
MINUTES**Public**

**Shetland Charitable Trust
Room 12, Islesburgh Community Centre, Lerwick
Thursday 11 September 2014 at 10.00am**

Present:

B Fullerton	R Henderson
C Hughson	B Hunter
I Kinniburgh	A Manson
K Massey	S Morgan
I Napier	J Smith
A Westlake	J Wills

Apologies:

M Bell	A Duncan
D Ratter	

In Attendance (Officers):

A Black, Chief Executive - SCT
K Eunson, Accountant - SCT
E Mainland, Office Administrator – SCT
M Duncan, External Funding Officer - SIC
L Geddes, Committee Officer - SIC

Chair:

Mr Hunter, Chair of the Trust, presided.

Circular:

The circular calling the meeting was held as read.

Declarations of Interest**Agenda Item 2 – Process for Reappointment or Recruitment of Appointed Trustees**

Mr Smith, Mrs Hughson, Mr Kinniburgh and Mr Hunter declared an interest in the above item as Trustees who will require to be reappointed. They advised that they would take no part in the discussion.

Agenda Item 8 – Service Performance of Funded Organisations – Year Ending 31 March 2014

Mrs Hughson and Mr Kinniburgh declared an interest in the above item.

Dr Wills declared an interest in the above item as a Trustee of Shetland Amenity Trust.

Mr Morgan declared an interest in the above item, advising that he carried out some financial monitoring for some voluntary sector groups, but not directly in relation to SCT funding.

Minutes

The minutes of the meeting held on 26 June 2014 were confirmed on the motion of Dr Wills, seconded by Mr Henderson.

31/14 **Shetland Charitable Trust Annual Report and Accounts for the year to 31 March 2014**

The Trust considered a report by the Chief Executive (CT1409042) which presented the Annual Report and Accounts for the year to 31 March 2014.

Mrs Fullerton, Chair of the Audit and Governance Committee, advised Trustees that KPMG had noted how well the process of auditing the accounts had gone, commenting that it was 'clean' set of accounts, and she thanked the staff involved in the production of the accounts. Some audit risks had been highlighted regarding assumptions in relation to pension levels and investments, but no issues had been raised. This was the first year the Trust's subsidiary companies had undertaken to complete their own accounts, and some adjustments had been identified. However this position should improve next year.

On the motion of Dr Wills, seconded by Mr Morgan, Trustees approved the recommendations in the report.

Decision:

The Trust:

- approved the Annual report and Accounts for the year to 31 March 2014;
- authorised the Chairman and Vice Chairman to sign the accounts;
- authorised the Chairman to sign the Letter of Representation; and
- noted the summary report from KPMG LLP, the Trust's auditors.

The Chair advised that he would take no part in the following discussion, as he was one of the Trustees who would require to be reappointed. He accordingly vacated the Chair, and Dr Wills assumed the Chair for the following item:

32/14 **Process for Reappointment or Recruitment of Appointed Trustees**

The Trust considered a report by the Chief Executive (CT1409029) which sought approval of the process for the appointment, recruitment and selection of Appointed Trustees.

The Chair advised that the purpose of the report was to approve a process for the reappointment, recruitment and selection of Appointed Trustees. In addition to Recommendation 8.1, it was requested that a further recommendation 8.2 was inserted, as follows:

“Trustees agree:

(a) to nominate two Trustees to sit on the Selection Panel, and

(b) to appoint an Independent Chair for the Selection Panel”.

He suggested to Trustees that any discussion in relation to 8.2(b) above, if approved, should take place during consideration of the private agenda items, and thereafter a press release would be issued detailing the decision taken.

Trustees agreed.

Mr Henderson moved that in order to provide continuity, Dr Wills, Vice-Chair of the Trust, and Mrs Fullerton, Chair of the Audit and Governance Committee, should be nominated to sit on the Selection Panel.

Mr Morgan seconded.

Dr Wills and Mrs Fullerton advised that they accepted the nominations.

Decision:

The Trust agreed:

- the process for re-appointment of Appointed Trustees for a second term;
- the process for appointment of Appointed Trustees, if required, for a first term, as per Paragraph 4 of the said Schedule of Governance;
- to nominate Dr Wills and Mrs Fullerton to sit on the Selection Panel,
- to appoint an Independent Chair for the Selection Panel.

Mr Hunter assumed the Chair.

33/14

Financial Hardship Scheme – Additional Funding

The Trust noted a report by the Chief Executive (CT1409030) which requested approval of additional funding to meet the requirements of the Financial Hardship Scheme (formerly known as the Christmas Grant Scheme).

Dr Wills moved that Trustees approve the recommendation in the report, noting that it was in line with the policy to target the funding at those most in need. Mrs Fullerton seconded.

Trustees expressed their thanks to the Citizens’ Advice Bureau and the Council’s Social Care staff for their assistance in identifying potential recipients.

Decision:

The Trust approved additional funding of up to £57,000 to enable the Financial Hardship Scheme to be completed.

34/14

Amendment to Administrative Regulations

The Trust considered a report by the Chief Executive (CT1409031) which sought amendment to the Trust's Administrative Regulations to reflect the procedure to be adopted when there is a conflict of interest between the Trust and the Council.

The Chief Executive advised that Turcan Connell had been involved with the wording of the amendment to the Administrative Regulations, and that it formalised processes that were already in place.

On the motion of Mr Smith, seconded by Mrs Fullerton, Trustees approved the recommendation in the report.

Decision:

The Trust approved the amendment to the Administrative Regulations.

