

## Board of Directors

### Minutes

of meeting held in Magnus House, Aigas Field Centre  
at 7.30pm on Tuesday 3<sup>rd</sup> June 2014

Present	Apologies	In Attendance
John Graham      Andrew Leaver Mark Hedderwick   Peter Masheter Calum Fraser      Nick Ward Philip Webb      Anne Forsyth Alison McAllister	Graeme Scott	

Item	Action
<p>In the absence of Graeme Scott the meeting was chaired by John Graham. John welcomed the four new members (Alison, Anne, Nick and Phil) to the Board.</p> <p>It was noted that Steve Byford has resigned from the Board.</p>	
<p>1      <b>Apologies</b></p> <ul style="list-style-type: none"> <li>• Apologies were received from Graeme Scott.</li> </ul>	
<p>2      <b>Review of outstanding actions not covered on agenda</b></p> <ul style="list-style-type: none"> <li>• <i>33/1 Seek clarification from SSE on purpose of grant</i> Andrew confirmed that SSE had agreed to minor changes to the grant offer to avoid any unnecessary restriction of use on the funds.</li> <li>• <i>33/9 Ensure all appropriate insurances in place when Forest purchased</i> Not progressed.</li> <li>• <i>33/10 Circulate OSCR Trustee guidance</i> Andrew circulated this after the last meeting and reminded members to ensure they understood the various responsibilities of being a trustee.</li> <li>• <i>33/11 Clarify the position on Board members personal liability</i> Carried forward to a future meeting</li> </ul>	
<p>3      <b>Update from Forest Purchase and Lease working group</b></p> <ul style="list-style-type: none"> <li>• Andrew met with David Findlay at Macleod and MacCallum and identified key actions to initiate process.</li> <li>• Andrew contacted Jim Higgins at FCS requesting information on formal boundaries and access and also contacts with O2 for the mast.</li> <li>• FCS have contracted CKD Galbraith to prepare a Disposal Report. This has not been provided yet.</li> <li>• Further discussion on the lease will be taken forward on receipt of the Disposal Report for the sale.</li> </ul>	

Item	Action
<p><b>4 Update from Recruitment of Development Officer working group</b></p> <ul style="list-style-type: none"> <li>The job description, person specification and application form had been approved via email between meetings.</li> <li>The post has been advertised through Jobs North (Inverness Courier, Highland News, website); Tree and Forestry News (published by CONFOR); on <a href="http://www.environmentjobs.co.uk">www.environmentjobs.co.uk</a> and circulated by CLS, CWA and HEN.</li> <li>The closing date for applications is 20<sup>th</sup> June 2014.</li> <li>Andrew to arrange interviews for w/c 14<sup>th</sup> July and to provide Board members an opportunity to meet best candidates before appointment made.</li> </ul>	AL
<p><b>5 Update from Development of Forestry Management working group</b></p> <ul style="list-style-type: none"> <li>No progress to report.</li> <li>It was agreed it would be useful to investigate options and bring information back to the next Board meeting. Phil to lead.</li> </ul>	PW
<p><b>6 Update from Access, Paths and Interpretation working group</b></p> <ul style="list-style-type: none"> <li>No progress to report.</li> <li>Alison offered to lead the group and arrange a meeting.</li> <li>Andrew offered large scale OS maps that had been provided during initial feasibility study.</li> </ul>	AM AL
<p><b>7 Update on current financial position</b></p> <ul style="list-style-type: none"> <li>There is around £7,000 in the bank with invoices to be paid for DO recruitment advertising</li> <li>First instalment of SLF grant (£9,000) due soon with further £8,000 instalments in Oct 2014 and Feb 2015 to follow.</li> </ul>	
<p><b>8 Discussion of potential policy on Board members tendering for paid contracts from Aigas Community Forest</b></p> <ul style="list-style-type: none"> <li>A paper outlining the issues and proposing two options was provided in advance of the meeting and is attached to these minutes.</li> <li>There was some discussion about the pros and cons of each option.</li> <li>Option 2 was passed by the majority of members present.</li> <li>Andrew to draft a formal policy for approval at next meeting.</li> </ul>	AL
<p><b>9 Public Meeting</b></p> <ul style="list-style-type: none"> <li>It was agreed to postpone the public meeting until late-August/early-September.</li> <li>Andrew and Anne to identify a potential date and arrange the hall.</li> <li>Meeting should take form of community consultation – checking community priorities now against those identified in 2009.</li> </ul>	AL/AF

<b>Item</b>		<b>Action</b>
10	<p><b>Schedule of Future Meetings</b></p> <ul style="list-style-type: none"> <li>• Re-confirmed as the first Monday of August, October and December for remainder of year.</li> <li>• Further meetings can be called as required.</li> </ul>	
11	<p><b>AOCB</b></p> <ul style="list-style-type: none"> <li>• John and Peter attended a FCS Pine-tree Lappet Moth information meeting in April. The moth has not to date posed a serious risk and there is potential for felling and transportation restrictions to be eased.</li> </ul>	

<b>Summary of Outstanding Actions</b>		
<b>Ref</b>	<b>Action</b>	<b>Person Responsible</b>
33/2	Provide regular cash flow forecasts to the Board	GS
33/9	Ensure all appropriate insurances in place when Forest purchased	AL
33/11	Clarify the position on Board members personal liability	GS
34/1	Arrange DO interviews for w/c 14 <sup>th</sup> July and provide Board members an opportunity to meet best candidates before appointment made.	AL
34/2	Lead Forestry working group and arrange meeting.	PW
34/3	Lead Paths working group and arrange meeting	AM
34/4	Pass existing large scale OS maps to Paths working group	AL
34/5	Andrew to draft a formal Board remuneration policy for approval at next meeting.	AL
34/6	Andrew and Anne to identify a potential date for public meeting and arrange the hall.	AL/AF

## Board Meeting, 3<sup>rd</sup> June 2014

### Item 8: Adoption of a Policy on Remuneration of Board Members

#### Purpose

The purpose of this paper is to brief Board members on the issues surrounding the potential to remunerate Board members for services provided and to seek approval for one of two options:

1. Prepare and adopt a policy which supports the transparent contracting of and payment of Board members and their families for specific services.
2. Agree that Aigas Community Forest will adopt a policy not to remunerate Board members or their families.

