

CHARITABLE FUNDS COMMITTEE MINUTES**Venue:** Room 12, Education Centre,
Sandwell General Hospital**Date:** 14th November 2019, 10:00 – 11:30**Members Present:**

Mr W Zaffar, Non-Executive Director & Chair (WZ)
 Mr R Samuda (Dialled in) (RS)
 Mr T Lewis, Chief Executive (TL)
 Mr C Higgins, Acting Assoc. Finance Director (CH)
 Mrs D McLannahan, Acting Finance Director (DM)
 Mrs P Gardner, Chief Nurse (PG)

In attendance:

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

Committee Support:

Ms Katherine Bayley, Executive Assistant (KB)

1. Introductions [for the purpose of voice recording].	Verbal
The Committee members introduced themselves for the purpose of the meeting recording.	
2. Apologies for absence and declarations of interest	Verbal
Apologies were received from Non-Executive Director, Mr M Lavery. There were no changes noted to the declaration of interests.	
3. Minutes of the previous meeting: 15th August 2019	CFC (11/19) 001
The minutes were accepted as an accurate record of the meeting with the following amendments: <ul style="list-style-type: none"> On Page 2 of the minutes, the position of banked money £750-£1m in pledges should be before and not after the word 'appeal'. RS confirmed (also on Page 2) that Richard Meeke was the independent adviser. The minutes were ACCEPTED (subject to the above amendments).	
4. Matters rising from previous meetings (action log)	CFC (11/19) 002
An update of matters and actions arising from the previous meeting was provided as follows: <ul style="list-style-type: none"> <i>Action Item: CFC (08/19) 00 5 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.</i> JS reported this was the same as the ambassador role and was on the agenda for discussion. <i>Action Item: CFC (08/19) 007 Committee to consider the Naming Sub-Committee at the 14 November meeting (4-5-person membership).</i> 	

RW updated Committee Members that the purpose of the Sub-Committee was to ensure there was a group of people who could approve the naming of buildings in the organisation. She proposed the Sub-Committee would include herself (RW), TL, a representative of estates and new hospital projects (Jane Dunne). RS agreed to consider being the Non-Executive Director representative.

There would also be three additional representatives, including a longstanding clinician/ Deputy Medical Director, a Starside representative and a patients' representative - Healthwatch could be asked to make a recommendation.

The Sub-Committee would report into the Charitable Funds Committee (CFC).

Mr T Lewis (TL) arrived at the meeting.

Action: RW to approach potential representatives for the Naming Sub-Committee membership.

5. Head of Trust Charity's programme report

CFC (11/19) 003

JS presented the Trust Charity's programme report paper and made the following points:

- The listed KPIs represented what had been achieved against the planned budget in the year to date.
- Total income for the Charity, including Midland Met, was £271,025 which was under a quarter of the total annual target. JA assured Committee members that some significant grants would be received by the end of the financial year, including £345K from Homes England.
- TL strongly disagreed that grants should be considered against the income target and instructed JS to re-calculate the figures accordingly.
- Some good progress had been made towards raising the profile of the Charity, which was one of the key goals of the Charity team. The Trust was to be the charity recipient of the Asian Business Chamber of Commerce Annual Awards Dinner taking in place in December. In 2018, the event raised around £7-8k. WZ commented that the contacts and publicity made through event, would be as valuable as any monies received.
- The Trust Charity was one of 10 National partners involved in a publication led by the NHS Imperial Health Charity which examined the reporting of NHS charities impacts. The publication was receiving positive feedback from the sector and stakeholders.
- JS explained that £100k of legacies had been budgeted and £30k received and therefore, there was a gap to fill. Donations raised by individual departments had fallen.
- JS reported that 2018 targets had been higher because of a much higher legacy income. Income from legacies was difficult to predict.
- Online wills were being promoted in patient waiting areas which offered 'free' will writing in return for a £250 GBP donation to the Charity. Since launch, the Charity had received three proactive deeds.
- 2018 had been an exceptional year for legacies. The average was 5/6 per year. The average amount received per year over the previous decade was 300k, but this number was skewed by some very high, individual legacy amounts.

Action: JS to recalculate the income target in the Head of Trust's programme report paper, excluding grant monies.

