

Chief Executive: Dr Ann Black

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If calling please ask for  
**Edna Flaws**  
Direct Dial: 01595 744994

Our Ref: EM/TA48

Date: 12 April 2017

Dear Sir/Madam

You are invited to the following meeting:

**Special Shetland Charitable Trust  
Room 12, Islesburgh Community Centre, Lerwick  
Thursday 20 April 2017 at 5.30pm**

Apologies for absence should be notified to Lynne Geddes on 01595 744592.

*(Please note the time and venue of this meeting)*

Yours faithfully

(signed) Dr Ann Black  
Chief Executive

## **AGENDA**

- (a) Hold circular calling the meeting as read.
- (b) Apologies for absence, if any.
- (c) Declarations of Interest - Trustees are asked to consider whether they have an interest to declare in relation to any item on the agenda for this meeting. Any Trustee making a declaration of interest should indicate whether it is a financial or non-financial interest and include some information on the nature of the interest. Advice may be sought from Officers prior to the meeting taking place.

(d) Confirm minutes of meeting held on 16 February 2017 (enclosed).

***For Decision***

1. Governance Arrangements of Shetland Charitable Trust. Report enclosed.
2. Rural Care Model – Service Targets. Report enclosed.

The following item contains **CONFIDENTIAL** information

***For Decision***

3. Appointment of Trustees. Report enclosed.

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## REPORT

To: Shetland Charitable Trust

Date 20 April 2017

From: Chief Executive

Report: CT1704004

### **Governance Arrangements of Shetland Charitable Trust**

#### **1. Introduction**

- 1.1 The purpose of this report is to seek Trustees to pass the Resolution which gives effect to the reorganisation scheme approved by the Office of Scottish Charity Regulator ("OSCR") on 5 April 2017.

#### **2. Background**

- 2.1 At their meeting on 13 September 2012, Trustees gave effect to a reorganisation scheme approved by OSCR on 3 July 2012 (Minute ref CT33/12)
- 2.2 The reorganisation scheme was given effect to on the condition that there was an independent review of the governance arrangements within three years with the review to be laid before Trustees for decision before 30 April 2017.
- 2.3 In September 2015, the Institute of Directors (IOD) were appointed to undertake a Review of the Trust's Governance Arrangements.
- 2.4 At their meeting on 12 May 2016, Trustees approved the Report and Recommendations on a Review of Governance Arrangements of the Trust prepared by IOD, Turcan Connell and the Trust. (Minute ref CT22/16)
- 2.5 At their meeting on 15 September 2016, Trustees approved the proposed changes to the Trust Deed and Charitable Objects required to implement the recommendations of the Governance Review report. (Minute ref CT45/16)
- 2.6 On 14 November 2016, Turcan Connell submitted the reorganisation scheme to OSCR on behalf of the Trust.
- 2.7 The Trust's reorganisation scheme was published by OSCR from 13 January 2017 for 28 days.

#### **3. Present Position**

- 3.1 The reorganisation scheme was approved by OSCR by letter of 5 April 2017.

- 3.2 To give effect to the reorganisation scheme Trustees must now formally record the changes to the 2012 Deed of Trust. The necessary Resolution is attached (Appendix A). The future governance and management of the Trust will be in terms of the 2012 Deed of Trust as amended. Trustees should note that the 2012 Deed of Trust will remain in force so far as not so amended.

#### **4. Financial Implications**

- 4.1 There are no direct financial implications arising from this report.

#### **5. Recommendations**

- 5.1 Trustees are recommended to pass the Resolution in implementation of the changes approved by the Trustees at their meeting on 15 September 2016, and thus give effect to the reorganisation scheme as submitted to OSCR and approved by letter of 5 April 2017.
- 5.2 Trustees are recommended to authorise the signature of the Resolution by delegating to three Trustees the authority to exercise the Power of Attorney for that purpose.

Reference: TA38

Report Number CT1704004

WE, *[Insert names and addresses]* being a quorum of the Trustees (“the Trustees”) acting under the Deed of Trust by Malcolm John Bell and others dated 13th and 14th and registered in the Books of Council and Session on 27th, all days of September, 2012 (“the 2012 Deed of Trust”) establishing the charitable trust known as the Shetland Charitable Trust (Scottish Registered Charity SC027025) (“the Charity”) CONSIDERING THAT:

(One) The Trustees along with *[Insert names and addresses]* are the trustees of the Charity.

(Two) In terms of a Resolution passed at a meeting of the then Trustees of the Charity on 13<sup>th</sup> September 2012, the said then Trustees gave effect to a Reorganisation Scheme (the “2012 Reorganisation Scheme”) under Section 39 of the Charities and Trustee Investment (Scotland) Act 2005 (the “2005 Act”) as approved by the Office of the Scottish Charity Regulator (“OSCR”) on 3<sup>rd</sup> July 2012 to vary the provisions of a Deed of Trust by Shetland Islands Council dated Tenth and registered in the Books of Council and Session on Twenty fourth, both days of September Nineteen hundred and ninety seven which resulted in the provisions contained in the 2012 Deed of Trust on condition that there was an independent review of the 2012 Reorganisation Scheme within 3 years of its adoptions to be laid before the Trustees for decision by 30<sup>th</sup> April 2017;

(Two) The independent review of the 2012 Reorganisation Scheme took place the outcome of which was that an Application for Approval of a Charity Reorganisation Scheme (the “2016 Reorganisation Scheme”) under the 2005 Act was made on 14<sup>th</sup> November 2016 to make the amendments to the 2012 Deed of Trust as shown in Appendix A annexed and executed as relative hereto (“the Amendments”);

(Three) OSCR granted approval to the Charity Reorganisation Scheme in terms of a letter dated 5<sup>th</sup> April 2017 (“the Approval”);

(Four) Following due consideration, the Trustees consider that it is in the best interests of the Charity to make the Amendments.

