

COMMITTEE:	East Lothian Council
MEETING DATE:	23 June 2026
BY:	Depute Chief Executive – Children and Communities
REPORT TITLE:	Trusts and Funds
REPORT STATUS:	Public

1 PURPOSE OF REPORT

- 1.1 To advise Council on the work of the Task Force established to consider future governance and administration of current Trusts and Funds in its care, and to seek approval to establish a new Scottish Charitable Incorporated Organisation (SCIO) to manage the majority of these funds.

2 RECOMMENDATIONS

Members are recommended to:

- 2.1 Note the work of the Task Force and approve the continuation of the Task Force to facilitate progression through the next phases and stages of this project.
- 2.2 Approve the creation of a SCIO, named East Lothian Benefactors SCIO, to commence the interim stage, facilitating the transfer and management of trust funds.
- 2.3 Approve the appointments of Councillors Akhtar, McGinn, McGuire, and Menzies as the named members for the SCIO application.
- 2.4 Approve the appointment of the Head of Finance, Head of Communities and Partnerships, Service Manager, Governance and Alasdair Swan (being a member of the Task Force) as the interim SCIO Trustees to supervise the required re-organisation of the funds.
- 2.5 Note that during the transitional period, access to trust funds by beneficiaries will continue under the current arrangements.

- 2.6 Delegates to the Head of Communities and Partnerships to identify dormant entries registered against East Lothian Council by OSCR and take steps to remove such entries from the register.
- 2.7 Delegates to the Head of Communities and Partnerships, in consultation with the Head of Finance, to commission external advice as required to support this review, with costs being recharged on a proportionate basis to the trust funds.

3 BACKGROUND

- 3.1 At its meeting of 27 June 2023, East Lothian Council approved recommendations that:
 - Agreed in principle the proposal to explore the transfer of stewardship and administration of the Trusts Funds to a specialist third party, noting that this excluded the Richardson Bequest.
 - Authorised the Head of Finance to consult Group Leaders to progress the transfer of stewardship to a specialist third party, subject to confirmation that this option will maximise best value for the Trust Funds.
 - Noted that some funds, particularly those with property assets, may be retained within the stewardship and administration of the Council.
- 3.2 Following discussions between East Lothian Community Benefits SCIO representatives and East Lothian Council earlier this year in 2026, it was suggested and agreed that the Head of Communities and Partnerships would lead a Task Force into the unlocking of Trust Funds.
- 3.3 A SCIO is a legal structure created specifically for charities in Scotland, regulated solely by OSCR (the Office of the Scottish Charity Regulator), which means it is simpler and less burdensome to administer than older models that require dual regulation by both OSCR and Companies House.
- 3.4 A SCIO has to be formed by a minimum of two natural persons (i.e. not a corporate body) who are the first members of the charity. This means, we must have at least two Councillors named on the application. It is proposed that all Councillors on the Task Force would be named for this purpose. This is because it is proposed that the membership of the SCIO is only open to Elected Members of the Council and all Councillors will be members of the SCIO when it is established. The trustees, according to the proposed eligibility, can be anyone, and for an interim phase it would be proposed that it would be those referred to in paragraph 3.13 of this report. Once the SCIO is operational it is envisaged appropriate community representatives will take on the role of Trustees.
- 3.5 The Trust Funds Advisory Task Force was established to review the Council's trust funds and develop recommendations to rationalise and

modernise their management. Its purpose was to improve accessibility, strengthen governance, and maximise public benefit, including consideration of establishing a SCIO to deliver a more effective and sustainable model aligned with current community needs.

3.6 Task Force members were written to on 27 February 2026 inviting them to be part of a short-life Advisory Task Force to East Lothian Council in considering future governance and administration of current Trusts and Funds held by the Council, with the intent of providing the benefit for East Lothian communities. A schedule of meetings was set for the months of March, April and May, with the aim of reporting to Council in the summer of 2026 with considered recommendations.

3.7 Advisory Task Force Members were made up of the following:

Chair – ELC Head of Communities & Partnerships, Eamon John

ELC Head of Finance, Ellie Dunnet

ELC Service Manager for Governance, Carlo Grilli

East Lothian Community Benefits SCIO, Alasdair Swan

East Lothian Community Benefits SCIO, Jacqueline Campbell

Foundation Scotland, Steff Bell

VCEL Chief Officer, Maureen Allen

Former Area Partnership Chair, North Berwick Coastal, Hilary Smith

Vice Chair, Musselburgh Area Partnership, Alister Hadden

Councillor and Cabinet Spokesperson for Communities, Colin McGinn

Councillor and Opposition Spokesperson for Communities, Lee-Anne Menzies

Councillor and Depute Council Leader, Shamin Akhtar

Councillor and Conservative Group Leader, George McGuire

3.8 Key considerations for the Task Force work included but was not limited to the list of funds, their purposes and any associated deeds, context for re-purposing funds, consideration of other local authorities engaged in and undertaking similar work and their approaches, engagement with OSCR to understand opportunities for us in our approach and associated realistic timelines.

