



**Shetland
Charitable Trust**

**Shetland Charitable Trust
Strategy 2020-2025**

22-24 North Road

Lerwick

Shetland

ZE1 0NQ

Tel: 01595-744994

E-mail: mail@shetlandcharitabletrust.co.uk

Registered Charity Number SC027025

Contents	Page
Executive Summary	2
1. Introduction	3
2. The Purpose of Shetland Charitable Trust	3
- Core Principles and Values	3
3. Ambition of Shetland Charitable Trust 2020-2025	4
4. Strategic Objectives 2020-2025	4
5. The Delivery of the Strategy 2020-2025	5
- Trust Governance	5
- The Evidence Base for the Strategy	5
- Key Considerations for the Strategy Delivery	6
- Management & Monitoring of the Strategy	6
- Operation Plans	7
6. Communication & Engagement	8
7. Conclusion	8
Appendix 1: The Strategy Planning Process	9
Appendix 2: Communications	10
Appendix 3: Strategy Risk Assessment	12

Executive Summary

Shetland Charitable Trust is an independent Scottish charity and Trust, set up to benefit the people of Shetland. The Trust was established in 1976 and to date has disbursed over £320 million to Shetland organisations working in the fields of arts, culture, sport and recreation, the environment, heritage, and social care and welfare, including supporting the three large Shetland based Trusts, Shetland Amenity Trust, Shetland Arts Development Agency and Shetland Recreational Trust, and the Rural Care Model which is in place in Shetland. The Trust is comprised of a Board of 12 Trustees who are responsible for the governance and strategic direction of the Trust.

The purpose of the Trust is to use its available funds to benefit and improve the quality of life of all people living in Shetland, and to preserve the Trust reserves for future generations.

Over the period 2020-2025, the Trust will seek to use its funding:

- To improve the quality of life for all the people of Shetland;
- To achieve a positive impact against the Trust Strategic Objectives through its disbursement decisions;
- To promote inclusion and reduce inequalities in Shetland;
- To demonstrate the impact and outcomes of Trust funding.

The Trust targets its funding where impact, positive outcomes, and evidence of need can be demonstrated and shown to be delivered or addressed. Funding decisions are made on an open and transparent basis against this. Over the period 2020-2025, the Trustees will identify where funding can be used in particular to promote inclusion and reduce inequalities in Shetland. All organisations which benefit from Trust funding will be asked to demonstrate how they are addressing these areas. The Trust is open to both new and existing funding bids which align to its purpose and strategic objectives for the period 2020-2025 as set out:

- To enhance provision of services and activities, aligned to the Trust's ambition, and beyond the obligation of statutory services;
- To support the services and activities provided by the three large Trusts in Shetland;
- To support voluntary sector services in Shetland;
- To support, if appropriate, the core revenue costs of organisations where there is difficulty in sourcing alternative external funding to maintain or enhance the services provided.

The Trust works in partnership with stakeholders and organisations to maximise the impact and demonstrate the evidence base for its funding contributions. The Trust's priorities will be informed, for example, by Shetland's Partnership Plan 2018-2028, and the Shetland Integration Joint Board. The Trust will work with all the organisations it funds to build an evidence base of the positive impact and outcomes each organisation's activities and service provision is making. This will ensure the funding available for disbursement continues to achieve the maximum impact for the people of Shetland.

Disbursements of Trust funds will normally be approved annually. Each application for funding will be assessed against the ambition, purpose and strategic objectives of the Trust, and the impact which the funding will help deliver. Disbursements are then made to approved funding applicants through an annual grant offer letter. This also sets out the reporting requirements and the acknowledgement of Trust funding. Organisations are also encouraged to seek alternative funding wherever possible.

Regular communication is undertaken to increase the understanding of the work and activities the Trust funding supports. A mid-term review of progress against the Strategy ambition and objectives will be undertaken, as part of the Trust risk management process and governance in place to 2025.

