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Our Ref: EM/TA1/1

Date: 12 February 2015

Dear Sir/Madam

You are invited to the following:

**Shetland Charitable Trust
Room 10, Islesburgh Community Centre, Lerwick
Thursday 19 February 2015 at 10.00am**

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

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.
- (d) Confirm minutes of meeting held on 11 December 2014 (enclosed).

For Decision

- 1. Budget 2015/16. Report enclosed.

2. Approval of Disbursements. Report enclosed.
3. Insight Bonds Portfolio. Report enclosed.
4. Grant Offer Letter Amendment. Report enclosed.
5. Appointment of Advisor. Report enclosed.

For Information

6. Fund Manager Transactions. Report enclosed.
7. Recommended Disbursements - Approvals. Report enclosed.
8. Capital Works Bridging Loan Scheme. Report enclosed.

The following items contain **CONFIDENTIAL** information

For Decision

9. Appointment of External Auditor. Report enclosed.
10. Staffing. Copy to follow.

For Information

11. Loans to Local Industry – Sums Due But Unpaid Over One Month Old as at 15 January 2015. Report enclosed.
12. Loans to Local Industry – Agricultural Loan Scheme Update. Report enclosed.
13. Update from Subsidiary Companies. Verbal update.
14. Update from Chairs of Advisory Committees. Verbal update.

REPORT

To: Shetland Charitable Trust

Date: 19 February 2015

From: Chief Executive

Report: CT1502001

Budget 2015/16

1. Introduction

1.1 The purpose of this report is to seek Trustees approval of the recommended budget for 2015/16.

2. Background

2.1 The Trust's long term financial strategy is to use the average investment growth above inflation on the Trust's reserves to support annual expenditure, and so be able to pass on the reserves, preserved against inflation, to future generations (Min Ref CT/34/08). This financial strategy is known as "self-sustainable use of reserves" or sometimes simply "self-sustainability".

2.2 There is currently an ongoing review of disbursements in order to ensure the Trust becomes self-sustainable. There is still further work to be done on this review and Trustees have recognised that the Trust may have to spend some of its reserves in the meantime.

3. Present Position

3.1 This report concentrates on the budget figures for 2015/16. The table below provides a summary of the recommended budget against the approved 2014/15 budget:

	Recommended Budget 2015/16 £'000	Approved Budget 2014/15 £'000
Income	8,181	Not set
<u>Expenditure</u>		
Disbursements (See 3.2 below)	(8,874)	(9,589)
Trust Administration	(652)	(509)
Investment Management	(412)	Not set
Total (See 3.3 below)	(1,757)	

- 3.2 The total disbursements could be reduced to £8,790,552 if Trustees agree the reduction in the Rural Care Model funding (Report CT1502012) of £83,500 from £2,491,000 to £2,407,500.
- 3.3 A full list of the Trust's budgets is given in Appendix 1. In summary, the proposed budget shows a deficit of £1,757,216 and indicates the reserves of the Trust that may be spent. If however, the Trustees agree the reduction in the Rural Care Model (Report CT1502012) the deficit will be £1,673,716. The budget does not however take into account possible gains or losses on the value of the Trust investments over the year.

4 Income - £8,181,290

- 4.1 The income budget has not previously been included as part of the budget. This has now been added and calculated based on past years income adjusted for any known changes. Please see Appendix 1 for details.

5. Disbursements - £8,874,052

- 5.1 Funding up to a maximum of £8,874,052 is recommended. This is a decrease of £714,798 on the prior year. These savings have been made mainly through a reduction in the Planned Maintenance Programme budget and the closing of the Financial Hardship Scheme. The detail of how this will be disbursed will be discussed and agreed in a later report at this meeting (CT1502012).
- 5.2 If the recommendation in report CT1502012 to reduce the funding to the Rural Care Model is agreed, the total disbursements will be £8,790,552. This would represent a decrease of £798,298 on the prior year.

6. Management and Administration – £652,130

- 6.1 Funding of £652,130 is recommended. The 2015/16 budget is shown in detail in Appendix 1.
- 6.2 This is an increase of £143,270 on the prior year. The main reasons for the increase are:
- Pending the approval of the recommendation in report CT1502011, £50,000 has been added for independent financial advice on the Trust's internal investments.
 - £61,660 has been moved to the management and administration budget from the Planned Maintenance Programme as these costs relate to the Trust's maintenance agreement with the Shetland Islands Council and the maintenance of the Trust offices.
 - A provision of £30,000 has been made for repairs to the Garrison Theatre. The Trust owns this property and remedial work has been identified and must be undertaken to ensure the building remains safe.

7. Investment Management - £412,324

7.1 The investment management costs have not previously been included as part of the budget. These are now included for transparency purposes.

8. Financial Implications

8.1 If approved, the budgeted income will be £8,181,290 with expenditure of £9,938,506 giving a projected deficit of £1,757,216 for the year to 31 March 2016. This does not take into account any increase or decrease in the value of Trust investments in the year.

8.2 Further to paragraph 5.2, if Trustees chose to reduce the funding of the Rural Care Model, expenditure will be £9,855,006 and therefore the deficit will be reduced to £1,673,716. As above, this does not take into account any increase or decrease in the value of Trust investments in the year.

9. Conclusion

9.1 The recommended disbursements and management and administration costs of the Trust are £9,526,182 for the year to 31 March 2016 or £9,442,682 if the reduction in Rural Care Model funding is approved. This is £571,528 less than the year to 31 March 2015 or £655,028 less if the reduction in Rural Care Model funding is approved.

9.2 As detailed in paragraphs 4.1 and 7.1, the budget for the year now includes income and fund management costs. Taking into account these factors there is a projected deficit of £1,757,216 for the year to 31 March 2016 or £1,673,716 if the reduction in funding to the Rural Care Model is approved.

10. Recommendations

10.1 It is recommended that Trustees approve:

- (i) budgeted income of £8,181,290 as detailed at 4 above.
- (ii) budgeted disbursements of **up to** £8,874,052 as detailed at 5 above.
- (iii) budgeted management and administration expenses of £652,130 as detailed at 6 above.
- (iv) budgeted investment management expenses of £412,324 as detailed at 7 above.

Shetland Charitable Trust
Budget
Year to 31 March 2016

CT1502001
Appendix 1

	<u>2015/16</u> <u>Budget</u>	<u>2014/15</u> <u>Budget</u>
<u>Income</u>		
Managed fund dividends	5,066,000	
Agricultural loan interest	9,996	
Local equity gift aid	2,084,794	
Rental income	1,020,500	
Total Income	<u>8,181,290</u>	
<u>Disbursements</u>		
Revenue grants	4,971,151	4,990,965
Schemes	2,659,221	2,826,221
Planned Maintenance programme	1,243,680	1,771,664
Total Disbursements	<u>8,874,052</u>	<u>9,588,850</u>
<u>Management and Administration</u>		
Total staffing costs	305,710	306,000
Property costs	*	53,160
Insurance	11,000	10,000
Administration	5,900	6,000
Supplies and services	7,000	7,000
Legal and professional fees	70,000	70,000
Financial advice - Internal Investments	50,000	0
External audit fees	25,000	25,000
Trustees expenses	4,000	4,000
Meeting expenses	2,700	2,700
Trustee recruitment costs	3,000	2,000
Bank charges	500	500
Bought in services	**	114,160
Total management and admin	<u>652,130</u>	<u>508,860</u>
<u>Investment Management</u>		
Fund manager fees	412,324	
Total Investment management	<u>412,324</u>	
Deficit	<u><u>-1,757,216</u></u>	

* Increase due to the transfer of the cost of maintaining Trust owned properties from the Planned Maintenance Programme budget.

** Increase due to to the transfer of the cost of the Maintenance Service Level Agreement with the SIC from the Planned Maintenance Programme budget. There was also an increase in the cost of this agreement of £5,000.

REPORT

To: Shetland Charitable Trust

Date: 19 February 2015

From: Chief Executive

Report: CT1502012

Approval of Disbursements

1. Introduction

- 1.1 The purpose of this report is to seek Trustee approval of the recommended disbursements for the year to 31 March 2016.

2. Background

- 2.1 The Trust currently operates a number of grant schemes under which organisations can apply for funding.
- 2.2 The Trust agreed to a three year funding package to these organisations in 2012/13 which ends on 31 March 2015.
- 2.3 The Trust is currently undertaking a review of its disbursements. This is still ongoing and at their meeting on 11 December 2014 Trustees agreed to a standstill budget for the 2015/16 year in all schemes except planned maintenance (Report CT1412061).

3. Recommended Budget

- 3.1 The budget report CT1502001 set out the maximum budget for disbursements. The split between schemes is as follows:

	2015/16 Budget	2014/15 Budget
Revenue Grants	4,971,151	4,990,965
Planned Maintenance Programme	1,243,680	1,771,664
Support to the Rural Care Model (see 3.2 below)	2,491,000	2,491,000
Local Charitable Organisations	14,000	14,000
Community Support Grants	54,241	54,241
Arts Grant Scheme	35,000	35,000
Senior Citizens Clubs	15,000	20,000
Bus Service for Elderly and Disabled Persons	49,980	49,980
Social Assistance Grants	0	5,000
Financial Hardship Scheme	0	157,000
Total Disbursements	8,874,052	9,588,850

- 3.2 It is being recommended that Trustees reduced the funding to the Rural Care Model by £83,500 from £2,491,000 to £2,407,500 therefore the full budget for this area may not be required.

4 Revenue Grants - £4,971,151

- 4.1 All the bids in this section have been supported by the Trust's Service Co-ordinators. Full details of the service targets for each organisation have been included in Appendix 1.

4.1.1 **Shetland Amenity Trust (SAT)** – funding of **£1,052,728** is recommended. The grant provides core and project funding to support the organisational and staffing costs of SAT. External funding is levered in where possible especially for capital projects. SAT seeks to deliver an effective holistic service which enhances all aspects of Shetland's cultural and natural heritage. The service supports, encourages and facilitates the sound management and sustainable development of Shetland's natural and cultural resources.

4.1.2 **Shetland Arts Development Agency (SADA)** – funding of **£696,038** is recommended. The grant goes towards meeting some of the core and project costs of promoting, developing and delivering activities in the fields of dance, drama, theatre, film, literature, music, crafts and visual arts with a view to the advancement of arts and culture and improving the quality of life for the inhabitants of Shetland. External funding is levered in where possible.

Following the approval of Trustees (Report CT1412060), the organisation was given a 3 month funding instalment in December 2014, an increase on the monthly instalments they had been receiving. It is proposed to return to the organisation receiving its funding in 6 monthly instalments in line with other organisations.

4.1.3 **Shetland Recreational Trust (SRT)** – funding of **£2,518,000** is recommended. The grant assists with the cost of providing leisure and sports facilities at locations throughout Shetland. The facilities are seen as places where communities meet, socialise and play, as well as an attraction for tourists in Shetland's unpredictable climate.

4.1.4 **Disability Shetland (Recreation Club & Social Activities)** – funding of **£12,641** is recommended. The grant supports the running costs of the Adult Recreation club and also contributes to the costs of delivering the Social Club and Yoga Club activities at Islesburgh.

4.1.5 **The Swan Trust** – funding of **£44,650** is recommended. The grant assists with the cost of keeping the restored Swan available for use as an approved sail training vessel. Young people are encouraged to sail on the Swan, to appreciate Shetland's fishing history and experience wildlife and culture.

