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**MINUTE**

**Public**

**Shetland Charitable Trust  
Council Chamber, Town Hall, Lerwick  
Thursday 8 September 2011 at 10.00am**

**Present:**

W H Manson	A J Cluness
A T J Cooper	A T Doull
F B Grains	R S Henderson
J H Henry	C H J Miller
R C Nickerson	V Nicolson
J H Scott	J G Simpson
C L Smith	J W G Wills

**Apologies:**

L Angus	A G L Duncan
E L Fullerton	I J Hawkins
A J Hughson	F A Robertson
G Robinson	

**In Attendance (Officers):**

A Black, General Manager - SCT  
J Goddard, Financial Controller – SCT  
M Anderson, Principal Officer - SCT  
L Fraser, Accountant - SCT  
L Geddes, Committee Officer - SIC

Also:

J Shaw, NHS Shetland

**Chairman:**

W H Manson, Chairman of the Trust, presided.

**Circular:**

The circular calling the meeting was held as read.

**Declarations of Interest:**

Agenda Item 5 – District Heating Scheme – Monitoring Report 2011

Mr R C Nickerson, Mr R S Henderson and Mr J H Henry declared an interest in the above as Directors of SHEAP.

**Minutes:**

The minutes of the meeting held on 23 June 2011, and special meeting held on 6 July 2011, were agreed on the motion of Dr J W G Wills, seconded by Mr J G Simpson.

50/11

**Shetland Charitable Trust: Annual Report and Accounts for the Year to 31 March 2011**

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

The Financial Controller summarised the main terms of the report. In response to a query, he advised that the current value of local investments was around £40 million, and that they generally met the average return target of 5% plus inflation.

The General Manager also confirmed that Shetland Arts Development Agency was involved in the referral process for the Arts Grant Scheme, and agreed to see if she could source figures relating to the element of the Shetland Churches Council Trust grant that was used for proselytising.

It was suggested that some management salary levels in both the Trust and its funded bodies had been based on equivalent posts in the Council, and it was questioned if these were being reviewed given that the Council was now reviewing its management staffing costs. It was also suggested that consideration should now be given to removing the Islands Allowance element of posts, as this would generate additional income for the Trust.

Some Trustees felt that it was important that Islands Allowance and salary levels were retained in order to help attract the best people into posts, and to help retain people in posts in the face of competition from the oil industry.

The Chairman explained that Trust-funded bodies were independent, and therefore the terms and conditions of employees were a matter for the bodies themselves. Whilst some mirrored the Council's terms and conditions for employees, others did not. However these bodies were being pressed to work as efficiently as possible, and a later agenda item was proposing cash standstill budgets for the next three years for these organisations. This would mean that they would have to look at their expenditure levels carefully and take issues like these into consideration.

The Trust approved the recommendations in the report on the motion of Mr A J Cluness, seconded by Mrs C H J Miller.

*(Mr J G Simpson left the meeting)*

51/11

**Investment Monitoring – Shetland Leasing and Property Developments Limited (SLAP)**

The Trust noted a report by the Financial Controller (Appendix 2).

52/11

**Three-Year Budgeting**

The Trust considered a report by the Financial Controller (Appendix 3).

The Financial Controller summarised the main terms of the report advising that there were still some details to be worked out, but that the proposal to move towards three-year funding packages would be welcomed by the funded bodies. In response to a query, he advised that he was of the view that the overall expenditure budgets of £11 million for each of these years was currently affordable, and that the appropriate time to take further stock of this would be towards the end of the three-year period.

In response to a query, the General Manager said that there were still some details that would have to be progressed with the funded bodies, but it was hoped to offer them as much flexibility as possible with regard to carrying funding forward from year to year.

On the motion of Mr A J Cluness, seconded by Mrs C H J Miller, the Trust approved the recommendations in the report.

53/11

### **Future Governance Arrangements of Shetland Charitable Trust**

The Trust noted a report by the General Manager (Appendix 4).

The General Manager advised that a special meeting of SCT would take place on 21 September to discuss the recommendations of the Governance Review Group.

Some concern was expressed regarding the time allowed for public consultation, whether there were still outstanding legal issues relating to the fact that Trustees are not currently appointed to the Trust, and whether Trustees would be presented with a range of options for consideration.

It was noted that this would form part of the debate at the special meeting, and that any proposals would have to be advertised on OSCR's website for a period of not less than 28 days and not more than 42 days for public comment.

54/11

### **District Heating Scheme – Monitoring Report 2011**

The Trust noted a report by the Financial Controller (Appendix 5).

The Financial Controller summarised the main terms of the report, pointing out that the Scheme was close to a point where it would cease to expand, unless alternative heat sources can be identified, and the requirement for infrastructure will reduce considerably.

In response to queries, he confirmed that the incinerator burned the same quantity of waste each year, some of it coming from outwith Shetland. There were no current figures available regarding how many customers were in fuel poverty, but the tariff was less expensive and there were payment schemes in place.

It was noted that the Board intends to keep prices for customers lower than other energy providers. However as SHEAP was funded from community funds, it was suggested that the margin between the Scheme tariffs and other heating source tariffs should not be allowed to grow too wide.

55/11 **Management Accounts – Three Months Ended 30 June 2011**  
The Trust noted a report by the Financial Controller (Appendix 6).

56/11 **Fund Manager Transactions**  
The Trust noted a report by the Financial Controller (Appendix 7).

57/11 **Recommended Disbursements - Approvals**  
The Trust noted a report by the General Manager (Appendix 8).

58/11 **Recommended Disbursements – Social Care**  
The Trust noted a report by the General Manager (Appendix 9).

**In order to prevent the disclosure of exempt information, Mr W H Manson moved, Mr C L Smith seconded, and the Trust resolved, in terms of the relevant Regulations, to exclude the public during consideration of the remaining items of business.**

*(The media and public left the meeting)*

59/11 **Psychological Therapies Update**  
The Trust noted a report by the General Manager .

60/11 **List of Deeds Executed**  
The Trust noted a report by the General Manager.

61/11 **Sums Due But Unpaid Over One Month Old as at 31 July 2011**  
The Trust noted a report by the Financial Controller.

The meeting concluded at 11.10am.

CHAIRMAN