



**Comrie Development Trust
Extraordinary General Meeting**

**25 October December 2015
White Church, Comrie**

DRAFT MINUTES (for AGM approval)

Attendance

Full members: Jack Birrell, Tom Buchan, Helen Buchan, Alan Caldwell, Christian Campbell, Barclay Carmichael, Joan Carmichael, Elaine Davidson, Fiona Davidson, Andrew Donaldson, Bob Hughes, James Irvine, Susan Levack, William Levack, Mark Lynch, Raymond McMaster, Di McNab, Stewart McNab, Andrew Reid, Derek Robertson, Heather Robertson, Jean Temple, Andrew Thompson, Blair Urquhart, Jon Williams

Associate members: Kathleen Gibson, Maureen Kelly

Apologies: Chris Palmer, David Robertson, Sharon Rice Jones, Felicity Martin, Gillian Hosie, Malcolm Allan, Molly Buchanan, Bruce Newman, Maureen Sturrock, Bob Turner, Felicity Martin, Heather McDonald

1. Introduction

William Levack, CDT Board Vice-Chair welcomed members to the Extraordinary General Meeting and referred to the business as being set out in the Agenda.

2. Treasurer's update + Q & A

Bob Hughes, CDT Treasurer presented information about current CDT finances, which was in a paper provided to all of those present at the EGM:

Main Highlights:

1. Current year cash forecast and CDT staff positions:

Bob Hughes noted that a CDT Bulletin had been issued to all CDT members in September, setting out the detail of the financial position then. At the time, Bulletin the CDT cash position was such that it was probable that the remaining 2 part-time staff (Naomi Clarke – Estate Manager and Andy Heming – Finance Officer) would have to be made redundant during October 2016. The CDT cash position had improved recently due to the receipt of a grant of £14,000 from the Gannochy Trust (to pay for the Finance Officer post) and achieving further savings on insurance, utilities, administration, and biomass loan repayments. This meant that CDT was now able to retain both staff positions through to the end of the financial year (31 March 2017). The cash position is still extremely tight and any unexpected significant expense would be a financial issue for the Trust.

2. Grant funding applications for development initiatives covering the next two financial years:

The grant funding applied for totals £215,568 over the next two financial years. This covers:

- ❖ Infrastructure design study fees = £27,310;
- ❖ Existing PT Estate Manager and Finance office posts, Project Planning & Development Manager, and a Heritage & Events organiser = £154,084;
- ❖ Administration costs including Heritage/Events activities = £34,174;
- ❖ Total funding applied for = £215,568.

The infrastructure design study would look at potential capacity issues in the four main areas of infrastructure at the Camp: fresh water supply, foul water drainage treatment and discharge, electrical power delivery, and comprehensive broadband availability.

The Project Planning Manager and the Heritage/Events Organiser would focus on funding for infrastructure improvements, the delivery of the Heritage Self-Catering Accommodation Project, and heritage, events and business development.

The grant funding package applied for to cover this requirement includes:

- ❖ Gannochy Trust £28,000 (£14,000 already received, but the offer letter strongly suggests that a further £14,000 can be obtained in July 2017);
- ❖ Architectural Heritage Fund £25,000 (approved, subject to terms October 2016);
- ❖ LEADER programme £75,594 (decision expected 10 November 2016) - has to be match funded;
- ❖ Strengthening Communities Programme – Scottish Government programme £61,346;
- ❖ CDT contribution (from increased revenues from Heritage/Events) £25,628;
- ❖ Total grant “package” £215,568.

Should the LEADER and/or the Strengthening Communities Programme grant applications not be successful CDT will have to re-appraise our future plans. Our existing staff and Board resources are so stretched that development projects would be difficult to implement.

3. Cultybraggan Heritage Self-Catering Project financial update:

The Heritage Lottery Fund grant application was submitted on 26th August 2016. This was for £638,916 out of a total project funding requirement of £864,461. The uplift in grant requested from HLF was very significant (round one application for HLF grant contribution was £294,700) but this uplift was understood by the HLF Grants Officer (and his line manager) as due to the business model change from bunkhouse to 4 star self-catering accommodation - guided by market research studies. The outcome of the HLF grant application will be known during late November 2016.

