

CHARITABLE FUNDS COMMITTEE

**Minutes of the meeting held on Tuesday 8th December 2020
Via Webex**

Present:

Ms Jackie Hughes	Independent Member (Chair)
Ms Linda Tomos	Independent Member
Mrs Sue Hill	Acting Executive Director of Finance
Mr Mark Wilkinson	Executive Director of Planning & Performance

In Attendance:

Ms Kirsty Thomson	Head of Fundraising
Ms Faye Pritchard	PA to Executive Director of Finance
Ms Rebecca Hughes	Charity Accountant
Mr Simon Monkhouse	Senior Auditor, Audit Wales (Part meeting)
Ms Sabel William	Auditor, Audit Wales (Part meeting)

Agenda Item	Action
<p>CF20/31 Apologies for absence & Declarations of interest</p> <p>Apologies were received from Prof Arpan Guha, Acting Executive Medical Director and Ms Cheryl Carlisle, Independent Member.</p>	
<p>CF20/32 Welcome & Introductions</p> <p>All members introduced themselves for Ms Linda Tomos' first attendance since joining the Health Board at Charitable Funds Committee meeting, and for Audit Wales attendance purposes.</p>	
<p>CF20/33 Minutes of the previous meeting held on 10th September 2020:</p> <p>CF20/33.1 Accuracy</p> <p>The minutes from the previous meeting held on 10th September 2020 were approved as an accurate record.</p> <p>CF20/33.2 Matters arising and summary action plan</p> <p>The committee reviewed the summary action plan in detail and updated accordingly.</p>	
<p>CF20/34 Annual Report and Financial Statements for 2019/20</p> <p>CF20/34.2 Audit Wales ISA260 Report:</p>	

CF20/34.2.1 The Senior Auditor took the committee through the key points of the report. Firstly he thanked the Charity Accountant and team for all of their hard work during this difficult time. The Senior Auditor reminded the committee that they work to a level of 'materiality', and the level set for this year's audit was £50,000, and £1,000 for Related Party Transactions. The Senior Auditor also confirmed that there are no relationships between themselves and us that they believe could undermine their objectivity and independence.

CF20/34.2.2 The Senior Auditor took the committee through the impact of Covid-19 on this year's Audit, which is shown in detail in the report (Exhibit 1). He confirmed that all Audit Wales staff have been working remotely, and that all queries were responded to promptly by BCUHB team. The Draft accounts were received on 25th October 2020 and the Audit Opinion will be signed by the Auditor General tomorrow. It has been agreed that all parties can use their electronic signatures when signing Audit Opinion. The Senior Auditor informed the committee that they intend to issue an unqualified audit opinion once Letter of Representation has been received. Following the Audit there's been some amendments (Appendix 3 – Summary of Corrections Made).

CF20/34.2.3 The Senior Auditor then took the committee through two significant issues that he wanted to bring to the attention of members:

- The change in Investment Manager from Rothschild wasn't given enough time as their contract came to an end on 31st March 2020 but the procurement process didn't formally commence until January 2020. Consequentially the fund was not actively managed by Rothschild.

The Tender documentation didn't have enough shortlisting information such as criteria.

- An annual impairment review of tangible fixed assets has not been undertaken.

The Charity Accountant confirmed to members that the only tangible asset we have is a piece of land in Porthmadog. The Charity Accountant assured the committee that going forward we would make sure that an annual impairment review is carried out.

CF20/34.2.4 The Executive Director of Planning & Performance queried whether there were lots of transactions undertaken when the funds were under active management by Rothschild. The Charity Accountant confirmed that Rothschild would make a couple of sales or purchases each month, although some months there weren't any transactions anyway, it all depends what's going on in the market as they're purchased on the basis we would hold for a long term.

