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Directors Handbook

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**1 Shetland Community Benefit Fund – who are we and what do we do?**

Shetland Community Benefit Fund is a unique initiative with all the local communities coming together to benefit from commercial renewable energy developments in the islands. The islands’ 18 community councils formed SCBF as an independent co-operative to negotiate and administer community benefit funding from developers. It was agreed from the very start that, as far as possible, community benefits should be available on a Shetland-wide basis – so all local communities have a chance of accessing the funds. However, SCBF recognises that each agreement and how this aim is achieved, will be different.

**2 Community Benefit Agreements**

SCBF has reached two community benefit agreements, one with Viking Energy and the other with Shetland Aerogenerators Ltd. A SCBF sub-group keep in contact with other potential renewable energy projects throughout the isles on a regular basis.

**2.1 Viking Energy**

SCBF reached its first agreement in 2020 with the Viking Energy Wind Farm and its main shareholder SSE Renewables – for the largest community benefit fund for any onshore development in the UK.

**2.1.1 Heads of Terms and Minute of Agreement**

SCBF has signed a Heads of Terms with Viking Energy Wind Farm LLP (VEWF) and its major shareholder, SSE Renewables, setting out the framework for two legal agreements which will govern the payments from the Viking Community Fund (VCF) which will be administered and managed by SCBF. The HoT allows SCBF to provide grant aid, make investments, and loans.

The first Minute of Agreement was signed in 2020 and provides for a payment of £400,000 a year from the VCF to SCBF until 2024 or when the development becomes operational. The funds are to be used to operate a grant scheme for projects that are supported by one of the islands' 18 community councils and for SCBF to administer the scheme and to develop its long term SCBF Business Plan for the VCF.

The Business Plan must be approved by VEWF before the second Minute of Agreement can be signed. This will release VCF payment of approximately £2,215,000 a year, index-linked, for the lifespan of the development, currently estimated to be 25 years. This will be the largest onshore community benefit scheme in the UK

**2.1.2 Community Consultation and Business Plan**

In October 2021, SCBF selected a preferred bidder to undertake a Shetland wide community consultation and preparation of the business plan for the core fund. The projected timetable for this work is detailed in the following table.

|  |  |
| --- | --- |
| Work starts; inception/planning meeting; begin desk-top research | Q2 2022 |
| Community consultation incl. feedback | Q3 2022 |
| Draft Community Action Plan submitted | Q1 2023 |
| Comments and revisions incorporated | Q2 2023 |
| Final Community Action Plan signed off | Q3 2023 |

**2.1.3 The Advance Grant Scheme (AGS)**

The Advance Grant Scheme (AGS) launched in February 2021 and will run during the construction of the Viking wind farm which is scheduled to be completed in 2024.

There are two tiers for applications, Tier 1 for projects between £50 and £500 and Tier 2 for projects over £500.

Further details can be found [here](https://scbf.org.uk/ags/) on the SCBF website.

**2.2 Shetland Aerogenerators Ltd**

SCBF’s second benefit fund agreement, signed in May 2021, is with the local renewable energy company – Shetland Aerogenerators Ltd, operators of the Burradale Wind Farm. Shetland Aerogenerators Community Benefit Fund will be worth £10,000 a year for 10 years.

For the first two years of the fund the money will be used to support active travel and road safety projects in Shetland and then it will be open to support projects that promote Science, Technology, Engineering and Maths (STEM) in Shetland’s schools. Up to 20% of this annual funding will be available for scholarships to benefit pupils working towards a STEM career.

Further details can be found [here](https://scbf.org.uk/sacbf/) on the SCBF website.

**3 The role of a director**

Each of Shetland’s 18 community councils can nominate a director for the SCBF board and they need not be a community councillor. Once elected to the board the director has a separate legal responsibility to SCBF. All directors are equally responsible in law for the decisions of the board. Therefore, all directors must act in good faith and act at all times with integrity and probity.

If a director is also a member of a community council, it is important that they undertake their SCBF role completely independently from their role on a community council – or indeed any other outside interests/responsibilities – and ensure they always act in the best interests of SCBF.

You may serve as a board member for three years before you must stand down. At this point you may seek re-election and serve for a further three years. This is detailed further in the SCBF rules found [here.](https://scbf.org.uk/wp-content/uploads/2021/02/FCA-New-Rules-signed-.pdf)

**3.1 Responsibilities of directors**

Directors have legal responsibilities similar to those of a charity trustee.

