



# Annual Report 2008/2009

# CHAIRMANS REPORT



## **“Frustrating Times are Past”**

Having started last years report with the heading “Exciting Times Ahead” this year I would pray for the heading “Frustrating times are Past.”

One would be forgiven in thinking all our problems would be over after receiving significant grant funding from the Big Lottery, (*As you know this was to help develop our community wind turbine project, and to help fund the staff positions needed to deliver the other various community projects*) however with all grant funding we have certain responsibilities and obligations to fulfil, this is where a lot of the time taking un-seen work goes on. With the business structure of the turbine project being new to the partners involved, it has led to a tremendous amount work being done on the financial and legal side by the Directors of WRE, this has led to some delays and a lot of frustration, however most importantly progress is being made.

The Trusts active projects are moving forward at varying stages, some being on course whilst others incurring some slippage regarding time scales, this has been partly due to staff moving on to pastures new, but I’m positive with new staff in place we will be able to get back on schedule and begin to see the benefits of the community projects.

It has been a turbulent year for the Trust, a lot of time and effort having been spent on issues not directly concerning the Trust, but those having implications on its future plans, projects and direction. I hope these difficulties will be firmly in the past, so we all can focus on the future development of the Trust.

## **“Exacting Times are Here”**

There is no doubt the format of the Trust is changing, no longer are we able to take the maverick approach of the past, which can be fast and fun, and more often than not the best way of getting things done!, however like all business, and even more regarding Charities, things change. A prime example being the Charitable regulations enforced by OSCR, (*Office of the Scottish Charity Regulator*) stipulating that all funds and projected income from the turbine should be used to the maximum financial benefit of WDT, with all decisions taken by the Trust being closely scrutinised to insure that we comply with all rules and regulations.

These rules may well effect the way we can assist certain projects, so it’s important we seek professional advice to help put a plan in place before any income is generated, to ensure we have a system that legally gives us the best of both worlds, being able to help local projects and avoiding large tax bills on income generated. Simple!

## **“Bright Future Ahead”**

As you begin to read the various reports in this document, you will begin to appreciate the advances that are being made within the projects, despite difficulties, and that is testament to the hard work of the Directors of WDT & WRE for the way they give up their time and expertise freely, for their loyalty, hard work and commitment. I also take this opportunity to thank our employees for their contribution to the work of the Trust and the projects they are involved in, and we hope they continue to enjoy delivering the aims and objectives of the Trust.

We all look forward to see the wind turbine up and running, but we shouldn't forget, it’s not the wind turbine that will sustain the Community, it’s the enthusiasm and forward thinking of our Farmers, Fishermen, and all other Industries and Organisations that will keep Westray a thriving community!

With the income from the turbine being a vital tool to help fulfil our vision of

**“Working together for the bright future of Westray.”**

**George Thomson  
Chairman, WDT**

# WESTRAY RENEWABLE ENERGY LTD

By the time you read this, Westray Renewable Energy Ltd (WRE) shall hopefully be nearing the end of the pre-construction phase of the project and this last year has seen significant progress:

- A contract with Enercon for construction of the foundation and delivery of the turbine has been signed. Provisional dates suggest delivery in June this year with the unit becoming operation in July. However, I doubt completion of the work below will allow us to maintain these dates but WRE are still planning for an operational unit generating an income this year.
- A contract for maintenance of the turbine has been signed with Enercon and arrangements for local intervention for minor repairs/resetting of switches are under discussion.
- Agreements with S&SE for the connection to the grid are complete.
- A contract with Heddle Construction for the civil engineering and electrical works (sub contracted to Bryan Rendall) has been agreed in principle subject to completion of the financial package.
- An insurance package has been agreed.



**Westray Renewable Energy Ltd.**

However, WRE still need to complete a number of pieces of work before firm dates for commencement of construction can be agreed:

