
MINUTES**Public**

**Shetland Charitable Trust
Room 12, Islesburgh Community Centre, Lerwick
Thursday 12 September 2013 at 10.00am**

Present:

M Bell	A Duncan
B Fullerton	B Hunter
I Kinniburgh	A Manson
K Massey	I Napier
D Ratter	J Smith

Apologies:

R Henderson	C Hughson
S Morgan	A Westlake
J Wills	

In Attendance (Officers):

A Black, Chief Executive - SCT
L Fraser, Accountant - SCT
A Johnston, Senior Assistant Accountant - SCT
E Mainland, Office Administrator – SCT
L Geddes, Committee Officer - SIC

Also:

M Duncan, Grants Co-ordinator - SIC
A Taylor, Team Leader – Development Plans & Heritage - SIC

Chair:

Mr Hunter, Chair of the Trust, presided.

Circular:

The circular calling the meeting was held as read.

Declarations of Interest

Mr Duncan advised that he would withdraw from the meeting during discussion of Agenda Item 11 “Loans to Local Industry – Sums Due But Unpaid Over One Month Old as at 31 August 2013” due to a close family relationship.

He also declared an interest in Agenda Item 4 “Management Accounts – Three Months Ended 30 June 2013” as a Director of Voluntary Action Shetland (VAS).

Minutes

The minutes of the meeting held on 27 June 2013, were confirmed on the motion of Mr Massey, seconded by Ms Manson.

Shetland Charitable Trust Annual Report and Accounts for the Year to 31 March 2013

The Trust considered a report by the Chief Executive (CT1309043), which presented the Annual Report and Accounts for the year to 31 March 2013.

The Chair advised that it had been a year of significant change for the Trust and he thanked staff for the work they had carried out during this period and Mr Ratter, the previous Chair, for his assistance since he had taken over as Chair. The Trust's funds had increased by £15.9million, with total incoming resources of £12.3million. However expenditure was £13.6million, so the resulting deficit was something that would have to be considered.

The Chief Executive advised of an amendment to the accounts. At the time the report had been circulated, the tax on ordinary activities for SHEAP had not been finalised. This work had now been completed and there was a final figure of £14,000, which resulted in a decrease in the consolidated statements of financial activities by £14,000. This decrease in funds was also reflected in the consolidated balance sheet.

In response to a query, the Chief Executive said that consideration would be given to presenting the accounts in a simpler format in future years.

It was noted that the auditors had indicated that they were happy with the audit they had conducted and had thanked staff for their assistance and co-operation, whilst acknowledging the difficult year they had had.

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

Decision:

The Trust agreed to:

- Approve the Annual Report and Accounts for the year to 31 March 2013
- Authorise the Chairman and Vice Chairman to sign the accounts
- Authorise the Chairman to sign the letter of Representation reproduced as Appendix B (2)
- Note the summary report from KPMG LLP, the Trust's auditors

Health and Safety Policy

The Trust considered a report by the Chief Executive (CT1309044), which sought approval of an updated Health and Safety Policy.

The Chief Executive advised that there were a number of minor changes to the Policy which reflected changes in personnel, roles and responsibilities.

It was suggested that the Trust should consider actively promoting a safety culture amongst all the other organisations it was affiliated with.

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

Decision:

The Trust approved the adoption of the Health and Safety Policy, Procedures and Guidelines.

45/13

Risk Management – Annual Review

The Trust considered a report by the Chief Executive (CT1309045), which presented the Risk Management Assessment and sought agreement on the potential risks identified, the likelihood of them occurring, the severity of impact (should they occur) and the action lists which identified the steps which need to be taken to mitigate those risks.

The Chief Executive pointed out that the Audit and Governance Committee had undertaken to look at the format of the document, so it was a work in progress.

Mrs Fullerton, Chair of the Audit and Governance Committee, outlined the work that was being undertaken regarding risk management and advised that it was hoped to hold a development session for Trustees on 5 November.

It was suggested that in order to mitigate risks related to the security of assets, unannounced internal audit checks or inspections in relation to security could be added to the list of mitigating actions referred to on page ten of the appendix.

The Chief Executive said that a number of mitigating measures had already been taken with regard to security, but further measures could be looked at during the development session for Trustees. In response to a query regarding whether insurance cover should be reviewed more often than annually, she went on to explain that most insurances were dealt with on an annual basis. The Trust had a Service Level Agreement in place regarding insurance, and she did not feel that Trust staff would have the expertise to source the best deal by themselves.

On the motion of Ms Manson, seconded by Mrs Fullerton, Trustees approved the recommendations in the report.

Decision:

The Trust agreed to:

- Approve the Risk Management Assessment
- Note that progress on the actions will be reported to Trustees from time to time
- Note that the major risks, to which the charity is exposed, as identified by Trustees, have been reviewed and systems have been established to mitigate those risks

(Mr Smith declared an interest in the following item as the Chair of COPE)

46/13

Management Accounts – Three Months Ended 30 June 2013

The Trust noted a report by the Chief Executive (CT1309046), which presented the Trust's Management Accounts to the end of June 2013, dealing with the revenue budgets and expenditure.

In response to a query regarding the Christmas Grant Scheme, the Chair explained that staff were currently gathering information to present to the General Purposes Committee in order to try and work out a way forward. The Christmas Grant would be paid this year, but consideration would have to be given to what would happen with the scheme in future.

