

News release from Shetland Charitable Trust

OSCR rules Trust acted correctly over Commercial Road property sale

The charities regulator OSCR has ruled that trustees of Shetland Charitable Trust and directors of SLAP acted properly in relation to the sale of the site at Commercial Road in Lerwick.

It followed a complaint submitted in February this year by the director of HNP Engineers (Lerwick).

In a letter to Ann Black, chief executive of Shetland Charitable Trust, OSCR's head of enforcement Laura Anderson said: "It appears that the charity trustees and directors of SLAP have acted in line with their legal duties throughout [the sale] process.

"We note that the charity trustees were kept abreast of developments on a regular basis by SLAP."

OSCR did recommend that the Trust review the wording of one of its objects regarding the purpose of making loans or grants "towards promoting directly or indirectly the development of any industry or industries among the community", a task that the Trust is already undertaking.

Ms Anderson said: "The reality is that there are only very limited circumstances under which 'promoting directly or indirectly the development of any industry or industries among the community' could ever be charitable."

SCT Chairman Bobby Hunter welcomed the letter and said: "I am pleased that OSCR has ruled that we handled the situation in accordance with charity law.

"We strive every day to comply with not only charity law but the exacting standards applied by HMRC and our own auditors."

He added: "On the issue of clarifying the wording of the objects, we are aware of the need to review these and will amend them as part of the reorganisation scheme."

Ends

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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.

Registered Charity No. SC 027025