

MANAGEMENT COMMITTEE SHETLAND COMMUNITY BENEFIT FUND LIMITED

Minute of the Meeting of the Management Committee for Shetland Community Benefit Fund Ltd on Thursday 7th March 2013 at 6om in the Conference Room, Market House, Lerwick

Present

Alan MacDonald Vice Chairman
Barbara Cheyne
Martin Tregonning Company Secretary/Treasurer
Hubert Hunter
Chris Bunyan
Kenny Pottinger
Dean Gilfillan
Laurence Robertson
John Dally
Dan Thompson

In Attendance

Catherine Hughson, Voluntary Action Shetland (VAS) Executive Officer
Kate Massie, VAS Admin Assistant (note taker)

1. Election of New Chairman

Following his election as Chairman of the Shetland Charitable Trust Mr Bobby Hunter tendered his resignation as Chairman of SCBF on 22/02/13 to avoid conflict of interest.

Mr Alan MacDonald took the chair pro tem and asked for nominations for chairman.

Those present nominated Mr Chris Bunyan as Chairman. Mr MacDonald proposed the nomination and Mr John Dally seconded. There being no other nominations or objections Mr Bunyan took the chair.

Mr Bunyan thanked everyone for their support.

2. Apologies

Apologies were received from Neville Martin and John Roelich

3. Minute of the meeting held on Monday 01/10/12

Mrs Massie was instructed to amend the minute on page 2 paragraph 1 and remove the sentence "*Mr Bunyan felt that the present offer was quite reasonable*". Following this amendment the minute was adopted on the proposal of Mr Alan MacDonald seconded by Mr Laurence Robertson.

4. Matters Arising

Mr Bunyan said that Mr Bobby Hunter had met with the alternative energy providers connected with the Yell wind farm project. Mrs Massie will get in touch with Mr Hunter for further information on this.

Mr Bunyan proposed a vote of thanks to the outgoing Chair the proposal was seconded by all those present and Mrs Massie was instructed to send a letter of thanks to Mr Hunter on behalf of the Management Committee.

Action: Kate Massie

5. Viking Energy Partnership (VEP) 27/11/12 – feedback & discussion

Mr Bunyan told the meeting that he, Mr Hunter and Mr MacDonald had met several times to discuss action points for their meetings with VEP. Mr Bunyan said that they had met with VEP on 17/09/12 and 27/11/12.

At the November meeting VEP tabled a document headed “*Community Investment Programme Initial Heads of Terms for Discussion*”. This document was discussed at length at the meeting and it was agreed that Mr Hunter and Mr Bunyan would make amendments to the document and return to VEP for comment. Mr Bunyan said he is still awaiting response from VEP. Mr Bunyan will send a copy of the amended Heads of Terms discussion document to Mrs Massie for circulation to the Committee.

Action: Kate Massie and Chris Bunyan

Mr MacDonald and Mr Bunyan clarified some of the points in the “*Community Investment Programme Initial Heads of Terms for Discussion*”

- Individual grants disbursed by SCBF will not be under VEP rule
- The main funds will be managed by SCBF and must meet with due diligence
- Installed megawatt payment – VEP will not move on this, certainly not to date

The meeting went on to discuss the installed megawatt payment and the general consensus among those present is that there has to be upward revision of the payments. There must be provision for changes to be possible if it turns out that the value, when final agreement is signed, is higher than what they are presently offering. It was also agreed that a percentage increase per annum would give us a degree of certainty regarding the fund.

Mr Bunyan said that we need a robust form of words to secure the rate per installed megawatt. He went on to say that previously himself and Mr Hunter had said to VEP that if they were not going to make the installed megawatt payment index linked then make it a larger amount.

At present VEP propose a fixed rate per installed megawatt which would be reviewed every 5 years and those present said they were not willing to accept these terms and instructed the *negotiation team* to say so at their next meeting with VEP. The Committee instructed the negotiation team to put forward to VEP that they will accept fixed rate per installed mega watt but this must be reviewed annually to include proviso to increase the amount per installed megawatt

6.50pm Mrs Barbara Cheyne left the meeting

Mr Macdonald did point out that VEP are rigid regarding this payment. Mr Bunyan said we must keep strong on the fact that the development in Shetland is larger than any other in Scotland.

Mr Bunyan said that since Mr Hunter is no longer involved with SCBF we need someone else to sit on the negotiation team and he asked for nominations.

Mr John Dally nominated Mr Martin Tregonning, seconded by Mr Laurence Robertson. There were no other nominations or objections. Mr Tregonning accepted the position.

6. AOCB

Mr Laurence Robertson asked when will the money from the fund come in to SCBF. Mr Bunyan said he was not certain of the exact date at the moment. He said financial close is when agreement between Viking Energy and Scottish and Southern Energy is agreed. It is hoped SCBF will receive some money from the fund in 2017 to enable them to employ staff. The projected date for first annual payment is 2018.

Mr John Dally asked about the upcoming Judicial Review. Mr Bunyan said we just have to wait for the outcome of this.

Mr Bunyan instructed Mrs Massie on the following:

- He will draft a letter to all Directors to update them on VEP negotiations to date and ask them to let him know if they have any other ideas for proposals to put to VEP. Mrs Massie to put text into SCBF letter format and circulate.
- He will draft press release saying he is the new Chairman of SCBF. Mrs Massie to format if required and submit to Radio Shetland, Shetland Times and Shetland News.
- Mrs Massie to write letter of thanks to Mr Bobby Hunter on behalf of SCBF.

Minute subject to approval at the next meeting of the Shetland Community Benefit Fund

- Mrs Massie to write to those Community Councils who do not have representation asking them to nominate someone to sit on the Management Committee SCBF.
- Contact the Bressay representative on SCBF regarding lack of attendance at meetings.

7. Date of next meeting

To be arranged.

The meeting closed at 7.30pm.

****The negotiation team are Mr Bunyan, Mr MacDonald and Mr Tregonning. They were nominated by SCBF to represent them in meetings with VEP)***