

**Minutes****ANNUAL GENERAL MEETING****Soirbheas**

Investing in the communities of Glen Viquhard &amp; Strathglass

Held at Balnain Hall, Balnain at 7.30 pm on

**Thursday 29<sup>th</sup> June 2017****Directors  
Present:**

Russell Fraser (RF); Alan James (AJ), Louise MacDonald (LM), Dr Peter Wilkes (PW), Julie Adams (JA)

**Other  
Members  
present**

Erik Trelfer (ET – Co Secretary), Andrew Castell (director of Soirbheas Trading Ltd), Neil MacInnes, Pam Lucas (GUCC), Donna &amp; Cliff Green, Anna MacDonald, Peter MacDonald, Christine Hart, Ian Campbell (SCC), M Oosterwyk, Ann MacInnes, Robin Miller, Rhona MacIntyre, Pierre LeBrun,

**In  
attendance:**

Carol Masheter (CM – Community Development Officer), Jim Barr (director Soirbheas Trading Ltd), Mike Girvan (MG – Director Corrimony Energy Ltd), Chris Rodgers, Colin Gray (Frame Kennedy -Treasurer and Accountants to Soirbheas), Toby Sanderson (CBS)

**Apologies:**

Heather &amp; Edward Redmond, Fraser Mackenzie (Soirbheas director),

Alan James opened the meeting by welcoming everyone and then introducing the guest speaker, Toby Sanderson from Community Broadband Scotland (CBS) who had been invited to provide an update on the current position for our area regarding high speed broadband. Mr Sanderson outlined the new Scottish Government commitment to reach all with fast broadband by 2022. Currently it was expected that the BT broadband roll-out would reach 95% of homes eventually. CBS were working with suppliers on a solution for the 5% who would not be reached by the BT roll-out. This would all take some time though as the proposed solutions needed first to be evaluated and then there would have to be a tendering process for the contract to implement whatever solution was thought best. Meanwhile Broadway (an independent commercial supplier) now had some coverage in the Drumnadrochit area and others like Cromarty Wireless had reached as far as Aigas and Struy. Soirbheas had circulated a briefing document outlining some of the private providers in the area who were independently working on solutions and some of the features of the different systems being tried, but could not make any recommendations on any of these. People must make their own decisions on these according to what might best suit them. CBS could offer Research & Development help and advice for communities who wished to move more quickly to produce their own solutions. Those in some areas such as Tomich that have low internet speeds would be eligible for vouchers towards the cost of satellite or wireless solutions. Questions were then invited. Mr Oosterwyk asked about the fibre broadband operated by SSE along the Beauldy-Denny line which SSE had indicated they would be prepared to share (though SSE have not said such access would be free). Mr Sanderson promised CBS would look into the prospect of connecting to this.

The Chairman then moved on to the formal Annual General Meeting matters and the **Minutes of Previous AGM: Thursday 30<sup>th</sup> June 2016**.

Mr C Green advised that the figure shown in the draft minutes of £100,000 should have been £160,000\* (as the figure he had in mind and was referring to was the figure of £160,000 that was used by CEL in their original planning application). As Mr Girvan had confirmed last year that he stood by the figure, he was asked if he had any objection to it being amended to £160,000 and he confirmed he did not. The minutes as amended were then moved for approval and seconding by Anna & Peter MacDonald.

\*[The figure of £160,000 in the planning application refers to the estimated annual benefit to the community as an averaged annual figure over the whole twenty or so year life span of the wind-farm. The Soirbheas' board had always indicated and worked to a more conservative figure of £100,000 per year in the first 10 years of operation (this being a more accurate estimate of the average yearly income to the community during the first 10 years of the agreement - see AGM 2012 minutes). This is because the actual



income will be lower than the 'average' in the first ten years and higher in the later years. It is similar to buying a house for the first time as a lot of the initial costs are incurred in the early years of mortgage repayments. It is the same for the windfarm due to the way the bank repayments on loans operate, the need to build some buffering against fluctuations in wind performance and the need to set aside a proportion of income for decommissioning etc. so the costs are higher in the first years and reduce as time goes on and the loans are paid down].