35/14

Risk Management – Annual Review

The Trust considered a report by the Chief Executive (CT1409032) which presented the new Risk Management Assessment, and sought agreement of the potential risks which have been identified, the likelihood of them occurring, the severity of impact (should they occur), and the actions which identify the steps which need to be taken to mitigate those risks.

Mrs Fullerton, Chair of the Audit and Governance Committee, outlined the process that had been taken to review the risks to the Trust, highlighting that the five main risks were at governance level.

It was noted that a great deal of work had been carried out in relation to Risk 1 "To ensure that the Charitable Trust operates with good governance", but it had been left as 'amber' for the moment. It was suggested that Risk 5 "To ensure good governance of SCT's subsidiary companies" could be addressed by having annual presentations from the subsidiary companies.

The Chair pointed out that the subsidiary companies did give presentations to the Trust, and that performance was reported on an annual basis. It was also noted that the risk related to ensuring that there was a sufficient level of ongoing knowledge by all Trustees, and it was questioned whether an annual presentation would be the best way to achieve this.

On the motion of Mr Henderson, seconded by Dr Wills, Trustees approved the recommendation in the report.

Decision:

The Trust approved the Risk Management Assessment.

36/14

Substance Misuse Policy

The Trust considered a report by the Chief Executive (CT1409033) which sought approval and adoption of an updated Substance Misuse Policy, Procedures and Guidelines.

On the motion of Mrs Fullerton, seconded by Dr Wills, Trustees approved the recommendation in the report.

Decision:

The Trust approved and adopted the Substance Misuse Policy, Procedures and Guidelines.

37/14

Management Accounts – Three Months Ended 30 June 2014

The Trust noted a report by the Chief Executive (CT1409034) which presented the Trust's Management Accounts to the end of June 2014.

It was suggested that efforts should be made to renegotiate the rental income for the Sullom Voe site.

Decision:

The Trust noted the satisfactory financial performance to June 2014, as shown in the Management Accounts.

38/14

Service Performance of Funded Organisations – Year Ending 31 March 2014

The Trust considered a report by the Chief Executive (CT1409035) which presented information regarding the services provided by the various organisations to which the Trust provided funding.

In response to a query, the External Funding Officer advised that the Shetland Accordion and Fiddle Festival (SAFF) had not had the capacity to carry out a satisfaction survey, but that they had been advised that they should carry this out. SAFF intend to carry out a survey at its 2014 Festival. The Shetland Folk Festival (SFF) carried out a survey every second year, and this was found to be manageable as it was a large piece of work. Satisfaction surveys were helpful in terms of assessing the economic impact to the community, and help when attempting to access external funding. The difference in funding received by the SAFF and SFF was historic. Whilst the SAFF received less funding in cash terms than SFFS, its funding was proportionally greater in terms of overall turnover.

In response to further queries, he went on to confirm that the target set in relation to the telephone befriending service for the Royal Voluntary Service (RVS) was one which was previously set by their head office, and there appeared to be no demand for the service locally. The telephone befriending service was no longer available, but the RVS staff were in regular contact with their clients. He also advised that SRT had recently installed a new computer system which meant that the recording of usage figures, particularly in rural centres, was much more accurate and data was now being consistently gathered.

Trustees congratulated staff at the Citizens' Advice Bureau for their work in securing benefits for those entitled to receive them.

Decision:

The Trust:

- Considered the content of Appendix A to the report;

- Highlighted issues or areas that required further clarification; and
- Noted the satisfactory service performance of the organisations that received funding from Shetland Charitable Trust.

39/14 **Fund Managers Transactions**

The Trust noted a report by the Chief Executive (CT1409036) which provided details of Fund Manager transactions to 31 July 2014.

Decision:

The Trust noted the contents of the report.

40/14 **Recommended Disbursements – Approvals**

The Trust noted a report by the Chief Executive (CT1409037) which presented the recommended disbursements – approvals.

Decision:

The Trust noted the approvals listed in paragraphs 2.1 and 3.1 of the report.

41/14 **Capital Works Bridging Loan Scheme**

The Trust noted a report by the Chief Executive (CT1409038) which provided an update regarding the Capital Works Bridging Loan Scheme.

The Chief Executive advised that another two applications had been received and were currently being dealt with.

Decision:

The Trust noted the contents of the report.

In order to prevent the disclosure of exempt information, Mr Hunter moved, Dr Wills 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 left the meeting)

Prior to discussion of the remaining agenda items, Trustees agreed to further consider the appointment of an Independent Chair for the Selection Panel with regard to the reappointment and recruitment of appointed Trustees.

Mr Hunter vacated the Chair, and Dr Wills assumed the Chair.

Following some discussion, the Trust agreed to the appointment of an Independent Chair, with a reserve candidate should the first choice be unavailable to take up the appointment.

Mr Hunter assumed the Chair.

42/14 **Loans to Local Industry – Sums Due But Unpaid Over One Month Old as at 31 July 2014**

The Trust noted a report by the Chief Executive.

Decision:

The Trust noted the report.

43/14

Loans to Local Industry – Agricultural Loan Scheme Update

The Trust noted a report by the Chief Executive.

Decision:

The Trust noted the decisions described in the report.

44/14

Appointment of Directors to Shetland Leasing and Property Developments Ltd (SLAP) and Shetland Heat Energy and Power Limited (SHEAP)

The Trust considered a report by the Chief Executive.

Decision:

The Trust approved the contents of the report.

45/14

Update from Subsidiary Companies

The Chair provided a verbal update to Trustees.

The meeting concluded at 10.45am.

.....
CHAIR