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If calling please ask for
Mary Anderson
Direct Dial: 01595 744992

Our Ref: EMA/TA1/1
Your Ref:

Date: 10 March 2010

Dear Sir/Madam

You are invited to the following meeting:

**Shetland Charitable Trust
Council Chamber, Town Hall, Lerwick
Thursday 18 March 2010 at 10am**

Apologies for absence should be notified to Louise Adamson on 01595 744555, or to Jenna Johnson on 01595 744544.

Yours faithfully

(signed) Dr Ann Black
General Manager

AGENDA

- (a) Hold circular calling the meeting as read.
- (b) Apologies for absence, if any.
- (c) Declarations of Interest.
- (d) Confirm minute of the meeting held on 11 February 2010 (enclosed).

For Decision

1. WRVS (Shetland Branch) – Application for Funding. Report enclosed.
2. Capital Project: Shetland Museum and Archives – Out Turn. Report enclosed.
3. Capital Works Bridging Loan Scheme. Report enclosed.
4. General Administration – Officials' Travel and Subsistence Payments. Report enclosed.
5. Grant Offer Letter Amendment. Report enclosed.
6. Amendment to Administrative Regulations. Report enclosed.
7. Scalloway Waterfront Trust – Consent to Transfer The Booth. Report enclosed.

For Information

8. Recommended Disbursements - Approvals. Report enclosed.
9. Recommended Disbursements – Social Care. Report enclosed.
10. SLAP: Progress Report. Report enclosed.

The following items contain **confidential** information

For Information

11. Loans to Local Industry - Agricultural Loan Scheme
Update on Loan Applications LA2/0817(2) & LA2/1398. Report enclosed.
12. Sums Due But Unpaid Over One Month Old as at 28 February 2010. Report enclosed.

REPORT

To: Shetland Charitable Trust

18 March 2010

From: General Manager

Report: CT1003015

WRVS (Shetland Branch) – Application for Funding

1. Introduction

- 1.1 This report asks Trustees to award a grant of £47,622 to WRVS for financial year 2010/11.
- 1.2 This application is presented separately from the main budget report, as WRVS were not up to date in complying with the Grant Conditions in the provision of service information.

2. Background

- 2.1 WRVS exists 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.
- 2.2 WRVS has recently gone through a national restructuring and cost cutting strategy and it is yet unclear how this will impact on the future level of support for local staff and projects.

3. Proposal

- 3.1 WRVS has applied for funding towards the cost of running the following projects and schemes:
 - Social Centres and Lunch Clubs for Senior Citizens
 - Recreational Activities for Club Members
 - Good Neighbours Assistance Schemes
 - Haa a Yap
 - Reminiscence Scheme
 - Accessible Transport
- 3.2 The Service Agreement is set out in full in Appendix 1.

4. Application for Funding

4.1 The estimated income and expenditure to provide this service is set out in Table 1 below.

Table 1: Estimate 2010/11

Item	Estimate 2010/11 £
Salaries	42,309
Training/ Travel/ Conference Fees	3,900
Volunteer Expenses	6,820
Administration	7,393
Less: Income	(12,800)
Net Cost and Bid	47,622

4.2 WRVS received a grant of £51,498 in the 2009/10 financial year. The decrease in their bid for the current year is due to a reduction in salaries and administration costs, as a result of the restructuring of posts, both locally and regionally.

4.3 The Social Work Service has evaluated the application for funding and is supportive of the bid. There are concerns however, that the rationalisation of management which has recently taken place on mainland Scotland, could result in less support and supervision being given to local staff and volunteers. The situation will require monitoring to ensure that both the level of support is sufficient and also that the current set-up continues to be the best model in terms of service delivery to the clients.

5. Financial Implications

5.1 The approved budget for 2010/11 stands at £10,302,150. This award will increase the overall budget to £10,349,772.

6. Recommendation

6.1 I recommend that Trustees agree to award WRVS a grant of up to £47,622, for the purposes described at Appendix 1 and in accordance with the standard grant conditions.

Reference: AJ/DS2'2f3

Report Number CT1003015-F

WRVS Service Statement

Name of Outcomes	Targets
<ul style="list-style-type: none"> • Increase volunteer numbers 	<p>To recruit relevant numbers of volunteers in line with service expansion.</p>
<ul style="list-style-type: none"> • Continue expansion of Centres 	<p>Scalloway – March 2011 South Mainland – Sept 2010.</p>
<ul style="list-style-type: none"> • Establish need on Unst & Yell 	<p>Evaluate research carried out during 2009/10 for these areas by end August 2010.</p>
<ul style="list-style-type: none"> • Growth and development of Good Neighbours service 	<p>Achieve an 6% increase on growth and development in 2010/11.</p>
<ul style="list-style-type: none"> • Service Expansion 	<p>2 new lunch clubs in 2010/11.</p>
<ul style="list-style-type: none"> • Generate income through local activity to fully support established clubs 	<p>Each unit to aim to generate minimum income of £1,000 per annum.</p>
<ul style="list-style-type: none"> • Establish further joint working with other agencies, voluntary and charitable organisations 	<p>To identify a minimum of 2 new contacts in 2010/11.</p>
<ul style="list-style-type: none"> • Continue integration of WRVS Shetland Community Projects with WRVS Shetland Emergency Services Team 	<p>WRVS Shetland is fully recognised as a provider of services to both the community and the blue light agencies.</p>
<ul style="list-style-type: none"> • Establish that WRVS makes a difference 	<p>Quarterly client review and evaluations</p>

