

Chief Executive: Ann Black

Registered Charity Number SC027025

PRESS RELEASE

22-24 North Road
Lerwick
Shetland
ZE1 0NQ

Telephone: 01595 744994

mail@shetlandcharitabletrust.co.uk
www.shetlandcharitabletrust.co.uk

If calling please ask for
Ann Black
Direct Dial: 01595 744994

Our Ref: BH/AB/em/TA8
Your Ref:

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For immediate release

Charities regulator ends special monitoring of trust

The improved governance of the reconstituted Shetland Charitable Trust (SCT) has led the charities regulator to end close scrutiny of its activities.

Trustees were informed this week by the Office of the Scottish Charity Regulator (OSCR) that it has now closed its inquiry, opened in 2008 after complaints about conflicts of interest by members of the public, into SCT.

In February this year eight appointed trustees and seven trustees chosen by Shetland Islands Council became the first to take their places on a reformed trust board.

The new system of governance was devised to satisfy concerns raised by OSCR about SCT's close relationship with Shetland Islands Council.

In a letter to trustees Laura Anderson, head of enforcement at OSCR, praised the "significant improvements" to the governance structure.

She said: "The new body of charity trustees will now benefit from a much clearer and unfettered structure that has greater distance from Shetland Islands Council.

"Already we have seen positive demonstrations of behaviour among trustees in dealing with conflicts of interest and robust action such as this is likely to have a positive impact on the charity's reputation going forward as it faces potentially challenging decisions where there is mutual interest for the Trust and the Council."

SCT chairman Bobby Hunter said he was delighted both the reforms and the actions of trustees had prompted OSCR to end its monitoring programme.

“Previous trustees deserve thanks for all the hard work they put into devising the new structure and the difficult decisions they took,” he said.

“The new trust has picked up where they left off and will be strong in pursuing the trust’s interests while complying with the regulator.”

He added: “It is important that the trust is now given breathing space to ensure it continues to invest and spend wisely for the benefit of the Shetland community.”

Under OSCR’s strict monitoring regime, the trust was required to give advance notice of all meetings, copies of agendas and reports and draft and final minutes. The trust was also required to explain how conflicts of interest were dealt with.

In line with all other charities, SCT will now be subject only to OSCR’s annual monitoring arrangements which include the submission of annual accounts.

Ends

For further information please contact trust chairman Bobby Hunter on 01595 859 270 or 07919 014 675 or chief executive Dr Ann Black 01595 744994.

Notes to editors

SCT distributes around £10 million annually to a wide range of community organisations.

Between 1975 and 2000, the trust received £81 million in disturbance payments from the oil industry for the inconvenience of having the Sullom Voe Oil Terminal in the islands. It is now entirely reliant for income on its investments, both on world markets and in the Shetland economy. At the end of May 2013 these were worth £228 million.

From 1975-2012 the trust’s investment returns were £417 million and some £270 million has been distributed for the benefit of people in Shetland over the same period.