What will be different 2020-2025

- **An increased focus on promoting inclusion and reducing inequalities in Shetland**
- **A better demonstration of the impacts and outcomes achieved through Trust funds**
- **Open to new funding bids aligned to the Trust's ambition and strategic objectives 2020-2025**

1. Introduction

Shetland Charitable Trust (the Trust) is an independent Scottish charity and Trust, set up to benefit the people of Shetland. The Trust was established in 1976 as the recipient of disturbance receipts from the oil industry. Since its establishment, it has disbursed over £320 million to Shetland organisations to enhance the quality of life for the people and communities of Shetland.

The Trust is governed by a Trust Deed which sets out the charitable purposes that the funds can be legally used for. The Trust is comprised of a Board of 12 Trustees, appointed for an initial four-year term through an open recruitment process. The Trustees are responsible for the governance and strategic direction of the Trust. The Trustees are supported in the operation of the Trust by the Chief Executive and Executive team.

To date, the Trust has provided funding to a wide range of local charities and organisations. These organisations provide a range of activities and services especially in the fields of social care and welfare; arts, culture, sport and recreation; and the environment and heritage – all to the benefit of the population of Shetland.

Organisations that have benefitted from Trust funding include the three large Shetland based Trusts, Shetland Amenity Trust, Shetland Arts Development Agency and Shetland Recreational Trust, and the Rural Care Model which is in place in Shetland. A range of other voluntary organisations and bodies based in Shetland have also benefitted from Trust funding.

The Trust operates to agreed Investment, Financial and Disbursement plans, approved and overseen by the Board of Trustees, and in support of the agreed Strategic Objectives of the Trust. In 2019, the Trust undertook a comprehensive Strategic Review to determine its Strategy for the period 2020-2025, as set out in this document. The Strategy Process which was undertaken is outlined in Appendix 1.

2. The Purpose of Shetland Charitable Trust

The purpose of the Trust is to use its available funds to benefit and improve the quality of life of all people living in Shetland, and to preserve the Trust reserves for future generations.

Core Principles and Values of the Trust

The core principles and values, which underpin this purpose, are:

- The Trust will operate in an open and transparent manner, to the highest standards of corporate governance;
- The Trust will seek to maximise and demonstrate the impact and value that its funding delivers to the quality of life in Shetland for all;
- The disbursement of Trust funds will be evidence based;
- The Trust will add value and develop the services available to the people of Shetland, through its funding commitments and based on evidence of need;
- The Trust will work in partnership with other stakeholders and organisations to maximise the impact of its funding contribution.

3. The Ambition of the Shetland Charitable Trust 2020-2025

Over the period 2020-2025, the Trust will seek to use its funding:

- To improve the quality of life for all the people of Shetland;
- To achieve a positive impact against the Trust Strategic Objectives through its disbursement decisions;
- To promote inclusion and reduce inequalities in Shetland;
- To demonstrate the impact and outcomes of Trust funding.

The Trust will continue to improve the quality of life for the people of Shetland. The Trust will target its funding where impact, positive change and outcomes, can be demonstrated and shown to be delivered. Over the period 2020-2025, the Trustees will identify where funding can be used in particular to promote inclusion and reduce inequalities in Shetland. Trust funding will add value or help address these areas – where there is evidence of a clear need or gap in provision.

By 2025, Shetland Charitable Trust will aim to evidence the positive difference and impact its funding has made against each of its strategic objectives, where an agreed baseline and impact measures can be put in place.

This Strategy sets out the ambition, purpose and strategic objectives of the Trust over the period 2020-2025. The Strategy further sets out how the Trust will operate and deliver against its strategic objectives as set out below.