CF20/34.2.5 The Charity Accountant recognised that the Tender process took a lot longer than expected. The Charity Accountant explained that NWSSP Procurement led the process, and due to Covid-19 the procurement lead was moved onto Field Hospitals procurement at the time. Due diligence checks on Charitable funds Committee members took a lot longer than anticipated and both the Charity Accountant and Procurement didn't realise it would take that long and the Charity Account confirmed that she's taken the learning from that. Procurement recognised at the time about the shortlisting criteria documentation and she is working with Procurement on that. The Acting Executive Director of Finance commented on the need to recognise the exceptional circumstances of Covid-19 on the Procurement team, which she raised would have been nice to have been recognised in the content

of the report, and reiterated the constructive lesson to learn and feedback of the process going forward. She made a point that we could have spoken to other charities at the time for due diligence about how long the process would take. The Senior Auditor responded to say that he felt that the process just should have been done sooner. The Chair also raised her recognition of what a fantastic job the team did with the amount of procurement being carried out. The committee recognised and acknowledged that Covid-19 had an impact on this matter.

The Senior Auditor left the meeting.

CF20/34.1 Annual Report, Financial Statements and Letter of Representation:

CF20/34.1.1 The Charity Accountant took the committee through the main highlights of the financial statements. Total income of £2.6m shows an increase of 30% year on year (£2.0m in 2018/19)/ Of this £0.5m relates to an increase in legacies and £0.1m from higher fundraising income, which is positive to note. Expenditure of £2.5m was 14% higher year on year (£2.2m in 2018/19) and the Charity Accountant stated that we need to increase that. Covid-19 has had a huge impact on investments and they showed a big loss when we have previously had gains, however all of the losses have been regained. The funds of the charity at the end of the year totalled £7.6mm made up of both unrestricted and restricted funds.

CF20/34.1.2 The Charity Accountant noted two Post Balance Sheet Events; the increase in the value of the investments since the balance sheet date and a note on Covid-19 income has also been included.

CF20/34.1.3 The Head of Fundraising then took the committee through the Annual report, which was led by Emma Louise Jones, Fundraising Support Manager, who has done all of the design work. A 'Welcome' from Lord Barry Jones, the Honorary President of the charity, can be seen at the beginning of the document and the Head of Fundraising said that he's happy to be the voice of the charity on these sorts of documents, used for marketing purposes. It is noted to the committee that the report is still in draft form until all have agreed it so changes and amendments can be made today.

CF20/34.1.4 The Chair stated that it's a brilliant document this year, much better and well laid out. The Chair raised a couple of concerns for the Head of Fundraising to address:

- The use of two colours in block form, possibly difficult for dyslexic people. Head of Fundraising to check with our accessible team. **ACTION KT** The Head of Fundraising confirmed that the report has gone to reading group meeting but that this issue wasn't picked up. The Chair also stated that she personally finds it difficult to read columns of text.
- The Chair also raised concern on a couple of images that don't coincide with our policies such as 'Bare below the elbows', with a photo showing a member of staff not complying with the policy. The Chair also pointed out a couple of typos, which she'll e-mail the Head of Fundraising about after the meeting and also a correction to a job title.