### **SOIRBHEAS REVIEW OF THE PAST YEAR**

Chairman Alan James gave an outline of the highlights of the past year in this Soirbheas' third year of grant distribution. Soirbheas continued to follow the vision to drive a more vibrant and greener community, improving conditions of life in the community, Promoting for public benefit rural regeneration following principles of sustainability, improving amenities, conserving and preserving the natural environment and helping to build opportunities for the furtherance of education, culture and heritage.

The Community Development Officer (CDO) Carol Masheter had done an excellent job in connecting and consulting with the community and encouraging partnership working amongst various community groups and interests. As well as driving Soirbheas projects forward, she also provided support in the grant process and this has been key in assisting securing other money such as matched funding (from outside the community) to supplement that provided by Soirbheas. This leveraging up of the amount of money going into the community has made a considerable difference and is something we are continuing to monitor and encourage.

The Board have responsibilities to both members and funders (like Social Investment Scotland) to ensure administration is efficient, agreements are kept to, reporting complies with deadlines, objectives are set and fiduciary duty is done.

#### **Grants**

Grant funding was maintained at previous levels despite less wind during the year having reduced production. Grants have included improvements to the car parking (at Balnain Hall), new flooring for Cannich Hall, Refurbishment plans for Glenurquhart Hall, help for the Care Centre, help for School trips as well as a whole range of the smaller tier 1 grants. Transport now seems to be a consistent theme for tier one grants.

#### **Elderly, Young & Apprenticeships**

This year saw the launch of the apprenticeship scheme with the first placement. This cautious approach will help us learn more about how to implement and expand the apprenticeship scheme with the objective of helping our young people earn, learn and be able to stay in the community. The Elderly and Young Partnership Delivery Plan is now under way with a successful Health Walking group established in Drumnadrochit. Its leaders have been trained and regular weekly walks are taking place. This is part of a larger plan with more things to come.

#### **Broadband**

Broadband has taken up many hours of CDO time as we have worked in partnership with other community groups around the Loch Ness area and CBS with regular meetings taking place. There is a better understanding now of how many and which properties will be left out of the BT solution. How effective the BT roll out will be for some properties is less clear as being within 3 kilometres of a broadband box is crucial and those further away will not get good speeds. Progress has been slow due to the lack of information available from BT and CBS also has to follow its own protocols and time frames. The technology is fast changing and developing unpredictably but there is great frustration within communities as they want solutions sooner rather than later. The arrival of potential private sector solutions feeding off this frustration has added a new dynamic and for now the best course seems to be to keep all the options open.

#### **Income**

Soirbheas now has two significant sources of income: from Corrimony Energy Ltd (CEL) and from SSE. The arrangement with CEL is what the Scottish Government now term as a Shared Ownership Scheme whilst SSE is just a standard Community Benefit model. The SSE model just provides a flat benefit whereas the Shared Ownership model follows the fortunes of the windfarm. Soirbheas remains cautious with income and cash flow forecasting. The board seeks to operate with minimum administration and bureaucracy as minimising costs is uppermost in mind in order to ensure as much money as possible goes directly into the community and is not wasted. Alan thanked the board for the many Volunteer Hours they



contributed each month which kept running costs low and without which Soirbheas could not be properly run. He invited members to join the board – those interested in volunteering should initially contact himself or Carol or any board member to express their interest and learn more about what is involved.

### **New Renewables Developments**

Shenval Micro Hydro – a grant was obtained to help cover the legal costs and evaluation of this project. After lengthy negotiation with Green Hydro there was insufficient operational and financial detail forthcoming to enable an informed decision to be made on its viability so the board has only pursued the available offer which is principally community benefit. The project has received planning consent and construction has started.

Cnoc an Eas – The developers lost their appeal to Scottish Government so this project will not now proceed.

## **AGM ELECTIONS AND RESOLUTIONS**

A total of 7 postal voting forms had been received from members prior to the meeting all supporting the resolution.

- 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 prior to the meeting.