NOW THEREFORE in implementation of the 2016 Reorganisation Scheme under the 2005 Act as approved by OSCR in the Approval the Quorum of the Trustees DO HEREBY RESOLVE to make the Amendments to the 2012 Deed of Trust DECLARING THAT, subject to the Amendments, the 2012 Deed of Trust shall remain in force unchanged, and the future governance and management of the Trust will be in terms of the 2012 Deed of Trust comprising Appendix B annexed and executed as

relative hereto: THIS DEED consisting of this and the two preceding pages together with the Appendices annexed and executed as relative hereto is signed as follows:-

**This is Appendix A referred to in the  
foregoing Resolution by the Trustees dated**

**Amendments**

1. Clause (SECOND) of the 2012 Deed of Trust shall be deleted in its entirety and replaced by the following:-

“(SECOND) The Trustees shall hold the Trust Fund at their sole discretion for any charitable purposes which in the opinion of the Trustees are solely in the interests of the area administered by the local or other governmental authority for the time being of the Shetland Islands or of the inhabitants of the said area (hereinafter referred to as “the community”) towards all or any of the following charitable purposes:-

- (a) the prevention or relief of poverty;
- (b) the advancement of education
- (c) the advancement of religion
- (d) the advancement of health
- (e) the advancement of citizenship or community development
- (f) the advancement of the arts, heritage, culture or science
- (g) the provision of recreational facilities, or the organisation of recreational activities, or the organisation of recreational facilities, with the object of improving the conditions of life for the persons for whom the facilities or activities are primarily intended
- (h) the promotion of equality and diversity
- (i) the advancement of environmental protection or improvement
- (j) the relief of those in need by reason of age, ill-health, disability, financial hardship or other disadvantage

Declaring that the Trustees shall have the following powers exercisable only in furtherance of its said charitable objects, namely:-

- (i) making grants or loans with or without interest;
- (ii) carrying out developments on or in connection with the said area ;
- (iii) encouraging and assisting the holding of meetings of members of the community;



- (iii) preserving and improving the said area in the manner which in the opinion of the Trustees is most conducive to promoting the said area for the benefit of the community and of the Nation;
- (iv) repairing, maintaining and renewing any buildings, equipment and other assets held or used in the furtherance of any of the foregoing charitable purposes;
- (v) doing all such other things as are incidental to the furtherance of the foregoing charitable purposes:

Declaring further that no act of the Trustees shall be deemed to be ultra vires by reason only that individuals or bodies who do not form part of the community may or will benefit indirectly by such act."

2. In Clause (FOURTH) of the 2012 Deed of Trust:-

- 2.1 After the words "The Trustees may from time to time" insert the words "resolve by a 75% majority of the Trustees present and voting thereon to supplement or alter or amend the provisions of the 2012 Deed of Trust"
- 2.2 After the words "by Deed or Deeds revocable or irrevocable" delete the words, "to the extent (and to such extent only) as may in the opinion of the Trustees be requisite for the purpose of conferring on the Trustees such further or other powers as may be necessary for the better administration and more effectual execution of the charitable trust hereby created"
- 2.3 After the words "PROVIDED always that" insert the words, "(a) any alteration or amendment to the charitable purposes set out in Clause (SECOND) hereof must be consistent with the spirit of the 2012 Deed of Trust only and (b)"

3. In the Schedule of Governance Arrangements ("Schedule") annexed to the 2012 Deed of Trust:-

3.1 In paragraph 1 Definitions:-

- 3.1.1 The word "Appointed" is deleted and substituted with "Selected" wherever it occurs throughout the Schedule;
- 3.1.2 In the definition of "Selected Trustee" as reworded, the words "and shall include the First Selected Trustees" as reworded EW delete;
- 3.1.3 After the definition of "Appropriate Officer", add the definition, "Continuing Trustees" means the Trustees in office as at the Effective Date";
- 3.1.4 In the definition of "Councillor Trustee" after the words "under Paragraph 5" delete the words, "and shall include the First Councillor Trustees";
- 3.1.5 The definition of "Existing Trustees" is delete in its entirety;
- 3.1.6 In the definition of "Effective Date"

