

CHARITABLE FUNDS COMMITTEE MEETING

Monday 15th April 2024
TEAMS

Present

Mr Dyfed Jones	Independent Member (Chair)
Mrs Karen Balmer	Independent Member
Mr Christopher Field	Independent Member

In Attendance

Mr Russell Caldicott	Interim Executive Director of Finance
Ms Paula Clayton	Assistant Accountant
Miss Amy Harding	Communications Officer
Ms Andrea Hughes	Director of Finance
Dr Nick Lyons	Executive Medical Director
Mrs Natalie Morrice-Evans	EA to Executive Director of Finance / Committee secretariat
Ms Kirsty Thomson	Head of Charitable Support
Mrs Sam Watson	Improvement and Business Manager - Nursing and Midwifery
Mr Neil Williams	Senior Financial Analyst
Pam Wenger	Director of Corporate Governance

CF24/16	Welcome	
CF24/17	<p>Apologies & Declarations of Interest</p> <p>Apologies were received from: Dr Chris Stockport and Mr Gareth Evans. The Chair declared an interest as trustee of the Anglesey Charitable trust in his role as a Councillor on Anglesey CC.</p> <p>The Head of Charitable Support declared an interest as Deputy Chair, NHS Charities Together and involvement in the Love Hope Strength Charitable Foundation as a volunteer and advisor. She advised that her family business, Poblado Coffi, has donated gifts to the Awyr Las charity. Director, Macsen and Partners Ltd</p> <p>Independent Member Karen Balmer declared an interest as CEO of the Groundwork North Wales Group of Charities which includes: Groundwork North Wales Wild Ground Refurbs Flintshire</p> <p>The Interim Executive Director of Finance declared interests as follows: Fellow of the Association of Chartered Certified Accountants (ACCA) Member of the Healthcare Financial Management Association (HFMA) Liaison Strategic Advisor Director of P4eH Limited</p>	

CF24/18	<p>Minutes and Action Log</p> <p>Accuracy The minutes of the previous meeting were approved as a true record.</p> <p>Matters arising and table of actions</p> <p>The table of actions were updated and completed actions closed.</p>	
CF24/19	<p>Charitable Funds Finance Report Q3 2023/24</p> <p><i>Russell Caldicott, Interim Executive Director of Finance</i></p> <p>CF24/19.1 The Interim Executive Director of Finance presented the Quarter 2 2023/24, highlighting the following key areas.</p> <p>Total Income (Donations, Fundraising, Legacies and Investment) as at 31st December 2023 is £1,047,000, being a reduction of £132,000 (predominately relating to Donations and Fundraising), compared to the same period in the previous year.</p> <p>Grant funded expenditure as at 31st December 2023 is £1,103,000, being £4,000 higher compared to the same period in the previous year. Grant expenditure is particularly variable depending on projects approved in any one year.</p> <p>Governance and Support costs as at 31st December 2023 of £80,000 is consistent with the previous year.</p> <p>Total Fundraising expenditure is £389,000 as at 31st December, which includes the balance of the 2023/24 Charity Budget Commitment of £191,000. The Operational Costs Budget is applied to the General Fund at the start of the year; any underspend is removed at the end of the year. The final actual costs for the year, will be transferred out of the General Fund and apportioned across all funds as per the Charity Costs Policy. The Long-Term Investment portfolio value as at end of December 2023 is £10,513,000, an increase of £686,000 in the market value since 31st March 2023.</p> <p>CF24/19.2 An Independent Member queried the rate of interest received on cash held within the bank accounts. The Interim Executive Director of Finance confirmed that the rate of interest the charity receives is 1.7%.</p> <p>It was resolved that the Committee: Noted the report.</p>	
CF24/20	<p>Investment Managers Portfolio</p> <p><i>Russell Caldicott, Interim Executive Director of Finance</i></p> <p>CF24/20.1 The Interim Executive Director of Finance presented the report on behalf of Brewin Dolphin, updating the committee on the most up to date performance of the investment fund. Informing the committee that the key objective of the portfolio is to preserve and grow its value in 'real' terms, in order to continue to support charitable grant-making over the long term. The risks associated with the Investments are included in the Charity Risk Register.</p> <p>Brewin Dolphin, have also provided an update on the outstanding Audit and Assurance Report for 2022/23 Accounts, which confirms that they are on track to deliver this by 31st March 24. This document is required by the</p>	