6. Total income and expenditure commitments to 2024-25

CFC (11/19) 004

JS referred Committee Members to an updated bar chart paper and made the following points:

- The expenditure figures were a lot higher than income because the Charity's balance sheet projected a planned deficit over the next few years to meet the strategy of spending down some funds held.
- The expenditure plan for 2022/2023 onward would be reported to Committee in February 2020.
- RW reported that the principle of the Midland Met Campaign Committee would be to allow individuals to have 5 years to pay their pledges after opening in 2022.
- TL expressed the view that, if the Charity fell short of its income projections, this would either mean a halt to Midland Met expenditures or the support of Midland Met to the exclusion of everything else. He expressed the view that Trustees have a written version of cash flows to identify trigger points in the process.
- RS cautioned against the inclusion of funds which were already committed.

Action: JS to prepare the Charity's expenditure plan for 2022/2023 and present it to the February 2020 Committee meeting.

7. Launching the role of Fund Ambassador - Update

CFC (11/19) 005

JS updated the Committee regarding the launch of the Fund Ambassador role on 29 November 2019. The following were made:

- A new role description would accompany the Fund Ambassador positions to clarify expectations.
- JS stated that a CFC Member would be welcome to join the 'Question Time' panel session during the workshop. It would be a 15-minute commitment.
- 45 people had signed up to the event so far.
- RW commented that people should be followed up who had not engaged with the launch event.
- JS reported that Fund Ambassadors could initiate private fundraising initiatives but approaches to corporate partners would be done through the Charity, to ensure there was no duplication in contact.
- TL proposed that the Committee write to Fund Ambassadors (copying in their line managers) to congratulate them on their job title change. This would assist with communicating commitment and aid the dissemination of information about the role and fundraising generally.

Action: RW and JS to oversee written communications to Fund Ambassadors (copying in line managers), to recognise their job title change.

8. Major Grant Programme

CFC (11/19) 006

- Existing grants and pipeline for end of funding
- All funded commissions and requests over £50k
- Learning together as a sector: NHS charities using shared measurement

RW referred Committee members to the Major Grant Progress Report paper and made the following points:

- RW ran through the status report of existing grants.

- The ESF funded World of Work (WoW) with Birmingham City Council had been seen to be a more achievable goal than other suggested projects in supporting individuals. The first cohort of people – those actively seeking work but not yet employed or in education - had already started their 8-week placement with the Volunteers Service.
- There had been a successful grant towards the Dementia-Friendly Garden and Allotments project and the Hallam Developments for Key Worker Accommodation project was ongoing.
- Three commissions of more than £50k had been supported and three more were being proposed. These new commissions were:
 - The BMEC (Birmingham & Midland Eye Centre) DACT equipment
 - Match-funding for WoW
 - The pharmacy project
- RW reported that the pharmacy project related to £75k of funding which the pharmacy team were proposing to offer to Midland Met, conditional on it being devoted to a pharmacy-related enhancement. This was for further discussion by the Committee before approval.
- TL expressed the view that he supported the WoW match-funding but raised a concern that the equipment maintenance cost was not included in the DACT project. A fully wrapped cost was required (not just Cap Ex)
- JS reported that BMEC had purchased a number of pieces of equipment and had offered to use ongoing revenue to cover maintenance costs. TL expressed the view this was not appropriate and made the point that the organisation was in deficit and was required to use charitable funds for this purpose on a point of principle.
- WZ requested that in relation to the WoW project, the Committee should ensure that the project was working with agencies representing newly arrived communities. RW reported three had already been identified. It was a Birmingham funded project and catchment area rules applied.
- The ‘Use It’ Project clients had been contacted to access their networks. Learning Works had been engaged. Referrals had also been considered for inclusion in the project.
- RW referred Committee Members to the Learning Together As A Sector report for noting.
- PG raised the issue of the apprentice for the Homeless team funding. JS reported he had been in contact with the team and he was awaiting a progress report. The money had been allocated.
- TL expressed the view that the Committee needed to agree an exit strategy for funded projects.
- RW reported that a meeting had taken place with Public Health England (PHE) about the Violence Reduction Unit. PHE was keen to undertake the youth violence project in A&E depts. RW stated she was hopeful the service would start in January.
- TL confirmed that most match funds were restricted funds.

Action: JS to inform BMEC that a fully costed proposition be submitted with regard to the DACT equipment.

Action: RW to send WZ a list of third-party agencies/organisations included in the WoW project.

9. Midland Met Hospital Fundraising Appeal

CFC (11/19) 007

- Progress to date

RW referred the Committee to the paper and made the following points to note:

- The leadership Committee was working well and there was strong commitment from

individuals who were well-networked regionally.

