

CHARITABLE FUNDS COMMITTEE - MINUTES

Venue: Room 12, Education Centre,
Sandwell General Hospital

Date: 15th August 2019, 13:00-14:30

Members:

Mr R Samuda	(RS)	Chair, Trust Chair
Mr T Lewis	(TL)	Chief Executive
Mrs P Gardner	(PG)	Chief Nurse
Ms D McLannahan	(DM)	Acting Director of Finance

In Attendance:

Ms R Wilkin	(RW)	Director of Communications
Mr J Shah	(JS)	Head of Trust Charity
Mr C Higgins	(CH)	Acting Associate Director of Finance

Apologies:

Cllr W Zaffar	(WZ)	Non-Executive Director
Mr M Laverty	(ML)	Associate Non-Executive Director

Minutes	Reference
1. Introductions	Verbal
<p>The Chair welcomed the members and those in attendance to the meeting.</p> <p>The Committee members provided an introduction for the purpose of the meeting recording.</p>	
2. Apologies for absence and declarations of interest	Verbal
<p>Apologies were received from Cllr W Zaffar and Mr M Laverty.</p> <p>There were no declarations of interest noted.</p>	
3. Minutes from the meeting held on 9 May 2019	SWBCF (08/19) 001
<p>The Chair noted the following amendments to the minutes:</p> <ul style="list-style-type: none"> Page 4, item 6, second to last bullet point <i>...and how they should be shown was discussed and it was agreed that they should be shown.</i> Amend to <i>...and how they should be shown was discussed and it was agreed that they should be shown.</i> Page 6, paragraph 4 to be rephrased e.g. <i>... be aware of the Trust's frustration and to note this regarding a future application to tender.</i> 	
4. Matters arising from previous meeting (action log)	SWBCF (08/19) 002
<p>The Committee reviewed the action log and the following updates were provided:</p> <ul style="list-style-type: none"> <i>CF (05/19) 002 - To follow up from the meeting with Amo Talwar MBE.</i> TL advised that he had not yet actioned the item. It was clarified that Amo Talwar MBE was the CEO of Punch Records. <i>CF (05/19) 006 - RS to contact the individual he has in mind who may join the Committee in the role of external advisor.</i> 	

The Chair noted that he had contacted an experienced pension fund manager, who would be suitable for the Committee. The individual was willing to engage with the Committee.

TL noted that the Committee had discussed having a Procurement Selection Committee, comprising of a non-executive member, an executive member and an independent advisor. It was agreed that RS, WZ and DM would fulfil the other membership positions of the Procurement Selection Committee.

5. Head of Trust Charity's programme report

SWBCF (08/19) 003

JS noted that the paper had been omitted from the recent draft and that he had printed copies for the Committee.

The Paper detailed six objectives that were set in PDR with Ruth Wilkin at the start of May. It was a standard quarterly report, with the following key points noted:

- Main focus on strategic planning (most would be discussed in the agenda); reforecasting, stretch targets; support for Midland Met Hospital committee structures.
- Re-launch of the Fund Managers' roles.
- Income – achieved almost 14% of the minimum income target at the end of Month 3.
- Non-financial KPI positives – 17 regular givers (12 signed up to payroll giving scheme).

TL queried the anticipated position at the end of Month 6. JS noted that a large aspect of the position would be legacy income. Currently there were three legacies in which they would try to close off by Month 6. If two of the three legacies were closed off, the position would be £350,000-£400,000 in total.

TL queried the expected Midland Met position for the end of the calendar year. JS confirmed that position would be £415,000 in total bank money with a number of verbal pledges (£6,000 previous year banked donations). The desired position, at the end of the year and before the public launch of the appeal, was £750,000-£1m in pledges. Two major donors had indicated that the Charity should submit an application for donations in the low six-figure area.

TL queried if the inclusion of the two major donors would get them closer to the £750,000-£1m target. JS confirmed that it would, and that there was also an extensive pipeline. The total bank money was £415,000 (money secured and ring fenced for the appeal), additional donations would be added to that figure.

TL stated that by the 14 November meeting, he expected to know if they had reached the £750,000 target. If the target would not be reached, he requested to be notified well in advance of the meeting.

TL noted that it would be difficult for a fundraising chair to launch an appeal when they had not concluded their own contribution.

RS requested more detail in regard to the two major donors. JS advised that

- i. Donor 1 – partnership with the University of Birmingham on leukaemia research. The University had already received a six-figure donation. The Trustees had had invited a six-figure bid from the Committee.
- ii. Donor 2 – The Eveson Trust, who donate around £2m total per year. Their CEO indicated for the charity to make a low six-figure bid (anticipated receiving at least a high five-figure donation).

Action: Advise by the 14 November committee meeting if the target of £750,000 had been achieved. To advise TL if the target would not be reached well in advance of the meeting.

