

General Manager: Ann Black
Financial Controller: Jeff Goddard

Registered Charity No: SC027025

22-24 North Road
Lerwick
Shetland
ZE1 0NQ

Press Release

Telephone: 01595 744994

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

If calling please ask for
A Black / J Goddard
Direct Dial: 01595 744990/4991

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Trust helps local groups complete SRDP projects

Bressay residents will soon see work start on the island's first ever sports pitch thanks to a new £500,000 bridging loan scheme agreed by Shetland Charitable Trust today.

Bressay Sports Club is one of three local community groups which hope to be the first to access the new scheme, set up to help organisations that have received funding from the government's Scottish Rural Development Programme (SRDP).

SRDP funding is only released once the work has been done and paid for. However most community groups do not have the cash to pay contractors up front, and therefore have to borrow money from banks at enormous cost to themselves.

Now Shetland Charitable Trust is offering to lend money to help bridge this funding gap, saving community groups large sums in interest payments.

The trust has set aside £500,000 for groups to borrow over a short period of time at 0% interest. A loan would be conditional on an offer of grant from SRDP.

Bressay Sports Club has been working towards having a sports pitch for the island for the past 10 years. Now they have been offered £127,000 from SRDP towards the £300,000 cost of improving rough ground at Fullaburn.

The rest of the funding has come from Shetland Islands Council and the government's Cashback for Communities scheme, as well as local fund raising.

Bressay Sports Club chairman Kenny Groat said: "We found out that SRDP wouldn't give us any money until they had the receipts in their hand, so we would have had to go to a bank and that would have cost us a lot of money.

“This bridging loan from the charitable trust will enable us to get on with the project without incurring any extra cost.”

Ollaberry Public Hall has also been offered funding from SRDP, while public halls in Sandness, Fair Isle and North Unst, as well as Burravoe and District Development Group have submitted applications ranging from £137,806 to £208,771.

Trust chairman Bill Manson said: “Shetland Charitable Trust has many years experience providing bridging finance to crofters and common grazings committees.

“We are delighted to be able to use Shetland’s community funds to help community groups with their cash flow to make sure they can achieve their aspirations at minimum extra cost to them and to the trust. That’s the sort of thing this money is for.”

The scheme will be reviewed after one year to see if it requires to be significantly changed.



Chairman

cc: Vice Chairman of Shetland Charitable Trust

Notes for editors:

The Scotland Rural Development Programme provides £1.5 billion in government funding for the economic, environmental and social development of rural Scotland.

Bressay Sports Club, Ollaberry Public Hall and Sandwick Social and Economic Development Company have all expressed an interest in the bridging loan scheme after being offered SRDP funding.

Shetland Charitable Trust is an independent organisation set up in 1976 to manage income from Sullom Voe oil terminal on behalf of the community.

Its funds are currently worth around £200m, with £170m invested on the world markets and £30m in the local economy.

Each year it distributes around £10m to local groups and projects, including Shetland Recreational Trust, Shetland Amenity Trust, Shetland Arts Development Agency, the rural care centres, and 17 voluntary groups.

It owns Shetland Leasing and Property Developments Ltd (SLAP), Shetland Heat Energy and Power Ltd (SHEAP) and 90% of Viking Energy Ltd.

SCT’s policy is to pass on the oil funds to future generations by investing them in a self sustaining way.

More details about Shetland Charitable Trust can be found at www.shetlandcharitabletrust.co.uk