

## REWDT Board meeting, Rousay School, 8.15 p.m Tuesday January 18<sup>th</sup>

### Minutes

**Present:** Bryan Milner, Eric Shortland, Richard Tipper, Mark Hull, Rolf Soames, Michelle Koster (PDO/TDO), Rachael Harris (APDO), Helen Castle (Co Sec) and David Fairnie (Lows). Dave Basford and Christina Cox (CDO) attended by teleconference.

1. **Apologies for absence** were received from John Garson, John Olsen, Angus Flaws and Wendy Baulch who had tendered her resignation as a director.

**AP1** Chair to thank Wendy for her work as a director and confirm that an e-mailed note of resignation would suffice as a written signature was not needed.

**AP2** Directors to be circulated regarding nominations for a new vice-chair to be appointed at the next board meeting.

2. **Minutes of November 6<sup>th</sup> 2010 meeting**

The following addition, circulated with the agenda, had been proposed to item 7b the minutes.

However, the Board of REWIRED reported to the Board of the Trust that the TDO and Mark Hull with his CES hat on raised concerns over the future income of the turbine project.

Whilst the financial models had all been calculated, and accepted by the bank on the basis of the project achieving the "grant funding and ROCs", developments over recent months had led the REWIRED Board to anticipate the project achieving the more lucrative "grant funding and FiTs". However, a recent meeting with Brodies LLP, the solicitors for Co-op bank, had thrown an element of doubt on whether this would indeed be the case. This was due to projects of this nature not being permitted to receive state-aided funding for both the development and operational phases and Brodies believed this ruling transcended any split of legal entity or party.

In the event of this ruling being found the potential income from the project could be significantly affected. This would require the Board of REWIRED to make a recommendation to the Board of the Trust on the financing options available including "FiTs with no grant funding" and finding the shortfall by other loan/equity means.

With this addition, the minutes of the previous meeting were unanimously approved.

[Proposed by Dave Basford, seconded by Richard Tipper]

3. **Action points and other matters arising**

16<sup>th</sup> October 2010

**AP2** Co sec to seek advice about H&S policy draft and its manageable implementation from e.g. DTAS and/or SCVO. **Ongoing.** VAO had given very useful guidance (on all policies, not just H&S). The policy was now almost complete and would be circulated well in advance of the next board meeting to give directors time to study it carefully. The Co. Sec would proceed with all other policies as quickly as her working time permitted

**AP3** Co Sec to arrange a short-term loan of £1,500 to REWIRED. **Ongoing:** with the 2009-2010 accounts now having been prepared this could now be done

6<sup>th</sup> November 2010

**AP1** Co Sec to arrange with Mark (for CES) and Michelle (as PDO/TDO) about how best to proceed with claiming outstanding £1,000 start-up grant from CES. **Discharged.**

**AP2** The chair to ensure either that the information for the 2009-2010 accounts was sent to Scholes within the next week or the task transferred, as had been previously negotiated, to the current Co Sec. **Discharged.** Ivan Houston had now prepared these accounts.

Copies were circulated for directors' scrutiny. Attention was drawn to the fact that a £40k sum for the first grid payment would, as with other islands' turbine projects, need to be shown as a payment

through REWDT to REWIRED but that this could be done as a later supplement [**new AP3**]. The “Plant and machinery” item (£24,908) was queried. It was thought that this referred to downpayments on the community hall turbines.

**New AP4** Co.Sec. to check “Plant and machinery” item (£24,908) with Ivan Houston.

The accounts were received and unanimously adopted [proposed by Mark Hull and seconded by Richard Tipper].

**AP3** Co Sec + PDO to have a financial report (in the form recommended by Ivan Houston) ready for the January 2011 board meeting (as proposed by the REWIRED board) to which Ivan would be invited to advise directors about how effectively to scrutinise such reports. **Ongoing:** cancellation of December meeting had necessitated postponing this to the Feb 2011 meeting.

**AP4** Chair to place item in next REW Review asking those who had been unable to attend the Open Day to indicate which projects of benefit to the community they would most like the Trust to develop.

**Discharged.** No further suggestions had been received.

**AP5** Chair to send letter of apology plus retrospective honorarium to those inadvertently omitted on the day of the Rousay Lap. **Discharged.**

#### 4. **Membership**

An application for membership had been received from Kathleen Murray. This application was unanimously approved.