- 4.1.6 **Shetland Churches Council Trust** – funding of **£54,004** is recommended. The grant is used to provide financial support to churches for maintaining and improving the fabric of the church buildings. Part of the grant (10% max.) is also used to support Christian community events and training.
- 4.1.7 **Shetland Befriending Scheme** – funding of **£54,418** is recommended. The scheme provides young people with an opportunity to form a trusting relationship with an adult, to promote the young person's welfare and personal development. The grant covers salary costs and volunteers' expenses.
- 4.1.8 **Citizens Advice Bureau (CAB)** – funding of **£132,265** is recommended. The grant is used towards the core costs of providing a general information and advice service.
- 4.1.9 **Voluntary Action Shetland** – funding of **£126,461** is recommended. The grant funds some of the core costs of providing a central point for advice and information to the voluntary sector in Shetland.
- 4.1.10 **Shetland Folk Festival** – funding of **£18,000** is recommended. The grant is used to assist with the core costs of organising the annual Folk Festival including artist's fees, transport and venue costs.
- 4.1.11 **Shetland Accordion and Fiddle Festival** – funding of **£12,000** is recommended. The grant is used to assist with travel expenses for visiting musicians performing at the annual Accordion and Fiddle Festival.
- 4.1.12 **Royal Voluntary Service** – funding of **£46,985** is recommended. The grant funds much of the core costs of providing a range of community projects for elderly and disabled people in Shetland.
- 4.1.13 **COPE Ltd** –funding of **£154,967** is recommended. The grant funds some of the core costs of the organisation to allow it to provide focused placements, training, support and employment opportunities to adults with learning and/or physical disabilities.
- 4.1.14 **Shetland Link Up** –funding of **£47,994** is recommended. The grant funds the core costs of the organisation enabling it to provide an informal meeting place to support people who are affected by mental health problems.

5 Planned Maintenance Programme

- 5.1 Funding of **£1,243,680** is recommended for the Planned Maintenance Programme. The Maintenance Programme continues to represent a significant proportion of the Trust's spending commitments year on year. The budget, of £1,243,680, represents a decrease of some £527,984 on 2014/15. Organisations were asked to reduce their maintenance budgets by 25% in order to make the

scheme more sustainable. The Trust has also removed costs relating to Trust owned properties from the disbursements as these are part of the Trusts operating costs. This included the costs of maintaining the Garrison Theatre, which has been removed from the Shetland Arts Development Agency budget.

- 5.2 A summary of the grants to be provided under this scheme is shown below:

	2015/16 Budget	2014/15 Budget
Shetland Recreational Trust	895,000	1,193,246
Shetland Amenity Trust	274,488	365,984
Shetland Arts Development Agency	29,292	86,467
Voluntary Action Shetland	17,900	33,211
Swan Trust	27,000	36,100
SCT - Maintenance SLA	0	44,000
SCT - Maintenance 22-24 North Road	0	12,656
Total	1,243,680	1,771,664

- 5.3 As part of this reduction organisations were informed they could approach the Trust for additional funding should an emergency arise.

6 Support to Rural Care Model

- 6.1 Funding of **£2,407,500** is recommended. The funding is used to add value to the community care provided in Shetland, as the level of service is over and above that which would normally be provided by a local authority.
- 6.2 In line with other organisations, the Shetland Islands Council were asked to make savings on planned maintenance. It was stated by the Council that a fix on fail programme was already in operation within the care homes and therefore it would be difficult to make savings. Furthermore the Council budgets were set in November 2014 which assumed a cash stand still budget from the Trust.
- 6.3 Therefore, although the Council had been asked for a reduction, under the partnering agreement they have submitted a bid for funding of £2,491,000.
- 6.4 Trustees are asked to either:
- (i) award the recommended funding of £2,407,500 which would be a reduction equivalent to 25% of the 2014/15 Planned Maintenance budget, in line with other organisations. This is based on the Trust's objective to reduce its overall expenditure to a sustainable level and protect the Trust funds for future generations.
- OR
- (ii) award the requested funding of £2,491,000 mindful of the reductions being imposed on other organisations and the Trust's current financial position.

7 Other Schemes

- 7.1 **Local Charitable Organisations** - funding of **£14,000** is recommended. This budget supports small voluntary organisations that provide care and/or welfare services and activities in the community.
- 7.2 **Support Grant Aid Scheme** – funding of **£54,241** is recommended. This budget supports community groups and voluntary organisations that cater exclusively or primarily for under 18s or junior section of adult groups, or additional support needs participants.
- 7.3 **Arts Grant Scheme** – funding of **£35,000** is recommended, which has been included in the overall budget. This budget is designed to assist and support individuals and community groups with a wide range of arts genres, development projects and activities.
- 7.4 **Senior Citizens Clubs** – funding of **£15,000** is recommended, which is a reduction of £5,000 on the prior year. This is to bring the budget of the scheme in line with the actual expenditure. This budget supports senior citizens clubs with a programme of activities.
- 7.5 **Bus Services for Elderly and Disabled Persons** – funding of **£49,980** is recommended. This scheme supports the cost of daily transport services in Lerwick, to/ from clients' homes and/ or various social work establishments for elderly and disabled persons.
- 7.6 **Social Assistance Grants** – no funding is being recommended for this scheme, as due to other support in place, it has not been utilised in the year to 31 March 2015.
- 7.7 **Financial Hardship Scheme** – funding is not being recommended for this scheme as the Trustees made the decision not to continue the scheme at its meeting on 11 December 2014 (Report CT1412054).

8 Draw Down of Funding

- 8.1 Trustees are required to formally agree the “draw down” (ie paying the grant) of funding to each of the organisations, which have successfully applied for funding from the Shetland Charitable Trust. Rather than considering each application separately, Trustees are asked to approve drawing down funding for all the organisations as listed above. The costs and level of service (Appendix 1) have been agreed as part of the budgeting process through the application process. This enables payment (usually 50% of the total grant) to be made to the organisations on, or as soon as possible after, 1 April 2015.

9. Financial Implications

- 9.1 The total cost to the Trust of the recommended funding, including option 6.4(i) providing funding to the Rural Care Model of £2,407,500, will be £8,790,552.

9.2 If Trustees choose to award the funding under option 6.4(ii), which provides funding of £2,491,000 to the Rural Care Model, the total cost to the Trust will be £8,874,052.

10. Recommendations

10.1 It is recommended that the Trustees:

- (a) Approve the grant budgets above including funding for the Rural Care Model of £2,407,500.
- (b) approve the draw down of the approved grant budgets in 4.1 to 7.7, 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.
- (c) agree that SADA's grant should be awarded in two instalments in line with other recipients of the Revenue Grants.

10.2 Alternatively Trustees could:

- (a) Approve the grant budgets above including funding of £2,491,000 for the Rural Care Model.
- (b) approve the draw down of the approved grant budgets in 4.1 to 7.7, 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.
- (c) agree that SADA's grant should be awarded in two instalments in line with other recipients of the Revenue Grants.

Reference: AB/KE/DA1
Date: 10 February 2015

Report Number: CT1502012

Shetland Amenity Trust

Purpose

To provide core funding to support the organisational and staffing costs, to support the diverse range of services and enable the Trust to lever in additional funding.

Shetland Amenity Trust will continue to deliver an effective, holistic service which embraces all aspects of Shetland's cultural and natural heritage. The service supports, encourages and facilitates the sound management and sustainable development of Shetland's natural and cultural resources and facilitate access, both intellectual and physical, thereto for all.

Key Targets 2015-16**Finance Administration and Management**

Support the complex and diverse range of projects/services offered by the Trust.

Manage and support the procurement of external funding to add value to core funding received from Shetland Charitable Trust.

Ensure the finance function continues to support the business needs of the organisation.

Continues to review the structure and function of administration within the Trust to ensure that it effectively supports the Senior Management Team, Trustees and wider organisations.

Interpretation

Revise and update the Shetland Interpretive Plan.

Continue to support the provision of interpretive panels where appropriate.

Continue to support the network of community museums and history groups working in partnership ensuring that investments in this sector are safeguarded for future generations.

Working along with Shetland Heritage Association, develop and rationalise a coherent strategy of support for community museums and heritage groups.

Maintain the suite of interpretive leaflets.

Maintain the Shetland Heritage and Culture website and online presence for the Heritage Hub.

Consider and develop innovative interpretive initiatives of the highest quality, thereby setting new standards for the better interpretation of Shetland.

Continue to develop and publish works under the Trust's Heritage Publications banner.

Natural Heritage

Maintain, enhance and develop the present functions of the SBRC database.

Continue to meet the targets as set for the Ranger service.

Manage Geopark Shetland as per the Action Plan agreed by the Shetland Geology Working Group and maintain membership of the Global Geopark Network.

Ensure that all species of endemic and threatened hawkweeds are in cultivation (working with Woodlands Team).

Organise and deliver the annual Shetland Nature Festival.

Archaeology

Develop a successful application for World Heritage Status for "Mousa, Old Scatness and Jarlshof; the Zenith of Iron Age Shetland".

Secure funding for the continuation of Old Scatness project and to plan for the final stages.

Develop Old Scatness Broch as a high quality visitor centre with use of innovative architecture to protect and showcase the site.

Enhance and develop the use of the SMR database, responding to land management issues and other enquiries; developing the marine aspect of the SMR, maintaining and developing the SMR database.

Have elements of the SMR online within the next three years.

Continue to work closely with Shetland Islands Council on development control issues.

Develop future archaeological projects, such as a second phase of the Viking Unst project or the West Side Prehistory project and identify sources of funding.

Complete and publish the Iron Age and Post Medieval volumes of Old Scatness and the Viking Unst volume. Progress other publications, including the Old Scatness Landscape Volume.

Take forward the "Archaeology Alive" programme and continue to develop the Shetland's Past project.

Working with local groups, help to develop their needs and aspirations in relation to archaeology in their areas.

Place Names

Record place names from oral and archives sources.

Maintain the Shetland Place Names database and linked digital mapping, and develop a strategy for public access.

Become the recognised authority on location and recording of Shetland place names.

Research and publish information on Shetland place names.

Develop links with educational establishments and prepare resources in partnership with other Trust staff.

Provide accurate visitor information on locations, pronunciation and meaning of place names for use in publications any by tour guides and rangers.

Promote the project at local, national and international events.

Represent the Trust on Shetland ForWirds committee and provide support for the promotion and development of the dialect.

Environmental Improvement

Continue and expand core activities such as community recycling of food and drink cans, glass and the salvage of architectural building materials for public renovation projects.

Engage with the community at all levels to increase awareness and understanding of Shetland's environment and the actions they can take to protect and enhance it.

Further develop glass recycling and, in particular, recycled end product such as recycled glass pavers and other high quality recycled products.

Undertake Da Voar Redd Up activities and community involvement environmental improvement and litter prevention initiatives.

Continue the valued Muck and Bruck operations throughout Shetland.

Ensure the Trust remains at Gold Level in the Green Business Award Scheme and is a contender in national award/recognition schemes in relation to the above projects.

Woodlands

Secure suitable Arboretum site and explore funding opportunities.

Continue to support and promote local tree planting initiatives.

Initiate or support projected which reintroduce native/endemic species in appropriate natural habitats.

Co-operate with the Forestry Commission and other bodies in relation to forestry grants, woodland development, etc.

Pursue biomass initiatives, e.g. Short Rotation Coppice.

Develop propagation programmes at the Stoney Hill Horticultural Unit using traditional methods and tissue culture.

Bring remaining endemic Shetland hawkweed species into cultivation.

Maintain an effective advisory service and demonstrative role in Shetland's woodland development.

Rebrand and update existing Tree Planting information notes and expand the series.

Play an active role in the development of the Open Space Strategy for Shetland.

Undertake landscaping works at Trust and other properties, where appropriate.

Shetland Arts Development Agency

Purpose

To encourage, support, inspire, promote, develop and deliver activities in the fields of: dance; drama; theatre; film; literature; music; crafts; and visual arts with a view to the advancement of arts and culture and improving the quality of life for the inhabitants of the Shetland Isles.