The rest of the funding package for the Cultybraggan Heritage Self-Catering Project is from:

- ❖ Historic Environment Scotland £108,810;
- ❖ SSE Development Fund £36,300;
- ❖ Community Shares (£25,725 less contribution to design team fees of £12,700) = £14,825;
- ❖ Grant sourcing shortfall £65,610 (covered by HLF or to be sourced by other grants);
- ❖ Total funding required - £864,461.

Should the HLF funding not be approved, we can submit an application for grant based on a scaled back version of the project (7 or 8 accommodation units instead of 10/11) or start again with a new project utilising the huts for other revenue generating activities (for example, artisan businesses).

Other Financial Update Points:

4. Previous Year Accounts: 31 March 2015 and 31 March 2016

For the year ended 31 March 2015 (audited, approved, and filed):

- ❖ Unrestricted surplus (before transfers) was £68,315; but
- ❖ This included gains on asset sales (bunker, plot D in the commercial quadrant) of £133,645;
- ❖ Net assets totalled £638,394.

For the year ended 31 March 2016 (audit process currently underway):

- ❖ Unrestricted surplus was £61,000; but
- ❖ This included gains on asset disposals (unit 109) of £160,000;
- ❖ The underlying deficit was (£99,000) – mainly reflecting the loss of grant funding during the year (which paid for some staff, office and administration costs); however
- ❖ The net asset position improved to £775,000, largely due to the repayment of loan debt (Triodos mainly) and conversion of £55,000 the Tudor Trust loan to grant.

5. Current year forecast to 31 March 2017:

The schedule attached to the paper circulated to members at the meeting set out the projected cash position to 31 March 2017, and demonstrated various key points:

- ❖ Following receipt of the grant from Gannochy Trust, further cost reductions, and some one-off gains (unit 17 sale and an insurance credit, for example) a positive cash position of £7,881 was forecast by 31 March 2017. This was tight, but positive.
- ❖ But, if grants and one-off gains (such as asset disposals) were excluded, the underlying loss in the unrestricted profit and loss account was £39,000 for the year or £3,250 per month on average.

- ❖ The cost reduction measures implemented during the current financial year included the office move from the village to the Camp, administration staff reductions, insurance premium savings, and biomass interest and capital payment reductions.
- ❖ Some progress has been made on the collection of doubtful debts, and implementation of a revised Service Charges scheme based on covered area camp wide.

6. Loans update:

All CDT loans have been reviewed and re-structured during the current financial year. All repayment amounts are cumulative.

Energy Savings Trust (District Heating System Loan):

- ❖ Capital £195,811 Repaid £37,878 Balance £157,933. Interest 3.5% p.a.
- ❖ Repayments reduced from £2,400 to £800 per month until March 2017;
- ❖ Ongoing negotiations regarding payment level long-term.

Social Investment Scotland (SIS) Junior loan:

- ❖ Capital £50,000 Repaid £19,754 Balance £30,246. Interest 5.5% p.a.
- ❖ Capital repayments due April 2018 – June 2019.

Social Investment Scotland (SIS) Senior loan:

- ❖ Capital £50,000 Repaid £28,696 Balance £21,304. Interest 5% p.a.
- ❖ Capital repayments due April 2018 – August 2021.

Triodos Bank:

- ❖ Capital £300,000 Repaid £300,000 Balance £0.
- ❖ £30,000 unsecured overdraft facility agreed May 2016 at 5% over Base.

Tudor Trust:

- ❖ Capital £200,000 Converted to grant £100,000 Balance £100,000. Interest 3% over Base.
- ❖ Loan balance of £100,000 converted to a Social Investment on the Tudor loan book with a loan review in 2021/2022.

7. Latest 10 Year Forecast:

A further schedule attached to the paper circulated to members contained the latest CDT 10 year financial projections, as submitted to potential grant funders.

