

COMMITTEE:	East Lothian Council
MEETING DATE:	26 August 2025
BY:	Executive Director for Place
REPORT TITLE:	Richardson Bequest Funding, Common Good and Herdmanflat
REPORT STATUS:	Public

1 PURPOSE OF REPORT

- 1.1 To seek approval to allocate monies from the Haddington Common Good Fund for the delivery of six affordable housing units within the Herdmanflat development.

2 RECOMMENDATIONS

Members are recommended to:

- 2.1 Note the purpose of the Richardson Bequest was to provide a sum of money for the erection and conditioning of six cottages including the payment of rent and taxes for all time coming.
- 2.2 Note the decision by the Court of Session to determine that the original purpose of this fund was not capable as intended and that this fund should be invested in the Common Good Fund for Haddington.
- 2.3 Note that the proposal to allocate a proportion of these funds to deliver six units at Herdmanflat seeks to provide a similar arrangement as that sought by the Richardson Bequest, without the rent and taxes.
- 2.4 Approve the allocation of £1,620,000 from this fund to deliver six units within this development which will be held for the benefit of the Common Good Fund for Haddington.
- 2.5 Delegate authority to the Head of Infrastructure to agree the details and enter into a lease with East Lothian Mid-Market Homes LLP (ELMMH), to provide an income to the Common Good Fund for Haddington.

3 BACKGROUND

3.1 The late John Richardson was a solicitor and the Town Clerk of Musselburgh, East Lothian. Mr Richardson was originally from Haddington and left a will following his death in 1940. Under the will, Mr Richardson appointed trustees and conveyed to them the whole of his means and estate in trust for various purposes. One such purpose was to provide for a trust fund for the maintenance of his stepdaughter, Dora Margaret Pinhorne.

3.2 On Mrs Pinhorne's death, the will provides that the remainder of that fund, forms part of the residue of Mr Richardson's estate and trustees were directed to distribute Mr Richardson's estate. The final legacy, dealing with the residue of Mr Richardson's estate (and hereafter referred to as the "Bequest"), is as follows:

"And [LASTLY] I direct my trustees subject to the foregoing so far as capable of taking effect to pay and make over the residue of my means and estate to the Town Council of my native town of Haddington to be held by them as part of the common good of the Burgh in all time coming and the annual income to be devoted and applied to the improvement and amenity of the town and to be known as 'The John Richardson Bequest', but subject to the Burgh of Haddington, in the first instance, setting aside a sufficient sum to erect six cottages in the district of Haddington and having same erected, - the said cottages shall be used for the occupation thereof by deserving natives of Haddington free of rent, rates and taxes, and the Burgh of Haddington shall out of said residue pay the cost of the erection and conditioning of said six cottages and set aside a sufficient sum to ensure the upkeep of said cottages and the payment of rates and taxes thereof in all time coming."

3.3 Mrs Pinhorne died in 1990 at age 102 and, following Mrs Pinhorne's death, East Lothian District Council received the sum of around £267,000 under the John Richardson Bequest on 5 June 1990. The fund received under the Bequest was never spent or disposed of by the Council. The fund has now accumulated to the extent that as of 31 March 2025, the Bequest has a value of £3,048,532.

3.4 The Council wished to deal with this Bequest and noted that the terms of the Bequest in provision of six cottages as more particularly detailed above is unsustainable and therefore deemed undeliverable. Accordingly, the Council required certainty on how to discharge the responsibilities imposed on the Council as trustee under the Bequest and sought such clarification from the courts.

3.5 The Court decreed that the sums forming the Bequest should all be directed to the Common Good Fund for Haddington. All monies assigned to the Bequest have now been allocated to the Haddington Common Good Fund and as such the Bequest has now been dissolved and requirement now deemed to have been met.

- 3.6 It remains Council officers' wish to provide housing which would be similar in context to that envisaged by the Bequest. Further, Council officers consider that such provision could be provided within the Herdmanflat development.
- 3.7 The Herdmanflat development seeks to provide 145 units of housing on the former hospital site in Haddington. The housing will be a mixture of new-build housing and refurbishment of existing listed buildings. The units have been designed for an ageing population, including dementia-friendly design. The first phase, which was approved by Planning Committee in May 2025, will be the southern section of the site and will feature four three-storey buildings and one two-storey building accommodating a total of fifty-one homes. Included in this first phase will be a block consisting of six units of housing (Block E).
- 3.8 It is intention that the Haddington Common Good Fund would be utilised to build six homes within the development to honour the original intent of the fund. The cost of delivering these units will be circa £1,620,000.
- 3.9 These units would be held for the benefit of the Common Good Fund for Haddington and the proposal would be to lease these to East Lothian Mid-Market Homes (ELMMH) who could lease to tenants for mid-market rent. The terms of the rent and the lease still require to be developed, but initial calculations show that this should result in circa £37,000 per annum for the Common Good Fund for Haddington.
- 3.10 Should Members be minded to support this paper the intention would be that the Common Good Fund would be allocated six housing units within the Herdmanflat development and thereafter the Common Good Fund would benefit from the rentals obtained from these units and equally proportion of repairs to these units going forward.

4 POLICY IMPLICATIONS

- 4.1 None

5 RESOURCE AND OTHER IMPLICATIONS

- 5.1 Finance: The Common Good would allocate £1,620,000 to fund the building of six new homes which would be leased to East Lothian Mid-Market Homes for an agreed rent. This would result in an annual return to the Common Good for an agreed period of time.
- 5.2 Human Resources: None
- 5.3 Other (e.g. Legal/IT): None
- 5.4 Risk: None

6 INTEGRATED IMPACT ASSESSMENT

6.1 **Select the statement that is appropriate to your report by placing an 'X' in the relevant box.**

An Integrated Impact Assessment screening process has been undertaken and the subject of this report does not affect the wellbeing of the community or have a significant impact on: equality and human rights; tackling socio-economic disadvantages and poverty; climate change, the environment and sustainability; the Council's role as a corporate parent; or the storage/collection of personal data.

☐

or

The subject of this report has been through the Integrated Impact Assessment process and impacts have been identified as follows:

☒

Subject	Impacts identified (Yes, No or N/A)
Equality and human rights	Positive impact
Socio-economic disadvantage/poverty	Positive impact
Climate change, the environment and sustainability	Positive impact
Corporate parenting and care-experienced young people	No impact
Storage/collection of personal data	No impact
Other	

[Enter information on impacts that have been identified]

The Integrated Impact Assessment relating to this report has been published and can be accessed via the Council's website:

https://www.eastlothian.gov.uk/info/210602/equality_and_diversity/12014/integrated_impact_assessments

7 APPENDICES

7.1 None

8 BACKGROUND PAPERS

8.1 None

9 AUTHOR AND APPROVAL DETAILS

Report Author(s)

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Date	August 2025

Head of Service Approval

Name	Wendy McGuire
Designation	Head of Housing
Confirmation that IIA and other relevant checks (e.g. finance/legal) have been completed	Confirmed
Approval Date	18 August 2025