REPORT**To:** Shetland Charitable Trust

18 March 2010

From: Financial Controller

Report: CT1003017

CAPITAL PROJECT: SHETLAND MUSEUM AND ARCHIVES – OUT TURN**1. Introduction**

- 1.1 Shetland Amenity Trust have the final accounts on the £12 million Museum and Archive construction project. As is generally the case with construction contracts, some elements of cost are not firmly established until after the work is completed. In this case the outturn is a marginal overspend (1.4%). This report sets that position in context and discusses options to deal with it.

2. Background

- 2.1 Shetland Charitable Trust was the recipient of the "Disturbance Receipts" from the oil industry, a total of £81 million between 1974 and 2000. One of the original aims of the Trust is the provision of large scale facilities in Shetland.
- 2.2 Over the years, the Trust has financed or part financed: seven rural care homes; the several phases of the Clickimin Centre and the seven rural leisure centres; Market House; and various heritage buildings. The mechanism has varied between the Trust handing over completed buildings to other charities to manage, to capital grants to other charities.
- 2.3 Through the eighties and nineties the Trust's income from its investments became greater than the income from the disturbance receipts. Looking back, that period was a bit of a "golden age" on the World's markets, and the Trust grew considerably. Inevitably, expenditure also increased. Eventually the stock market crashed in the year 2000, the same year as the disturbance receipts came to an end under the terms of the original agreement. The Trustees reacted to this dramatic downturn in financial fortunes by making several decisions. One decision was to agree not to accept bids for new capital projects, but to complete the five projects that were already in the programme, they are listed overleaf:



Market House

A new Running Track at the Clickimin

Squash Courts at the Clickimin

Various facilities required to enable Shetland to host the Island Games

The Museum and Archives building, including the restoration of Hay's Dock

3. The Project

- 3.1 The museum and archive building at Hay's Dock opened in 2007. The project has been an undoubted success from a visitor and service viewpoint. The expanded, modern, facilities have resulted in a three fold increase in visitor numbers and enabled the delivery of services of the very highest quality. The project and service has been widely recognised locally and nationally, has been the recipient of numerous awards and accolades and held up as an example of best practice by the Scottish Government, Museums Galleries Scotland and others.
- 3.2 As is usually the case with building projects, it has taken some time to reach the final position on project expenditure. Finalising and agreeing costs on mechanical services in general and difficulties with air handling units have been the main issues. The total project expenditure is £11,967,415 against income of £11,801,218. This results in an overspend of £166,197, or 1.4%.
- 3.3 Shetland Charitable Trust has agreed funding of £5,915,000 as a grant to Shetland Amenity Trust for this building (Min Ref 37/06). Shetland Charitable Trust's contribution is 50.1% of the total budget, with £5,115,000 (43.3%) coming from the Heritage Lottery Fund, the other main funder.
- 3.4 Trustees looked at funding issues on this project last May (Min Ref 37/09), and decided to agree the drawdown of unpaid grant of £81,615 (which is part of the £5,915,000 overall Shetland Charitable Trust grant). However, Trustees decided that it was too early in the financial year to look at agreeing any further funding to Shetland Amenity Trust and there were uncertainties over the final costs at that point. Shetland Amenity Trust have had two years of standstill budgets, with requests for extra revenue funding refused by the Shetland Charitable Trust. I believe that the overspend on this capital project cannot be met entirely from within Shetland Amenity Trust's revenue budget without causing a reduction in service(s) provided by Shetland Amenity Trust.
- 3.5 The Shetland Amenity Trust is faced with a funding shortfall of £166,197 and has asked Shetland Charitable Trust to fund this. A small overspend (of 1.4%) is not unusual on a building project, and in the past, generally, Trustees have advanced further funding on similar projects. However, given the financial position of Shetland Charitable Trust, I am going to recommend that Shetland Charitable

Trust provides funds in the same proportion as in the project income achieved to date. So 50.1% of £166,197 or £83,265.

4. Museum and Archive Building – Income and Expenditure

- 4.1 The project had two principal co-funders, Shetland Charitable Trust and the Heritage Lottery Fund, with other bodies also providing funding, usually for specific elements of the project. The funders are set out below:

Agreed/Received Income	£
Shetland Charitable Trust	5,915,000
Heritage Lottery Fund	5,115,000
Historic Scotland	355,886
Scottish Natural Heritage	50,000
Shetland Enterprise*	51,420
Shetland Islands Council	24,710
Shetland Amenity Trust (Grant Aid)	2,200
Other Grants and Contributions	287,002
	11,801,218

* Shetland Enterprise also made a donation in kind of land.

