
MINUTES**Public**

**Shetland Charitable Trust
Room 12, Islesburgh Community Centre, Lerwick
Thursday 10 December 2015 at 10.00am**

Present:

A Cooper	A Duncan
R Henderson	B Hunter
T Macintyre	P Malcolmson
K Massey	I Napier
J Smith	J Wills

Apologies:

M Bell	A Manson
D Ratter	A Westlake

In Attendance (Officers):

A Black, Chief Executive – SCT
E Mainland, Administration Manager – SCT
K Eunson, Accountant – SCT
A Cogle, Team Leader – Administration - SIC

Chair:

Mr Hunter, Chair of the Trust, presided.

Circular:

The circular calling the meeting was held as read, with the exception of Agenda Item 2, Approval of Disbursements [report by the Chief Executive (CT1512074)].

The Chair ruled that as a result of new information that had come to light, and after discussion with the Vice-Chair and the Chief Executive, this item would be withdrawn. He advised that by way of explanation there could be some confidential information and that he would share this with Trustees during the private part of the meeting.

Declarations of Interest

Mr Duncan declared an interest in Agenda Item 4 “Voluntary Action Shetland – Retention of Funds” and Agenda Item 10 “Loans to Local Industry – Sums Due But Unpaid Over One Month Old as at 30 November 2015” due to reasons advised previously, and that he would leave the room during the discussions on those items.

Dr Wills declared an interest in Agenda Item 1 “Budget 2016/17” as a Shetland Islands Council member, but that as an independent Trustee his duty was to the Trust and so he would remain and take part in the discussion.

Mr Henderson declared an interest in Agenda Item 10 “Loans to Local Industry – Sums Due but Unpaid over One Month Old as at 30 November 2015” but advised that he would remain in the room.

Minutes

The minutes of the meeting held on 12 November 2015 were confirmed on the motion of Mr Smith, seconded by Mr Henderson.

79/15 **Budget 2016/17**

The Trust considered a report (CT1512073) which sought approval of the recommended budget for 2016/17.

The Chair advised on the recommendations contained in the report, adding that the recommended deficit of £1.691m was part of the planned deficit required in order to achieve a balanced budget by 2020.

Mr Massey said that overall he agreed with the budget recommended, but given the fact that it was unlikely that the markets would improve in the short term, he asked that the Trust should make sure that everything possible should be done to realise efficiencies.

Mr J L B Smith moved that the Trust approve the recommendations in the report. Dr J Wills seconded, adding that, like Mr Massey, he was concerned at the £1.7m deficit, even after three year savings. He said that the Trust was continuing to overspend, and should move towards making efficiencies to ensure that expenditure was no greater than the income. He added that, unlike the Council, the Trust did not receive Government funding.

The Chair said that recent meetings had been held with Fund Managers, and it was disappointing to note that performance was already down on the benchmarks and the view was that this was likely to remain the position for some time.

Mr A Duncan said he was of the view that the Trust should decrease the level of grants across the board as soon as possible, and especially to the big Trusts, as they can increase revenue by increasing charges. He added that a special meeting could be called to look at cutting the grants. Mr B Hunter said that that decision would be a matter for Trustees to consider as part of the planned review. The Chief Executive advised that Trustees had previously agreed to keep a “watching brief” with a view to investments and disbursements being reviewed in relation to the long term plan. The next opportunity for that planned review would be in May 2016 when Trustees would be better informed as to whether a change was required.

The Trustees approved the recommendations in the report.

Decision:

The Trust approved:

- Budgeted income of £7,821,290;

- Budgeted disbursements of up to £8,401,050;
- Budgeted management and administration expenses of £699,277; and
- Budgeted investment management expenses of £412,000.

80/15

Reserves Policy and Updated Grant Offer Letter

The Trust considered a report by the Chief Executive (CT1512075) which sought approval of the deletion of the reserves policy from the Trust's policy portfolio and also the approval of an updated grant offer letter.