What will be different 2020-2025

- **An increased focus on promoting inclusion and reducing inequalities in Shetland**
- **A better demonstration of the impacts and outcomes achieved through Trust funds**
- **Open to new funding bids aligned to the Trust's ambition and strategic objectives 2020-2025**

4. Strategic Objectives of the Shetland Charitable Trust 2020-2025

The strategic objectives of the Trust 2020-2025 will be:

- To enhance provision of services and activities, aligned to the Trust's ambition, and beyond the obligation of statutory services;
- To support the services and activities provided by the three large Trusts in Shetland;
- To support voluntary sector services in Shetland;
- To support, if appropriate, the core revenue costs of organisations where there is difficulty in sourcing alternative external funding to maintain or enhance the services provided.

The ambition to promote inclusion and reduce inequalities in Shetland will be a central theme for the Trust over 2020-2025, across all its funding commitments. All organisations, which benefit from Trust funding, will be asked to demonstrate how they are addressing these aims within their service provision.

The services provided by the three Large Trusts, Shetland Amenity Trust, Shetland Arts Development Agency, and Shetland Recreational Trust, have been supported by the Trust

since their inception. The level and quality of service provided by each Trust for the people of Shetland would not be possible without Shetland Charitable Trust support.

The Trust will continue to encourage the organisations it funds to seek other sources of funding, and therefore move to a more self-sustaining basis. However, it is recognised that the core revenue costs of organisations are often the most difficult areas to obtain external funding. The Trust will continue to support this area for services and activities aligned to the Trust's strategic objectives and evidence based requirements.

The Shetland community is underpinned and supported by a strong voluntary sector. Many voluntary organisations provide the best and most effective means of addressing needs and reducing inequalities of access to service provision within the community.

The Trust funding does not and should not be used in place of statutory service provision. It should enhance provision of services and activities which align to the ambition, purpose and strategic objectives of the Trust.

5. The Delivery of the Strategy 2020-2025

Trust Governance

The Board of Trustees, supported by the Board Advisory Committees, oversees the governance of the Trust. Each Advisory Committee is chaired and made up of Trustees, and reports to the full Board at regular intervals.

The Trustees are responsible for setting the strategic direction, the oversight and governance of the operations, and the approval of the operating plans. Each Trustee is selected against set criteria. All Trustees have a commitment to make a positive difference and lasting legacy for Shetland and its community. All the Trustees undertake their role in a voluntary capacity.

The Evidence Base for the Strategy

Shetland's Partnership Plan (SPP) 2018-2028 is the local outcome improvement plan for Shetland. It sets out a shared vision that "Shetland is a place where everyone is able to thrive; living well in strong, resilient communities; and where people and communities are able to help plan and deliver solutions to future challenges." The SPP will deliver across the four priority themes of Participation, People, Place and Money.

The Trust will use the SPP, and in particular the evidence base and community response to the SPP, to guide its priorities. The Plan thus guides the Trust on how best to address gaps in the provision of services, focusing on promoting inclusion and reducing inequalities.

Similarly, the Trust will seek to engage with the Shetland Integration Joint Board (IJB) and its evolving approach to Sustainable Service Models for Health and Social Care delivery in Shetland. The Trust was involved in setting up a network of small rural care centres as part of its commitment to support the elderly across Shetland. It is recognised the cost of providing residential care per resident in Shetland is very high compared to other areas of Scotland.

The Trust has continued to support Rural Care through an annual grant, as part of the funding support it provides to provision for the elderly in Shetland. The Trust is now keen to explore how future funding commitments may be better aligned to the aims and objectives of the IJB. The difference and impact of Trust funding needs to be evidenced and demonstrated.

Examples of the evidence base that the Trust will use to guide its strategic objectives and priorities include:

- Shetland: Our Place – Place Standard Final Report March 2017
- The Shetland Place 7 Locality Community Forums
- Shetland’s Commission on Tackling Inequalities Report 2017

The Trust will work with the organisations it funds to build an evidence base of the positive impact each organisation’s activities and service provision is making.

Key Considerations for the Strategy Delivery

The funding provided by the Trust has delivered many positive benefits to Shetland. The Trust is committed to ensuring that its future funding disbursements continue to achieve a positive impact, and make a difference to the lives of people living in Shetland.