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

SWBCF (08/19) 004

- Overview of 22-23 to 24-25 income targets
- Scenario expected/stretch reforecast for 19-20 to 21-22

JS noted that the Paper detailed the revised expected and stretch targets for the charity for the current FY up to 2021/22 (includes *banked* income for the charity for MMH).

He advised that the achieved target for 2018/19 was £1.153m. The stretch showed that amount had grown by £150,000 to just under £1.3m by the end of 2021/22 (including MMH *banked* monies).

TL stated that a separate line was required for Midland Met to provide absolute clarity – otherwise it was too confusing. He noted that it would be helpful to know how much of the stretch target was Midland Met and how much of the *actuals* in any given report was for Midland Met.

TL queried what the baseline was for non-Midland Met income. It was confirmed that it was £1.153m minus £6,000, therefore £1.147m. TL queried how would they return to £1.147m in the plan. It was agreed that DM and JS would separate that data and provide those reports by 23 August.

CH noted that the expected minimum and stretch expenditure had not changed. TL noted that was due to the operational expenditure to run the charity. He stated that he did not believe that a cash expenditure forecast had been included for the Midland Met items that they want open on the opening day (paid for in advance). JS noted that it was included in the Income Expenditure Reforecast in 2021/22, however it needed to be made clearer in the report.

TL requested that Midland Met and *Other* be separated out in every occasion (to reprofile those reports). The minimum bar chart item was questioned. It was decided that item was redundant and to remove it from reporting.

RW noted that the cash flow around Midland Met would consistently show a deficit position. TL confirmed that was correct and therefore would need to be clearer in the Annual Report and for the auditors.

TL stated that they would need a fallback plan that detailed in what sequence they would discard expenditures (corporate projects) to make their cash flow work. He suggested that it could be a joint charity and financial advisors' piece of work for presentation at the November committee meeting.

Action: To separate data and provide a re-profiled report by 23 August, ensuring that Midland Met and *Other* were distinct, and removing the *Minimum* item from I&E reporting.

Action: Develop a fallback plan detailing in what sequence to discard expenditures (corporate projects) to make their cash flow work (a joint charity and financial advisors' piece of work) for presentation at the November committee meeting.

7. Listening into Action – a relaunch of the Fund Manager's role

SWBCF (08/19) 005

RW noted that there was a desire to reposition and relaunch the Fund Managers' role. It was identified in their consultations and engagement with fund managers that there was a lack of clarity in understanding their role. It was important that the fund managers:

- Understand the significant responsibilities attached to the role.
- Comply with creating a spend plan – spending the money they had within a fund and how that was aligned to the Charity's priorities.
- Understand the Committee and the governance around the Charity.
- Understand the role of the Corporate Trustee and the authority that the Trustee has over the funds.

It was desired to engage the fund managers to relaunch and re-describe their role in November. The team had suggested to re-title the role as 'Charity Champion/Fund Advisor'.

JS stated that they would like to refocus energy on raising income and not just spending the funds.

TL questioned if they had any areas within the Trust where there were no Charity Champions. RW confirmed that there were gaps and that was due to no fund being associated with that department – due to a variety of reasons.

RS queried the consequences for those individuals that don't understand the role after the re-launch. RW advised that it was the Committee's right to change Charity Champions and Fund Advisers and all individuals were aware of that. TL noted that in 2020/21 it could be an objective of the role to make it clear.

TL noted that there appeared to be two groups of current fund managers:

- Individuals who were not particularly skilled in the role and needed additional support.
- Individuals who were skilled in what *they* inaccurately thought the role was.

He noted that the Paper treated both groups in the same way. The Committee need to reflect if the second group should be treated the same way or whether further action was required to mitigate that issue. He noted that the right balance was needed to refocus the roles and that the Committee should think about engagement events that could assist with that, and individuals that would be suited to the role.

JS congratulated and thanked the Committee on reducing the number of funds from 350 to 80-90 over the years.

Action: Committee to consider engagement events that could assist with refocus of the Charity Champion/Fund Advisor roles, and individuals that would be suited to the role.

8. Major Grant Programme

SWBCF (08/19) 006

- Existing grants and pipeline for end of funding
- Examples of funded commissions - 2019/20
- Requests over £50,000

RW noted the Paper and noted the following:

- ESIF funding – the application had been re-tendered and reduced significantly to £3m. It would be challenging to recover the funds – it was not off their books; however, it was looking increasingly less likely.
- World of Work (WoW) – was looking positive and was a suitable fit to the organisation's strategy. It was a match opportunity (like-for-like donations) and would support the funding of the volunteer service within the Trust.
- Other grants for potential business development.
- JS provided an update on project #3 - *Prevention and Communities Commissions* (Birmingham City Council). They had not made the shortlist; however, the Consortium would like to meet with the Committee to discuss other funding opportunities.
- Project #5 – *Enhancements to pharmacy robot at MMH* required approval as it was over £50,000 at £75,000. TL queried why the charity was funding the robot. It was advised that the NHS would provide the basic robot, whereas pharmacy had requested the top of the line (gold-level) robot. TL stated that it was inappropriate for the charity to pay for the robot and it had the potential to become a precedent. It was agreed to investigate what Pharmacy required and get more detail around the basic robot functions and the additional benefit of the gold-level robot.