- 4.2 The expenditure can be divided up as follows:

Expenditure	£
Building Construction	6,901,511
Displays/Exhibition Areas	1,781,576
Professional Fees	1,469,344
Hay's Dock Restoration	1,057,958
Building Fit Out, Public Art, Land, Irrecoverable VAT, etc	757,026
	11,967,415

I am satisfied that all of the above should be accounted for as expenditure on this project.

5. Conclusion

- 5.1 This very successful building needs further funding of £166,197 to enable the books on the construction project to be closed. This sum is 1.4% of the total funding achieved so far. The Shetland Amenity

Trust do not believe that any further funding can be identified from other sources.

- 5.2 The Trustees face a choice. They can accept Shetland Amenity Trust's request that Shetland Charitable Trust closes the entire funding gap. Any other decision will leave the Shetland Amenity Trust with a cash problem to solve. Notwithstanding this, I will recommend that Shetland Charitable Trust provides further funds in proportion to the funding provided to date, so 50.1% of the gap or £83,265. This leaves Shetland Amenity Trust with a problem of £82,932 to solve.

6. Financial Implications

- 6.1 Any funding that the Trustees agree to provide at this point will need to be a new grant and an extra burden, although at least it will not be recurring.
- 6.2 Shetland Charitable Trust provided Shetland Amenity Trust with a float for this project, to help them manage cash flow. The float was originally £500,000 and most of this has been paid back. Shetland Amenity Trust retains £68,385 of this Trust's money. Although my recommendation, if accepted, represents a new grant of £83,265, I would propose to account for the remaining float and actually pay out £14,880.

7. Recommendation

- 7.1 I recommend that Trustees agree to a further grant of £83,265 to Shetland Amenity Trust towards the Museum and Archives Building. This will result in a net cash payment of £14,880 in the current financial year.

Reference: JPG/sp/DT2

Report Number CT1003017-d

REPORT

To: Shetland Charitable Trust

18 March 2010

From: General Manager

Report: CT1003020

Capital Works Bridging Loan Scheme

1. Introduction

- 1.1 This report presents a proposal to Trustees to use Trust funds to provide short term bridging finance to community groups undertaking capital projects with grant assistance from the Scottish Rural Development Programme (SRDP).

2. Background

- 2.1 A number of local organisations has been successful in securing capital funding from the SRDP. Two groups, Ollaberry Public Hall and Bressay Sports Club, have been granted funding of 50% of the total capital cost of their projects (£238,437 and £296,909 respectively). A further three public halls, Sandness, Fair Isle and North Unst, as well as Burravoe and District Development Group, have submitted applications for up to 90% of their project costs, which range from £137,806 to £208,771. Other groups are in the process of applying for funding.
- 2.2 Due to the complexity of the claim process, it is likely that these groups will face significant cashflow difficulties during the life of their projects, as invoices have to be paid in advance of any claim. Shetland Islands Council has asked the Trust to consider setting up a Bridging Loan Scheme to assist these organisations to access significant external funding.
- 2.3 The Trust has experience of a bridging loan scheme, having for many years offered bridging finance to crofters and common grazings committees undertaking works under the Crofting Counties Agricultural Grant Scheme and other similar crofting grant schemes.

3. Proposal

- 3.1 A Scheme is proposed which would be available to all charitable groups in Shetland who had firm offers of grant under the SRDP's grant scheme. A sample of the proposed Application Form and Terms and Conditions is attached as Appendix 1 and 2 respectively. The scheme would allow organisations to borrow up to 90% of the expected grant. The loan would have to be repaid within 90 days of the completion of the project.
- 3.2 The Trust has the power under its Trust Deed to make loans "with or without interest". Trustees are asked to decide whether to charge interest on these

loans. Since the money would have to be held in short term investments to be available to the groups, Trustees may require interest to be charged to compensate for loss of income in longer term investments. A rate of 0.5% over the base rate at the time of the first advance would be appropriate.

- 3.3 However Trustees may wish to consider that these voluntary groups are leveraging in substantial sums of external funding towards their projects, and should not be required to find additional sums, however small. No provision has been made for interest payments in the current projects, so charging interest would put additional pressure on the project budgets.
- 3.4 Within the limits described above, it is proposed to grant authority to officers to approve loans under this scheme, subject to each approval being reported in due course to Trustees.
- 3.5 It is further proposed that officers review the operation of the Scheme after one year, and report back to Trustees if significant changes are required.

