

Bundle Charitable Funds Committee 9 March 2021

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| CF21.01 | Apologies and Declarations of Interest |
| CF21.02 | Welcome and Introductions |
| CF21.03 | Minutes of the Previous Meeting: 21.03.1 CFC Minutes 08.12.20 Draft v.04.docx 21.03.2 Action Log following meeting 22.12.20 v.02.docx |
| CF21.04 | Investment Portfolio <i>David Myrddin-Evans and Paul Mathias from Brewin Dolphin in attendance for this item.</i> 21.04 Investments.docx 21.04.1 Investments - Appendix 1 (Presentation).pdf 21.04.2 Investments - Appendix 2 (Risk Guide).pdf 21.04.3 Investments - Appendix 3 (Investment Policy).docx 21.04.4 Investments - Appendix 4 (Ethical Policy).pdf 21.04.5 Investments - Appendix 5 (Rothschild Report).pdf |
| CF21.05 | Charitable Funds Finance Report Q3 2020/21 <i>Ms R Hughes</i> 21.05 Finance Report Q3.docx |
| CF21.06 | Charitable Funds Fundraising Report Q3 2020/21 <i>Ms K Thomson</i> 21.06 Fundraising Update Paper March 2021 Draft.docx 21.06.1 FU Appendix 1 Light up Christmas Evaluation Draft.docx 21.06.2 FU Appendix 2 Covid19 Fund Expenditure.docx 21.06.3 FU Appendix 3 Digital Device Case Study.pdf |
| CF21.07 | Third Sector Groups Report <i>Ms K Thomson</i> 21.07 Third Sector Group Report March 2021 Draft.docx |
| CF21.08 | Staff Lottery Update <i>Ms K Thomson</i> |
| CF21.09.0 | ITEMS FOR DISCUSSION |
| CF21.09.1 | Awyr Las Strategy 2021-25 Overview <i>Ms K Thomson</i> 21.09 CFC Discussion Paper Awyr Las Strategy March 2021 Draft.docx 21.09.1 Awyr Las Strategy Discussion Appendix 1 Draft Strategy Overview.pdf 21.09.2 Awyr Las Strategy Appendix 2 Draft Awyr Las Budget.docx |
| CF21.10 | Charitable Funds Applications Process Review <i>Ms K Thomson</i> 21.10 CFC Discussion Paper Awyr Las Application Process March 2021 Draft.docx 21.10.1 Application Process Appendix 1 Criteria for Covid19 Grants.docx |
| CF21.11 | ITEMS FOR DECISION |
| CF21.11 | Summary of Expenditure Approvals <i>Ms R Hughes</i> 21.11 Summary of Expenditure Applications Awarded.docx |
| CF21.12 | Charity Budget for 2021/22 <i>Ms R Hughes</i> 21.12 Charity Budget 2021-22.docx |
| CF21.13.0 | ITEMS OF GOVERNANCE |
| CF21.13.1 | Charity Risk Register |

Ms R Hughes

21.13 Charity Risk Register Mar 21.docx

CF21.14

Charity Reserves Policy

Ms R Hughes

21.14 Reserves Policy 2021-22.docx

CF21.15

Charity Work Plan for 2021/22

Ms R Hughes

21.15 Committee Workplan 2021-22.docx

CF21.16.0

ITEMS FOR INFORMATION

CF21.16.1

Issues of Significance to Report to the Health Board

CF21.17

Date of Next Meeting: 11 June 2021

CHARITABLE FUNDS COMMITTEE

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

Present:

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| 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:

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| 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 Wiliam | Auditor, Audit Wales (Part meeting) |

| Agenda Item | Action |
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| CF20/31 Apologies for absence & Declarations of interest Apologies were received from Mr Arpan Guha, Executive Medical Director and Ms Cheryl Carlisle, Independent Member. | |
| CF20/32 Welcome & Introductions All members introduced themselves for Ms Linda Tomos's first attendance since joining the Health Board at Charitable Funds Committee meeting, and for Audit Wales attendance purposes. | |
| CF20/33 Minutes of the previous meeting held on 10th September 2020: CF20/33.1 Accuracy The minutes from the previous meeting held on 10 th September 2020 were approved as an accurate record. CF20/33.2 Matters arising and summary action plan The committee reviewed the summary action plan in detail and updated accordingly. | |
| CF20/34 Annual Report and Financial Statements for 2019/120: | |

CF20/34.2 Audit Wales ISA260 Report:

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.

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).

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.

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.

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:

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 £7.6mmade up of both unrestricted and restricted funds.

