

MINUTES of the ANNUAL MEETING of PROPRIETORS of SALMON FISHERIES in the DISTRICT of THE KYLE OF SUTHERLAND held on FRIDAY 20th SEPTEMBER 2013 at 10.30 am at THE ACHNESS HOTEL, ROSEHALL, SUTHERLAND.

Present: Mr R Douglas Miller (Chairman KoSDFB, Lower Oykel and Lower Shin)
Mr C Brooke (Mid Fearn/ Chairman of Kyle Trust)
Mr P Creasey (Lower Cassley)
Mr A Fraser (Evelix)
Mr J Green (Lower Oykel)
Mrs N Griffiths (Carron/Braelangwell)
Mr J Hall (Carron/Croick)
Mr M Hasson (Cassley)
Mr H Macfarlane (Carron/Cornhill)
Mr G J P Mason (Corriemulzie)
Mr W Paterson (Portmahomack)
Mr R D Sankey (Lower Oykel)
Miss M Thomson (Evelix)
Mr W Thomson (Evelix)
Mrs N Vestey (Upper Oykel/Loch Ailsh)

In attendance: Mrs A Campbell (Administrator)
Mr P Campbell (Kyle Trust)
Mr R Elliot (Lower Shin)
Mr M Gallon (Evelix)
Mr G Gruber (Evelix)
Mr F McCulloch (Braelangwell)
Mr Hugh Mackenzie (Head Bailiff)
Mr S. Mackenzie (River Oykel)
Mr G Robertson (Clerk)
Mr K Sawyer (Dounie)

APOLOGIES

Apologies were received from Mr A Fraser (Evelix), Mr H Macfarlane (Carron/Cornhill), Mr J Wightman (Lower Cassley), Mr J Hall (Cassley/Croick), Mr and Mrs N Forman Hardy (Carron/Glencalvie/Gruinards), Mr S Gilchrist (Evelix), Mr J and Mrs A Greenwood (Upper Shin), Mr J Shaw (Carron/Amat)

1. THE CHAIRMAN'S REVIEW.

The Chairman welcomed everyone to the meeting, and began by highlighting the importance of the Aquaculture and Fisheries (Scotland) Act 2013, that had come into force on the 16th September. This new Act placed considerable responsibilities on Fishery Boards and it was important that the Board looked carefully at its structure and governance.

STRUCTURE AND GOVERNANCE.

The first part of the year had been a difficult one, and the Chairman thanked members for all their input under trying circumstances. The Chairman had written to all Proprietors in May and as a result, Iain McMyn resigned from his position as Director. The Chairman took the opportunity to thank Iain for his past service and to wish him well for the future.

The opportunity had arisen to look at the role of the Director and the skills required to run the Board. The Board's governance had been lacking in many areas. There had also been disharmony between the Board and the Trust. As a result, a working party had been set up with three members from each organisation. A draft Job Description for a new Director has been produced along with a timetable for recruitment. The Chairman thanked all those who had assisted with this work.

The Chairman referred to the New Organisation Chart that had been previously circulated and approved of by the Board and the Trust. As from this October, the Board and the Trust will come together under one Chairman, managing the Kyle Fisheries in a more organised way, with an improved management team.

As previously stated, the required skills of the new Director have been identified and the aim is to conduct interviews by Christmas and the New Year with the successful applicant taking up his or her new post by April 2014.

The new Director will head up the production of a new Mission Statement under the title of The Kyle Fisheries, creating a new brand identity for the Board and Trust.

The Chairman stressed the importance of the following

- **A code of good governance/operating manual.**

It is essential that the Kyle Fisheries develops its own code of good practice based on the ASFB/RAFTS model to ensure that it complies with the new reporting and governance standards brought in by the Aquaculture and Fisheries (Scotland) Act 2013.

- **A structured 5 year plan/business plan**

The current 5 year plan will be updated and invigorated when the new Director is in place.

- **A Policy Statement to guide the Kyle Fisheries on key issues**

This Statement will give clear guidelines on key issues such as Hydro schemes, Windfarm developments, fish farming, new forestry plantations and other matters that impact on the Board's responsibilities.

- **A record of Board and Trust member's interests**

Members of both organisations are required to register their interests. All members must act in the interests of the Board's remit and any personal or professional conflict of interest must be declared. The register of member's interest will be made available to the public.