6 Priority Areas of Activity have been identified for 2015-2018:

1. Youth Arts
2. Education and Learning
3. Arts and Wellbeing
4. Development and Support
5. Programme, Commissioning and Curation
6. Broadcasting, Recording and Intellectual Property

Key Targets 2015-16

Footfall – 200,000

Concerts/screenings/exhibition days – 3,000

Audience attendances – 160,000

Arts Development sessions – 1,300

Percentage of participants who agree or strongly agree that the development session had a positive impact – 73%

Participations – 9,000

Partners engaged – 90

Case studies detailing an event or activity relating to the 6 priority areas - 8

Shetland Recreational Trust

Purpose

To provide a wide range of leisure and sport activities and facilities at 8 locations throughout Shetland.

The facilities are professionally operated, well maintained to a high standard with appropriate opening hours.

The facilities are seen as places for whole communities to meet, socialise and play.

They are a major attraction for local residents and an important factor in attracting tourists.

Key Targets 2015-16

Continue to manage and operate 8 leisure facilities across Shetland, whilst maintaining the minimum number of opening hours for each facility at:

Annual Target Opening Hours:

Clickimin Leisure Complex	4,900
Unst Leisure Centre	3,500
Yell Leisure Centre	3,500
North Mainland Leisure Centre	3,640
Whalsay Leisure Centre	3,255
South Mainland Pool	2,450
Scalloway Pool	2,625
West Mainland Leisure Centre	3,380

Achieve admissions as listed.

Annual Target Admissions

Clickimin Leisure Complex	380,000
Unst Leisure Centre	29,000
Yell Leisure Centre	38,500
North Mainland Leisure Centre	50,000
Whalsay Leisure Centre	44,000
South Mainland Pool	31,000
Scalloway Pool	33,000
West Mainland Leisure Centre	44,000

Maintain an average of 400 SRT and rural subscription members.

Maintain an average of 470 corporate subscription members.

Achieve attendances of 26,000 through swimming classes and courses.

Achieve attendances of 25,000 in sport and exercise classes.

Continue to provide Senior Leisure Clubs for older adults at West Mainland, Clickimin, Unst, Whalsay and Yell.

Maintain attendance figure of 3,200 for Senior Leisure Clubs.

Achieve attendances of 1,470 at health promoting classes.

Work in partnership with local event organisers to deliver a minimum of 6 large scale community events at Clickimin for the people of Shetland.

Undertake an annual survey to assess customer satisfaction rates with the services and facilities being provided by SRT.

Ensure that a consistent charging policy is implemented across all facilities, including standard and concessionary charges for those below 18 years of age, people with a disability and older adults (60+).

Provide 8 case studies which highlight the positive impact of SRT services on the lives of service users.

Disability Shetland

Purpose

To support the running costs of the Adult Recreation Club, including hiring venues, transport, volunteer expenses and training.

To contribute to the costs of delivering the Social Club and Yoga Club.

Key Targets 2015-16

Dry Sports – 14 sessions

Bowls Competitions – 1 per year

Swimming – 10 sessions

Swimming Gala – 1 per year

Yoga – 20 sessions

Wednesday Social Club – 50 sessions

Case studies – 2 per year

The Swan Trust

Purpose

To make the Swan available for viewing, restored in good working order and registered as an approved sail-training vessel.

To encourage young people to sail on the Swan, to appreciate Shetland's sailing and fishing history and experience our wildlife and culture.

Key Targets 2015-16

Increased awareness of marine environment and heritage:

Shetland schools – 10 schools, 200 pupils

Additional Support Needs groups – 2 groups, 10 service users

Youth groups – 2 groups, 60 young people

Adult groups – 2 groups, 15 adults

Special interest groups – 2 groups, 15 adults

Improved sail training skills for young people:

Number of trips – 2

Number of young people under 25 years – 20

Overall days at sea – 86 days

Satisfaction survey – 1 per annum

Case studies – 2 per annum

Shetland Churches Council Trust

Purpose

To Maintain church buildings and support community events along with support for training and education.

Key Targets 2015-16

Appropriate management of trust affairs

To hold regular meetings of Trustees, around 6 per year, to consider Grant applications and to receive reports from Trust representatives on various groups that the trust is involved in.

Maintenance and enhancement of church buildings

To continue to assist Christian congregations with the upkeep and repair of their buildings, particularly where they have a wider architectural or community benefit, in order to ensure that these buildings can continue to provide satisfactory places of worship.

To facilitate the provision of access to church buildings and to the activities taking place therein, for those who have disabilities or other physical impairments

To ensure, where reasonably practical, that access to church buildings is barrier free so that people with disabilities can use them without restrictions and that other disabilities are mitigated.

To facilitate congregations of differing denominations to come together and provide an opportunity for all people in Shetland to join with the whole church in worship

To work together to co-ordinate and facilitate services and events.

To support youth event for young people of all denominations and none.

To take advantage of any opportunity to participate in community events to provide a Christian service/event.

To encourage members of congregations to be trained to carry out their functions despite the high cost of travel to mainland training

To help defray some of the costs of travel from Shetland, to enable people, including youth, to participate fully in activities.

To provide Christian representation on secular organisations and to be "salt" in the community

Sit on committees and bodies dealing with issues such as drugs and alcohol and Emergency Planning Forum.

Shetland Befriending Scheme

Purpose

Offering vulnerable young people the opportunity to form a trusting relationship with an adult to promote his/her personal development.

Key Targets 2015-16

To continue to provide a high quality Befriending Service to Children and Young People Shetland wide. Up to 25 young people per annum will receive a service.

To continue to support, monitor and review matches occurring on a regular basis to ensure the befriending is benefiting the young person. 75% of young people receiving a service will achieve a positive outcome.

To continue to actively promote the service to the Shetland Community and engage in recruitment drives to seek new volunteers.

To recruit up to 8 new volunteers in the next financial year to offer the befriending service to young people.

To have up to 8 newly trained volunteers ready to be matched to a young person.

To offer a minimum of 3 sessions of peer support to working volunteers with issue based non-credited training.

To offer a minimum of 6 group activity days for volunteers and their young person to participate in.

Shetland Islands Citizens Advice Bureau

Purpose

Providing an independent advice and information service to:

1. Ensure that individuals do not suffer through lack of knowledge of their rights and responsibilities, or of the services available to them, or through an inability to express their need effectively and
2. To exercise a responsible influence on the development of social policies and services, both locally and nationally.

Key Targets 2015-16

Number of new cases opened – 2,000

Total number of issues raised – 14,500

Welfare benefit checks – 200

Confirmed welfare rights financial gains - £250,000

Number of cases referred to/started by specialist money advice workers – 80

Confirmed financial gains from specialist money advisors - £100,000

Number of specialist Direct Payment cases started – 20

Number of Direct Payment packages set up with help of Bureau – 15

Number of cases referred to/started by specialist housing advisor – 10

Confirmed financial gains from generalist advice - £15,000

COPE Limited

Purpose

To provide focused placements, training, support and employment opportunities to adults with learning or physical disabilities

Key Targets 2015-16

To maximise efficiencies within all COPE business units to increase sustainability
Undertake regular business review to ensure that business focus is in line with market trends.

Complete applications for external funding to assist in business development and organisational strength.

Achieve best value in staff distribution within staff roles and responsibilities.

To ensure a strong organisational brand in place that clearly reflects the aims and objectives of COPEs mission statement

Complete rebranding of COPE main brand and sub brands.

Complete and implement detailed marketing strategy for all business units.

Monitor the outcomes of rebranding and marketing activities to inform future business development.

To develop Service Level Agreements with funding bodies that details accountability and participant outcome is evident

Develop organisational capacity to respond to the assessed needs of participants in line with SLA funding.

Introduce formal assessment systems for all skill development opportunities.

To strengthen COPE Ltd's governance and management

Introduction of a quality management framework throughout the organisation.

Build a vibrant, healthy and learning culture, underpinned by COPE values, to drive organisational engagement and performance.

To maintain existing services and where possible initiate growth through joint working opportunities with other voluntary organisations and stakeholders within the islands

To increase community awareness of COPE Ltd and encourage customer agreement.

To increase joint working opportunities by developing trusting relationships with the statutory and third sector.

Shetland Link Up

Purpose

Providing support to people who are affected by mental health problems

Key Targets 2015-16

Attendances at Shetland Link Up drop in – 1,000

Total client contacts – 1,500

Support up to 36 clients per annum

Number of volunteers – 2

Total volunteer hours – 200

Client satisfaction – 75%

Voluntary Action Shetland

Purpose

To provide a central point for the voluntary sector, providing office space, storage, administrative support, sign-posting, advice and information to the voluntary sector in Shetland.

Key Targets 2015-16

Third Sector Organisations feel better connected and are able to influence and contribute to public policy

Being a full partner on Shetland Partnership Board, and contribute to the development of the Single Outcome Agreement.

The third sector contribute to development of policy, including, localities model of service delivery, change fund action plan, early years collaborative and GIRFEC etc

Third Sector Forum – 4 meetings a year giving third sector opportunity to engage with partner agencies.

Complete review of Shetland Compact.

Representing the third sector on strategic forums and partnerships both locally and nationally.

Ensuring the third sector organisations, are given the opportunity to respond to relevant consultations both at local and national level with various levels of support as required.

Ensure that third sector issues are raised and supported through the community planning process, therefore raising the benefit of the third sector in Shetland.

Working closely with partners at operational level to ensure best use of resources, knowledge, and giving appropriate support and advice.

Third sector organisations are well managed and deliver quality services

Support third sector organisations to establish and maintain legal structures i.e. voluntary association, SCIO, CIC etc. 220 organisations receive information and support.

Ensuring the wealth of expertise and knowledge in the staff team is effectively used to provide support service with ongoing staff development and opportunities for updating knowledge and practice.

Provide regular communication to third sector organisations – 20 newsletters and 30 e-bulletins.

Deliver training courses as identified from partners – 10 planned workshops

Support third sector organisations with changes in legislation.

Ensure organisation information on the MILO national platform is up to date – 503 organisations data is up to date.

Provide Independent Examination of accounts – 66 organisations assisted to OSCR compliant standard.

Provide an accounting and payroll service – 18 organisations

Supporting third sector organisations to access funding opportunities from within Shetland, and from National and European sources.

Maintaining and strengthening links with funders to enable updates and deadlines to be communicated to the third sector in a timely manner.

Using and promoting the national standards for community engagement to communicate with the third sector using a variety of media, to meet their needs, offer support and advice.

Providing premises as a recognised 'Hub' for developing and supporting third sector organisations – 19 organisations.

Social Enterprise Develops and Grows

Linking with national learning opportunities for both staff and members of Social Enterprises through Social Enterprise Academy Leadership Programmes and HIE working together where possible to have a shared understanding.

Social Enterprise Network facilitates peer support to identify their needs, share good practice and knowledge. Partnership work with HIE and development in communities of need to support and develop enterprising communities.

Network with private employers to create value and understanding. Contribute to annual employer's event in Market House.

Information circulated through VISP on items of interest such as Rural Direct and Social Enterprise Academy.

Ensuring a representative from the social enterprise network has a place on relevant strategic partnership.

VAS with partners work together to promote and encourage enterprising behaviour in the Shetland community.

More people have increased opportunity and enthusiasm to Volunteer

People interested in volunteering receive appropriate responses and support information – 1,200 responses to enquiries.

Provide access to volunteering opportunities – 100% of volunteering opportunities are promoted online.

120 local opportunities registered on MILO and promoted locally and nationally.

Young people receive recognition for volunteering through Saltire – all High Schools visited – 50 groups given support with Saltire. 126 – young people receive a Saltire Award.

Shetland Youth Volunteering Awards – Promotion and launch through schools, youth clubs and other volunteering involving organisations. Award ceremony partnership with VAS, BP and Shetland Rotary Club.

Support organisations providing best practice guidance on governance, policies and management.

Meeting with employers across all sectors to encourage, develop and support volunteer opportunities.

Assessing potential volunteers and matching accordingly with volunteering opportunities. Ensuring both the needs of the organisation and volunteer are being met.

Working with employers to develop and offer employee assisted volunteering programmes.

Deliver Peer Education Programme – 15 workshops in schools, 20 in youth clubs, on issues such as drugs awareness, mental health, alcohol and sexual health.

