

# Development Trust minutes 8/5/12

Minutes of the meeting of Sanday Development Trust held at Heilsa Fjold on Tuesday 08 May 2012 at 7.30pm

Present: S Towrie (Chair); H Collinson; S Thorne; J Towrie; R Towrie; M Stockton; E Williams.

In attendance: U Clackson (Clerk from 2.); J Kenny (Heilsa Fjold Manager), R Thorne (Ranger), Chessa Llewellyn-White and Valerie Sinclair (both from HIE)

## 1. Apologies for absence

Apologies for absence had been received from L Brown, R Brown, S Clackson and M Dearness.

Action agreed: That consent for absence be given to the above named directors.

## 2. Minutes of the last meeting

Minutes of the meeting held on 27 March 2012 had been circulated.

Action agreed: That the minutes of the meeting held on 27 March 2012 be confirmed as a correct record and be signed by the chairman.

## 3. Matters arising

### 3i. Oral History Project

On confirmation that the Oral History Project had resulted in a sales income of over £ 3000 which had ended up in general funds, £ 2000 were transferred to the Oral History Project in order to allow its continuation.

### 3ii. Position of Clerk

Dr. Ute Clackson has been appointed as the new clerk to the SDT board.

## 4. Treasurer's report

A draft report had been circulated previously and a sheet with updated figures was distributed during the meeting.

Evan Williams (treasurer) highlighted several points:

- Transfer of £ 2000 from general funds to the Oral History Project
- The loan SECIC had received from the SDT is nearly fully repaid and this source of income to the general funds will soon dry up.
- The income received from the Orkney Community Planning Partnership of £ 2525 per

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- annum may also dry up.
- The largest remaining income stream into unrestricted funds is from the Re-use Centre.
- If all other income streams continue unchanged we will only just break even.
- The SRCIC account is in deficit on account of legal costs. These will be paid for from the first income from the wind turbine project.
- The deficit in the Heilsa Fjold fund of over £ 25,000 is associated with a part of the grant which is yet to be paid out of approx. £ 65,000. Of this money, some is owed to the builders and other portions are already earmarked for specific purchases.
- Funds from several dormant projects (marked in grey) have been transferred to general funds.
- Most of the employee accounts are in deficit. This is due to cashflow problems which are in the process of being sorted out.

At this point Chessa Llewellyn-White pointed out that payments into the employee accounts had been started with a down payment of 4 months-worth of wages in order to prevent such cashflow problems.

Kate Howe is working with the accountant on the final accounts which will be presented during the AGM together with reports from other functions of the SDT.

E Williams reported that he (as the treasurer) and U Clackson (as a director of SRCIC) were due to go to a meeting on the 10 May 2012, where experiences from other communities with procedures for the allocation of money earned by wind turbines will be shared. He also

encouraged the directors to consider methods of fund allocation as well as worthwhile recipients. This will be discussed at the next meeting; however, any feedback in this context was invited to be shared in advance.

E Williams distributed a description of the set-up of the turbine investment and the expected income from this investment. The main points are that until the debt of approx. £ 1.6 million is repaid (after estimated 16 years) we can expect an income of approx. £ 50,000 per annum after the turbines have been commissioned and start producing electricity. Should the project fail for whatever reason, we will not be expected to repay the debt.

A claim was made on behalf of the Heritage Subgroup that on account of the evident popularity of their project, and to avoid further delays, money should be provided to the Heritage Subgroup without any process. In particular, the following were requested:

a) the procurement by the SDT of a domestic wind turbine (approx. £ 30,000) as a combined source of energy for heating, revenue to cover the running costs and to form the match funding for future grant applications, and/or

b) A guarantee to cover the future heritage centre's running costs from SDT turbine earning. At this point the merits and progress of the Heritage Centre were discussed at some length, but a sound basis for the financial implications of the project could at this stage not be provided.

Action: Therefore it was agreed to instruct the architect to carry out the tendering process in preparation for grant applications. The tendering process is not expected to add to the already considerable architect's fees.

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However, as at this point in time there is

a) no turbine income available yet to be distributed, and

b) no procedure is in place by which future turbine income will be distributed, and

c) an information session on how to set up such a procedure is imminent

No future income was allocated to anybody.

