

## **Minute of a Management Meeting of the Shetland Community Benefit Fund Ltd.**

### **Held using Zoom virtual technology 8<sup>th</sup> July 2020**

**Present:** C.Bunyan (chair), N.Martin (minutes), A.Macdonald, A. Christie-Henry, A.Brown, J. Garrick, C. Clark, K.Pottinger, A.Sutherland, A.Wenger, J.MacBeath

**1:Apologies:** J.Dally and A. Laurenson

**2:Directors:** CB introduced Jamie MacBeath as the new director nominated by Sandness and Walls and attending his meeting. He will pay his £1 membership as soon as practical.

W.Moreland (Deltung) is asking his community council to withdraw him as their representative.

There were no new declarations of interest.

**3. Minutes of 10<sup>th</sup> June 2020** Approved proposed A.Christie-Henry, seconded J.Garrick

**4. Matters Arising:** These will come up during the meeting.

#### **5. Viking Energy:**

(a) The chair reported that SSE seemed to be increasing its work on the ground in expectation of a positive result of the Ofgem consultation regarding the interconnector cable.

(b) The chair also reminded directors that SCBF had an outstanding debt to Voluntary Action Shetland for its initial administration help and room hire. The chair has asked VAS for an up-dated report on these costs. An early loan from Viking Energy to VAS to finance the consultation and preparatory work to establish SCBF will be dealt with separately between VAS and VEFW.

(c) Angela Sutherland presented a paper proposing that SCBF should negotiate a draft MoA concerning the core funding, which would start after construction ended, within the first year following signing of the HoT because of possible changes in directors and loss of 'knowledge' and while SSE are 'friendly'. The chair argued that we should gain experience from running the AGS first and we had up to four years to prepare the Business Plan and agreed the MoA. The HoT stated that SCBF had to have a Business plan before the MoA could be signed. But Angela preferred getting a draft MoA now rather than waiting. She said SCBF could prepare a Business Plan for the core fund after a draft MoA was agreed.

Angela. Sutherland, seconded by Arwed Wenger, proposed that "SCBF will negotiate a draft satisfactory Minute of Agreement with SSE within the next 12

months for the core funding scheme” . Alistair Christie-Henry proposed an amendment that the target should be 24 months, not 12, but failed to find a seconder and the original motion was approved by 7 votes to 3 with one abstention.

*Pause as we went to the second Zoom session*

The meeting then *agreed* without a vote that after the Heads of Terms was signed, and we were dealing with the MoA for the AGS, SSE would be informed of this motion and our intention to get a draft Minute of Agreement for the core funding agreed within 12 months.

**Heads of Terms:** It was agreed that clause 3 of the Heads Of Terms be changed to state that the £5,000 per installed megawatt would not be lowered between signing of the HoT and signing of the formal MoA even if SSE's standard community benefit rate for new developments had been reduced. The chair reported that SSE was in agreement with this change.

**Advance Grant Scheme:**

The chair reported that after SCBF pressure for a draft Minute of Agreement to be produced, SSE had sent a draft to open discussions at a early confidential stage. The chair said he had asked John Dally to join him in a virtual meeting with SSE to discuss the draft. The main points to report were:

1. This early draft required substantial change to reflect the proposed HoT and SCBF. SSE agreed to ask the legal department to make changes so it could be presented to directors as early as possible
2. SSE had been told the clause in the draft requiring total confidentiality would not be acceptable to directors. The meeting *agreed* that the MoA had to be a public document.
3. SSE proposed involvement in decision making for the AGS but had agreed to restrict this to just the first phase of a Tier 2 or 3 proposals with a value of over £25,000. SSE would check guidelines etc were being followed. The meeting *agreed* with this proposal.
4. The draft MoA contained a 25% limit on AGS funding for Tier 1 schemes (£50-£500). CB and JD said at the least this should be 25% of a community council's annual share of the AGS - not 25% of the total annual fund. CB and JD added that directors had to be consulted on this and other issues. The meeting felt a 25% limit was too low, particularly for the 14 community councils receiving only one share. The meeting felt a limit of one-third would give more flexibility.