Providing a varied training programme for volunteers, to enable them to be effective volunteers and use the transferable skills gained in other areas of life.

Shetland Accordion and Fiddle Club

Purpose

To provide opportunities for the performance of accordion and fiddle music at a festival. To provide the opportunity for visiting musicians to meet and play with local musicians thereby imparting knowledge and styles to each other. To provide an opportunity for young Shetland musicians to broaden their horizons and perform to large audiences.

Key Targets 2015-16

28th Shetland Accordion and Fiddle Festival, 8-12 October 2015. (To maintain and build on the very high standard achieved in previous years.)

To encourage as wide a range of traditional music as possible. (To bring musicians from Scandinavia, Scotland, England and Ireland to the festival).

To increase Club membership numbers. (Over 450 memberships)

To increase audience numbers at the venues. (Approximately 2,200)

To increase the number of club members from outside Shetland thus boosting off season tourism. (Approximately 140)

To maintain revenue from tickets, raffle and memberships. (Over £30,000)

Shetland Folk Festival Society

Purpose

To assist with the costs of providing artists to perform at the 35th Shetland Folk Festival and to help cover the costs of providing transport and venues.

Key Targets 2015-16

Festival club

1 "open to all" concert on Thursday lunchtime
5 workshops including Shetland Dancing
1 dedicated youth concert featuring Shetland's up and coming talent
Session opportunities and 7 informal concerts through the Late Night gigs.

Concerts throughout Shetland

Approx 21 ticketed concerts held throughout Shetland attended by 5,000 plus

Outreach concert

At least one outreach concert held in either Unst, Yell, Fetlar, Skerries, Whalsay or Fair Isle. Up to 100 in attendance.

Additional Support Needs Concert

A free and private concert for adults and children with additional support needs. Up to 100 in attendance.

Eric Gray Resource Centre Musical Session

A free session with up to 50 service users in attendance.

Playgroup Concert

A free playgroup concert organised in partnership with the Association of Shetland Playgroups. Over 300 in attendance.

School Visit

At least 1 visit to a primary school for exchange of music and culture.

Educational/Youth Event

1 Youth Event or Project – featuring young musicians from throughout Shetland.

Royal Voluntary Service

Purpose

To enable older people to get more out of life by delivering practical support and a range of community based services tailored to individual need.

Key Targets 2015-16

More older people will receive support from RVS

Achieve a 10% increase in the number of registered service users across all services with a baseline of 242.

Service user interactions across all services will increase

Achieve a 10% increase in the number of service user interactions with a baseline of 6,680.

Service user interactions for Good Neighbours service will increase

Achieve a 10% increase in the number of service user interactions for Good Neighbours with a baseline of 435.

Number of passenger journeys will increase

Achieve a 10% increase growth in the number, based on a baseline figure of 1,200.

More older people will be supported to attend clubs

Continue 2 established lunch clubs – Cunningsburgh & Quarff and Islesburgh.

Increase attendance by 10% on a baseline figure of 24 for Cunningsburgh & Quarff and a baseline figure of 22 for Islesburgh.

Increase the range of activities offered. This includes:

- The provision of an escort for the SCT funded bus service to the Islesburgh club;
- To continue offering a range of activities, developing the social aspects of the Islesburgh club, on a minimum of two days per week.

Continue 6 social clubs – Brae, Burra, Sandwick, Walls, Whalsay and Northmavine.

More volunteers will be registered to deliver support to older people

Achieve a 5% increase on current number of 67.

More volunteer hours will be delivered

Achieve a 10% increase in hours delivered by RVS on a baseline figure of 2,002.

Older people will report feelings of improved community connections and reduced isolation

Undertake 2 service user surveys and produce the report to SCT.

Produce quarterly case studies.

REPORT

To: Shetland Charitable Trust

Date 19 February 2015

From: Chief Executive

Report: CT1502002

Insight Bonds Portfolio

1. Introduction

- 1.1 The purpose of this paper is to seek approval from Trustees to make a change to the Insight Bonds Portfolio.

2. Background

- 2.1 The Trust has included bonds as part of its investment strategy for a number of years.
- 2.2 In 2003 the Trusts Bond manager Rothschild was taken over by Insight who have remained the Trusts Bond manager.
- 2.3 The Trusts bond portfolio has been performing well recently due to the low interest rates and inflation. The return over the past year has been 8.03% compared to a benchmark of 7.51%.

3. Current Bond Portfolio

- 3.1 In meetings with Insight in May and November 2014 they indicated that the Trust should review the allocation of its bond portfolio. The Trust currently has funds invested in:
- UK Government Bonds
 - UK Non-Government Bonds
 - Overseas Bonds
 - UK Index-Linked Bonds
- 3.2 In discussions with Karen Thrumble of WM Company on 2 April 2014, it was also indicated that the Trust should consider reducing its exposure to index-linked bonds.
- 3.3 Furthermore, a document prepared by an investment specialist indicates that interest rates are expected to rise at some point during 2015.
- 3.4 The UK index-linked bonds are particularly susceptible to any increase in interest rates and are therefore, the first area the Trust should look at within its portfolio.

- 3.5 Index-linked bonds pay a fixed interest rate plus the inflation rate and the actual bond price moves based on interest rates and inflation. This makes them more susceptible to economic changes than conventional bonds which pay a fixed interest rate only.
- 3.6 Over the past few years bonds, and especially index-linked bonds, have increased in value due to cash rates falling and inflation remaining reasonably steady. The value of index-linked bonds is now at a high level which is arguably not sustainable.
- 3.7 The Trust has taken advantage of investing in index-linked bonds as the value has risen. Over the past year however Insight has alluded to the fact that the value has reached record highs and there is the prospect of falling bond prices. This will lead to low or negative returns in the future when interest rates rise.
- 3.8 The Trust currently has circa £11.6 million invested in UK index-linked bonds.

4. Options to the Trust

- 4.1 There a number of options available to the Trust to reduce its exposure to index-linked bonds. The first is to allocate the UK index-linked bond allocation to one of the existing mandate areas, outlined in 3.1, or to spread it over all of the existing areas. This was not considered the best option as it restricts the investment to particular bond types.
- 4.2 The second option is to transfer the funds into another Insight bond product. Insight operates a number of other funds which the Trust could look at transferring the funds to. The different products are listed below and summarised in Appendix 1.
- Buy and Maintain Fund
 - Broad Opportunities Bond Fund
 - Broad Opportunities Fund
 - Bonds Plus 200
 - Bonds Plus 400
- 4.3 Initially the Bond Plus 400 fund was considered due to the greater return this product aimed to achieve. Hymans Robertson LLP, an Independent Financial Advisor, was approached for their opinion on the proposed change. Following receipt of this advice and review of the associated costs the Investment Advisory Committee felt this product was not suitable for the Trust at this time. The cost of the fund was to be 1% per annum compared to the 0.215% we are currently paying. The fee level is significantly higher due to the active management of the fund. This increase equates to a fee of £116,000 compared to £24,940 currently. The fund is also very new and therefore does not have the track record to justify the level of fees.
- 4.4 The Investment Advisory Committee felt that as an alternative, the Broad Opportunities Fund or Broad Opportunities Bond Fund may be suitable for the Trust. Hymans Robertson LLP, was approached

for their opinion on these products. The report received is attached as Appendix 2.

- 4.5 Based on the advice received from Hymans Robertson the Investment Committee think that the Broad Opportunities Bond Fund is the most suitable product for the Trust.

5. Broad Opportunities Bond Fund

- 5.1 The Broad Opportunities Bond Fund is actively managed and the fund managers have freedom to invest in a wide range of bonds. A factsheet on the fund is attached as Appendix 3.
- 5.2 The fund aims to generate a return which is 2% above a benchmark based on 50% FTSE-A All Stocks Gilts and 50% iBoxx Sterling Non-Gilts Index.
- 5.3 This product would not mean a change in the asset allocation of the Trust as the funds are being retained in the bonds market.
- 5.4 There are additional costs to the Trust of moving to a more actively managed fund. The annual fee rate for the £11.6 million will increase from 0.215% to 0.5% but should be offset by the ability to gain greater returns.

6. Financial Implications

- 6.1 The cost of change to the Trust will be £26,680 to invest in the Broad Opportunities Bond Fund and £7,000 to sell the UK index-linked bonds. A total cost of £33,680.
- 6.2 The fees will also increase from 0.215% per annum to 0.5% per annum. On the proposed £11.6 million investment this equates to an increase in fees from £21,500 to £58,000.
- 6.3 The return from this fund should be equal to, or better than, the return on UK index-linked bonds, but like all investments there is a degree of risk and uncertainty.

7. Conclusion

- 7.1 Due to the current high value of bonds and the predicted increase in interest rates in 2015, our bond managers and external advisors suggested the Trust should review its bond allocations.
- 7.2 The proposed transfer of £11.6 million from UK index-linked bonds to the Insight Broad Opportunities Bond Fund product should mitigate potential losses whilst increasing the potential return to the Trust.

8. Recommendations

- 8.1 Based on the options reviewed and the advice of Hymans Robertson, the Investment Committee recommends that Trustees approve the transfer of £11.6 million from UK index-linked bonds to Insights Broad Opportunities Bond Fund.

Reference: AB/KE/IA1
Date: 10 February 2015

Report Number: CT1502002

Fund	Buy and Maintain	Broad Opportunities Bonds	Broad Opportunities	Bonds Plus 200	Bonds Plus 400
Return aim	Match bond index	Benchmark + 2% (Benchmark 50% FTSE-A All Stocks Gilts and 50% iBoxx Sterling Non - Gilts Index	3-5% over Libid	Cash plus 2%	Cash plus 4%
Fees	0.2% £20,000	0.5% £50,000	0.5% £50,000	0.5% £50,000	1% £100,000
1 year return	13.45%	14.08%	6.40%	1.55%	1.59%
3 year return	5.16% (Est)	8.54%	7.60%	3.97%	2.12% (Est)
5 year return	5.41% (Est)	9.46%	6.80%	3.99%	2.98% (Est)
Summary	Bonds purchased for the long term, limited management therefore lower fees. Aims for a return in line with the bond index.	The fund is invested fully in bonds and actively managed. Aims to return the benchmark plus 2%.	Fund invested in mixture of fixed income, equities and guaranteed return. Actively managed. Aims to return 3-5% over Libid.	Active management and invested in all bond areas. Aims to return 2% above cash.	Active management and invested in all bond areas. Aims to return 4% above cash.
Key Benefits	Low turnover structural exposure to credit markets. Use of coupon flow and modest turnover to continually reflect insights up to date credit views. Flexible investment approach which avoids unwanted geographic, sector and issuer concentrations of an index approach. Long-term investment approach avoids pitfalls of managing quarterly tracking error and information ratio targets.	Actively managed and designed to outperform the broad gilt and corporate bond market. Aims for consistent risk-adjusted returns through a diversified portfolio. Rigorous, disciplined and proven investment process. A large experienced team of fixed income specialists.	Flexibility to invest across a broad opportunity set and a dynamic approach to asset allocation that utilises this flexibility. Accesses what insight perceive to be 'best in class' funds - internally and externally. An integrated approach to risk management to provide an element of downside protection. Managed by an experienced team with a robust investment process and strong track record.	Actively managed and designed to outperform a cash benchmark. Aims for consistent risk adjusted returns through a diversified portfolio. Rigorous, disciplined and proven investment process. A large and experienced team of fixed income specialists.	Actively managed and designed to outperform a cash benchmark. Aims for consistent risk adjusted returns through a diversified portfolio. Rigorous, disciplined and proven investment process. A large and experienced team of fixed income specialists.

Review of potential change in bond strategy

Addressee

This paper is addressed to the Trustees of the Shetland Charitable Trust ("the Trust"). The paper follows on from our paper to the Trustees in January 2015 relating to the index-linked gilt allocation of the Trust and a proposal by Insight to reallocate these funds to a new LIBOR plus bond strategy. This paper comments on further options which have been discussed by Insight and the Trustees. It has not been prepared for use for any other purpose and should not be so used.

