

MINUTE
Board Meeting
Monday 23rd February 2015, CDT office, 7:30pm

Item

1) Welcome

Directors present: Bob Hughes, Blair Urquhart, Ray McMaster, Fiona Davidson, Davie Robertson, Bill Thow, Chris Palmer, Emma Margrett, Ann Petrie, William Levack.

Staff present: Will Reid, Claire Mullan.

Also present: Natalie Sutherland

The Chair welcomed Natalie to the meeting and invited her to introduce herself. Natalie is a final year Entrepreneurship and Finance student at the University of Strathclyde. She is carrying out a research project and writing a dissertation on Development Trusts embracing entrepreneurship and more specifically looking at where the resistance is (if any) to entrepreneurship. She would be observing and recording the Board meeting for research purposes.

a) Apologies

Sharon Rice-jones, David McCall, Naomi Clarke, Andy Heming.

b) Declarations of Interest

No declarations were made in regard to the items on the agenda.

2) Minutes of previous meeting

a) Approval

With regard to item 10, circulation of CCWG minutes to all working groups, Fiona Davidson requested that it be noted she had requested this some time ago.

Also under item 10, Fiona Davidson asked if the person who had donated the tractor had been thanked. Emma said she would find out and, if not, would send thanks.

Under Item 5)b) Ann Petrie declared an interest as she had previously looked into leasing Hut 17. However, she wished to challenge the minute as she felt that the board had approved Hut 17 for lease rather than sale and that CCWG had subsequently overruled this Board decision. It was noted that the draft of board minute was not available to CCWG at the meeting the following week and some of the members of this group had not been at the Board meeting. The decision to market Hut 17 for sale only was based on information provided by the Trust's property agent. It was agreed that the word "suggested" is to be replaced by "agreed" and that Hut 17 should now be marketed for lease as well as sale.

It was noted that as Hut 14 lies outwith the boundaries of the Commercial Quadrant it can only be marketed for lease and not for sale.

Fiona Davidson requested that it be minuted that she objects to the sale of Unit 17.

b) Action Grid / Matters arising

Claire to amend previous minute and circulate.

Spreadsheets to be published on website.

Chris to speak to Richard re hillground.

Regarding development of the hillground, Emma noted that she and other members of the HWG would be attending a Scottish Rural Development Programme meeting. It was thought that the fund would be open March - April this year with grants being made by September which might be in time to start planting this year.

John Morris to be asked to do risk assessment on the new tractor. William will speak to John Cook about training volunteers to use.

3) Finance update

Accounts

A statutory notice had been issued to all Board members regarding the late submission of the accounts to Companies House. Bob Hughes reported that a formal response had been sent advising that the audit was in progress. He noted that the audit was proceeding well and the finance team expect to be able to file the accounts by 13th March. The Board will be kept informed of any change to this timescale.

It was noted that the formal response made mention of the Board's commitment to review procedures to ensure late submission didn't happen again. A query was raised as to what action was being taken in relation to this. Bob explained that the current situation had arisen due to only one person being able to undertake the work necessary to submit the audit. In future, back up would be in place. It was suggested that this be Bob Hughes and Bill Thow as both are experienced accountants.

It was further reported that work would begin immediately after the year end March 2015 with the aim of completing the accounts by end June.

Overdue debtors

This item is reserved to the confidential minute

Cash flow

The current situation is good due to some of the bunker funds being held back.

An update on the restructuring of the Tudor Trust loan was requested. Bob reported that this had been discussed informally with them but in order to proceed, a formal submission would need to be prepared.

4) Funding and Strategy update

a) Priority Funding Task Group

The group had prepared a draft first-stage application to the Esmee Fairbairn Foundation, which would be going in this week. The Board will be kept informed of future meetings of this group so that they can contribute to the process.

EU funding

The deadlines for the two EU funds for Heritage are April (first stage, second stage October) and May. The best chance of proceeding with this would be with Dr Iain Banks in partnership with Glasgow University as they have a team which writes EU funding bids and have the financial reputation and experience for delivering projects.

