

Sandwell and West Birmingham Hospitals

NHS Trust

CHARITABLE FUNDS COMMITTEE MINUTES

Venue: Room 12, Education Centre,
Sandwell General Hospital

Date: 13th February 2020, 10:00 – 11:30

Members Present:

In attendance:

W Zaffar, Non-Executive Director & Chair (WZ)	R Wilkin, Dir. of Communications (RW)
R Samuda Non-Executive Director (RS)	J Shah, Head of Trust Charity (JS)
T Lewis, Chief Executive (TL)	R Biran, Assoc. Dir of Corp Governance (RBi)
D McLannahan, Acting Finance Director (DMc)	C Higgins, Assoc. Finance Director (CH)
	H Cope, Interim Assoc. Chief Nurse (HC)

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
<ul style="list-style-type: none"> Apologies were received from Paula Gardner (represented by HC). There were no changes noted to the declaration of interests. 	
3. Minutes of the previous meeting: 14th November 2019	SWBCF (02/20) 001
The minutes of the previous meeting, held on 14 th November 2019, were ACCEPTED as an accurate record of the meeting.	
4. Matters rising from previous meetings (action log)	SWBCF (02/20) 002
<p>RW reported that the actions arising from the previous meeting were either on the agenda or complete. There was one update as follows:</p> <ul style="list-style-type: none"> <i>Action item: (11/19) 002 Approach potential representatives for the Naming Sub-Committee membership.</i> RW reported that the first one would be convened in early March as there were some areas requiring a decision. <i>Action Item: CFC (11/19) 006 Inform BMEC that a fully costed proposition be submitted with regard to the DACT equipment.</i> JS reported that a conversation had taken place with BMEC and the maintenance cost for the machine would be £50k over 10 years (£5k per year). BMEC had agreed that a one-off expenditure from existing BMEC funds had been paid for the ongoing maintenance. 	
5. Finances	SWBCF (02/20) 003
<ul style="list-style-type: none"> Charity Finance Report 	

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<ul style="list-style-type: none"> • Revised Cash Flow Forecast (including Midland Met) • Total Income and Expenditure Commitments to 2024-25 	
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DMc reported that there were three elements to the meeting’s finance agenda. She reminded the Committee that it had previously identified a requirement to take a forward-looking approach to cash and referred Committee members to the paper.

DMc cautioned that a focus on the Midland Met project might pose a risk to normal income.

DMc reminded the Committee that Fund Managers were being asked to spend 40% of their opening balances because there were a lot of old, restrictive funds which needed to be spent.

It was noted that the Midland Met project represented £2.5m of income and the same amount of expenditure over the period.

Chancery had planned to run at a deficit until the 31st March 2022 and then a relatively small surplus would be produced from 2022 onwards.

DMc stated that, based on a realistic cash forecast, the Charity was expecting to end the 19/20 year with £2.6m in cash – a figure that excluded investments, which at the end of December 2019 stood at £3.6m. It was assumed these would stay at the same value.

DMc stated that, by 2021 onwards, the cash balance was expected to drop to £325k. DMc commented that if the Committee’s objective was to restore the cash balances to £2.6m level, it would need to achieve a cash repair of around £1.6m, because small surpluses would only recover around £1.1m.

DMc reported that one option would be to consider increasing the charitable income target (non-Midland Met related) over the period and produce a more realistic picture around the spend plans for the existing fund balances. DMc expressed the view that it would be relatively easy to make the cash balance repair by taking these steps.

TL expressed the view that he would support a £200k year increase in the income total over 4 years. He further stated that if the investment income delivered an upside, then the income should be available to the Charity. He suggested the Committee needed to have a diagram setting out what would have to go if the numbers were not hit. He expressed the view the Charity should seek to repair the cash reserves to £2.6 plus £3.6 (as detailed above).

DMc stated that the 40% spend balances were the main driver of the cash drain. TL reported that a set plan of actions to grow income would be drawn up with DMc and RW to recover the cash reserve by 24/25.

DMc expressed the view that undertaking a piece of work examining the asset base in relation to turnover of other charities would be useful. TL suggested that this should also look at the Trust’s ability to apply for grants (as access to grants was sometimes affected by size of charity).

TL stated that if in the next few months, the Committee wanted to discuss how the Charity was structured, including the holding of assets, it was likely that the Committee would want to see a large asset base, especially if the intention was to raise borrowing against it.

WZ queried the number of successful grants in the last 3 years. RW reported that the Charity had won a reasonable number of grants. Most grants operated on a ‘matched’ basis.

The Committee agreed to approve the proposal. **APPROVED**

Action: TL/DMc/RW to draft a plan of action to encompass a £1m cash recovery, fundraising and assets.

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Action: DMc to produce a piece of work investigating the asset size in relation to turnover of other charities and analysing the Trust’s ability to apply for grants.

