

MINUTES**Public**

**Shetland Charitable Trust
Drama Room, Islesburgh Community Centre, Lerwick
Thursday 24 November 2016 at 10.00am**

Present:

A Cooper	A Duncan
R Henderson	B Hunter
P Malcolmson	A Manson
K Massey	J Smith
A Westlake	J Wills

Apologies:

M Bell	I Napier
T Macintyre	D Ratter

In Attendance (Officers):

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

Chair:

Mr Hunter, Chair of the Trust, presided.

Circular:

The circular calling the meeting was held as read.

Declarations of Interest

Mr Duncan declared an interest, as a Director of Voluntary Action Shetland, in item 9 “Aged Debtors at 11 November 2016”. He advised that he would leave the room for item 9.

Mr Malcolmson declared an interest in item 1 “Budgets 2017/18”, and advised that he would not take any part in the discussion relating to COPE and Shetland Recreational Trust.

Dr Wills declared a non pecuniary interest in item 1 “Budgets 2017/18”, as a Trustee of the Shetland Amenity Trust.

Mr Henderson declared an interest in item 9 “Aged Debtors at 11 November 2016”.

Minutes

The Trust confirmed the minutes of the meeting held on 15 September 2016, on the motion of Mr Hunter seconded by Dr Wills

55/16 **Budget 2017/18**

The Trust considered a report by the Chief Executive (CT1611047) seeking Trustees' approval of the recommended budget and disbursements for 2017/18.

The Chair introduced the report and commented on the current uncertainty in the financial markets and the Fund Manager's pessimistic predictions for this and future years. He said that although the Trust aimed to achieve a balanced budget by 2020, there was a degree of uncertainty in that regard.

During discussions, a request was made for the Shetland Recreational Trust, Shetland Amenity Trust and the Shetland Arts Development Agency to be amalgamated. It was suggested that such action could save a six figure sum if there was one Manager and one administration to cover all three Trusts. When raised at previous meetings it was noted that the Chair had indicated that the three organisations were separate legal entities which allowed them to attract significant funds from external sources. However the Chair was urged to look into this further.

In response, the Chair said that he had considered this matter since the last meeting and under the auspices of the General Purposes Advisory Committee (GPAC), this matter would be investigated further. He said that he was unsure what affect such a change would have on the organisations, but this work would be undertaken in early order to find out the reality of the situation.

There were comments made in support of this matter being considered further and, as a minimum, it could lead to closer working relationships between the three organisations. It was also noted that the Shetland Charitable Trust is the core funder of these organisations and they would not exist in their current form without significant on-going support from SCT. In addition it was suggested that this is a situation which is not well understood in the community.

Officers were thanked for their work in providing the service statements, from each organisation, in a more coherent format. In terms of the decision sought it was noted that there was no mechanism for amending the decision by a vote. The Chair advised that this issue had been discussed and the administrative regulations were being considered in two separate phases. He added that the regulations were being looked at by the Audit and Governance Advisory Committee (AGAC).

On the motion of Dr Wills, seconded by Mr Smith, Trustees approved the recommendations in the report.

Decision:

The Trust approved:

- Budgeted income of £5,236,234 as detailed in Section 4 of the report
- Budgeted disbursements of up to £8,061,238, as detailed in Section 5 of the report
- Grant budgets as detailed in Section 5.2.1 to Section 5.3.3 of the report
- The drawdown of the approved grant budgets as detailed in Section 5.2.1 to 5.3.3 of the report, including the preparation of the Grant Offer Letters which set out simple statements of the services and standards expected to be received for the grants awarded
- Budgeted management and administration expenses of £662,821, as detailed in Section 6 of the report
- Budgeted investment management expenses of £805,299, as detailed in Section 7 of the report

56/16

Schedule of Meetings 2017

The Trust considered a report by the Chief Executive (CT1611048) seeking approval of a recommendation by the AGAC regarding the schedule of meetings for 2017.

The Chair introduced the report and advised that the proposed dates fitted with the business process that the Shetland Charitable Trust has to follow.

