

Minutes

ANNUAL GENERAL MEETING

Soirbheas
Investing in the communities of Glen Urquhart & Strathglass

Held at Balnain Hall, Balnain at 7.30 pm on

Thursday 30th June 2016

**Directors
Present:**

Tanya Castell (TC); Russell Fraser (RF); Suzanne Irvine (SI); Alan James (AJ), Louise MacDonald (LM)

**Other
Members
present**

Erik Trelfer (ET – Co Secretary), Andrew, Castell (director of Soirbheas Trading Ltd) Neil MacInnes, Jenny Stirling, John Duncan, Pam Lucas (GUCC), Heather & Edward Redmond, Donna & Cliff Green, Anne MacDonald, Jan Rothe, Anna Macdonald, Ken Fraser (GUCC), Fraser Mackenzie, Margaret Luscombe, Dan Luscombe,

**In
attendance:**

Carol Masheter (CM – Community Development Officer), Jim Barr (director Soirbheas Trading Ltd), Mike Girvan (MG – Director Corrimony Energy Ltd), Suzy Hollott (Treasurer), David MacLean (Creative Business Solutions), Toni Clarke (Transitions Black Isle)

Apologies:

Julie Adams (JA), Christine Hart,

Alan James opened the meeting by welcoming everyone and then introducing the guest speaker, Toni Clarke of Transitions Black Isle's Grow North Project. Soirbheas had purchased seed potatoes from them for use in the schools and within our wider community as an easy and fun way to introduce folk to growing their own food. Toni outlined the work being done in the Grow North Project which encourages and promotes growing your own food. They provided lots of expert advice and help to communities who wish to set up communal growing spaces including use of poly-tunnels. This is part of a much wider movement throughout the UK that is gathering momentum as more and more community based food growing takes off. Her talk was illustrated with slides of various local projects with which she had been connected. An interesting spin off from these communal projects was that it was found that it attracted not just keen gardeners but also folk who enjoyed the social interaction of these groups and so had joined as much for the companionship as for any strong desire to grow things.

The Chairman then moved on to the formal Annual General Meeting matters and the **Minutes of Previous AGM:** Thursday 18th June 2015 were approved by the meeting and signed.

SOIRBHEAS REVIEW OF THE PAST YEAR

Chairman Alan James gave an outline of the general progress made by Soirbheas over the last year. In the 2nd year of grant awards £3,745.53 of Tier 1 grants (max £500) were distributed to community groups and £23,000 of Tier 2 (max £10,000) grants had been made. These grants had included supporting the Glenurquhart Care Project in its land purchase for a project to build special social housing for the elderly/infirm/disabled, help towards an additional trainee staff member at Glen Urquhart Childcare Centre enabling them to increase capacity for childcare provision and the purchase of goals and mobile dug-outs for Strathglass Shinty Club. Details of all the grants awarded are displayed on our website at www.soirbheas.org/other-funding.

The primary source of income for the charity continued to be the Corrimony Energy Ltd (CEL) windfarm which had been generating income now for 3 years. Due to the high costs early in the CEL project (as loans etc are paid down), CEL are carefully managing the flow of profits in these early years. However, the poor weather last year had a silver lining as there was more wind as a result and that boosted productivity which enabled Soirbheas to add an extra £3,000 to the tier 2 grant allocation.

Whilst managing the grant programme continues to be the key role of Soirbheas, the Soirbheas Community Development Officer (CDO) had been very active in driving a series of other community based projects with a

range of different groups across the area. Further details are in the CDO's report below.

Soirbheas continues to monitor and where appropriate, engage with the developers of renewable energy projects in the glens, both large and small, whilst retaining strict neutrality regarding planning matters. Soirbheas' objective in doing this was to meet its charitable objectives and commitments to Social Investment Scotland (who supplied grants and loans to acquire the stake in CEL) and to ensure that, should any project proceed to development, that the flow of community benefit to the glens can be optimised.

Autumn and Spring newsletters were distributed to members electronically and to all households in the area as part of the process of engaging with the community and keeping everyone informed.

Shenval Micro Hydro – as part of the ongoing work of the charity to secure community benefit and invest in renewable energy projects, a £20,000 grant was obtained from Local Energy Scotland towards paying for a project manager and professional advice for Soirbheas to secure enhanced community benefit from the Green Highlands micro hydro project. This project has received planning consent and if it goes ahead it is anticipated construction will start later in 2016

Cnoc an Eas – during the year Glen Urquhart Community Council confirmed to the developer that Soirbheas was the preferred agency for dealing with community benefit negotiation. Following contact by the developer we embarked on lengthy negotiations with the developer resulting in the execution of a Memorandum of Understanding, (MOU - an initial broad agreement between the parties setting out intentions should the development go ahead). During these discussions Soirbheas remained neutral and completely impartial with regard to planning matters at all times and this was embedded into the MOU and this neutrality was emphasised in any announcements by the developers. (Post year end the Highland Council rejected the application for planning consent on 9th May 2016).