- 3.1.6.1 After the words "shall be determined by the" and "no determination by the" delete the word "Existing";
- 3.1.6.2 Delete the words "31<sup>st</sup> March 2013" and replace them with the words "4<sup>th</sup> June 2017" both times they appear;
- 3.1.7 The definition of "First Selected Trustee" as reworded is delete in its entirety;
- 3.1.8 In the definition of "Trustees":-
  - 3.1.8.1 After the word "includes" add the words "Continuing Trustees";
  - 3.1.8.2 Delete the words "First Appointed Trustees";
  - 3.1.8.3 After the words "Selected Trustees" as reworded add the word "and";
  - 3.1.8.4 Delete the words "and First Councillor Trustees and references to Trustees shall include the Existing Trustees and the Remaining *ex officio* Trustees as defined in sub-paragraph 9(c)(i) unless the context requires otherwise";
- 3.2 In paragraph 2:-
  - 3.2.1 At the beginning of the paragraph add the words "Subject as aftermentioned,"; and
  - 3.2.2 At the end of the paragraph add the words, "In exceptional circumstances, Trustees may resolve (a) that a Trustee who ceases to be principally resident in the Shetland Islands may continue in office as a Trustee notwithstanding that he or she has ceased to be so resident; or (b) appoint as a Trustee an individual not principally resident in the Shetland Islands".
- 3.3 In paragraph 3:-
  - 3.3.1 At the beginning of the paragraph, delete the words, "Subject to the provisions of Paragraph 9 relating to the transition to the new governance arrangements:-";
  - 3.3.2 In sub paragraph (a):-
    - 3.3.2.1 After the word, "The" add the words, "minimum number of";
    - 3.3.2.2 After the words, "Trustees shall" delete the word, "normally";
    - 3.3.2.3 Between the words "be" and "fifteen" insert the words, "nine and the maximum number of Trustees shall be";

- 3.3.2.4 After the words "promptly filled" add the words, "allowing for due process".
- 3.3.3 In sub paragraph (b):-
- 3.3.3.1 After the words, "The body of Trustees shall" delete the words, "be made up of eleven" and insert the words, "comprise:- (i) up to four"
- 3.3.3.2 After the words "Councillor Trustees" add ";;";
- 3.3.3.3 After the words "Councillor Trustees; and" delete the word "seven" and insert the words "(ii) up to eleven".
- 3.3.4 In sub paragraph (c) delete the words "a full complement" and replace them with the words, "at least the minimum number";
- 3.4 In paragraph 4:-
- 3.4.1 In sub paragraph (b) delete the letter "(c)" and replace it with the number and letter "9(b)";
- 3.4.2 Delete sub paragraph (c) in its entirety and replace it with, "(c) Selected Trustees appointed as and from 4<sup>th</sup> June, 2017 shall retire on the 31st May occurring every fourth year after 4<sup>th</sup> June, 2017."
- 3.5 Sub paragraph 6(b) shall be deleted in its entirety and replaced with:-
- "(b) The quorum for a meeting of the Trustees shall be the greater of:-
- (i) six Trustees;
  - (ii) if there is an even number of Trustees, one half of the number of Trustees plus one: or
  - (iii) if there is an odd number of Trustees, one half of the number of Trustees rounded up to the nearest whole number
- of whom:-
- (i) if there is an even number of Trustees, not less than one half of the number of Trustees must be Selected Trustees; and
  - (ii) if there is an odd number of Trustees, not less than one half of the number of Trustees rounded up the nearest whole number must be Selected Trustees."

3.6 In paragraph 7:-

3.6.1 sub paragraph (b) shall be deleted in its entirety and replaced with:-

"(b) The Selection Panel shall comprise:-

- (i) an independent Chair appointed by the Trustees or an Advisory Committee established in furtherance of Clause 4 of the Schedule of Powers annexed and executed as relative to the 2012 Deed of Trust but who shall not be a Trustee of the Trust; and
- (ii) two Trustees at least one of whom must be a Selected Trustee.”

3.6.2 At the end add the following sub paragraph:-

- “(c) In the event that the Selection Panel is unable to recommend appropriate individuals resident in the Shetland Islands for appointment as Selected Trustees then that shall be deemed to be exceptional circumstances for the purpose of Paragraph 2”

3.7 Paragraph 9 is deleted in its entirety and replaced by the following:-

**“9 Transition etc**

As at the Effective Date the Continuing Trustees:-

- (a) shall be the Trustees;
- (b) shall be deemed to have been appointed on such date prior to the Effective Date as such Continuing Trustee was first appointed as a Trustee; and
- (c) shall be deemed to have served such Term or Terms as provided for in the 2012 Deed of Trust.”

