
MINUTES**Public**

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

Present:

A Cooper	A Duncan
R Henderson	B Hunter
K Massey	A Manson
T Macintyre	I Napier
D Ratter	J Smith

Apologies:

M Bell	P Malcolmson
A Westlake	J Wills

In Attendance (Officers):

A Black, Chief Executive - SCT
K Eunson, Accountant - SCT
E Mainland, Administration Manager – SCT
L Geddes, Committee Officer - SIC

Chair:

Mr Hunter, Chair of the Trust, presided.

Circular:

The circular calling the meeting was held as read.

The Chair welcomed Reverend Macintyre to his first meeting.

Declarations of Interest

Mr Massey declared an interest in Agenda Item 11 “Shetland Heat Energy and Power” Limited (SHEAP) as a Director of SHEAP.

Mr Duncan declared an interest in Agenda Item 14 “Disability Shetland” as a Director of Voluntary Action Shetland (VAS). He also declared an interest in Agenda Item 15 “Loans to Local Industry – Sums Due But Unpaid Over One Month Old as at 15 August 2015” due to a connection with a friend, and advised that he would leave the room during the discussion.

Mr Henderson declared an interest in Agenda Item 15 “Loans to Local Industry – Sums Due But Unpaid Over One Month Old as at 15 August 2015” due to a family connection, but advised that he would remain in the room as the report was for noting only.

Mr Smith declared an interest in Agenda Item 17 "Update from Subsidiary Companies" as a Director of SCT Renewables Limited, but advised he would remain in the room as the update was for noting only.

Minutes

The minutes of the meeting held on 28 May 2015 were confirmed on the motion of Mr Henderson, seconded by Mr Smith.

47/15

Shetland Charitable Trust

Annual Report and Accounts for the Year to 31 March 2015

The Trust considered a report (CT1509042) which presented the Annual Report and Accounts for the year to 31 March 2015 for approval.

The Chair advised that the Annual Report and Accounts had been approved by the auditors, and had been presented to the Audit and Governance Committee. He thanked staff for their work in the preparation of the Annual Report and Accounts, and noted that it was the second year in succession that they had received an unqualified opinion. He pointed out that incoming resources were £8.2million, and the Trust was now not far away from achieving that figure in terms of expenditure.

Mr Massey advised that the Audit and Governance Committee had had the opportunity to scrutinise the Annual Report and Accounts, and to meet with KPMG.

In response to a query, the Chair advised that the increase in investment management costs referred to in paragraph 2.6 of the report was due to a change in how the fund manager's fees were accounted for during the year, and the costs were now shown as a separate item. The Chief Executive added that the Trust's bond portfolio had now changed, so the fees were also slightly higher as a result.

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

Decision:

The Trust:

- approved the Annual Report and Accounts for the year to 31 March 2015
- authorised the Chairman and Vice-Chairman to sign the accounts
- authorised the Chairman to sign the Letter of Representation
- noted the summary report from KPMG LLP, the Trust's Auditors

48/15

Risk Management – Annual Review

The Trust considered a report by the Chief Executive (CT1509043) which sought approval of recommendation by the Audit & Governance Advisory Committee to adopt the revised Strategic Risk Management Assessment.

Mr Massey advised that the Audit and Governance Committee had spent some time on the Strategic Risk Management Assessment. It was important to recognise that although the Committee was responsible for reviewing this on an annual basis, the evaluation of risk was a continuing piece of work and was a standing item of the agenda at each Committee meeting.

The Chair thanked Trustees and staff for the work that had been carried out.

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

Decision:

The Trust accepted the recommendations of the Audit & Governance Advisory Committee and approved the Strategic Risk Management Assessment.

49/15

Service Performance of Funded Organisations – Year Ending 31 March 2015

The Trust considered a report by the Chief Executive (CT1509044) which presented information regarding the services being provided by the various organisations to which the Trust provides funding.

It was pointed out that whilst it was quite clear to see outcomes for some of the organisations; it was more difficult trying to assess performance against objectives for others. Because of the quantity of information supplied by some organisations, it was often difficult to try and come to a meaningful conclusion. It was suggested that there was a need for the Trust to consider exactly what information it required, and then organisations could be asked to supply more concise information as to their outcomes. It was noted that it was important that the information provided by organisations related to the objectives set by the Trust and provide an overview, as the Trust should be careful to avoid 'micro-managing' organisations.

The Chief Executive agreed that this was something that should be considered. However it was important not to be too prescriptive as the organisations had to report to a number of different funding bodies. This was an issue that the General Purposes Advisory Committee could have a look at, as it would be useful to have Trustee input.

It was also pointed out that there was a lot of detail presented from each organisation, and some Trustees would have liked to receive answers in relation to specific issues. It was questioned what the most appropriate mechanism would be for doing so, and the Chair suggested that Trustees could refer specific questions to the organisations in question. However this was an issue that could also be considered by the Trust when it was looking at the information required from organisations.

