

CHARITABLE FUNDS COMMITTEE

Venue Room 12, Education Centre, Sandwell
General Hospital

Date 14th February 2019-11.30—13.00

Members Present:

Mr W Zaffar, Non-Executive Director & Chair (WZ)
Mr T Lewis, Chief Executive (TL)
Mrs D McLannahan, Acting Finance Director (TW)
Mr P Hooten, Deputy Chief Nurse (PH)

In attendance:

Ms R Wilkin, Director of Communications (RW)
Mr J Shah, Head of Trust Charity (JS)

Meeting support:

Mrs S Bullock, Executive Assistant (SB)

1. Introductions [for the purpose of voice recording].	Verbal
Introductions were given.	
2.A Welcome, Apologies and Declarations of Interest	Verbal
<p>Apologies: Mr R Samuda Mrs P Gardner</p> <p>There were no declarations of interest.</p>	
3. Minutes of the previous meeting held on 15th November 2018	SWBCF (02/19)001
The minutes were approved as a true record.	
4. Matters arising from previous meeting (action log)	SWBCF (02/19)002
The Midland Met Fundraising Campaign meeting between Mr Zaffar and Mr Faulkner had yet to take place and would be carried over to May's Charitable Funds Committee.	
5. Head of Trust Charity's programme report	SWBCF (02/19)003
<ul style="list-style-type: none"> Mr Shah reported positivity in terms of income at the end of Month 9. The annual target had been exceeded already. The annual target for the financial year being £827,000 and as at Month 9 it stood at £874,148. Mr Shah expressed a word of caution, in that the achievement was again due to legacy income. Some good progress on individual donations and quite a lot of progress in corporate volunteering activity. The charity is promoting some challenge events currently including the Birmingham Velo. A copy of the annual newsletter that went out to donors on the database just after Christmas has made a good impact, illustrating some of the work which had been funded or supported. Regarding the charity single the Trust is yet to have a final amount from them as to how much had been raised. 	
6. Your Trust Charity fundraising strategy revised KPIs and I & E	SWBCF (02/19)004
<ul style="list-style-type: none"> Reforecast for 18-19 to 21-22 <p>The following was discussed and noted:</p> <ul style="list-style-type: none"> The expenditure had been re-forecast following the last Charitable Funds Committee. 	

- The 5-year plan had been refreshed up to 21/22 considering the headline campaign.
- Income was ahead of target due in part to one off large legacies, once that is stripped out underlying performance was as expected with a 4-5% increase on last year.
- There had been a big increase in new grants coming in to sustain charity pump-primed services – especially partnership projects where Your Trust Charity were not the primary lead.

In terms of the projected income growth going forward JS confirmed that they were not relying on legacies. This year there was over £400,000 donated in legacies. JS confirmed that he had stripped out any exceptional legacies. He added that there were other income streams to rely on, should this not be achieved.

TL queried the KPI and stated that he was not comfortable with this forecast of 11% increase in income and a discussion took place regarding how the figure had been derived.

RW went through some items which had been part of the thought process when compiling the figures as follows:

1. Midland Met would potentially divert existing Charity funding to an appeal for a certain amount of time.
2. RW clarified the expectation for Charity income would be steady if not flat because of the appeal.
3. NHS charities tend to reduce their annual income when they were running a major Capital Campaign.
4. What other similar NHS Trust Charities getting in terms of their ROI.
- 5.

JS mentioned the need to closely monitor the general purpose / unrestricted fund as this ran the Charity and covered the costs of the team. JS stated that the general-purpose fund held an underlying deficit and that alternative income streams were being look at but would take time to develop. It was anticipated that these costs should be covered by the end of the strategy.

TL suggested that if the income was at 11% then cost cutting would be necessary.

It was noted that there was a need to look at ways of utilising both the Charity and the Trust to broaden the eligibility for grants.

Action: TL requested that a best case / worst case scenario be produced. Reconcile words and numbers to two or three scenarios. Circulate drafts between now and May.

7. Major Grant programme

- Existing grants and pipeline for end of funding

RW advise the Committee that they had recently finalised the live

SWBCF (02/19)005

<p>pipeline.</p> <p>WZ requested an update regarding ESIF. TL advised that Birmingham is still the only Council that hasn't had the confirmation of match funding for the scheme.</p> <p>It was noted that the Youth Employment Programme had gone through last week.</p> <p>Action: JS/EE to contact the Council to find out the latest update with regards to the ESIF.</p> <p>An update was given as follows:</p> <ul style="list-style-type: none"> • The Sandwell Cares charity had ceased trading. • The Domestic Violence Advisers had various bids submitted. The Safer Sandwell Partnership has granted an additional fund, although further additional funding needs to be found. This has now been secured from the Trust. • RW was pleased to advise that Wave 2 funding from HelpForce had been secured to the value of £75,000. This would cover the Project Manager position for another 18 months. The outcomes required to deliver were around expansion of the Mobility Project into all the assessment units and then move onto some of the ward areas. Also, a bleep volunteers programme would be set up. 	
<p>8. New commissioned funding proposals</p> <ul style="list-style-type: none"> • Existing grants and pipeline for end of funding 	SWBCF (02/19)006
<p>JS confirmed that he had included a list of the proposals approved to date and confirmed that all of those projects had been, or are in the process of being, completed.</p> <p>JS presented three new proposals for Committee to discuss and approve:</p> <ol style="list-style-type: none"> 1. Revive proposal for Cardiovascular Disease Project in partnership with the University of Liverpool. 2. Physiotherapy equipment for MSK patients. 3. Choir for respiratory medicine patients. <p>The Committee agreed the three proposals.</p>	
<p>9. Midland Met Hospital fundraising appeal</p> <ul style="list-style-type: none"> • Progress to date – event 27th March (internal planner) • Retail spaces outline proposal 	SWBCF (02/19)007
<p>Progress to date:</p> <ul style="list-style-type: none"> • RW gave an update to the Committee on how the campaign was going with a strong Leadership Committee now in place. This was working effectively to generate networks and prospects for the leadership phase of the campaign, which aims to secure the first £1m of the £2m ask. • The introduction to the campaign event arranged for the end of March had 44 confirmed attendees and 10 yet to respond. <p>Action: RW to check headline dates on the approval for the hospital and fundraising campaign</p>	

