Rousay, Egilsay & Wyre Development Trust

Board Meeting, Rousay Community School, Wednesday 18 August 2010 @ 7.30 p.m.

Minutes

Present: Bryan Milner, Angus Flaws, John Olsen, Richard Tipper, Wendy Baulch, John Garson, Rolf Soames, Mark Hull, Eric Shortland, Michelle Koster (TDO), Christina Cox (CDO), Rachael Harris (APDO), Helen Castle (Co Sec designate)

1) **Apologies:** Apologies had been received from Jack Woodford.
2) **Minutes of July 17 2010 meeting**

   After the correction to AP11 ("head of terms" to replace "head to toe" and the addition of a previously circulated minute of the "directors only" agenda item 8, the minutes were unanimously accepted as a correct record. [Proposed by John O. and seconded by Richard]
3) **Action points**

   May 24 2010

   AP4 Michelle to email Triodos Bank and obtain loan details for 15 years at Boards request. **Discharged**

   AP5 Mark to prepare on receipt of loan offers, figures of the predicted income to the Trust across the 20 years for each of the financing possibilities to inform the Board's decision. **Discharged**

   The relevant information relating to both these action points presented under agenda item 5, below.

   19 June 2010

   AP1 Bryan to maintain a supervisory role especially in connection with the finances of the Trust and to ensure that everything needed comes to the meeting and is up to date e.g. Financial Report.

   Discharged HIE had arranged for Ivan Houston from Scholes accountants to spend time with the Chair, newly appointed Co Sec and Treasurer to set up financial recording and reporting procedures and subsequently with the board to facilitate their effective oversight. This was scheduled for late September/early October

   17 July 2010

   AP1 Michelle to source funding for the purchase of the telephone conferencing equipment and report.

   Ongoing HIE were unable to help but overtures to HIS were looking more promising.

   AP2 Bryan to arrange for a designated EGM to put forward the resolution for including the use of teleconferencing at meetings and once passed to be added to the Trust's Articles of Association.

   Superseded For an EGM we were required to mail/e-mail each member of the Trust individually. This time-consuming (and quite costly) process would be undertaken by the newly appointed Co Sec once fully au fait with essential regular Trust business.

   AP3 Michelle to write to the KCB to request a tentative price for renting the room in the Church Centre, and to continue exploring the possibility of premises and online storage with the remit to have all the information for the Board to make an informed decision at the next meeting.

   Discharged The Church centre request was proceeding through a hierarchy of Church committees. Regarding on-line storage password accessed information storage was available on our Orkney Communities web-site the possibilities of which were worth exploring before proceeding down the route of a quite costly commercial alternative. This would be incorporated into the overall review of administrative procedures soon to be undertaken by the chair and Co Sec

   AP4 Mark to send formal response Phyllis Harvey explaining the situation with the Community Turbine project. **Ongoing** Phyllis had been informed but a formal letter had not yet been sent.

   AP5 Chris (W/C 19.7.10) to contact Maureen Flaws and Eric Shortland to get the wayleaves completed

   and to pass to Rendalls for project to progress forward. **Discharged** Maureen's wayleave was with her solicitors; Eric, having himself stressed the need to make progress in the time remaining before the ground was too wet, undertook to proceed quickly with his wayleave.

AP6 Chris to 'hound' Rendalls to get project moving and up to date invoices produced with a view to claiming the funding. **Discharged**

AP7 Chris to put a request in the REW Review asking people to complete the data survey for H.I.E. **Discharged** The results of the survey had recently been received and circulated.

New AP1 Chris to put document on website and inform the community via the Review that it is there.

AP8 Chris to pursue the issue of brochures and promoting the three islands with Visit Rousay and ask them to draw up some proposals which can be presented to the REWDT at a later date. (This matter was not seen as high priority at present but could be looked at again in September.) **Discharged** Christine Skene at OIC was in the process of producing a leaflet and the REW tourism matter would feature in the forthcoming communication/consultation event.