The transition over 2020-2025 towards a more impact and outcome measurement of the Trust funding against its purpose and strategic objectives will be incrementally implemented. The Trust will learn from existing good practice elsewhere, and the work, which is being carried out on national and local performance indicators. This will allow a more consistent and transparent decision framework to be put in place for the Board of Trustees to ensure the funding available for disbursement achieves the maximum impact.

This will be done by recognising the reality of existing funding commitments to organisations, and working with organisations to mitigate any consequences arising from changes to the disbursement model. This will allow organisations to plan for future service provision with a degree of certainty.

The Trustees are also committed to ensuring that the Trust is open and responsive to new funding bids which align to its purpose and strategic objectives.

The Trust acknowledges that some of the organisations it supports will need assistance to demonstrate and evidence the impact and outputs they deliver with Trust funding. The Trust will work with these organisations to help address this, respecting at all times that it is for each organisation itself to decide its strategic priorities and direction.

Over the period of this Strategy, the Trust will support and encourage more collaboration across organisations applying for Trust funding, where this can lead to stronger service provision and efficiency.

The period 2020-2025 will be a transition for both the Trust and the organisations and services it supports. The ultimate objective of the Strategy is to ensure the Trust funds, and the organisations it supports, maximise the positive outcomes and enhance the quality of life for the people of Shetland.

Management and Monitoring of the Strategy

The Strategy for the Trust will be led and overseen by the Board of Trustees. The implementation of the Strategy will be delivered by the Chief Executive and the Executive Team. The principal delivery focus will be set out in the three operation plans as follows:

Operational Plans

- The Investment Plan for the period 2020-2025 will be overseen by the Investment Advisory Committee, who report to the full Board of Trustees. The plan will set out the overarching investment approach of the Trust to ensure the long-term financial objective of achieving a self-sustaining Trust;
- The Financial Plan will be overseen by the Investment Advisory Committee, who report to the full Board of Trustees. The plan will set out a balanced budget for each financial year, matching Trust income and expenditure;
- The Disbursement Plan will be overseen by the General Purposes Advisory Committee, who report to the full Board of Trustees. The plan will set out the recommendations for Trust disbursements on an annual basis, ensuring the disbursements reflect the purpose and strategic objectives of the Trust, and report on progress against the ambition and strategic objectives of the Trust.

As part of the budget process, disbursements will be recommended for approval annually. However, indicative budgets may be approved for longer periods depending on the needs of the applicant and the strength of their applications.

The annual disbursement of funding will ultimately be approved by the Board of Trustees against a decision framework which will assess each application against the ambition, purpose and strategic objectives of the Trust, and the impact which the funding will help deliver.

Disbursements will be made to approved funding applicants through an annual grant offer letter which will clearly set out:

- The funds approved for disbursement and how they will be used against the application submitted;
- The drawdown arrangements for the funding;
- The reporting requirements of the funding recipient organisation – to include consideration of delivery against the activities and outcomes the funding seeks to achieve, and any milestones set as a condition of the funding;
- Demonstrate that the Trust funding has been acknowledged.

Consideration will also be given to the efforts of each organisation benefitting from Trust funding to seek alternative funding streams and move to a more self-sustaining position for the future. This would also include joint or collaborative bids for funding which bring efficiencies in delivery and further maximise the impact of Trust funding.

A mid-term review of progress against the Strategy ambition and objectives will be undertaken by the Board of Trustees. A Risk Assessment is in place for the Strategy, attached as Appendix 3. This will form part of the Strategic Risk Register for the Trust, which is regularly reviewed and updated by the Board of Trustees.

6. Communication and Engagement

The Trust is committed to the principle of openness and transparency, and will ensure clarity and consistency in its decision-making process. The Board meetings and AGM will remain open to the public over the period of the Strategy, and the agenda and public minutes of each Board meeting are accessible on the Trust website, alongside the Trust documents and regulations.

