
MINUTES

Public

**Shetland Charitable Trust
Room 12, Islesburgh Community Centre, Lerwick
Thursday 11 December 2014 at 10.00am**

Present:

A Duncan	B Fullerton
R Henderson	S Morgan
I Napier	D Ratter
J Smith	J Wills

Also (by teleconference):

A Manson	A Westlake
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Apologies:

M Bell	B Hunter
K Massey	

In Attendance (Officers):

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

Chair:

Dr Wills, Vice-Chair of the Trust, presided.

Circular:

The circular calling the meeting was held as read.

The Chair advised that he intended to change the order of business and would be considering Agenda Item 3 “Financial Hardship Scheme” first, in order to accommodate those participating by teleconference.

Declarations of Interest

Loans to Local Industry – Sums Due But Unpaid Over One Month Old as at 30 November 2014

Mr Duncan declared an interest as the report contained information pertaining to family friends, and advised that he would leave the room during the discussion.

Mr Henderson declared an interest in the above item, but advised that he would remain in the room during the discussion.

Financial Hardship Scheme

Mr Morgan declared an interest as the manager of the Social Work team that had carried out some of the work regarding the information supplied by the Citizens' Advice Bureau (CAB), although he had not been responsible for any decisions relating to individuals.

Minutes

The minutes of the meeting held on 13 November 2014 were confirmed on the motion of Mr Smith, seconded by Mr Henderson.

58/14 Financial Hardship Scheme

The Chief Executive presented a report to the Trust (CT1412054) which considered the future of the Financial Hardship Scheme (the Scheme), formerly the Christmas Grant Scheme.

The Chief Executive advised that the recommendation to approve closure of the Scheme was made with great regret, but had mainly been based on the fact that it was extremely difficult - if not impossible - to administer. Support had been received last year from the CAB and the Council's Social Work staff, but they were unable to provide this in the future. Of the Trust's total disbursements, excluding the former Financial Hardship Scheme, 27% went to assist the elderly in Shetland. The current review of disbursements would allow this to be evaluated and for consideration to be given to the best mechanism for disbursement.

Mr Smith moved that the Trust approve the recommendation in the report, and Mrs Fullerton seconded.

Mr Duncan moved that the Trust do not close the Scheme, and that it continue for one more year.

Ms Manson seconded.

Speaking in support of his motion, Mr Smith said that it was a difficult decision for Trustees as the Trust did not want to disadvantage elderly people in need of assistance. However the Scheme was not open to new entrants, which was also unfair, and there was no way of differentiating between those people requiring support and those who did not require it. The information that had been supplied by Social Work and the CAB was not available to the Trust, and it was therefore no longer possible for the Trust to administer the Scheme fairly.

Speaking in support of his amendment, Mr Duncan said that he was convinced that it should be possible to administer the Scheme, even if it meant that payments would be made later than usual and the work had to be carried out by an outside agency. This could be financed by reducing the grant payable to £250 or reducing the funding paid to other organisations, such as the three large Trusts currently funded by the Trust. Many elderly people did not have pension schemes or lived in older houses that could not be properly insulated, and the Salvation Army was reporting an increase in people requesting assistance from its food bank. He advised that he was asking for the Scheme to remain

open for one more year only, in order that the Trust was treating all disbursements fairly against a background of a standstill budget.

Trustees speaking in support of the motion said that they felt it was a very difficult decision for Trustees, but that assistance could be provided in more appropriate ways, such as through social assistance grants. The Scheme was the only one provided by the Trust that administered assistance to individuals, and it was felt that the assistance should instead be provided via third parties who would have a deeper understanding of individual backgrounds than the Trust had. It had been demonstrated that information was not available to staff in order to ascertain who was in need of the grant, and that the Scheme was therefore unworkable. It was pointed out that many young people could also be regarded as requiring support and assistance, but that there was no means of supporting them, and no means of ensuring that support was being provided to those who were most in need in the community. It was pointed out that the legal framework within which charities operate was very different to what it had been when the Scheme was set up, and that there would potentially be a large cost to the Trust if it had to set up systems to continue to operate the Scheme, which would not be an effective use of resources. The Trust currently supported other organisations that were better placed to support people in the community. It was not a benefits agency, and it was the Government's job to ensure that benefits were set at a level to ensure that individuals had a minimum standard of living. It would not be possible to operate the Scheme fairly unless everyone was means-tested, or a large sum of money was paid out in tax, and the Trust did not have the means of getting this information from individuals. It was pointed out that the Trust spent 27% of its disbursements on the elderly, and a considerable amount of money assisting disabled and other disadvantaged people. The Trust was spending more money than it received and had a responsibility to look after the money for the future, so more efficient and effective ways of providing assistance should be sought.

Trustees speaking in support of the amendment felt that the Trust should not be seen to be removing support from the most vulnerable members of the community. It was essential that the Scheme continued for a further year while efforts were made to find the best way to support these people, and to provide funding to those most in need. The information received in respect of previous applications could be used again until a better system was found, or an outside agency could be employed to carry out this work. The elderly and disadvantaged were already feeling the effect of benefit cuts and fuel poverty, so it was important to explore ways in which these disadvantaged people could be supported, using outside agencies where appropriate.

In response to queries, the Chief Executive confirmed that disabled applicants were not means-tested, and that tax was payable in a lump sum. The criteria for the grant related to age and disability, and therefore not all applicants were those who could be considered to be most in need in the community.

