

CHARITABLE FUNDS COMMITTEE MINUTES

Venue: Meeting held via WebEx

Date: Thursday, 11th February 2021, 10:00am – 11:30am

Members Present:

In attendance:

Mr W Zaffar, Non-Executive Director/Chair	(WZ)	Ms R Wilkin, Director of Communications	(RW)
Mr R Samuda, Trust Chairman	(RS)	Mr J Shah, Head of Trust Charity	(JS)
Dr D Carruthers, Medical Director	(DC)	Mr C Higgins, Associate Director of Finance	(CH)
Mrs D McLannahan, Chief Finance Officer	(DMC)	Mr E Edmead, Major Grants Manager	(EE)
Ms M Roberts, Acting Chief Nurse	(MR)	Mrs A Winwood, Fundraising & Membership Academy Manager	(AW)
		Ms S Rudd, Assoc Director of Corp Governance	(SR)
Apologies:			
		Mr M Lavery, Non-Executive Director	(ML)

1. Introductions [for the purpose of voice recording].	Verbal
Committee members provided an introduction for the purpose of the recording.	
2. Apologies for absence and declarations of interest	Verbal
<ul style="list-style-type: none"> An apology was received from Mick Lavery. There were no changes to the declarations of interests. 	
3. Minutes of the previous meeting, held on 12th November 2020	SWBCF (02/21) 001
The minutes of the previous meeting, held on 12 th November 2020 were reviewed and ACCEPTED as a true and accurate record of the meeting.	
4. Action log and matters rising from the previous meeting	SWBCF (02/21) 002
The action log was reviewed and updated.	
In regard to closed action item <i>SWBCF (01/21) 006</i> , JS requested that the introduction for the Active Wellbeing Society be sent to him.	
Action: WZ to send JS the introduction for the Active Wellbeing Society.	
DISCUSSION ITEMS	
5. Summary case for charity team investment 2021-2022	SWBCF (02/21) 003
JS noted that the paper sets out the following: <ul style="list-style-type: none"> The need to invest additional resources into the Charity Team to achieve the set income 	

targets up to 2025/2026.

- Provides more detail on the next FY and the proposal to structure non-MMUH fundraising/income into two areas:
 - i. Fundraising, and
 - ii. Business Development.

AW stated that the 2021-22 fundraising target was £388,514 (inclusive of legacies and individual donations). It had been identified that additional resource was required to carry out the work. ROI of £96,823 was available for staffing in the following roles:

- Legacies and In Memoriam Officer
- Events Coordinator (community events)
- Apprentice (administration support)

EE noted that in regard to business development, the focus was on growth. To continue the team's momentum and the quality of work with the desire for future independence, they would need the right skill sets and support onboard. Some considerations were noted:

- The commissions and contracts income had increased from a ratio of 1:2-1:3 to 1:9.
- There would be risk in resourcing projects, managing projects, organising income assessments, evaluation work and managing partners.
- The Charity Team had lost their Administrator and Finance Officer in March 2020; that role had supported financial management, monitoring and the compliance work.
- With potential growth in both income and workload, the Charity Team was currently stretched.

The Chair questioned how the initiative would impact on the MMUH campaign. JS reported that MMUH had achieved just over £1.4m of banked and pledged monies to date which left a target balance for next year; however, that target would be achievable prior to the cessation of the campaign. An additional income stream was required for after the end of the MMUH campaign. The secondary stream would need to be planned and implemented now as to not have any interruptions to fundraising/income.

DMc questioned:

- Clarification on the additional fundraising resource request, if it would be a permanent increase and if the income targets were built into the current cash flow? EE confirmed that £96,823 was for all fundraising pay and non-pay costs to achieve income targets that were already in the plan and cash flow. Without the additional resources, the target incomes would not be achievable.
- Clarification on the final paragraph on page 3, noting that the financial management function should remain in the Finance Team whilst working closely with the Charity Team, rather than separating the two. EE advised that page 3 referred to the period 2025-2026; the fundraising target for that period was £654,339 with a fundraising team resource (incl. pay and non-pay) of £163,585. AW confirmed that there were no financial posts within the Charity Team that would be recruited to; a strong working relationship with the Finance Team in-situ was anticipated. The funding request, at this stage, would include three new fundraising posts (£96,823) and one new business development post (£137,987).
- DMc questioned if investing more in people resources had been proven to increase charitable

income. It was confirmed that the Charity Team had conducted a peer review of 15 charities which had indicated that more people resource increased the income raised.