In addition, the Trust will engage with partner organisations and stakeholders to build the evidence base from which to inform its decisions. This will help to identify where and how the Trust funds can make a positive difference and provide clear added value to the quality of life of the people of Shetland against the strategic objectives of the Trust.

The Board of Trustees and Executive Team have set out their commitment to engage with key stakeholders and the wider community of Shetland, this is set out in Appendix 2.

The Trust will work to increase its visibility within Shetland over the Strategy period through more proactive communication. This will increase the understanding of the work and activities the Trust funding supports.

A programme of informal working lunches will continue over the Strategy period where Trustees meet and learn from other organisations. The Trust will, where practical, establish a programme of visits for Trustees to see the impact the Trust funding is making.

Where appropriate, opportunities for joint promotion and engagement in the work the Trust funding supports with the organisations will also be taken forward.

7. Conclusion

The Trust Strategy for 2020-2025 will guide and direct the work of the Trust over the next five years. It has been developed to build on the positive impact that Trust funding has made.

The Strategy will ensure the Trust continues to make a real difference to people's lives through its funding commitments. It will ensure that the funding commitments made over this next five year period are evidence based, open and transparent, and deliver the purpose and ambition of the Trust. In particular, it will aim to promote inclusion and address inequalities in Shetland, and continue to benefit and improve the quality of life for all people living in Shetland.

It is envisaged the purpose and strategic objectives set out within this Strategy will not fundamentally change over the subsequent five years. However, the Trust will apply the knowledge gained over this time to maximise the impact of funding against its strategic objectives.

Appendix 1: The Strategy Planning Process

The Strategy for 2020-2025 was developed from January to April 2019, with the support of an external strategy consultant. The Strategy process was led by the General Purposes Advisory Committee, on behalf of the Trust Board, who provided additional insight and an overview of the process.

The process from January – April 2019 involved:

- A desk review of the Trust disbursement and financial plans for the period 2015-2019, and the activities and outcomes which the Trust funding had supported.
- A desk review of Trust background documents and information to inform the Strategy process.
- One-to-one meetings with all the Trustees and Executive Team of the Trust, in terms of their aspirations for the Trust 2020-2025.
- Three Strategy workshops with the full Board of Trustees on 6 February, 7 March and 27 March respectively, which worked through:
 - The current position of the Trust
 - Areas of good practice and lessons learned 2015-2019
 - The context for the Trust Strategy 2020-2025
 - Suggested changes to the disbursement process of the Trust
 - The consequences of any changes to the disbursement process
 - The ambition for the Trust 2020-2025 – impacts and outcomes
 - Agreement on the strategic objectives of the Trust 2020-2025
 - Defining the disbursement priorities and process 2020-2025
 - Management and monitoring arrangements for the Strategy
 - Identification and management of any specific risks to the Strategy
 - The communications for the Strategy
- A meeting with the Community and Planning Development Officer for the Shetland Partnership Plan to discuss the SPP priorities and the existing evidence base under development.
- Engagement with the Trust Executive Team to review the current operating arrangements in place and any processes requiring to be developed for the successful Strategy implementation.
- Planned communication with stakeholders on the Trust's Strategic direction 2020-2025.
- Final draft Strategy presented to Trustee workshop in May prior to the Trust formal approval process for the Strategy.
- Thereafter, the Operational Plans were developed by Trust Executive Team.
- The Strategy and Operational Plans to be formally approved by the full Board of Trustees in September.

Appendix 2: Communications

Communications for the Trust is overseen by the General Purposes Advisory Committee, who report to the Board of Trustees. It encompasses both stakeholder engagement and public relations undertaken directly and indirectly by the Trust. The aim is to promote the Trust and its activities, and to protect and enhance the Trust's reputation to its key audiences.

