

MINUTES**Public**

**Shetland Charitable Trust
Boardroom, Shetland Charitable Trust, 22-24 North Road, Lerwick,
and remotely via Zoom
Thursday 25 November 2021 at 11.00am**

Present:

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

Apologies:

J Garriock	Y Hopkins
R C Leask	

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:

None

Minutes:

The minutes of the meeting held on 16 September 2021 were confirmed on the motion of Mr Leith, seconded by Ms Miller.

30/21

Budget

The Trust considered a report by the Chief Executive (CT2111024) seeking approval of the recommended budget of £18,820,000 for 2022/23.

In response to a question, the Executive Business Manager advised that the Trust had previously approved a contingency of £1.3million for the Main Grant Scheme for organisations which were heavily reliant on trading income. This was approved for 2021/22 only as it was expected that the organisations would need time to recover from the COVID-19 pandemic. However, it had been demonstrated over the past year that the organisations were recovering, so it was not intended to make any further contingency funding available.

The Chief Executive also pointed out that the Capital Grant Scheme budget was higher in year one as the requests for funding were front loaded in the first year of the three year scheme. However, it will not remain at this level moving forward as the budgets available for years two and three will be less. There would be potential carry-forwards following on from budget approvals as all the works may not be completed as scheduled.

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

Decision:

The Trust approved:

- a) budgeted income of £500,000 as detailed in Section 4
- b) budgeted disbursements of up to £16,400,000 as detailed in Section 5
- c) budgeted management and administration expenses of £680,000 as stated in Section 6
- d) budgeted investment management expenses of £1,740,000 as stated in Section 7.

31/21

Schedule of Meetings 2022

The Trust considered a report by the Chief Executive (CT2111025) seeking approval of the schedule of meetings for 2022.

It was suggested that there should be a presumption of returning to face-to-face meetings as soon as circumstances allowed, and that remote meetings should not continue any longer than necessary.

The Chief Executive advised that there were logistical issues regarding holding face-to-face meetings in the office, but it would be discussed further.

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

Decision:

The Trust considered the recommendation of the Audit and Governance Advisory Committee, and adopted the diary of meetings set out at 3.1 in the report for 2022.

32/21

Capital Works Bridging Loan Scheme

The Trust considered a report by the Chief Executive (CT2111026) seeking approval to increase the maximum loan capital available at any one time under the Capital Works Bridging Loan Scheme to £1.5million.

Responding to questions, the Chief Executive advised that the proposed increase was as a result of the success of the Scheme. She also confirmed that the Trust was notified when funding would be required, and this was included in the Trust projected cashflows. It could be withdrawn from the markets if necessary, but this had not been required so far. As organisations were repaying money they had been lent, there was also money coming in as well as going out. She went on to say that discussions were taking place in respect of two significant projects that may require loans and this is the reason for seeking an increase to the maximum budget for the Scheme.

It was pointed out that there may be an increase in demand as a result of organisations seeking to progress schemes via the Crown Estate and Community Benefit Fund.

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

Decision:

The Trust considered the recommendation of the General Purposes Advisory Committee and approved an increase in the maximum loan capital available at any one time under the Capital Works Bridging Loan Scheme to £1.5million.

33/21

Investment Performance Update – Six Months to 30 September 2021

The Trust noted a report by the Chief Executive (CT2111027) outlining investment performance in the six months to 30 September 2021.

The Executive Business Manager advised that the figures over the last six months were similar to those at the end of the previous quarter. The return on the Trust's investments over the six-month period was 10.6%, which was a very good return. It had been an extraordinary year last year, and market returns were now coming back to levels more in line with the recent past. Equity markets continued to perform well, and property markets had started to recover again.

In response to a question, he confirmed that there was some debate as to the effect that inflation would have on the markets and whether the inflation seen was temporary. Interest rates have not risen as much as predicted. Some growth-related stock valuations are likely to see a reduction as the effect of inflation impacts on their pricing. How long inflation stayed in the market would depend on how long supply chains take to get back to normal. The increase in energy costs was another pressure, and it was expected that there would be volatility over the winter as a result.

Decision:

The Trust noted the report.

34/21

Management Accounts – Six Months to 30 September 2021

The Trust noted a report by the Chief Executive (CT2111028) presenting the Management Accounts for the six months to 30 September 2021.

Decision:

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

35/21 **Capital Works Bridging Loan Scheme**

The Trust noted a report by the Chief Executive (CT2111029) presenting an update of the Capital Works Bridging Loan Scheme.

The Chief Executive advised that some organisations had requested extensions for their repayments, and the Trust was flexible with repayment terms where necessary. In response to a question, she confirmed that there had been no defaults to date, and that the Trust kept in regular contact with the organisations involved.

Decision:

The Trust noted the report.

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

(Ms Miller declared an interest in the following item, as the Swan Trust rent part of her office, and Mr Harrison declared an interest in the following item, as he was a Trustee of Mind Your Head).

36/21 **Main Grant Scheme 2022/23 – Approval of Disbursements**

The Trust considered a report by the Chief Executive.

The Chief Executive summarised the main terms of the report, and responded to questions from Trustees.

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

Decision:

The Trust considered the recommendations of the General Purposes Advisory Committee and approved the recommendations in the report.

37/21 **Shetland Women's Aid – Retention of Surplus Funds 2020/21**

The Trust considered a report by the Chief Executive.

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

Decision:

The Trust considered the recommendation of the General Purposes Advisory Committee and approved the recommendation in the report.

38/21 **Update from Chairs of Advisory Committees**

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

39/21 **Update from Subsidiary Companies**

The Trust noted an update from the subsidiary company.

The meeting concluded at 11.55am.

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CHAIR