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.

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 Honourary 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.

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**

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| <p>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.</p> <p>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.</p> <p>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>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>KT</p> |
| <p>CF20/35 Charitable Funds Finance Report Q2 2020/21 <i>Ms R Hughes</i></p> <p>The Charity Accountant took the committee through the finance report, highlighting some key points from the paper: 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.</p> <p>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.</p> <p>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> | |

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| <p>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>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>For transparency purposes the committee also agreed that it would be helpful to have a reconciliation of ipads funded from the Welsh Government and charity. ACTION RH</p> <p>The committee approved the report and the actions being taken.</p> | <p>RH</p> <p>KT</p> <p>RH</p> |
| <p>CF20/36 Charitable Funds Fundraising Report Q2 2020/21 <i>(Including Charity Strategy and update on Strategic Appeals)</i> Ms K Thomson</p> <p>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>The Head of Fundraising declared an interest that she's the Deputy Chair of NHS Charities Together and that she approves the final grants.</p> <p>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>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>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>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> | |

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| <p>The committee agreed for this decision to go to the Annual General Meeting in January 2021. ACTION KT</p> <p>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 & MHLA). <p>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. The Executive Director of Planning & Performance also queried disclosing people's bandings with roles in the public domain.</p> | KT |
| <p>ACTION KT to check with Workforce.</p> <p>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>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> | KT |
| <p>The Head of Fundraising confirmed to the committee that anything we are fundraising would always come to the committee first for approval. 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> | KT |
| <p>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>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>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.</p> <p>The Head of Fundraising confirmed that Appendix 5 was listed for members' information.</p> | SH/ KT |

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| <p>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 <i>Ms K Thomson</i></p> <p>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>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>The committee noted the information included within this report.</p> | KT |
| <p>CF20/38 Staff Lottery Update <i>Mrs Sue Hill</i></p> <p>The Acting Executive Director of Finance agreed to provide a verbal update on the Staff Lottery to the committee.</p> <p>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.</p> <p>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.</p> <p>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> | KT/ SH |

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| <p>CF20/39 Investment Portfolio <i>Ms R Hughes</i></p> <p>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>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>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>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 same level of risks so its equivalent, but the committee agreed to discuss at the March 2021 meeting when Brewin Dolphin attend.</p> <p>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>RH</p> |
| <p>ITEMS FOR DECISION</p> | |
| <p>CF20/40 Summary of Expenditure Approvals <i>Ms R Hughes</i></p> <p>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>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>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>The committee noted the applications that have been approved and approved the grants that require additional funding.</p> | <p>SH/ RH</p> |

| ITEMS OF GOVERNANCE | |
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| <p>CF20/41 Marketing, Advertising and Sponsorship Policy <i>Ms K Thomson</i></p> <p>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.</p> <p>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 <i>Ms K Thomson</i></p> <p>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>Independent Member, Ms Linda Thomas noted that she likes style and graphics and it's a quick and good read, therefore would support it.</p> <p>The Acting Director of Finance suggested to round up the 000's to £m's to make it easier to read.</p> <p>The committee discussed the issue with showing both income and expenditure, and agreed to revise to just show expenditure.</p> | |
| ITEMS FOR INFORMATION | |
| <p>CF20/43 Issues of significance to report to the Health Board</p> <p>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>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>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: 9th March 2021</p> | |

BCUHB CHARITABLE FUNDS COMMITTEE**Summary Action Plan – arising from meetings held in public**

| Officer | Minute Reference and Action Agreed | Original Timescale | Latest Update Position | Revised Timescale |
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Actions from 10.03.20 meeting

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| Ms K Thomson | CF20/04.1 Head of Fundraising to ensure Trade Union representative on Staff Lottery Working Group. | June 2020 | Head of Fundraising included members list and update of the Staff Lottery Working Group (SLWG) in the December 2020 CFC meeting. The Working Group has not yet met due to the Covid-19 Response. The SLWG will meet from April 2021. | Closed |
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Actions from 10.09.20 meeting

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| All Committee Members | CF20/26.2 The committee decided to review and approve applications via email for all members using voting buttons and a fortnightly meeting between the Chair and Executive Director of Finance. These arrangements will be reviewed at next Charitable Funds Committee meeting. | December 2020 | December 2020: The CFC Members agreed to discuss at the March CFC meeting. An Applications Approval Discussion Papers is included in the March 2021 CFC Papers. | March 2021 |
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Actions from 08.12.20 meeting