- A total of £417,086 has been raised and banked so far. A further 4 'asks' totalled £345k.
- TL broke down the cashflows leading to the potential £750k income. JS reported all had confirmed funding but final amounts were uncertain and may not be full amounts.
 - £125k was expected from the Campaign Committee Chair & business. Amount to be confirmed in early December.
 - £100k from Arts Connect – Part 1 of their funding application had been submitted and Part 2 was due to be submitted.
 - £20k from Meridian – Decision being taken to the Board
 - £100k (max) from a local Charitable Trust. To be confirmed mid-2020.
- TL stated that final sums received would be clearer by the Committee's February 2020 meeting.
- The public campaign had not been launched and the Committee needed to consider its timing. RW proposed early March. The appeal target would be £1.3m or £1m.
- TL raised the issue of local and Mayoral elections with regard to timings.
- WZ requested a paper be prepared to set out the Public Campaign plan to be presented to the Committee's February 2020 meeting.
- JS reported on the Chair of the Community Committee. This needed to be in place by Christmas or the New Year 2020. He invited Committee Members to forward suitable names.

Action: RW to prepare a Midland Met Hospital Public Fundraising Appeal campaign plan to be presented to the Committee's February 2020 meeting.

10. Finances

- Charity Finance Report
- Revised cashflow forecast (Incl. Mid Met)
- Update note on revised cash flow forecast (to be tabled)
- Updated scheme of delegation

CFC (11/19) 008

RW referred to the finance papers and made the following summary:

- The cashflow showed higher expenditure than income and all cashflow should be received by 2025/2026 because of the five-year payment plan for pledges, particularly in relation to Midland Met.
- The deposition of results and the utilisation of all cash balances by October 2021, based on the current profile. Some investments would need to be converted into cash.
- RW expressed the view that more work needed to be done with some modelling based on best and worse-case scenarios required. It was important to keep track of cashflows.
- Likely timings of income and expenditures to be presented to the next Charitable Funds Committee to enhance the analysis.
- Expenditure plans needed to be finalised to maintain cashflows and ensure solvency.
- TL stated the Charity would need to make £700k profit every year to repair the cash balance to the starting point of April 2019.
- RW reported the plan had set out a 40 per cent expenditure in existing funds however the funds had never achieved that target to date. TL commented that the scale of the reduction was significant, meaning calculations needed to be done around retrenchment, reducing expenditure going forward or recovering funds through increased income.

Action: DM and CH to prepare a report detailing the expenditure and future recovery of existing

funds for the next Charitable Funds Committee meeting in February 2020.	
11. Internal Financial Controls for Charities Checklist (CC8)	CFC (11/19) 009
<ul style="list-style-type: none"> • Investment principles statement • Supplier Qualification Questionnaire (SQQ) and tender questionnaire 	
<p>Ms D McLannahan updated the Committee and made the following points:</p> <ul style="list-style-type: none"> • The Charity was planning to re-procure the investments funds manager. It was important for the Committee to consider the Investment policy statement. • RS met with an external adviser in September who provided advice on the process. DM referred Committee Members to the paper and the Investment Policy Statement which needed to be signed off by the CFC. • The SQQ also needed to be signed off particularly in response to the 'pass/fail' test (S.2) ensuring the Committee were comfortable with the ethical approach to investments. • Subject to sign off, the procurement process would proceed. 	
12. Matters to raise to the Board and A&R Management Committee	Verbal
<ul style="list-style-type: none"> • WZ reported that finances would make up the majority of papers that would go to Board. • The projects in excess of £50k and the Standing Financial Instruction would also be reported to the Board 	
13. Meeting Effectiveness	Verbal
<ul style="list-style-type: none"> • WZ requested that finance reports sit together on future Committee meeting agendas with other matters also sitting together. • TL reported that to prevent operational matters interfering with the flow of Committee business, he would put an Executive Committee in place before the CFC to discuss those matters. 	
Action: TL to arrange Executive Committee meetings ahead of the CFC going forward.	
14. Any Other Business	Verbal
<ul style="list-style-type: none"> • RS raised the issue of TVs installation into the infusion unit. PG reported this would be done once essential electrical work had been carried out. • RS raised the issue of tendering by financial advisers. JS reported that the external adviser Richard Meeke would be helpful in identifying companies that might be interested in tendering. RS expressed the view that ethical criteria should be decided on by Committee as this would have an impact on the bid briefing. 	
<p>Date and time of next meeting: Thursday, 13th February 2020; 10:00 to 11:30, in Room 13, Education Centre at Sandwell General Hospital.</p>	

Signed
 Print
 Date

