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**MINUTES****Public**

**Shetland Charitable Trust  
Room 10, Islesburgh Community Centre, Lerwick  
Thursday 27 February 2014 at 10.00am**

**Present:**

M Bell	A Duncan
B Fullerton	B Hunter
A Manson	I Napier
D Ratter	J Smith
A Westlake	J Wills

**Apologies:**

R Henderson	C Hughson
I Kinniburgh	K Massey
S Morgan	

**In Attendance (Officers):**

A Black, Chief Executive - SCT  
M Duncan, Grants Co-ordinator - SIC  
A Johnston, Senior Assistant Accountant - SCT  
E Mainland, Office Administrator – SCT  
A Taylor, Team Leader, Development Plans and Heritage - SIC  
L Geddes, Committee Officer - SIC

**Chair:**

Mr Hunter, Chair of the Trust, presided.

**Circular:**

The circular calling the meeting was held as read.

**Declarations of Interest****Agenda Item 2: Budget Report 2014/15**

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

Mr Bell declared an interest as a Director of the Citizens' Advice Bureau.

Mr Wills declared an interest as a Trustee of Shetland Amenity Trust.

**Agenda Item 8 "Loans to Local Industry – Sums Due But Unpaid Over One Month Old as at 31 January 2014"**

Mr Duncan advised that he would leave the room during the discussion of this item as he had a personal interest.

## **Minutes**

The minutes of the meeting held on 14 November 2013, were confirmed on the motion of Mr Wills, seconded by Mr Duncan.

Mr Duncan advised that he had some questions he intended to raise in the private session of the meeting regarding the Shetland Arts Development Agency (SADA) update.

### **01/14 Shetland Arts Fund (SAF) Grant Aid Scheme: Amendment to Criteria – Further Information**

The Trust considered a report by the Chief Executive (CT1402001), which provided additional information regard the SAF Grant Scheme, and sought approval of proposed changes to the existing criteria.

Trustees noted that the criterion proposed was unchanged for individuals under 18 years of age, and for groups comprising of members under 18 years of age. However individuals aged 18 or over would only be eligible for one SAF Grant in any five-year period. If there were groups comprising of individuals over the age of 18 who had received a grant in the five-year period, the group could still apply for a grant but that particular individual would be excluded. The proposals in the report were supported by the Council's Grants Co-ordinator and Shetland Arts Development Agency.

The Grants Co-ordinator pointed out that there were numerical errors in Tables 1 and 2 of the report. In Table 1, the figure relating to "Groups for Projects/Events within Shetland" should read 65, meaning that the overall total should read "234". The grants total for this category should read "£101,743", meaning that the overall total should read "£164,495". In Table 2, the number of awards for this category should read "65", meaning that the overall total would read "169", and the grants total should read "£101,743", meaning that the overall total should read "£145,075".

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

#### **Decision:**

The Trust approved the changes to the criteria for SAF Grant Scheme awards outlined in paragraphs 4.2 and 4.3 of the report and set out in full in Appendix 2 to the report.

### **02/14 Budget 2014/15**

The Trust considered a report by the Chief Executive (CT1402002), which set out the recommended budget for 2014/15 that had been set in line with the Trust's projected financial position, and in accordance with the three-year funding strategy implemented in 2012/13.

Some discussion took place regarding the Christmas Grant Scheme, as referred to in paragraph 5.7 of the report. The Chair advised that the current Scheme was not necessarily targeted at those most in need, and that it had become increasingly difficult to administer. Due to changes to the benefit system and the inability of external agencies to assist, as they had in the past, it had proven nearly impossible to run the Scheme

as staff did not have the information necessary to administer it. The recommended option outlined in paragraph 5.7 of the report was not driven by savings, but was instead an attempt to target the grant at those most in need. Discussions had taken place with the Council's Social Work service and the Citizens' Advice Bureau (CAB), and they were supportive of the proposal. The Trust had been assured that the £100,000 budget would be adequate to meet demand. The Trust would also save on the tax burden that had been incurred because the disabled clients' grants were not means-tested.

In moving that Trustees approve recommendations 8.1(a)(i), 8.1(b), 8.1(c) and 8.1(d), Dr Wills pointed out that almost everyone in Shetland would, in some way, be benefitting from the budgets being approved today. All applications for funding were scrutinised, and further scrutiny would be taking place in advance of next year's budget exercise in order to ensure that the Trust was getting value for money from all the organisations it funded. However the Christmas Grant, as it stood, could not be justified and the Trust's staff no longer had access to the information it required to make the payments. The Government, followed by the Council, should always be the first resort for those in need, and both had access to information required in order to make payments. He was of the view that the Trust should only ever be a last resort, and more use could be made of social assistance grants in order to target assistance at those who had been let down by the Government or the Council. Approval of his motion would mean that there was a system of targeted assistance in place for those who did require it, and any savings realised would go back into the 'pot' to be used for disbursements.

Mr Smith seconded.

