

Questions & Answers

What is a Community Development Trust?

Development trusts are community organisations which:

- Are owned and managed by Trust members from the local community, (in our case, the community of Stratherrick and Foyers Community Council)
- Aim to achieve the sustainable regeneration of their communities and address a range of economic, social, environmental and cultural issues within them
- Are independent but seek to work in partnership with other public, private and third sector organisations including Community Councils and other Community groups as appropriate
- Aim to reduce dependency on grant support, ultimately by generating income through sustainable community development enterprise and the ownership of assets. All trading surpluses are principally reinvested in the organisation or the community.

Are there other Trusts like us in Scotland?

Yes! There are many. With DTA Scotland itself having over 200 members (January 2014)

Is there anywhere where Trusts can go for advice?

The Trust is able to use the full resources of DTA Scotland including its solicitors and specialist advisors. What is DTA Scotland and is SFCT a member? DTA Scotland - Development Trusts Association Scotland - is the charitable membership organisation and support network for community development trusts. It has a membership of over 200 community-based groups spread across rural and urban Scotland that are leading the development of their own local areas. DTA Scotland promotes best practice for community development trusts and supports its members to become more financially and operationally robust. It also promotes the community-led development and community development trusts with policymakers and funders, as well as supporting the establishment of new trusts. Website www.dtascot.org.uk SFCT is indeed a member of DTA Scotland. It is not compulsory but we do choose to be because the DTA staff have a deep knowledge of all things 'Trust' and they can offer us advice and other assistance as and when we need it.

What does our Trust stand for?

Here is our Value system i.e. What we stand for and how we strive to operate?

Mission Statement: "We will act to enhance the quality of lives of people in the Stratherrick & Foyers Community Council area by engaging with the issues that matter to the community, and by supporting people, at a sustainable level (i.e. with finance, personal time, expertise etc.), to help make things happen."

And within our Trust activities, we will:

- Act with integrity.....do what we say we are going to do
- Act with mutual respect.....internally and externally
- Offer mutual support.....share knowledge and ideas
- Maintain open communications.....allow criticism but ensure it is constructive

And finally.....here is a wee mantra that rings true..... “ If we think we can or we think we can't, we're probably right!”

What is the difference between a Community Trust and a Community Council?

A Community 'Trust' is a 'company', listed at Companies House and able to receive and distribute funds according to its Articles of Association and its 'Objects'. It is a private limited company owned by its 'members' who vote for a Board of Directors to run the company on their behalf. Community 'Councils' are the most local tier of statutory representation in Scotland. They bridge the gap between local authorities and communities, and help to make public bodies aware of the opinions and needs of the communities they represent. They are made up of Councillors who are elected from the whole community. Many Community Councils, and this is certainly the case with our own very active Stratherrick & Foyers Community Council, also involve themselves in a wide range of other activities including, organising community events, setting up sub-groups, undertaking projects and more. Both Community Trust and Community Council should work together towards common aims while being mindful of their different responsibilities.

Is the Trust a charity or a company or both?

The Trust is a Limited company but also has the ability to become a charity at a later date.

Why is it not a charity?

Currently the Trust is not a charity because this enables us to award grants to individuals as well as to groups, and it is also currently much more tax efficient. These issues may change in the future and we can decide then if we think it would be more beneficial to become a charity Can it become a charity? Yes! The Trust's objectives and articles are set up to enable a switch to become a charity if decided at a later date.

Who runs the Community Trust?

The Community Trust is run by a board of directors.

Who are the Directors?

Directors are elected on to the Trust by the Members. Information about the current directors can be found on our website.

What does being a Director mean?

It means you are responsible for the running of the company according to the Trust's articles, and legal duties

Can anyone be a Director?

Anyone can stand for election as long as they are full member of the Trust.

Are Directors appointed or elected and by whom?

Both. Elected directors are elected by the members, and the co-opted Directors are elected by the elected Directors. On the Board there will be a maximum of 9 elected Member Directors and a maximum of 3 co-opted Directors. There must be a minimum number of 7 directors and the majority must be elected member directors and not co-opted directors.

What does being a Co-opted Director mean?

