

MINUTES**Public**

**Special Shetland Charitable Trust
Room 12, Islesburgh Community Centre, Lerwick
Thursday 20 April 2017 at 5.30pm**

Present:

A Cooper A Duncan
R Henderson B Hunter
P Malcolmson A Manson
K Massey I Napier
D Ratter J Smith
A Westlake

Apologies:

M Bell T Macintyre

In Attendance (Officers):

A Black, Chief Executive - SCT
R Mainland, Executive Business Manager - SCT
E Flaws, Administration Manager – SCT
L Geddes, Committee Officer – SIC

Also:

K Pinkerton, Turcan Connell

Chair:

Mr Hunter, Chair of the Trust, presided.

Circular:

The circular calling the meeting was held as read.

Declarations of Interest

None

Minutes

The Trust confirmed the minutes of the meeting held on 16 February 2017, on the motion of Mr Smith, seconded by Mr Henderson.

07/17

Governance Arrangements of Shetland Charitable Trust

The Trust considered a report by the Chief Executive (CT1704004) seeking Trustees to pass the Resolution giving effect to the

reorganisation scheme approved by the Office of Scottish Charity Regulator (OSCR) on 5 April 2017.

The Chair advised that changes to the Trust's governance arrangements had previously been agreed by Trustees, and the Trust was required to formally record this.

He then introduced Kenneth Pinkerton from Turcan Connell to the meeting, who advised that the Trust had previously not had the power to make changes to the governance arrangements without the consent of the Office of the Scottish Charity Regulator (OSCR). The reorganisation scheme had now been approved by OSCR, and the necessary documents were attached to the report.

It was queried what the accumulated costs had been to the Trust of the reorganisation scheme since its inception, and whether there would be any future costs incurred before the changes would be finalised.

The Chair advised that he did not have this information to hand, but that he would arrange for it to be prepared and sent to Trustees. Mr Pinkerton added that the process would end once the relevant paperwork had been signed and sent to OSCR.

It was commented that as a result of agreeing the changes to the governance arrangements, it would be easier to make changes to the Trust in future, so there would not further costs in this respect.

In noting that the decision required today was the homologation of a previous decision of the Trust, Mr Ratter moved that the recommendations in the report be approved, and Mr Smith seconded.

Mr Duncan said that agreeing to the proposal would mean that almost half of the Shetland people's oil funds would be outwith democratic control, something that had not been conceived when the trust fund had been founded in 1976. The people of Shetland had made it clear that they wanted at least a majority of Trustees to be elected, and both the Council and Association of Shetland Community Councils had agreed on the need for democratic control. Despite all the good work carried out by the Trust in the community, its reputation was very low. The powers conferred upon the Trust by OSCR meant that the Trust, if it wished to do so, could restore democratic control and use these powers to restore the Trust's reputation. This should not be done by offering a few seats to councillors who would be in a permanent minority, be accused of conflicts of interest, and whose presence on the Trust would again tempt the auditors to say that the Trust was a 'piggy bank' for the Council. He therefore moved that the recommendation was not approved, and that a report be presented to the next meeting of the Trust regarding how it could move to democratic majority control by holding direct elections as and when vacancies occur.

Ms Manson seconded.

Mr Massey, Chair of the Audit and Governance Committee, advised that the process in arriving at these recommendations had not been

without angst. However he believed everything possible had been done to allow Trustees to have debate and discussion around the proposals put to them, through a process which had involved the Institute of Directors. He was of the view that the debate over whether Trustees should be elected or selected had overshadowed a process that had been fair and equitable and, in that respect; he wished to put on record that the process that had been embarked on had given people's views a fair hearing. Trustees had voted last May on the proposals and they had been accepted by a majority, although there had been attempts since that time to reverse that decision which had been arrived at democratically. As a result of these attempts, some Trustees had been subject to attacks on a personal level. He highlighted the amount of work carried out by all involved to support the Trust throughout the process, and said he would like to record the Audit and Governance Committee's thanks for all the work that had been carried out.

During the discussion that followed, it was commented that the process of reorganisation had begun some time ago, when the Trust had initially come under the scrutiny of OSCAR, and the process had been fair and open, with OSCAR commenting that the Trust was unusually open and transparent.

However it was suggested that the Trust was not listening to the people of Shetland, and could not be considered democratic if Trustees were going to elect others. It was essential for the future that there was public accountability, and some sort of democratic process to fill at least the majority of seats on the Trust.

It was pointed out that there was already public accountability, as the Trust was a charity accountable to OSCAR, and it was wrong to suggest that those appointed had some sort of personal agenda and were not accountable to the people of Shetland. All Trustees were motivated to act for the benefit of the people of Shetland, irrespective of whether they were elected or not. The Trust, going forward, would be looking at different ways of doing things, and there would be discussions to be had in the future. However the recommendations today related to the homologation of a decision that had been made, by a large majority, almost one year ago. The process had initially been driven by changes in the law relating to charities, which had led to the establishment of OSCAR.

Voting then took place by show of hands, and the result was as follows:

Rejection (Mr Duncan)	2
Motion (Mr Ratter)	9

The Chair thanked Mr Massey and the Audit and Governance Committee for the work they had carried out.

Decision:

The Trust passed the Resolution in implementation of the changes approved by Trustees at their meeting on 15 September 2016, thus giving effect to the reorganisation scheme as submitted to OSCAR and approved by letter on 5 April 2017.

The Trust authorised the signature of the Resolution by delegating to three Trustees the authority to exercise the Power of Attorney for that purpose.

08/17 **Rural Care Model – Service Targets**

The Trust considered a report by the Chief Executive (CT1704005) seeking approval of the Rural Care Model's Service Statements and Targets.

The Chief Executive advised that the service targets had been agreed in order to provide more clarity about what the Trust was paying for, as was the case with other organisations that were funded by the Trust. Further work would be done on these targets as part of an ongoing process.

It was commented that many of the care homes were likely to require substantial funding in future for refurbishment, and that it was unlikely that the Council would be able to meet the full costs due to the reduction in funding from the Scottish Government. It was questioned if the Trust would be in a position to grant additional funding for this purpose.

The Chair advised that no work had yet been done to establish what these costs may be, and it would only be after these costs had been established that a decision could be made.

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

Decision:

The Trust approved the Service Statements and Targets for the Rural Care Model set out in Appendix 1 of the report.

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

(Mr Ratter left the meeting)

09/17 **Appointment of Trustees**

The Trust considered a report by the Chief Executive which considered a recommendation from the Audit and Governance Committee in respect of the recommendations of the Selection Panel.

Mr Massey, Chair of the Audit and Governance Committee, advised Trustees of the process that had been followed, and of the recommendations of the Selection Panel, and he responded to questions from Trustees.

Mr Henderson moved that the Trust agree to appoint the four named individuals to serve as Appointed Trustees from 4 June 2017, and Dr Napier seconded.

Decision:

The Trust approved the recommendation from the Audit and Governance Committee that the recommendations of the Selection Panel be approved, and appointed the four named individuals to serve as Appointed Trustees, effective from 4 June 2017.

The Chair thanked the Councillor Trustees for their input to the Trust over the last five years, and the meeting concluded at 6.10pm.

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CHAIR