The key assumptions underpinning the 10 year projections were audited by an external financial consultant under the Government funded Just Enterprise programme during March 2016. The report gave the CDT Board, and stakeholders, considerable confidence in the robustness of the projections.

The annual surplus (deficit) position is forecasted to improve significantly to a surplus by April 2021 – March 2022 as the Heritage Self-Catering accommodation project starts to pay rent and service charges to CDT.

If HLF does not approve the grant applied for, CDT will either have to scale back the self-catering accommodation project – or start again with another project to generate revenue from the 11 huts allocated to the self-catering project

In summary, in order to attain the goal of financial self-sustainability, CDT needs to generate more revenue from the community owned Cultybraggan camp and hill ground.

In concluding his presentation, Bob Hughes asked if there were any questions or comments about the financial position. There were no questions or comments from the CDT members present.

3. Special Resolution

Andrew Reid, CDT Company Secretary, introduced and proposed the Special Resolution. He explained that the initial version of the Special Resolution, which had been circulated to CDT members earlier in the month, had been revised following representations made to the Board, and the version which had been provided to all of the CDT Members present at the EGM was therefore different than the one previously circulated. The initial version still stood as the substantive special resolution, but the CDT Board was requesting consideration of the revised version. The difference between them was a change to require that special interest directors should be elected to the Board by CDT members at the AGM, and exactly the same way as other board members.

Andrew Reid went on to say that there was a close relationship between all of the items on the EGM agenda – finance, working groups, volunteers, and the special resolution. He said that:

The make up of Trust finances demonstrates:

- the scale and complexity of what the Trust has achieved in 10 years; and
- what the Trust provides to Comrie through the community owned asset of Cultybraggan Camp; but
- the huge challenge in managing Trust business, related to the range of interests at the camp.

Establishing a balanced budget and sustainable finances has involved various actions, including:

- Reducing the staffing of the Trust and cutting various budgets to the minimum;
- Planning how to increase Trust income, both to cover costs and eventually deliver an investment fund for use in the village;
- Applying for grant funding to establish a two-year Project with two staff, working alongside the existing two part-time staff on the delivery of camp improvements and developments.

Whether or not this grant funding is agreed, it has become clear that the Trust Board and Trust Working Groups need to be enhanced, and additional volunteers are needed for a range of essential tasks.

Current CDT Board Members are all motivated by a wish to see the work of the Trust extended towards village developments. But, there is a general appreciation that the primary focus needs to be on Cultybraggan Camp as the main asset of the Trust, and an asset which has great potential for development, which will benefit the village in various ways.

Trust Board Members believe that an enhanced board could make a major contribution to ensuring a successful development programme by:

- Enabling the Trust Board to become more fully representative of the different interest groups involved Cultybraggan Camp, and committed to making the site a success;
- Involving people with a range of relevant knowledge and experience directly in decision-making about CDT matters;
- Creating the possibility of sharing the workload of Board members across a larger group

The purpose of the amendments to the CDT Memorandum and Articles of Association is therefore to establish the position of Special Interest Director as someone who will come from one of the interest groups using the Camp or working to promote activities at the camp or on the hill ground. A Schedule, or table, at the back of the Articles of Association would list the Special Interest Groups and the number of Board Directors who would come from that group.

Board Members from special interest groups would be subject of the same code of conduct and rules about confidentiality and conflict of interest as any other Board Member. When acting as a Board Directors, their primary focus would require to be supporting the Trust Aims, which are set out in the Memorandum and Articles of Association and concern community, economy, environment and heritage.

After issuing the proposed amendments two weeks ago before the EGM, along with the notice of the meeting and agenda, the Board received representations that, even though the whole board would still be responsible to CDT members through the Annual General Meeting, the accountability of Special Interest Directors to CDT members was not strong enough in the proposals.

Board members felt that it was important to note that special interests involved are all important interests, not just at the camp site, but also to the village and area, and involve local people – The Allotment Association, Comrie Heritage Group, Comrie in Colour, the Brownies, businesses, and various other community groups.