- The revised planning consent has been received but the Planners have sought additional conditions to bring us inline with current practice. Whilst there are no show stoppers, there is potential to delay agreement of the overall financing package and the start of construction.
- The design of the turbine foundation is under discussion following the result of the drilling on the site last year. This suggests that a greater amount of work than has been planned may need to be undertaken. We have a contingency sum in our financial model to cover this.
- Negotiations on the Power Purchase Agreement, through which WRE will be paid for the electricity generated, need to be concluded.
- The financial structure of WRE and how the Trust invests in the company to the satisfaction of the Charities Commission and the Big Lottery, is nearing completion. The Lottery will not allow its grant to be invested as equity and so the Trust will invest the grant in the form of a loan, repayable over 10 years at a commercial rate of interest. Repayments will be deferred for a year to enable WRE to build a cash reserve as required by its debt financier, Triodos Bank.
- A loan for up to £650,000 has been agreed, in principle, with Triodos Bank subject to a successful due diligence exercise. This is a significant piece of work through which the bank satisfies itself that WRE can deliver what we tell them and, in the event of the company defaulting, the bank will have its investment secured. At the last count, there are over 60 documents to be collected or created, a task made no easier as this type of community development is both new to the Bank, the Lottery and their respective legal advisors. A similar project being undertaken by the Tiree community faces similar problems with Lottery and Co-op bank.

And so, nearly there but not quite.

One final issue over which WRE has no control. The project is currently deliverable within the levels of funding agreed. However, as the turbine will be paid for in Euros, we shall need to keep an eye on the state of the Pound Sterling against the Euro, as recent falls have brought the project close to current limits.

**David Stephenson, Chairman—WRE Ltd**

# ORKNEY BIO-FUELS LTD

The company has been working to produce biodiesel fuel that is compatible with modern diesel engines. This requires a process called transesterification.

Essentially the used cooking oil is reacted with methanol and sodium hydroxide in precise amounts under tightly controlled conditions. This process strips out glycerine and produces raw fuel. This is then cleaned, dried and filtered to 1 micron.

The work has been in developing a process that works here with the used oil we get using the equipment we have managed to buy or build. We do not have the cash to go and buy ready made process plant—which would be much quicker and easier.

The process has gone through many changes/improvements and this will inevitably continue. The need is and has been to reduce the significant labour element to producing this fuel to make it economically viable as a small community business.

The fuel we now produce has been tested over many thousands of miles in a modern 'common rail' diesel engine. It is used at any ratio up to 100% and can simply be added to your diesel car's fuel tank without any premixing.

It caused no problems in the recent cold weather at 100%.

We considered it essential that we had many thousands of miles testing the fuel in a modern engine before offering it for sale.

Retail sale would be able to start soon with a dedicated forecourt pump at WI Rendall's shop. We accessed a £5000 grant from CRNS to purchase the setup for this. There was some delay in working out a specification with the suppliers as there seems to be only one retail forecourt pump made anywhere that is both warranted for 100% biodiesel and also approved by Weights and Measures for retail sales. The planned setup is a steel bunded tank with the forecourt pump mounted on the front under a cover. We anticipate delivery to Westray before the end of March.

The used cooking oil is collected by OIC and stock piled at Bossack before shipping it out here. The whole enterprise would be impossible without the cooperation of the waste management section in OIC, who we work closely with and who came on a site visit recently. The biodiesel production here continues to be of interest as a community enterprise and we have shown various individuals and groups round. It has been filmed for TV.

**Willie McEwen, Project Manager  
Orkney Biofuels Ltd**

# YOUTH AND CHILDREN

The workshop series that were funded through the Trust were a major success of the past year. Involving youngsters from Westray, Papa Westray and Eday and covering a massive range of subject matter these workshops encouraged all the participants to work together, think creatively and participate positively. All of the youngsters from Westray showed themselves to be responsible and caring; hopefully more opportunities such as this will present themselves in the future.

The Hofn continues to be a shining example of Westray's unique ability to hold its young people in high regard. The original fixtures are quickly wearing out and so the youngsters are going to be fundraising in the coming months.

The Westray Development Trust has committed to being an active participant in the search for funding for the Islands Youth Development Post. The post was extended for a further four months to allow this process enough time; the applications will be headed up by the Stronsay Development, with many other partners throughout the isles. The extension came as a direct result of actions taken by many people, not least of who were the young people themselves. Through letters and emails they demonstrated an incredible amount of outrage over the post's ending. The letters they wrote made a huge difference and all involved should be extremely proud.

**Meghan McEwen -Youth Development Worker**

# WESTRAY ZERO WASTE CENTRE

The groups objectives are to reduce waste to land fill sites from the community of Westray by providing a range of services and activities to reuse, recycle and ultimately eliminate; this reducing the carbon footprint associated with the waste.

The year under review has seen a slow start, due mainly in part to the departure of the project manager half way through the year. This had the effect of putting the project 'on hold'. However, I am pleased to report that a new project manager in the shape of Janice Rendall has now been recruited.