A co-opted Director is a Director who has been voted onto the board by the Member Directors. Co-opted directors have all the same legal responsibilities as Member Directors and the same voting rights apart from when co-opting another Director. In compliance with the Articles, the Trust must appoint one individual nominated by the Stratherrick and Community Council to be a co-opted director. A co-opted director does not have to be a member. Co-option is on the basis that they have specialist skills/experience that will assist the Board in carrying out its objectives. They may be co-opted for a specific task/length of time, after which they either stand down at the next AGM, or choose to resign prior to the AGM.

What does being a 'member' of the Trust mean?

A member is a part-owner of the company, who can attend all General meetings, as well as the AGM, and are entitled to receive notification of such meetings. They are entitled to exercise their right to vote on any motion put before them for consideration at the meeting. (Members can also petition for a general meeting to be called if they so wish.) Members elect Directors.

Does it cost anything to become a Member?

No, membership is free. You might hear some folk saying that membership costs £1. This is not true. The £1 is your 'limit of liability'. Many people choose to pay their £1 at the same time as becoming a member however you don't have to do this if you don't want to. Your £1 would only be required if the company went bust and the liquidators asked you for it. 'Membership' and 'Liability' are two different things. Your Membership is free. Your Liability is £1.

Does anyone on the Trust get paid?

Yes. The Administrator and the Book-keeper are paid hourly rates as contracted employees. Directors do not receive any payments, other than certain (very minimal) out of pocket expenses that may be claimed. Directors cannot receive payment for carrying out their duties as a director. No benefit (whether in money or in kind) shall be given by the Trust to any Director.

What sort of activities might a Trust get involved with?

Anything which complies with the Company objects set out in the Articles, so this can be a very long list! We have supported so many different individuals and groups that it is not easy to summarise them here in a sentence or two. However, all our grant assistance activities will fit our 'Objects' (see elsewhere for a definition of 'Objects').

With whom does the Trust communicate?

In addition to providing grants we perform a host of other tasks. We communicate regularly with our Funders, the energy companies and with the Community Council and a number of other local groups; we communicate with Members and the wider public in different ways (i.e. website etc.); we manage hundreds of documents; we employ the services of a contract Administrator and Bookkeeper; we set budgets; we manage income and expenditure; we hold meetings; we make decisions (sometimes difficult decisions); we debate funding and grant issues; we negotiate with potential new Funders; we liaise with public bodies; we speak with other Trusts to share ideas;and many more activities besides.

What are the 'Articles of Association'often shortened to the 'Articles'?

These are the rules which govern the company and with which Members and Directors must comply. As a registered company, the Companies Act 2006 states that we must have Articles of Association.

Most companies use standard ('model') articles - but these can be changed as long as the company doesn't break the law, and Members and Directors have to agree on them. SFCT has already gone through a long period of formal discussion and debate to help form our current Articles of Association. They are the rock upon which the company makes all decisions.

What does the word 'Objects' mean?

The 'Objects' are simply the objectives of the company. SFCT has a number of broad Objects which define our purpose and these are: Preventing or Relieving poverty Advancement of education, training or retraining Advancement of heritage Advancement of environmental protection and improvement Advancement of citizenship and/or community development Help provide recreational facilities All these Objects will be available on our website once it is live.

Who else does the Trust liaise with?

Just about everyone you can think of who will help us meet our objectives e.g. Community Council, Community Groups, individuals in the community, Accountants, Energy Companies, Lawyers, Highland Council, Forestry Commission, industry bodies (DTAS), other Trusts.....and more.

Where does the money come from?

From energy companies who are carrying out renewable projects in the area or from returns on investments on those funds received.

Why do we get the money?

Our community receives the money in order to share in the overall benefit of living in close proximity to renewable energy schemes such as wind farms and hydro.

Can we spend the money on anything we like?

Yes and No!!! It all depends where the funding has come from. Some funds have certain stipulations attached and if we don't uphold our part of the negotiated Terms, then we can lose the money. These agreements and relationships with the energy companies can last for up to 40 years. They want to know that our Community Benefit money is being spent wisely and with due regard, both to the Terms agreed and to our own 'Objects'. However, any increase in money generated by the Trust through Investments has no such stipulations.

What is a 'Memorandum of Offer'?

