

MINUTES

Public

**Shetland Charitable Trust
Room 9, Islesburgh Complex, Lerwick
Thursday 29 November 2018 at 5.30pm**

Present:

A Cooper	J Garriock
Y Hopkins	B Hunter
P Malcolmson	T Macintyre
I Napier	D Ratter
M Roberts	J Smith

Apologies:

G Hay	K Massey
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In Attendance (Officers):

A Black, Chief Executive - SCT
R Mainland, Executive Business Manager – SCT
E Flaws, Administration Manager – SCT
L Geddes, Committee Officer – SIC

Also:

R Leask

Chair:

Mr Hunter, Chair of the Trust, presided.

Circular:

The circular calling the meeting was held as read.

Declarations of Interest

Mr Malcolmson advised that he would take no part in any budget discussions relating to COPE.

Minutes

The minutes of the meeting held on 11 September 2018 were confirmed on the motion of Mr Smith, seconded by Mr Ratter.

The minutes of the special meeting held on 22 October 2018 were confirmed on the motion of Mr Malcolmson, seconded by Ms Roberts.

Budget 2019/20

The Trust considered a report by the Chief Executive (CT1811031) seeking approval of the recommended budget and disbursements for 2019/20.

It was noted that there was a typographical error in paragraph 5.4.2 of the report, and that it should instead read "1 April 2019".

The Chair advised that this was the final year of the four-year budget plan agreed by Trustees, and the Trust would begin its discussions relating to the next four years in the new year. He referred to paragraph 5.4.3, and advised that the service provision targets for Voluntary Action Shetland had now been revised and would be included in the drawdown of funding with the other organisations.

In response to a question, the Chief Executive advised that the grant request from Shetland Amenity Trust was in the process of being prepared, and it was not expected to be significantly different to previous years.

On the motion of Reverend Macintyre, seconded by Mr Ratter, the Trust approved the recommendations in the report.

Decision:

The Trust approved:

- Budgeted income of £1,686,250, as detailed in Section 4 of the report
- Budgeted disbursements of up to £7,383,167, as detailed in Section 5 of the report
- Grant budgets detailed in Section 5.2.1 to 5.3.2 of the report
- The drawdown of the approved grant budgets in 5.2.1 to 5.3.2 of the report, including the preparation of the Grant Offer Letters, which set out simple statements of the services and standards expected to be received for the grants awarded
- Budgeted management and administration expenses of £637,610, as detailed at Section 6 of the report
- Budgeted investment management expenses of £1,033,400, as detailed at Section 7 of the report

Governance Arrangements for Shetland Charitable Trust

The Trust considered a report by the Chief Executive (CT1811032) seeking approval of the recommendations of the Audit and Governance Advisory Committee (AGAC) to revise the governing documents of Shetland Charitable Trust.

On behalf of the AGAC, Mr Malcolmson outlined the key changes that had been made to the governing documents, including those that had been requested by Trustees. It was noted that Trustees now had the ability to remove and suspend Trustees and to remove the Chair/Vice

Chair, and the Code of Conduct now included a disciplinary process and disclosure of criminal convictions. Following the reduction in the total number of Trustees, it was also recommended that the minimum number of Trustees was reduced from nine to seven, and that there was a change to a simple majority for non-attendance of Trustees at meetings.

It was questioned why the Chair of the AGAC had authority to call a special meeting, and not the Chairs of the other advisory committees.

The Chief Executive explained that it was because of the scrutiny role of the Committee, and the other two advisory committees could approach the Chair of the AGAC with such a request.

On the motion of Mr Ratter, seconded by Mr Malcolmson, Trustees approved the recommendation in the report.

Decision:

The Trust approved the amendments to the governing documents of Shetland Charitable Trust, as at Appendix B of the report.

40/18 **Schedule of Meetings 2019**

The Trust considered a report by the Chief Executive (CT1811033) seeking approval for the schedule of meetings for 2019.

It was noted meeting venues would be confirmed when agendas were issued.

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

Decision:

The Trust adopted the diary of meetings set out in the report for 2019.

41/18 **Investment Review Report – Quarter to 30 September 2018**

The Trust considered a report by the Chief Executive (CT1811034) reviewing investment performance for the quarter to 30 September 2018.

The Executive Business Manager advised that there had been a £5million increase in value over the three-month period due to moderate returns across all asset classes, and the overall investment return for the period had been 1.6%. In October there had been a major drop in equity markets across the world, and this had resulted in total investments falling by £20million to £263 million.

Decision:

The Trust noted the report.

42/18 **Management Accounts – Six Months Ended 30 September 2018**

The Trust considered a report by the Chief Executive (CT1811035) presenting the Trust's Management Accounts for the three months ended 30 September 2018.

The Executive Business Manager pointed out that although there had been a major drop in equity markets in October, the Trust's investments

were still £12 million up for the year. There had been 12 drops of 10% or more in the stock market since 2012, but the Trust based its budget and forecasting on a long-term assumption of a 7% return net of fees.

Responding to questions, he advised that returns in recent years had exceeded this figure, and fund managers had exceeded or equalled all benchmarks given.

It was noted that the Investment Advisory Committee did regularly monitor the Trust's investments, and the new investment strategy that had been agreed by Trustees seemed to be working well.

Decision:

The Trust noted the report.

43/18 **Capital Works Bridging Loan Scheme**

The Trust considered a report by the Chief Executive (CT1811036) updating Trustees on the Capital Works Bridging Loan Scheme.

The Chief Executive advised that some new applications were currently being progressed.

Decision:

The Trust noted the report.

44/18 **Small Grant Schemes - Approvals**

The Trust considered a report by the Chief Executive (CT1811037) listing the grants approved for the period 23 August 2018 to 12 November 2018.

Decision:

The Trust noted the approvals listed.

In order to prevent the disclosure of confidential information, Mr Hunter moved, Mr Ratter 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 and Mr Leask left the meeting)

45/18 **Investment Review**

The Trust considered a report by the Chief Executive.

The Executive Business Manager gave a PowerPoint presentation to Trustees and responded to questions.

(Mr Ratter left the meeting)

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

Decision:

The Trust approved the recommendation in the report.

46/18 **Deeds Executed**

The Trust considered a report by the Chief Executive.

Decision:

The Trust noted the contents of the list attached to the report.

47/18 **Update from Chairs of Advisory Committees**

The Trust noted updates from the Trust's advisory committees.

Decision:

The Trust noted the updates.

48/18 **Update from Subsidiary Companies**

The Trust noted updates from the subsidiary companies.

Decision:

The Trust noted the updates.

The meeting concluded at 6.25pm.

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CHAIR