

CHARITABLE FUNDS COMMITTEE MINUTES

Venue: Meeting held via WebEx **Date:** Thursday, 6th August 2020, 3.30pm – 5.00pm

Members Present:

Mr W Zaffar, Non-Executive Director & Chair (WZ)
Mr R Samuda, Trust Chairman (RS)
Prof D Carruthers, Medical Director and Acting CEO (Until 4.02pm) (DC)
Ms K French, Interim Chief Nurse (KF)

In attendance:

Ms R Wilkin, Dir. of Communications (RW)
Mr J Shah, Head of Trust Charity (JS)
Mr C Higgins, Assoc. Finance Director (CH)
Mr W (Bill) Devitt, Grant Thornton (until 3.50pm) (BD)
Ms S Rudd, Assoc. Director of Corporate Governance (SR)

Committee support:

Ms R Bates, Executive Assistant (RB)

Apologies:

Mr M Laverty, Non-Executive Director (ML)
Ms D McLannahan, Chief Finance Officer (DMc)
Mr T Lewis, Chief Executive Officer (TL)

1. Introductions [for the purpose of voice recording].	Verbal
WZ welcomed Committee members who 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 noted from Mick Laverty, Dinah McLannahan and Toby Lewis. • There were no changes to the declaration of interests. 	
3. Minutes of the previous meeting held on 14th May 2020	SWBCF (08/20) 001
The minutes of the previous meeting held on 14 th May 2020 were reviewed and ACCEPTED as a true and accurate record of the meeting.	
4. Action log and matters rising from previous meeting	SWBCF (08/20) 002
<p>The following two action items were updated with others discussed on the agenda:</p> <ul style="list-style-type: none"> • <i>Action item: (SWBCF (02/20) 005 - Explore the pursuit digital advertising options and potential revenues from the hospital sites.</i> RW reported on the proposal for digital advertising boards to generate income. Discussions had taken place with procurement as there were several suppliers to be considered. The options were: <ul style="list-style-type: none"> ○ A Trust investment capturing 100% of the income ○ Supplier investment in the infrastructure with the Trust receiving a percentage of 	

revenues.

RW reported that the proposal was still being pursued in the COVID-19 environment, but progress would be delayed because the pre-survey part of the process was unlikely to be accurate because of reduced footfall on the hospital sites.

- *Action item: SWBCF (02/20) 005 - 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.*

RW advised that details would be discussed in the agenda’s Midland Met fundraising topic (Item 9). However, she reported that because some planned fundraising activities were face-to-face events, the timetable would need to be revised.

RS queried the minuted two signatory process. RW clarified that signatories had been approved at the previous Committee meeting. DMc was the Official Correspondent and signatory along with the Chief Executive. RS and WZ were additional signatories. It was confirmed that they would approve expenditures already sanctioned by the Committee.

Action: RW to revise alignment of Campaign calendar dates with Board meeting taking into account postponed activities.

DISCUSSION ITEMS

5. Brewin Dolphin client investment proposal

SWBCF (08/20) 003

CH reported that the item was for noting. Approval of the investment proposal had been delegated and a telephone meeting would take place with Brewin Dolphin to review the investment proposal which was in line with previous discussions and the Trust in terms of its ethical investment requirements.

It was confirmed that the investment risk approach had been previously discussed by the Committee. WZ stated that the report was to ratify the paperwork and discussion between the Trustees, the Trust and Brewin Dolphin. The paper was **APPROVED** by the Committee.

6. Annual Reports and pre-audited accounts

- Annual Report
- Charity accounts
- Audit plan

SWBCF (08/20) 004
SWBCF (08/20) 004a
SWBCF (08/20) 004b
SWBCF (08/20) 004c

RW introduced the financial reports. RW reported that the Annual Report and accounts had been presented in draft and the accounts were unaudited. The timetable for the final draft accompanied with audited accounts for sign-off by the Committee had been revised. They would now be presented to the September Trust Board.

