
MINUTE**Confidential**

**Special Shetland Charitable Trust
Council Chamber, Town Hall, Lerwick
Wednesday 6 July 2011 at 10.00am**

Present:

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| J H Henry | L Angus |
| L F Baisley | J Budge |
| A J Cluness | A T Doull |
| A G L Duncan | E L Fullerton |
| F B Grains | R S Henderson |
| R C Nickerson | F A Robertson |
| G Robinson | J H Scott |
| J G Simpson | C L Smith |
| J W G Wills | |

Apologies:

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| A T J Cooper | I J Hawkins |
| A J Hughson | W H Manson |
| C H J Miller | V Nicolson |

In Attendance (Officers):

A Black, General Manager - SCT
J Goddard, Financial Controller - SCT
L Adamson, Committee Officer - SIC

Chairman:

J H Henry, Vice-Chairman of the Trust, presided.

Circular:

The circular calling the meeting was held as read.

Declarations of Interest:**Viking Energy – Investment Budget for 2011/12:**

Mr A T Doull confirmed that he would be participating in the debate.

Mr C L Smith advised that he had never taken part in any debate regarding Viking Energy, and he intended to leave the meeting during the discussion.

Mr A J Cluness said that in view of the current Charitable Trust law, he declared an interest as a Member of Shetland Islands Council (SIC), and advised that he would be taking part in the debate.

Mrs E L Fullerton advised of an interest in the same terms as Mr Cluness.

Dr J W G Wills declared an interest as a Member of SIC, but in the public interest he intended to take part in the meeting.

Mr J H Scott confirmed that he would be taking part in the meeting.

Mr J G Simpson declared an interest as a Member of SIC and he would be taking part in the meeting.

Mrs L F Baisley declared a non-pecuniary interest as an elected Member of the Council, and advised that she would be taking part in the meeting.

Mr J Budge declared an interest as a Member of SIC and he would be taking part in the meeting.

Mr R C Nickerson declared a non-financial interest as a Member of SIC. He received no direct or indirect benefit from the project and he was obliged under the SCT Code of Conduct to remain in the meeting and to participate.

Mr A G L Duncan confirmed that the private legal advice he had received advised of a conflict of interest, and he would be leaving the meeting.

Mr L Angus advised that he had never taken part when the Trust has been considering the Viking Energy project and he would be leaving the meeting.

Mr R S Henderson declared an interest as a Member of SIC, and advised that he would be participating in the meeting.

Mr G Robinson declared a non-financial interest as a Member of SIC. He said he had also taken legal advice and would be taking no part in the meeting.

Mr F A Robertson declared a non-financial interest as a Member of SIC. He advised that he had earlier voted against the project on planning grounds at an SIC meeting due to the scale of the proposals and that turbines would be too near to settlements. He would be taking no part, but would be staying in the meeting.

Mrs F B Grains advised that she would be taking part in the meeting.

(Mr Angus, Mr Duncan, Mr Robinson and Mr Smith left the meeting).

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Viking Energy – Investment Budget for 2011/12

The Trust considered a report by the Financial Controller (Appendix 1).

The Financial Controller summarised the main terms of the report.

The Financial Controller responded to questions from Trustees and advised on the consequences should the Trust not provide the additional funding for this project. He advised that setting a budget for the year ahead would give the Viking Energy Partnership (VEP), Viking Energy Limited (VEL) and the other participants assurance that the project was sufficiently financed to progress the evaluation stage through to March 2012. He clarified that the additional funding

would be fully recoverable if the project proceeds, and that the additional funding would also cover staff costs in taking the project forward.

During the discussion, the Financial Controller confirmed that the minority shareholders, who own 10% of VEL, would be offered shares in proportion as the project progresses. He said it was hoped that the determination from Scottish Government would be made in 2011, and that this would require further reports to the Trust and possible adjustments to budgets.

(Dr J Wills declared an interest as a Member of the Shetland Amenity Trust).

Dr J Wills moved that the Trust approve the recommendations in the report, on the proviso that the Trust requests the Viking Energy Partnership to reduce the proposed number of turbines by at least 20, to avoid areas where turbines are too close to inhabited houses and areas where wildlife would be most affected. Mr A Cluness seconded.

In response to comments from some Trustees, Dr J Wills explained that his recommendation that at least 20 turbines should be removed from the project followed concerns he had received from members of the public who would be living in close proximity to the proposed turbines.

In response to questions, the Financial Controller explained that the current work programme relates to discussions and data gathering concerned with objections from SNH, gathering additional wind data and ongoing land lease issues.

Mr J Simpson moved, as an amendment, that the Trust approve the recommendations as they stand in the report. Mrs L Baisley seconded.

(Mrs E Fullerton and Mrs F Grains gave notice of further amendments).

Mr J Scott stated that fundamentally he did not agree with the assessment of the conflicts of interest. He said that the legal advice sought by the Trust had confirmed that all Council Members would bear an inherent conflict of interest. As a Trustee he was not willing to see the Trust ignore the legal advice, as any decision taken today could be challengeable. He said that a better way must be found to take this forward, which would be through reforming the Trust.

(Mr Scott left the meeting).

(To establish that the meeting remained quorate, Mr F Robertson indicated his intention to stay in the meeting but he would be abstaining from the vote).

Following summing up, voting took place by a show of hands and the result was as follows:

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| Motion (Mr J Simpson) | 7 |
| Amendment (Dr J Wills) | 2 |

Mrs E Fullerton moved as an amendment, that the Trust approve the recommendations in the report, with the addition of Recommendation 7.3, namely, “that if and when the time comes for the Shetland Charitable Trust to decide to invest in the Viking Energy Project as a future local investment to augment the earning power of Trust funds, a condition is attached to that investment to seek a reduction in the number of turbines in close proximity to occupied homes”.

Dr J Wills seconded.

Voting took place by a show of hands, and the result was as follows:

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| Amendment (Mrs E Fullerton) | 3 |
| Motion (Mr J Simpson) | 6 |

Mrs F Grains advised of her concern that the Trust’s funding towards this project could become opened ended, and by awarding additional funding to VEP would be setting a precedent when other organisations seeking additional funding have first to demonstrate that their project would be viable. She also questioned whether it was good use of Trust funds to approve the additional funding without knowing whether the project will be approved. Mrs Grains moved as an amendment, that the Trust does not increase the budget at this stage.

Dr J Wills seconded.

Voting took place by a show of hands, and the result was as follows:

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| Amendment (Mrs F Grains) | 2 |
| Motion (Mr J Simpson) | 8 |

The meeting concluded at 3pm.

CHAIRMAN