

John of Lorn Bequest - Review of Arrangements

1. Introduction

- 1.1 This paper invites the Trustees of the John of Lorn Bequest to consider the future operation of the Bequest.
- 1.2 The original bequest was established in 1947 to benefit 'poor persons resident in the Burgh of Oban in the manner which the said Town Council shall deem best'. Since that time there have been significant changes in society consequently the Bequest requires to be updated to take account of such changes to reflect the terms of the original Bequest.

2. Recommendations

- 2.1 The Oban, Lorn and the Isles Area Committee are asked to:
 - 2.1.1 Agree the distribution arrangements outlined within paragraphs 4.1 - 4.2.
 - 2.1.2 Agree the eligibility criteria outlined within paragraphs 5.1 - 5.5.
 - 2.1.3 Agree that successful applicants will receive £50 for individuals and £100 for families.
 - 2.1.4 Agree that applicants, individuals and families will receive a maximum of one award each calendar year.
 - 2.1.5 To note that a review of the updated arrangements will be undertaken and reported to the Oban, Lorn and the Isles Area Committee following the first 12 months of operation.

3. Background

- 3.1 The John of Lorn Bequest was originally accepted by the Oban Town Council following the death of John McDougall, M.R.C.V.S, who died in 1947. The town clerk noting that the Bequest must be 'disbursed by the said Town Council for the benefit of poor persons resident in the Burgh of Oban in the manner which the said Town Council shall deem best'.
- 3.2 As of 01/07/2020 the balance of the bequest stands at £24,674 which comprises of £8,989 restricted funds and £15,685 non-restricted.
- 3.3 The Bequest has been inactive for a number of years, this report therefore seeks to address this and ensure that it provides a clear community benefit while meeting our obligation of ensuring transparent and effective governance.

4. Distribution Arrangements

- 4.1 To ensure maximum participation with the John of Lorn Bequest the Fund will be advertised locally with organisations who provide support to those in financial difficulties being made aware of the Fund and they will be asked to promote the Fund as an option to those in need.
- 4.2 Applications will be considered by Trustees on a quarterly basis as required with recipients receiving awards via bank transfer thereafter.

5. Eligibility Criteria

- 5.1 On the basis that Trustees wish to manage the resources of the Fund, Trustees should establish eligibility criteria that must be met before applications will be considered.
- 5.2 Care needs to be taken by the Trustees to ensure that the Fund is not unintentionally depleted by broad acceptance criteria. It is proposed that applying 'is in receipt of means tested benefits' as the eligibility criteria would be likely to have the effect of increasing both the number of applications and the overall burden on the Fund and therefore more detailed specification is proposed for consideration.
- 5.3 The Scottish Welfare Fund which was established to assist individuals and families on a 'low income' use the following indicators:
 - In receipt of a qualifying benefit (Jobseekers Allowance, Employment Support Allowance, Income Support or Universal Credit)
 - For those people who are employed/self-employed, they must be in receipt of some amount of Universal Credit as well (a nil payment due to deductions for earned income would mean they do not qualify).
- 5.4 It is proposed that the same eligibility criteria be applied to those seeking an award from the John of Lorn Bequest. This would ensure that the Bequest is only accessible by those individuals and families on a low income. However, the application form will ask for specific details as to why they are facing financial hardship at the time of submitting the application.
- 5.5 It is further proposed that in order to be considered eligible applicants must be over the age of 16.

6. Management of the Fund

- 6.1 It should be noted that the level of interest gained by the Fund is currently very low, however there is a significant amount available in the unrestricted funds. It is recommended that there should be no limit to the amount which can be awarded in each calendar year providing that it does not exceed the amount available in the unrestricted funds. This would be reviewed annually and reported to the Area Committee.
- 6.2 It is proposed that awards are set at £50 for individuals and £100 for families. It is also recommended that applicants receive a maximum of a single award each calendar year.

7. Timeline of awards

- 7.1 While there is merit in making awards once a year, those facing economic uncertainty do not have the luxury of time.

- 7.2 Consequently it is proposed that awards will be made 4 times each year, with Trustees considering applications received in that quarter at the conclusion of each Area Committee with awards being made soon thereafter.
- 7.3 Applications will close 6 weeks before each Area Committee to allow time for preparation of meeting papers and to allow officers to seek further information, if required, from applicants.

8. Conclusion

- 8.1 This paper seeks approval by the trustees of the John of Lorn Bequest to confirm the future operation of the Bequest.

9. Implications

9.1	Policy	Consideration of the questions raised will ensure that the intentions of the original bequest continue to be honoured.
9.2	Financial	None, the Council acts as trustee for the Fund, it does not represent assets of the Council. However, there is a risk that the Council would have to repay the Trust if an objection was raised as to the use of the funds.
9.3	Legal	If there was an objection raised as to the use of the funds in a particular way, there is a risk that the Council could have to pay the costs themselves and repay the Trust the costs.
9.4	HR	None known.
9.5	Fairer Scotland Duty	None known.
9.5.1	Equalities – protected characteristics	None known.
9.5.2	Socio-economic Duty	None known.
9.5.3	Islands	None known.
9.6	Risk	Recent changes to the benefit system, and low interest rates may result in an oversubscription to the bequest. If there was an objection raised as to the use of the funds in a particular way, there is a risk that the Council could have to pay the costs themselves and repay the Trust the costs. The level of risk is considered to be acceptable.
9.7	Customer Service	None known.

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