
MINUTES**Public**

**Shetland Charitable Trust
Room 12, Islesburgh Community Centre, Lerwick
Thursday 28 March 2013 at 10.00am**

Present:

M Bell	B Fullerton
C Hughson	B Hunter
I Kinniburgh	K Massey
S Morgan	I Napier
D Ratter	G Smith
J Smith	J Wills

Apologies:

P Campbell	R Henderson
A Manson	

In Attendance (Officers):

A Black, Chief Executive - SCT
J Goddard, Financial Controller – SCT
A Johnston, Senior Assistant Accountant - SCT
E Mainland, Office Administrator – SCT
M Duncan, Grants Co-ordinator – SIC
B Leask, Team Leader – Youth Services, SIC
L Geddes, Committee Officer - SIC

Chair:

Mr B Hunter, Chair of the Trust, presided.

Circular:

The circular calling the meeting was held as read.

Declarations of Interest

Dr Wills declared a non-pecuniary interest in agenda items 12 and 13 as a member of Shetland Islands Council.

Agenda Item 12: Shetland Youth Information Service – SCT Funding:

Mr G Smith declared a non-pecuniary interest as a Council appointed director, and advised that he would leave the meeting during discussion of this item.

Mr Bell declared an interest as he had been a director of SYIS up until around one year ago, and it was still on his register of interests. However he intended to take part in the discussion.

Minutes

The minutes of the meeting held on 21 February 2013 were confirmed on the motion of Dr Wills, seconded by Mr Bell.

05/13 **Adoption of New Administration Regulations**

The Trust considered a report by the Chief Executive (CT1303005), which sought adoption of the Trust's Administrative Regulations, reflecting the new governance arrangements of the Trust.

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

Decision:

The Trust agreed to approve the Administrative Regulations.

06/13 **Risk Management – Annual Review**

The Trust considered a report by the Chief Executive (CT1303006), which presented the Risk Management Assessment.

During the discussion that followed, it was suggested that the following amendments should be incorporated in Appendix 1:

- **Governance and Management (page 1)**
“Continuing to seek legal advice as appropriate” should be replaced with “Trustees need to be aware of, and acting on, legal advice”
- Reference to the Annual Report on page 2 should refer to the impact the SCT has had in Shetland as well as relating to the financial performance, and it should be produced timeously
- **Loss of Reputation (page 2)**
The following should be added “Maintain credibility with the people of Shetland through, for example, communications strategy
- **Compliance Risk (law and regulation) (page 5)**
“Appropriate action will be taken as necessary” should be added to the section on professional advice
- **Operational Risk (page 9)**
Health, Safety and Environment – reference should be included to implementing training and, following that, revising procedures
- **Environment/External Factors (page 14)**
Complaints Procedure - Trustees require to have some indication of how complaints are dealt with, even if it this is an annual report.

It was further suggested that it would be useful to have an indication of the direction that risks were moving (eg from ‘red’ to ‘amber’), and that more consideration should be given to the reputational risk given that the Trust was now a new body.

The Chair advised that these comments would be taken into account.

Decision:

The Trust agreed to:

- Approve the Risk Management Assessment, as amended at today's meeting;
- Note that progress on any actions will be reported to Trustees, from time to time;
- Agree 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; and
- Note that Risk Management will be considered as part of the Trust's overall review of its administration systems.

07/13 **Recommended Disbursements: The Swan Trust – Retention of Surplus**

The Trust noted a report by the Chief Executive (CT1303007), which concerned a request by the Swan Trust to retain a surplus grant balance from 2011/12 for a specific purpose.

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

Decision:

The Trust agreed to approve the retention of the surplus grant balance of £21,245 by the Swan Trust, for expenditure in the year to 31 March 2014 for the purpose outlined in paragraph 3.2 of the report and detailed in Appendix 1 to the report.

08/13 **General Administration – Establishment of Committees/Working Groups**

The Trust considered a report by the Chief Executive (CT1303008), which sought approval to set up a working group to look at ways in which the Trust could function more efficiently and effectively.

