ability to provide this service it will affect the Crafthub's ability to trade.

CC stated that REWDT had agreed and signed 3 consecutive 6 month leases that categorically state under **USE**

[9] not to use the premises for any other purpose other than an arts and crafts shop for the business of carrying on arts and crafts sales; for running associated arts and crafts courses; for the provision of limited refreshments consisting of teas and

coffees, soft drinks, and light refreshments of cakes and biscuits, soup, rolls, toasties and ice creams; or any other activities ordinarily in the course of business of The Crafhub CIC and for no other purpose without first obtaining the mid-landlord's consent, which consent shall not be unreasonably withheld.

It was stated that REWDT had no legal right to put any part of The Crafhub cic business out to tender and that effectively REWDT would be putting The Crafhub out of business, there would be a loss of jobs and facility for the community of REW.

Kayleigh informed the group that the sub-group felt that the purchase of the property and conversion into a wider community facility is a big and difficult project that the REW DT wishes to get right. Kayleigh added that the Crafhub has changed over the years from a craft shop and place offering workshops into this, plus a café. [See comments above- it is up to The Crafhub how it manages and develops its business to become sustainable and these activities have been added to 3 x 6 month leases provided by REWDT] Murray added that the Crafhub feel the DT is telling them how to operate as a business and preventing them evolving as they would like to do, and they are concerned regarding their planned programme of activities for the January to March 2020 period and what they should be saying to residents and those tutoring the workshops. Kayleigh replied that the Crafhub business must match what the REW DT is planning for the venue. But added that all planned workshops and activities during the January to March 2020 period can go ahead. The Crafhub have no knowledge of what REWDT have planned so it is impossible for The Crafhub to know what they are to match. The statement from REWDT infers that they already have plans and clarification is sought on this matter to enable The Crafhub to develop their business planning.

Under the current and previous sub-leases, the food element has been restricted due to the REW DT's charitable aims and Articles of Association, this is because the premises running costs have been heavily subsidised by the DT. The Crafhub disagreed with this comment stating that they have paid the agreed rent for the areas they use. The rent includes oil and electric. There is no mention of subsidy in any of the three leases or any other documentation.

The DT acknowledges that the Crafhub were not fully aware of the costs involved as they have only been given a lease price for that includes rent and electric, with the bills for the oil and electric not being shared with them directly. We are tenants, this has no relevance to us, this is an internal issue for REWDT.

To meet our OSCR obligations the REW DT has used this time (and the subsidising of the running costs) to see if providing a café in this venue is something that is wanted and can financially work and that is why the DT board refer to this as a 'trial'. The Crafhub reject this notion on the grounds that the Trust have not put this in writing or indicated how they would measure the success or failure of a trial. No one from the Trust has come to The Crafhub with a methodology to assess the progress or outcome of a trial.

The DT accepted that this is not something that had been put into writing to the Crafhub directly. The Crafhub cic have made it clear since MAY 2018 that the cafe is part of The Crafhub business cic and all present have been aware of this [see comments relating to lease] The Crafhub have never considered the running of the cafe as a trial but a necessary development of the business that complements all their other activities to attain

sustainability. The Cafe element now represents 64% of its business and the Craffhub have invested, finance, training, equipment and a great deal of time and effort to establish this area. After 18 months it is proving to be successful. John shared with the Craffhub the costs incurred since the DT took over the renting of the premises.

The Craffhub cic stated that the garage which is included in the rent is unfit for purpose and cannot be used for the workshop space as intended.

Essential remedial/maintenance work on the rest of the building that has been reported several times has still not been attended to e.g. overflowing gutters, loss of heating and hot water, toilets out of action. The Craffhub lease is with REWDT not the owners.

The DT will be revisiting the costs and will be looking (once ownership is transferred) into how the building can be improved to reduce the costs of heating etc. and make the building more energy efficient. Carlyne stated that the building maintenance was still the responsibility of the owner until the transfer to the DT planned for the 06 January.