It was pointed out that the Shetland Citizens' Advice Bureau (CAB) had done excellent work in helping local people claim benefits to which they were entitled, with confirmed annual financial gains being £800,000.

However it was understood that the organisation was facing financial constraints, and it was questioned if the CAB would be able to approach the Trust for funding in exceptional circumstances, given that the Trust had assisted other organisations in exceptional circumstances and that there was money available to distribute.

The Chair advised that no such approach had been received from the CAB to date. However the Trust had set its budgets until 2020, and there may be other sources of income that the CAB could access.

It was noted that the CAB, as a national organisation, was supported by local authorities in providing debt counselling in other local authority areas, but that this was not the case locally. It was suggested that therefore any potential future reconsideration of funding should be done in conjunction with the Trust's partners in the Shetland Partnership.

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

Decision:

The Trust:

- Considered the contents of Appendix A
- Highlighted issues or areas of concern requiring further information or clarification
- Noted the satisfactory service performance of the organisations that received funding from Shetland Charitable Trust

50/15

Shetland Arts Fund

The Trust noted a report by the Chief Executive (CT1509045) which provided an update on the revised guidelines for the Shetland Arts Fund.

Decision:

The Trust noted the contents of the report.

51/15

Bus Service for the Elderly and Disabled

The Trust noted a report by the Chief Executive (CT1509046) which provided an update on the progress of the identification of efficiencies within the Bus Service for the Elderly and Disabled.

It was questioned if the bus service was fully utilised, and the Chief Executive advised that she would arrange to get information on usage from the Council and distribute it to Trustees.

Decision:

The Trust noted the contents of the report.

52/15

Reserves Policy

The Trust noted a report by the Chief Executive (CT1509047) which provided an update on the work being undertaken to revise the Trust's Reserves Policy.

The Chair advised that now that revenue and maintenance grants had been brought together, there was a need to revise the Reserves Policy to enable organisations to build up some dedicated reserves. At the moment, organisations were limited in the reserves they were allowed to build up, and a number of issues with the current policy had been identified.

Decision:

The Trust noted the contents of the report.

53/15 **Management Accounts – Three Months Ended 30 June 2015**

The Trust noted a report by the Chief Executive (CT1509048) which presented the Trust's Management Accounts to the end of June 2015.

Decision:

The Trust noted the satisfactory performance to 30 June 2015, as shown in the Management Accounts.

54/15 **Fund Manager Transactions**

The Trust noted a report by the Chief Executive (CT1509049) which provided details of Fund Manager transactions between 1 April and 30 June 2015.

Decision:

The Trust noted the contents of the report.

55/15 **Recommended Disbursements - Approvals**

The Trust noted a report by the Chief Executive (CT1509050) which presented the recommended disbursements approvals.

Decision:

The Trust noted the approvals listed in paragraphs 2.1 and 3.1 of the report.

56/15 **Capital Works Bridging Loan Scheme**

The Trust noted a report by the Chief Executive (CT1509051) which provided an update regarding the Capital Works Bridging Loan Scheme.

In response to a query, the Chief Executive advised that a condition requiring organisations to acknowledge the support received from the Trust was now included in loan offer letters.

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 left the meeting)

- 57/15 **Shetland Heat Energy and Power Ltd.**
The Trust considered a report by the Chief Executive.
- On the motion of Mr Ratter, seconded by Dr Cooper, Trustees approved the recommendation in the report.
- Decision:**
The Trust approved the recommendation in the report.
- 58/15 **Shetland Leasing and Property Developments Limited**
Return of Surplus Funds
The Trust considered a report by the Chief Executive.
- Mr Ratter moved that the recommendations in the report be approved, and Mr Duncan seconded.
- Decision:**
The Trust approved the recommendations in the report.
- 59/15 **Engagement of Media Services**
The Trust considered a report by the Chief Executive.
- After some discussion, Mr Ratter moved that the recommendations in the report be approved, and Mr Duncan seconded.
- Decision:**
The Trust approved the recommendations in the report.
- (Mr Duncan left the meeting during consideration of the following two items)*
- 60/15 **Disability Shetland**
The Trust noted a report by the Chief Executive.
- The Chief Executive responded to questions from Trustees.
- Decision:**
The Trust noted the contents of the report.
- 61/15 **Loans to Local Industry – Sums Due But Unpaid Over One Month**
Old as at 15 August 2015
The Trust noted a report by the Chief Executive.
- The Chief Executive updated Trustees on the current position.
- Decision:**
The Trust noted the report.
- (Mr Duncan returned to the meeting)*
- 62/15 **Loans to Local Industry – Agricultural Loan Scheme Update**
The Trust noted a report by the Chief Executive.
- Decision:**

The Trust noted the contents of the report.

63/15

Update from Subsidiary Companies

Trustees noted the updates from the subsidiary companies.

Decision:

The Trust noted the updates.

64/15

Update from Chairs of Advisory Committees

Trustees noted the updates from the Chairs of the Investment Advisory Committee and Audit and Governance Committee.

Decision:

The Trust noted the updates.

The meeting concluded at 11.25am.

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CHAIR