

Report to:	Public Board of Directors	Agenda item:	21
Date of Meeting:	31 October 2018		

Title of Report:	Charities Committee Update Report
Status:	For Information
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Appendices	Appendix 1: Charity Committee Annual Review Appendix 2: Terms of Reference

Purpose

This report summarises the discussions, recommendations and approvals made by the Charities Committee on the 6 September 2018 to provide the Board with an update of the Committee's activities.

Background

The Charities Committee holds delegated responsibility from the Board of Directors (the Corporate Trustee of the RUH Charitable Funds), this report provides evidence to satisfy the Board that the tasks required to meet those responsibilities are being carried out.

Business Undertaken

The Financial Accountant confirmed the income position as at July 31st 2018 was £0.7million which was £0.5m less than the equivalent reported position in 2017/18. This was a result of some significant income received last year. The investments overall have increased in value over the last 18 months by £0.6m and continues to increase.

The Committee noted a funding request has been agreed for NHS 70th Birthday celebrations and for a Companion Service in conjunction with Dorothy House. The Arts fund is currently overdrawn by £5k due to no agreed funding for an Exhibition Manager. The Committee requested the risk rating for this was increased.

The Committee noted the report and approved the Income and Expenditure plans for the Medical Assessment Unit subject to obtaining further information around the Patient Centred Equipment.

Since the last Committee meeting the following transactions had been made:-

- Addition of funding request for 70th Birthday celebrations
- Addition of funding request for overseas nurses welcome packs
- Provision of medical equipment substituted for website design costs

The Forever Friends' Appeal income and expenditure was on target and it was noted that the 20th Anniversary of the Forever Friends appeal was in July 2019. The Committee approved the request for an additional working budget of £15k for the Forever Friends Appeal 20th Anniversary.

The Acting Chairman of the Trustees for Friends of the RUH and the Friends of RUH Treasurer confirmed that the Friends of RUH would like to become a fully incorporated charitable organisation. It was reported that they were currently taking this forward. The Friends of RUH Treasurer reported that £150k had been designated for the hospital.

The Arts Co-ordinator highlighted that Art at Heart had recently won (the second year in a row) the Creative Bath award. It was reported that the RPS Exhibition will be moving to Bristol which would reduce the number of exhibitions at the RUH.

Sally Moore, RUH Haematologist and John Campbell, Lecturer, University of Bath attended the meeting to present their paper seeking approval for the use of Charitable Funds to match fund 50% of a PhD student with the University of Bath to research the role of exercise in maximising clinical outcomes for patients undergoing bone marrow transportation at the RUH. John Campbell reported that the proposed study is likely to reduce length of stay in hospital, improve post discharge recovery periods, thereby improving quality of life, and decrease overall morbidity associated with autologous stem cell transplantation. The Committee approved the request for funding.

The Financial Accountant highlighted a donation that had recently been received had specific criteria for how it is to be spent, she sought the approval of the Committee for the response to the donating family. It was agreed that the money would be very beneficial to use for nurse training.

Key Risks and their impact on the Organisation

Funding for the Arts Exhibition Manager

Key Decisions

- Additional working budget for the forever Friends Appeal 20th Anniversary

Exceptions and Challenges

Nothing impacted on the Committee's ability to undertake its business.

Governance and Other Business

The Charities Committee meets at least four times a year, its members consist of 2 Non-Executive Directors, the Director of Finance and Director of Nursing.

Future Business

Approve annual report and accounts
Charitable funds SFIs, policies and procedures for approval

Recommendations

The Board is asked to note this report.

Appendix 1: Charity Committee Annual Review

Inline with good practice all Committees and Groups within the Trust are required to undertake an annual review of effectiveness against their Terms of Reference and report this to their parent group. The parent group should consider this and inline with the reporting received during the year consider whether changes are required to the group to ensure ongoing effectiveness and focus on business objectives.

The following should be completed by the Chair of the group in conjunction with the members of the group. All members should be involved in its completion.

Whilst the requirement is for an annual review, it is suggested that groups more regularly consider their effectiveness to ensure ongoing compliance. The frequency of any additional reviews will be left for determination by the Chair.

Has the Group fulfilled its purpose as stated in the Terms of Reference?

The Committee has fulfilled its purpose monitoring charitable fund objectives and spending plans, making appropriate investment recommendations and seeking assurance that there is an appropriate system of control over income and expenditure.

The evidence for this is clear in the comprehensive minutes, action log and risk log which are updated quarterly. For example, all spending plans are reviewed by the committee prior to approval and challenge is given where appropriate. Also, there is effective engagement from Forever Friends and Friends of the RUH to ensure that their activities are in line with the Charitable Funds strategy.

This report relates to the 12 months prior to Sep-18.

Has the Group delivered its stated duties and responsibilities?