4. Financial Implications

- 4.1 There is no budget set aside for this Scheme, however all sums advanced would be repaid. Since the approval of the loan is conditional on an offer of grant from SRDP or an equivalent body, the risk of default is minimal. It has been suggested that a sum of £500,000 could be set aside, which would be sufficient to fund all the organisations with applications to SRDP at present. In order for this money to be available to the groups, it would need to be held in short term deposit.
- 4.2 This money would earn no more than 0.25% over base rate, so would earn slightly more if loaned out to the groups at a rate of 0.5% over base. The cost to the groups would not be significant, as the money would only be needed for a short time. A loan of £100,000 over three months would cost £250.
- 4.3 If Trustees decide not to charge interest, the income lost if the whole £500,000 was on loan to groups would be 0.25% over base (presently 0.5%), which equates to £312 per month. It is very unlikely that the full amount will be on loan at any one time.

5. Recommendation

- 5.1 Trustees are recommended
 - a) to approve the Scheme described in paragraph 3.1,
 - b) to grant authority to officers to approve loans within the terms of the Scheme set out in Appendix 1. These would be reported to Trustees in the regular cycle; and
 - c) to decide whether or not to charge interest on the loans advanced, and to approve Clause 6 a or b of Appendix 1 as appropriate.

Reference: EMA/DC14

Report Number CT1003020-f

**Capital Works Bridging Loan Scheme ("the Scheme")
TERMS AND CONDITIONS**

Availability

1. The Scheme is available to organisations carrying out work (the "Works") on a public facility in Shetland which is eligible for grant through the Scottish Rural Development Partnership (SRDP). In respect of any one grant approval the maximum loan is whichever is the lesser of 90% cost of the Works or the actual grant approved.

Loan

2. The amount of the loan is the amount of the loan shown on the application form (CWB01) at paragraph 3(d) or such other amount as the Trustees may notify in writing to you.

Purpose

3. The loan is for the purpose of providing you with a temporary loan facility to assist you in the cost of financing the execution of the Works.

Payment of Loan

4. Subject to these conditions, the loan will be advanced in one sum, after your application has been checked and the Council's Community Services has commented satisfactorily. The Trustees shall be entitled to withhold the loan or any part of it in their opinion it would be inadvisable and undesirable to release the loan or any part of it. Misleading information may render your application null and void.

Period of Loan

5. The loan is repayable from the Grant associated with the Works. The loan period therefore ends when the final instalment of Grant is paid. If for any reason the Grant, or any part of it, is not paid or the Grant is not enough to repay the loan and associated charges then the loan period ends ninety days after either the date by which the Works are to be completed, as declared by the applicant, or the end of the maximum period specified in the original Grant authority/approval for satisfactory completion of Works, or such other date or dates as the Trustees may notify in writing to you. Any extension of the period allowed for completion of the Works will not automatically confer any extension of the loan period. If for any reason you wish to repay a loan early you may do so without penalty.

Interest

6. **EITHER a)** Interest will be charged on the sum borrowed at the rate of 0.5% per annum. **OR b)** No interest will be charged on the sum borrowed during the agreed loan period.

If the loan is not repaid when due for repayment then without prejudice to any right, power, remedy or privilege the Trustees may at their discretion apply interest to any sum due and unpaid from its due date until actual payment to the Trustees at the rate of Five (5) per centum per annum over the base rate.

Repayment

7. The loan can be repaid at any time during the project, but must be repaid in full within ninety days of the completion of the project.

Ascertainment of Sums Due

8. The amount of any sum due to the Trustees shall be sufficiently ascertained by a certificate under the hand of their General Manager or any other authorised officer or official and such certificate shall be conclusive and final and binding on you for every purpose.

Payment in Full

9. All payments by you to the Trustees shall be made in full without deduction for or on account of any matter or thing whatsoever, unless the Borrower is required by law to make such deduction, in which event, payment shall be increased by such amount as may be necessary so that the net amount after such deduction shall equal the amount to which the Trustees would have been entitled had no such deduction been required by law (except to the extent that the Trustees are otherwise able directly to recover the same).

Notices

10. If you want to give formal notice to the Trustees about your loan arrangements write to the Shetland Charitable Trust, 22 – 24 North Road, Lerwick, ZE1 ONQ. Notices to you will be sent to the address given, or such other address as you may notify in writing to the Trustees.

PLEASE RETAIN THIS SECTION FOR YOUR INFORMATION

REPORT

To: Shetland Charitable Trust

18 March 2010

From: General Manager

Report: CT1003024

General Administration Officials' Travel and Subsistence Payments

1. Introduction

- 1.1 The purpose of this report is to seek Trustee approval on the payments to be made to officials in respect of travel and subsistence allowances.


2. Present Position

Travel and Subsistence Allowances

- 2.1 The rates paid to Shetland Islands Council (SIC) officials in respect of travel and subsistence allowances follow the statutory rates payable to Members of SIC, as per The Local Government (Allowances and Expenses) (Scotland) Regulations 2007. The Trust has a policy of aligning its rates with those of SIC.
- 2.2 The revised types and maximum rates of travel and subsistence allowances permitted, as per the above Regulations, are set out in Appendix 1. A new allowance of £25 per night has already been introduced for Trustees choosing to stay with friends or relatives in lieu of claiming an overnight subsistence.
- 2.3 Attached as Appendix 2 are the current rates payable to officials.