	<p>Charity on an annual basis and is part of the evidence provided to Audit Wales during the annual audit of the accounts. The Investment Managers changed operating systems at the beginning of 2023 and therefore assurance on the new system, for the period February to March 23 (via their appointed Auditors) is required.</p> <p>The cycle of when audits in the Private sector take place differs to Public sector, which has impacted on the timeframe for obtaining the required assurance.</p> <p>The Charitable Funds Committee are asked to scrutinise the report consisting of a Markets Update, Risk Guide and Main Investment Update as at 24th February 2024 and to note the key themes within the papers.</p> <p>CF24/20.2 The Interim Executive Director of Finance highlighted to the committee that as of 29th February 2024 the funds available for investment balance stood at 10.76 million, which is a 0.993 million improvement since the last quarter. The average yield over the past two years stands at a 5.9% return and the portfolio is currently outperforming market metrics.</p> <p>CF24/20.3 The Committee Chair confirmed that a representative from Brewin Dolphin would attend the next committee meeting to discuss the portfolio and answer questions.</p> <p>It was resolved that the Committee: Noted the report.</p>	
CF24/21	<p>Charitable Support Team Update Q4 2023/24</p> <p><i>Kirsty Thomson, BCUHB Head of Charitable Support</i></p> <p>CF21/21.1 The Head of Charitable Support, gave the Charitable Funds Committee an outline of the work currently being carried out and planned in for the Charitable Support Team.</p> <p>CF21/21.2 The Communications Officer shared the digital communications updates. The Chair requested that a bench marking exercise take place with a comparing charity.</p> <p>It was resolved that the Committee Noted the report.</p>	
CF24/22	<p>The North Wales NHS Charity, Awyr Las, Strategy 2024-2028</p> <p><i>Kirsty Thomson, BCUHB Head of Charitable Support</i></p> <p>CF22/22.1 The Head of Charitable Support presented the report and outlined the key aspects. The Charitable Funds Committee were presented with a Charitable Funds and Charitable Partnerships Strategy in October 2023 where it was decided that there should be a standalone Charity Strategy. This revised strategy was presented to the Executive Team in February 2024. The Executive Team recommended this strategy be endorsed by The Charitable Funds Committee for approval by the Health Board Trustees.</p> <p>It was resolved that the Committee Recommended the report be approved by the Health Board Trustees, subject to changes being made to the introduction, with Dyfed as Chair providing the forward within the document</p>	<p>KT to update document for approval and arrange for it to be presented at Board</p>

<p>CF24/23</p>	<p>Annual budget for Awyr Las for 2024/25 and forward-look plan for 2025-27 <i>Russell Caldicott, Interim Executive Director of Finance</i></p> <p>CF24/23.1 The Interim Executive Director of Finance introduced the report to The Committee informing members that The Charitable Funds Committee has responsibility for overseeing the financial management and stewardship of charitable funds. The paper was presented to The Committee highlighting the draft budget is presented annually in March relating to the upcoming financial year and is for scrutiny and approval, alongside a forward-look plan for 2025-27 for information.</p> <p>CF24/23.2 The annual budget covers the running costs of the Charity for administration, finance, governance and fundraising expenditure. The draft budget for 2024/25 is £520,128 (2023/24 - £469,915) representing an increase of £50,213. This relates to £20,283 for the assumption that pay rates will increase by 5% and non-pay expenditure will increase by 3.2% for inflation; plus a net increase of £29,930 for a 2-year fixed term Armed Forces Covenant and Veteran Healthcare Collaborative Lead post (£80,527 mitigated by £29,218 for the expected recruitment delay of the unrelated vacant post and £21,379 release of the former budget for Royal Voluntary Society (RVS) which is no longer required).</p> <p>CF24/23.3The Head of Charitable Support asked for her opposition to the inclusion of a non-charitable support role within the Charitable Support Team operational budget to be formally recorded.</p> <p>It was resolved that the Committee Approved all aspects of the budget apart from the Armed Forces Covenant and Veteran Healthcare Collaborative Lead post, the funding of which is to be reviewed</p>	<p>RC to review the funding of the Armed Forces Covenant Lead post with the CEO.</p>
<p>CF24/24</p>	<p>Reserves Policy Andrea Hughes - Director of Finance</p> <p>CF24/24.1 The Director of Finance explained to The Committee that the draft reserves policy was reviewed by the BCUHB Executive Team at its meeting on 28th February and it was recommended that the policy be presented to the Charitable Funds Committee for approval. Due to the delay in approving the policy for 2023/24, it is necessary on this occasion, to set the Reserve Policy for 2023/24 and 2024/25. This will ensure that the value for 2023/24 is agreed prior to year-end for the 23/24 Annual Report (Accounts) and the 2024/25 target is agreed at the commencement of the financial year. Going forward the Reserve Policy will be set annually in advance of the financial year commencing.</p> <p>The proposal is to set the Reserves target based on the same principle as applied in 2022/23 using a calculation based on the budgeted levels of expected expenditure (operational and grants activity) for the next three years and the average value of investments held over the last three years. The target levels of reserves for 31 March 2024 and 2025 is calculated as £4.1 million (2023 - £3.8 million). The actual level of reserves held at 31 March 2023 was £4.7 million.</p> <p>CF24/24.2 The Director of Finance asked The Committee to approve The Reserves Policy for the charity for the financial years 2023/24 and 2024/25.</p>	

