

<b>Report to:</b>	<b>Public Board of Directors</b>	<b>Agenda item:</b>	<b>18</b>
<b>Date of Meeting:</b>	<b>30 October 2019</b>		

<b>Title of Report:</b>	<b>Charities Committee Update Report</b>
<b>Status:</b>	<b>For Discussion</b>
<b>Sponsor:</b>	<b>Jeremy Boss, Non-Executive Director &amp; Chair of the Charities Committee</b>
<b>Author:</b>	<b>Kathryn Kelly, Executive Assistant to Director of Nursing and Midwifery and Commercial Director</b>
<b>Appendices</b>	<b>Appendix 1: Terms of Reference</b>

**Purpose**

This report summarises the discussions, recommendations and approvals made by the Charities Committee on 5<sup>th</sup> September 2019, 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**

**Update on Fundraising Leadership**

The Commercial Director provided an update in relation to the Head of Fundraising retiring in January 2020. The recruitment process was underway with interviews scheduled. The Committee recognised all the hard work undertaken by the current postholder.

**Forever Friends Update**

The Deputy Head of Fundraising updated on the work of the Forever Friends Team and highlighted that a drop in income against the previous year was due to an unplanned major donation (received in July 2018).

It was agreed that the Deputy Head of Fundraising would further investigate the future of the Hope Ball as ticket sales had been disappointing. It had been a promising start to the year in relation to the Trust and Foundations Programme but the Corporate Programme remained a little under target. However the Movie by Moonlight made a profit. The Community Programme was still short staffed and this was having an impact on income. A new member of staff is due to start in October.

A discussion took place as to whether the venue for the Walk of Life should be changed in future.

**Friends of the Royal United Hospitals**

The Friends of the RUH provided an update since the last meeting. Following working with Forever Friends for the last two years they would shortly be sending cheque for £150k to Critical Care.

The Friends are currently reviewing the donations criteria. The Committee expressed concern regarding the potential for delay in distributing funds to RUH causes. It was agreed that the Friends would meet with the Commercial Director to discuss.

The Friends are in the process of recruiting three new Trustees and a new Chairman was anticipated. On the 1<sup>st</sup> October 2019 they will become a Charitable Incorporated Organisation and be called The League of Friends of the Royal United Hospitals (Bath).

#### Art at the Heart

The Art and Design Programme Manager attended the meeting and gave a presentation on the Therapies Centre project.

#### Financial position as at 31 July 2019

The Financial Accountant reported:

- Income was significantly higher for the first four months of 2019/20 than the same period in 2018/19 which was driven by donations and a legacy.
- Investments had increased in the first 4 months, mainly as a result of unrealised gains. Investment performance still remained at medium risk
- The debtors movement included a pledge from Medlock towards the Cancer Centre which was to be released over 4 years starting January 2020.
- A payment had now been made towards the RNHRD and Therapies Centre, therefore reducing Creditors.
- The Arts Fund was still overdrawn.
- The General Fund Reserve had not been touched since 2016 so it was agreed that this should move to the General Fund.
- A large donation has been received for Lupus research. The Committee requested that the conditions were understood and a fund manager put in place before the next meeting.

#### General Fund Update

The forecast showed £55k was available if all commitments were paid. The Committee noted the current position of the General Charitable Fund.

#### Charitable Fund Risk Register

The Committee noted the amendments to the register. It was requested that the replacement of the Head of Fundraising and potential loss of major donors should be added as a significant risk.

#### Annual Report and Accounts

Amendments were requested to the Annual Report and Account. These documents would be signed outside of the meeting by the Chair and Chief Executive.

#### Work Plan Review

The Committee requested the wording of the report titles required clarification and that the Investment Fund Manager should attend meetings more regularly. The Committee confirmed that, subject to these changes, they were happy with the work plan.

### Terms of Reference

The wording of the report titles required clarification and the membership should include two Non-Executive Directors instead of three.

### Spending Plans 19-20 Update

The Committee reviewed the outstanding spending plans. They approved plans for Gynae Oncology, Helena Ward and RNHRD Rheumatology. Queries were raised on plans from Dermatology, Stoma/Breast Care and RNHRD General Fund.

### Charitable Funds Standing Financial Instructions

The Committee noted and approved the revised Standing Financial Instructions of the Charitable Fund.

### Investment Update

The Committee agreed to the holding of the risk profile for investments at level 3 (Moderate) until the Cancer Centre and Charity cash flow requirements were fully understood. It was noted that circa £2m of funds are held in cash outside the Barclays managed funds thus in reality the risk profile is lower overall. The Committee agreed that £1m that was previously held in a fixed term deposit would be incorporated into the overall investment portfolio, recognising that this would be split between a number of different assets, including cash, bonds and equities. It was also recognised that the Trust did not need the money for at least 18 months giving a better outcome for returns.

### **Key Risks and their impact on the Organisation**

The Committee noted the amendments to the Charitable Fund Risk Register and requested that the replacement of the Head of Fundraising and potential loss of major donors should be added as a significant risk.

### **Key Decisions**

- The potential for delay in distributing funds by the Friends of the RUH to RUH causes.
- Move General Fund Reserve to the General Fund.
- Understand conditions attached to donation for Lupus research and appointment of a fund manager before the next meeting.
- Amendments to be made to the Annual Report and Accounts before signing.
- The wording of the report titles to be clarified on the Terms of Reference and Workplan.
- Investment Fund Manager to visit more regularly as annually was not felt to be adequate.
- The Committee agreed that £1m that was previously held in a fixed term deposit would be incorporated into the overall investment portfolio.
- The revised Standing Financial Instructions of the Charitable Fund were noted and approved.

### **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**

- Update Charities Strategy Review Paper
- Art of the Heart Funding

**Recommendations**

The Board is asked to note this report.

## 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.

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### 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 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 PA to Director of Finance (minute taker)
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#### 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:

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- 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 – September 2017  
Ratified by the Board of Directors, acting as Corporate Trustees – September 2017**

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