Car Allowances

- 2.4 The current rates paid to officials in respect of car allowances are based on SJC/SNCT rates. The Council does have discretion to vary the rates payable in respect of car allowances but has not done so therefore the rates payable in respect of car allowances have remained at the same rate since 1 April 1999. These rates are detailed in Appendix 2.
- 2.5 Trustees' mileage rates are now linked to HMRC rates which are detailed in Appendix 1. Trustees are not paid an Essential Car User Allowance.

- 
- 2.6 During the implementation of Single Status in SIC, it became clear that there were some anomalies in award of Essential Car Users Allowance, and there is a suggestion that this may be discontinued altogether for officials. Work is currently being undertaken within the SIC to address this, and Trustees will be asked to adopt the revised policy in due course.

3. Proposals

Within Shetland

- 3.1 It is proposed that within Shetland meal allowances will only be paid where an employee requires to be away from both home and their normal place of work for a period greater than 24 hours, and incurs additional expenditure for meals.

Outwith Shetland

- 3.2 It is proposed to continue to pay Trust employees the day subsistence rates currently paid to Trustees.
- 3.3 It is further proposed to adopt the new overnight subsistence rates for Trust employees, which include a new allowance for bed and breakfast or when choosing to stay with friends and relatives in lieu of claiming overnight subsistence.
- 3.4 Finally, it is proposed to only permit payment of expenses claims exceeding 6 months where the employee can evidence/justify the reason for the delay in submission, for example long term ill health.

4. Financial Implications

- 4.1 There are no significant financial implications arising from the proposals in this report.

5. Recommendations

- 5.1 Trustees are recommended
- a) to adopt the proposals set out in paragraph 3 above, which are summarised in Appendix 3;
 - b) to agree to implement the changes to subsistence payments with effect from 1 April 2010;
 - c) to give authority to the General Manager to update these rates in line with any changes that the Council applies to its Members' Travel and Subsistence payments in the future; and
 - d) to note that there may be changes to Essential Car Users Allowance, which will be presented to Trustees in due course.

**OFFICIALS TRAVEL, SUBSISTENCE & CAR ALLOWANCE
PAYMENTS – 1 DECEMBER 2007**

SJC/SNCT Car Allowance Scheme – 1 April 1999

Essential Car Users

Annual Lump Sum	All Engine Capacities £822
Mileage Rates –	
First 8500 miles a year	35.1p
After 8500 miles a year	12.6p

Casual Car Users

Mileage Rates –	
First 1000 miles a year	53.65p
Next 7500 miles a year	43.65p
After 8500 miles a year	12.6p

Overseas Travel & Subsistence

Where officials require to go abroad on approved council business then travel and subsistence is reimbursed on an **actuals basis**. It is therefore essential that all receipts, for which reimbursement is required, are kept (Note: Isles of Man and the Channel Isles are regarded as overseas travel). Receipts in Foreign Currency must be converted to pounds sterling before submission to Payroll

Miscellaneous Travel

Bus Fares, Train/Underground Fares, Taxi Fares, Ferry Fares, Road and Bridge Tolls, etc – actual receipted cost of expense.

SUBSISTENCE

Meal Rates – both within and outwith Shetland

Where an employee is required to be absent from their normal place of work and incurs additional expenditure over and above that which would normally be incurred, the following maximum rates are payable:

Breakfast (where no overnight subsistence is claimed)	£8 per day
Lunch	£12 per day
Dinner	£25 per day

Only receipted costs will be reimbursed up to the above maximum amounts.

Overnight Subsistence Rates – (away from home but within the UK)

i) Within Central London	£118.63
ii) Elsewhere	£ 94.82

These overnight rates are maximum rates and are deemed to cover a continuous period of absence of 24 hours and are to cover the costs for Bed and Breakfast. Only receipted costs will be reimbursed to the prescribed maximum levels.

**OFFICIALS TRAVEL & SUBSISTENCE PAYMENTS/MEAL CHARGES
REVISED MAXIMUM RATES PERMITTED – 1 APRIL 2010**

MEAL RATES

i) Breakfast (where no overnight subsistence is claimed)	£ 8	per day
ii) Lunch	£12	per day
iii) Dinner	£25	per day

OVERNIGHT SUBSISTENCE RATES (away from home and either within or outwith the UK)

i) Within Central London	£131
ii) Elsewhere	£110

These overnight rates are deemed to cover the costs for Bed and Breakfast.

Note: Meals and overnight subsistence claims (except when staying with friends or family) will still be on the basis of actual receipted costs up to the maximum rates.

STAYING WITH FRIENDS OR RELATIVES £ 25

Instead of claiming overnight subsistence rates, when away from home and local authority premises, either within or outwith the UK, an official can claim the above round sum allowance, per night, when staying with friends or relatives. This rate is deemed to cover bed and breakfast.

MISCELLANEOUS TRAVEL

Bus Fares, Train/Underground Fares, Taxi Fares, Ferry Fares, Road and Bridge Tolls, Parking charges, etc – actual receipted cost of expense incurred.