3.9 Following a series of productive meetings, the task force concluded that the most effective way to progress this work is through the creation of a single, modernised charitable structure that:

- Simplifies fragmented legacy trust funds

- Improves public accessibility and uptake
 - Strengthens governance, transparency and impact
 - Aligns fund use with current community needs.
- 3.10 If recommendations in this report are approved this would commence the process to re-align the purpose and operation of certain trusts of which the trust purposes are now outdated and historical in nature. This report is intended to begin the process to permit the funds within these trusts to be utilised in a way that recognises the original trust purpose and at the same time would facilitate appropriate distribution of such funds.
- 3.11 It has become clear through the work of the Task Force that this work will require to be done in stages and phases. There is complexity and nuance involved that requires time on task which explains why many local authorities are experiencing the same challenges in unlocking historic trusts and funds. While this work is ongoing, access to trust funds will continue under the existing arrangements.
- 3.12 The Task Force has been as one, however, in its considered advice to both unlock and re-purpose funds where possible. This report therefore recommends that Council agrees to establish a new SCIO umbrella charity, and to explore the transfer of appropriate trust funds into the SCIO.
- 3.13 If this recommendation is approved by Council, a constitution for the proposed SCIO would be drafted and submitted with an application to OSCR. It is suggested that the name of the new SCIO be East Lothian Benefactors SCIO, in recognition of the Trust and Funds origins. It is further suggested that during this setting up phase the named interim trustees should be Head of Communities and Partnerships, Head of Finance, Service Manager for Governance and Alasdair Swan (as an external member of the Task Force).
- 3.14 The named trustees will continue to work with and as part of the Task Force as we move into successive phases and further consideration of the Trustees will continue at each stage.
- 3.15 In order to fully deliver the vision, set out by Council at the meeting on 27 June 2023 and work towards a greater and appropriate utilisation of the trust funds the Task Force have identified that delivery will require to come through in phases and the setting up of the SCIO as set out above is the first stage.
- 3.16 Once the SCIO is appropriately established then we would progress with a review of all trust funds held and establish whether they should remain within the stewardship and administration of the Council at present or if they should be transferred into the SCIO. This review has already been commenced and as of 31 March 2026 we have identified a total of 47

Trusts which are administered by East Lothian Council. The current total usable reserves are £3,306,060.02.

- 3.17 It is believed that the majority of trusts could be consolidated into the SCIO through application to OSCR. The timeframe for such would depend on the details contained within the trust deed and purpose recorded. OSCR processes would then dictate the appropriate route to take these forward.
- 3.18 The initial phase will focus on those trusts that are already known to OSCR and are accepted as charitable, currently held under a single charity registration number (29 trusts) with a cumulative value of £1,394,557.87 (as of 31 March 2026). These can be identified in Appendix 1 to this report.
- 3.19 For the avoidance of doubt, it is proposed that any trust that holds property would not be transferred to the SCIO at present and would remain in the stewardship and administration of the Council. In addition, any trust which is not capable of being transferred directly through OSCR without additional legal process will not be taken forward at this stage (i.e. court action required). Engagement with the external investment manager concerning the impact of invested funds transferring into the SCIO will be undertaken at the appropriate time as part of this work.
- 3.20 In addition to the above, this report seeks approval from Council to take steps for dormant charitable bodies/entries which have been created, recorded or registered by OSCR to be removed from the register whilst this process is ongoing.
- 3.21 It is recommended that the Task Force remains in place during the setting-up phase to assist in the appropriate formation of the SCIO and thereafter provide further recommendations for the mid- to long-term operations of the SCIO. The next stage will include developing a detailed plan on full implementation of the SCIO and working with communities to have representation for the distribution of funds. Elected Members will provide a scrutiny function in their role as Members of the SCIO.
- 3.22 As the work of the Task Force progresses through the next phases and stages, Members will be provided updates through reports to the Members' Library and, at points where any further decisions are required, reports will be brought forward to Council for Members to consider.
- 3.23 The Chair of the Task Force thanks and acknowledges the work of all Task Force Members in bringing this report to Council for consideration and approval.

4 POLICY IMPLICATIONS

- 4.1 None

5 RESOURCE AND OTHER IMPLICATIONS

- 5.1 Finance: The recommendations in this report concern trust funds and do not have any financial implications for the Council. If the recommendations are approved, any costs incurred to implement these will be recharged to trust funds on a proportionate basis.
- 5.2 Human Resources: The Council is committing senior officer time to progress this work. Ongoing staffing requirements will remain under review.
- 5.3 Other (e.g. Legal/IT): There would be no additional risks associated with this paper; however, there may be requirement for specialist advice in appropriate management of the Trust Fund Portfolio to ensure that OSCR requirements are met and how this may impact current fund arrangements along with future management of these funds. In addition, we may require specialist advice in setting up the SCIO, but it is currently considered achievable though knowledge and skills within the Task Force.
- 5.4 Risk: In the event that this report is not approved then there is the continued reputational risk arising from not enabling these funds to meet their intended purpose.