**3.1.1 Ensuring SCBF is carrying out its purposes for public benefit**

You and your co-directors must make sure that SCBF is carrying out the purposes for which it was set up, and no other purpose. This means you should:

* ensure you understand the organisations purposes as set out in its governing document
* plan what SCBF will do, and what you want it to achieve
* be able to explain how all of SCBF’s activities are intended to further or support its purposes
* understand how SCBF benefits the public by carrying out its purposes

**3.1.2 Complying with SCBF’s governing document and the law**

* make sure that SCBF complies with its governing document
* comply with law requirements and other laws that apply to independent co-operatives

You should take reasonable steps to find out about legal requirements, for example by reading relevant guidance or taking appropriate advice when you need to

**3.1.3 Act in the best interests of SCBF**

You must:

* do what you and your co-directors (and no one else) decide will best enable SCBF to carry out its purposes
* with your co-directors, make balanced and adequately informed decisions, thinking about the long term as well as the short term
* avoid putting yourself in a position where your duty to SCBF conflicts with your personal interests or loyalty to any other person or body
* not receive any benefit from SCBF unless it is properly authorised and is clearly in the co-operatives interests; this also includes anyone who is financially connected to you, such as a partner, dependent child or business partner

**3.1.4 Manage SCBF’s resources responsibly**

You must act responsibly, reasonably and honestly. This is sometimes called the duty of prudence. Prudence is about exercising sound judgement. You and your co-directors must:

* make sure the co-operatives assets are only used to support or carry out its purposes
* avoid exposing the co-operatives assets, beneficiaries or reputation to undue risk
* not over-commit the co-operative
* take special care when investing or borrowing
* comply with any restrictions on spending funds or selling land

You and your co-directors should put appropriate procedures and safeguards in place and take reasonable steps to ensure that these are followed. Otherwise, you risk making the co-operative vulnerable to fraud or theft, or other kinds of abuse, and being in breach of your duty.

**3.1.5 Act with reasonable care and skill**

* must use reasonable care and skill, making use of your skills and experience and taking appropriate advice when necessary
* should give enough time, thought and energy to your role, for example by preparing for, attending and actively participating in all SCBF meetings

**3.1.6 Ensure SCBF is accountable**

You and your co-directors must comply with statutory accounting and reporting requirements. You should also:

* be able to demonstrate that your co-operative is complying with the law, well run and effective
* ensure appropriate accountability to SCBF members
* ensure accountability within the co-operative, particularly where you delegate responsibility for particular tasks or decisions to staff or volunteers

**3.1.7 Useful links**

[Board responsibilities — NCVO Knowhow](https://knowhow.ncvo.org.uk/governance/board-responsibilities/)

[Scottish Council for Voluntary Organisations (scvo.scot)](https://scvo.scot/)

**3.2 SCBF officers and Staff**

The current officers for SCBF elected at the 2021 AGM are,

**Chair – Chris Bunyan**

Email – [shetlandcommunitybenefitfund@outlook.com](mailto:shetlandcommunitybenefitfund@outlook.com) or Telephone - 07880 590 331

**Vice-Chair – John Dally**

Email - [Jaydeewhalsay166@gmail.com](mailto:Jaydeewhalsay166@gmail.com) or Telephone - 07780 926 072

**Secretary – Neville Martin**

Email - [martinneville@btconnect.com](mailto:martinneville@btconnect.com) or Telephone - 07769 963 425

**Treasurer – Aileen Brown**

Email - [medzet@aol.com](mailto:medzet@aol.com) or Telephone - 07483 299 646

SCBF has one paid staff member employed on a part-time self-employed basis. Eleanor Gear, Administration Officer, is contracted for 20 hours per week until June 2024. The Administration Officer is responsible for the day-to-day operation of the AGS and SCBF administration.

Email – [admin@scbf.org.uk](mailto:admin@scbf.org.uk) or Telephone – 07538 417 175

**3.3 SCBF membership and share certificate**

On election to SCBF, directors are asked to complete and return a membership form along with a one-off £1.00 membership fee. Once received, SCBF will issue a share certificate to the director. Members remain so for their lifetime unless they express in writing to SCBF that they no longer wish to be a member.

**3.4 Directors meetings**

SCBF meet on the second Wednesday of each month, currently via Zoom. Meetings are scheduled to take no longer than 1.5 hours. The agenda, list of papers and meeting invite are sent to directors 1 week prior to the meeting. The aim is for any pre-meeting preparation of reading papers etc. to take no longer than half an hour. Please prepare by reading the papers prior to the meeting.

