

CHARITABLE FUNDS COMMITTEE MINUTES

Venue: Room 12, Education Centre, Sandwell
General Hospital

Date: 9th May 2019 – 10:00 – 11:30

Members Present:

Waseem Zaffar (Chair) (WZ)
Richard Samuda, Non-Executive Director (RS)
Toby Lewis, Chief Executive (TL)
Dinah McLannahan, Acting Finance Director (DM)

In attendance:

Ruth Wilkin, Director of Communications (RW)
Paul Hooton, Deputy Chief Nurse (PH)
Johnny Shah, Head of Trust Charity (JS)
Craig Higgins, Head of Financial Accounting and Compliance (CH)

Meeting support:

Sue Bullock, Executive Assistant (SB)

1. Introductions [for the purpose of voice recording].	Verbal
Introductions were given.	
2. Welcome and apologies for absence	Verbal
There were no apologies received.	
TL confirmed that Mick Laverty had not been invited to attend the meeting and that this was an oversight. He would be invited to attend future meetings	
There were no declarations of interest.	
3. Minutes of the previous meeting: 14th February 2019	SWBCF (05/19) 001
The minutes were agreed as an accurate record with the following amendment:	
Page two, delete the figure five in the numbered list of items.	
4. Matters and actions arising from previous meeting (action log)	SWBCF (05/19) 002
The Chair noted the appearance of two sets of actions logs and TL advised the Committee that the transcriber’s action table should be deleted from the end of the minutes and the status box within the Trust’s action log should be updated and circulated.	
The Chair noted that most of the actions appeared on the agenda for discussion at this Committee meeting, aside from the following items:	
<i>AOB Investigate the process for training and hospitality expenses within the Charitable Fund.</i>	
RW confirmed that this action did not appear on the agenda. She gave an update on the situation regarding this item as follows:	
<ul style="list-style-type: none"> - This item was related to study leave and training. - RW confirmed that the Charitable Funds Policy was aligned to the LND process. - To begin the development around an education grants programme which could be funded through the charity. 	

CFC 11/18 06 Midland Met Fundraising Campaign: To create an Arts Committee to discuss ideas regarding Art and Heritage in the new hospital.

RW advised that the first meeting of the Arts Committee for Midland Met had occurred, with a second meeting arranged for two weeks' time. The following points were noted:

- There had been good engagement from some of the partners invited.
- In the first Committee they appointed a creative producer who was responsible for drawing together all the strands that were in Art Heritage and Education and Theme, who joins next week. His priority area of focus would be around a Wellcome Trust bid. Some funding had been provided from The Wellcome Trust to carry out a piece of research around community engagement, leading into a bigger proposal to be put to The Wellcome Trust.
- The Chair advised that Amo Talwar MBE, from Punch Records, had attended a visit hosted by himself and TL. It was confirmed that Mr Talwar was very positive about the hospital and TL agreed to follow up this first meeting.
- TL requested that the Terms of Reference be circulated, so that all concerned were clear of who is responsible for what, together with a page on naming conventions for Midland Met, and naming decisions.

Action: RW to circulate the Terms of Reference to the Committee members.

Action: RW to complete a page on naming conventions for Midland Met and naming decisions.

Action: TL to follow up from the meeting with Amo Talwar MBE.

5. Your Trust Charity Annual Report & Unaudited Accounts 2018-19

SWBCF (05/19) 003

JS noted the paper and the following points were made:

- Income was one of the Trust's most successful ever years with turnover exceeding £1m (albeit still awaiting finalisation of investments), for the second time in the last five years.
- The impact measurement model being used by the Trust had been commended by the association of NHS Charities and they were interested in sharing this tool kit with other NHS Charity members.
- Gifts in kind were measured together with corporate volunteer days. It was discovered that over the last year, 24 plus separate partnerships had been in place, totalling over £15,000 of gifts in kind. This being a good indicator of added value received outside of actual cash from donations.
- Future plans and key supporters had been referenced, which included members of the Leadership Committee for the Midland Met campaign.

Discussion took place regarding the narrative and language of the Annual Report. The issue of a forward pitch on the Charity, potentially for external audiences alongside those within the organisation was discussed and it was agreed that the narrative of the document wasn't quite the right pitch for these audiences. It was also agreed that the language was too technical for the audiences they were attempting to reach. The desire was to make the Charity part of the Community Engagement Strategy. The idea of an additional summary was discussed, and it was decided that this would not be beneficial due to the launch of the fundraising appeal, whereby corporate enterprises would be alerted to the Charity and would automatically reach for the Annual

Report, rather than any additional summary.