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| K Thomson | CF20/34.1 The Chair raised a couple of concerns on design and wording 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. | 08.12.20 | The requested changes to the Annual Report were made on 08.12.20. | Closed |
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| R Hughes | CF20/35.1 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. | March 2021 | New format applied to the March 2021 CFC Papers. | Closed |
| K Thomson | CF20/35.2 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. | March 2021 | Update on digital devices included in the March 2021 CFC Papers. | March 2021 |
| R Hughes | CF20/35.3 For transparency purposes the committee also agreed that it would be helpful to have a reconciliation of digital devices funded from the Welsh Government and charity. | March 2021 | Update on digital devices included in the March 2021 CFC Papers. | March 2021 |
| K Thomson | CF20/36.1 The committee agreed for this decision (naming of the Charitable Funds Committee) to go to the Annual General Meeting in January 2021. | January 2021 | Included in the Trustees Presentation | March 2021 |
| K Thomson | CF20/36.2 The Executive Director of Planning & Performance also queried disclosing people's bandings with roles in the public domain. ACTION KT to check with Workforce. | March 2021 | The bandings have been removed from the Organogram graphic. | Closed |

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| K Thomson | CF20/36.2 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'. | March 2021 | <p>The Head of Fundraising updated the Awyr Las Strategy background and public facing documents which were submitted to the CFC in December 2021, incorporating these changes.</p> <p>In order to inform the operational decision making on expanding the charity team, the Head of Fundraising has provided a discussion document on the charity strategy for the Charitable Funds Committee.</p> | March 2021 |
| K Thomson/ S Hill | CF20/36.3 Agreed to have a conversation offline with regards to structural changes and anything needing approval will come back to the committee to be discussed. | March 2021 | The charity strategy setting from the committee will be discussed in the Charitable Funds Committee. | March 2021 |
| K Thomson | CF20/37 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. | March 2021 | 'Maggie's Centre' included in the Fundraising Support Team Update Report, March 2021 CFC Papers | March 2021 |
| K Thomson | CF20/38 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. | March 2021 | Decision on the timing for the launch of the BCUHB Staff Lottery to be confirmed. An update will be given in the CFC meeting. | March 2021 |

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| R Hughes | CF20/39 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 | March 2021 | Included in the March 2021 Charitable Funds Committee Papers. | March 2021 |
| R Hughes/ S Hill | CF20/40 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. | March 2021 | Completed | Closed |



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| Cyfarfod a dyddiad: Meeting and date: | Charitable Funds Committee 9 th March 2021 | | |
| Cyhoeddus neu Breifat: Public or Private: | Public | | |
| Teitl yr Adroddiad Report Title: | Investment Portfolio | | |
| Cyfarwyddwr Cyfrifol: Responsible Director: | Sue Hill, Executive Director of Finance | | |
| Awdur yr Adroddiad Report Author: | Rebecca Hughes, Charity Accountant | | |
| Craffu blaenorol: Prior Scrutiny: | Executive Director of Finance | | |
| Atodiadau Appendices: | <u>Appendix 1:</u> Brewin Dolphin Presentation <u>Appendix 2:</u> Brewin Dolphin Risk Guide <u>Appendix 3:</u> Investment Policy Requirements <u>Appendix 4:</u> Ethical Investments Policy Discussion Paper <u>Appendix 5:</u> Rothschild Portfolio Statement at 30 th December 2020 | | |
| Argymhelliad / Recommendation: | | | |
| The Committee is asked to note the requirements of an Investment Policy for discussion with Brewin Dolphin. The Committee is asked to review and approve the Ethical Investments Policy. The Committee is asked to note the portfolio statement report. | | | |
| Please tick one as appropriate (note the Chair of the meeting will review and may determine the document should be viewed under a different category) | | | |
| Ar gyfer penderfyniad /cymeradwyaeth For Decision/ Approval | ✓ | Ar gyfer Trafodaeth For Discussion | Ar gyfer sicrwydd For Assurance |
| | | | Er gwybodaeth For Information |
| Sefyllfa / Situation: | | | |
| The Investment Manager contract was awarded to Brewin Dolphin in 2020 and the investments are in the process of being transferred over. | | | |
| Cefndir / Background: | | | |
| Many of the donations and legacies that the charity receives cannot be spent immediately, as they need to be accumulated to fund the most appropriate purchases. These donations are therefore invested in order to generate income and protect their value in real terms. | | | |
| The charity had used Rothschild & Co to manage its investments for the last ten years. In line with Procurement regulations, the Investment Manager contract was put out to tender at the beginning of 2020. COVID-19 led to delays in awarding the tender; however, Brewin Dolphin were appointed as the successful applicants in August 2020. The process of transferring the portfolio from Rothschild to Brewin Dolphin has taken considerably longer than expected, due to the significant due diligence checks that needed to be undertaken. However, the transfer is now almost complete. | | | |

In the meantime, Rothschild continue to hold the portfolio, although it is not being actively managed and therefore no fee is being charged. Portfolio allocations will remain the same until they are transferred to Brewin Dolphin. As the portfolio is constructed based on a long-term strategy, it is not expected that this short period of inactivity will have any impact.