RW stated that comments were sought from the Committee on the content of the Annual Report. BD referred Committee members to the written Audit Plan in the pack. BD reminded the Committee that as the Trust’s external auditor, Grant Thornton was obliged to give an opinion on the financial statements being considered as to whether the accounts were true and fair.

BD advised the external audit had commenced and was currently ongoing following a four-month delay because of the impact of COVID-19. BD stated that he expected the audit to be relatively straightforward and no significant risks had been foreseen after auditing of the figures in the accounts.

However, BD advised that on all audits undertaken, Grant Thornton was obliged to consider the following as two areas of significant risk and would be analysed and tested:

- Occurrence of voluntary income

- Management over-ride of controls

All other material areas would be examined. Any individual transaction might come up in sample testing.

BD reported that COVID-19 had been having a significant impact on all audits, slowing down the process. Going concern was the critical area and the Trust would need to justify that the organisation would be a going concern in 12 months from sign-off of the accounts. BD commented that remote auditing had been made possible by sharing information electronically.

The plan was for the updated report to be presented to the next Charitable Funds Committee meeting on 3rd September 2020.

WZ commented that it was reassuring that the only risks identified at this stage were standard risks. In response to a query from RS, BD confirmed that reserves (unrestricted/restricted) were considered in the review of the revenue.

BD stated that he was obliged to ask Committee members if anyone was aware of any potential frauds that had been committed since the beginning of the Financial Year (1st April 2019). No such information was reported from the Committee.

RW commented that the Annual Report was viewed as a useful piece of collateral in the Midland Met Fundraising Campaign for its appeal as an influential document for potential donors to view the Charity's credentials.

- **BD left the meeting at 3.50pm**

Action: Final Annual Report and audited accounts for the Charity to be presented to the September Trust Board.

7. Finance <ul style="list-style-type: none"> ● 20/21 Finance Report ● 20/21 and 21/22 Financial Plan ● Revised cash flow forecast (Including Midland Met) 	SWBCF (08/20) 005
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CH presented the financial reports. The following observations were made:

CH referred Committee members to the Income and Expenditure summary and stated that the Charity was around £112k ahead of the original plan for the year, mainly due to increases in donations, including through COVID-19. Expenses were slightly higher but there was a £12k surplus against a planned £53k deficit.

JS reported on the revision to the income budgets, explaining that there had been a re-forecast in line with the cash plan submitted at the previous Committee meeting. There had been an increase in income, but a decrease in non-Midland Met charitable expenditure.

Midland Met expenditure [attached to the Appeal] would probably be deferred to the next Financial Year. RW clarified that fundraising costs were in relation to some of the postponed activities.

The planned income target of £200k for each year was on track for the current year because of donations however, new income generating opportunities for 2021 and beyond were already being considered.

JS referred Committee members to the Midland Met Spend Plan Forecast which had been produced at the request of the previous Committee meeting – a list of expenditure which could be used as a management tool. The total gross cost for the Midland Met Campaign would be £2.124m, plus an additional £244k for monies spent to date (£2.368). This was slightly under the £2.5m gross target.

JS commented that regular updates would be provided for the Committee. RW added that it would be a helpful tool for the Committee to track progress and flag risks.

JS mentioned that one risk was that a proportion of income had been budgeted from digital

advertising (previously discussed).

8. NHS Charities Together – spend plan proposal update

SWBCF (08/20) 006

JS referred Committee members to the paper, which provided an update on donations during the COVID-19 period.

The Charity had received £188k in donations to the 1st July 2020. This had increased incrementally to date. This included £84k of grant disbursements from NHS Charities Together, who had been running a very successful National appeal.