The photograph within the draft was discussed and it was agreed that if the Secretary of State was shown then other politicians from all other parties would also need to be included.

The Chair summarised that the Annual Report was vital in attracting donators and the language of the document and way that it was written required to be adjusted. It was agreed that another draft of the Annual Report would be provided, bearing in mind this discussion. It was agreed that the Chair would be delegated to sign off the final draft of the Annual Report.

RW confirmed that they had engaged with The Aston Villa Foundation in terms of a proposal to the Pears Foundation, however their bid was unsuccessful.

It was agreed to add corporate logos where corporate organisations were listed in the Annual Report.

The key tables were set out in the Annual Report and the draft financial accounts had been circulated which were in the standard format and currently subject to audit. This was the 2nd year of producing audited accounts at the same time as the Exchequer Accounts of the Trust. The standard format set out the statement of financial activity as follows:

- The I&E account had a deficit of £174,000 this year.
- Analysis of income & expenditure was contained in the accounts.
- The balance sheet was in a standard format and an analysis provided in the accounts.
- The deficit should be clarified as being a planned strategy.
- There was confidence around the figures being audited in time for the AGM.

WZ added that it was very positive that they were getting both the report and the accounts audited and the AGM in line with the rest of the organisation. He added that he was aware of the amount of work that was carried out throughout the organisation in order to achieve this.

Discussion took place around comparison with other charities in the West Midlands as regards size and position of the charity. TL questioned where the charity sat in an analysis of the area and communicated that the Committee should look for an analysis which would emphasise the scale of the Charity within its geographical location.

The issue of whether the Charity was consciously attempting to be separate from that of an NHS Charity was discussed and it was considered that the Committee was aiming to be seen in broader terms than an NHS Charity, as a community enabler. TL confirmed that separation would be an item for consideration at a future Committee meeting, and that a paper was being prepared for this.

6. Your Trust Charity fundraising strategy revised KPIs and I & E

SWBCF (05/19) 004

- **Scenario reforecast for 19-20 to 21-22**

The following was discussed and noted:

- The reforecast was provided against 3 scenarios:
 1. Minimum target which comprised the figures submitted to the last Committee.
 2. An expected target, looking at legacy receipts to increase this target.

3. Stretched target, again looking at legacy receipts to increase this target.

- The average legacy receipts for the Charity over the last five years were around £350,000 which was ballooned by a couple of very exceptional six-figure legacies that had been received.
- An estimation on the expected target was 50% of those legacy receipts, and the stretched target was 75% of those legacy receipts.

Discussion commenced around the expected and stretched proposals of the forecast and the following points were highlighted:

- The Midland Met campaign had been separated out and the Midland Met campaign was banked rather than pledged funding.
- In 21/22 an income of £1,153,000 cash was forecast.
- A growth of £125,000 over 3 years was forecast
- During 18/19 there had been two very large legacies, having analysed the position over the last five years, there was a desire to avoid overinflating the stretch.
- The Charity raised £1,028,000 this year and the proposal was that over 3 years a stretched target would be to increase that by £125,000, which was just over 3% for each year.
- Of the movement from £827,000 to £1,153,000, there was a 6% growth in individual and corporate targets within the stretch.
- In terms of the next 3 years people would be pledging but the charity would not realise the cash benefits of pledges in those 3 years as an income asset.
- There would be a big focus on grants for the Midland Met appeal and monies would be received once the grants were successful.

The issue of team versus costs were discussed and the following items were discussed:

- The cost versus return figure was about right in terms of NHS Charities, a figure of 1 in 4 was roughly 25p, which was a good indicator for an established strategy, although they were still growing income streams for the Charity.
- The expenditure budget for the team salaries was circa £180,000, excluding the Midland Met campaign.
- RW & JS confirmed that they would re-consider the expected and stretched target figures in order to provide a slightly higher target for each.
- The issue of the generation of grants which did not sit on the Charity’s books, and donations not routed through the Charity, and how they should be shown was discussed and it was agreed that they should be shown.
- The issue of the appropriateness to show income from the NHS Trust as income to the Charity was discussed and deemed unacceptable.

