

News release from Shetland Charitable Trust

Trustees free to accept or reject governance recommendations

Trustees will be free to accept or reject recommendations made in a report following a review of Shetland Charitable Trust's governance arrangements.

They also have the option of asking officers to reconsider the proposals and bring alternative recommendations to a future trustee meeting.

In addition, changes to the make-up of the Trust must be approved by the charities regulator OSCR and as part of this process members of the public will be invited to make representations to OSCR.

Keith Massey, Chair of the SCT Audit and Governance Advisory Committee which has overseen the review, said: "It's time to counter the misunderstanding that trustees are somehow being railroaded into pushing through a particular set of recommendations.

"The Trust's structure was substantially reformed in 2012. It was agreed at that time that an independent assessment of how these governance arrangements were working in practice would be carried out within three years.

"The recommendations that will come before us at our meeting are the culmination of an extensive period of interviews, discussion and reporting that began in August last year.

"The Institute of Directors (Scotland) was appointed to undertake the review following a tendering exercise.

"Trustees, officers and representatives of stakeholder organisations have been closely involved in the development of the proposals in meetings and a workshop.

"And of course the option is still open to trustees to reject the recommendations and instruct officers to bring alternative recommendations to a future meeting."

He added: "The majority of trustees have been engaged and constructive in this process but if they still feel their views are not represented within the report, they reserve the right to argue their own case at the Trust meeting."

Among the recommendations to be discussed in public on 12th May will be:

- A reduction in the number of councillor-trustees from seven to four;
- Continuing the process whereby an expert selection panel chooses all appointed trustees.

- Maintaining the number of trustees at the current level of 15.

If trustees support the recommendations, a formal consultation will be held with Shetland Islands Council on the number of councillor-trustees and the terms of the review.

Ends

Notes to editors

Shetland Charitable Trust is one of the largest such trusts in Scotland. The value of its investments is currently around £224m, with some £192m invested in the world's markets and £23m in the local economy. Funded originally by Shetland Islands Council's "disturbance payments" from the oil industry between 1976 and 2000, it now relies entirely on its investment income.

The trust formerly comprised all councillors plus two independents. This changed in 2012 and it is now a completely separate organisation from the council, with a built-in majority of independent trustees.

Shetland Charitable Trust owns three companies: Shetland Leasing and Property Developments Ltd (SLAP); Shetland Heat Energy and Power Ltd (SHEAP); and SCT Renewables Ltd.

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