Around £40k of the total had been spent to date. There were future applications planned to NHS charities including three funding rounds:

- Stage 1, Round 3 - Further contribution towards supporting BAME communities
 - JS supported that the Trust had been successful in being awarded £50k and this would be matched with £50k of COVID-19 donations.
- Stage 2 - Further contributions to fully match fund integrated care for children, young people and staff post-COVID-19, arts/culture programme and support Creative Producer/Project Manager post (100k tbc).
 - JS reported that NHS Charities Together wanted to identify a lead charity for the STP (Black Country and West Birmingham) to co-ordinate the grants amongst the other partners. There were seven NHS charities in the region. The Trust had expressed an interest to be the lead and it had been endorsed by the other six member charities in an initial conversation. This would mean access to a grant award of £600k for the full STP.
- Stage 3 - Further contributions to sustain wellbeing sanctuary activities, including match funding from L & D (100k+ tbc).
 - This would be an automatic allocation to the Trust Charity.

In response to a query from WZ, JS confirmed that the Trust Charity would get a management fee as well as an expected proportion of any awarded funds for being the disbursements lead.

9. Midland Metropolitan University Fundraising Campaign progress

SWBCF (08/20) 007

RW referred Committee members to the paper and highlighted the soft relaunch of the public connect stage of the fundraising campaign. An event had taken place in Birmingham City centre pre-COVID-19 (March) to gather public and community pledges, but activity had since stalled. The Campaign's Business Committee Chairs had expressed the view that September was too soon to be re-engaging with businesses.

The Campaign had benefited from new community contacts and these would continue to be nurtured. RW expressed the view that the campaign was in a good position overall with a concern about the longer-term effect that the pandemic might have on the Charity's fundraising target. Positioning requests appropriately would be key to success.

WZ queried how new contacts were being managed and engaged. JS commented that there were around 50 new relationships in total (individuals, businesses, community groups, charities) who had primarily donated cash. They had received emails and a newsletter was being developed.

RW added that some 'big signature' applications had been made for significant grants as part of the Campaign activities.

WZ raised the potential to engage with the local Premiership football clubs. RW agreed that the clubs should be informed about activities.

JS reported that the Business Committee believed that it could potentially gear up activity around November 2020. There were two specific fundraising products:

- Naming and convention rights (printing of names on rooms and courtyards)
- Aston Villa FC had been approached to hire its football pitch for fundraising.

10. Grants pipeline	SWBCF (08/20) 008
<p>RW referred the Committee to the paper which detailed the 'live' grants and what income had been secured against them and the pipeline of opportunities. The following was highlighted:</p> <p><u>Word of Work (WoW) Project</u></p> <p>RW reported that the fifth cohort of participants from the Birmingham community were about to join the Trust to start a programme of training and volunteer placements as part of the ESF funding. The project would run until October 2020.</p> <p>Really good progress had been made despite challenges posed by COVID-19 because the Trust was required to demonstrate that participants had progressed into training or employment.</p> <p>RW asked the Committee to note the impact evaluation of the wellbeing pack on staff. Comments had revealed that staff had generally felt valued and encouraged, which was a positive.</p>	
MATTERS FOR INFORMATION/NOTING	
11. Matters to raise to the Trust Board and Audit & Risk Management Committee	Verbal
<p>WZ suggested the following Board updates:</p> <ul style="list-style-type: none"> • An NHS Charities Together update • The Midland Met Fundraising Campaign 	
12. Agenda Items for the next meeting	Verbal
<p>RW raised the benchmarking exercise on income generation (action log item).</p> <p>Action: Topic be on the agenda of the November Charitable Funds Committee meeting.</p>	
13. Any other business	Verbal
<p><u>Charity model</u></p> <p>RS raised the issue of discussing a different model for the charity. RW reported that TL had suggested taking a considered view over a period of around six months.</p> <p>Research had already been undertaken, but the options were to remain as a corporate charity or take the independence route. To be discussed at a later date (potentially November 2020).</p>	
Details of the next meeting: The next meeting will be held on the 12 th November 2020 from 10:00 to 11:30 , in Room 12, Education Centre, Sandwell General Hospital.	

Signed
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 Date