Only papers which are marked confidential or expressed as being confidential must be kept confidential.

If you are unable to attend the monthly meeting please send apologies to the administration officer – [admin@scbf.org.uk](mailto:admin@scbf.org.uk) or Chair – [shetlandcommunitybenefitfund@outlook.com](mailto:shetlandcommunitybenefitfund@outlook.com)

**3.5 Sub-groups**

There may be times when you will be asked to join a sub-group working on a particular piece of work. This may be a topic of particular interest to you or where you have a specific skill which could assist in the work.

**3.6 Skills audit**

Following formal election, you will be sent a request to supply your professional and educational skills information to be added to a skills audit spreadsheet. Successful boards recognise and utilise the skills of their members where it is appropriate to do so. The skills audit also highlights where external advice may need to be sought.

**3.7 Training**

Directors are requested to undertake the [ACAS Equality and Diversity online training.](https://www.acas.org.uk/online-training) On completion, the certificate should be sent to the administration officer who will electronically file and register it.

SCVO also provide a wealth of online training for volunteers which can be accessed here - [SCOPE eLearning platform – SCVO](https://scvo.scot/support/elearning/scope). Again, copies of any certificates should be sent to the administration officer for registering and filing.

**3.8 Declaration of interests**

Directors should familiarise themselves with the Declaration of Interests Policy and act accordingly in-line with its contents. SCBF publish their Declaration of Interests Register online on their website to ensure transparency.

**4 Important documents**

The following is a list of important documents which directors should familiarise themselves with,

SCBF Policies

* Data Protection Policy
* Data Sharing Document
* Safeguarding Policy
* Equality, Diversity and Inclusion Policy
* Complaints Procedure
* Appeals Procedure
* Privacy Statement
* Publicity Guidance
* Conflict of Interest
* Expenses Policy

Other important documents

* SCBF Rules
* Head of Terms Agreement with Viking Energy Windfarm (VEWF)
* Minute of Agreement with Viking Energy

Issue date – July 2022

Review date – July 2023

**Appendix 1 Management Sub-Committee TOR**

**The Management Sub Committee is a sub-committee of the Management Committee.**

**Membership**

The sub-committee shall consist of the Chair, Vice Chair, Secretary and Treasurer of SCBF.

**Appointment of the Sub-Committee**

The Management Committee shall at their first meeting following the AGM in each year, determine the members of the Sub-Committee until the next following AGM.

**Casual Vacancies**

The Management Committee from among their members shall fill casual vacancies occurring in membership of the Sub-Committee.

**Frequency of Meetings**

The Sub-Committee shall meet not less than 4 times in each year. A quorum at each meeting shall be 2 members. Discussion can also be conducted electronically with any discussion requiring input from all members.

**Record of Meetings**

The sub-Committee shall ensure that an agreed written record of any meetings and on-line discussions are forwarded to the management Committee prior to each general meeting of directors.

**Staff Attendance**

The Administration Officer may attend a meeting at the request of the Sub-Committee, the AO themselves or on the recommendation of the Management Committee.

**Functions of the Sub-Committee**

The role of the sub-committee is to support the SCBF staff and chair in issues regarding the day-to-day management of the company and to provide advice and decisions, ideally unanimously, on matters regarding the running of the company and its various funding schemes.

If there is a disagreement on any issue whereby a unanimous decision isn’t possible the matter will be referred to the management committee.

However, on issues requiring an urgent decision but where there isn’t unanimity the chair can implement the majority view, if there is one, or the chair can make a decision and report to the management committee seeking retrospective approval for the actions.

The sub-committee will also consider longer-term issues regarding the management and running of SCBF and make any proposals it feels necessary to the management committee.

**Appendix 2 Audit and Governance Sub-Committee TOR**

**The Audit and Governance Committee is a sub-committee of the Management Committee.**

**Membership**

The sub-committee shall consist of the treasurer and 2 other members of the Management Committee.

**Appointment of the Sub-Committee**

The Management Committee shall at their first meeting following the AGM in each year, determine the members of the Sub-Committee until the next following AGM.

**Casual Vacancies**

The Management Committee from among their members shall fill casual vacancies occurring in membership of the Sub-Committee.

**Frequency of Meetings**

The Sub-Committee shall meet not less than 2 times in each year. A quorum at each meeting shall be 2 members. Discussion can also be conducted electronically with any discussion requiring input from all 3 members.