Some queries were raised in regard to this and it was clarified that Glasgow

University would be the formal partner in the UK and they would draw down the funding. However, the Trust would aim to have an agreement in place to access part of these funds.

It was noted that if research funding could be achieved for the Camp, Historic Scotland would be more likely to fund improvements to buildings i.e. the research grant could be viewed as an indirect route to funding.

It was clarified that Glasgow University would control the funding. This prompted caution to be offered in relation to where control of the Camp ultimately lies. It was noted that all Glasgow University activity in relation to this project is non-invasive. They would have no say in building or demolishing at the Camp and would have to evidence any spend at the camp. However, it was suggested that if the Trust doesn't have any control over the money then there is a risk of losing control of activity at the Camp. It was agreed that these are the kinds of concerns to be discussed at the negotiation stage and that there were certainly opportunities to explore.

b) Community shares

A paper had been tabled outlining the standard rules and setting out the applicable local variations. The Board was asked for endorsement to take these forward.

The issue of local membership was queried as it was felt that, due to the nature of the Camp and its history as a military training facility, demand could be expected from outwith the community. However, this raised concern that control of the project may also move outwith the community. It was noted that the 60% local membership threshold (as opposed to 51%) had been put in as a safeguard for this. This allows a buffer for local population flux.

It was clarified that local membership would be defined by the Community Council area. The issue of external interest was again raised, noting that a community could be defined by interest not just geographical boundary.

It was noted that, in preparing the proposal, the group had tried to be fair and inclusive to all but also to keep specifically to the locale.

It was felt that as the project was for holiday accommodation, local interest would be limited, that it would obviously appeal more to an external audience. It was felt that a 51% threshold would take better advantage of the wider interest.

It was noted that investing in a local business project and staying in the holiday accommodation were two very different things.

It was proposed that redefining the community could be an answer, that local could be defined geographically but also applied to people with an historic connection to the Camp.

It was felt that this would be too difficult to define. Furthermore, the Trust operates on behalf of the geographical community which had been defined as part of the community buy out process. If the majority of shareholders ended up coming from outwith this area then there was a risk that the Community Benefit Society would not redistribute profit locally. However, it was noted that the project would simply be leasing the property from the Trust, ownership of the asset would be retained by the local community.

It was noted that local members may not benefit from the holiday accommodation itself but they would get a return on their investment.

It was clarified that the proposed interest rate was 2% above base. It was queried how realistic this was but also noted that Directors could choose not to give interest, that it doesn't operate like a bank account where interest is guaranteed. It was

noted that with Community Share Schemes the motivation to invest is not so much a financial one but more altruistic. Also, the Directors hold a lot of control. For example, shares can't be traded, only withdrawn, and the Directors can also say "no withdrawals this year".

It was queried whether the Comrie Foundation could invest. Will to check this. It was thought that perhaps it would be better for the Foundation to set up and manage its own community shares business.

The £25 per share was regarded as reasonable and affordable. The small print states that the Directors can decide to turn down any block investment by one individual. The aim is to make it available to all regardless of income and ensure fair and even distribution. Investment is expected in £100s rather than £1000s.

Projections now need to be prepared and Community Shares Scotland will come to Comrie to advise and inform the Board as the project develops.

The Heritage Lottery Fund funding application will be submitted this Friday.

The aim is to launch Community Shares at the Comrie Fortnight, to keep the offer period short and set a tight deadline. A working loan may be required for contingency but it is hoped that the scheme will be oversubscribed and the loan repaid early.

There was some discussion around the scope of the Community Benefit Society e.g. could it trade on behalf of CDT? Was it limited to the self-catering business or could it embrace the community café idea as well? Is it possible to set up a Society which operates several different businesses?

It was noted that this particular project is tied to a Historic Scotland grant so time is an issue. It was felt that this scheme could be used as a learning process and the idea of an umbrella Society could be revisited once this one is up and running successfully.