The Chair advised that this was intended to be a short-term working group that would report back within one cycle with proposals, and all Trustees would be welcome to feed in any ideas or thoughts they may have.

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

The following Trustees were nominated, and agreed, to serve on the working group, in addition to the Chair and Vice-Chair:

Mr Ratter	Mr Bell
Mr Morgan	Mrs Fullerton
Mrs Hughson	

Decision:

The Trust agreed to:

- Approve the creation of a working group as referred to in paragraph 3 of the report; and
- Subject to this, nominate the following Trustees to serve on the working Group, with the Chair and Vice Chair:
 - Mr Ratter
 - Mr Bell
 - Mr Morgan
 - Mrs Fullerton
 - Mrs Hughson

09/13

Subsidiary Company Administration – Articles for Shetland Leasing and Property Developments Limited

The Trust considered a report by the Financial Controller (CT1303009), which asked that the Trust, acting as sole shareholder of Shetland Leasing and Property Developments Limited (SLAP), approve new Articles of Association for the company.

The Financial Controller advised that the draft articles had been prepared by Maclay, Murray & Spens, and had been approved by the new SLAP Board. They had been designed to give a large degree of autonomy whilst incorporating checks and balances.

The Chair explained that the board of directors of the Company had held a board meeting on 14 February 2013 to consider the proposed adoption of: (i) new articles of association of the Company (the “**New Articles**”) to the exclusion of the Company's existing articles of association; and (ii) a standing order concerning the appointment of directors to the board of directors of the Company (the “**Standing Order**”). The board meeting had been held following discussions regarding the New Articles and the Standing Order among the directors, the company secretary and the Company's solicitors, Maclay Murray & Spens LLP.

The Chair further explained that the directors of the Company had resolved at such meeting to circulate a written resolution (the “**Written Resolution**”) to the Trust, as sole shareholder of the Company, for its consideration.

The Chair tabled to the meeting the Written Resolution which was being proposed by the directors of the Company pursuant to Chapter 2 of Part 13 of the Companies Act 2006 and noted that the following resolutions were being proposed:

Resolution 1 (Special)

“THAT the articles of association attached hereto and marked “A” for the purposes of identification be adopted as the new articles of association of the Company to the exclusion of the Company's existing articles of association.”

Resolution 2 (Ordinary)

“THAT subject to the passing of resolution 1 (above), the following standing order be adopted pursuant to article 8.3 of the articles of

association of the Company (being those articles of association adopted pursuant to resolution 1 (above)):

Standing Order

1. The Company's intention shall be to stagger the appointment of additional directors to the board of directors of the Company in order to ensure continuity between generations of directors and an orderly transition of experience and know-how from one generation of directors to the next".

The Chair tabled the New Articles and the Trustees considered in detail the terms of the New Articles.

Following due and careful consideration, IT WAS RESOLVED that the terms of the New Articles, the Standing Order and the Written Resolution are approved and that any three Trustees of the Trust be authorised to sign and date the Written Resolution for and on behalf of the Trust and to return it to the Company.

It was requested that a report be presented to the next meeting of the Trust regarding the progress with reforming the Trust's subsidiary companies.

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

Decision:

The Trust agreed to approve the new Articles for Shetland Leasing and Property and associated Standing Order.

10/13

Springfield Holiday Chalet – Future of Service

The Trust considered a report by the Chief Executive (CT1303010), which concerned the future of Springfield Chalet, presently a holiday home for people with special needs.

The Chief Executive summarised the main terms of the report, advising that she understood that the client group would all have suitable alternatives that they could use should the chalet be sold. In response to a query, she advised that she would contact Disability Shetland regarding the alternatives and the appropriate mechanisms for funding short breaks for the client group, and provide this information to Trustees. She would also arrange to supply usage figures which illustrated the decline in usage over the years.

Mr Morgan moved that Trustees approve the recommendation in the report, and Mr Kinniburgh seconded.