Dr Wills said he was pleased to see the process had been simplified and the procedure allowed for some flexibility. The Chair agreed, adding that by not allowing organisations to hold reserves, the Trust could be accused of micro-managing, and some organisations could face problems with OSCR if they had no reserves.

The Trustees approved the recommendations in the report, on the motion of Dr Wills, seconded by Mr P Malcolmson.

Decision:

The Trust approved:

- The deletion of the Reserves Policy from the Trust's portfolio of policies; and
- The update grant offer letter attached as Appendix 1 to the report for use in the 2016/17 grant year.

[Mr A Duncan left the meeting.]

81/15

Voluntary Action Shetland – Retention of Funds

The Trust considered a report by the Chief Executive (CT1512076) which sought approval of the retention of funds totalling £18,096 by Voluntary Action Shetland (VAS).

The Trustees approved the recommendations in the report, on the motion of Mr Henderson, seconded by Dr Wills.

Decision:

The Trust approved the request from VAS to retain funds of £18,096, which is above the permitted level in the Reserves Policy, for the purposes outlined in paragraph 3.5 of the report.

[Mr A Duncan returned to the meeting.]

82/15

Shetland Recreational Trust – Retention of Funds

The Trust considered a report by the Chief Executive (CT1512077) which sought approval of the retention of funds totalling £73,028 by Shetland Recreational Trust (SRT).

The Trustees approved the recommendations in the report, on the motion of Mr P Malcolmson, seconded by Mr J L B Smith.

Decision:

The Trust approved the request from SRT to retain funds of £73,028, which is above the permitted level in the Reserves Policy, for the purposes outlined in paragraph 3.6 of the report.

83/15 **Re-appointment of External Auditor**

The Trust considered a report by the Chief Executive (CT1512078) which sought the formal re-appointment of the External Auditor for the Trust.

Mr K Massey, as Chair of the Audit and Governance Committee, advised that KPMG had been shortlisted last year and appointed for a year only, as a result of concern about the efficiency of the process, but there were no concerns, and everyone was happy with the work they had done this past year. Mr Massey added that given the appointment was now for 4 years, a right to review was included in the contract, which could include a review of the term of appointment especially if there was to be any significant increase in fees.

The Trustees approved the recommendations in the report, on the motion of Mr K Massey, seconded by Rev T Macintyre.

Decision:

The Trust re-appointed KPMG LLP as its external auditor for a further 4 years.

84/15 **Recommended Disbursements - Approvals**

The Trust noted a report by the Chief Executive (CT1512079) which presented the recommended disbursements approvals.

Decision:

The Trust noted the approvals listed in paragraph 2.1 of the report.

85/15 **Capital Works Bridging Loan Scheme**

The Trust noted a report by the Chief Executive (CT1512080) which provided an update regarding the Capital Works Bridging Loan Scheme.

Decision:

The Trust noted 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.

[The media left the meeting]

[Dr Wills left the meeting]

86/15 **Appointed Committee of Viking Energy Shetland LLP**
The Trust noted a report by the Chief Executive.

Decision:

The Trust noted the contents of the report.

[Mr Duncan left the meeting]

87/15 **Loans to Local Industry – Sums Due But Unpaid Over One Month Old as at 30 November 2015**

The Trust noted a report by the Chief Executive.

Decision:

The Trust noted the report.

[Dr Wills and Mr Duncan returned to the meeting]

88/15 **Deeds Executed**

The Trust noted a report by the Chief Executive.

Decision:

The Trust noted the contents of the list.

89/15 **Update from Chairs of Advisory Committees**

The Trust noted updates from the Chairs of the advisory committees.

Decision:

The Trust noted the updates.

90/15 **Approval of Disbursements**

The Chair updated Trustees on the current position relating to the withdrawn report.

The Trust noted the position, and that a special meeting of the Trust would be called to consider the report, before the end of the year.

The meeting concluded at 10.35 a.m.

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CHAIR