The charity has agreed to transfer its investment portfolio to Brewin Dolphin on the same basis it was held with Rothschild, so taking a moderate risk, long-term strategy. The key objective of the portfolio is to preserve and grow its value in 'real' terms, in order to continue to support charitable distributions over the long term.

Asesiad / Assessment:

Strategy Implications

Aligned to the Awyr Las Charity Strategy.

Options considered

Not applicable – paper is for information on the financial position of the charity.

Financial Implications

Introduction to Brewin Dolphin

David Myrddin-Evans and Paul Mathias from Brewin Dolphin will be in attendance to introduce themselves and the company to the Committee. They will talk the Committee through the presentation in Appendix 1 and have provided their Risk Guide, included as Appendix 2, for further information.

Investment Policy

The charity does not currently have a formally documented Investment Policy. Brewin Dolphin have provided some detail on the requirements of an Investment Policy and this is included as Appendix 3.

Discussions with Brewin Dolphin at the meeting will help to determine some elements of the policy, in particular the investment objectives, attitude to risk, liquidity requirements and time horizon. Following these discussions, a draft Investment Policy can be developed, based on what the Committee agrees, and presented to the June 2021 Committee meeting.

Ethical Investment Policy

As part of the transfer of the portfolio to Brewin Dolphin, it has been identified that the charity's Ethical Investment Policy is not as robust as it could be. Brewin Dolphin have provided a discussion paper on how the policy could be improved, using best practice guidance and based on their knowledge of the charity. This is included in Appendix 4.

Using this as the basis of the charity's Ethical Investment Policy, it is proposed that the policy is updated to state the following:

In managing the charity's investments, companies that fall into any of the following ethical exclusion categories must not be invested in:

- *Any company that derives greater than 10% of its turnover from the production or distribution of alcohol.*
- *Any company that derives greater than 10% of its turnover from the production or distribution of tobacco or from support towards the tobacco industry.*

- *Any company that generates more than 10% of revenues from military sales or the production or sale of civilian firearms.*
- *Any company that derives greater than 5% of its turnover from the production of pornography, services or facilitation, including adult entertainment services.*
- *Any company that derives greater than 10% of its turnover from gambling operations or products.*
- *Any company that has a weak or limited rating in respect of forced labour and child exploitation.*
- *Any country with an oppressive regime.*
- *Any company with a weak or limited rating in respect of contribution to the societal issues of obesity and malnutrition.*
- *Any company that derives more than 10% of their turnover from tar sands or oil shale extraction or services.*
- *Any company that generates greater than 10% of its revenues from coal mining or coal fuelled power generation.*
- *Any company that generates greater than 10% of its revenues from fossil fuels.*

Portfolio Performance

The Rothschild portfolio report for the 30th December 2020 is included in Appendix 5. The portfolio performed strongly, appreciating by 7.6% in the quarter, bringing the year to date returns to 24.7%.

Risk Analysis

Not applicable – the Charity Risk Register is reported separately.

Legal And Compliance

Not applicable.

Impact Assessment

Not applicable.