	<p>It was resolved that the Committee Approved the policy.</p>	
CF24/25	<p>Investment Policy Andrea Hughes - Director of Finance</p> <p>CF24/25.1 The Director of Finance explained that The Committee has responsibility for overseeing the financial management and stewardship of charitable funds. This includes making investment decisions to further the Charity’s purposes and this paper is for the Committee to consider the proposed Investment Policy of Awyr Las for 2024-26. The Draft Investment Policy was reviewed by the BCUHB Executive Team at its meeting on 28 February and it was recommended that the policy be presented to the Charitable Funds Committee for approval.</p> <p>CF24/25.2 The Director of Finance explained, Brewin Dolphin acts as Investment Manager for the Charity’s investments. Total assets held as investments at 30 November 2023 were £10.1 million (as per last report received). This Investment policy places restrictions on how Brewin Dolphin can invest the Charity’s funds and the level of risk to be applied to the investments.</p> <p>The policy restricts investments in the following areas:</p> <ul style="list-style-type: none"> • Alcoholic products; • Tobacco products; and • Any products which may be considered in conflict with the Health Board’s activities. • Investment in companies: <ul style="list-style-type: none"> - Which have a poor record in human rights and child exploitation; - Which derive their profits from countries with poor human rights records <p>It was resolved that the Committee Approved the policy.</p>	
CF24/26	<p>Charity Procedures Annual Review Kirsty Thomson - BCUHB Head of Charitable Support</p> <p>CF24/26.1 The Head of Charitable Support introduced the document and asked The Charitable Funds Committee to scrutinise the revised Charitable Funds Standing Financial Instructions (SFIs) and Charity Procedures and approve both documents.</p> <p>CF24/26.2 It was explained to The Committee that Section 20 of the Betsi Cadwaladr University Local Health Board (LHB)’s SFIs deals specifically with funds held on trust (Charitable Funds). The Charitable Funds SFIs expand on the guidance issued in the LHB’s SFIs in relation to the Charity. The Charitable Funds SFIs detail the financial responsibilities, policies and procedures adopted by the Charity. They are designed to ensure that the Charity’s financial transactions are carried out in accordance with the law and Charity Commission guidance, in order to achieve probity, accuracy, economy, efficiency and effectiveness. They do not provide detailed procedural advice and should be read in conjunction with the Charity Procedures.</p>	

	<p>CF24/26.3 The SFIs have not changed significantly from the 2011 version of the SFIs. The changes that have been incorporated provide additional clarity on:</p> <ul style="list-style-type: none"> ▪ Powers of delegation ▪ Expenditure under £5,000 which requires Charitable Funds Committee approval ▪ Legacy gifts ▪ Fixed Assets <p>CF24/26.4 The Charity Procedures have been updated to reflect changes within the Charitable Funds SFIs and operational changes in managing Gifts in Kind and online donations and fundraising. All forms for Fund Advisors, including Funding Applications are now available online to increase efficiency, enhance reporting, and help prioritise workload. The Funding Application has been amended following feedback from Charitable Funds Committee members, Charitable Support Team members, Fund Advisors and other applicants.</p> <p>CF24/26.5 The SFIs and Charity Procedures are to be reviewed annually by the Charitable Funds Committee.</p> <p>It was resolved that the Committee Approved the report.</p>	
CF24/27	<p>Committee Cycle of Business 2024/2025 Kirsty Thomson - BCUHB Head of Charitable Support</p> <p>CF24/27.1 The Head of Charitable Support informed The Committee that this paper is presented at all Charitable Fund Committee meetings for information unless amendments have been made, in which case it is brought for Charitable Funds Committee approval.</p> <p>CF24/27.2 This cycle of business is approved annually in March. This document was last approved in January 2024. The Charitable Funds Committee is asked to approve Appendix 1, the cycle of business for 2024/25. An additional note, Definitions of Charitable Funds related meetings, is included in this paper to provide clarity for all members on what to expect at different meetings. The Charitable Funds Committee are asked to note this section of the paper.</p> <p>It was resolved that the Committee Approved the report.</p>	
CF24/28	<p>Expenditure Approvals (Minutes of the Charitable Funds Grants Decision Meetings on 05/02/24 and 20/02/24) Kirsty Thomson, Head of Charitable Support</p> <p>CF24/28.1 The minutes of the expenditure approvals for 05/02/2024 and 20/02/2024 were approved as a true record of the meeting.</p> <p>It was resolved that the Committee: Approved the minutes.</p>	
CF24/29	<p>Dates of Upcoming CFC Meetings: July 1st 2024 August 13th 2024 November 12th 2024 January 28th 2025 March 25th 2025</p>	

	Dates of grant decision meetings: April 8th 2024 May 20th 2024 July 15th 2024 August 12th 2024 September 23rd 2024 November 4th 2024 December 16th 2024 February 3rd 2025	
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