
MINUTE

**Shetland Charitable Trust
Council Chamber, Town Hall, Lerwick
Thursday 23 June 2011 at 10.00am**

Present:

W H Manson	L F Baisley
A T J Cooper	A G L Duncan
F B Grains	R S Henderson
J H Henry	C H J Miller
R C Nickerson	F A Robertson
G Robinson	J H Scott
J G Simpson	C L Smith
J W G Wills	

Apologies:

L Angus	J Budge
A J Cluness	A T Doull
E L Fullerton	I J Hawkins
A J Hughson	V Nicolson

In Attendance (Officers):

A Black, General Manager - SCT
J Goddard, Financial Controller – SCT
C Ferguson, Head of Community Care - SIC
L Geddes, Committee Officer - SIC

Chairman:

W H Manson, Chairman of the Trust, presided.

Circular:

The circular calling the meeting was held as read.

Declarations of Interest:**Agenda Item 3: Viking Energy – Investment Budget for 2011/12:**

Mr W H Manson declared a non-financial interest as a Director of Viking Energy and advised that as the recommendations related to new funding, he could not participate in the debate and intended to leave the meeting during consideration of this item.

Mr A T J Cooper declared a non-financial interest as a Director of Viking Energy, and advised that he intended to leave the meeting during the discussion.

Mr C L Smith advised that he had never taken part in any debate regarding Viking Energy, and that he intended to leave the meeting during the discussion.

Mrs C H J Miller declared a non-financial interest as a Director of Viking Energy and advised that as the recommendations related to new funding, she could not participate in the debate and intended to leave the meeting during consideration of this item.

Dr J W G Wills declared a non-financial interest as an objector to the Viking Energy Windfarm, as he had objected on behalf of his constituents. He advised that he intended to take part in the debate and vote.

Mr R C Nickerson declared an interest as an SIC Councillor.

Mr A G L Duncan advised that after taking legal advice on two occasions, he felt that he had a conflict of interest and would leave the meeting during consideration of this item.

Mr G Robinson declared an interest on the same terms as Mr Duncan.

Mr F A Robertson declared a non-financial interest as he had voted against the Viking Energy Windfarm Project on planning grounds at a Shetland Islands Council meeting.

Agenda Item 10: Recommended Disbursements - Approvals

Mrs F B Grains declared an interest as Chair of the Scout Council.

The Chairman advised that due to the number of apologies received and the number of Trustees declaring their intent to withdraw, the meeting would be inquorate with regard to the consideration of Agenda Item 3: Viking Energy – Investment Budget. Therefore it would be withdrawn from today's agenda and reconsidered at a later date.

Minute:

The minute of the meeting held on 12 May 2011 was confirmed on the motion of Mr W H Manson, seconded by Mr C L Smith.

36/11 **Christmas Grants to Pensioners/Disabled Persons 2011**
The Trust considered a report by the General Manager (Appendix 1) and approved the recommendation contained therein on the motion of Dr J W G Wills, seconded by Mrs C H J Miller.

37/11 **Springfield Holiday Chalet Future Use**
The Trust considered a report by the General Manager (Appendix 2) and approved the recommendation contained therein on the motion of Mr G Robinson, seconded by Mr C L Smith.

The Chairman pointed out that should this operate successfully, the Trust could gift the chalet to the new partner on condition that it was returned to the Trust should it cease to be used for charitable purposes.

38/11 **Viking Energy – Investment Budget for 2011/12**

The above item was withdrawn from the agenda due to the fact that the meeting would be inquorate during any discussion on this matter.

39/11

Financial Plan 2012/13, 2013/14 and 2014/15

The Trust considered a report by the Financial Controller (Appendix 4).

The Financial Controller summarised the main terms of the report, advising that the Trust's long-term financial strategy was to use average investment growth above inflation on the Trust's reserves to support annual expenditure. He recommended that this long-term approach should continue, and that expenditure budgets should be set at no more than £11million for the next three years. He outlined the financial history and investment strategy of the Trust, advising that the last nine years had been spent getting back to a balanced position.

In response to queries, the Financial Controller explained that the £11million recommended for expenditure budgets was based on long-term stock market assumptions, and was affordable should these assumptions be correct. This would preserve the overall level of investments at £220million plus inflation, and he felt that the next three years should be a period of consolidation. The current policy was based on stock market returns producing 5% above inflation. If the target was changed to grow the Trust at inflation plus 2.5% per annum, this would result in the Trust's available funds being reduced to approximately £5.5million per annum. With regard to local investments, whilst these were performing well and helped stimulate the local economy, it was important that they were done for financial reasons. Social housing, for example, did not make money and should be considered only if grants came from outside bodies.

Some discussion took place with regard to ethical investments, and caution was also expressed regarding the fact that long-term investments reduce the ability of funds to make short-term returns. It was suggested that the Trust should consider adopting the "Shetland Brand" which had recently been relaunched, given the value of the Trust's investments to the local community. It was noted that the Trust did not have a budget for the replacement of buildings, and it was felt that this was something that should be considered in future.

Trustees noted that around £248million had been disbursed on charitable activities since 1974, and commented on this success and its value to the community. Officials were congratulated on their work in helping the Trust achieve a self-sustaining level of expenditure, and it was agreed that this strategy should continue.

On the motion of Mrs C H J Miller, seconded by Mr C L Smith, the Trust approved the recommendation in the report.

40/11

Future Governance Arrangements of Shetland Charitable Trust

The Trust noted a report by the General Manager (Appendix 5).

It was noted that the Governance Review Group had taken on board the suggestion that a range of options should be presented.

41/11 **Payments to Trustees in the Year to 31 March 2011**
The Trust noted a report by the Financial Controller (Appendix 6).

42/11 **Planned Maintenance Review**
The Trust noted a report by the General Manager (Appendix 7).

43/11 **Fund Manager Transactions**
The Trust noted a report by the Financial Controller (Appendix 8).

The Financial Controller advised that the current market value was now £178.1million.

44/11 **Management Accounts – Year Ended 31 March 2011**
The Trust noted a report by the Financial Controller (Appendix 9).

The Financial Controller summarised the main terms of the report, and advised that the final accounts would be presented for approval in due course.

45/11 **Recommended Disbursements - Approvals**
The Trust noted a report by the General Manager (Appendix 10).

46/11 **Recommended Disbursements – Social Care**
The Trust noted a report by the General Manager (Appendix 11).

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)

(Mr A G L Duncan left the meeting)

47/11 **Art Therapy Application for Funding**
The Trust considered a report by the General Manager (Appendix 12).

48/11 **Sums Due But Unpaid Over One Month Old as at 31 March 2011**
The Trust noted a report by the Financial Controller (Appendix 13).

The meeting concluded at 11.25am.

CHAIRMAN