- **Finances**

There will be a careful reassessment of how the Board and the Trust are funded with an aim to have a more structured arrangement from external funders such as SSE.

The Chairman stressed that the key to the continued success of Fishery Boards and Trusts was communication at every level. This will be enhanced by moving the Administration to an Office in Bonar Bridge. Audrey Campbell, the new Administrator, will be working from this office for three days a week, and will also be taking over the accounting responsibilities.

The Netting Buyout Appeal

The Chairman updated the meeting on the progress of the Appeal. He had written to all Proprietors at the outset explaining the reasons why the Board felt it was vital to acquire netting stations within the Kyle of Sutherland when the opportunity arose. Their acquisition not only protected the existing fishery assets, but also the jobs that went with them. The positive response from Proprietors led to the purchase of the two netting stations and the launching of the Appeal.

The Chairman confirmed that, following the completion of the purchase of the Corriemulzie Netting Stations, and the Meikle Ferry and Tarlogie Netting Stations, the first of three payments of £166,000 had been made in September 2012. The second payment will be made in Sept 2013, with the third and final payment of £166,000 due in September 2014.

4

The first payment had been made possible by the generosity of a number of Proprietors and the Chairman had circulated a note to illustrate how the funds had been raised, on a river by river basis. A number of Proprietors who have not yet contributed have also pledged to support the Appeal, and were in contact with Board members and staff in order to finalise how transfers were to be made.

The Chairman reported that all of the Board's reserves of £100,000 had been used along with Proprietor donations in order to meet the first two annual payments.

In order to raise the funds for the final payment, limited options remained.

- The Board could borrow money
- The Board could increase the Assessments to cover the shortfall.

The Chairman acknowledged that this was a complicated issue and that there was a need to define equitably how the Appeal proceeds. Some Proprietors have stated that they cannot afford to pay three times their Assessments, as has been suggested. Others, who have willingly donated, are unhappy at the thought of being charged a second time through a possible increase in the Assessments. A number of Proprietors are working on alternative fund raising schemes with their tenants. The fact remains that the Board has to raise a further £200k to meet its obligations.

In closing, the Chairman urged those who have not contributed to do so as soon as possible, and undertook to keep all Proprietors updated on progress. He invited questions from the floor.

Patrick Creasey stated that he was keen to pay the fair and equitable share on behalf of the Lower Cassley, but his members needed to be better informed on the details of the Appeal. The Appeal Committee and the Chairman of the Cassley Proprietors undertook to provide the information required. He also stated that he was not keen to contribute and then also find an increase in assessment was levied because others had not given.

William Paterson asked whether a third party loan could be entered into, with repayments being made over a number of years.

Nicky Griffiths advocated bringing the Appeal out into a wider domain. She was involving all her tenants and river workers and felt the collaborative approach was a productive route to pursue.

The Clerk pointed out that when the Board leased the Corriemulzie Nettings, the annual rent was £11,500. This sum had regularly been included within the accounts and could be allocated towards future interest on borrowings.

Pete Campbell, as a member of the Fund Raising Committee (along with Richard Sankey and the Clerk) stressed that there is an ongoing effort to raise the target amount. It was acknowledged that most of the funds raised so far had come from Proprietors but that the potential from tenants is one that should be pursued.

The Chairman reminded the meeting that the Board has a contractual obligation to meet the agreed payments for the Netting Stations purchased to date. The Fund Raising Committee will continue its work but the Board will need to decide on how any shortfall will be funded.

Hugh Macfarlane stressed that the Board should have the mandate to proceed to resolve this matter, and all present agreed.

2. OPERATIONAL MATTERS

Richard Sankey (RS) explained that since the departure of the Director, Hugh Mackenzie, Head Bailiff, had been reporting to RS. This had worked well and bode well for future restructuring of the Board.