RS questioned what portion would be legacy activity, and if there was a time benchmark for the benefits to be evident of investing in a Legacy Officer. EE stated that it would take around 6-9 months to build relationships; growth would be market dependant, but would be within 12-24 months.

RS questioned if they would still be in the range of the annual benchmark. RW noted that the investigative work into other charities (re income and resourcing) had been very useful. The Trust's Charity Team was small in comparison to others; however, their team produced high-quality work and further investment would simply increase potential. It was the Charitable Committee's role to hold the Charity Team to account to deliver that income; if the Team was unable to achieve targets, the Committee would rightly have a view for future investment or dis-investment.

DC questioned the impact of COVID-19 on the plan. RW noted that due to COVID-19, it had been possible to engage with new community groups, which had proven beneficial. The task was to continue those relationships and work closely with those groups in terms of continued donations. There was a risk that large scale fundraising, such as NHS Charities Together, could cause donors to divert from local provider donations into wider-organisations. The narrative to the community in this case needed to be, *donate locally to see local change*. EE stated that over the last 12 months, the Trust had been viewed as a safe anchor-based organisation for commissions and contracts – that alone was an advantage. If they don't invest now, it would run the risk of losing momentum, hard work and investment potential. Part of that risk assessment would be to ensure the right competencies and skills were within the team to maintain the program and assure investors and donors that they are a fit for purpose organisation.

The Chair stated that the Committee had been asked to approve the £96,823 fundraising budget and £137,987 business development budget for 2021-2022; the Charitable Funds Committee **APPROVED** the £96,823 fundraising budget for 2021-2022 and the £137,987 business development budget for 2021-2022.

6. Finance

- **20/21 P9 Finance Report**
- **Summary cashflow forecast 20/21 – 25/26**
- **Risk Register review**

SWBCF (02/21) 004

DMc referred Committee members to the Paper and noted the following:

20/21 P9 Finance Report

Income & Expenditure

- Well ahead on income target and budget YTD due to NHS Charities Together and COVID-19 impact.
- Over target due to the Homes England Grant; the balance received in this FY had driven some of the expenditure position.
- £600,000 positive income over expenditure position YTD.
- Total return on investments were inflated by further donations; costs remain stable within that and the impact of that additional investment would be carefully monitored going forward.

Investment performance

- Solid performance.

- Noting good recovery from the dip in March 2020 due to COVID-19 – performance now the highest it had been since 31 December 2018.

RS questioned if the new Investment Advisors had implemented any changes to improve the performance or was it simply a function of the market? Had the Investment Advisors followed the investment breakdown instruction provided in the Trust's brief? DMc noted that she would prepare a comparison with the previous investment advisors, and undertook to confirm if the changes had been implemented as instructed and to obtain a general update.

Summary cashflow forecast 20/21 – 25/26

- Opened with a cash brought forward balance into the FY of £2.767m.
- M9 actual (I&E position):
 - Income, £1,432m
 - Expenditure, £834k
 - £3.7m in cash as at end of December.
- End of FY forecast:
 - Income, £1.9m
 - Expenditure, £1.1m
 - Year-end balance, £3.2m (including the assumption that they would commence repayment of the large creditor with an initial payment of £350,000).
- Carried forward on the I&E Plan, results in a total end point of 2025-26 of £2.8m; noting that the recovery target was £2.8m. Therefore, the cash flow indicates that on the current plan and current in-year performance, it was on track to return to pre-MMUH level.

Risk Register Review

Notable change within the Risk Register was the suggestion that the internal auditors be requested to conduct a review of the Trust Charity's processes and procedures of controls during 2021-2022.

Action: Confirm with the Investment Advisors if the investment changes had been implemented as instructed, and to obtain a general investment performance update.

7. NHS Charities Together – spend proposal update

SWBCF (02/21) 005

It was reported that NHS Charities Together and the Trust's appeal, had raised £150m; of which, £33m had been raised by the late Captain Sir Tom Moore.

Captain Sir Tom Moore was thanked for his fundraising efforts and for the appeal's success.

The Paper detailed what grant applications had been submitted (as NHS Charities Together) and how much funding had been received. It was reported that just over £521,000 had been received from grants in the current FY; all funds had been spent or allocated. Of that amount, £250,000 was required to be paid to the six Black Country, West Birmingham and NHS charity partners – as agreed by the Trust's position as lead charity in a bid to pilot a number of integrated care and community partnership projects.