The paper should not be disclosed to any third party except as required by law or regulatory obligation or with our prior written consent. Where this is permitted, the paper may only be released or otherwise disclosed in a complete form which fully discloses our advice and the basis on which it is given.

Background

The Trust currently has an allocation of circa £10m invested in index-linked gilts. This is invested actively through an external mandate with Insight Investments. In recent years the yields offered by UK index-linked gilts have fallen and there is the potential for poor returns in the coming years. The Trustees have therefore considered other investment options for this money. In January the Trustees considered a proposal to allocate to the Insight Bonds Plus 400 Fund. We commented on this proposal in our January paper. While generally supportive on the basis of the prospective returns and the quality of the strategy offered by Insight there were concerns over the management charges for the strategy. The Trustees have therefore asked us to consider two potential alternative fund options offered by Insight. These are:

- The Insight Broad Opportunities Bond Fund
- The Insight Broad Opportunities Fund

In this short note we provide a brief overview of the two funds and set out some initial comments on the suitability of the Insight funds as part of the Trust's investment strategy. However, please note we have not considered whether this change meets any wider objectives of the Trust in terms of income requirements or inflation linkage.

Insight Broad Opportunities Bond Fund

The Insight Broad Opportunities Bond Fund is a traditional UK focussed bond fund, although one with a high outperformance target and investment freedoms aligned to this outperformance objective. It is benchmarked against a composite index of 50% FTSE-A All Stocks Gilts and 50% iBoxx Sterling Non-Gilts. Insight will seek to outperform the broad market index by 2% p.a. over rolling 3 year periods. The fund will hold a mix of corporate bonds, conventional and index-linked gilts, overseas bonds, emerging market debt, high yield, loans and currencies. The outperformance will be driven by a mix of asset class, securities and sector selection, yield curve and currency positions.

Hymans Robertson View

Our view of this fund, and Insight's capabilities as a bond manager, is consistent with our comments on the Insight Bonds Plus 400 Fund. Insight are one of our most highly rated managers for both traditional and non-traditional bond mandates. The lead fund manager is Andrew Wickham who is very highly regarded. We believe their reputation as one of the strongest UK fixed income managers is well deserved. Of the more traditional market indexed funds the Broad Opportunities Bond Fund, as the name suggests, provides the manager with a reasonable degree of freedom to take active positions around the central benchmark and also allocate to non-benchmark areas of the market such as emerging market debt, high yield and loans. However, it is a benchmark relative strategy and as such any positions will be assessed relative to the underlying benchmark indices.

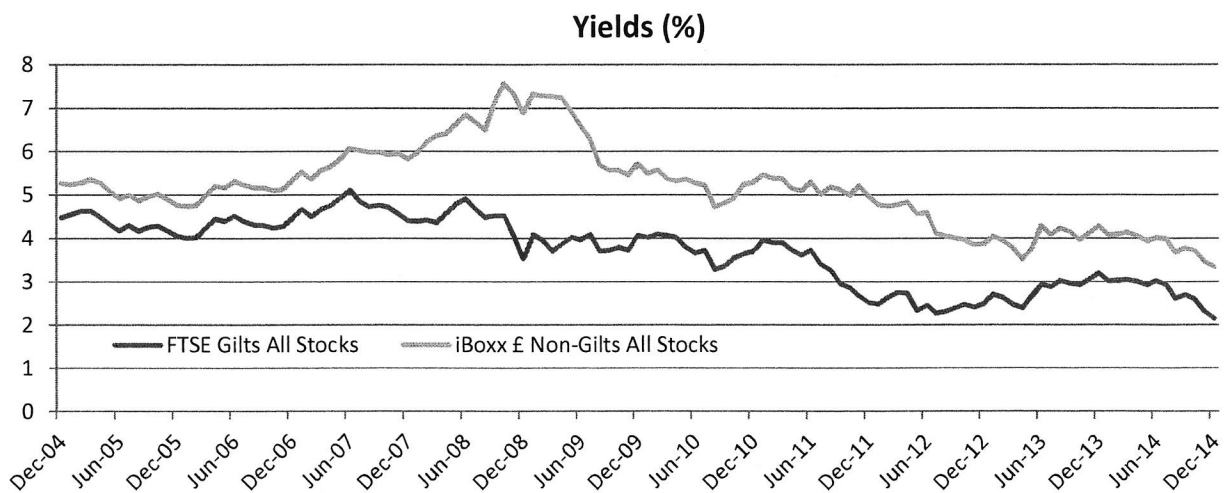
HYMANS ROBERTSON LLP

Performance for the Fund has been strong in recent years both in absolute and relative terms. 12 months performance is at 14.1%, just over 1% ahead of benchmark while both 3 and 5 year returns for the period to end December 2014 are around 2% p.a. ahead of the benchmark.

Insight have quoted fees for the Broad Opportunities Bond Fund of 50 bps (0.50%) p.a. which is at the higher end for a traditional bond fund but reflects the higher performance target on the strategy which is also at the higher end of other funds in the market.

Suitability of the Fund

One of the concerns raised by the Trust was the poor prospective returns on the existing index-linked gilt allocation and the potential negative impact of rising yields. The Broad Opportunities Bond Fund faces similar issues in terms of key risks and return prospects. The chart below shows the movements in yields of the two respective indices against which the Fund is benchmarked.



As the chart shows yields are lower than they have been at any point in the last 10 years. While it does not mean that yields might stay at current levels or fall even lower, the risk starts to look skewed toward rising yields and the risk purely on a prospective return basis has increased. The Fund does have the ability to allocate to off-benchmark asset classes that are less exposed to rising yields, however, the benchmark relative nature of the strategy will mean there will be a consistent inherent exposure to interest rate/yield movements.

From a pure return perspective our view is that this Fund, given the investment freedom and active management, may outperform the existing index-linked gilt exposure. However, if the main concern for the Trust was the potential negative impact of rising yields then this strategy will still be exposed to this risk.

Insight Broad Opportunities Fund

The Insight Broad Opportunities strategy was initiated in October 2002, with the pooled fund launched in September 2009. It is a multi-asset strategy seeking to generate a return of LIBOR + 4% through investment across a broad range of asset classes and strategies. As such this is a very different approach to the other Funds that the Trust has considered in that it will not solely invest in bonds but will instead allocate to a much wider range of assets, including equities. The Insight Broad Opportunities Fund now has assets under management of £1.1bn and is a key part of Insight’s fund range.

HYMANS ROBERTSON LLP

Hymans Robertson view**People**

Matthew Merritt is Head of the Multi-Asset Strategy Group responsible for this fund. He was appointed to this role in 2009 following the merger of Insight's Investment Strategy Unit and Multi-Asset Group. Merritt also leads the team responsible for determining the overall strategic and tactical asset allocation policy and implementation across a wide range of portfolios at Insight. He is directly supported by two senior fund managers, Steve Waddington and Neil Walker who both have a wealth of portfolio management and investment research experience. There are a further four portfolio managers in the multi-asset group, and all the members have dual roles in managing the multi-asset fund and serving as a research engine for Insight. The group will also draw on the research and investment capabilities of the broader firm.

Philosophy

The fund seeks to generate a consistent absolute return of LIBOR + 4% p.a. by relying on contributions from market exposure, portfolio manager skill ("alpha") and a series of unconstrained relative value and opportunistic trades across a broad range of asset classes. Insight's investment philosophy is based on employing three key principles; diversification, dynamic asset allocation and downside protection. To achieve this, the team will construct a portfolio diversified across equities, fixed income, real assets and total return strategies. Although Insight was not as successful as many of its peers in protecting capital during the financial crisis and suffered a drawdown of -10%, it has developed its investment approach since then. The pooled fund was launched in 2009 and is constructed to be more highly diversified and, since many of the investment ideas are implemented through relative value strategies, the overall portfolio will now exhibit a lower volatility of 4-6% per annum with a low beta to equities.

Process

The monthly asset allocation committee, led by Insight's CIO, Abdallah Nauphal, Adrian Grey (head of fixed income) and Matthew Merritt, are responsible for determining the portfolio's strategic asset allocation based on a consideration of a number of factors including market valuations and the macro-economic environment. It is the team's forecasted expected risk and return as well as their conviction that then determine position sizing when implementing investments for the fund. Tactical asset allocation positions are typically held from one month to six months while valuation driven positions can be held up to 2-3 years. The fund does not have a minimum allocation to any asset class and therefore exposure to any one asset class (equities, fixed income, real assets or total return strategies) may be reduced to zero. The fund's cash allocation ranges from 0 - 50% of the portfolio depending on the market environment and risk management is integrated into the investment process with a focus on protecting the portfolio from left-tail risks and preserving capital. Unlike some multi-asset managers Insight does not rely solely on diversification to manage risk and instead will construct a portfolio invested across both directional and relative value strategies. The team make extensive use of derivatives for implementation of investment ideas but will also invest in external funds where the manager selection team have identified there is additional return to be generated through active management. We have included the historic asset allocation position of the Fund in the appendix to this note.

Suitability of the Fund

We rate the Insight Broad Opportunities Fund and it is currently one of our preferred multi-asset strategies. However, the other funds which the Trust has considered to date have been alternative bond options for the existing index-linked gilts allocation. While the stated return target of LIBOR plus 4% is the same as that of the Bonds Plus 400 Fund which the Trust previously considered our expectation would be that this Fund will result in more volatile returns given there will be exposures to asset classes such as equities, which at times may represent up to 50% of the Fund's asset allocation. We have not commented on the fit of any of the options with the objectives of the Trust overall and the other assets but there should be some consideration as to how this impacts overall risk and the extent to which it is correlated with the other assets of the Trust.

HYMANS ROBERTSON LLP

Summary and conclusions

We believe that the Trustees are right to review the current allocation to index-linked gilts. The two further options which have been discussed in this paper both have attractions in terms of the prospective returns the Trust might expect to achieve relative to index-linked gilts. We rate Insight highly in terms of key people, the processes and the quality of the products offered. A key consideration in determining whether to allocate to any of the Insight Funds will be to assess the fit with the overall objectives and the risk exposures within the Trust.

- We rate the Broad Opportunities Bond Fund highly and although there is no direct inflation linkage we would expect the strategy to outperform the existing index-linked gilt allocation. However, although there is freedom to invest in a wide range of bonds and debt instruments, unlike the Bonds Plus 400 Fund, there will still be significant exposure to yield movements. If yields rise, benchmark returns may be negative. The Trustees will need to consider whether this is a risk that the Trust is comfortable being exposed to.
- The Broad Opportunities Fund is a preferred multi-asset strategy. It will aim to produce the same level of returns as the Bonds Plus 400 Fund but the incidence of returns is expected to be very different. Although it will benefit from, and allocate to, many of the same bond opportunities, the remit of this fund is much wider and there will be exposure to equity markets and other non-bond risk assets. This may overlap or impact the risk exposures of the Trust at the overall strategy level and therefore the impact on volatility should be considered and understood.

Overall there are potential attractions for both the Insight funds discussed in this paper. There is a trade off in the risk exposures of the different funds and the extent to which they address the concerns of the Trust. Of the two options our preference would be the Broad Opportunities Bond Fund. While there is the potential for returns to disappoint on an absolute basis in a rising yield environment we would still expect superior returns to the existing index-linked gilts exposure and believe the risk characteristics would not increase significantly by moving into this fund. However, this very much depends on the Trust's views on risk.

We would be happy to discuss this paper further with the Trustees.