Presentation to:
Betsi Cadwaladr University Health Board Charity

David Myrddin-Evans – Head of Charities, Wales
Paul Mathias – Assistant Director

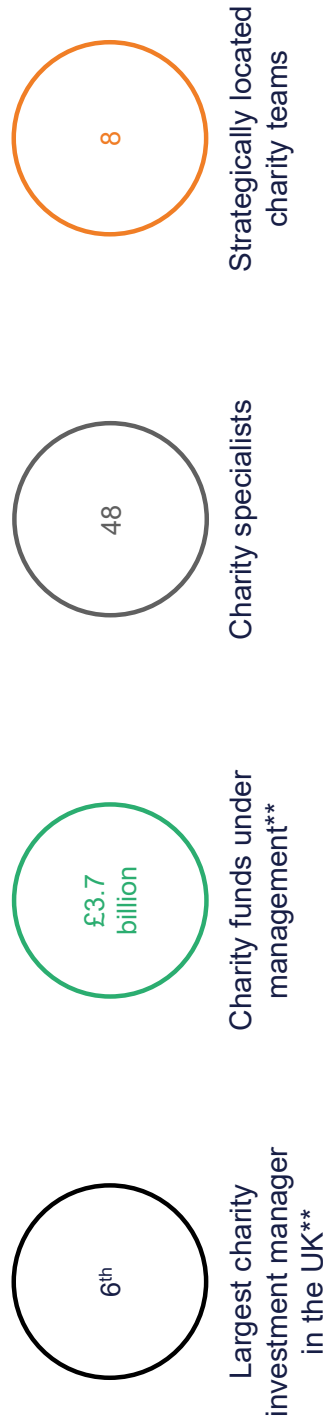
9th March 2021

Introduction to Brewin Dolphin

Company facts:



Our charity business:



- Direct relationship with investment managers
- More than managing money – additional client services and events
- Unbiased investment advice – searching the market for the most suitable investments

*Source: Brewin Dolphin, Annual Report and Accounts 30 September 2020

**Source: Charity Finance Magazine Annual Charity Fund Management Survey November 2020; data as at 30 June 2020

Brewin Dolphin Wales Charity Team

The team currently has responsibility for c. £240m of charity and institutional funds for 55 clients*:



David Myrddin-Evans

Head of Charities, Wales
26 years of experience

David joined Brewin Dolphin in 2005 as the Divisional Director with responsibility for the Cardiff office and the Charity Team.

David sits on the Investment Committees of the Representative Body of the Church in Wales and the Mercers Livery Company.



Paul Mathias

Assistant Director
10 years of experience

Paul joined Brewin Dolphin in 2010. He provides day-to-day management of relationships and oversees the management of portfolios.

Paul is a Chartered Fellow of the Chartered Institute for Securities and Investment and graduated from the University of Bristol with a degree in Law.



Martin Wetherill

Portfolio Manager
7 years of experience

Martin joined Brewin Dolphin in 2013 and assists with the day-to-day management and administration of portfolios.

Martin is a Member of the Chartered Institute for Securities and Investment and graduated from the University of Glamorgan with a degree in Accounting and Finance.



Karen Norris

Administration Manager
19 years of experience

Karen joined Brewin Dolphin in 2012 and is responsible for all aspects of team administration, focusing particularly on client reporting.

Karen has established herself as a key point of contact for charity administrators, working closely with them to deliver the tailored solutions required to meet their unique reporting and administrative requirements.

*Source: Brewin Dolphin Ltd. Data as at 18 February 2021.



BREWIN DOLPHIN

Our Values

Genuine

Heartfelt advice, delivered by people who care

- For our clients this means being valued as a person or organisation, not a portfolio.
- For each other this means teamwork built on trust and respect.

Expert

Skilfully facilitating important decisions

- For our clients this means experienced professionals helping to grow and manage funds.
- For each other this means seamlessly blending expertise across disciplines and teams.