One Trustee suggested that two of the four meetings be held during the day and two be held in the evening as recommended. The Chair of the Audit and Governance Advisory Committee advised that the dates proposed were the result of discussion held. He said that there was no unanimous agreement reached but it was agreed that the change in meeting time would be monitored for a year, but that this would make the meetings more accessible to the public. It was also noted that should there be a need for a special meeting, that would be arranged or could be called by a written request signed by six Trustees.

In response to a question, the Chair of the AGAC advised that currently advisory committees are not held in public and that this could not be done without changing the Administrative Regulations. It was agreed that this and the matter of holding meetings in public halls would be discussed at the Public Relations Working Group meeting on 29 November 2016.

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

Decision:

The Trust adopted the diary of meetings for 2017.

57/16 **Service Performance of Funded Organisations – Year Ended 31 March 2016**

The Trust considered a report by the Chief Executive (CT1611049) which presented information regarding the service performance of various organisations to which the Trust provides funding.

The Chair commended staff for the work done in providing the service performance report.

(Dr Cooper attended the meeting)

Decision:

The Trust noted the contents of the report.

58/16 **Investment Review Report – Quarter to 30 September 2016**

The Trust noted a report by the Chief Executive (CT1611050) which reviewed investment performance for the quarter to 30 September 2016.

The Trust was advised that there was little to report as the fund had recently been moved to new Fund Managers. It was acknowledged that moving to active fund management had been the right decision. It was also noted that the cost of managing the fund had risen but that could be defended as, by spending more on new Fund Managers, it has given the Trust a strong prospect of earning more money which will benefit the people of Shetland.

Decision:

The Trust noted the content of the report.

59/16 **Small Grant Schemes - Approvals**

The Trust noted a report by the Chief Executive (CT1611051) which presented the recommended Small Grant Schemes approvals.

Decision:

The Trust noted the approvals listed.

60/16 **Management Accounts – Three Months Ended 30 June 2016 and Six Months Ended 30 September 2016**

The Trust noted a report by the Chief Executive (CT1611052) which presented the Trust's Management Accounts for the three months ended 30 June 2016 and six months ended 30 September 2016.

The Chief Executive responded to a question at Appendix A page 5 and explained that the Company "Peninsula", noted under "Bought in Services", was an Employment Law, HR and Health & Safety Company which provides the Trust with professional HR advice. She explained that the Trust previously had a Service Level Agreement with the Shetland Islands Council's Human Resources Team but due to their resourcing constraints, it had been necessary for the Trust to buy in this service from a different external provider.

In response to a further question the Chief Executive – SCT explained that at page 3, reference to District Heating used to relate to rental

received from buildings that have been since transferred to the company therefore there is no income to report.

The Executive Business Manager provided an explanation, in response to a question on how reinvestment funds are accounted for, and advised that they do appear as income and form part of the return. He confirmed that reinvestment has occurred only with Schroders.

Decision:

The Trust noted the contents of the report.

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

61/16 **Appointment of Executive Director to Shetland Heat Energy and Power Limited (SHEAP)**

The Trust considered a report by the Chief Executive seeking approval for the appointment of an Executive Director to SHEAP.

The Chair introduced the report.

On the motion of Dr Wills, seconded by Mr Duncan, Trustees approved the recommendation in the report.

Decision:

The Trust approved the recommendations contained in the report.

62/16 **Planned Maintenance**

The Trust considered a report by the Chief Executive.

The Chair introduced the report and following some discussion, Mr Duncan moved that the Trust approve the recommendations contained therein. Dr Wills seconded.

Decision:

The Trust approved the recommendations contained in the report.

(Mr Duncan left the meeting)

63/16 **Aged Debtors at 11 November 2016**

The Trust noted a report by the Chief Executive which provided information regarding aged debtors as at 11 November 2016.

Decision:

The Trust noted the contents of the report.

(Mr Duncan returned to the meeting)

64/16 **Update from Chairs of Advisory Committees**

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

Decision:

The Trust noted the updates.

65/16

Update from Subsidiary Companies

The Trust received updates from Subsidiary Companies.

Decision:

The Trust noted the updates.

The Chief Executive advised on a number of upcoming meetings and advised that Trustees would be informed of these dates, by email.

The meeting concluded at 11.10am.

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CHAIR