REPORT

To: Shetland Charitable Trust

18 March 2010

From: General Manager

Report: CT1003025

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 Most grants are awarded to organisations to help pay for their management and core overheads. This could enable the funded organisations to compete unfairly with the private sector for contracts.

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 2010/11. The amendment if approved therefore, will affect the organisations 2011/12 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;

"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."

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: AJ/DA1

Report Number CT1003025-F

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 2012.

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 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

18 March 2010

From: General Manager

Report: CT1003026

Amendment to Administrative Regulations

1. Introduction

- 1.1 This report seeks to amend the Trust's Administrative Regulations to reflect the deletion of the post of Chief Executive with effect from 1 January 2009.

2. Background

- 2.1 At their Meeting on 2 July 2008, Trustees agreed to appoint a General Manager to replace the previous postholder who left to take up a position with Shetland Islands Council (SIC) (Min Ref CT/41/08).
- 2.2 At the same time, Trustees agreed to delete the position of Chief Executive of the Trust when the new General Manager was appointed.

3. Proposal

- 3.1 The Administrative Regulations of the Trust have not been updated to reflect this change. It is proposed to amend Section III, paragraph 8.2 a and b as set out in Appendix 1, to remove all reference to the Chief Executive of the Trust, and to renumber subsequent paragraphs as appropriate.

4. Financial Implications

- 4.1 There are no financial implications arising from this report, as the post of Chief Executive of the Trust was unpaid.

5. Recommendation

- 5.1 Trustees are asked to agree to the revision of paragraph 8.2 a and b as set out in Appendix 1, to remove all reference to the post of Chief Executive which has been deleted.

Reference: EMA/TA1

Report Number CT1003026-f

Existing Administrative Regulations – Section III Paragraph 8.2 a and b

8.2 The principal duties of those responsible for the services detailed in paragraph 8.1 above shall be as follows or such other duties as are otherwise agreed from time to time by a majority of the Trustees:

- a. **Co-ordination:** The person or persons responsible for co-ordination and strategic direction of the Trust (hereinafter referred to as the “Chief Executive”) shall be the Chief Executive of the Shetland Islands Council, who shall be responsible to the Trust for overall co-ordination of the business and administration of the Trust and in particular shall provide direction to the Trust on the following matters:
 - i. The overall strategic direction of the Trust, as expressed in its Corporate Plan, or similar;
 - ii. Policy developments, which significantly impact on way the Trust is governed or managed;
 - iii. Significant strategic investments, which have a Shetland-wide impact;
 - iv. Community accountability, ensuring that the business of the Trust continues to fulfil its remit on behalf of the local community.
- b. **Management:** The Trustees shall directly appoint and employ a General Manager to manage the business of the Trust on behalf of Trustees. It is the General Manager’s role to ensure that advice is sought from the Chief Executive on matters of strategic importance to the Trust and to Shetland. Otherwise, the General Manager’s role is to manage the day to day business of the Trust on behalf of the Trustees and to oversee the other advisory posts, as follows:
 - i. To develop the strategic direction with regard to the services provided by the Trust;
 - ii. To oversee the annual budgeting exercise;
 - iii. To develop an effective operating framework of relevant policies, staffing structures, performance information, etc;
 - iv. To manage the team of staff who work for the Trust;
 - v. To ensure that Trustees have effective management information upon which to base their decisions.

Proposed Amendment to Section III paragraph 8.2

- 8.2 The principal duties of those responsible for the services detailed in paragraph 8.1 above shall be as follows or such other duties as are otherwise agreed from time to time by a majority of the Trustees:
- a. **Co-ordination and Management:** The Trustees shall directly appoint and employ a General Manager to manage the business of the Trust on behalf of Trustees. The General Manager's role is to manage the day to day business of the Trust on behalf of the Trustees and to oversee the other advisory posts, as follows:
 - I. To develop the overall strategic direction of the Trust, as expressed in its Corporate Plan, or similar;
 - II. To take the lead on policy developments which significantly impact on the way the Trust is governed or managed;
 - III. To oversee significant strategic investments, which have a Shetland-wide impact;
 - IV. To liaise with strategic partners to ensure that the business of the Trust continues to fulfil its remit on behalf of the local community;
 - V. To develop an effective operating framework of relevant policies, staffing structures, performance information, etc;
 - VI. To manage the team of staff who work for the Trust;
 - VII. To oversee the annual budgeting exercise;
 - VIII. To ensure that Trustees have effective management information upon which to base their decisions.

Subsequent paragraphs c-f would be renumbered b-e.



REPORT

To: Shetland Charitable Trust

18 March 2010

From: General Manager

Report: CT1003029

Scalloway Waterfront Trust Consent to Transfer The Booth

1. Introduction

1.1 This report seeks Trustee approval to transfer The Booth, Scalloway to a suitable charitable organisation. The consent is required because of the conditions imposed by the Trust on a grant to renovate the building.