However, the Board had recognised the important principles involved in this issue and the amendments being put forward at the EGM therefore strengthened the lines of accountability by proposing that interest groups should identify and nominate people from the group for board membership, but that Special Interest Directors along with Community Directors should all be subject to election or not by CDT members at the annual general meeting.

The further major change from the original proposals was that Special Interest Directors should also have to be full members of CDT, which means they also have to live within the Trust area – i.e. in Comrie or the surrounding area.

The CDT Board was therefore proposing the Special Resolution circulated to other CDT members present, and was looking for their support in approving the changes set out in the resolution.

William Levack invited questions, and asked for contributions and any further amendments from the CDT members present.

A CDT Member expressed concern about the proposed restriction of Special Interest board membership to full CDT members. She was one of the owners/workers from Moka Pottery at Cultybraggan Camp and very interested in joining the CDT Board, but was currently living in Stirling and can only be an Associate CDT member. She felt that full members and associate members were all working to benefit CDT. William Levack said her interest and the potential to invite her onto the board as a co-opted board member would be considered. Andrew Reid indicated that co-opted members had full voting rights on the board.

A Member asked if all current board members would be standing down at the next AGM elections. William Levack explained that the current requirement is for one third of board members – whoever the longest serving – are required to stand down each year, although they can also stand for re-election that year.

A Member supported the position that people not eligible for election could still be co-opted onto the board.

A Member felt that if a special interest group elected someone from that group, those representatives should not have to go through a further election by CDT members, but that there might be problems with the different periods representatives served within their interest group and the electoral periods of CDT. Andrew Reid pointed out that the original motion circulated by the board had set out Joan's proposal, and that the EGM would vote on whether interest group members should or should not be subject to AGM election.

A Member raised questions about the uncertainties of hope the new proposals would work, and how responses would be made to unforeseen circumstances. William Levack said that new arrangements would be subject of annual review, after which adjustments could be made.

A Member suggested that a very large board or committee is very difficult to manage and the numbers suggested for the CDT board might be problematic. William Levack agreed with that general point, but emphasised the difficulties there had been in recruiting volunteers and the need to get more people involved in board work through some means. The new board arrangements would be made manageable through the extension of work by Board Working Groups, with the potential for dependence on and the number of board meetings to be significantly reduced.

A Member raised questions about how accountability to the board and CDT members would be managed for Working Groups. William Levack agreed that was a useful point, which would need to be fully addressed by the board.

A Member asked about current functioning and meeting arrangements. William Levack responded that currently there are monthly board meetings, but with more active working groups, this level of meetings would hopefully reduce.

A Member wanted to see more active communication from the board, especially if this was only meeting two or three times a year – how would Trust activities be communicated to members. William Levack agreed that there needed to be better communication with members through a special communications group, which also required additional board members.

A Member said that the current structure of the Trust Board was tried and tested and used across the country. He asked whether the fundamental question was whether more people were needed to manage activities at Cultybraggan Camp or in the community. If the intention was to develop activities in the community, why was additional representation being given to interest groups drawn from the camp? William Levack responded that the aim was to get a much wider structure of working groups, mainly directed at camp development. If CDT aimed for a potential board of 25 members, then an actual membership of 15/16 was likely.

A Member stated that care was needed not have associate special interest members overriding the board, and that special interest members might not want to put themselves forward for election. Andrew Reid replied that the special interest board members would be full board members, so there would be no issue of one group overriding another, and that if people from special interests wanted to be board members, the proposal was that they would have to stand for election alongside others at the AGM.

A Member asked why there was a concern to provide for people from special interest groups to become Trust Board Directors, rather than just take on various tasks.

A Board Member explained that Directors tend to take on more responsibility and a greater workload than other volunteers.

A Member said that he understood the realities of managing Cultybraggan Camp and getting more people involved in the management of the camp was a good idea, but he still thought excluding the tried interested Board number would create greater burdens for the board.

