

Ellingham Community Trust

Minutes: 5th March 2014

Ellingham Village Hall

Present: Gustav MacLeod, Robert Stuart George Unwin, Christopher Watson, Stanley Calvert, Heather Cairns

Approval of Minutes: Minutes of 5th February (previously circulated) approved and signed.

Matters Arising (not dealt with below): Action points of February minutes had been addressed. Regarding LED scheme, CW noted that he had previously advised that a report would be given to the Trustees at April meeting with view to rolling out scheme in May. Indemnity Insurance – CW has requested that insurance company re-sends copy of insurance policy. GM had spoken to parishioner regarding purchase or loan of energy monitors – parishioner had suggested that there are better monitors than those he owns, so further investigation required.

Action: CW to order monitors.

Legal Brief: SC confirmed that all present understood Trust is a Company Limited by Guarantee, liability £1.00. However he added that if funds were lost because of a bad investment this may be regarded by the Charity Commission as a 'breach of trust', in which case the Directors could be asked to reimburse the company for the financial loss.

CW stated that the Trustees were aware of this, that two of the Trustees had discussed with the legal advisor (Sintons) and that Indemnity Insurance (paid by the Trust) is in place. He further added that a 'breach of trust' is a very serious matter which involves knowingly misusing funds. Providing that the appropriate groundwork is done prior to any investment being made, any subsequent loss caused due to investment could not be considered a breach of trust.

GM added that the conference he and GU attended at Sintons emphasised that the Objects are kept in mind at all stages of any decision/action being taken by the Trust. The purpose of holding Indemnity Insurance is that this will provide cover for all possible situations, hence the importance of reviewing the Insurance. The indemnity insurance still needs to be checked.

Action: SC & CW to check indemnity insurance policy.

With regard to issue of trading, SC advised that up to 25% of total annual income can be earned from trading activity before becoming liable for Corporation Tax. Any income from trading above 25% of total annual income would result in the Trust being liable for Corporation Tax (at 20%) on the trading annual income, unless a subsidiary company was set up. This however would be unduly complicated. Care must be taken to ensure that income from trading activity (eg from school biomass project) does not exceed 25% of total annual income.

Review of Priorities: GM presented list of priorities as identified by parishioners when the initial survey was carried out by the Community Trust. Renewable energy was ranked 3rd most important, with the school 7th and improving thermal comfort of existing homes 10th. Transport and Broadband were also identified as high priorities. The Trust is acting on these priority areas by providing Biomass Boiler for school and looking at various green energy schemes.

Treasurers Report: Bank balance: £64,831.31 (includes interest £8.85). Expenditure - £200 for repair of Village Hall door is pending; there have been a number of £20 debits against the fuel scheme.

Update on Green energy schemes: School Boiler - Negotiations on which costs are responsibility of Trust and which the School have not been properly discussed/negotiated. Projected figures outlining

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costs/profits circulated – 2 sets based on electricity being charged at 2p and 3p per kw/hr, with figures front loaded reflecting the fact that boiler will deteriorate with age. This way Trust begins to make a profit as soon as possible whilst ensuring school not being exploited.

On 2p/kw/hr there would be a return of £128k (on £40k) over the period – this was considered to be a reasonable return without being exploitative. School to pay for fuel and maintenance of boiler.

Decision: HC proposed GU seconded proposal that CW/GM negotiate with Head Teacher around the 2p model; all voted in favour of this decision

Action: CW/GM arrange to meet with Head Teacher

Photovoltaics installation at School: Viability of this project lessened due to potential liability for Corporation Tax.

Decision: All agreed to place on hold as not showing a good return

Progress on Applications received at last meeting: Application 1: £200 had been awarded towards costs of replacing rear door and guttering at Village Hall.

Application 2: Mr Mundy had requested 4 quotes for work to make safe trees in Churchyard – 2 quotes so far received (1) £4920 (2) £30 per hour (with no indication of approx. time required to carry out the work).

Decision/Action: GM to ask that Mr Mundy obtains quotes on fixed price basis.

Dates of next meetings: Wednesday 2nd April and Wednesday 7th May - 7pm in Ellingham Village Hall.

Minutes prepared by: Elspeth Gilliland