It was noted that an application from NHS Charities Together, would be submitted in March for the last grant round for £154,000 (recovery grant programme for staff and patients).

The Committee was requested to:

- i. Note the spend proposal update against those funds received, and
- ii. Formally approve the payments to the six respective NHS charity partners, which had been informally approved by the Committee via email in December.

The Chair noted that the Committee was aware of the grants that required payment to partners as part of the arrangement of the Trust being the accountable partner in the region.

The Chair questioned if the Trust had offered their condolences to Captain Sir Tom Moore's family. It was confirmed that NHS Charities Together had contacted the family and had requested all member charities to post condolences on social media channels. RS suggested that something be named after Captain Sir Tom Moore at MMUH. RW suggested something to remember the lives lost due to COVID-19 be integrated at MMUH – the matter would require careful consideration.

The Chair questioned the progress made on the E-bikes project. It was noted that the project had been pushed back a few weeks; to be linked to the Clean Air launch on 1 June 2021. It was reported that there was a waiting list of 140 people for 15 pilot places for the project.

DMc noted that staff have been querying where the money raised from NHS Charities Together and Captain Sir Tom Moore had been spent; she suggested that a communication be sent advising of the outcome. RW noted that an infographic would be prepared to inform where the money had been spent.

DC questioned if it presented an opportunity to direct staff to the right fundraising routes. RW advised that the fundraising pack had been updated and the abovementioned communication could be used to also re-launch the pack.

MR suggested to review and update onsite staff facilities through charitable funds or by normal means as a thank you to staff and to support staff wellbeing – for consideration in MMUH also. It was advised that there was a pot of money that could be directed to that project. It was requested that a list of ideas be drafted for consideration. MR noted that there was an upcoming meeting regarding the Wellbeing Statement; she requested that the list of considerations be forwarded to her and noted that she was more than happy to discuss and do a site walk-around to identify what was required.

8. Midland Metropolitan University fundraising campaign progress

SWBCF (02/21) 006

- **Arts strategy - notes from Arts Committee meeting 18 January 2021**

RW noted that despite COVID-19, councils continued to meet and business leaders continued to show their support for the campaign. Through the Charitable Funds Committee, they had discussed the complexities around relaunching the public element of the campaign (launched March 2020). Business remained anxious about finding the right time for that. The Paper sets out the public fundraising elements with a proposed re-launch in the summer. It was positive to be able to report on the total amount raised thus far; however, the £1m balance would be a fundraising challenge in a COVID-19 world.

Arts Committee Report

- Positive that all partners had continued their engagement with the programme throughout the pandemic.
- Festival 2022 presented a good opportunity.
- Ongoing projects with the Arts Programme were being progressed in terms of fundraising and projects required to sit behind that.

WZ noted that Art 4 Charity (Professor Paul Cadman) had a passion for art and the region; endorsements for upcoming work would be launched soon and could be a possible connection for the Charity. RW undertook to investigate a possible connection with Art 4 Charity.

Action: RW to investigate a possible connection with Art 4 Charity and the Arts Committee.

9. Grants pipeline

SWBCF (02/21) 007

- New commissioned requests requiring approval for funding

RW noted the following highlights:

- World of Work programme – successfully completed the first cohort. Working closely with BCC to secure the income from that. Some life-changing stories had emerged from the programme.
- Would continue to generate funds to continue the important work on domestic violence and the Sapphire Service Discharge Support projects.

RW noted the three proposals for funding approval:

- A new pilot service for Children and Young People with Sensory Processing Dysfunction (updated), £97,000 from the Children's Therapies Fund.
- Purchase of the EyeSi CR Magic Vitreoretinal Surgical Simulator Module from funding specifically donated for that purpose.
- E-bikes Research Pilot and Community Phase Roll-out.

The Committee **APPROVED** the three abovementioned proposals.

MATTERS FOR INFORMATION/NOTING

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

Verbal

- Investment for 2021-2022.
- Update on NHS Charities Together.
- MMUH fundraising update.
- Three proposals approved.
- To carry out the suggested internal audit process for next FY.

11. Agenda Items for the next meeting

Verbal

- Becoming an independent charity; a substantial discussion required.
- Standard financial reports.
- Annual review of the finance benchmarking return information and asset base compared to others.
- Confirm next year's financial plan.

12. Any other business

Verbal

No other business.

Details of the next meeting: The next meeting will be held on the 13 May 2021, from 10:00 –



11:30am venue TBC.

Signed

Print

Date