A Member made reference to a report of the Scottish Government, which evaluated the impact of Community Right to Buy and had recommended that communities were careful about the influence given to special interest groups. William Levack agreed with the need for caution over that influence, and said that was partly why special interest board members would require to be elected by the CDT's membership.

A Member spoke of his involvement with Dunning Community Trust, which had shifted its main focus of concern from a community woodland to the village and then back to the woodland. There had been tensions in the community over the focus of activities and the Trust had never been able to fully engage in community activities. William Levack said that the main focus of Comrie Development Trust currently and over the next few years had to be with the community asset of Cultybraggan Camp, until that generated sufficient income to fund village investment.

William Levack concluded the discussion by saying that the meeting should move to vote. The original proposals circulated two weeks previously constituted the substantive proposals, and the first vote should therefore concern the Board's revised proposals put before the meeting that evening as amendments to the original proposals.

The revised Special Resolution was put to the vote and was passed by 21 votes to 3.

This revised Special Resolution then became the substantive Special Resolution.

A Member spoke against the Special Resolution as the substantive position and stated his view that 16 special interest group members as against five people from the community could not be seen as constituting a community development trust.

The revised Special Resolution, as the substantive position, was put to the vote and passed with 13 votes in favour and seven against, and with two abstentions. This did not meet the requirement for a majority of at least 75% of those present and voting, and therefore the Special Resolution was not carried, and the existing Memorandum and Articles of Association continued unchanged.

A Member raised issues about the way forward for the CDT Board, and suggested bringing special interests into a camp management group. William Levack responded that the current Estate Management Group was effective, and it was in other areas that additional voluntary support was needed.

Offers to discuss and provide suggestions about the means to recruit this voluntary assistance came from various CDT members. A Board member suggested seeking support from people in the special interest groups without changing the CDT constitution.

William Levack said that a meeting would be arranged with those who had offered to contribute ideas.

William Levack also said that the other issues identified on the EGM agenda – Working Groups and Volunteers – had been covered within the discussion of the Special Resolution, so he was proposing to close the meeting.

The Extraordinary General Meeting was closed at 9.25 p.m.

Revised Special Resolution – as revised by the CDT Board and presented to the EGM

Amendments to Memorandum and Articles of Association

In accordance with Articles 42 and 43 of Comrie Development Trust’s Memorandum and Articles of Association, this Special Resolution approves changes to Articles 59 to 73, and Articles 90 to 92:

Categories of Directors

59. For the purposes of these articles

“**Community Director**” means a director elected, re-elected or appointed under articles 62 to 67.

“**Co-opted Director**” means a director appointed or re-appointed under articles 67 to 71.

“**Special Interest Director**” means a director nominated from interest groups and subsequently elected by CDT members under Articles 68 to 73.

Number of Directors

60. The maximum number of directors shall be 25, of whom no more than 22 may be Elected Directors and no more than 3 may be Co-opted Directors. The minimum number of Directors shall be 8. The Community Directors and Special Interest Directors shall at all times constitute a majority of the Directors.

Representation of Interests

61. Directors will be elected either as Community Directors to represent the general membership of the Trust, or as Special Interest Directors to represent interest groups, either in the community or using the assets of the Trust, particularly the community owned Cultybraggan Camp site or nearby hill ground.

Community Directors (Elected or Co-opted) - Election, Appointment, Retiral, Re-election:

62. There shall be six Directors elected by the general members of the Trust to represent the Full Members and Associate Members of the Trust and the wider community.

63. Any Full Member who wishes to be considered for election as a Community Director at an Annual General Meeting must lodge with the company a written notice (in such form as the Directors require), confirming that he/she is willing to be appointed. The notice must be signed by him/her and must be lodged with the company at least seven days before the date of the Annual General Meeting.

64. At an Annual General Meeting the Full Members may elect as a Community Director any Full Member who has confirmed in writing his/her willingness to be appointed. The Directors may also at any time fill a Community Director vacancy by appointing any Full Member (providing he/she is willing to act) to be a Community Director.