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	

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

7 APPENDICES

7.1 Appendix 1 List of Trusts and Funds.

8 BACKGROUND PAPERS

8.1 Trusts and Funds Review Report to East Lothian Council 27 June 2023.

9 AUTHOR AND APPROVAL DETAILS

Report Author(s)

Name	Carlo Grilli
Designation	Service Manager - Governance
Tel/Email	cgrilli@eastlothian.gov.uk
Date	04/06/2026

Head of Service Approval

Name	Eamon John
Designation	Head of Communities and Partnerships
Confirmation that IIA and other relevant checks (e.g. finance/legal) have been completed	Yes
Approval Date	09/06/2026

Appendix 1 - Trust Fund Usable Reserves at 31/03/2026 (unaudited)

Trust Name	Usable Reserves	Target Stage
Mrs Bridges Bequest (Musselburgh)	£11,441.08	Stage 1 - known to OSCR
Brown Bequest	£430,044.56	Stage 1 - known to OSCR
Dr Bruce's Fund Registered Charity: SC019149	£18,285.85	Stage 1 - known to OSCR
Brunton Bequest	£5,917.90	Stage 1 - known to OSCR
Thomas Carse Fund	£33,072.33	Stage 1 - known to OSCR
James Easton Bequest	£1,570.20	Stage 1 - known to OSCR
James McKelvie Bequest	£345,128.61	Stage 1 - known to OSCR
Christina Milne Bequest	£22,655.84	Stage 1 - known to OSCR
Lady Milne Memorial Fund	£4,262.56	Stage 1 - known to OSCR
Bankton (Prestonpans) Bequest	£6,113.27	Stage 1 - known to OSCR
Bankton (Tranent) Bequest	£4,846.19	Stage 1 - known to OSCR
Helen Bridges Bequest (North Berwick)	£3,306.89	Stage 1 - known to OSCR
Coronation Fund	£75,746.92	Stage 1 - known to OSCR
Direlton Parish Fund (also known as Lady Hamilton Bequest)	£41,264.87	Stage 1 - known to OSCR
Guns Green	£1,795.86	Stage 1 - known to OSCR
James Hislop Legacy	£7,677.25	Stage 1 - known to OSCR
Mrs M. Brown's Legacy	£2,216.79	Stage 1 - known to OSCR
Clark-Campbell Bequest	£16,527.75	Stage 1 - known to OSCR
Dunbar Memorial Trust	£151,920.47	Stage 1 - known to OSCR
Gourlay Trust	£54,560.91	Stage 1 - known to OSCR
John Gray Trust	£8,687.33	Stage 1 - known to OSCR
Guildry Fund	£2,323.28	Stage 1 - known to OSCR
Haddington Combined Trust	£84,904.97	Stage 1 - known to OSCR
Hamilton (Pencaitland) Bequest	£3,518.27	Stage 1 - known to OSCR
Humbie Parish Fund	£11,386.52	Stage 1 - known to OSCR
Yester Parish Fund	£2,268.94	Stage 1 - known to OSCR
Belhaven Bequest	£12,433.73	Stage 1 - known to OSCR
Hamilton (Innerwick) Bequest	£16,124.76	Stage 1 - known to OSCR
Hamilton (Stenton) Bequest	£1,355.18	Stage 1 - known to OSCR
Oldhamstocks Parish Fund	£13,198.79	Stage 1 - known to OSCR
TOTAL STAGE 1	£ 1,394,557.87	
Burial Grounds Funds	£28,717.73	Stage 2 - not known to OSCR
Inveresk Churchyard	£35,844.66	Stage 2 - not known to OSCR
Caplan Charity	£9,586.20	Stage 2 - not known to OSCR
W.S. Davidson Trust	£26,891.69	Stage 2 - not known to OSCR
Jessie Dickson Mackay Fund	£30,290.01	Stage 2 - not known to OSCR
Lewisvale Park Trust	£ -	Stage 2 - not known to OSCR
Museum Purchases Fund	£55,302.84	Stage 2 - not known to OSCR
Midlothian Education Trust	£2,976.01	Stage 2 - not known to OSCR
Agnes Neillan Bequest	£15,440.12	Stage 2 - not known to OSCR
New Hall Fund	£137,447.60	Stage 2 - not known to OSCR
Sailors Park Trust	£13,461.53	Stage 2 - not known to OSCR
T & AR Taylor Trust	£173,040.19	Stage 2 - not known to OSCR
Frank Tindall Trust	£47,346.64	Stage 2 - not known to OSCR
TOTAL STAGE 2	£ 576,345.22	
John Hume Fund	£815,309.17	Stage 3 - holds property
Wrights and Masons Trust	£334,750.51	Stage 3 - holds property
Yester Precious Lands	£185,097.25	Stage 3 - holds property
TOTAL STAGE 3	£ 1,335,156.93	
TOTAL	£ 3,306,060.02	