**This is Appendix B referred in the foregoing  
Resolution by the Trustees dated**

WE, MALCOLM JOHN BELL, residing at Edgecott, 34 St Olaf Street, Lerwick ZE1 0BX, MARK ROBERT BURGESS, residing at Mayburn Cottage, Ladysmith Road, Scalloway ZE1 0XD, PETER JAMES CAMPBELL, residing at 8 Sandyloch Drive, Lerwick ZE1 0SR, GARY KENNETH CLEAVER, residing at 1 Hillsgarth, Baltasound, Unst, ZE2 9DY, ALASTAIR THOMAS JAMES COOPER, residing at Linga, Mossbank ZE2 9RB, STEVEN WILLIAM COUTTS, residing at Glenlea, Weisdale ZE2 9LQ, ALLISON GEORGE LESLIE DUNCAN, residing at 1 Hillock, Dunrossness ZE2 9JR, ROBERT SIMPSON HENDERSON, residing at Maraberg, Cullivoe, Yell ZE2 9DD, ANDREA ISOBEL MANSON, residing at Greystones, Brae, ZE2 9QJ, WILLIAM ANDREW RATTER, residing at Gaets A Voe, Ollaberry, ZE2 9RX, FRANK ANDREW ROBERTSON, residing at Columbus, Selivoe, Bridge of Walls ZE2 9NR, GARY ROBINSON, residing at 17 Burnside, Lerwick ZE1 0QH, DAVID ALEXANDER SANDISON, residing at Bonhoga, 7 Castle Street, Scalloway, ZE1 0TP, MALCOLM GEORGE SMITH, residing at Breasclate, Sandwick, ZE2 9HH, THEODORE GEORGE CAMERON SMITH, residing at Stenaquoy, Wormadale, Whitenesss, ZE2 9LJ, MICHAEL WILLIAM STOUT, residing at Kirkabister, Bressay, ZE2 9ER, AMANDA JOAN WESTLAKE, residing at Maya Datcha, 41 Burgh Road, Lerwick, ZE1 0LA, JONATHAN WITNEY GARRIOCK WILLS, residing at Sundside, Bressay, ZE2 9ER, ALLAN SINCLAIR WISHART, residing at Seafielde Lodge, Lower Sound, Lerwick ZE1 0RN and VAILA WISHART, Eden Cottage, Setter, Burra, ZE2 9LB, (the addresses of the foregoing parties all being in Shetland), being respectively some of the members of the Shetland Islands Council, incorporated under the Local Government etc (Scotland) Act 1994, for the electoral divisions of variously Lerwick South, Lerwick North, Shetland South, Shetland North, Shetland Central, Shetland West and North Isles and VALERIE MARGARET LILLIAS NICOLSON, residing at Midgarth, Twageos Road, Lerwick and ROBERT WALTER HUNTER, residing at Millburn, Bridge End,

Burra, ZE2 9LD both Shetland, being respectively Head Teacher of the Anderson High School, Lerwick and Lord Lieutenant of Shetland, and as such members of Shetland Islands Council, such Head Teacher and such Lord Lieutenant, the present Trustees accepting and acting under Deed of Trust by Shetland Islands Council dated Tenth and registered in the Books of Council and Session on Twenty fourth, both days of September Nineteen hundred and ninety seven (hereinafter referred to as the "1997 Deed of Trust" and the Trust constituted by the 1997 Deed of Trust then being known as the Shetland Islands Council Charitable Trust, now being known as the Shetland Charitable Trust (Scottish Registered Charity SC027025) being hereinafter referred to as "the Trust") HEREBY DECLARE that in implementation of a Scheme under Section 39 of the Charities and Trustee Investment (Scotland) Act 2005 as approved by the Office of the Scottish Charity Regulator on 3rd July 2012 the assets of the Trust comprising (i) all and any property heritable or moveable real or personal made over to us, as Trustees foresaid for the purposes of the Trust created by the 1997 Deed of Trust (ii) any other property of any description which may be made over to the Trustees as aftermentioned for the purposes of the Trust and (iii) the investments and property representing the property within (i) and (ii) from time to time (all hereinafter referred to as "the Trust Fund") are held on and from the Effective Date as defined in the Schedule of Governance Arrangements annexed and executed as relative hereto (hereinafter referred to as the "Schedule of Governance Arrangements") by the Trustees as defined in the Schedule of Governance Arrangements in trust in accordance with the terms and provisions of this Deed of Trust, the Schedule of Powers annexed and executed as relative hereto and the Schedule of Governance Arrangements (hereinafter referred to as the "2012 Deed of Trust") for the purposes hereinafter written namely:-

#### **Payment of Expenses**

(FIRST) The Trustees shall pay all expenses which may be incurred by them or under their authority in connection with the trust hereby created as the same shall be instructed by an account under their hands or by the discharged accounts hereof paid by their order without any other voucher.

### **Objects of Trust**

(SECOND) The Trustees shall hold the Trust Fund at their sole discretion for any charitable purposes which in the opinion of the Trustees are solely in the interests of the area administered by the local or other governmental authority for the time being of the Shetland Islands or of the inhabitants of the said area (hereinafter referred to as "the community") towards all or any of the following charitable purposes:-

- (k) the prevention or relief of poverty;
- (l) the advancement of education
- (m) the advancement of religion
- (n) the advancement of health
- (o) the advancement of citizenship or community development
- (p) the advancement of the arts, heritage, culture or science
- (q) the provision of recreational facilities, or the organisation of recreational activities, or the organisation of recreational facilities, with the object of improving the conditions of life for the persons for whom the facilities or activities are primarily intended
- (r) the promotion of equality and diversity
- (s) the advancement of environmental protection or improvement
- (t) the relief of those in need by reason of age, ill-health, disability, financial hardship or other disadvantage

Declaring that the Trustees shall have the following powers exercisable only in furtherance of its said charitable objects, namely:-

- (vi) making grants or loans with or without interest;
- (ii) carrying out developments on or in connection with the said area ;
- (iii) encouraging and assisting the holding of meetings of members of the community;

- (iv) preserving and improving the said area in the manner which in the opinion of the Trustees is most conducive to promoting the said area for the benefit of the community and of the Nation;
- (v) repairing, maintaining and renewing any buildings, equipment and other assets held or used in the furtherance of any of the foregoing charitable purposes;
- (vi) doing all such other things as are incidental to the furtherance of the foregoing charitable purposes:

Declaring further that no act of the Trustees shall be deemed to be ultra vires by reason only that individuals or bodies who do not form part of the community may or will benefit indirectly by such act.

#### **Surplus Income**

(THIRD) Any income of the Trust Fund not expended in any year may at the discretion of the Trustees be accumulated as the Trustees may determine but with power to resort thereto in future years.