**Record of Meetings**

A report of the discussions and activity of the sub-committee should be prepared and agreed by all sub-committee members prior to presentation at any general meeting of directors.

**Staff Attendance**

The Administration Officer may attend a meeting at the request of the Sub-Committee, the AO themselves or on the recommendation of the Management Committee.

**Functions of the Sub-Committee**

Scrutiny of the financial activity and systems of SCBF

Setting performance standards and auditing these.

Reviewing good governance and associated policies.

**Appendix 3 Other Schemes Sub-Committee TOR**

**The Other Schemes Committee is a sub-committee of the Management Committee.**

**Membership**

The sub-committee shall consist of 3 members of the Management Committee. This is currently the Chair, Colin Clark and John Parry.

**Appointment of the Sub-Committee**

The Management Committee shall at their first meeting following the AGM in each year, determine the members of the Sub-Committee until the next following AGM.

**Casual Vacancies**

The Management Committee from among their members shall fill casual vacancies occurring in membership of the Sub-Committee.

**Frequency of Meetings**

The Sub-Committee shall meet not less than 2 times in each year. A quorum at each meeting shall be 2 members. Discussion can also be conducted electronically with any discussion requiring input from all 3 members.

**Record of Meetings**

The sub-Committee shall ensure that an agreed written record of any meetings and on-line discussions are forwarded to the management Committee prior to each general meeting of directors.

**Staff Attendance**

The Administration Officer may attend a meeting at the request of the Sub-Committee, the AO themselves or on the recommendation of the Management Committee.

**Functions of the Sub-Committee**

Maintaining contact with renewable developers, the local authority and other relevant statutory bodies to highlight the possible roles of SCBF within any future development.

Promote SCBF and community benefits for all Shetland.

**Appendix 4 Business Plan Sub-Committee TOR**

**The Business Plan Committee is a sub-committee of the Management Committee.**

**Membership**

The sub-committee shall consist of Chair, Vice Chair, Colin Clark and Angela Sutherland

**Appointment of the Sub-Committee**

The Management Committee shall at their first meeting following the AGM in each year, determine the members of the Sub-Committee until the next following AGM.

**Casual Vacancies**

The Management Committee from among their members shall fill casual vacancies occurring in membership of the Sub-Committee.

**Frequency of Meetings**

The Sub-Committee shall meet not less than ten times in each year. This frequency will be reviewed when the Business Plan has been completed and approved by SSE Renewables. A quorum at each meeting shall be three members. Discussion can also be conducted electronically with any discussion requiring input from all members.

**Record of Meetings**

The sub-Committee shall ensure that an agreed written record of any meetings and on-line discussions are forwarded to the management Committee prior to each general meeting of directors.

**Staff Attendance**

The Administration Officer may attend a meeting at the request of the Sub-Committee, the AO themselves or on the recommendation of the Management Committee.

**Functions of the Sub-Committee**

* Overseeing the contract with IBP Strategy and Research,
* Ensuring the contractor’s obligations are fulfilled, Discussing and giving prior approval to any variance to the original contract, including any revision of the fee
* Approving and authorising the stage payments to the contractor
* Working with IBP in preparing the draft Business Plan
* Ensuring that SSE Renewables are consulted in the draft plan and it meets their approval

**Appendix 5 AGS Review Sub-Committee TOR**

**The AGS Review Committee is a sub-committee of the Management Committee.**

**Membership**

The sub-committee shall consist of Chair, Jim Anderson, Karen Hannay, Angela Sutherland and the Administration Officer.

**Appointment of the Sub-Committee**

The Management Committee shall at their first meeting following the AGM in each year, determine the members of the Sub-Committee until the next following AGM.

**Casual Vacancies**

The Management Committee from among their members shall fill casual vacancies occurring in membership of the Sub-Committee.

**Frequency of Meetings**

The Sub-Committee shall meet not less than 2 times in each year. A quorum at each meeting shall be 2 members. Discussion can also be conducted electronically with any discussion requiring input from all members.

**Record of Meetings**

The sub-Committee shall ensure that an agreed written record of any meetings and on-line discussions are forwarded to the management Committee prior to each general meeting of directors.

**Staff Attendance**

The Administration Officer may attend a meeting at the request of the Sub-Committee, the AO themselves or on the recommendation of the Management Committee.

**Functions of the Sub-Committee**

• Design survey form for review

• Circulate and promote review

• Analyse results and report to directors

• Revise AGS according to directors decisions, revise any documentation and website

• Advise community councils of change