KT

<p>CF20/34.1.5 The Acting Director of Finance congratulated the team, noting significant improvements on presentation, and to pass thanks on to team. Independent Member Ms Linda Tomos noted that the report is of high quality and represents the organisation well; also passed on her congratulations.</p> <p>CF20/34.1.6 The Auditor informed the committee that she'll need to see the final version if report has any changes to ensure it's consistent between report and accounts and so that the final version is on their audited documentation. The Auditor stated that she'd confirm with Audit Manager, Amanda Hughes after the committee meeting and liaise with Head of Fundraising and Charity Accountant.</p>	
<p>CF20/35 Charitable Funds Finance Report Q2 2020/21</p> <p>CF20/35.1 The Charity Accountant took the committee through the finance report, highlighting some key points from the paper:</p> <ul style="list-style-type: none"> • Donation and fundraising income for the year to date totals £763k, which is £133k (23%) higher than for the same period last year. This is because of the donations made to the Covid-19 fund. To the end of September, these totalled £437k, comprising 57% of all donated income. • The investment portfolio fell significantly at the end of 2019/20 but has regained all losses, and the portfolio is now £279k higher than at the peak last year. • Outstanding Commitments in Appendix 4 show a delay in a number of grant application, due to 'business as usual' not taking place. The Charity Accountant confirmed to continue to review all over the next few months. • Available General funds currently totals £400k, so although there are funds available, we're heavily reliant on investments performing well to produce this General funds income. • Grants awarded are broadly in line with last year with 58% relating to Covid-19. <p>CF20/35.2 Looking at Appendix 4 – Outstanding Commitments, the committee discussed the need from a Trustee perspective for more assurance that money was spent on the agreed purpose and in the time specified. The Acting Executive Director of Finance stated that it would be helpful if Appendix 4 expiry date runs from nearest to oldest, as there are a number with September and October expiry dates. ACTION RH</p> <p>CF20/35.3 With regards the Ipad Grant Scheme (£50k), the committee discussed what happens to the I pads when we no longer need them, when visitors are allowed to visit again at hospital sites. The Head of Fundraising confirmed that IT Project Manager, Brian Laing is overseeing the long-term plan of what happens with the I pads and will be able to provide an update for March 2021 committee meeting. ACTION KT</p> <p>CF20/35.4 For transparency purposes the committee also agreed that it would be helpful to have a reconciliation of funded from the Welsh Government and charity. ACTION RH</p>	<p>RH</p> <p>KT</p> <p>RH</p>

<p>The committee approved the report and the actions being taken.</p>	
<p>CF20/36 Charitable Funds Fundraising Report Q2 2020/21 <i>(Including Charity Strategy and update on Strategic Appeals)</i></p> <p>CF20/36.1 The Head of Fundraising informed the committee that she wants to focus on the Awyr Las 2021-25 Strategy to 21 to 25, NHS Charities Together Stage 2 & 3 Grant Requests Outlines and also the Case for a new CRM system.</p> <p>CF20/36.2 The Head of Fundraising declared an interest that she's the Deputy Chair of NHS Charities Together and that she approved the final grant.</p> <p>CF20/36.3 The Head of Fundraising stated that the main recommendations are for the request for two new roles in addition to the role already agreed in the team, but not filled currently (The Staff Lottery Manager), the renaming of the Charitable Funds Committee to the Charity Committee, and lastly the renaming of the Head of Fundraising role.</p> <p>CF20/36.4 The Head of Fundraising also updated the committee on The Awyr Las manifesto, which is short document led by Executive and Independent Member – a discussion of what the possibilities are of promoting the charity, including reference to charity on patient letter.</p> <p>CF20/36.5 The Shooting Star appeal doesn't include a large scale appeal as that would require additional resource. £1m needs to be raised for the Shooting Star business case, which is currently being drawn up by Project Director, Graham Alexander.</p> <p>CF20/36.6 The Acting Director of Finance asked the Head of Fundraising why we want to rename the committee and doesn't see the need or think it's necessary, as we monitor expenditure. The Chair stated that the function of the committee is to provide assurance to the Trustees and the Board.</p> <p>CF20/36.7 The committee agreed for this decision to go to the Annual General Meeting in January 2021. ACTION KT</p> <p>CF20/36.8 The committee discussed a few issues to raise on the Strategy document:</p> <ul style="list-style-type: none"> - Appendix 1 – Awyr Las Strategy – Issue with way it's cut and paste on page 5. - List of roles, banding and whole time equivalent –It's hard to see which roles are the expansions – add a */ footnote – new/ additional roles. - Process for strategy – Workshops with committee members and the team. Core areas (Younger, Older, Cancer & MHLD). <p>CF20/36.9 The Executive Director of Planning & Performance asked if we received a reasonable level of participation and engagement with discussing the Strategy. The Head of Fundraising said that service staff, members of the charity support team and third sector groups in North Wales all engaged well.</p>	<p>KT</p>