#### 5. **Finance** covered under Action Points above.

#### 6. **Policies** covered under Action Points above

#### 7. **Reports**

##### a. Company Secretary

The two rooms [plus use of a dining kitchen and bathroom] on the first floor of the Manse had been taken from Jan 7<sup>th</sup> and were currently being decorated. £ 8k+ had been granted by “Awards for All” towards the fitting out with desks, chairs, tables, cupboards, filing cabinets, carpet etc. plus ample supplies of stationery. BT were to install a phone on January 20<sup>th</sup> and a broadband hub [which would allow wireless internet access from anywhere within the Manse] shortly thereafter. It was anticipated that Rousay-based Trust employees would be working from the office from February (albeit with temporary furnishings/fittings). It was proposed that there be regular times during each week when the office was open so that members of the community would know when they could drop in.

##### b. REWIRED

The REWDT board has been asked by the REWIRED board:

1. to approve REWIRED borrowing an additional £400,000 for the turbine from the Co-op bank or from OIC rather than the BL GCA grant being loaned on to REWIRED, thereby not forfeiting eligibility for FiTs [more lucrative than ROCs for the electricity that the turbine generates]
2. to approve REWIRED meeting essential turbine payments prior to financial close by the Trust drawing down money from the BL as a short-term loan to be repaid to the Trust and thence to the BL after financial close
3. to seek approval from BL for the purchase of the land at Windbreck, which needed to be purchased asap and ahead of financial close [scheduled for the end of February], primarily for outcomes other than the Kingarly Hill turbine so as to minimise the risk that any money drawn down for the turbine might not be made thus available after re-payment.

These recommendations were unanimously approved.

It had been confirmed that £400,000 BL GCA grant was now potentially available towards the outcomes stated in our application [copy attached] rather than towards the turbine itself (the latter making us ineligible for FiTs). These outcomes would need to be

elaborated/amplified in more detail, via changes to the milestones not to the outline outcomes themselves, and re-submitted to BL GCA for approval. The grant would be available for use over a period of five years.

There had also been an indication, though not absolute confirmation, that the BL would now look favourably on part of their grant being used to fund the staffing needed to ensure successful delivery of the outcomes (whereas they had previously required us to delete an outcomes officer from our grant application). It was agreed that this should, *inter alia*, include an Outcomes Officer [the current HIE-brokered CDO post expiring in September 2011] and a Company Secretary. Though other posts might be very desirable, we had to be careful not to deploy too high a proportion of our income on staff salaries. The idea of a funding officer, who would bring in more funding than was spent on their wages, was suggested though it was also pointed out that seeking funding had hitherto been an intrinsic part of e.g. the CDO and PDO roles.

The potential for the amplification and more detailed development of the original BL outcomes was explored. The possibility of re-instating Outcome 3 relating to professional/personal training/development was suggested since we had withdrawn this only because the BL had previously asked us to delete an Outcomes Officer from our application. It was pointed out, however, that we could in any case include anything consistent with our stated aims/objectives because of the deliberately catch-all wording of Outcome 1: *"We will be a more able, sustaining, enterprising and self-reliant community through the installation of the wind turbine creating a £2.7million income stream over 20 years used to deliver the local community development plan."*

Given the possibility of up to £80,000 per annum of BL grant income to the Trust for each of the next five years, together with the fact that annual loan repayments (capital + interest) for the turbine will be about 30% higher than previously envisaged [due to an additional £400,000 of borrowed money], it was unanimously agreed that it was essential to deploy the income from the turbine itself very carefully during the first five years. Unless some funds were accumulated during this period, there would be a very serious dip in available funds during e.g. years 6-10.

It was agreed that all of the above considerations be factored into the revised business/development plan [see (d) below]. The only immediately pressing matter was that of funding the purchase of the land at Windbreck.

**AP5** TDO to ascertain from BL whether the purchase of land at Windbreck primarily for purposes other than the Kingarly Hill turbine with just a small part then leased to REWIRED is OK in principle and then to identify within which amplified/developed outcome(s) this might most appropriately be included.