65. The Directors may at any time (subject to article 60) appoint any individual (other than an employee of the company) to be a Co-opted Director providing he/she is willing so to act, either on the basis that he/she has special skills or experience which would be of assistance to the Board or on the basis that he/she has been nominated by an organisation or agency with which the company has close contact in the course of its activities.

66. At each Annual General Meeting:

(a) any Community Director or Co-opted Director, who was appointed by the Directors in the period from the date of the last Annual General Meeting shall retire from office; and

(b) out of the remaining Elected Community Directors, two shall retire from office, those two being the Community Directors, who have been longest in office since they were last appointed or re-appointed. If more than two Community Directors were appointed or re-appointed on the same date, the question of which of them is to retire under paragraph (b) of article 67 shall be decided by the Board.

(c) The Full Members may (subject to article 60) at any Annual General Meeting re-elect any Community and/or Co-opted Director who retires from office at the meeting (providing he/she is willing to act).

67. Immediately following each annual general meeting, the Directors may (subject to article 60) re-appoint any person who, as a Co-opted Director, vacated office under the preceding article at the conclusion of the Annual General Meeting; the Directors may alternatively appoint someone in his/her place or resolve not to fill the vacancy.

Special Interest Directors –Nomination, Election, Retiral, Re-election:

68. There shall be sixteen Special Interest Directors nominated from groups with special interests using CDT's community owned assets, or in interest groups working to develop those assets. All Special Interest Directors shall be a Full Trust Member, with a primary commitment to the aims of the Trust, when acting as Directors. The special interest groups and scale of their representation will be defined by the Board of Trustees, with proposals, and any amendments requiring approval by a General Meeting of Trust Members. Following approval, the definition of each Special Interest Group and its number of representatives will be set out in Schedule 1 as appended to the Memorandum and Articles of Association, with this Schedule revised following changes approved by any General Meeting of Trust members.

69. Nominations of Special Interest Directors shall be carried out from their respective constituencies and in accordance with procedures for each constituency approved by the Trustees on the Board of Directors.

70. Any Full Member who has been nominated for election as a Special Interest Director from an interest group must lodge with the company a written notice (in such form as the Directors require), confirming that he/she is willing to be appointed. The notice must be signed by him/her and must be lodged with the company at least seven days before the date of the Annual General Meeting. At an Annual General Meeting the Full Members may elect as a Special Interest Director any Full Member who has confirmed in writing his/her willingness act in that capacity. Special Interest Directors will serve on the Board of Trustees from its first meeting after the Director is elected by the Annual General Meeting.

71. If a Special Interest Director resigns from that position within the annual review period, the Interest Group will be expected to nominate an alternative representative from within the group for appointment by the CDT Board until the next Annual General Meeting. The Directors may also at any time fill a Special Interest Director vacancy by appointing any Full Member (providing he/she is from that special interest group and is willing to act in that capacity) to be a Special Interest Director.

72. Special Interest Groups will be expected to review their decisions concerning their nominated representative on an annual basis, and to confirm who will be their nomination at least 7 days before the Trust Annual General Meeting.

Special Interest Directors will be able to continue in that position after each annual review if they are willing to do so and this continues to be supported by the Interest Group, subject to re-election at three yearly intervals at the Annual General Meeting.

Procedure at Directors' Meetings

90. No business shall be dealt with at a meeting of the directors unless a quorum is present; the quorum for meetings of the directors (subject to article 91) shall be a minimum of one-third plus one of the total number of Directors, including Community Directors, Special Interest Directors and co-opted Directors

91. A quorum shall not be deemed to be constituted at any meeting of Directors unless the Community and/or Special Interest Directors form a majority of the total number of directors present at the meeting.

92. If at any time the number of directors in office falls below 11, with 5 fixed as the quorum, the remaining director(s) may act only for the purpose of filling vacancies or of calling a general meeting.

Company Ltd by guarantee – Reg. in Scotland - Reg No SC305425 - Charity reg. no SC038596
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