2. Background

2.1 On 5 October 2000, Trustees approved a grant of up to £25,000 to Scalloway Waterfront Trust for the purpose of renovating a property known as The Booth, for use as an artist's studio.

2.2 The conditions of the grant included a condition that "in the event of the property no longer being required by the Scalloway Waterfront Trust, or in the event of the Scalloway Waterfront Trust disbanding, the property will be sold for the best possible price and the proceeds, up to the level of the Charitable Trust funding, returned to the Charitable Trust."

3. Proposal

3.1 Scalloway Waterfront Trust has reached the point where its trustees have decided to wind up the organisation. Discussions have begun to dispose of the assets remaining with the organisation. These assets include the Booth.

3.2 For the last 18 years, the Booth has been administered and managed by Workshops and Artists Studio Provision (Scotland) limited (WASPS) in conjunction with Shetland Arts Trust/ Shetland Arts Development Agency (SADA). WASPS manages space for 750 artists each year at 17 locations throughout Scotland. Given SADA's involvement with its operation, it would make sense for the Booth to be transferred to SADA, rather than to be sold. A response is awaited from SADA as to whether they would be willing to undertake the obligations of this building.

4. Financial and Other Implications

- 4.1 There are no financial implications for the Trust arising from this transfer, other than not receiving the sale proceeds. It has been made clear to SADA that should they take on ownership of the Booth, the cost of future maintenance should be met from the proceeds of letting the space.
- 4.1 If the Trust requires the sale of the Booth as required by the grant conditions, there would be a risk that the space would no longer be available as an artist's studio.

5. Recommendation

- 5.1 Trustees are asked to consent to the transfer of the building known as The Booth, in Scalloway, from the Scalloway Waterfront Trust to a suitable charitable organisation, notwithstanding condition g) of their grant, as quoted in paragraph 2.2

Reference: EMA/DT10

Report Number CT1003029-f

REPORT

To: Shetland Charitable Trust

18 March 2010

From: General Manager

Report No. CT1003021

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 development and 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 - £14,047

- 2.1 The following community support grants were approved by the Head of Service, Community Development in the period from 30 January to 26 February 2010: -

Name of Organisation	Grant Approved (£)
Burra Playgroup	1,900
Sandveien Neighbourhood Centre	12,147

3. Community Arts Grants - £3,835

3.1 The following community arts grants were approved by the Head of Service, Community Development in the period from 30 January to 26 February 2010: -

Name of Organisation/ Individual	Grant Approved (£)
Miss Lois Nicol	363
Ms Val Turner	290
Mr David Marsh	230
Mrs Janis Adamson (on behalf Hannah Adamson)	270
Mr Stuart Sinclair	241
Mrs Johan Adamson	350
Miss Lois Nicol	177
Miss Jacqueline Clark	1,000
Mrs Joy Adamson (on behalf Deborah Adamson)	304
Islesburgh Photographic Club	610

4. Recommendation

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

Shetland Charitable Trust
Date: 4 March 2010
Our Ref: AJ/DA1

Report Number CT1003021

REPORT**To** Shetland Charitable Trust

18 March 2010

From: General Manager

Report No. CT1003022

RECOMMENDED DISBURSEMENTS – SOCIAL CARE**1. Background**

- 1.1 This report concerns approvals by the Council's Head of Community Care in the period to 5 March 2010, in terms of Report Number CT/030/94, which was approved by the Trustees on 8 April 1994.

2. Social Assistance Grant Scheme - £3,750.07

- 2.1 The Head of Community Care approved the following:-

	(£)
6 Social Assistance Grants	3,693.07
Add: Additional Funding	57.00

- 2.2 The grants would be allocated from the Social Assistance Grant Scheme budget head.

3. Recommendations

- 3.1 Trustees are asked to note the following approval by the Head of Community Care: -

a) the Social Assistance Grants referred to in paragraph 2.1, totalling	£3,750.07
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Shetland Charitable Trust
Date: 8 March 2010

Ref: AJ/DS1

Report No: CT1003022

REPORT**To:** Shetland Charitable Trust

18 March 2010

From: Financial Controller


Report: CT1003028

SLAP: Progress Report**1. Introduction**

- 1.1 This report is presented to inform Trustees on progress and activity by its property company Shetland Leasing and Property Developments Limited (SLAP).
- 1.2 The Trust's investment in SLAP has been accepted as a "qualifying" investment by HMRC, provided that SLAP acts commercially. Trustees have required the Board of SLAP to fulfil this requirement by ensuring that each individual investment made by SLAP is commercial. I am content that the current returns made by SLAP on its property and leasing portfolio are commercial.
- 1.3 SLAP has more than 30 leased properties with a total value of £16.3 million. They are listed in Appendix A. SLAP also owns a Britten Norman Islander aeroplane and a vessel, the Moder Dy. Both assets are leased to Shetland Islands Council.