respectively, be checked for clashes.

10. Finances

• Charity Finance Report

It was agreed that the new reporting format worked very well.

DMc advised the Committee that the advice from Barclays on the matter of Brexit had been that the portfolio takes quite a long-term view and that the Trust should continue to take at least a 5-10-year view. If there was an impact post the end of March it should be recovered over a period of time.

Action: Circulate the investment review via the Chair in preparation for the next Board meeting.

DMc updated the Committee with regard to the Barclays advice on cash, which totals £2m (£1.5m being instantly available and £500,000 on a 100-day access basis). Their advice was to move all of it into the 100-day access. This would yield a better return and the Trust should know in advance of a hundred days if cash needed to be made available. The ratio cash to investments should remain the same.

WZ queried the Trust's resistance to be transferred to charity account status and if this was being re-visited by Barclays. DMc confirmed that they had touched upon this again. It was confirmed that the resistance lay with the Trusts ethical investment approach and that Barclays could not guarantee that investments were not made indirectly in alcohol, tobacco and armaments organisations. DMc confirmed that Barclays does not invest in these types of organisations but could not guarantee that third party fund managers did not.

Action: DMc to re-confirm the position on armaments investment with Barclays, also the position with regards to modern slavery.

SWBCF (02/19)008

11. Internal Financial Controls for Charities Checklist (CC8)

- Charity compliance & regulation incidents/charity risk register
- Investment manager summary assessment & future options
- List of dormant funds that have been contacted
- Internal audit report

SWBCF (02/19)009

RW advised that they receive updates from the Charity Commission in order to monitor and ensure that money is being invested in line with policy.

RW advised that Barclays had been the Charity's Fund Manager for 11 years and set out 3 options to consider going forward:

1. Desktop review;
2. More formal tendering and process;
3. Postpone it until the next financial year.

It was confirmed that a review of investment managers had not taken place during the time Barclays had been managing the charity investments and this was overdue.

Action: Carry out a Fund Management review early in next financial year.

WZ confirmed that he would be happy for RW to act on her recommendation regarding the schedule of dormant funds.

WZ wished to have it noted that the audit report made some positive comments regarding processes and governance of the Charity.

12. Matters to raise to the Board and Audit & Risk Management Committee

Verbal

WZ Confirmed that the issue of overseas funds and the potential risk as a result of Brexit would be brought up at the next Board meeting. TL added that the content should include:

1. Following an external report on the charity’s overseas exposure had been conducted and the result was that the Charity is satisfied that the investment fund should remain as it is.
2. The charity will market test their advisers during the next financial year.
3. A revised income programme will be proposed.

TL questioned the process for approving the accounts of the charity and sought clarification that full audited accounts would be ready for the Charity by 23th May to be presented for sign-off. DMC confirmed the timetable being worked to would complete audited accounts by Tues 21st May.

Action: TL to pick up meeting sequence for accounts sign off.

13. Meeting effectiveness

Verbal

Th meeting was considered effective.

14. Any Other Business

Verbal

TL expressed concerns surrounding the use of charitable funds to pay for education purposes. He assured the Committee of no foul play but felt there was a need to tighten up the process of applying for training and hospitality expenses. This exercise had already been completed within the Trust and there was a need ensure that the charity was working consistently within those rules. TL wished to ensure that the use of charitable funds was operating either consistent with the Trust or knowingly inconsistently.

Action: TL to investigate the process for training and hospitality expenses within the Charitable Fund.

Date and time of next meeting:

Thursday 9th May 2019; 10.00-11.30 Room 12, the Education Centre at Sandwell General Hospital

Signed

Print

Date

Action Log following meeting held on 14th February 2019

Meeting Item Number	Action	Lead	Due	Status
6	Produce a best case / worst case scenario Reconcile words and numbers to two or three scenarios. Circulate drafts between now and May	JS/RW		
7	Contact the council to find out what is going on with the ESIF.	JS/EE		
8	Check headline dates on the approval for the hospital and fundraising campaign respectively, be checked for clashes	RW		
10	Circulate the investment review via the Chair in preparation for the next Board meeting.	JS		
10	Re-confirm the position on armaments investment with Barclays, also the position with regards to modern slavery.	DMc		
11	Carry out an investment manager review early in next financial year.	DMc		
12	Pick up meeting sequence for accounts sign off.	TL		
14	Investigate the process for training and hospitality expenses within the Charitable Fund.	TL		