It was felt that perhaps it might be better to simply set up a trading subsidiary. There was some concern about how a separate organisation would sit alongside the Trust. It was felt that there would be lots of potential for conflict. It was agreed that this discussion was for another meeting and that other communities could be asked for their experiences with this.

It was suggested that for the current project, it should be a requirement that the 60% local portion should be Members of the Trust and the 40% non-local should be Associate Members. This was approved by the Board with the caveat that Will should check the legality of this with the advisors.

The recommendation of the paper was as follows:

The Board is requested to :

- (a) Approve the above variations to the model rules of the Community Benefit Society for registration with the Financial Conduct Authority,*
- (b) Endorse the community benefit purpose of the Society,*
- (c) Authorise the members of the steering group to sign the application.*

The Board approved these three points.

c) Strategy document

There had been no vision document produced since 2008 and this was now out of date. Emma is putting together a document covering all of the activities of the Trust. This will include all WG Terms of Reference. Once everything is in one place, an overview document will be circulated. This is essentially for internal use but can also be used for external communication. It will be brought to the Board for approval.

a) Unit 109

This item is reserved to the confidential minute

b) Dalrannoch Brewery

This item is reserved to the confidential minute

c) Security

William reported that there was no longer a post of Crime Prevention Officer but that he had had discussions with local community Police Officer Sarah Jane Bell about possible improvements to Camp security.

The option of Smart Water protection had been investigated and this came at a cost of £198 which includes lots of signage. Add-on cover for any tenant who would to protect themselves would come at a cost of £25 per add-on. This was felt to be good value for money.

Anti-climb paint was also being investigated as was the option of alarming the fence.

The tenants will be informed of the measures being taken. Advice on alarm systems will also be passed on.

A press release will also be prepared and Police Scotland asked for a statement. William and Naomi are continuing to look at the options.

Geese had not yet been investigated.

d) Free Huts

Good progress being made. The revised licence is almost ready. Ray has been in touch with Professor Angus McAllister, an expert in Scottish Law of Leases, who had offered to look over the final version of the licence free of charge.

The group had made a start on identifying which huts are in the scheme and will circulate to the Board for information.

The group is hopeful that allocation can proceed in March.

It was confirmed that the list includes a note of Heritage interest and those huts with immediate commercial potential, such huts being excluded from the scheme.

6) Heritage Business Opportunities Presentation

Ann will circulate the powerpoint presentation to the Board to digest and consider the recommendations.

There was some discussion around the addition of the word "heritage" to the aims and objectives of the Trust (currently Community, Environment & Economic). It was felt that could be considered to be covered by "environment" but equally felt that this wasn't explicit enough and could be open to interpretation.

It was noted that there may be governance procedures to consider in relation to this. Claire to check the Memorandum and Articles of Association.

It was noted that "Historic Environment" would be preferred to "heritage" as this is the new language of the sector. It was felt that building this clearly into the Trust's aims and objectives would considerably strengthen future funding bids.

It was queried whether this should be mentioned at the AGM but noted that it had been discussed before. It was felt that it would be a good idea to do this again in order to reinforce and confirm.

A deadline of 8th March was set for responses to the Heritage presentation.

7) AOB

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Registered office – 32- 34 Drummond Street, Comrie, Perthshire, PH6 2DW



Part-financed by the Scottish Government and the European Community Rural Tayside LEADER 2007-2013 Programme



As time was pressing on, Emma suggested she circulate AOB by e-mail.

There was a query as to whether there would be another Heritage Open day this year as the Vintage Motorcycle Club would like to attend again. It was reported that the September Doors Open Day would be the only similar event this year.

There had been some recent correspondence from Dr Irvine which would be circulated for information.

A Tenancy Review paper had been prepared and was tabled. Comments to Ray.

The confidential minute of the last meeting was approved.

It was noted that the CDT has specific timetables to adhere to in the run up to an AGM. If anything arose which did not fit with this timescale, an EGM could be called.

8) Membership applications

None received.

9) CLOSE