2. Purchases and Sales in 2009/10

- 2.1 SLAP has purchased land at the North Ness Industrial Estate from HIE. The transaction completed on 15 February 2010.
- 2.2 SLAP sold the Old School Centre at Firth on 17 December 2009.
- 2.3 SLAP has agreed to purchase land to the North of the Old Stoney Hill Road. The legal process has been a long one, mainly due to issues between the selling owner and her tenants. All substantive issues are resolved and I expect the legal formalities to be completed very shortly.
- 2.4 SLAP has agreed to sell the Ronas Fish Factory, the Whalsay Fish Factory, the Laxfirth Slaughterhouse, the Graven Oil Depot and a



park in Scalloway. The lawyers are working away at these transactions.

3. Current Activity

- 3.1 SLAP is the oil industry's landlord at Scatsta Airport (except for the runway). SLAP has agreed an investment budget of £8 million to build a new hangar and to redevelop the terminal buildings. SLAP will recover its outlays through an increased rent. The hangar is built and in use (from 1 June 2009). The terminal refurbishment project is at the design phase, and I expect a contractor to be in place before this summer.
- 3.2 SLAP has let a contract to a design and build team, headed by Hunter and Morrisons, to provide new offices on the ex-WAG site at the North Ness. I expect the contractor to be 'on site' before the end of this month. Shetland Islands Council has agreed to lease the offices, once built, for its Social Care Service to use. This will bring that Service together (from 7 sites at present) and most of the existing offices are likely to be released to the Housing Service for residential purposes.
- 3.3 There are nearly always some projects under discussion, most of which do not result in a purchase, development or a sale. Trustees have accepted that premature disclosure of such discussions will usually not be possible without breaching confidentiality, and will also make SLAP's role as a developer difficult to maintain.

4. Financial Implications

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

5. Recommendation

- 5.1 This report is for noting

Reference: JPG/sp

Report Number CT1003028

SLAP Properties

18-Mar-10

Property	Description	Tenant
Blacksness Industrial Estate	Two Industrial Units	Trouw Aquaculture Scalloway Handling
66 Commercial Road	Office	Occupied by Shetland Tele.com
68 Commercial Road	Engineering Wholesaler	L.E.S.S
Commercial Road	Warehouse Workshop	HNP
72 Commercial Road	Land & Redundant Buildings	In poor Condition
Fetlar Camp Site	Camp Site	Shetland Islands Council
Graven Oil Depot	Industrial Estate	EMN Plant
Greenhead Base Lerwick	Port/Industrial facility	SBS, SIC and Scomi Oil Tools
FE College Gremista Phases 1 & 2	College Building	Shetland Islands Council
Gremista Industrial Estate, Lerwick, Site 1	Retail unit site	G & S Flooring
Heylor Fish Factory, Heylor, Ronas Voe, North Mavine	Fish Factory	Vacant
Kanterstead Road, Lerwick Rosies Takeaway	Shop Site	Mr Simon Li
Kanterstead Road, Lerwick Dry Cleaners	Dry Cleaners	Mr & Mrs Watt
Laxfirth Slaughter House Laxfirth, nr Gott	Slaughter House	Shetland Abattoir Co-operative Ltd
Lochside Stores Lochside, Lerwick	Shop	Mr M Johnson
North Atlantic Fisheries College College, Scalloway	College	Shetland Islands Council
NE Farmers, Staney Hill Lerwick	Wholesale Warehouse	Harbro Ltd

Property	Description	Tenant
2 North Ness	Office	Millgaet Media
3 North Ness BioSolar Office	Office	Shetland Islands Council HIE Shetland as Sub-Tenant
7 North Ness Gutters' Hut	Offices	Garrick Accountancy, Shaw Marketing, Viking Energy Ltd, Shetland Islands Council
North Ness Industrial Estate - Unbuilt Land	Management of Industrial Estate	N/a
Sandness Spinning Mill, Sandness	Factory Unit	Jamieson Spinning Ltd
Sandwick Woollen Mill, Hoswick, Sandwick	Factory Unit	Laurence Odie (Knitwear) Ltd
Scatsta Airport	Leased Land/Buildings	Intergrated Aviation Consortium (BP)
Scalloway Woollen Mill Park	Land (only)	Sale agreed to Scalloway Museum
Sellaness Industrial Building	Industrial Building	Mr A Mckimm
Shetland Business Innovation Centre, Gremista	Business Units	SIC Train Shetland
Staney Hill Mart, Staney Hill, Lerwick	Agricultural Mart	Shetland Marts Co-operative Ltd
Tourist Information Office 107 Commercial Street	Tourist Information Office	Visit Scotland
Walls Bakery and tea rooms, Walls	Bakery	C & A Hodge
Walls Shop, Walls	Shop	Mr & Mrs Smith
Weathersta Industrial Complex, Weathersta, Brae	3 workshops plus a substantial yard area	Hjalldand Seafarms Ltd
Whalsay Fish Factory, Whalsay	Fish Factory	Whalsay Fish Processor Ltd
WAG Site	Development Site	Intended: SIC Social Care