This is the document that specifies the exact agreement negotiated between the energy company and the Trust. Essentially, it is our rule book and defines, usually with some pretty tight parameters, how we can spend the funds.

What sort of thing has the SFCT spent money on to date?

Grants have been distributed to date to numerous groups and individuals, and these include, in no particular order: Community Council, Lunch clubs, Primary School trips, Brownies & Guides, Village Hall, Whitebridge Trust, Heritage group, Access group, Clay target club, Jubilee and Olympic events, Community fireworks, Children's Christmas parties, Energy saving schemes such as wall insulation, white goods, PV panels and more. The list is long and always growing.

Is it possible to invest any of the money long term?

Yes it is and SFCT is currently building a plan to do just this with a portion of the income.

What are the checks and balances on managing the money?

There is a rigorous financial control system to ensure directors are aware of, and authorise all company expenditure, prior to any contractual commitments. There are also a range of checks and balances that should ensure the money is properly managed according to law. These include: preparation of annual accounts by qualified accountants, use of a suitably qualified Finance Director and Bookkeeper on the Trust itself, production of monthly and/or quarterly management accounts and bank reconciliations for directors' scrutiny and approval, public release of annual accounts to members for their scrutiny and approval at the AGM.

What happens if a Director has a conflict of interest (which includes non-financial dealings) in something being discussed?

If a director has any possible conflict of interest in a discussion they are asked to leave the room until the discussion is finished. They cannot vote on any issue in which they have a conflict of interest.

How do Members find out what's going on?

There are a range of ways in which Members can find out what is happening. Your newly elected Board of Directors (February 2014) have made 'communications' a top priority and we are/will be communicating in the following ways: Our own website Question & Answer document (updated as new questions come in) Chairperson's email bulletins (probably quarterly, maybe more frequent) Open Evenings (probably bi-annually or as Directors agree is appropriate) Boleskine Bulletin (articles and/or inserts) Appearance at community events A 'Comms team' available on the phone and/or email for personal chat . Notice Boards Posted information for those without email access.

How many meetings does the Trust have?

The Trust is obligated by law to have one Annual General Meeting a year. However the Board of directors meet monthly.

Can anyone come to the meetings?

All members can come to any 'general' meetings. The public can also attend AGM's, but only members can vote. However, only Directors and those who have been invited may attend board meetings. Anyone invited to a directors' meeting has no vote.

Why does the Trust need to have most meetings in private? The Trust is in the business of receiving funding and paying out grants to the community. The agreements with our funders such as SSE are private agreements and the energy companies consider their Memorandum of Offer (MoO) a confidential document during negotiation, and therefore not available for public release. We must therefore respect this or we will be breaking our terms of engagement. There are some grant applicants in the community who, for all sorts of personal reasons to do with health, social need, financial hardship etc., do not wish their personal details to be known to the whole community. There is a real danger that if we divulge every applicant's name into the public arena then those most in need may not come forward for assistance as a result. It is part of our 'Objects' to 'prevent and relieve poverty' and we must act in a way that is not only in line with our Objects but is also sensitive to an individual's needs.

How are decisions made by the Board of directors at their meetings?

Questions are decided by a majority of votes. The chairperson has a casting vote in the event of a hung vote. There must be a minimum of 5 directors present for the meeting to be a quorum and the majority of directors present must be member directors.

How can I, as a Member, make my voice heard?

You can call, email or write letters to any of your Directors at any time. At our occasional Open evenings, you can also come and chat with us informally. If you have ideas for anything to do with the Trust and our Objects then please do let us know. The more ideas the better. In 2013 the outgoing Board organised a 'Community Survey' of opinions and your current Board is now using this survey to help guide our actions. We will aim to organise further such surveys to ensure we are always managing the Community Benefit in line with community expectations and aspirations.

Can the Trust own land and property?

Yes

Why might owning land be important for the community?

Owning land can help give longevity to any current and future projects and can be a valuable asset and empower the local community. Land purchase is a serious and expensive undertaking and, if the Trust were to purchase land, it would be essential that there was a specific aim for its use.....e.g. for building a Care Centre or Recreation centre, or whatever is the Community's preference.

Is there additional help available in purchasing land?

Yes there are various places where additional funding can be sought such as The Scottish Land Fund