Subgroups

#### 5. Heritage Subgroup

A report of the Heritage Subgroup was circulated.

The Heritage Subgroup made their case on the urgency of the Heritage Centre construction project. The main issues are:

a) The Heritage Centre is a popular project as evidenced by past and recent surveys

b) Much detail on commercial and other side benefits have been discussed and detailed already;

c) Sanday might lose the Coastguard to another island, if no accommodation for them can be provided;

d) Deadlines for grant applications to major funders have been missed in the past and there is a risk of missing the next, which will be in July;

e) Without a Heritage Centre, objects of historical interest are being lost

Sticking points for progress are:

a) Insecurity about available sources of revenue funding to cover the running costs of the finished centre;

b) The lease negotiations with the owner of the Temperance Hall (Sanday Community Council) have come to a halt;

c) There are no reliable data available regarding either construction costs or running costs.

E Williams provided the following information: A newly-built building for charitable purposes is VAT-free, for commercial purposes it is VAT-able. It is yet to be clarified if the business units within a newly built charitable Heritage Centre would be VAT-able or not. Repair of an existing building is always VAT-able.

Actions:

The SDT resolved to support in principle the development of the Temperance Hall into a Heritage Centre, and to request the architect to carry out the tendering process.

#### 6. Recycling Subgroup

No news has been received regarding the activities of the Recycling Subgroup.

## 7. Soulka Subgroup

The Soulka programme has been distributed via the Sanday Sound and the Soulka on the preceding weekend was regarded as successful.

Officers

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## 8. Ranger

A ranger report had been circulated and the board was asked to note it.

R Thorne asked the board on how to react to a knife which had been given to him by a volunteer to replace another which had been part of the Ranger's equipment but lost in use.

Action: The board decided to accept the knife

## 9. Heilsa Fjold Manager

Reports of the Centre Manager (J Kenny) and about the recording studio workshop (T Hull and H Evans) had been circulated and the board was asked to note these reports.

J Kenny (Centre Manager) reported that the cafe has had over the past few weeks a turnover of approx. £ 360 which is far from covering the costs but a good beginning.

The IT problems mentioned in her report are on course to be resolved.

The owner of the Kettletoft Hotel had complained about the Centre's attempt to procure his Bank of Scotland's custom.

Action: It was resolved that J Kenny inform the Bank of Scotland that the offer of an office at Heilsa Fjold was no longer available.

The other issue where competition from Heilsa Fjold might aggrieve the Kettletoft Hotel was the fact that the lunch and post-tour rest have been moved to Heilsa Fjold. However, this was not viewed as a problem by the Hotel.

Action: To continue basing the Sanday Experience on Heilsa Fjold. To increase provision of the "Sanday in Focus" DVD and the "Sanday Voices" book and CD in order to increase sales to customers of the Sanday Experience.

## 10. Community Development Officer

G Ellis (CDO) circulated a report.

This report included proposals to travel to learn more about social enterprise elsewhere and possibly to identify new CDO activities which become available as the Youth Centre construction project is drawing to a close.

Action: The board in principle approved research, subject to regular reports and updates being submitted to the Board. This research may include learning journeys if deemed appropriate by the chairman and the treasurer.

G Ellis reported that the Sanday website is now live and any information or images to be uploaded to the website should be e-mailed to him.

Brief consideration was given to whether the CDO's work could be used in order to support the Sanday Drama group which is currently looking into a construction project or whether the Heritage Subgroup with its pending Heritage Centre construction should make use of the capacity available from the CDO, but no final conclusion was reached.

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## 11. Youth Development Worker

A report by C Lennon was circulated and asked to be noted.

## 12. PQASSO

Work on the development of policies has been put on hold while K Howe (Admin and Finance Officer) is working with the accountant to finalise the accounts.

## 13. Sanday in Focus DVD

A report was received and circulated.

For discussion

## 14. Sanday Trade Directory

An initial sample version of the Sanday Trade Directory has been distributed. Feedback was requested. Also the directors were asked to encourage potential Sanday businesses to supply entries. This directory is primarily intended to be distributed via the new Sanday website.

## 15. Date and time of next meeting

Tuesday 19 June at 7.30pm