ARGYLL AND BUTE COUNCIL **OBAN, LORN & THE ISLES AREA COMMITTEE**

LEGAL & REGULATORY SUPPORT **10 December 2025**

CHARITABLE TRUSTS, BEQUESTS AND TRUST FUNDS

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 August 2025;

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;

3. agree to make available all unrestricted funds from the Dugald McPhail Memorial Fund to Roads and Infrastructure and thereafter to place a moratorium on the fund;

4. agree to invite representatives from the Health and Social Care Partnership to consider submitting an application form to the Miss Flora McLucas and Miss M M Cameron Bequests; and

5. note that the Mrs Mellors Bequest has no identified beneficiaries and that this fund is subject to ongoing consideration by officers.

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CHARITABLE TRUSTS, BEQUESTS AND TRUST FUNDS

3.0 INTRODUCTION

3.1 The Oban, Lorn and the Isles Area Committee are Trustees of a number of Charitable Trusts, Bequests and Trust Funds**.** This report provides information on proposals in relation to the ongoing management of these funds and seeks agreement on distribution proposals.

4.0 RECOMMENDATIONS

4.1 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 August 2025;

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;

3. agree to make available all unrestricted funds from the Dugald McPahil Memorial Fund to Roads and Infrastructure and thereafter to place a moratorium on the fund;

4. agree to invite representatives from Health and Social Care Partnership to consider submitting an application form to the Miss Flora McLucas and Miss M M Cameron Bequests; and

5. note that the Mrs Mellors Bequest has no identified beneficiaries and that this fund is subject to ongoing consideration by officers.

5.0 BACKGROUND & DISTRIBUTION ARRANGEMENTS

5.1 Historically reports are prepared and submitted to Area Committees outlining the status of each of the funds, proposed distribution method(s) and the amounts available.

5.2 Of the 15 funds for which the Area Committee are trustees many have historically been awarded to Council Departments and allied partners (for example Roads and Infrastructure).

5.3 In September 2020 the Area Committee agreed that those funds that hold less than £1k in unrestricted reserves (i.e. monies the charity has available to spend without drawing on capital or restricted reserves) be made available, in their totality, during the financial year (2021/22), essentially placing a moratorium on the distribution of monies from these funds, thereby lessening the administrative burden and ensuring maximum community benefit.

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 those funds that hold more than £1k will be allocated on the basis of the interest from the previous financial year plus 1/20th of the unrestricted funds. This approach being the recommendation of Financial Officers as a means for members to meet their fiscal responsibilities as trustees, specifically that the funds are maintained over the longer term and not exhausted.

5.6 Should the Area Committee approve this approach over £6k will be available to council departments and allied partners this financial year, the bulk of which will be awarded to Live Argyll via the McCaig Trust.

5.7 A number of funds have bespoke distribution methods which are undertaken by Legal and Regulatory Support. Officers continue to advertise and monitor the expenditure from these funds and should expenditure not provide a community benefit Officers will explore what action can be taken.

5.8 The Miss Flora McLucas Bequest was established for the benefit of Dunaros, Salen and the Miss M M Cameron Bequest to Eventide Home, Salen, Mull. There is around £2.5k available in the Miss Flora McLucas Bequest and £345 within the Miss M M Cameron Bequest. As the facility at Salen is no longer operational there are no distribution arrangements established for either of these funds. Colleagues within the Health and Social Care Partnership have confirmed that the service offered by the Mull & Iona Community Hospital is slightly different to that previously offered at Salen, however it is considered an approximate modern continuation of the service offered at Salen. Consequently, it is proposed to invite representatives from the Health and Social Care Partnership to consider submitting an application form to each of these funds. Any subsequent application would be submitted to the Area Committee for consideration by Trustees. The alterative to this approach would be to add this to funds that would require to be

reorganised as per the Law Reform (Miscellaneous Provisions) (Scotland) Act 1990 and The Public Trusts (Reorganisation) (Scotland) (No.2).

5.9 In 1955 Mull District Council accepted the sum of £15:5:4 in the name of the late Mr A A MacGilp for the maintenance of the Dugald Macphail monument. Colleagues from Roads and Infrastructure Services are exploring what, if any, maintenance work is required. It is therefore recommended to make the totality of the funds available, £470, for remedial work and thereafter to place a moratorium in this fund. If there is no immediate maintenance work required, the funds will be held until such time that there is.

5.10 There remains a single fund that has no identified beneficiaries or methods of distribution, specifically the Mrs Mellors Bequest. Given the explicit nature of the terms of this fund there is no scope to award funds as it currently sits and as such Officers will require to follow the provisions within the Law Reform (Miscellaneous Provisions) (Scotland) Act 1990 and The Public Trusts (Reorganisation) (Scotland) (No.2) to re-organise this particular fund.

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 Customer Service

7.6 Risk - None

7.7 Climate Change – None

7.8 Fairer Scotland Duty – None

7.9 Equalities - protected characteristics – None

7.10 Consumer Duty – None

7.11 Island Communities – None

7.12 Children's Rights and Wellbeing – None

Douglas Hendry
Executive Director with responsibility for Legal & Regulatory Support
November 2025

Policy Lead - Councillor Mark Irvine

Appendix 1 – Distribution Arrangements for Trust Funds and Bequests.

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