Beinn Mhor – Soirbheas had undertaken negotiations with WPD the developer of this wind-farm proposal, (sited near Tomich and adjacent to the CEL one), culminating in an MOU being signed in February 2014. There was a long delay by Highland Council in making a planning decision which triggered an appeal by WPD to the Scottish Government against the non-determination. The Scottish Government decision was made in July 2015 and went against the developer.

FINANCIAL REPORT

Incoming resources for the year totalled £44,180 (2015 £58,987). Income for the period includes donations from Soirbheas Trading (the wholly owned subsidiary of Soirbheas) of £8,345 (2015 £22,449 and grant income from Local Energy Scotland under the CARES grant programme of £2,284 (2015 £6,304). The Soirbheas Trading donation appears lower because it also paid back part of its loan from Soirbheas. OSCR guidelines require that charities must maintain reserves equivalent to a minimum 3 months operational costs. As the charity receives its income at 6 monthly intervals directors consider it appropriate to maintain reserves equivalent to 6 months operational costs. At the balance sheet date the charity had total funds of £182,223 (2015 £196,219).

Alan then invited Mike Girvan (MG) of Corrimony Energy to say a few words.

CORRIMONY ENERGY (CEL) REPORT: MG advised that the past year had been a better one for wind energy production. Last year the site generated 31,200 MW hours of production (previous year 29,000MWH). However, it had not been without its share of problems. Power outages on the grid resulted in damage to the turbine electrics. It seems the problem was that heaters in the equipment go off when the grid power is down and then moisture accumulates. When power goes back on again and the turbine automatically starts up, the moisture caused circuits to blow. Insurance operates to cover some of the loss and damage but over the summer Enercon, (the turbine manufacturers) will be coming out to make some modifications which will bring the heaters on for a time, in order to dry out moisture before the turbine re-starts.

Grid connection has now been obtained for the full capacity of the turbines which is 2.3 MW each. Until the Beaully-Denny Line was completed the grid connection could only take a total of 10MW so there would now be an extra 1.5MW of capacity available. Of course this extra capacity would only arise when the turbines were all going at maximum so this extra 1.5MW would not translate into a daily extra amount of generation of that amount. It would however provide around 1000-1500 more MW hours of production over the year it was estimated, and this would add usefully to the total revenue generated.

CEL had borrowed heavily in order to finance the project and now they were in the process of reducing the

level of borrowing and this would continue over the coming years. Now that CEL had an established track record they had been able to obtain better loan terms. They were currently in the process of re-financing with another bank which if successful, would give CEL more direct control of its finances, less debt and a better deal all round. That would enable more money to be fed back in profit (and to Soirbheas for their share).

There were still some concerns for the future though. Electricity prices had fallen, though fortunately CEL were sheltered from this at present as they had signed an 8 year deal for the sale of the power generated and this has 4 more years to run. Currently CEL are getting more than the market price for its sale of the power produced. That might all change though at the end of the contract, so much will depend on where electricity prices are in the future and what price the new contract might achieve and whether it is higher or lower than currently.

AGM ELECTIONS AND RESOLUTIONS

A total of 6 postal voting forms had been received from members prior to the meeting all supporting each of the resolutions.

1) Under OSCR regulation the responsibility for signing off the Annual Report and Accounts rests with the Board of Trustees/Directors. The draft accounts were only recently obtained and copies were available for viewing and had been placed on the Soirbheas web-site.

ELECTIONS TO THE BOARD

2) Under the constitution, each year one third of the Soirbheas Board must stand down by rotation but may offer themselves for re-election (always provided no more than 6 consecutive years are served). Appointments to the board made during the year by co-option to the Board must be ratified by members at the AGM. There were no new co-opted appointments during this period. Those standing down by rotation this year are Suzanne Irvine, Alan James and Russell Fraser and both Alan and Russell are seeking re-election.

a) Re-election of Alan James– nominated by Tanya Castell and seconded by Louise MacDonald

b) Re-election of Russell Fraser – nominated by Louise Macdonald seconded by Tanya Castell

Two new directors had offered to serve on the board and they were now put forward for election

a) Peter Wilkes – nominated by Russell Fraser and seconded by Neil MacInnes

b) Fraser Mackenzie – nominated by Louise Macdonald and seconded by Tanya Castell

AJ asked if anyone present was interested in becoming a director but there were no further nominations. Volunteers were welcome and anyone interested or thinking about becoming a Soirbheas director could speak with any of the Soirbheas directors initially to find out more. Previous experience is not necessary as part of the Soirbheas objectives are to help train members of the community in order to have a pool of people equipped with the skills to operate, manage and run community companies and organisations.