The Trust will inform and engage each audience as appropriate in terms of:

- What the Shetland Charitable Trust does
- Why it does what it does
- How it operates

The purpose of the Trust is clearly set out within the Strategy. The Strategy also sets out the rationale for what the Trust seeks to achieve and how it will do this. This is reinforced by the principles and values of the Trust, and its commitment to operate in an open and transparent manner.

Over 2020-2025, the Trust aims to increase its public profile. It will promote a better understanding of the activities the Trust funding supports, and the positive impact it helps deliver.

Stakeholder Engagement

The Trust engages regularly with a range of stakeholders in the delivery of its strategy and funding commitments. This includes both statutory and non-statutory bodies, and the funded organisations which benefit from Trust funding.

Over 2020-2025, the Trust will continue to engage through the Shetland Partnership Plan (SPP) to build the evidence base required to better determine how best to maximise the impact of Trust funding. This will help to identify where there are gaps in service provision or areas of need that the Trust may be able to address through its strategic objectives.

The Trust will also seek to engage with the Integrated Joint Board (IJB) over 2020-2025 to determine how it may support the emerging rural care model.

The Trust will work with each organisation receiving Trust funding to monitor progress and performance. This will ensure the organisation can demonstrate the impacts of Trust funding. The grant conditions will set out the minimum requirements in terms of the acknowledgement of funding provided through signage and marketing communications. More emphasis will be placed on the production of case studies and joint promotion opportunities with the Trust.

Public Relations

The Trust is supported in its PR and media communications by an external consultancy contract, which provides a first point of contact for all media enquiries and supports the development of marketing content for the Trust. In addition, the Trustees themselves and the Executive Team all have a role to play in ensuring a consistent message is portrayed of the Trust and its work.

Over 2020-2025, the Trust will develop its PR and media communications as follows:

- Consistent promotion of the key messages set out within the Trust PR Policy, which will be updated to reflect the new Trust Strategy;
- Maximise the opportunity to introduce new Trustees, with an emphasis on why they have become involved with the work of the Trust;
- Update the Trust website and social media platforms with more focus on the projects and beneficiary case studies that the Trust funds;
- Increased social media – ideally visual and case study based on the difference the Trust funding has made to people’s lives, young and old.

Appendix 3: Strategy Risk Assessment

The Trust has in place a robust Risk Management Process and Assurance Framework, with highlighted risks assigned to the appropriate Advisory Committee to manage and monitor. The full Risk register is considered by the Board of Trustees annually.

The existing high level risks actively managed by the Trust, and its Advisory Committees, are as follows:

- Governance – To ensure the Charitable Trust operates with good governance
- Reputational – To be well regarded within the local community
- Investment – To ensure robust investment decisions
- Disbursements – To ensure robust disbursement decisions
- Strategic Direction – To ensure the Trust continues to enhance the quality of life for residents of Shetland

Each risk is allocated a risk level, and scored against likelihood and impact, and the mitigating measures and action plan to manage each risk set out.

The specific risks identified through the Strategy Plan development will be incorporated within the current Risk Register either as a new risk assigned to the relevant Advisory Committee, or highlighted and addressed within the existing high level risks set out above.

The Strategy Risks identified are:

- Over-subscription in opening up the Trust fund to new bids – this will be addressed within the Disbursement high level risk;
- The robustness and clarity of the disbursement process in addressing the strategic objectives of the Trust - this will be addressed within the Disbursement high level risk;
- The transition period of 2019/20 when the Trust will move to a new Trust Strategy and succession planning for a new Chair and Trustees - this will be addressed within the Disbursement high level risk;
- The availability of impact and outcome data and evidence to support the Trust decision framework - this will be addressed within the Disbursement high level risk;
- Additional staff resource which may be required in managing and monitoring new and existing funding applications - this will be addressed within the Disbursement high level risk;
- Insufficient finance to meet approved funding applications to the level the Trust would wish to support - this will be addressed within the Investment high level risk.