Kayleigh shared one option for moving forward, which is that the Craffhub could pay an agreed commercially linked rent for the areas of the building both parties agree upon. If the Craffhub leased the areas in this way restrictions on what they could provide as refreshments can be revisited and extended but will need to be agreed by both parties. The Craffhub indicated that a commercially linked rent is fair providing the area that The Craffhub rent is up to standard and is fit for purpose.

A second option is to offer the kitchen and café space to any community group for hire, this could include the school using the kitchen for cookery lessons [why would the school do this if they have their own kitchen] or the RNLI for preparation of food for sale during the two DT annual Laps etc. [This already happens and The Craffhub provide the kitchen to RNLI free of charge for this purpose]

We also offer the cafe space to any community groups who wish to use it outwith our normal working hours for a donation contribution.

Snagging and Future Maintenance of the Building – the DT asked the Craffhub to provide a snagging list for all improvements that are urgently needed. They requested that the Craffhub only put items that are essential but can add ideas of other improvements; as the DT wishes to only spend the minimum at first as the DT will be working with the Craffhub on refurbishment plans and do not wish to pay twice for improvements. If the Craffhub could get this to the DT offices (Gill/Ellie) by Friday 20 December (1 p.m.), the DT can get in touch with the maintenance contractor to arrange for an early visit in January to cost the repairs/improvements. [Actioned 19 Dec 2019]

The DT informed the Craffhub that they had appointed Robert Mainland to do all repairs etc. for the building. The DT offices are to be contacted in the first instance unless it is an absolute emergency which occurs out of the DT's office hours. The DT will get an emergency contact number for Robert to the Craffhub in the New Year. The DT will try to ensure that any refurbishments done will still allow the Craffhub to serve the community but cannot 100% guarantee this, the DT will let the Craffhub know when improvements are planned to happen during January to March 2020. The renovation cannot conflict with other businesses on the island but needs to be agreed with all parties to ensure the community facilities can be available to all.

The DT realises that some areas e.g. the garage are not fit for purpose but up until the purchase date have not been able to make alterations to the premises.

Chris Cox said that the Crafhub are very proud of their achievements and that the staff and directors do put in a large amount of volunteer hours as well as their paid work. They received regular good feedback from the community on the service they provide.

New Lease – The DT will draw up a new lease wef 07/01/2020 and get this to the Crafhub for signing on this date. The new lease will run initially until 31 March, thus allowing for discussion and agreement of a lease from 01 April 2020 to an agreed future date. The lease rates will be looked at by the REW DT and agreed with the Crafhub during the first three months of 2020 along with the area to be rented and any other lease conditions. For the January to March period the lease rates and conditions will remain the same.

Crafhub Future External Funding Opportunities – Murray shared that the Crafhub has many exciting plans for the future and that the cost of these can be partly met via external funding applications which would mean that the REW DT would not have to pay for all of the renovations. However, to gain external funding the Crafhub must have a longer lease. The Crafhub acknowledged that until now this was not possible due to the sub-lease arrangements, but they would be looking for a minimum of 12 or 24 months as a lease from April 2020 to allow for the security of the Crafhub and the ability to apply for external funding.

Possible Changes to the Building – The sub-group's idea is to divide the premises into units, which will have their own electricity meters installed so that the areas can either be long-term leased by an organisation (e.g. the Crafhub) or hired for a short period of time, the garage could be refurbished to make it a 'fit for all purpose' workshop and craft area. As the upstairs does not currently have planning permission any plans for this area will require a longer-term improvement time period but can be looked at.

Conclusion – The REW DT & the Crafhub want the building to be available to any community group and wish to work together to achieve this aim. The DT sub-group to let the Crafhub know the date of the next meeting.

The point was also raised that REWDT misrepresented The Crafhub to OSCR in DEC 2018. There is no acknowledgement that The Crafhub operates as a social enterprise and is a not for profit organisation i.e. no understanding or recognition of the distinction between a private company and our legal structure.