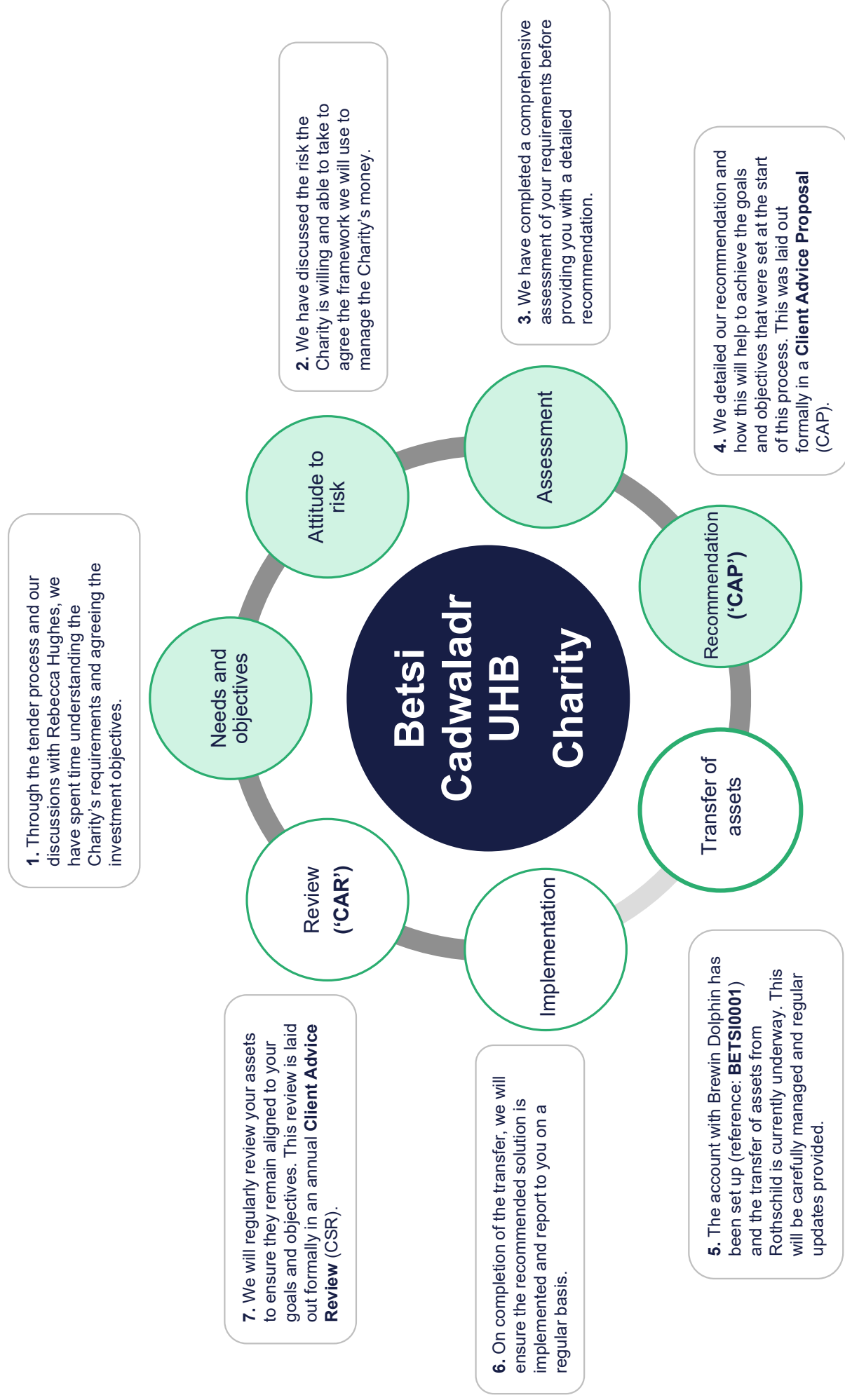
Ambitious

Making more of life's opportunities

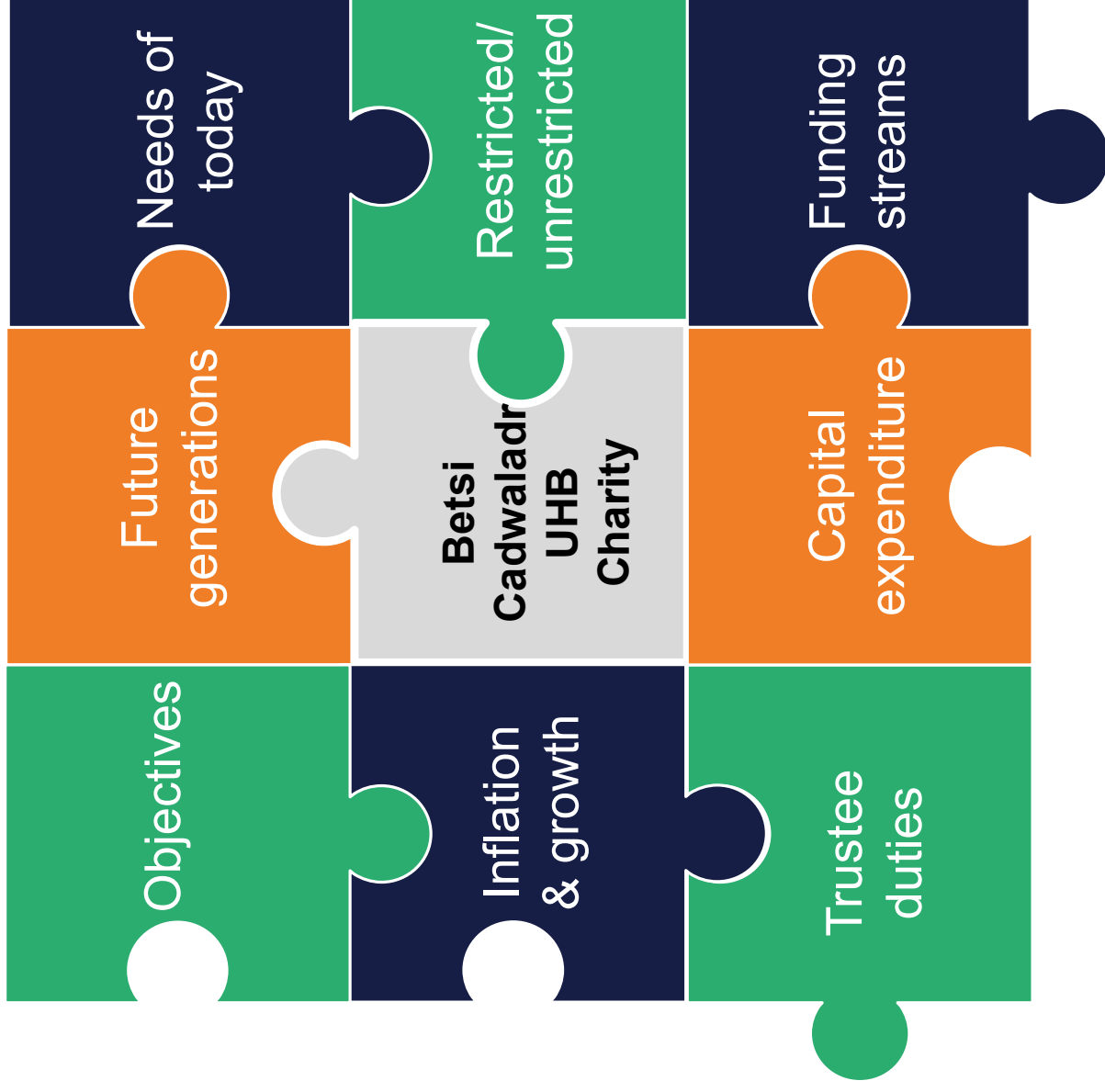
- For our clients this means working hard to make life more rewarding.
- For each other this means we are hungry to see clients happy and the Company thrive.