6. Internal Financial Controls for Charities Checklist

SWBCF (02/20) 004

- Investment management – tender recommendation:

DMc reported that Barclays had been managing the investment funds for around 10 years, but in the past few months the Trust had conducted a tender process which had concluded with a presentation from three shortlisted suppliers to a panel including DMc, RS and an independent advisor. DMc reported that the recommendation was to utilise Brewin Dolphin. DMc reported that the company was keen to take part in volunteering and all the investment approaches met the Charity’s ethical requirements. DMc expressed the view that the company appeared to be a good fit with the Charity’s ethics and values. Brewin Dolphin had been clear about the funds transfer process and reported this would take between 6-8 weeks. RS expressed the view that it had been a good process and the involvement of the independent advisor had been helpful. WZ stated that he was happy to support the recommendation subject to references. The Committee members **APPROVED** the proposal. WZ extended thanks to everyone who had been involved in the process.

Action: To arrange for the references to be taken in relation to the appointment of Brewin Dolphin as the Charity’s new Investment Fund Manager.

7. Midland Met Hospital Fundraising Appeal

SWBCF (02/20) 005

- Progress to date and pipeline
- Campaign strategy summary and case for support
- Campaign plan
- Digital advertising

RW reported that she was pleased to bring the Appeal discussion to the Committee and to draw members’ attention to the prospects pipeline in the paper. RW reported that there had been good engagement from the Leadership Committee and it was pleasing that the Chair of the Leadership Committee had made a pledge. There had also been other, significant pledges from other Chairs of Committees. RW stated that it was hoped Stage 2 could now commence, which was the public launch in March. This would involve local community fundraising activities and events. Potential digital advertising had been identified as a revenue stream and RW requested that Committee members consider the pursuit of the opportunity. WZ commented that any advertising must be in line with the core values of the charity. TL commented that there were already some assumptions in place about advertising income around the opening of Midland Met but there was no delivery vehicle in place. RW stated that, initially, existing sites would be considered and then Midland Met. TL reported that in the Midland Met planning application and in the design, space had been reserved on the outside of the building for advertising. WZ stated that the Committee was content to enable the advertising opportunity to be explored

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with the caveat that the direction of revenues was also investigated.

RW reported that the Campaign was keen for people to publicly pledge in March and there was an opportunity to go back to the prospects in the pipeline now that work had started on the Midland Met project to encourage them to commit.

TL reported that it had been agreed that every member of the Executive would set out how they were personally going to raise money.

WZ asked if it would be possible to align the Campaign calendar with the calendar of Board meetings.

TL requested that a briefing document setting out key details of the Campaign and answers to contentious questions be produced for senior leaders.

TL reported that the Campaign would deliberately differentiate itself from other NHS campaigns by being delivered overtly in different languages. WZ expressed the view that this approach would greatly assist the development of closer connections with communities in communicating the story of Midland Met and commented there were many Summer events which could be utilised to promote the Campaign.

Action: RW to explore the pursuit digital advertising options and potential revenues from the hospital sites.

Action: RW to attempt to align Campaign calendar dates with Board meetings and produce a briefing document for senior leaders setting out Campaign details and suggested answers to difficult questions.

8. Major Grant Programme <ul style="list-style-type: none"> • 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 	SWBFC (02/20) 006
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RW provided an update on the major grant programme.

- World of Work
 - RW reported that this was aimed at individuals barred from education or employment and involved them taking part in supported, volunteering placements at the Trust with additional support and skills training
 - The programme was financed by matched funding and brought in income, should the volunteers be successful in entering education or employment following programme participation.
 - RW reported that administrative support would also be required to cope with ESF paperwork.
- Partnership opportunities were being explored with the PURE alcohol programme as part of supporting health and wellbeing.
- There had been a request for £15k for a 2-year pilot to support children with sensory processing dysfunction.

The Committee members agreed to **APPROVE** the recommendations of the paper.

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9. Matters to raise to the Board and Audit & Risk Management Committee	SWBCF (02/20) 007
TL suggested the appointment of the investment fund partner and the Campaign launch be raised.	
10. Meeting Effectiveness	Verbal
WZ commented that the finance reports were better and more informative than they used to be.	
11. Any Other Business	Verbal
<ul style="list-style-type: none"> • Annual Report Plans TL commented that the Annual Report was just 3 or 4 months away and plans ought to be in place. RW reported that the intention would be to publish alongside the Trust’s Annual Report. RW commented that the focus would be on Midland Met and the opportunity presented by the project. TL suggested that the annual report should be contained within a document about the Midland Metropolitan University Hospital appeal. 	
<p>Date and time of next meeting:</p> <ul style="list-style-type: none"> • TL suggested that the Charity accounts be sent to the Audit Committee and the Annual Report be sent to the next Charitable Funds Committee. • WZ raised the issue of timings. RW stated that the planned timings of Committee meetings would need to be checked. • Committee members agreed that the Charity accounts be sent to the Audit Committee for approval and returned to the Charitable Funds Committee for circulation to members who did not sit on the Audit Committee for information and electronic stamping. <p>Date of the next meeting: April/May to be confirmed; 10:00 to 11:30, in Room 13, Education Centre at Sandwell General Hospital.</p>	

Signed

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Date