- **Fishery Protection.** The bailiffing service had been carried out with the usual anti-poaching and net checking rotas being assessed on a weekly basis.
- **Electo-fishing.** 74 sites had been surveyed and electro-fished. Data is being saved within the Board Office. Ongoing scale sampling has continued.
- **Smolt Trapping.** The use of the 4 Rotary Screw Traps and the permanent trap on the Grudie had continued. The latter was being in poor condition and will be the subject of a Health and safety Report. The smolt run had been later than usual though the smolts were in good condition. As usual, the traps on the watercourses leading from Loch Shin yielded many escaped farmed fish, all of which were sent to Marine Scotland for analysis.
- **Kincardine and Grudie Hatcheries.** Smaller numbers of better quality fish were raised, with a mortality of less than 4%. Credit was given to Hugh Mackenzie for his management of this enterprise.
- **UDN.** The Board staff and many of the Ghillies are taking part in a 3 year study into UDN funded by Stirling University. All those participating have been trained in tissue sampling techniques.
- **Freshwater Pearl Mussels. (FWPMs)** The Board is a partner in the Pearls in Peril project; a national initiative involving all Scotland's Boards and headed by SNH. The Kyle Catchment includes two Special Areas of Conservation (SACs) for FWPMs, namely on the Oykel and the Evelix.
- **Non Native Invasive Species.** Board staff has been tacking Himalayan Balsam on the River Evelix and Japanese Knotweed in other parts of the catchment. RS urged Proprietors and Ghillies to take this matter seriously, as left unchecked, these invasive plants will have a negative impact on fish ecology.

- **Statutory Consultations.** Considerable time has been spent on responding to applications for Wind Farms, Hydro Schemes and Forestry Planting Programmes, as well as a Planning Applications for fish farming operations on Loch Shin.

Finlay McCulloch asked for an update on the proposal to remove the barrier to fish migration on the River Diebidale. RS reported that a meeting was taking place on the 2nd October with representatives of SEPA. An application has been made to the River Restoration Fund in order to put forward plans to reconnect the upper and lower sections of the river. This scheme, previously run by SEPA is now administered by RAFTS and the signs are that their Officer is giving this project a high priority.

Pete Campbell, who has been representing the Kyle Trust in progressing the matter, confirmed that an application for a Scoping Study has been lodged. This will look at all the engineering costs required to remove the existing dam and lochs. The results of this study should be in before the October 2nd meeting, and will be the trigger for approval of the Scoping Study.

William Thomson reminded all present of the need for close involvement with Proprietors, Tenants and any other interested parties. The recent scheme to remove a dam on the Evelix had been handled very badly, with poor communication resulting in many aspects of the project being mismanaged.

3. FINANCE. ANNUAL ACCOUNTS

The Clerk introduced the Audited Accounts for the year ending May 31st 2013.

The Accounts showed an operating loss of £85,869 for the year.

Income for the year had increased due to £46,000 being received for unbudgeted Miscellaneous Income. This was due to a refund from the Trust for two years work carried out by Board staff.

Expenditure had also increased for the following reasons.

- **Wages and Salaries.** The figure for full time staff shows an increased figure of £111,632 as opposed to the previous year's figure of £72,835. The reason for this increase is primarily down to the severance payment made to the outgoing Director.
- **Hatchery Improvement and Maintenance.** The figures shown are substantially higher than in previous years due to essential repairs to the water supply pipeline, and the hatchery itself. The improvements have greatly improved the welfare of

- the hatchery stock and enabled newly established management procedures to be implemented.
- **Unrecovered VAT.** This accounted for £56,877 and primarily relates to the purchase of the Corriemulzie Netting Stations, where the VAT on the entire purchase price was levied at the outset. There was no other way to stagger this payment.

The Chairman raised the issue of how the value of the recently acquired Netting Station was shown in the Annual Accounts by the Auditors. As the Netting Stations were to be closed down, their value would effectively become zero. After discussion, it was agreed that the capital value should be written off over a 5 year period, and the Clerk was instructed to advise the Auditors of this change. Accounts with these amendments would be circulated to all Proprietors and posted on the Kyle Fisheries Website.

4. ANY OTHER BUSINESS

Nin Vesty asked whether the Management changes proposed by the Board could be afforded, at a time when there was a shortfall in the funds for the Netting Buyout Appeal and no funds held on deposit.

After a brief discussion, the Chairman reassured the meeting that the running costs of the newly formed Kyle Fisheries would be similar to the existing costs, excluding the possible future appointment of a Biologist.

It was agreed to proceed as planned.

The Meeting closed at 11.40 am.

5. DATE OF NEXT ANNUAL GENERAL MEETING

Next years meeting will be held on **Friday 19th September 2014.**