### **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 Julie Adams and Louise MacDonald. Julie had completed two years on the board but she holds a very demanding role in industry and because of these work pressures she is not seeking re-election at this time. Alan thanked her for all her hard work especially her input in evaluating renewables projects. He would be delighted to invite her back onto the board in due course if her circumstances permit.

- a) **Re-election of Louise MacDonald**– nominated by Tanya Castell and seconded by Neil MacInnes

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

**CORRIMONY ENERGY (CEL) REPORT:** MG advised that in the past year they had successfully achieved the re-financing of the wind farm and he was very indebted to Chris Rodgers for all his help in completing this new arrangement. The past year had been a poorer one for wind speeds and production was down from last year's 29,000 MWH to only 26,000 MWH.

The figure of £160,000 per annum average yearly income over the life of the project that was used in the planning application was based on estimated production figures of 32,500 MWH per year. Wind speed predictions for sites are much better understood now and have better monitoring technology and modelling and so are now more accurate. He had to use what was available at the time over 8 years ago. In the event, actual wind speeds had proved to be lower than even the conservative models used by the banks and on average they are getting only 29,000 MWH per year not 32,500 MWH per year. Last year grid capacity for the wind farm was increased so effectively they now had an extra potential 1.5MW of generation capacity that could go into the grid. This does not make a big difference to production figures though as full generating potential is of course only achieved when there are high winds.

He then introduced Chris Rodgers explaining that he had previously been the negotiator for Co-op Bank when the financing was originally set up. With the demise of the bank Chris had moved on and had now set up his own specialist financial consultancy business Gen Cap Ltd. The Co-op had sold out to new owners and the original Co-op loan to CEL had been sold on to a university pension fund. Unfortunately CEL did not enjoy the same good relationship with the pension fund that they had with the Co-op. Their whole ethos was quite different and instead of a partnership, the fund was only interested in maximising its income from the arrangement and sought to get as much out of it as possible. The decision to refinance was essential and



it had also enabled them to take advantage of the current very low interest rates. After a long and difficult negotiation, with the help of Chris and his firm, agreement was finally reached with Allied Irish Bank. The pension fund had done all they could to make it difficult to leave but Allied Irish Bank had been very accommodating and the new arrangements represented a good saving in loan costs (although there had been costs incurred in reaching this re-financing arrangement). CEL would now have a rate of 3% (previously 5%). This had the effect of reducing what were £1.7 million per year capital and interest payments down to £1.2 million although the new agreement covers a slightly longer period.

Currently around £250,000 is held in reserves. Originally it had been intended to build up a £1 million reserve but now that they had more experience of the wind performance figures and running costs this may not now be necessary and the CEL board would keep that under review.

Mike advised that CEL would be handing over the day to day operational side of the wind farm to the firm Chris Rodgers had founded. He then introduced Mr Rodgers to the meeting, explaining that running the wind-farm from Orkney had not been ideal and as his retirement approached, CEL needed to take steps to have day to day operational management control and monitoring done more locally. Mr Rodger's firm would take on that role going forward and would ensure that the financial side of the business was kept up to date including the reporting to Soirbheas and specialist sub-contractors would be used to do the operational maintenance side of the wind-farm.

Alan James congratulated Mike and Chris on the successful re-financing arrangements and looked forward to continued close co-operation and partnership in the future. Erik Trelfer added thanks to Chris and Mike on behalf of Soirbheas and the community, recalling the anxious times at the very beginning of the project when in the run up to the financial close, some seemingly insurmountable problems were overcome with flair, mutual trust, understanding and inspired compromise. The elegant solution created by the efforts of the Castells was taken up by Mike, Chris and the Co-op Bank who all went more than the extra mile to make it a workable financial model that satisfied the interests of all the parties involved.

#### ANY OTHER BUSINESS:

**Community Development Officer** - reported that plaques were being obtained for display at appropriate community projects that had received Soirbheas funding with a view to raising community awareness and recognition of the purposes of Soirbheas and how it was benefitting the community.

#### QUESTIONS

There being no further business Alan James invited any questions from those present. There being no questions the meeting drew to a close.

Chair:



Alan James

Clerk to the Board:



Erik Trelfer

Date: 28/7/18