Prepared by:-

David Walker, Senior Investment Consultant

Allison Galbraith, Bond Research Consultant

For and on behalf of Hymans Robertson LLP

General Risk Warning

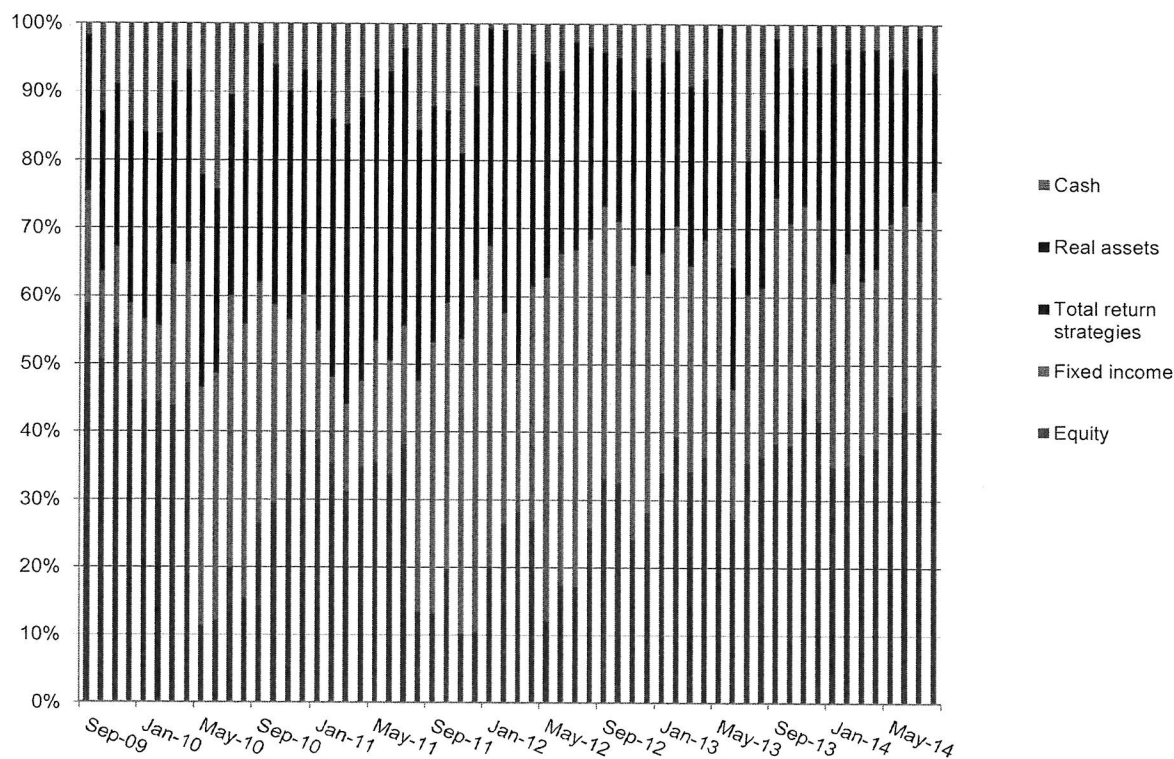
Please note the value of investments, and income from them, may fall as well as rise. This includes equities, government or corporate bonds, and property, whether held directly or in a pooled or collective investment vehicle. Further, investments in developing or emerging markets may be more volatile and less marketable than in mature markets.

Exchange rates may also affect the value of an overseas investment. As a result, an investor may not get back the amount originally invested. Past performance is not necessarily a guide to future performance.

Appendix

Insight Broad Opportunities Fund asset allocation from September 2009 to Q2 2014

The chart below illustrates the changes to the asset allocation since inception of the fund. The purpose of including these charts is to demonstrate the extent to which each manager has dynamically shifted the asset allocation as the market environment changed.



Source: Insight, Hymans Robertson

Insight categorise alternatives assets such as commodities, infrastructure and property as real assets. The total return strategies are investments that are non-directional, for instance relative value strategies and allocations to absolute return funds.

Longer term performance (to 30 June 2014)

The table below sets out performance of the fund (net of fees) over a range of periods to 30 June 2014. It highlights the volatility of the fund and correlation with global equities.

Table: Returns, volatility and correlation to 30 June 2014

Market Indices	12 months (%)	3 years (% p.a.)	5 years (% p.a.)	Since inception (% p.a.)	Volatility (% p.a.) ¹	Correlation to global equities ²
Insight (Sep 09)	11.2	5.6	6.2	8.5	5.1	0.74
Global equities	20.6	11.4	10.6	n/a	11.0	1.0
Global bonds ³	-5.1	0.2	6.4	n/a	6.7	-0.2
LIBOR + 4%	4.5	4.6	4.9	n/a	n/a	n/a

BROAD OPPORTUNITIES BOND FUND

A sub-fund of Insight Investment LDI Solutions Plus plc



31 DECEMBER 2014

FOR PROFESSIONAL CLIENTS ONLY, NOT FOR DISTRIBUTION TO RETAIL CLIENTS

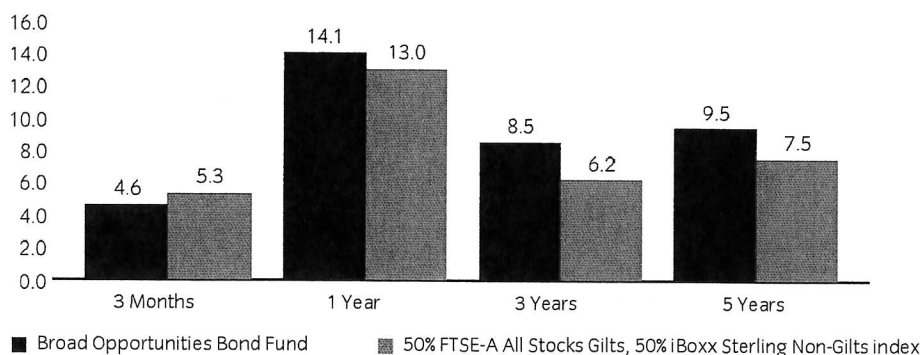
FUND OBJECTIVE

The investment objective of the Fund is to seek to outperform its benchmark on an annual basis.

INVESTMENT APPROACH

The Fund aims to outperform its benchmarks by two percentage points per annum over rolling three-year periods. The Fund is actively managed and seeks to outperform the market through a diversified approach incorporating a wide fixed income opportunity set. The investment universe may include corporate bonds, conventional and index linked gilts, overseas bonds, emerging market debt and currencies. The Fund is managed following a rigorous, disciplined and proven investment process that includes in-depth analysis within a strong risk-controlled framework. The management team selects opportunities that offer attractive risk-adjusted returns across a diversified portfolio within clearly defined parameters, with an aim to add value in all market conditions.

PERFORMANCE (%)



Source: Insight Investment. Performance of the Fund is on an offer basis with income reinvested and gross of management charges. Performance for periods over one year is annualised.

FUND MANAGER'S COMMENTS

Duration positioning was the most significant detractor to performance, as the Fund was short duration and yields continued to fall over the quarter. The Fund closed its short position in the UK during the quarter but retained a short position in the US, largely expressed through 5-year US treasury futures. The Fund also retained a short position in Japan, expressed through futures. The Fund's credit strategy was negative for performance as spreads widened over the period in the UK and the US. The Fund's exposure to high yield contributed negatively because energy-related high yield names weakened on the falling oil price. The Fund's allocation to emerging market debt was positive as local currency-denominated debt performed well in the lower inflationary environment. Currency made a positive contribution because the Fund had a long US dollar position against shorts in the euro, the Japanese yen, the Australian dollar and the New Zealand dollar, and the US dollar rallied over the quarter. During the quarter we took advantage of the relatively attractive valuations in US credit and did some relative value switches, including selling a sterling-denominated Verizon bond and buying an equivalent US dollar-denominated bond. In government bonds, we put on a curve-flattening trade in Italy, as we expected the European Central Bank to start quantitative easing early in 2015 and to purchase bonds across the curve, rather than just in the one to 10-year maturities as the market was pricing in.

FUND FACTS

Fund size	£197.7m
Inception date	25 July 2007
Benchmark	50% FTSE-A All Stocks Gilts, 50% iBoxx Sterling Non-Gilts index
Fund manager	Andrew Wickham

Please note: The Fund changed its name from Insight Broad Market Bonds Plus Fund on 31 August 2011.

KEY BENEFITS

- Actively managed and designed to outperform the broad gilt and corporate bond market
- Aims for consistent risk-adjusted returns through a diversified portfolio
- Rigorous, disciplined and proven investment process
- A large and experienced team of fixed income specialists

Past performance is not a guide to future performance.

The value of investments and any income from them will fluctuate and is not guaranteed (this may be partly due to exchange rate fluctuations). Investors may not get back the full amount invested. This document is aimed at professional clients only. It is not designed for, and should not be used or relied upon by retail clients. Unless otherwise stated, all data is as at the date of this factsheet.

BROAD OPPORTUNITIES BOND FUND

INTEREST RATE EXPOSURE BY CURRENCY

(in weighted average duration)

	Fund	Benchmark
Sterling	8.8	9.0
US dollars	-0.5	0.0
Euros	0.0	0.0
Other	-0.7	0.0
Total	7.7	9.0

CREDIT AND EMERGING MARKET EXPOSURE (% of Fund)

	Fund	Benchmark
Investment grade	32.8	43.8
High yield	1.6	0.0
Loans	4.3	0.0
Emerging market debt	6.9	0.0
Securitised	12.5	6.2

TOP 10 CURRENCY EXPOSURES (% of Fund)

Pound sterling	100.2
US dollar	2.4
Euro	-0.6
Australian dollar	-0.5
Swiss franc	-0.5
Japanese yen	-0.5
New Zealand dollar	-0.2
Turkish Lira	-0.1
South African rand	-0.1
Canadian dollar	-0.1

Unless otherwise stated, the source of all information is Insight Investment Management (Global) Limited. All features described in this leaflet are those current at the time of publication and may be changed in the future. If in doubt about the suitability of this product, you should seek professional advice. Copies of the prospectus, simplified prospectus, deeds of incorporation, annual and semi-annual reports are available free of charge.

This document is only directed at investors resident in jurisdictions where our funds are registered. It is not an offer or invitation to persons outside of those jurisdictions. Insight Investment reserves the right to reject any applications from outside of such jurisdictions. Issued by Insight Investment Management (Global) Limited. Registered office 160 Queen Victoria Street, London EC4V 4LA. Switchboard 020 7163 4000. Registered in England and Wales. Registered number 00827982. Insight Investment Management (Global) Limited (119308) is authorised and regulated by the Financial Conduct Authority.

TECHNICAL DETAILS

Legal structure	Qualifying Investor Fund (QIF)*
Domicile	Ireland
Listing	Irish Stock Exchange
Share class currency	Sterling
Dealing frequency	Bi-monthly, 5pm**
Pricing method	Swinging single price
Custodian	Northern Trust Fiduciary Services (Ireland) Limited
Administrator	Northern Trust International Fund Administration Services (Ireland) Limited

* Not authorised or regulated by the UK Financial Conduct Authority

** 15th day or next following business day and last business day of month

S SHARE CLASS

ISIN	IE00B1YRM56
Annual management charge	0.0%***
Minimum initial investment	£1m

*** Fees will be negotiated and charged outside the Fund via a fee agreement.

Need more information?

For details on all of our fund ranges or to obtain any literature please contact:

Institutional Business Development
+44 (0) 207 321 1547
business.development@
insightinvestment.com

Your Insight Client Director

or visit our website at
www.insightinvestment.com

Telephone calls may be recorded

Call charges may vary by provider.

REPORT

To: Shetland Charitable Trust

19 February 2015

From: Chief Executive

Report: CT1502004

Grant Offer Letter Amendment

1. Introduction

- 1.1 The purpose of this report is to ask Trustees' approval to amend the Grant Offer Letters, which are sent to organisations, notifying them of their approved budget and also setting out details of the level of service to be provided. The letters are signed by the Grantee as acceptance of the conditions imposed by the Trust and one copy is returned to the Trust.