Decision:

The Trust agreed to approve the sale of Springfield Chalet for the best possible market value.

11/13

Management Accounts – Nine Months Ended 31 December 2012

A report by the Financial Controller (CT1303011) presented the Trust's Management Accounts to the end of December 2012.

The Financial Controller summarised the main terms of the report. He referred Trustees to Table 2.1 and advised that £1.4million still had to be paid out under the rural care model, and that it was anticipated that there would be a £150,000 underspend on the planned maintenance budget. Any underspend in budgets was not used to fund other items.

A Trustee asked if there was a long-term strategy in place regarding the maintenance of buildings that were not owned by the Trust, and the Chair advised that this was to be given some consideration and was something that could be taken into account by the working group that had been established.

Decision:

The Trust agreed to note the satisfactory financial performance to December 2012.

12/13 **Fund Manager Transactions**

A report by the Financial Controller (CT1303012) presented the Fund Manager transactions between 1 November 2012 and 31 January 2013.

The Financial Controller summarised the main terms of the report, advising that the stock market performance over the last year was better than expectations. In response to queries, he confirmed that the Trust's strategy was to invest half its money in the stock market, and the other half in lower risk investments. If there was a huge increase in share prices, adjustments could be made so that they could be sold and the money invested elsewhere. However the long-term strategy was something that could be explored by Trustees in the future.

It was noted that the fund managers would be visiting Shetland in May to meet Trustees, and Trustees were urged to attend this meeting.

Decision:

The Trust agreed to note the contents of the report.

13/13 **Recommended Disbursements – Social Care**

A report by the Chief Executive (CT1303013) concerned approvals by the Council's Director of Community Care Services in the period to 11 March 2013.

Decision:

The Trust agreed to note the Social Assistance Grants totalling £2,801.98.

14/13 **Recommended Disbursements – Approvals**

A report by the Chief Executive (CT1303014) presented a number of Approvals for information.

Decision:

The Trust agreed to note the approvals listed in paragraph 2.1 and 3.1 of the report.

15/13 **Capital Works Bridging Loan Scheme**

A report by the Financial Controller (CT1303015) provided an update on the Capital Works Bridging Loan Scheme.

The Financial Controller summarised the main terms of the report, adding that a short-term bridging loan in respect of the Aith Hall had just been approved.

Trustees commented on the success of the scheme across Shetland in enabling projects to go ahead that would otherwise not have been possible.

Decision:

The Trust agreed to note the contents of the report.

In order to prevent the disclosure of exempt information, Mr Hunter moved, Dr Wills seconded, and the Trust resolved, in terms of the relevant Regulations, to exclude the public during consideration of the remaining items of business.

(Mr G Smith left the meeting during consideration of the following item)

16/13 **Shetland Youth Information Service – Shetland Charitable Trust Funding**

The Trust considered a report by the Chief Executive, which provided an update on Shetland Youth Information Service (SYIS) and sought approval to cease funding.

Decision:

The Trust agreed not to approve funding of £188,840 to SYIS.

(Mr G Smith returned to the meeting)

17/13 **Verbal Update – Shetland Arts**

The Chief Executive gave a verbal update on Shetland Arts Development Agency (SADA), and Trustees noted that the Chief Executive would be reporting regularly on this matter.

18/13 **Loans to Local Industry – Sums Due But Unpaid Over One Month Old as at 28 February 2013**

A report by the Financial Controller presented two overdue loans for consideration.

Decision:

The Trust noted the contents of the report.

19/13 **Loans to Local Industry: Agricultural Loan Scheme – Changes Agreed Under Delegated Authority**

The Trust considered a report by the Financial Controller, which informed of a decision taken under delegated authority in respect of a current agricultural loan.

Decision:

The Trust noted the use of delegated authority to approve the changes outlined in paragraph 2 of the report.

20/13

Deeds Executed

The Trust noted a report by the Chief Executive, which presented a list of deeds executed.

Decision:

The Trust noted the contents of the list.

The Trust meeting concluded at 11.45am.

CHAIR