<p>The Executive Director of Planning & Performance also queried disclosing people's bandings with roles in the public domain. ACTION KT to check with Workforce.</p> <p>CF20/36.10 The Organogram contains too much detail, maybe just highlight the ones that are additional. The committee agreed that it shouldn't be in strategy document until approved in structure.</p> <p>CF20/36.11 As this paper details a number of priority areas and specific amounts, the committee was concerned if approving this document is all spending amounts approved also. The committee agreed that they couldn't commit to the amount of money too far ahead, and therefore the document must be amended to make more of a focus on target setting and reflect this.</p> <p>CF20/36.12 The Head of Fundraising confirmed to the committee that anything we are fundraising would always come to the committee first for approval.</p>	<p>KT</p>
<p>CF20/36.13 The committee discussed and agreed a number of amendments for the Head of Fundraising to make on the document, and to work with the Charity Accountant on wording to say 'we'd like to commit this to'. ACTION KT</p>	<p>KT</p>
<p>CF20/36.14 The Acting Executive Director of Finance and Head of Fundraising agreed to have a conversation offline with regards to structural changes and anything needing approval will come back to the committee to be discussed. ACTION SH/ KT</p>	<p>SH/ KT</p>
<p>CF20/36.15 The committee discussed the NHS Charities Together Grant Outline (Appendix 3) and agreed to move forward with that subject to slight amendments being made.</p>	
<p>CF20/36.16 With regards to the Business Case for a new CRM (Appendix 4), the Chair said that we couldn't do anything on this yet as Options Appraisals need to be carried out, but the committee agreed to support the continued exploration into this as the paper outlines an exception of need. The Head of Fundraising confirmed that Appendix 5 was listed for members' information.</p>	
<p>CF20/36.17 The Auditor queried why the Change in System isn't on the Risk Register, but Acting Executive Director of Finance confirmed that currently we are still using our existing system, Oracle and that there is no change in accounting system currently. Charity Account reassured The Auditor that if we get to the point that we are going to migrate it might be a risk to log at the time but currently we wouldn't input this onto the Risk Register, only if and when we go down that route.</p>	
<p><i>The Auditor left the meeting.</i></p>	

<p>CF20/37 Third Sector Groups Report</p> <p>CF20/37.1 The Head of Fundraising presented the Third Sector Groups Report and the committee was asked to note the information included within the report. The Head of Fundraising informed members that she's entered discussions with 'Maggie's Centre' at the request of the Cancer Services Team, but the Chair requested that the committee require more information.</p> <p>CF20/37.2 The Head of Fundraising informed the committee that between now and March 2021, the Cancer Services Team with the charity's help need to devise an options appraisal & feasibility study of what's already in North Wales, as some hospitals already provide what 'Maggie's Centre' provides. The committee agreed for this to be presented to the committee meeting in March 2021. ACTION KT</p> <p>CF20/37.3 The committee noted the information included within this report.</p>	<p>KT</p>
<p>CF20/38 Staff Lottery Update</p> <p>CF20/38.1 The Acting Executive Director of Finance agreed to provide a verbal update on the Staff Lottery to the committee. The Staff Lottery paper went to the Finance & Performance Committee where a big debate about it was had. From those discussions that took place the agreement was to put onto pause for now as it isn't the right time during Covid-19 to be promoting lottery, when financial hardship amongst staff could be an issue. It was agreed at that meeting in agreement with Workforce to take the paper back to the Local partnership Forum meeting in January 2021 for trade union review and consensus before taking any further. The Acting Executive Director of Finance and Head of Fundraising agreed to contact RCN Steward, Mr Billy (William) Nichols to arrange a meeting with a number of key people in attendance.</p>	<p>KT/ SH</p>
<p>CF20/39 Investment Portfolio</p> <p>CF20/39.1 The Charity Accountant informed the committee that Investment Manager Brewin Dolphin are ready to take over the portfolio. Once approved they can contact Rothschild to move the portfolio over as all due diligence is complete.</p> <p>CF20/39.2 The Charity Accountant informed the committee that the Ethical policy isn't as detailed as it could be and specific to the Health Board, and she is currently rewriting the policy. The committee agreed for this and an Investment Policy to come to the March 2021 committee meeting ACTION RH.</p> <p>CF20/39.3 The Charity Accountant confirmed to the committee that the investments are currently doing really well which can be seen in Appendix 1: Rothschild Portfolio Statement at 30th September 2020.</p> <p>CF20/39.4 Currently the investments have been managed taking a moderate risk through a balanced portfolio. The Charity Accountant informed the committee that Brewin Dolphin may have a different approach to risk, but the plan is to transfer on</p>	<p>RH</p>