#### **Supplementary Deed**

(FOURTH) The Trustees may from time to time resolve by a 75% majority of the Trustees present and voting thereon to supplement or alter or amend the provisions of the 2012 Deed of Trust by Deed or Deeds revocable or irrevocable PROVIDED always that (a) any alteration or amendment to the charitable purposes set out in Clause (SECOND) hereof must be consistent with the spirit of the 2012 Deed of Trust only and (b) nothing in this Clause shall authorise or be deemed to authorise the application of any part of the Trust Fund or the income thereof for any purpose which is not a purpose charitable in law.

#### **Trustees' Powers**



The Trustees shall have the fullest powers of administration and management of the Trust Fund as if they were absolute owners thereof and beneficially entitled thereto, and in particular and without prejudice to these general powers the Trustees shall have the powers specified in the Schedule of Powers annexed and executed as relative hereto, such powers to be exercised or not exercised as the Trustees may decide in their sole and absolute discretion at any time and from time to time provided always that no power vested in the Trustees hereunder shall be exercised in such manner that the Trust Fund or the income thereof or any part thereof shall be held, paid or applied other than for purposes charitable in law.

### **Apportionments**

All interest, dividends, rents and other periodical payments of income received by the Trustees after the date of these presents shall be regarded as wholly income of the Trust Fund and that without reference to the periods in respect of which the same are earned or paid and that notwithstanding the provisions of any Statutes dealing with apportionments and similarly on the sale or realisation of any part of the Trust Fund by the Trustees or on the purchase or acquisition by them of any other property heritable or moveable, real or personal, the whole of the proceeds of sale or realisation shall be treated as capital and all the interest, dividends, rents and others received subsequent to such purchase or acquisition shall be treated as income, there being no apportionment of such proceeds or interest, dividends, rents and others as between capital and income.

### **Persons transacting with Trustees**

Purchasers, tenants, debtors and others transacting with the Trustees shall be nowise concerned with the application of the sums to be paid by them to the Trustees or with any of the conditions and provisions contained in these presents nor shall they be entitled to notice or to enquire whether these sums be applied or not towards the uses and purposes of the trust but they shall be sufficiently exonerated and discharged by the conveyances, discharges or other writings to be granted

by the Trustees or by any factor, attorney, solicitor, accountant, stockbroker or agent duly authorised by them.

### **Finality of discretionary powers**

Whenever it shall be necessary in connection with the affairs of the trust hereby created for the Trustees to exercise any discretionary power whatever decision or resolution they may act upon shall be final and binding on all parties interested either directly or indirectly and the actings of the Trustees shall not be liable to be called in question upon any ground whatever except fraud.

### **Trustees' Immunity**

The Trustees shall not be in any way liable for any loss suffered as a result of the exercise of any of the powers given to them by these presents or for any fall in value of or for the validity and sufficiency of investments, securities and others held by them or on their account whether made or retained by the Trustees or for omissions or for neglect in their management or for one another or for factors, attorneys, solicitors, accountants, stockbrokers, agents or others appointed or employed by them except that they were habit and repute responsible at the time of their appointment or employment but each for his or her own actual personal intrusions only.

### **Irrevocability**

And we declare these presents to be irrevocable: IN WITNESS WHEREOF these presents typewritten on this and the preceding six pages together with the Schedule of Governance Powers and Schedule of Governance Arrangements annexed and executed were executed for and on behalf of the Trustees of Shetland Charitable Trust conform to a Power of Attorney by Malcolm John Bell and others as Trustees aforesaid dated Fourth July and subsequent dates and registered in the Books of Council and Session on Sixth August both months in the year Two thousand and twelve as follows:- they were signed by William Andrew Ratter (subscribing "D Ratter") at Lerwick on the Thirteenth day of September Two thousand and Twelve in the presence of Simon Aeneas Mackintosh, Princes Exchange, 1 Earl Grey Street, Edinburgh, they were signed by Robert Walter Hunter (subscribing "R Hunter") at Lerwick on the Fourteenth day of the said last mentioned month and year in the presence of Edna Joy Mainland, 22-24 North Road, Lerwick, Shetland and there were signed by David Alexander Sandison (subscribing "D Sandison") at Lerwick on the said last mentioned date in the presence of the said Edna Joy Mainland.

This is the SCHEDULE OF POWERS referred to in the 2012 DEED of TRUST by Malcolm John Bell and others dated 13<sup>th</sup> and 14<sup>th</sup> September 2012

**To hold original assets or to sell**

1. To hold any assets heritable or moveable, real or personal, which are transferred by the 2012 Deed of Trust or which may subsequently be made over to the Trustees or to sell the same and reinvest the proceeds.

**To invest**

2. To invest the Trust Fund in the purchase or on the security of such heritable or real property including rights under Leases, corporeal or incorporeal moveables, investments, stocks, shares (including ordinary stocks and shares and including partly-paid shares), deposits and securities, real or personal (including bonds or securities payable to bearer) whether within the United Kingdom or abroad as the Trustees shall in their sole discretion think fit, it being our intention that the Trustees shall not be restricted to the class of investments authorised by law to Trustees but shall have as full and ample powers of investment as if they themselves were absolute owners of the Trust Fund and beneficially entitled thereto.