2. Background

- 2.1 The Trust provides the grants to organisations in order to support their operation. The Trust currently does not ask for recognition on the organisations documentation for this.

3. Current Position

- 3.1 The Grant Offer Letter as it stands does not recognise or contain any reference to the above issue.
- 3.2 Grant Offer Letters have already been sent to the organisations for their approved budgets for 2014/15. The amendment if approved therefore, will affect the organisations 2015/16 grants.

4. Proposal

- 4.1 In order to help address the issue outlined in paragraph 2.1, it is proposed to amend the Grant Offer Letters by adding additional narrative as follows;

“That the grantee will acknowledge the grant publicly as appropriate and as practical. The grantee will acknowledge Trust support in any published documents that refer to the project, including any advertisements, accounts and public annual reports, or in written or spoken public presentations about the project.”

- 4.2 The full amended Grant Offer Letter is attached in Appendix 1.

5. Financial Implications

5.1 There are no financial implications arising from this report.

6. Recommendation

6.1 Trustees are asked to approve the amendment to the Grant Offer Letter as detailed in Paragraph 4.1.

Reference: AB/KE/DA1
Date: 12 January 2015

Report Number: CT1502004

Standard Grant Offer Letter

Dear Sirs

The Trustees of the Shetland Charitable Trust ("the Charitable Trust") have approved a revenue grant of up to £x to the ("the Grantee") for the purpose of detailed below, in the year to 31 March 2016.

This grant is subject to the following conditions: -

- a) that the Grantee provides evidence that it maintains charitable status;
- b) that the Grantee will comply with every request from any authorised officer or agent of the Charitable Trust for the supply of such information as is required for the proper monitoring of the grant, including the minutes of formal meetings where appropriate;
- c) that the Grantee undertakes to spend the grant, and any interest earned thereon, solely in the interests of Shetland and its inhabitants for the grant purpose specified, acknowledging that individuals or bodies who do not form part of the community may benefit indirectly from this service;
- d) that the grant offer letter is accepted and returned within six weeks of the letter date;
- e) that the Grantee makes every effort to obtain external funding which might further reduce sums presently sought from the Charitable Trust;
- f) that the Grantee accounts for the application of the grant in statements to the Charitable Trust, the statements to be of a format and frequency to be agreed by the Financial Controller;
- g) that the grantee provides service performance reports as required for the proper monitoring of the grant, the reports to be of a format and frequency to be agreed by the Service Co-ordinator;
- h) that the Grantee provides within six months of the end of the period for which the grant was given, accounts prepared in accordance with current regulations, showing how the grant was applied and what surplus remains (if any);
- i) that any unused monies at the end of the period funded be applied in the first instance to a general reserve in line with the Charitable Trust's agreed policy and thereafter be repayable to the Charitable Trust;
- j) *That the grantee will acknowledge the grant publicly as appropriate and as practical. The grantee will acknowledge Trust support in any published documents that refer to the project, including any advertisements, accounts*

and public annual reports, or in written or spoken public presentations about the project.

- k) that in the event of any of the foregoing conditions being breached, the grant may be repayable, in whole or in part, at the sole discretion of the Trustees of the Charitable Trust.

For conditions b), f), g) and h) you will be required to provide:-

- b) information on request;
- f) quarterly management accounts, within six weeks of the period end;
- g) quarterly service performance reports, within six weeks of the period end;
- h) accounts prepared in accordance with the requirements of current legislation.

The grant should not be used by the Grantee to offset costs in order to compete unfairly with the private sector. A full cost recovery model should be followed in order to ensure fair competition when bidding for all contracts.

Grants over £20,000 will be paid in two instalments, the first on receipt of the grant offer letter, duly signed, and the second on receipt of the organisation's required financial statements for the previous year.

This grant offer letter is sent in duplicate. If the Grantee is prepared to agree to the conditions, the authorised Signatories should sign both copies on the Docquet and complete the bank details. One copy should then be returned to me.

Yours faithfully

General Manager
cc: Head of Service

DOCQUET

We, the duly authorised Signatories of the<name> confirm that we have read and understood the conditions in this letter dated <date>, offering a grant of up to £x. We further confirm that we agree to abide and be bound by these conditions, and that we herewith accept on behalf of <name>.

.....

.....

Date:

REPORT

To: Shetland Charitable Trust

Date: 19 February 2015

From: Chief Executive

Report: CT1502011

Appointment of Advisor

1. Introduction

- 1.1 The purpose of this report is to ask Trustees to approve the appointment of Noble Grossart as Advisors to the Trust.

2. Background

- 2.1 The Trust currently receives treasury and investment services from the Shetland Islands Council (SIC) under a Service Level Agreement. The current arrangement was established to ensure efficient use of resources, both in terms of staffing levels and banking contracts.
- 2.2 The fund management services provided by the SIC assist the Trust with the handling of fund managers as well as checking and reconciling the fund values and fees received.
- 2.3 The Trust also receives investment advice from the following external organisations.

WM Company

WM Company are market analysts who provide information on the current market position and how the Trust are performing against this. A written report is received quarterly and they present to Trustees annually.

Hymans Robertson and KPMG

Hymans Robertson are Independent Financial Advisors who provide advice on external investments. They will review all or any particular part of a portfolio as requested by the client, or give advice on potentially new investment opportunities e.g. Emerging markets.

Northern Trust

Northern Trust act as the custodian bank for the Trusts investments. As the custodian bank they ensure the Trust assets are looked after appropriately and reported correctly.

- 2.4 The SIC provides an important Investment service to the Trust. Given the specialist nature of the work, and the limited usage of such

a service, the Trust has chosen to purchase this service rather than provide it in house.

- 2.5 In addition, the Trust also purchases the services of external advisors as and when required. To date the Trust has chosen to use the services of market analysts and investment consultants when making decisions on where to invest.
- 2.6 It should be noted that this advice structure has not been reviewed since the Trust went through its reforms in 2012-13.

3. Present Position

- 3.1 The gap in current arrangements appears to relate to advice on any further investment in the Viking Energy project and the Trust's subsidiary companies. The Trust requires advice based on an understanding of the history of the Trust, its current position and what it will require from its business investments going forward. It must be ensured that Trustees have the appropriate advice available to make an informed investment decision that is in the best interests of the Trust.
- 3.2 With this in mind the Investment Committee sought recommendations on advisors who could provide the required advice. Noble Grossart were recommended to the Trust. Todd Nugent of Noble Grossart presented to the Investment Advisory Committee on 16 January 2015.
- 3.3 Noble Grossart is a Scottish merchant bank providing independent advice. They are privately owned and concentrate on relationship-based advice.
- 3.4 They develop long-term trusting advisory relationships with clients and the activities they undertake include:
 - Strategic and tactical business advice
 - Company and business valuations
 - Financial structuring and refinancing advice
 - Fundraising – debt and equity
 - Helping address shareholder issues
 - Acquisitions and disposals
 - Advising on Takeover Code transactions
 - Defence planning
- 3.5 Through the independence of the organisation and the relationship approach there is a great emphasis on confidentiality.
- 3.6 Noble Grossart propose to provide financial advice and comprehensive analysis to complement the existing resources of the Trust.
- 3.7 Noble Grossart are not investment management specialists and the Trust will still require this advice from other sources.
- 3.8 The initial period of appointment would be one year.

4. Financial Implications

- 4.1 The cost of the one year appointment would be £30,000 plus VAT and approved expenses.

5. Conclusion

- 5.1 Although the Trust currently has a number of advisors a gap has been identified.
- 5.2 The Investment Advisory Committee have identified Noble Grossart as a suitable advisor to fill this gap and provide the necessary advice on the internal investments of the Trust.

6. Recommendations

- 6.1 Trustees are asked to approve the appointment of Noble Grossart for an initial one year term.

Reference: AB/KE/TA53
Date: 10 February 2015

Report Number: CT1502011

REPORT

To: Shetland Charitable Trust

19 February 2015

From: Chief Executive

Report: CT1502005

FUND MANAGER TRANSACTIONS

1. Introduction

1.1 Shetland Islands Council provides Treasury support to Shetland Charitable Trust under the terms of a Service Level Agreement (SLA).

2. Investment Decisions

2.1 Appendix A lists the investment decisions made by Insight Investment Management Limited between 1st October and 31st December 2014.

2.2 Appendix B lists the investment decisions made by Schroder Investment Management Limited between 1st October and 31st December 2014.

2.3 No purchases or sales were made by BlackRock between 1st October and 31st December 2014.

2.4 This appendix lists purchases in order of transaction size and sales in order of the size of the gain or loss made on the transaction.

2.5 The Fund Managers make investment decisions based on the terms of Investment Management Agreements.

3. Movement on Charitable Trust Funds

3.1 The following table shows the movement there has been in the Charitable Trust's funds during the 2014/15 financial year to 31st January 2015:

2014/15	£ million
Mkt Value at 1 Apr 2014	188.9
Market Movement	19.3
Injection/(Withdrawal)	(4.3)
Mkt Value at 31 Jan 2015	<u>203.9</u>

(These are unaudited figures and are for information only.)

4. Recommendation

4.1 The Trustees are asked to note this report.

APPENDIX A)

INSIGHT INVESTMENT MGMT REPORT - PURCHASES

NAME OF SECURITY	DATE	NUMBER OF UNITS	PURCHASE PRICE (£)
UNITED KINGDOM			
INSIGHT GLOBAL II EX UK BOND S GBP ACC	06/11/2014	55,938.74	1,000,000.00
UK(GOVT OF) 0.125% IDX/LKD 11/19 GBP	28/10/2014	845,000.00	921,233.74
UK(GOVT OF) 0.125% IDX/LKD 11/19 GBP	09/10/2014	842,000.00	916,899.22
UK(GOVT OF) 2.5% I/L STK 26/07/16 GBP	23/10/2014	167,000.00	556,945.00
UK(GOVT OF) 0.125% IDX LKD GILT DUE 22 MAR 2029 GBP0.01	09/10/2014	446,000.00	519,858.01
ILF GBP LIQUIDITY FD	19/11/2014	495,000.00	495,000.00
UK(GOVT OF) 0.125% IDX LKD 22/03/24 GBP	23/10/2014	383,000.00	437,493.75
ILF GBP LIQUIDITY FD	16/10/2014	395,000.00	395,000.00
UK(GOVT OF) 0.125% IDX LKD 22/03/24 GBP	01/10/2014	301,000.00	337,134.17
UK(GOVT OF) 2.5% I/L GILT 17/07/24 GBP	29/10/2014	81,000.00	275,100.30
UNITED KINGDOM(GOVERNMENT OF) 1.25% IDX/LKD STK 22/11/17	18/11/2014	185,000.00	266,462.53
UNITED KINGDOM(GOVERNMENT OF) 1.25% IDX/LKD STK 22/11/17	19/11/2014	178,000.00	256,423.12
UK(GOVT OF) 2.5% I/L GILT 17/07/24 GBP	06/10/2014	72,000.00	242,661.60
UNITED KINGDOM(GOVERNMENT OF) 1.25% IDX/LKD STK 22/11/17	18/11/2014	152,000.00	218,951.57
ILF GBP LIQUIDITY FD	21/11/2014	190,000.00	190,000.00
UK(GOVT OF) 2.5% I/L STK 26/07/16 GBP	23/10/2014	56,000.00	186,765.04
ILF GBP LIQUIDITY FD	25/11/2014	175,000.00	175,000.00
UK(GOVT OF) 1.875% I/L STK 22/11/22 GBP	18/11/2014	113,000.00	174,172.48
UK(GOVT OF) 0.125% IDX LKD 22/03/24 GBP	02/10/2014	151,000.00	169,165.48
UNITED KINGDOM(GOVERNMENT OF) 1.25% IDX/LKD STK 22/11/17	19/11/2014	106,000.00	152,673.24
UK(GOVT OF) 0.125% IDX LKD 22/03/24 GBP	18/11/2014	110,000.00	126,366.88
UNITED KINGDOM(GOVERNMENT OF) 1.25% IDX/LKD STK 22/11/17	21/11/2014	87,000.00	125,474.07
UK(GOVT OF) 0.125% IDX LKD 22/03/24 GBP	19/11/2014	105,000.00	120,687.76
ILF GBP LIQUIDITY FD	23/10/2014	115,000.00	115,000.00
UK(GOVT OF) 0.25% IDX LKD GILT 22/3/52	22/10/2014	55,000.00	73,595.97
UK(GOVT OF) 0.125% IDX LKD 22/03/24 GBP	19/11/2014	63,000.00	72,399.28
UK(GOVT OF) 0.25% IDX LKD GILT 22/3/52	23/10/2014	50,000.00	67,762.82
UK(GOVT OF) 0.125% IDX/LKD 03/2058 GBP	06/11/2014	53,000.00	66,111.33
UK(GOVT OF) 0.125% IDX LKD 22/03/24 GBP	21/11/2014	51,000.00	58,789.65
UK(GOVT OF) 0.125% IDX LKD 22/03/24 GBP	23/10/2014	48,000.00	54,726.82
ILF GBP LIQUIDITY FD	24/10/2014	5,000.00	5,000.00
ILF GBP LIQUIDITY FD	24/11/2014	5,000.00	5,000.00
ILF GBP LIQUIDITY FD	01/10/2014	2,184.83	2,184.90
ILF GBP LIQUIDITY FD	03/11/2014	1,658.82	1,658.69