The Committee delivered against its responsibilities in respect to the areas outlined in its Terms of Reference, examples include:

- Fund priorities and plans: All spending plans are submitted and reviewed annually, with additions to plans being reviewed as required or virtually if necessary.
- Investment gains and losses are attributed to individual funds appropriately in line with SORP guidelines. Ensure funds are allocated correctly as restricted, unrestricted or general: this is reported quarterly and historic restricted funds that are not in use have been reviewed and donors approached to allow re-categorisation to ensure funds can be used meaningfully. This is only in exceptional circumstances and very rare. All other restricted funds are kept for the intended purpose.
- Investments: the investment policy is reviewed annually and advised by Barclays Wealth. Investment decisions in the year include investing £1M in a Charity Saver Account as a short term investment controls: financial reports

<p>are prepared quarterly and the committee provide meaningful and intelligent challenge.</p> <ul style="list-style-type: none"> Accounts and audit: the 2017/18 accounts and annual report remain outstanding for audit sign-off on one issue. The accounts and annual report will be distributed before the next Committee for approval to ensure accounts are submitted to the Charity Commission on time.
<p><i>Has the Group undertaken activities outside of those stated in the Terms of Reference? And if so what were they and why?</i></p>
<p>No activities have fallen outside of the Terms of Reference.</p>
<p><i>Was the membership adequate to deliver the Groups purpose, duties and responsibilities?</i></p>
<p>Attendance is good, every meeting was quorate.</p> <p>Representatives from Forever Friends have been at every meeting. Representatives from the Friends of the RUH have attended three out of the four committees in the 12 months.</p>
<p><i>Was there adequate administrative capacity to resource the Group?</i></p>
<p>The Committee was adequately supported by Management and administrative staff to ensure the activities were accurately recorded and actions followed up.</p> <p>The Group is supported, administratively, by the Head of Financial Services, Financial Accountant, the Charities and Technical Accountant and the Financial Accounts Assistant</p>
<p><i>Any other comments regarding the effectiveness of the Group?</i></p>
<p>None.</p>

Appendix 2

Charities Committee – Terms of Reference

1. Constitution

The Board of Directors, acting as Corporate Trustee for the Charitable Funds, hereby resolves to establish a Committee to the Board of Directors to be known as the Charities Committee. The Committee has no executive powers other than those specifically delegated in these Terms of Reference.

2. Purpose and Objectives

Ensure that individual fund objectives and spending plans are in keeping with the objectives, spending criteria and priorities set by the donors.

Obtain plans for all individual funds and approve if/when appropriate.

Ensure that donations and investment income or losses are attributed to individual funds appropriately.

Ensure the sources of income and the terms on which donations are received are acceptable to the Trustees.

Ensure that all funds are correctly allocated as restricted, unrestricted or designated, and accounted for accordingly. This analysis will differentiate between restricted, specific and the General charitable fund.

Recommend an investment advisor to the Trustees following appropriate tendering procedures and regularly monitor and review their performance.

Ensure that the investment policy for Charitable Funds set by the Trustees is implemented and that sufficient funds are kept readily available to meet planned requirements.

Ensure (through the NHS Foundation Trust's Finance Department and accounting systems) that there is an appropriate system of control over income and expenditure, and that there are robust governance arrangements in place.

Ensure that the NHS Foundation Trust's Constitution Standing Financial Instructions and the Scheme of Reservation and Delegation are appropriately interpreted for charitable funds.

Receive and discuss all audit reports on charitable funds and recommend action to the Trustees.

Review the Charitable Funds annual accounts and comment/ recommend approval to the Trustees as appropriate.

Respond to requests from the Board of Trustees for review or investigation on relating to charitable funds.

3. Membership

The Committee shall be appointed by the Board to ensure representation by non-executive and executive directors.

Members will include:

Chair	Non-Executive Director or Independent Trustee
Other Members	Non-Executive Director
	Non-Executive Director
	Director of Finance
	Director of Nursing and Midwifery

In the absence of the Chair, a Non-Executive Committee member will perform this role.

In attendance	Head of Financial Services
	Commercial Director
	Charities and Technical Accountant
	PA to Director of Finance (minute taker)

a. Quorum

Quorum – Three voting members of the Board of Directors (at least one Executive Director and one Non-Executive Director). A nominated Deputy for the Director of Finance must be in attendance if the Director of Finance is absent.

Note: All Trustees will be sent copies of the agenda for each meeting and may attend the meeting should they wish to do so.

b. Attendance by Members

The Chair and Lead Executive (or nominated Deputy) of the Committee will be expected to attend 100% of the meetings. Other Committee members will be required to attend a minimum of 75% of all meetings.

c. Attendance by Other Trustees

Any member of the Board of Directors can attend.

4. Accountability and Reporting Arrangements

The Committee will be accountable to the Board of Directors. A report of the meeting will be submitted and presented to the Board by the Chair who shall draw to the attention of the Board issues that require disclosure to the full Board, or require executive action.

5. Frequency

The Committee will meet no less than four times a year.

6. Authority

The Committee is authorised to:

- perform any of the activities within its terms of reference;
- obtain outside professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary; and
- make recommendations to the Board for actions it deems necessary.

The Trust is trustee of charitable funds registered together under charity registration 1058323 and the Charity Committee is appointed as the Trust's agent in accordance with s16 of the NHS Trusts (Membership and Procedures) Regulations 1990.

The Committee is authorised by the Corporate Trustees to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience if it considers this necessary.

7. Monitoring Effectiveness

The Committee will undertake an annual review of its performance against its work plan in order to evaluate the achievement of its duties. This review will inform the Committee's annual report to the Board.

8. Other Matters

The Committee shall be supported administratively by the members of the Finance department whose duties in this respect will include:

- Director of Finance to agree the agenda with Chairman
- PA to Director of Finance to collate the papers
- Director of Finance and Head of Financial Services to advise the Committee on pertinent areas

9. Review

These terms of reference will be reviewed at least annually as part of the process for managing the Committee's effectiveness.

Current version: Approved by Charities Committee – 7 September 2017
Ratified by the Board of Directors – 25 October 2017