It was suggested that there may be potential to increase the profile of social assistance grants and make them more widely available. They

were currently administered by the Council's Social Work Service, so would only be available to people who were already known to the Service.

After summing up, voting took place by roll call and the result was as follows:

	Motion	Amendment
	B Fullerton R Henderson S Morgan I Napier D Ratter J Smith J Wills	A Duncan A Manson A Westlake
Total	7	3

Decision:

The Trust approved the closure of the Financial Hardship Scheme.

(Ms Manson and Ms Westlake concluded their participation in the meeting by teleconference)

59/14

Appointment of Chair

The Trust considered a report by the Chief Executive (CT1412052) which sought the appointment of a Chair.

Mr Henderson moved that Mr Hunter be appointed as Chair (*in absentia*), and Mr Ratter seconded.

There were no further nominations, so Mr Hunter was accordingly appointed as Chair (*in absentia*).

The Chief Executive advised that Mr Hunter's second term as Chair of the Trust would run until 31 May 2019.

Trustees asked for their best wishes to be passed on to the Chair.

Decision:

The Trust appointed Mr Bobby Hunter as Chair, in line with the process set out in paragraph 4 of the report.

60/14

Articles for Shetland Leasing and Property Developments Limited

The Trust considered a report by the Chief Executive (CT1412053) which, acting as sole shareholder of Shetland Leasing and Property Developments Limited (SLAP), sought approval of the new Articles of Association for the company.

It was noted that there was an error in the numbering in the report, and that the final three paragraphs in Section 3 should instead be numbered 3.5 to 3.7.

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

Decision:

The Trust, acting as sole shareholder in SLAP, agreed to approve:

- The Ordinary Resolution to cover the period when only two directors operated; and
- The new articles for SLAP, Appendix D, by following the steps set out in paragraphs 3.6 i) and ii) within the report.

61/14

Management Accounts – Six Month Ended 30 September 2014

The Trust noted a report by the Chief Executive (CT1412056) which presented the Trust's Management Accounts to 30 September 2014.

In response to a query regarding the rental income in respect of Cunnister, Yell, Mr Ratter advised that there were some technical difficulties in disposing of this land due to crofting regulation. However with the support of the Chief Executive, he had been having discussions with the Crofters' Commission in an attempt to resolve these issues.

The Chief Executive added that the Trust had the title deeds and were hoping to sell the land in the new year, once the ongoing issues had been resolved.

It was requested that Trustees were supplied with information as to the costs to the Trust, and the Chief Executive advised that she would supply this information to any Trustee requiring it.

It was noted that there had been no requests so far for social assistance grants, and it was questioned why this was the case.

Mr Morgan advised that social assistance grants had been well-used in the past, but that there were now a number of different initiatives and layers of support available to people requiring assistance, so this was probably one factor.

The Chief Executive advised that there was an underspend in the community support grants budgets, but that this largely related to timing issues.

Decision:

The Trust noted the satisfactory performance to 30 September 2014.

62/14

Recommended Disbursements – Approvals

The Trust noted a report by the Chief Executive (CT1412057) which presented the recommended disbursements approvals.

Decision:

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

63/14

Capital Works Bridging Loan Scheme

The Trust noted a report by the Chief Executive (CT1412058) which provided an update regarding the Capital Works Bridging Loan Scheme.

The Chief Executive advised that there continued to be a steady stream of enquiries in relation to this Scheme.

Decision:

The Trust noted the contents of the report.

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

The Chair explained that with regard to Agenda Item 7 “Disbursement Review”, the budget-setting meeting in February would be held in public. However it was important that the Trust could discuss the review that had taken place without naming organisations or individuals in public, and it was a matter of courtesy that the organisations involved should hear the proposals from the Trust itself rather than the media.

(The media left the meeting)

64/14 **Disbursement Review**

The Trust considered a report by the Chief Executive.

After some discussion, it was agreed on the motion of Mr Ratter, seconded by Mr Morgan, to approve the recommendations in the report, subject to the amendments proposed by Trustees.

Decision:

The Trust agreed to approve the recommendations in the report, subject to the amendments proposed by Trustees.

65/14 **Planned Maintenance Programme**

The Trust considered a report by the Chief Executive.

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

Decision:

The Trust agreed to approve the recommendation in the report.

66/14 **Budgets**

The Trust considered a report by the Chief Executive.

Mr Duncan declared an interest as a Director of Voluntary Action Shetland.

The Chief Executive responded to questions from Trustees, and after some discussion, Trustees approved the recommendation in the report on the motion of Mr Smith, seconded by Mr Duncan.

Decision:

The Trust approved the recommendation in the report.

67/14 **Shetland Arts Development Agency - Update**
The Trust considered a report by the Chief Executive.

After hearing the Chief Executive summarise the main terms of the report, Mr Morgan moved that the recommendation in the report be approved, and Mr Smith seconded.

Decision:

The Trust agreed to approve the recommendation in the report.

(Mr Duncan left the meeting during consideration of the following item)

68/14 **Loans to Local Industry – Sums Due But Unpaid Over One Month Old as at 30 November 2014**
The Trust noted a report by the Chief Executive.

Decision:

The Trust noted the report.

(Mr Duncan returned to the meeting)

69/14 **Loans to Local Industry – Agricultural Loan Scheme Update**
The Trust noted a report by the Chief Executive.

Decision:

The Trust noted the report.

70/14 **Update from Chairs of Advisory Groups**
Mr Ratter provided a verbal update to Trustees.

Trustees noted the update.

The meeting concluded at 11.55am.

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CHAIR