ANY OTHER BUSINESS:

CDO REPORT - The Community Development Officer, Carol Masheter (CM) had obtained a video made by HIE to encourage other communities to follow the example of Strathglass and Glen Urquhart in setting up a community company to manage the receipt of wind-farm payments. The video included representation from CEL and Soirbheas and covered questions about how and why it was set up, how it operated and the benefits the community derived from it. Unfortunately her laptop was unable to connect and she was unable to stream the video. It can be found at <https://youtu.be/oxdJp4bZ37A> if anyone wishes to view it themselves.

Carol had also prepared slides to illustrate some of Soirbheas' activities this year but the lap-top was still malfunctioning and rather than hold everyone back whilst she tried to resolve the problem, CM gave a verbal outline instead.

The 1st Year of Soirbheas Grants had been celebrated at Cannich Primary and the Education Pack was born.

The 2nd year of the Tattie Project saw 2000 seed potatoes sold via the community, nursery and schools. An estimated 2.5 tons of potatoes should result. This project seems to have captured the imagination of the community and really took off this year with demand for seed potatoes in excess of the available supply. It is

a worthwhile fun thing to do which has attracted lots of community involvement by both children and adults.

A Research Project to determine the needs of the young, elderly and vulnerable in the community had been a major task which took up considerable resources. It involved partnership working with other community bodies, face to face interviews and focus groups. The report compiled by the Partners in the Research Project has now been published and contains a great deal of useful insight and information which various bodies like the Council, NHS etc are now making use of. It has also kick started some collaboration between partners involved in the Report who are working together on projects to address some of the things highlighted by the report process.

Linked to this research it transpired people did not have enough information about what was going on in their community and so were missing out on the opportunities to participate in things. To remedy this Soirbheas organised a Clubs and Volunteering Fair at which nearly all the local community groups were represented and folk could call in and see for themselves what clubs and activities were available, ask questions of any they were interested in and sign up to join. Feedback indicates that many of the local groups increased their memberships as a direct result of this initiative. A Club and Community Group Directory has been compiled including contact information for anyone interested in joining a club or group and this is now available to view in the Library at Drumnadrochit.

An Energy Saving Education Pack has been developed to help teachers engage with their classes on green issues. All 3 primaries and the nurseries have made use of the pack which has been well received. Hopefully this will make the children 'energy champions' and they will take that enthusiasm back home to influence energy use there too.

Community Broadband progress is slowly being made although BT are still not clear on how far fibre optic will be run out. Recent additional government funding may mean some places like Struy may now see superfast broadband rolled out to them after all. Rather than wait for clarity to emerge, Soirbheas were instrumental in helping bring together other communities in Council Ward 13 to form the Ward 13 Partnership. This will be the body that, working together, will drive forward ways to bring broadband to the remoter rural areas that would otherwise miss out. Part of their brief will be to choose the most appropriate means to do this which currently looks like being a mixture of wireless and fibre optic. Wireless will require some community owned and managed assets to transmit and relay broadband so the solutions are not going to be simple and will involve some ongoing costs in terms of maintenance etc.

QUESTIONS

There being no further business Alan James invited any questions from members.

Q1 A query was raised regarding an error in the accounts on page 11 – the Chairman thanked them and noted this, confirming it would be amended before the accounts were finalised and signed off..

Q2 Cliff Green asked:

- a) The original planning application for CEL had indicated around £160,000 per annum would result for the community. After 3 years operating data so far only £107,000 had been received. Was the original target realistic?
- b) How does the Soirbheas board audit CEL to ensure they are receiving the correct sums from them?

Answers: Tanya Castell replied that CEL make payments both to Soirbheas and Soirbheas Trading (STL) so the figures in the Soirbheas accounts do not reflect the full amounts being received from CEL. In order to finance the community stake Soirbheas received a grant from Social Investment Scotland (SIS) and STL took out a loan from SIS repayable over 10 years. Most of the money received by STL from CEL goes towards paying off the loan interest and for loan repayments to SIS. CEL had also borrowed heavily and so initially, loan and interest repayments reduce the amount of profit available for distribution. Over time as the debt is paid down the profits available for distribution would rise.

Mike Girvan advised that at the planning application stage there were a lot of 'unknowns' such as how much the grid connection would cost, what the final price for the construction and erection would be and what price CEL would get for the electricity generated, the wind-speeds on the site might not have matched those obtained from the anemometer during the test period. The original figures were therefore all based on the best information available at the time and on projections made from that information. The figures were as realistic

as it was possible to make them given that at that time nothing was set in stone and contracts and prices had not been signed off with the various firms that would be involved in building it. He still stood by those figures though and confirmed he believed that the original predictions would be achievable.

Tanya Castell confirmed that the board of Soirbheas did audit the figures from CEL. CEL were completely open and transparent and provided full disclosure of accounts, costs and income twice a year in accordance with the Agreement, and also provided production and performance data monthly.

Chair:

Alan James

Clerk to the Board:

Erik Trelfer

Date: 29/6/17