**To enter into Conservation Agreements**

3. To enter into Conservation Agreements for the better preservation of the Trust Fund or any part thereof.

**To create Advisory Councils or Committees**

4. To create, should the Trustees so desire, an Advisory Council or Councils or Committee or Committees to act along with them and/or advise them on any or all of the objects of the Trust provided always that the creation, constitution, membership and continuance of any such Advisory Council or Committee or the individual membership thereof shall be entirely at the discretion of the Trustees.

**To use nominees**

5. To have registered in the names of a nominee all or any part of parts of the Trust Fund and to pay reasonable fees to such nominee.

**To distinguish between capital and income**

6. To decide what money represents capital and what represents income of the Trust Fund and the proportion in which the expenses of the Trust are to be charged against capital and income respectively, notwithstanding any rule of law or practice to the contrary, and all similar questions which may arise in relation to the trust.

**To repair and improve**

7. To expend both capital and income of the Trust Fund as shall appear to the Trustees necessary or desirable to be expended from time to time in insuring, putting and keeping in good repair and replacing any heritable or real property (including without prejudice to the generality buildings, fences, drains, ditches, roads, plantations and others) corporal moveables and other effects forming part of the Trust Fund and in erecting any additional buildings or making any additional fences, drains, ditches, roads or plantations or executing any other works of any kind on such heritable or real property which they may consider necessary or desirable and in keeping up the offices, gardens and other grounds of and the game and fishings on any such heritable or real property.

**To cut woods and to plant**

8. To thin or cut down woods or plantations forming part of the Trust Fund and to sell or dispose thereof as the Trustees shall judge necessary or desirable and to plant timber.

**To pay taxes, etc**

9. To expend both capital and income of the Trust Fund –
  - (a) for payment of all duties, rates, taxes, parochial burdens and other charges affecting or payable out of any property forming part of the Trust Fund, and

- (b) for any purposes which the Trustees shall judge to be necessary or desirable for the administration, management, cultivation, letting, working, maintenance or improving of the Trust Fund or of any part thereof.

**To deal with minerals**

10. To deal with minerals and mineral substances forming part of the Trust Fund either by themselves or in association with another or others and that in such way or ways as the Trustees may think fit provided always that this power is exercised in furtherance only of the terms and purposes of this Trust and that no part of the income or capital of the Trust Fund shall be applied otherwise than for purposes charitable in law.

**To grant allowances to tenants**

11. To grant to tenants such allowances as the Trustees shall think fit in respect of expenditure made or undertaken by such tenants for improvements or repairs on their houses, farms, farm buildings or other possessions or on any other account which the Trustees may think proper.

**To carry on businesses**

12. To begin or carry on or join or concur in the beginning or carrying on of any business or businesses where such business or businesses would be in furtherance of the terms and purposes of this Trust provided always that no part of the capital or income of the Trust Fund shall be applied in the exercise of this power otherwise than for purposes charitable in law.

**To promote companies**

13. To promote or concur in the incorporation, flotation or reconstruction or amalgamation of any company where such company would be in furtherance of the terms and purposes of this Trust provided always that no part of the capital or income of the Trust Fund shall be applied in exercise of this power otherwise than for purposes charitable in law.

**To grant proxies**

14. To grant proxies in favour of one or more of the Trustees or any other person or persons to attend, act and vote for the Trustees at all meetings of any company, corporation, trust or undertaking or in any bankruptcy proceedings in which the Trustees may be interested as shareholders, stockholders, debenture holders, creditors or otherwise or at any class meeting of shareholders, stockholders, debenture holders or creditors of such company, corporation, trust, undertaking or bankruptcy.

**To settle claims**

15. To settle all disputed claims competent to or against the Trust Fund.

**To borrow money**

16. To borrow money either on the security of the Trust Fund or without security and pay or apply the monies so raised in any manner in which money forming part of the capital of the Trust Fund may be paid or applied.

**To appoint agents, etc**

17. To appoint one or more of the Trustees or any other person or persons to be factors, solicitors, accountants, stockbrokers or agents for executing and carrying into effect the powers and purposes of the Trust or any of them with or without cautioners for their intromissions and to allow to such factors, attorneys, solicitors, accountants, stockbrokers or agents for their trouble their usual professional charges or if they are not members of a profession such fees as are proper and reasonable as also to employ such specialist and clerical assistance as may be required for the proper and efficient administration and management of the Trust Fund.

**To pay expenses**

18. To reimburse the Trustees out of the Trust Fund for all expenses reasonably incurred by them in connection with the administration of the Trust without in any way prejudicing their rights, privileges and immunities as gratuitous trustees including the right to resign.

**To Delegate**

19. To delegate in any way and to any extent to any person or persons, committee or committees, company or authority whatsoever the exercise of any of the powers conferred on the Trustees herein or by law.

**To exercise powers conferred on Trustees by Statute**

20. In so far as more ample powers are not given by these presents the Trustees shall have the powers conferred on trustees by the Trusts (Scotland) Acts 1921 and 1961 and by any Acts amending the same relating to trustees in Scotland (which powers shall not be held to be at variance with the terms and purposes of this Trust).
21. To renounce irrevocably in whole or in part at any time and from time to time any power given to the Trustees by this Schedule.