A sub group has now been formed and have met to discuss a number of issues. The day to day responsibility for the running of the waste group is delegated to the Project Manager, who works to the instructions of the Director, Waste Project. The Board of Directors meet regularly to make decisions based on written or verbal reports submitted by the Director responsible for the sub group.

A number of objectives and development priorities have been identified for the forthcoming period. New funding avenues are to be explored, along with Development trusts on the other islands in order to compare common equipment needs etc. and to perhaps put forward a joint funding bid.

As we move into the next year we place particular importance on our role in the community and will develop partnerships where appropriate i.e. Local authority, private enterprise, funding bodies and potential funders. I feel very strongly that it is essential for us all to work together to ensure that the project is successful.

**Mike Mawer**  
**Chairman—Waste Sub Group**

# FUEL POVERTY

The project got off to a good and early start as a project officer was employed who had previous experience in energy issues and was already trained in the skills necessary to run the programme. An additional question requested by the Westray Development Trust was included in the OIC housing survey asking if householders in Westray wished to be contacted by a representative of the Trust with a view to their participation in the project. A good response from residents of Westray provided a valuable start point for the project.

A Westray-specific survey sheet was developed both to meet the national assessment procedures to define energy ratings for each property being surveyed and also to identify appropriate remedial works necessary in the particular circumstances found in Westray. It was planned that the methods to be used should be initially evaluated in six different households representing different types of properties in Westray. Several of the most vulnerable households on the island were identified and householders offered an opt-in service of assistance. Five assessments of households leading to individual energy ratings were completed by October. During visits an information package assembled by WDT detailing possible grant funding assistance and other energy saving opportunities was provided to householders. In addition, face-to-face advice was offered during visits and follow up visits undertaken to help householders progress remedial action in their property.

It has been concluded that the approach being taken during the initial phase of the project is appropriate for Westray and will provide a firm basis for further progress in assisting vulnerable households reduce their costs of home heating.

**Alastair McVicar, Chairman,-Fuel Poverty Sub Group**

# EDUCATION AND TRAINING

## ✦ What is the overall intended outcome?

As agreed with Trust Directors and within the framework of the Big Lottery funding the intended outcome in developing the learning centre is:-

“To stimulate rural economic development by providing improved access to further education, training and job opportunities through the Westray Learning Centre delivering 50 additional course places per annum within three years.”

## ✦ How do we know how we are doing?

A written progress report is provided to Directors for each board meeting. Learners each have a learning plan which is regularly reviewed. In addition all Westray residents aged 16+ have had a recent opportunity to take part in a (predominantly online) survey compiled on behalf of Westray Development Trust. Thank you to everyone who has responded. There were exactly 50 responses. One of the ten survey questions asked individuals why they were interested in learning. The majority said they ‘wanted to do a particular task better’ and a significant number were in a job which required ‘continuous personal development’ which reflects the importance increasingly placed on lifelong learning. To help identify where interests lay individuals chose from a deliberately wide ranging list of suggestions. IT and computing remain popular choices along with family history and genealogy. Media skills, renewable energy/waste management and Scottish country dancing also proved popular! It is important to recognize that not all needs can be met. However some of the data, which was supplied anonymously by all the respondents, has already been used to complement a funding application for short courses planned to be run (subject to successful application) here in late summer/autumn.

## ✦ What are we going to do next?

A summary of the findings of the survey will be published and circulated. Ongoing research continues to identify suitable training packages and learning materials including liaison with local learning providers such as FE College and other providers.

Several respondents to the survey highlighted course costs as a barrier to participating in learning. There are a small number of changes to the Individual Learning Accounts (ILA) scheme which should be attractive to learners and details are available regarding this. ILAs and learning opportunities will be promoted to all employers, community groups and individual learners. ‘Learningbytes’ are also a cost-free way to tap into over 600 learning opportunities. The centre has details on where to go to get help with many aspects of funding for learning.

A new Service Level Agreement (SLA) is required between Orkney Islands Council, Orkney College and Westray Community Association to review and agree arrangements which allow for shared use of IT and other resources. The resources can be booked through the Westray Community Association and have been used by a whole variety of groups including Highlands & Islands Fire Brigade, various Orkney Islands Council visiting professionals, local community groups and even a group of language students from Finland. The SLA will be re-negotiated in June 2009 and regular local users of the centre will be consulted as part of establishing a new SLA.