On the motion of Mr Ratter, seconded by Mr Bell, Trustees approved the recommendation in the report.

Decision:

The Trust noted the satisfactory financial performance to June 2013.

(Mr Kinniburgh declared an interest as a Trustee of Shetland Recreational Trust during the following item)

47/13

Service Performance of Funded Organisations – Year Ending 31 March 2013

The Trust considered a report by the Chief Executive (CT1309047) that presented information regarding the services which are being provided by the various organisations to which the Trust provides funding.

The Chief Executive said that it was intended to look at the best format for reporting this information to Trustees. In response to a query, she said that the majority of organisations reported back 6-monthly or annually, but the organisations receiving the larger awards did so on a quarterly basis.

It was commented that the organisations would be midway through the three-year budgeting period and that it was inevitable that changes would be made at the end of this period. It was suggested that this would be an appropriate time to consider amalgamating the three largest trusts in order to reduce the financial implications for the Trust.

The Chair said that this was something that had been suggested in the past. He was currently in the process of meeting all the applicants for funds over £100,000, and this was something that may be discussed in the future.

The Chief Executive added that this was something that would require detailed discussion at a strategic level at the General Purpose Committee, and any Trustee would be welcome to contribute to that discussion. It was further suggested that there was scope for discussion around the performance indicators, how they should be applied and how

they fitted with Trust objectives, and it was noted that this was something that would also be taken into account.

Trustees congratulated the Citizens Advice Bureau for exceeding their targets, in particular doubling their target in relation to the welfare rights annual gain.

Decision:

The Trust noted the satisfactory service performance of the organisations that received funding from Shetland Charitable Trust.

48/13 **Fund Manager Transactions**

The Trust noted a report by the Financial Controller (CT1309048), which provided information regarding the fund manager transactions from 1 May to 31 July 2013.

Decision:

The Trust noted the contents of the report.

49/13 **Recommended Disbursements - Approvals**

The Trust considered a report by the Chief Executive (CT1309049), which provided details of the recommended disbursements for approval.

Decision:

The Trust noted the approvals contained in the body of the report.

50/13 **Capital Works Bridging Loan Scheme**

The Trust noted a report by the Chief Executive (CT1309050), which provided an update on the Capital Works Bridging Loan Scheme.

Decision:

The Trust noted the contents of the report.

51/13 **Viking Energy – Health Impact of Wind Farms – Independent Study**

The Trust noted a report by the Chief Executive (CT1309051) which advised that an independent report on the health impacts of windfarms was now available.

The Chair advised that Mr Ratter had drawn Viking Energy's attention to the study, and Viking Energy had issued a response that had been circulated to Trustees.

Mr Ratter advised that there had been some debate as to the status of the report and why it was being presented for noting. The Trust had not commissioned a study as Dr Taylor had offered to carry this out without charge to the Trust, whilst retaining the study within her ownership. The report had been presented for noting as it had been considered that there was no conceivable decision for Trustees to make, given that it was an already agreed financial investment to a consented project.

Concern was expressed that there were still a number of questions to be answered regarding potential health impacts, and that the public had some real concerns that had not been cleared up. It was questioned if it

would be possible to carry out a further independent health assessment in an attempt to answer some of these questions.

It was also commented that whilst the study did reflect the decision made at the meeting that there should be an investigation into the health effects of windfarms, it had been clear from the discussion that there was an expectation at that time that there would be a health impact assessment of this particular windfarm. The study that had been carried out perhaps did not reflect the spirit of the debate at the time, but it was the only practical conclusion. Whilst there were clear guiding principles regarding the configuration of wind farms, it had been commented that not enough attention had been paid to the distance and separation between the development and houses, and it was suggested that the opportunity to ask questions on this issue would be welcomed so that Trustees could be assured that there would be no significant adverse effects.

The Chief Executive said that she could arrange a meeting between key project staff and Trustees so that there would be an opportunity to find out more information.

Decision:

The Trust noted the contents of the report.

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

52/13 **SCT Renewables Limited**

The Trust considered a report by the Chief Executive.

Mr Smith, a Director of SCT Renewables Limited, explained the background to the proposals and the current position.

On the motion of Mr Ratter, seconded by Ms Manson, Trustees approved the recommendation in the report.

Decision:

The Trust agreed the recommendation in the report.

(Mr Duncan left the meeting during consideration of the following item)

53/13 **Loans to Local Industry – Sums Due But Unpaid Over One Month Old as at 31 August 2013**

The Trust noted a report by the Chief Executive.

Decision:

The Trust noted the report.

(Mr Duncan returned to the meeting and Mr Massey left the meeting)

54/13 **Update on Shetland Arts Development Agency (SADA)**

The Chair provided a verbal update on SADA, and outlined details of a request from SADA which may require further consideration.

After some discussion, and on the motion of Mr Bell, seconded by Mr Kinniburgh, Trustees agreed that the Chair and the Chief Executive should be given delegated authority to explore this request further and to negotiate with SADA if it was required.

Mr Duncan moved that the request be refused,

Voting took place by show of hands, and the result was seven votes for the motion and one against.

Decision:

The Trust noted the update and agreed that the Chair and the Chief Executive should be given delegated authority to explore this request further and to negotiate with SADA if it was required.

55/13 **Update on Sale of Springfield**

The Chief Executive provided a verbal update on the sale of Springfield.

The Trust meeting concluded at 11.30am.

CHAIR