AP9 Michelle to look into the new Broadband initiative being run by LEADER and take this forward by discussing options and completing the Application Form. To include something about Public Access Broadband in the proposal. **Discharged** See under AOB, below.

AP10 Michelle to discuss with the Community Gardner (Matt) about presenting to a future board meeting a report on how the project is progressing. **Discharged** Due to pressure of important business presentation deferred until a subsequent meeting.

AP11 Michelle needs to have in place 'head of terms' offers from both banks by mid August, so that a decision can be made about funding otherwise unable to take turbine project forward. **Discharged** See agenda item 5, below.

AP12 Mark in his role as CPO to make Triodos aware of the concerns all the groups have about the lack of communication and the delays in getting revised offers, thus preventing the turbine projects from progressing. **Discharged** See agenda item 5 below.

AP13 Bryan to contact absentee Directors to see if they would wish to be included on the Board of REWIRED in the interim period until the turbines up and working. **Discharged**. Nil response.

AP14 Mark to scrutinise Growth Plan and discuss with Bryan. **Superseded** due to HIE time constraint.

AP15 Anne to be asked to look into claiming the £1000 from CES start up. **Ongoing** The request had been made more than once but outcome unknown.

AP16 Bryan to write back to Orkney Islands Films explaining that in principle the REWDT supports activities that are non-profit making and fully in line with its aims and core policy and that the Trust would need to be fully assured of this before it could accede to the request. **Discharged** Letter sent and reply received confirming not-for-profit status, intention to use local personnel wherever possible and accepting that the Trust was simply the vehicle through which a grant, if awarded, would be paid. Response deemed acceptable by chair.

4) Employee matters

a) <u>APDO</u> Rachael had been appointed as APDO since the last board meeting and had already commenced work mainly relating to the two Powerdown projects for which our bids for Powerdown funding had not been successful. The work included further research into the range of possibilities which might then be implemented either via other sources of external funding or, on a longer time-scale and if prioritised by the wider community, via turbine income.

b) <u>Minutes clerk</u> Due to changed work commitments, Diana had informed the Trust that she was unable to continue as minutes clerk.

c) <u>Company Secretary</u> Helen had been appointed as our new company secretary the previous day and would commence work as soon as arrangements for the transition/transfer had been agreed with Anne. She had also agreed to take on the additional role of minutes clerk.

The chair informed the board of the letter he had received from Anne explaining why she had, after much thought and with considerable regret decided to withdraw her application. The board requested the chair to thank Anne on their behalf for all she had done to further the work of the Trust

from its start and to indicate that they would greatly value her remaining involved as much as she felt able to do so.

5) Kingarly Hill turbine

a) Commercial loan

Michelle presented details of the discussions she had conducted with, and the terms and conditions of the offers of loans from both the Cooperative Bank and Triodos.
[The presented information is attached as Appendix 1.]

Mark then presented detailed information about the costs of the proposed turbine (allowing considerable safety margins on all estimates and ample contingency) and about the projected income from the turbine on various scenarios, e.g with payment for the generated electricity from ROCS or the more lucrative FiTs, with loans over 10 years and over 15 years (with a conservative estimate of the turbines productivity as a percentage of its rated power).
[The presented information is attached as Appendix 2.]

Richard pointed out: firstly, that since it was REWIRED that was taking out the commercial loan it was the board of REWIRED that should be making decisions on these matters; secondly, that REWIRED directors, particularly if relatively new to the board and hence not so familiar as others with much of the information that had been presented, really needed more time to consider the figures more thoroughly. These points were unanimously agreed.

Bryan reminded directors that REWIRED is a wholly owned subsidiary of the Trust so that board of the Trust needed to be fully in agreement with what the board of its subsidiary intended to do. It was then unanimously agreed: firstly, that the board of the Trust should decide where it stood on the matter of the turbine finance and make its recommendations on these matters to the board of REWIRED; secondly, that the information presented by Michelle and Mark should be circulated to the directors of REWIRED whose board would then make its decisions on the matter by the end of the week commencing Monday August 23rd and refer these back to the board of the Trust.

