

## CHARITABLE TRUSTS, BEQUESTS AND TRUST FUNDS

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### 1.0 EXECUTIVE SUMMARY

- 1.1 The Oban, Lorn and the Isles Area Committee are Trustees for a number of Charitable Trusts, Bequests and Trust Funds. Historically a report has been brought to the Area Committee on an annual basis with recommendations for distribution.
- 1.2 While officers continually seek to simplify and update processes where possible to ensure ongoing compliance with the original terms of the bequests and to reduce the administrative burden of the management and distribution, there remains a number of challenges. A number of the charitable funds were established many years ago, and as a consequence of changes in society over time the intended beneficiaries of the bequests are no longer easily identified.
- 1.3 This report provides details of a number of the Trusts and Bequests that remain active in the Oban, Lorn and the Isles Area and seeks agreement from Members on proposed distribution methods.

### 2.0 RECOMMENDATIONS

- 2.1 The Oban, Lorn and the Isles Area Committee are asked to:
1. note the financial position of the Charitable Trusts, Bequests and Trust Funds as of December 2022,
  2. agree that the charities and trust funds, that have historically been awarded to Council Departments and Allied Partners, are awarded on the basis outlined in paragraph 5.5 and defined within appendix 1, and
  3. note that officers are in ongoing dialogue with representatives from the Lord Advocates office to establish appropriate methods of distributing those funds that have no established distribution arrangements.



- 5.4 In December 2021 the Area Committee agreed to formally place a moratorium on the distribution of monies from those funds that had no/limited funds available for distribution. This approach has served to lessen the administrative burden and allow interest to accumulate to ensure maximum community benefit at a later date.
- 5.5 In order to provide a level of consistency to the process for those Bequests/Trusts which are transferred to Council Departments or allied partners it is proposed that the those funds that hold more than £1k will be allocated on a basis of the interest from the previous financial year plus 1/20th of the unrestricted funds.
- 5.6 Should the Area Committee approve this approach up to £2.5k will be available to council departments and allied partners this financial year.
- 5.6 A small number of funds have bespoke distribution methods which are generally undertaken by Legal and Regulatory Support, this process will continue.
- 5.7 Due to a number of factors including, changes in society over time and changes to personnel and corporate structures the intended beneficiaries of the bequests are no longer easily identified. However, officers are in ongoing dialogue with representatives from the Lord Advocates office to establish appropriate methods of distributing those funds that have no established arrangements. Proposals for these remaining funds will be brought to a future meeting of the Area Committee.

## **6.0 CONCLUSION**

- 6.1 This report has outlined the current position in terms of financial and distribution arrangements of the funds/bequests held in trust by the Area Committees meeting our obligation of ensuring transparent and effective governance.

## **7.0 IMPLICATIONS**

- 7.1 **Policy** - None.

- 7.2 **Financial** - None.

- 7.3 **Legal** - Area Committees, as Trustees, must ensure that the distribution arrangements comply with the terms of the funds/bequests, failure to do so would result in the Council being liable.

- 7.4 **HR** - To proceed with reorganisation, in terms of section 10 or 11 of the Law Reform (Miscellaneous Provisions) (Scotland) Act 1990 would require the allocation of Officer time.

- 7.5 **Fairer Scotland Duty** - None

- 7.5.1 **Equalities – protected characteristics** – None

**7.5.2 Socio-Economic Duty – None**

**7.5.3 Islands – None**

**7.6 Climate Change – None**

**7.7 Risk – None**

**7.8 Customer Service - None**

**Douglas Hendry**

**Executive Director with responsibility for Legal & Regulatory Support**

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**Appendix 1 – Distribution Arrangements for Trust Funds and Bequests.**

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