Action: RW & JS to change the expected and stretch target to make them slightly higher.

7. Major Grant programme

- Existing grants and pipeline for end of funding

SWBCF (05/19) 005

RW noted the paper and the following points were made:

- The ESIF project was being downscaled and there was a query as to whether BCC would act as lead provider for funding.
- The Awards for All grant for the Dementia Garden at Rowley Regis in partnership with the Westminster School had been awarded.
- The bid for Windrush had been turned down, whilst there was some funding set aside, further investigation into how to support the project was required. RW explained that this was due to the project being oversubscribed and very London based. WZ requested the details of the bid so that he could investigate the matter.

Action: RW to provide the Windrush bid information to WZ together with a breakdown of the bids awarded.

Action: JS to provide details of the new management of the ESIF Project to WZ.

8. Midland Met Hospital fundraising appeal

SWBCF (05/19) 006

- **Progress to date**

RW noted the paper and the following points were made:

- RW confirmed that a successful evening event had been achieved and thanked everyone for their support.
- JS confirmed that at present there were five confirmed follow up visits for the first tranche that included two trustees of local charitable trusts and one individual who has agreed to support the project. There was a 2nd tranche of people which he would contact to arrange visits.
- The Leadership Committee was progressing well and was becoming very active in terms of prospects and following those through.

The Donor Prospect Pipeline was discussed, and it was confirmed that this was reported at £1,540,500, although £60,000 of this was pending a decision. TL confirmed that the timescale was to have £1m pledges by Christmas. The charities focus was how to raise £600,000 pledges in addition to what was already achieved, over the next six months.

It was confirmed that Paul Faulkner had referred JS to Saqib Bhatti to discuss the possibility of Your Trust Charity becoming their chosen charity for 20/20. JS confirmed that he would contact Saqib and invite him to attend the site to meet WZ. JS also confirmed that Paul had advised that it would be appropriate to communicate with Mr Bhatti in a direct manner.

TL advised that it would be helpful to tie in inviting successful local businesspeople to look at Midland Met alongside inviting them to donate.

Action: RW to provide a note of what would be required in order to convert the prospects and outline the key contacts, showing the most likely for converting the £600,000 pledges.

Action: Discuss strategy for approaching Mr Bhatti.

9. Internal Financial Controls for Charities Checklist (CC8)

SWBCF (05/19) 007

- **Barclays Wealth – annual review of investments portfolio**
- **Barclays Wealth – statement on ethical screening and modern slavery**
- **Long list of alternative investment managers**

RW noted the paper and the following points were made:

- Barclays had provided the Committee with a position statement on ethical screening. They confirmed that they screened out companies where there were areas of more than 10% of their revenue generated outside of the Committee’s approved portfolio.
- The report set out detail surrounding modern slavery under the screening that was dealt with by the International Labour Organisation, the report indicated that none of the companies had failed. Although there was one company in the portfolio that was on the watch list.

TL expressed his disappointment regarding the position on ethical screening reported. The Committee had approved a zero alcohol and zero smoking portfolio and accepted a threshold related to arms. TL added that Barclays should have disclosed the under 10% investment in these markets.

The Chair confirmed that this issue should be communicated to Barclays immediately so that they would have an awareness prior to leading up to the procurement process, together with communication that they may not want to apply in the future.

It was agreed to select three organisations to tender for the procurement programme. It was also agreed that the issue of investment in the alcohol and smoking portfolios should be listed as a pass/fail within the criteria.

It was agreed that a professional who was experienced within procurement funding would be sourced to sit on the Committee and act as an external advisor.

Action: RS to contact the individual he has in mind who may join the Committee in the role of external advisor.

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

Verbal

It was agreed to raise the following:

To provide an update on the Leadership Committee.

- To inform the Board that the procurement process for a new investor had commenced.
- To inform the Board about the £600,000 pre-Christmas target.

11. Meeting effectiveness

Verbal

The Chair noted that the meeting had been effective.

12. Any Other Business

Verbal

JS requested that Committee members assist with the communication to, and participation of the Micro Grants Scheme. A scheme whereby employees gave £2 per month through the payroll giving scheme and could vote for an idea each month for the Charity to donate £500 to support.

Date and time of next meeting:

Thursday, 15th August 2019 from 13:00 to 14:30 in Room 12, Education Centre at Sandwell General Hospital.

Signed
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 Date