Source: Brewin Dolphin, Annual Report and Accounts September 2020

Your journey with us



Understanding your financial strategy

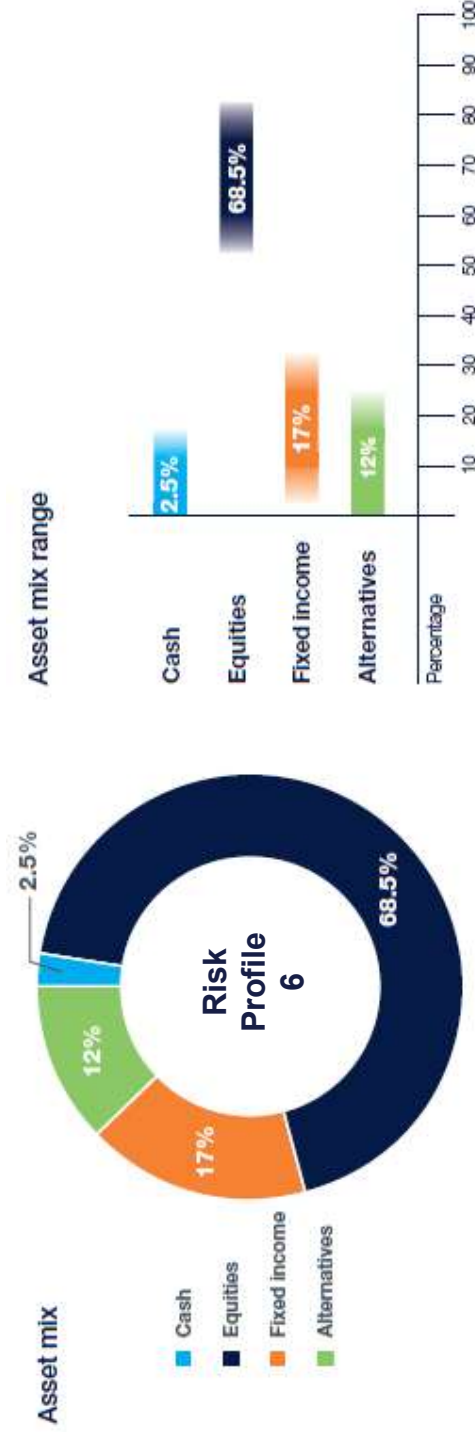


Our understanding of your requirements

- **Strategic aim:** To enhance BCUHB's ability to improve the health and wellbeing of people across North Wales and deliver excellent care.
- **Funds available for investment:** £9.78m as at 8 February 2021.
- **Investment objectives:** To preserve and grow the portfolio against inflation.
- **Attitude to risk:** Moderate, with the ability to tolerate short-term volatility.
- **Time horizon:** Long-term (greater than 10 years).
- **Income requirement:** There is no specific requirement, anticipating a balance of growth and income.
- **Ethical policy:** Negative screening is to be applied to exclude companies manufacturing and distributing alcoholic products, tobacco products and any products which may be considered in conflict with the Health Board's activities. Investment in companies which have a poor record in human rights and child exploitation or which derive their profits from countries with poor human rights records should not be permitted.
- **Reserves policy:** The Charity has a target level of reserves of £3.06m (based on a three-year average of one year's administration costs, 25% of the value of the investments held and 25% of the grant funded activity expenditure).