The chair said he would discuss these points with SSE and hoped to be able to present a draft MoA to directors as soon as possible.

(5) A discussion was held on the time it will take to get the Minute of Agreement signed.

*Pause as we went to the third Zoom session. A. Wenger did not rejoin*

There was a discussion on the costs of starting up once the Minute of Agreement was signed and how much of the annual £400,000 would be used centrally by SCBF. In the discussion it was stressed that in the AGS publicity to community councils it should be stressed that any annual figures were an estimate. With legal costs plus costs to set up a Business Plan questions were asked how much would be used centrally.

## **AOB**

We have been asked by Harper Macleod to pass a formal resolution for someone from SCBF to engage with them on legal matters. Queries were made on costs and the chair was asked. CB to obtain a draft agreement and estimated costs from the company.

Meeting adjourned to 6pm on Tuesday 14<sup>th</sup> July 2020.

## **Continuation of meeting on 8<sup>th</sup> July 2020 held using Zoom virtual technology 14th July 2020**

Present: C.Bunyan (chair), N.Martin (minutes), A.Macdonald, A. Christie-Henry, A.Brown, J. Garrick, C. Clark, K.Pottinger, A.Sutherland, A.Laurenson, J.MacBeath,

Minutes of the adjourned part of the meeting were informally accepted as correct.

## **Viking Negotiations**

New version of Heads of Terms now ready to be signed. The directors agreed unanimously that the chair should sign the HoT. SSE earlier during the day they are ready to sign and then release the £50,000. It was agreed that the Heads Of Terms will be a public document but SSE legal people are to come back on this. The issue of publicity will need to be raised with SSE. The Chair was asked to draft a press release.

The chair had asked SSE if it accepted a limit of 33% on Tier One projects for the AGS and this was accepted. There was a discussion regarding the AGS and whether all three Tiers should be open from Day One or only Tier One and phase in other two tiers. It was agreed all three tiers would be open for application from the start.

Note - John Dally joined the meeting although internet connection was intermittent.  
.A Laurenson left the meeting

On the issue on what should be eligible for grants it was agreed that social inclusion, sports and Shetland wide bodies could apply.

It was agreed that to start with that a body could only make one successful grant application each 12 months. If an application was unsuccessful they could apply for another.

Projects should be allowed to go over 12 months as the SCBF and the body applying will probably have different financial years - but this should be stated and agreed before grant approval.

Some directors has suggested the AGS should be open to individuals, but the meeting agreed without a vote that this would not be allowed in the first year.

It was agreed that the revised AGS paper should be published once the HoT had been signed.

The issue of a possible charity trust fund and a possible commercial fund will also need to be considered in the future.

Note - J. Dally's connection was intermittent.

### **Staffing sub-group**

The papers on staffing by the sub group was discussed but the most recent versions had only been circulated shortly before the meeting and a number of directors had not read or seen them.

It was agreed in principal that we would take on a freelance Admin Assistant to start with on variable hours and not have an office although accepted this needed further discussion. The Admin Assistant would assist community councils with AGS grants for around 6 months when hopefully we would have Project Officer in place.

Session 3 A. Laurenson rejoined. JD still having problems.

It was proposed that we have a dedicated meeting to discuss the Job Descriptions and Person Specifications of the two posts. Directors will need to come with their views on remuneration, hours and need of an office. AS suggested that the sub group should come with suggestions to work around. This was agreed.

### **Other developments**

A paper from Angela Sutherland stressing the need to negotiate on community benefit with all commercial developers, and the meeting agreed this was the right way forward. There was nothing to report on Peel Energy or Energy Isles.

## **AGM**

The issue of the AGM was discussed. We are still waiting for Dunrossness and Deltina to make nominations. Fetlar and Skerries are not nominating a director due to transport problems. While everyone agreed it would be better if we could meet in person, it was accepted that Government guidelines made this impossible at present and we would have to continue using Zoom.

It was agreed to hold the AGM on Wednesday 12th August at 6pm - to be followed by a management committee meeting when staffing and reports from the sub-group would be the first item on the agenda.