#### Background

We are in the fortunate position of having many members of our community with the appropriate skills and experience to support the further development of the organisation and the delivery of specific forestry and community benefit projects. To date all services provided by Board members and their relatives have been offered free of charge but as the organisation grows and bigger projects are developed it becomes appropriate to consider providing payment to Board members and relatives under certain circumstances and conditions.

This issue is addressed directly in the extract provided below from the OSCR Guidance for Charity Trustees.

#### Extract from OSCR Guidance for Charity Trustees

##### Section 5 Charity trustee remuneration

Because charity trustees must act in the interests of the charity, *any personal benefit to a charity trustee*, whether direct or indirect, has to be treated with some caution. Sections 67-68 of the Act deal with one particular aspect of this – the remuneration of charity trustees.

Section 67 specifies that a charity trustee **must not** be remunerated from charity assets **unless** certain conditions set out in the Act are met.

##### 5.1 What is remuneration?

Remuneration in this context would include payment or benefit in kind:

- for being a charity trustee
- under a contract of employment
- for other services to or on behalf of the charity

This may include payment made either to a charity trustee personally or to a person with whom the charity trustee is connected. Section 68(2) defines the persons who are “connected” with the charity trustee. These include:

- immediate family and domestic partners
- a company in which the charity trustee or persons connected with them may

- have a substantial interest, or
- a Scottish partnership in which the charity trustee or a person with whom the trustee is connected is a partner

Out-of-pocket expenses paid to charity trustees, for instance travel expenses to attend meetings, would not be considered remuneration.

## 5.2 Conditions for remuneration

The specific conditions under the Act that would allow charity trustees to receive remuneration are:

- the maximum amount of the payment is set out in a written agreement
- the maximum amount is reasonable in the circumstances
- it is in the interests of the charity for the services to be provided by the charity trustee for that amount (this must be agreed before the agreement is entered into)
- after the agreement is entered into, only a minority of the charity trustees receive remuneration
- the charity's constitution or governing document does not expressly rule it out

What is "reasonable remuneration" has to be considered with a view to all the circumstances, but there are often professional associations that will provide guidance for charity trustees. Consulting such an association would be one way in which the trustees could satisfy themselves that an amount of remuneration was reasonable. Another way would be to obtain at least two separate quotes for the service to be given by the charity trustee.

Charities that had trustees receiving remuneration when the Act came into force in April 2006 and are not exempt from the conditions regarding remuneration (see 5.3 below), must review these arrangements. They will have to consider if it is in the charity's interest for them to receive that benefit and whether the amount is reasonable. A clear minute should be made of the decision reached.

If it is agreed that the payments are in the interests of the charity and the amount is reasonable then, as long as the majority of trustees remain unpaid, a written agreement will need to be drawn up setting out the maximum amount to be paid.

### Examples of good practice

- Adopt a charity trustee remuneration policy and procedures which ensure any remuneration complies with the conditions set out in the Act
- Establish a register of trustees' interests
- Consult professional bodies before agreeing remuneration
- Obtain at least two separate quotes for services
- Clearly minute the decision that remuneration of a particular charity trustee is in the charity's interest

## Proposal

Over the next 6 – 18 months we can expect to offer contracts for the following pieces of work;

- Development of a new Forest Design Plan (inc. community consultation)
- Development of an Access and Recreation Plan (inc. community consultation)
- Long term contract(s) for forestry and timber management
- Construction of new paths
- Signage and interpretation

As the Development Officer works up potential projects for Board prioritisation and approval, further contracts may become apparent and a number of these may fit well with the skills and experiences of Board members and / or their families.

In line with OSCR guidance it is important that we agree a policy on trustee remuneration before we enter into tendering of these contracts. We have two main options for this policy:

### **1. Prepare and adopt a policy which supports the transparent contracting and payment of Board members and their families for specific services.**

This is fully acceptable under OSCR guidance and is a policy adopted by many other community groups. If we take this approach, in order to protect the reputation of the organisation and of the Board member, we would want to consider:

- Role of Board member in developing the project they may be interested in, i.e. finding the balance between ensuring we gain from their expertise when developing a project but they don't gain undue commercial advantage from their role. For instance, Board members would have to declare a potential conflict of interest at an early stage in project development; Board members would not be involved in drawing up the tender brief or selecting the method by which quotes are sought.
- Transparency of the tendering process
- Clear record in the minutes of all declarations of interest and decisions
- Publication of tender decisions on our website

### **2. Agree that Aigas Community Forest will adopt a policy not to remunerate Board members or their families.**

This is by far a cleaner line to take but may lead to some community members not engaging with the organization on a voluntary level in any way and so to a loss of the skills and experience they could bring to the Board or in another advisory capacity.

## Recommendation

The Board are asked to discuss the information provided above and to decide between Option 1 and Option 2 (or a third way if identified) to allow the Secretary to draft a full policy for approval at a later Board meeting.

Andrew Leaver, Secretary  
June 2014