Because of the need for decisions to be made quickly, it was proposed that the board adopt the 48-hour consultation by e-mail (with nil responses implying consent) that is already in place for REWIRED. With the proviso that the procedure is adopted only with respect to specific issues agreed in advance it was agreed in principle and also agreed with respect to proposals arising out of AP5, above.

HIE, taking up a suggestion from the Orkney CES case officer, are hoping to extend the cooperation between islands that is currently working extremely well in CPO with the five community turbine projects to the potentially more contentious issue within communities of how the income from the turbines is best deployed. The idea is not to dictate to individual

communities how to deploy their funds but rather to establish common criteria/procedures/protocols for such deployment. This is important not only in prioritising projects but also, and equally importantly, when considering applications from individuals/groups within the community for funding of various kinds (bursaries for training, help with setting up businesses, etc. ). To be working under a policy common to several development trusts, formulated with the assistance of an independent grant-aiding organisation such as HIE, could provide the REWDT board with very valuable security/protection when making decisions that might not always be universally well-received within the community. The current HIE suggestion is that chairs + TDOs and/or CDOs from each group meet to produce an initial draft. Proposals emanating from the joint working group would, of course, be brought back to the boards of the individual trusts for their approval.

It was pointed out that it is the directors, rather than employees, who have the responsibility for decisions about the disbursement of turbine (and other) income so that not only the chairs but also other directors of the trusts should be involved in formulating the common policy. With this modification, the HIE initiative was warmly welcomed and it was unanimously agreed that REWDFT should participate.

c. Powerdown [attached]

The board's attention was drawn to the fact that the Climate Challenge Fund was to have funding available for one further year. No overall Powerdown Officer would be appointed: rather, each project would build in the necessary management and admin time into its bid for funding. The proposals:

- (i) that the community gardening project be extended to Egilsay and Wyre and that a community gardener be in post for a longer period;
  - (ii) that a waste/re-cycling project, possibly including the shed by the pier that is currently rented, be revised and re-submitted
- were unanimously agreed.

With respect to the further proposal that the electrically powered community bus project be revised and submitted it was agreed that, consistent with our declared policy, the two businesses that involved passenger transportation by road be consulted.

**AP6** Chair to write to the two businesses that involve passenger transportation by road to ascertain their views about the application for funding for an electrically operated vehicle to replace the current community bus.

Because applications had to be submitted by February 14<sup>th</sup>, these were approved for the 48-hour e-mail consultation procedure.

d. CDO [attached]

The board's attention was drawn to the most salient aspects of the report:

- (i) Despite repeated contacts by the CDo [and by CES and by Maureen Flaws regarding Wyre) here had still not been any assurance from Bryan Rendall that the community hall turbines would be erected in time for the receipted invoices to be available by the end of March (after which the grant funding would no longer be available. Mark, in his capacity as CES officer, reported that CES were working towards a procedure whereby a few more months might be possible before the funding became unavailable
- (ii) A start had been made regarding the funding for the Rousay Lap – now a regular feature of the calendar.
- (iii) Work was proceeding towards the draft of a revised business/development plan which would be circulated prior to, for discussion at, the next board meeting.

- (iv) Funding had been obtained for a wi-fi broadband facility at the school/community hall on each of our three islands. This would also be available, via the company office, at the Manse.

**8. Re-prioritisation of projects**

See 7 (d) iii above.

**9. Trust Governance**

As the vehicle of our TDO and CDO funding, HIE requested feedback relating not only to our Development Plan but also to various aspects of our governance.

**AP7** Chair to prepare a draft response for HIE relating to REWDT governance for the next REWDT board meeting.

**10. Logos and straplines**

Consideration deferred due to lack of time.

**11. AOB**

Possible projects for the Trust arising from the recent "Tough Times, Tough Choices" meeting, e.g. the possibility of taking over the ferry service, were raised. It was agreed that these suggestions should be fed into the mix being considered for the revised business/development plan

**12. Date of next meeting**

10.15 a.m. Saturday February 19<sup>th</sup>. Provided the date and time are convenient for him, Ivan Houston from Scholes will be giving advice to directors about how to scrutinise financial reports effectively.

**Summary of outstanding action points**

16<sup>th</sup> October 2010

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18<sup>th</sup> January 2011

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