**Jo MacDonald**  
**Project Manager**

# GOLF CLUB

Over the past 12 months the golf club has erected a 1 mile rabbit proof fence completely surrounding the Westray Course. Since this was completed we have begun to eradicate the rabbits with some success but haven't yet completed this phase. We expect to have the rabbits completely off the course in the next 2 weeks.

The short term plan of the club is to have a playable course by the beginning of June 2009. We have quite a lot of work over the next 2 months but we feel that this is the best way forward for the club. Not only by raising much needed funds by membership and green fees but also the invaluable advice and suggestions from locals and visitors alike as they play and get a feel for the setting which is to be a club know not only for its golf but for its natural beauty and archaeological sites.

The longer term plan will be developed over the next 5 years and will see our recent goals and objectives become a reality. All decision up to this point are preliminary and subject to change. These changes can easily be made according to any suggestions and future developments of the site.

Presently the course is programmed for golf only. Our longer term plan is to develop areas for picnic's, practice greens and a small 9 hole putting green.

Efforts to slow the erosion of the dunes are under experimental work now and we hope to have funding secured for April May of 2010 to completely re-seed the problem area which will secure the future of the golf course.

A business plan and also plans for a new facility are on-going within the club and should hopefully become public before the season starts.

The club are also looking at potential sites for a small wind turbine which would reduce the proposed new shed's running costs and make the club more sustainable.

With the help of the Westray Development Trust's BIG lottery grant the golf club have a project manager for 7 hours a week which will help the club secure funding for future development's.

There are plans and visions as far afield as 10 years which just goes to show that the club has not only the interest of golf in mind but the Westray Community as a whole.

**Stewart Rendall, Chairman, Westray Golf Club**



# TREASURERS REPORT

This year has been a busy year for WDT and WRE Ltd as far as finances goes with funding from the Big Lottery for the community turbine. This funding covers 75% of staff posts with project managers for each project being responsible for finding the other 25%.

The trust received funds from Lloyds TSB for Hofn Revenue costs. Hofn hires and donations also contribute to this.

The Trust also applied for funding from Scottish Power for the Fuel Poverty Manager post and since the year end has been successful in securing this.

Orkney Biofuels applied to INCREASE for a grant for a forecourt pump and have been successful in securing this.

The financial position of WDT is detailed in the report of the Accountant appended to the Annual Report.

**A H McVicar – Treasurer**  
**Janice Rendall—Book keeper**

## Statement of Financial Activities

### Incoming Resources

Grants		102105	
Other income (Hofn, ROCS etc)		3389	
			<hr/>
			105494
Expenses:			
Trading (Hofn, Turbines etc)	4844		
Local Projects	53287		
Professional fees and PII	5248		
			<hr/>
			63379
Surplus for the Year			42115
Funds B/fwd			384486
<b>Total Funds - See Below</b>			<hr/> <b>426601</b>

### Balance Sheet

#### Fixed Assets

Land & Buildings	179446		
Turbines	121989		
Other Equipment	61363		
		<hr/>	
			362798

#### Current Assets

Bank	71055		
Other	29713		
		<hr/>	
		100768	

#### Creditors

OIC Loan	28765		
Other	8200		
		<hr/>	
		36965	

#### Net Current Assets

63803

#### Total Net Assets

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**426601**

#### Funds held in:

General Funds (Unrestricted)		46859	
Restricted and Endowment Funds		379742	
		<hr/>	
		426601	





# AGM

## 8TH JUNE 2009

The AGM is open to all. As directors of the Trust, we work in sub-groups and also meet regularly as a Board of Directors, but we need feedback from you. We hope you will come along to the AGM and tell us what you think, good or bad.

If you are not already a member of the Trust we invite you to join on the evening by signing your name as you come in. There is no membership fee, but as we are a Company Limited by Guarantee, should we ever go into liquidation, you would be asked for the princely sum of £1. Our constitution ensures a rolling membership of directors, so no-one gets stuck in a post and fresh people with fresh ideas come in.

There will be short updates from some sub-groups, a financial report, and ample opportunity for you to raise concerns and make suggestions.

Tea, Coffee and biscuits will be served during the evening. We look forward to seeing you in the Parish Kirk on the 8th June at 7.30pm.

### WESTRAY DEVELOPMENT TRUST DIRECTORS

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