This is the SCHEDULE OF GOVERNANCE ARRANGEMENTS referred to in the 2012 DEED of TRUST by Malcolm John Bell and others dated 13<sup>th</sup> and 14<sup>th</sup> September 2012

## **1 Definitions:-**

In this Schedule of Governance Arrangements:-

“Selected Trustee” means a trustee appointed or re-appointed by the Trustees under Paragraph 4 unless the context requires otherwise;

“Appropriate Officer” means the Chief Executive of Shetland Islands Council, or other officer designated by Shetland Islands Council for the purposes of this Schedule;

“Continuing Trustees” means the Trustees in office as at the Effective Date;

“Councillor” means an elected member of Shetland Islands Council;

“Councillor Trustee” means a Councillor appointed or re-appointed under Paragraph 5 unless the context requires otherwise;

“Effective Date” means such date as shall be determined by the Trustees and shall be not later than 4<sup>th</sup> June, 2017 and in the event of no determination by the Trustees, 4<sup>th</sup> June 2017;

“Local Government Election” means an ordinary election of councillors to Shetland Islands Council;

“Schedule” means this Schedule of Governance Arrangements;

“Selection Panel” means such persons appointed by the Trustees under Paragraph 7;

“Shetland Islands Council” means Shetland Islands Council constituted in terms of the Local Government etc (Scotland) Act 1994 and its statutory successors from time to time as such local or other governmental authority representative of the Shetland Islands or the inhabitants of the area;

“Term” means for Selected Trustees the term of office from the date of appointment until retiral as specified in Paragraph 4(c) and for Councillor Trustees the term of office from the date of appointment until retiral as specified in Paragraph 5(b);

“Trustees” includes Continuing Trustees, Selected Trustees and Councillor Trustees;

## **2 Trustees**

Subject as aftermentioned, Trustees shall be principally resident in the Shetland Islands and in the event that any Trustee ceases to be so resident such Trustee shall be deemed to have



demitted office as a Trustee on the date he ceases to be so resident. In exceptional circumstances, Trustees may resolve (a) that a Trustee who ceases to be principally resident in the Shetland Islands may continue in office as a Trustee notwithstanding that he or she has ceased to be so resident; or (b) appoint as a Trustee an individual not principally resident in the Shetland Islands.

### **3 Number and Body of Trustees**

- (a) The minimum number of Trustees shall be nine and the maximum number of Trustees shall be fifteen in number and any vacancy shall be promptly filled allowing for due process.
- (b) The body of Trustees shall comprise:-
  - (i) up to four Councillor Trustees; and
  - (ii) up to eleven Selected Trustees.
- (c) Notwithstanding any vacancy in the number of Trustees at all times there shall be deemed to be at least the minimum number of Trustees.
- (d) No Trustee may serve for more than two consecutive Terms and once a Trustee has demitted office there must then be a break of at least two years before any subsequent Term. Any Trustee re-appointed following a break of two years will be deemed not to have served any prior term for the purposes of this Schedule.

### **4 Selected Trustees**

- (a) The Trustees shall, on the recommendation of the Selection Panel, appoint Selected Trustees.
- (b) Subject to sub-paragraph 9(b) below, Selected Trustees shall serve a Term and shall be eligible for re-appointment for one further Term thereafter.
- (c) Selected Trustees appointed as and from 4<sup>th</sup> June, 2017 shall retire on the 31st May occurring every fourth year after 4<sup>th</sup> June, 2017.
- (d) In the event (i) that all vacancies have not been filled, or (ii) of any vacancy occurring by the death, resignation or otherwise of any Selected Trustee before the completion of his Term, on the recommendation of the Selection Panel, the Trustees may appoint any person to fill the vacancy and such Selected Trustee shall retire when the Term of the vacancy being filled would in ordinary course have expired and shall be deemed to have served one Term on such retirement.
- (e) No Councillor may be a Selected Trustee and in the event that any Selected Trustee, during his Term is elected as a Councillor, he will demit office as a Selected Trustee.

### **5 Councillor Trustees**

- (a) Shetland Islands Council may by notice in writing, signed on its behalf by an Appropriate Officer and given to the Trust appoint a Councillor Trustee or Councillor Trustees.
- (b) Councillor Trustees shall retire one calendar month after the date of the Local Government Election next following the date on which they took up office as a Councillor Trustee.
- (c) In the event that a Councillor Trustee, other than a Councillor Trustee retiring as a Councillor on the day on which the poll is held at the Local Government Election next following the day on which he was elected, ceases to be a Councillor whether by death, resignation as a Councillor or otherwise he shall be deemed to have demitted office as a Trustee on such date as he demits office as Councillor.
- (d) In the event (i) that all vacancies have not been filled following either the Effective Date or a Local Government Election, or (ii) of any vacancy occurring in the number of Councillor Trustees whether by death, resignation as a Trustee, demitting office in terms of sub-paragraph (c) above or otherwise of such Councillor Trustee before the completion of his Term, Shetland Islands Council may appoint a Councillor to fill such vacancy and such Councillor Trustee shall retire one calendar month after the date of the Local Government Election next following the date on which he took up office as a Councillor Trustee and shall be deemed to have served one Term on such retirement.