<p>same level of risks so its equivalent, but the committee agreed to discuss at the March 2021 meeting when Brewin Dolphin attend.</p> <p>CF20/39.5 The committee were happy to approve and move forward with process, and the Charity Accountant confirmed that all Executives members to Charitable Funds Committee will be signing the Client Advice Proposal when ready.</p> <p>The committee noted the report.</p>	
<p>CF20/40 Summary of Expenditure Approvals</p> <p>CF20/40.1 The Charity Accountant informed the committee of two previously approved applications where the cost is now higher than the original grant awarded. Both grants are higher amounts due to VAT having to now be paid.</p> <p>CF20/40.2 The Charity Accountant informed the committee that in this instance it was a human error as the VAT exemption process is always carried out at the beginning of the process.</p> <p>CF20/40.3 The Acting Executive Director of Finance agreed to pick the 'Operating table/ couch for the Pacing Theatre' up with the Charity Accountant outside of the meeting. ACTION SH & RH.</p> <p>CF20/40.4 The committee noted the applications that have been approved and approved the grants that require additional funding.</p>	SH/ RH
<p>CF20/41 Marketing, Advertising and Sponsorship Policy</p> <p>CF20/41.1 The committee noted the information included within the report and approved the recommendation to establish a BCUHB Marketing, Advertising and Sponsorship Task and Finish Group. The Chair said that Trade Unions and Workforce must be present at this Task and Finish Group in order to address any issues staff may have on what the policy says.</p>	
<p>CF20/42 Charity Impact Report</p> <p>CF20/42.1 The Head of Fundraising presented the report to the committee for their discussion and thoughts. She informed the committee that other NHS charities carry out similar reports but on a much larger scale. The overview impact report listed shows the last ten-year period, which could be sent out to actual and potential supporters.</p> <p>CF20/42.2 Independent Member, Ms Linda Thomas noted that she likes style and graphics and it's a quick and good read, therefore would support it. The Acting Director of Finance suggested to round up the 000's to £m's to make it easier to read.</p>	

<p>CF20/42.3 The committee discussed the issue with showing both income and expenditure, and agreed to revise to just show expenditure.</p>	
<p>CF20/43 Issues of significance to report to the Health Board</p> <p>CF20/43.1 The Head of Fundraising noted that the Trustees meeting is taking place on 21st January 2021 with an allocated slot time of 40 minutes. The Head of Fundraising wants to agree today what items are to go on the agenda. She suggested the Annual Report, the Accounts, a roundup of Covid-19 appeal and the Strategy or just create further discussion at Trustee level before the Strategy is agreed.</p> <p>CF20/43.2 The Acting Executive Director of Finance doesn't feel like the Strategy can be presented just yet, and advised to see how much progress can be made over the next couple of weeks.</p> <p>CF20/43.3 The committee also agreed to raise at the Trustee's meeting in January 2021, the grants applications approval process; asking for Executives and Independent Members volunteers.</p>	
<p>CF20/44 Date of next meeting</p> <p>9th March 2021</p>	