

MINUTES**Public**

**Shetland Charitable Trust
Boardroom, Shetland Charitable Trust, 22-24 North Road, Lerwick,
and remotely via Zoom
Thursday 16 September 2021 at 11.00am**

Present:

A Cooper	K Harrison
Y Hopkins	R C Leask
R M Leask	R Leith
E Miller	I Napier
A Ockendon	M Roberts

Apologies:

J Garriock

In Attendance (Officers) (via Zoom)

A Black, Chief Executive – SCT
R Mainland, Executive Business Manager – SCT

In Attendance (Officers) (22-24 North Road)

E Flaws, Administration Manager - SCT
K Cluness, Administration and Finance Assistant - SCT
L Geddes, Committee Officer – SIC

Also:

J Robertson, Media Adviser

Chair:

Dr Cooper, Chair of the Trust, presided.

Circular:

The circular calling the meeting was held as read.

Declarations of Interest:

Mr Harrison declared a non-financial interest in Agenda Item 9 “Service Performance of Funded Organisations – Year Ending 31 March 2021” as a Trustee of Mind Your Head.

Minutes:

The minutes of the meeting held on 3 June 2021 were confirmed on the motion of Mr Leith, seconded by Mr R M Leask.

19/21

Shetland Charitable Trust Annual Report and Accounts for the year to 31 March 2021

The Trust considered a report by the Chief Executive (CT2109015) presenting the Trust's Annual Report and Accounts for the year to 31 March 2021.

The Executive Business Manager advised that the accounts were very similar to those that had been considered at the June meeting, and that there had been adjustments to the pension deficit figures since then. The audit process had been very smooth and there had been a 'clean' audit. The Trust's reserves currently stood at nearly £457 million – an increase of £141.1 million from last year. This was entirely down to the extraordinary performance of the external funds invested on the markets,. The Investment Plan agreed by the Trust in 2016 and the performance of Baillie Gifford in particular over the period, meant that the Trust had been well-placed to take advantage of the gains over the year. It was worth noting that growth had been above benchmark over the whole five-year period. Expenditure had been £10.5 million compared to £9.4 million last year, but this reflected the agreed increased disbursements and the one-off grant for the MRI scanner. The administration and governance budget had been underspent by £150,000 - partly due to the pandemic and partly due to good budget management. The Financial Plan would be considered later on the agenda.

The Chair paid tribute to the officers in managing the Trust's financial affairs, and the efficiency and accuracy of the work that was being carried out.

On the motion of Ms Roberts, seconded by Ms Hopkins, Trustees approved the recommendation in the report.

Decision:

The Trust:

- a) approved the Annual Report and Accounts for the year to 31 March 2021 attached as Appendix A;
- b) authorised the Chair and the Vice Chair to sign the accounts;
- c) authorised the Chair to sign the Letter of Representation reproduced as Appendix C;
- d) noted the summary report from RSM UK Audit LLP, the Trust's auditors, attached as Appendix B.

20/21

Financial Plan 2020-2025

The Trust considered a report by the Chief Executive (CT2109016) presenting the Trust's Financial Plan for 2020-2025.

The Chief Executive advised that as the Trust's target had been reached early, the Plan had been updated to take account of the growth in funds and how it was planned to spend the additional money going forward.

In response to a question, the Executive Business Manager advised that the budget set previously had been for the Trust's Small Grant Scheme, Main Grant Scheme, Administration and Governance costs and the Trust's investment

expenses. The Trust's Capital Grant Scheme had now been added in, and investment fees had increased, so the uplift of £4.6 million took account of this.

On the motion of Mr R M Leask, seconded by Mr Leith, Trustees approved the recommendation in the report.

Decision:

The Trust considered the recommendation of the Investment Advisory Committee, and approved the Financial Plan 2020-2025, set out in Appendix A.

21/21

Disbursement Plan 2020-25

The Trust considered a report by the Chief Executive (CT2109017) presenting the Trust's Disbursement Plan 2020-25.

The Chief Executive advised that the Plan had been revised to include the new Capital Grant Scheme, in addition to the Main Grant Scheme and Small Grant Scheme. She also pointed out that paragraph 3.5 of the report should read "...the new Capital Grant Scheme...".

In response to a question, she advised that it was anticipated that the Capital Grant Scheme and the Main Grant Scheme would be oversubscribed and that the money would be spent. Not all of the money in the Small Grant Scheme had been spent, and funding would not be carried over.

On the motion of Dr Napier, seconded by Mr Harrison, Trustees approved the recommendation in the report.

Decision:

The Trust considered the recommendation of the General Purposes Advisory Committee, and approved the revised Disbursement Plan 2020-25, attached as Appendix A to the report.

22/21

Investment Performance Update – Three Months to 30 June 2021

The Trust noted a report by the Chief Executive (CT2109018) outlining investment performance in the three months to 30 June 2021.

The Executive Business Manager advised that there had been significant gains in the first quarter, but markets had now stabilised. Baillie Gifford had still been driving the return over the first quarter, and property investments also appeared to have rebounded over the period.

Decision:

The Trust noted the report.

23/21

Management Accounts – Three Months to 30 June 2021

The Trust noted a report by the Chief Executive (CT2109019) presenting the Management Accounts for the three months to 30 June 2021.

Decision:

The Trust noted the Trust's satisfactory financial performance in the three months ended 30 June 2021, as shown in the Management Accounts in Appendix A to the report.

24/21

Capital Works Bridging Loan Scheme

The Trust noted a report by the Chief Executive (CT2109020) presenting an update of the Capital Works Bridging Loan Scheme.

The Chief Executive advised that paragraph 3.3 of the report should read that there were five loans remaining active. There had been significant increase in interest in this scheme due to the availability of Crown Estate funding, and there may be a need to request an uplift in the budget. Two potential projects being considered at the moment would take the Scheme over budget if no repayments were received in the meantime.

In response to a question, she confirmed that recipients were expected to acknowledge assistance from the Trust.

Decision:

The Trust noted the report.

In order to prevent the disclosure of confidential information, Dr Cooper moved, Ms Miller seconded, and the Trust resolved, in terms of the relevant Regulations, to exclude the public during consideration of the following items of business.

25/21 **External Investment Review**

The Trust considered a report by the Chief Executive.

The Chief Executive summarised the main terms of the report.

On the motion of Dr Napier, seconded by Mr Leith, Trustees approved the recommendation in the report.

Decision:

The Trust approved the recommendations in the report.

26/21 **Shetland Heat Energy and Power Limited (SHEAP)**

The Trust noted a report by the Chief Executive.

Decision:

The Trust noted the report.

27/21 **Service Performance of Funded Organisations – Year Ending 31 March 2021**

The Trust noted a report by the Chief Executive.

Decision:

The Trust noted the report.

28/21 **Update from Chairs of Advisory Committees**

The Trust noted updates from the Chairs of the Advisory Committees.

29/21 **Update from Subsidiary Companies**

The Trust noted the updates from the subsidiary companies.

The meeting concluded at 11.40am.

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CHAIR