## **6 Quorum, Chair and Trustees' Meetings**

- (a) No business shall be transacted at a meeting of the Trustees unless a quorum is present and any and all such business shall be decided by a majority of the Trustees present and voting thereon. In the event of an equality of votes, the Chair of the Trust, or in his absence the Vice-Chair, or in the absence of both, the person presiding at the meeting shall have the second or casting vote.
- (b) The quorum for a meeting of the Trustees shall be the greater of:-
  - (iv) six Trustees;
  - (v) if there is an even number of Trustees, one half of the number of Trustees plus one: or
  - (vi) if there is an odd number of Trustees, one half of the number of Trustees rounded up to the nearest whole number
 of whom:-
  - (iii) if there is an even number of Trustees, not less than one half of the number of Trustees must be Selected Trustees; and
  - (iv) if there is an odd number of Trustees, not less than one half of the number of Trustees rounded up the nearest whole number must be Selected Trustees.

- (c) There shall be a Chair and Vice Chair of the Trust. The Chair and Vice Chair shall be elected by the Trustees for the remainder of their current Term and shall be eligible for re-election for a further Term thereafter.
- (d) Trustees shall be required to attend in person at least one-half of Trustee meetings in each financial year of the Trust and if they do not such failure to attend may be treated as grounds on which the remaining Trustees may remove such Trustee by a resolution passed by a 75% majority of those attending and voting thereon.

## **7 Selection Panel**

- (a) The Trustees shall establish a Selection Panel to guide the Trustees in relation to the selection of appropriate individuals for appointment as Selected Trustees.
- (b) The Selection Panel shall comprise:-
  - (iii) an independent Chair appointed by the Trustees or an Advisory Committee established in furtherance of Clause 4 of the Schedule of Powers annexed and executed as relative to the 2012 Deed of Trust but who shall not be a Trustee of the Trust; and
  - (iv) two Trustees at least one of whom must be a Selected Trustee.
- (c) In the event that the Selection Panel is unable to recommend appropriate individuals resident in the Shetland Islands for appointment as Selected Trustees then that shall be deemed to be exceptional circumstances for the purpose of Paragraph 2

## **8 Annual General Meetings**

- (a) An Annual General Meeting shall be held in public once in every financial year at such time (within a period of not more than 15 months after the holding of the last Annual General Meeting) and place as may be determined by the Trustees.
- (b) The Chair, or in his absence for any reason the Vice-Chair, or in the absence of both for any reason a Trustee present and chosen by the other Trustees present shall preside as Chair of the Annual General Meeting.
- (c) At least 21 clear days' notice must be given of the Annual General Meeting, such notice being published on the Trust's website and in a local newspaper specifying the time and place of the meeting.
- (d) The purpose of the Annual General Meeting will be to present the Annual Report of the Trustees and such other business as the Trustees may decide.

## **9 Transition etc**

As at the Effective Date the Continuing Trustees:-

- (d) shall be the Trustees;

- (e) shall be deemed to have been appointed on such date prior to the Effective Date as such Continuing Trustee was first appointed as a Trustee; and
- (f) shall be deemed to have served such Term or Terms as provided for in the 2012 Deed of Trust.



## REPORT

To: Shetland Charitable Trust

Date 20 April 2017

From: Chief Executive

Report: CT1704005

### Rural Care Model - Service Targets

#### 1. Introduction

- 1.1 The purpose of this report is to seek Trustee approval of the Rural Care Model's Service Statements and Targets set out in Appendix 1.

#### 2. Background

- 2.1 At their meeting on 31 March 2016, Trustees agreed to terminate the Rural Care Model Partnering Agreement and to continue to support care for the elderly through a grant offer letter (CT1603018).
- 2.2 Providing funding through a grant offer letter allows the Trust to monitor its charitable funds.
- 2.3 At their meeting on 24 November 2016, Trustees agreed the budget and disbursements for 2017/18, including the disbursement amount for the Rural Care Model (CT1611047).
- 2.4 At that time, the Trust and Shetland Islands Council were in discussion regarding the detail of the service statements and targets.

#### 3. Present Position

- 3.1 On 1 April 2017, Shetland Islands Council accepted the Service Statements and Targets for the Rural Care Model set out in the Trust's offer letter dated 6 March 2017.
- 3.2 These statements and targets must be approved by Trustees before the first instalment of their grant can be paid.

#### 4. Financial Implications

- 4.1 There are no direct financial implications arising from this report.

#### 5. Recommendations

- 5.1 Trustees are recommended to approve the Service Statements and Targets for the Rural Care Model set out in Appendix 1.

Reference: D20  
Date: 12 April 2017

Report Number CT1704005

**Shetland Islands Council – Rural Care Model**

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**Purpose**

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- To deliver a Rural Care Model.

The Trust's contribution is to assist with cost of the additional overheads/fixed costs associated with the diseconomies of scale and the additional costs due to providing local services throughout Shetland.

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**Service Statement**

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In 2017/18, Shetland Islands Council – Rural Care Model is expected to maintain the following services: -

- Long stay 24 hour residential care for individuals who have assessed needs as being unable to safely remain in their own homes;
  - Respite care to provide support to carers and/or families who care for their family members;
  - Short stay beds for individuals who require a period of reablement before they are ready to resume living in their own home;
  - Day care for adults, allowing isolated vulnerable adults to access social care activities with their peers or allow voluntary carers respite;
  - Other non-residential community care services delivered in the individual homes.
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**Service Targets**

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In 2017/18, Shetland Islands Council – Rural Care Model is expected to achieve the following key targets: -

- To maintain the number of permanent beds available for residential and respite care;
  - To ensure resources are used effectively, maintaining high Care Home occupancy;
  - To maintain performance against the national health and wellbeing outcomes;
  - To maintain positive Care Inspectorate results.
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