It was reminded that Committee approval was needed for projects over £50,000. TL requested a full report on the projects in which the Charity was funding for the 14 November committee meeting.

Action: Investigate what Pharmacy required from a robot and get more detail around the basic robot functions and the additional benefit of the gold-level robot.

Action: Present a full report on the projects in which the Charity was funding at the 14 November committee meeting.

9. Midland Met Hospital fundraising appeal

SWBCF (08/19) 007

- Progress to date
- Donor prospect pipeline (to be tabled)

RW noted that the Committee had discussed the major pipelines in which they were cultivating at agenda item 5. The Full Donor Prospect Pipeline was tabled and the Committee reviewed and discussed the document.

RW noted that the Leadership Committee was going well with a lot of contact points resulting in Midland Met Hospital site visits. TL suggested to cross reference DM's list (suppliers) with the donor prospect pipeline list to identify other possibilities.

RW noted that there were two parts to the agenda item:

- Midland Met Arts Committee Terms of Reference

There was a discussion around Ikon Gallery and their commitment to the Committee. It was decided to clarify with Ikon Gallery, their role in the Committee to try and reengage them.

The Chair questioned how the money flowed around the Arts Committee. JS advised that the Arts and Culture Education Partnership funding were the two priorities in which they had secured a £15,000 grant from the Wellcome Trust to partly fund the creative producer. A number of consultations around the arts and culture strategy would form a second application to the Wellcome Trust in the order of a low six-figure amount. Research and Development had committed an amount from the charitable fund which they oversaw partly towards creating the R&D space at Midland Met.

TL called for the Committee to formally endorse the Terms of Reference for the Midland Met Arts Committee. He suggested that a notion be added in regard to staff representatives to the membership.

TL noted that the Committee would consider the Naming Sub-Committee at the 14 November meeting (4-5-person membership). The Naming Sub-Committee would be the authority on naming rights for Midland Met Hospital and other entities.

- Naming rights – The committee reviewed and discussed the naming rights paper. TL suggested to create a longer list of unique items in addition to the original list.

Action: RW to cross reference DM's list (suppliers) with the donor prospect pipeline list to identify other donor possibilities.

Action: Clarify with Ikon Gallery, their role in the Midland Met Arts Committee to try and reengage them.

Action: Committee to consider the Naming Sub-Committee at the 14 November meeting (4-5-person membership).

Action: With regard to the naming rights list – create a longer list of unique items in addition to the original list.

10. Finances

SWBCF (08/19) 008

- Charity Finance Report

DM noted that some elements of the Report had already been discussed. The following highlights were noted:

- Income and Expenditure (I&E) Summary Q1, 2019/20
 - The budget for 2019/20 represented the minimum income target, and as discussed earlier, would need to be reset going forward. £243,000 was expected to be received to MMH, £2,157

received to date – approximately £100,000 behind on Q1 income.

- £360,000 under-spend against the Q1 expenditure target.
- The net I&E performance for 2019/20 was a planned over-spend.
- I&E Analysis – cash flow forecast was required for assurance that the pipeline for major grants were converting to income.

11. Internal Financial Controls for Charities Checklist (CC8)

SWBCF (08/19) 009

- Proposed procurement process for investment managers

RS queried if they had received advice or guidance from other Trust's or charities that had completed this action. JS confirmed that they had not as it was very difficult to find those groups willing to disclose that information.

RS noted that the external adviser would be able to assist and offered to contact him. It was agreed that it would need to be discussed before the next meeting and a decision made prior to Christmas.

Action: RS to contact the external adviser to invite him to assist with the proposed procurement process for investment managers. To be discussed before the 14 November committee meeting.

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

Verbal

The Chair noted the following matters to raise to the Board:

- MMH Appeal update
- Fund holders (medical leaders that require more engagement)
- Investment Advisors.

13. Meeting Effectiveness

Verbal

Not discussed.

14. Any other business

Verbal

The Chair noted that two out of three televisions in the Medical Infusion Unit were operational. He suggested that re-consideration was required as to the locations of televisions in regard to patient waiting times and to repair those televisions. TL noted that it could also be an aerial signal issue.

TL noted the 2019 Star Awards and the award for Fundraiser of the Year. It was confirmed that it was the second year the award had been offered, and the Stroke Team had won in 2018. TL suggested to make the link between the donor list and the Awards – invite a donor.

Action: Re-consider the locations of televisions in regard to patient waiting times and to repair those televisions that did not work.

Action: Identify and invite a donor to the 2019 Star Awards.

15. Details of Next Meeting

The next meeting will be held on Thursday 14 November 2019, 10.00 - 11:30am in Room 12, the Education Centre at Sandwell General Hospital.

Signed

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Date