TOTAL UNITED KINGDOM

8,781,697.42**OVERSEAS**

NO OVERSEAS INVESTMENTS PURCHASED

TOTAL OVERSEAS

0.00

APPENDIX A)

INSIGHT INVESTMENT MGMT REPORT – SALES

NAME OF SECURITY	DATE	NUMBER OF UNITS	SELLING PRICE (£)	PROFIT/ (LOSS) (£)
UNITED KINGDOM				
UK(GOVT OF) 2.25% GILT 07/09/23 GBP	09/10/2014	922,000.00	930,851.20	49,207.14
UK(GOVT OF) 1.25% IDX-LKD 22/11/27 GBP	01/10/2014	208,000.00	337,310.18	18,360.11
UK(GOVT OF) 0.125% IDX LKD GILT DUE 22 MAR 2029 GBP0.01	23/10/2014	159,000.00	188,290.86	13,453.48
UK(GOVT OF) 0.375% IDX-LKD GILT 22/3/62	06/11/2014	42,000.00	64,451.90	13,044.60
UK(GOVT OF) 0.125% IDX LKD GILT DUE 22 MAR 2029 GBP0.01	22/10/2014	160,511.00	188,998.69	12,499.80
UK(GOVT OF) 0.125% IDX/LKD 11/19 GBP	23/10/2014	912,000.00	1,000,661.01	11,818.37
UK(GOVT OF) 1.25% IDX-LKD 22/11/27 GBP	02/10/2014	104,000.00	168,717.99	9,242.95
UK(GOVT OF) 0.125% IDX/LKD 11/19 GBP	18/11/2014	449,000.00	493,579.72	5,647.27
UK(GOVT OF) 4.125% I/L STK 22/07/30 GBP	29/10/2014	58,000.00	190,124.00	5,421.47
UK(GOVT OF) 0.125% IDX/LKD 11/19 GBP	18/11/2014	358,000.00	393,832.32	4,790.41
UK(GOVT OF) 0.125% IDX/LKD 11/19 GBP	18/11/2014	358,000.00	393,721.67	4,679.76
UK(GOVT OF) 0.125% IDX/LKD 11/19 GBP	19/11/2014	344,000.00	378,318.67	4,490.69
UK(GOVT OF) 0.125% IDX LKD 22/03/24 GBP	09/10/2014	442,000.00	498,693.22	3,594.89
UK(GOVT OF) 4.125% I/L STK 22/07/30 GBP	06/10/2014	52,000.00	168,948.00	3,352.63
UK(GOVT OF) 0.125% IDX/LKD 11/19 GBP	21/11/2014	168,000.00	185,250.53	2,683.38
UK(GOVT OF) 0.125% IDX/LKD 11/19 GBP	19/11/2014	206,000.00	226,530.07	2,667.96
UK(GOVT OF) 0.125% IDX/LKD 11/19 GBP	20/11/2014	171,000.00	188,091.79	2,264.51
UK(GOVT OF) 0.125% IDX/LKD 11/19 GBP	23/10/2014	114,000.00	125,260.71	1,655.38
UK(GOVT OF) 1.875% I/L STK 22/11/22 GBP	24/11/2014	113,000.00	174,772.42	599.94
ILF GBP LIQUIDITY FD	06/11/2014	1,000,000.00	1,000,000.00	0.00
ILF GBP LIQUIDITY FD	29/10/2014	420,000.00	420,000.00	0.00
ILF GBP LIQUIDITY FD	15/10/2014	395,000.00	395,000.00	0.00
ILF GBP LIQUIDITY FD	30/10/2014	85,000.00	85,000.00	0.00
ILF GBP LIQUIDITY FD	07/10/2014	75,000.00	75,000.00	0.00
ILF GBP LIQUIDITY FD	10/10/2014	5,000.00	5,000.00	0.00
UK(GOVT OF) 0.125% IDX LKD 22/03/24 GBP	28/10/2014	441,000.00	499,409.94	-4,011.95
TOTAL UNITED KINGDOM			<u>8,775,814.89</u>	<u>165,462.79</u>

OVERSEAS

NO OVERSEAS INVESTMENTS SOLD

TOTAL OVERSEAS	<u>0.00</u>	<u>0.00</u>
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APPENDIX B)**SCHRODERS REPORT - PURCHASES**

NAME OF SECURITY	DATE	NUMBER OF SHARES	PURCHASE PRICE (£)
UNITED KINGDOM			
MULTI-LET INDL PROPERTY UNIT TRUST	06/10/2014	193.92	193,916.80
MULTI-LET INDL PROPERTY UNIT TRUST	20/11/2014	77.82	77,819.30
TOTAL UNITED KINGDOM			<u>271,736.10</u>

OVERSEAS

NO OVERSEAS INVESTMENTS PURCHASED

TOTAL OVERSEAS			<u>0.00</u>
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SCHRODERS REPORT - SALES

NAME OF SECURITY	DATE	NUMBER OF SHARES	SELLING PRICE (£)	PROFIT/ (LOSS) (£)
UNITED KINGDOM				
HANSTEEN UK INDL PROPERTY UNIT TR	31/10/2014	675,784.00	916,583.16	287,975.09
TOTAL UNITED KINGDOM			<u>916,583.16</u>	<u>287,975.09</u>

OVERSEAS

NO OVERSEAS INVESTMENTS SOLD

TOTAL OVERSEAS			<u>0.00</u>	<u>0.00</u>
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REPORT**To:** Shetland Charitable Trust

19 February 2015

From: Chief Executive**Report No:** CT1502006**RECOMMENDED DISBURSEMENTS – APPROVALS****1. Background**

- 1.1 On 30 March 2000, Trustees approved a report which authorised the then Director of Education and Community Services to act on behalf of the Trust and approve applications for community support grants to organisations operating within Shetland. (Min. Ref. CT/19/00)
- 1.2 On 8 February 2006, Trustees approved a report which authorised the then Head of Service – Community Development to act on behalf of the Trust and approve applications for community arts grants to organisations and individuals operating within Shetland. (Min. Ref. CT/02/06)
- 1.3 It is a requirement that all approvals are reported to subsequent Trust Meetings.

2. Community Support Grants - £7,342

- 2.1 The following community support grants were approved by the Director of Development Services, in consultation with Shetland Arts, in the period 28 November 2014 to 6 February 2015: -

Name of Organisation	Grant Approved (£)
Brae Youth Centre	7,342

3. Community Arts Grants - £2,173

3.1 The following community arts grants were approved by the Director of Development Services, in consultation with Shetland Arts, in the period 28 November 2014 to 6 February 2015: -

Name of Organisation/ Individual	Grant Approved (£)
Mr Arthur Nicolson	1,000
Mr Kris Drever	1,000
Mrs Liz Polson (obo Ryan Polson)	173

4. Recommendation

4.1 Trustees are asked to note the approvals listed in paragraphs 2.1 and 3.1 above.

Our Ref: MJ/DA1
Date: 9 February 2015

Report Number CT1502006

REPORT

To: Shetland Charitable Trust

Date: 19 February 2015

From: Chief Executive

Report: CT1502007

Capital Works Bridging Loan Scheme

1. Introduction

- 1.1 This report updates Trustees on the Capital Works Bridging Loan Scheme.

2. Background

- 2.1 On 18 March 2010, Trustees agreed to provide short term bridging finance to community organisations undertaking capital projects. The interest free loans are used to alleviate cash flow problems when waiting for funding from EU, Scottish Government, SRDP, LEADER, ERDF and/or lottery grants to come through. (Min. Ref. CT15/10)
- 2.2 Funding for capital projects is only released once work has been completed and invoices paid. This creates an almost insurmountable cashflow burden for most organisations.
- 2.3 A total of £1 million was set as the maximum available at any one time.

3. Present Position

- 3.1 Appendix A lists each bridging loan made to date. Twenty-five organisations have received a bridging loan, seventeen have fully repaid their loans and three have made a part repayment. In total £2,037,136 has been repaid. Some £258,542 remains due to be repaid by eight organisations as they receive their grants.
- 3.2 Feedback on the scheme from organisations has been very positive.

4. Financial Implications

- 4.1 There are no new implications arising from this report. However, it should be noted that the provision of interest free loans means that the capital involved is not generating investment return.



5. Conclusion

5.1 Twenty-five capital projects undertaken by community groups throughout Shetland might not have taken place without the support of the Trust's Scheme.

6. Recommendation

6.1 Trustees are recommended to note this report.

Reference: MJ/D19
Date: 9 February 2015

Report Number: CT1502007

Capital Works Bridging Loan Scheme

CT1502007 – Appendix A

Project	Bridging Loan £	Repaid £	Due to SCT £	Notes
Burravoe Pier	25,650	25,650		
Ollaberry Hall	110,000	110,000		
Bressay Sports Park	114,537	114,537		
Scalloway Museum	345,000	345,000		
Fair Isle Hall	62,000	62,000		
Sandsayre Pier	170,000	170,000		
Sandness Hall	100,000	100,000		
Northmavine Club	26,640	26,640		
Hillswick Hall	100,000	100,000		
Fetlar Electric Minibus	35,600	35,600		
Mareel	276,505	276,505		
Sumburgh Lighthouse	120,000	120,000		
Aith Public Hall	9,900	9,900		
Collafirth Marina	58,320	58,320		
South Nesting Public Hall	88,442	88,442		
Aithsvoe Marina	68,202	20,000	48,202	A part repayment of £20,000 has been made. Another part repayment is expected at the end of March/early April.
Germatwatt Centre	10,000	10,000		
Shetland Skatepark Association	62,179	40,000	22,179	Works completed. Part repayment made of £40,000. Remainder will be paid once final leader claim has been approved.
Hoswick Visitor Centre	46,000	46,000		
Scalloway Boating Club	49,022	0	49,022	Repayment expected to be made in March 2015
Aithsvoe Marina-Loan 2	41,867	20,000	21,867	A part repayment of £20,000 has been made. Another repayment is expected shortly, once completion certificate has been issued.
Scalloway Museum-Loan 2	41,041	0	41,041	Repayment expected to be made in March 2015
Burravoe Public Hall	43,000	0	43,000	Repayment expected to be made in May 2015
Shetland Moving Image Archive	3,231	0	3,231	Repayment expected to be made in February 2015
Fetlar Developments Ltd - Loan 2	30,000	0	30,000	A maximum bridging loan of £84,360 is available. To date £30,000 has been drawn down. Repayment is expected in April 2015.
TOTAL	2,037,136	1,778,594	258,542	