The following proposals from the chair, to be forwarded as recommendations to the board of REWIRED, were then unanimously agreed:

i) That, given the robust estimates regarding the costs of the proposed turbine and of the projected income from the turbine (which, calculated using a widely used and respected model, range from good to very good indeed) a full commitment to the project now be made by our formally initiating the taking out of a commercial loan for the c. £1.2 million of funding that is still required.
ii) That, despite the initial attractiveness of a loan based on a fixed percentage (e.g. 2.5-2.75%) above the prevailing base rate (currently 0.5%) it is more prudent, for a loan of at least ten years during which period the base rate might rise considerably, to opt for a fixed rate loan (currently c. 6-7% depending on the term of the loan).
iii) That a 15-year loan, with the options for earlier termination at 10 or 12 years, offers the best combination of a significant income to use for the benefit of the community in the early years of the project and the possibility of maximising overall income over the lifetime of the project should the income from the turbine prove to be very good indeed.
iv) That because of the very small difference in overall costs, the higher level of customer service, the anticipation of some pay-back into community projects and the known preference of other groups in the CPO consortium, the loan be taken out with the Cooperative Bank rather than with Triodos.
v) That we accede to the Cooperative Bank's wishes with respect to lawyers and insurers.

b) Joint project management

Bryan and Mark reported that CPO (the working group comprising the chairs and TDOs of the five groups whose community turbine projects are all at the same stage and convened by Mark for CES) had received seven tenders for the joint management of the five projects. Three of these, all based in

Orkney [Energy Action Westray, Northwind and Scotrenewables], were to provide further information and answer questions at a CPO meeting on Friday 20th August, immediately after which it was intended that a decision be made.

6) Coming events

a) Rousay Lap

Time precluded detailed consideration of this item. Several members undertook to help Christina and Wendy in various ways.

AP2 Bryan and Helen when liaising with Anne re Co Sec transfer also to consult with Anne and Dawn about registration and timekeeping and thus or otherwise ensure that these are staffed.

b) Open communication/consultation day

A working group comprising Bryan, Michelle, Christina and Rachael to prepare detailed plans to be circulated prior to, and finalised at, the next board meeting. To allow sufficient preparation time, the event to be held on Saturday 2nd October, 2-4 p.m..

AP3 Chris to include advance notification of the Open Day in the next Review, since the event is so close to the start of October.

7) AOB

a) Bryan mentioned information recently received from HIE about a new initiative from the Scottish Government enititled "Speak up for Rural Scotland". Many of the things being advocated are already being done by Trusts such as our own. Responses are due by 25th October. The document is available at www.scotland.gov.uk/speakup Our response will be an agenda item at a future meeting.

AP4 Chris to inform the wider community about "Speak up for Rural Scotland" via the Review.

b) Michelle presented details of a proposal she had worked up with the help of resident experts regarding LEADER money that was available for enhanced broadband access. This had to be lodged by Friday August 27th. Mark thought that the cost was very high in relation to the limited amount of money available and also wondered about its eligibility. He suggested a cheaper alternative for a community facility on each of our three islands which might be explored whilst still proceeding with the original bid.

AP5 Michelle to check eligibility of the LEADER broadband bid and, time permitting, to pursue the suggested alternative. If eligible, and no alternative available, the original bid to be submitted.

c) Chris drew attention to a proposal from Julie Gibson about a recorded tour guide to Egilsay and Wyre. This would be included in the collection of possible projects for the Open Day and subsequent development plan review.

8) Date of next meeting

The next meeting was arranged for Saturday September 18th , 10.15 a.m. at the Rousay School

Summary of outstanding action points

17 July 2010

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18 August 2010

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