In moving that Trustees approve recommendations 8.1(a)(iii), 8.1(b), 8.1(c) and 8.1(d), Mr Duncan pointed out that staff had successfully administered the Christmas Grant Scheme in the past, and could continue to do so in future. Whilst it was true that the Government was failing people and benefit cuts were affecting pensioners, disabled people and those on a low income, this was a reason to continue the Grant Scheme. An increasing number of people were seeking assistance from the CAB, who provided an excellent service, as the benefits system could be very complex. Whilst he agreed that a review of the Grant Scheme should be carried out, there should also be a review across the board for all organisations receiving assistance from the Trust. He was of the view that the vulnerable were being unfairly targeted by singling out this Scheme for review, and that any review should only take place at the same time as everything else was being scrutinised. Given that fact that many pensioners were struggling on the lowest retirement pension in Europe, alongside cuts to the welfare system and the introduction of charges for care, there should be no further attacks on the most vulnerable in society.

Trustees speaking in favour of the motion commented that the Scheme had initially been set up with the best intentions in an era where there were many retired people who had not experienced the prosperity that had been experienced locally over the past few decades. However

circumstances had now changed, and there were not as many pensioners in this situation. Rather than targeting resources at a particular demographic group, it was important to target resources at those who genuinely needed help. This also included families and children, as many people had been affected by the economic downturn and changes to the welfare system. The Scheme, as it currently existed, could be seen as promoting inequality. It was no longer possible to deliver it in the same way, and it was not for the Trust to pick up problems caused by national or local government cuts.

Trustees speaking in favour of the amendment commented that they felt it was an attack on the most vulnerable in society and that many pensioners, including those who fell outside the welfare system thresholds, were struggling as a result of the increase in the cost of living. Many pensioners also did not claim the benefits to which they were entitled, and did not have partners to support them. It would be more appropriate for the Trust to scrutinise all grants it gave to bodies and organisations, and to consider whether it was getting best value and if there was scope for any amalgamation.

In response to queries, the Chief Executive confirmed that if additional resources were required for the Christmas Grant Scheme, a report would be presented to Trustees to request these additional resources. She was confident, through the work carried out by Social Work and the CAB, that individuals requiring support would still receive it. There was still some work to be done on the detail of the operation of the Scheme, but individuals would be informed of the process, once clarified, by letter.

In response to a query regarding the increase in the Trust's professional fees, as referred to in Appendix 4, the Chief Executive advised that there had been an overspend in this area due to the additional advice required as a result of the recent changes to the Trust.

After summing up, voting took place by show of hands and the result was as follows:

Amendment (Mr Duncan)	3
Motion (Dr Wills)	7

**Decision:**

The Trust:

- (a) (i) considered the applications for funding for the charitable programme for 2014/15 set out in Appendix 1, to provide the services set out at Appendix 5, and agreed to the level of financial assistance as recommended, totalling £10,040,710 for 2014/15. This incorporates Option 2 of paragraph 5.7
- (b) subject to the above, approved the draw down of the approved grants budgets, including the preparation of the Grant Offer Letters, which set out simple statements of services and standards expected to be received for the grants awarded.

- (c) agreed that SADA's grant should be advanced in instalments, the timing and the amount to be agreed in consultation with the Chair and Vice Chair.
- (d) approved the amendments to the Planned Maintenance Grant Offer Letter conditions as outlined in paragraph 5.8 (i) and (ii).

03/14 **Management Accounts – Nine Months Ended 31 December 2013**  
A report by the Chief Executive (CT1402003) presented the Trust's Management Accounts to the end of December 2013.

**Decision:**

The Trust noted the satisfactory financial performance to December 2013.

04/14 **Capital Works Bridging Loan Scheme**  
The Trust noted a report by the Chief Executive (CT1402004), which provided an update on the Capital Works Bridging Loan Scheme.

**Decision:**

The Trust noted the contents of the report.

05/14 **Fund Manager Transactions**  
The Trust noted a report by the Chief Executive (CT1402005), which provided information regarding the fund manager transactions from 1 October to 31 December 2013.

**Decision:**

The Trust noted the contents of the report.

06/14 **Recommended Disbursements - Approvals**  
The Trust considered a report by the Chief Executive (CT1402006), which provided details of the recommended disbursements for approval.

**Decision:**

The Trust noted the approvals contained in the body of the report.

The Chair advised that this would be the last meeting for Alison Johnston, the Trust's Senior Assistant Accountant, who was retiring from the Trust. On behalf of the Trust, he thanked her for her nine years of service and wished her a happy retirement.

**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)*

07/14 **Sums Due But Unpaid – Sundry Debtor**  
The Trust considered a report by the Chief Executive (CT1402007).

Mr Ratter moved that the recommendation in the report be approved and Mr Duncan seconded.

**Decision:**

The Trust agreed to write off the outstanding balance.

*(Mr Duncan left the meeting)*

08/14 **Loans to Local Industry – Sums Due But Unpaid Over One Month Old as at 31 January 2014**

The Trust noted a report by the Chief Executive (CT1402008), which presented information on overdue sums.

**Decision:**

The Trust noted the report.

*(Mr Duncan returned to the meeting)*

09/14 **List of Deeds Executed**

The Trust considered and noted a report by the Chief Executive (CT1402009), which presented the List of Deeds Executed.

**Decision:**

The Trust noted the report.

The Chief Executive advised that Karen Thrumble, a performance analyst, had carried out a ten-year appraisal of the Trust's external investments. She would be holding a session with Trustees the following week, and a copy of her report would be issued to Trustees.

The Chair provided an update on Shetland Arts Development Agency (SADA), and responded to questions from Trustees.

The meeting concluded at 11.20am.

CHAIR