Meeting your risk and return expectations

| Investment Profile | Risk Profile 3 | Risk Profile 4 | Risk Profile 5 | Risk Profile 6 | Risk Profile 7 | Risk Profile 8 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|
| Brewin Risk Measure % | 4.5 – 9.5 | 6.9 – 11.9 | 9.3 – 14.3 | 11.7 – 16.7 | 14.1 – 19.1 | 16.5 – 21.5 |
| Average total return per year (15 years) % | 5.2 | 6.0 | 6.6 | 7.2 | 7.7 | 8.2 |



Risk Profile 6: You are prepared to have a greater proportion of your investment held in equities with the aim of achieving a higher investment return over the long-term. The greater allocation to equities means the portfolio may experience heightened levels of volatility over the investment term. The portfolio will typically include two thirds of the assets invested in equities whilst the remainder will be split between cash, fixed income and alternatives. You are prepared to accept fluctuations in the value of the portfolio to achieve your investment goals.

Source: Brewin Dolphin, 'Risk Guide', as at 31 December 2020

The above returns are based on the above assumptions which are supported by objective data. The projected performance is before fees which will have the effect of reducing the performance illustrated. Any forecasts are subjective and may not reflect or deliver according to a specific profile of investment at a given time. Past performance and statistical modelling are no guarantee of future performance. The above information is for illustrative purposes only and is not intended as investment advice.

ESG and Brewin Dolphin



Environmental Social Governance

Incorporating ESG throughout Brewin Dolphin's decision-making processes:

- Signatory of UN's Principles for Responsible Investment (UNPRI)
- Stewardship Policy – tier one rating and signatory of The Stewardship Code
- Our Research Team utilises Sustainalytics when making direct equity recommendations
- We use the Vigeo EIRIS ESG research service for negative and positive screening
- Member of The Investor Forum – community interest company facilitating dialogue and engagement between shareholders and companies
- BMO will engage with some of our largest direct holdings on ESG issues using their Responsible Engagement Overlay (reo©) service
- We have signed up to Climate Action 100+ which aims to utilise collective engagement with the largest emitters

Signatory of:



SUSTAINALYTICS



THE INVESTOR FORUM



We can only guarantee the screening of direct stocks.

Implementing an ethical policy

Issues for consideration

- Understanding your values and upholding your reputation
- Defining the policy
- Clarifying the individual criteria
- Considering the extent of market restrictions (financial impact)
- Balancing Trustees' concerns with the ability to assure compliance

Implementation

- Discussing and advising on your policy
- Assessing the criteria as capable of being implemented
- Utilising the Vigeo EIRIS ethical screening database
- Generating screening lists

Monitoring

- Receiving weekly updates from EIRIS
- Regular portfolio reviews undertaken to ensure ongoing suitability
- Providing regular reports and post-transaction confirmation
- Bringing new ideas for consideration, where appropriate

We can only guarantee the screening of direct stocks.

Risk warning

This presentation is intended for Betsi Cadwaladr University Local Health Board Charity only and should not be distributed in whole or in part to any third party.

The value of investments and any income from them can fall and you may get back less than you invested. No investment is suitable in all cases. If you are unsure about the suitability of a particular investment please contact us for advice

Past performance is not a guide to future performance. The value of investments can fall and you may get back less than you invested.

The information contained in this presentation has been taken from public sources and is believed to be reliable and accurate but, without further investigations, cannot be warranted as to accuracy or completeness. The opinions expressed in this document are not necessarily the views held by Brewin Dolphin Ltd. No Director, representative or employee of Brewin Dolphin Ltd accepts liability for any direct or consequential loss arising from the use of this document.

We or a connected person may have positions in or options on the securities mentioned herein or may buy, sell or offer to make a purchase or sale of such securities from time to time. In addition we reserve the right to act as principal or agent with regard to the sale or purchase of any security mentioned in this document. For further information, please refer to our conflicts policy which is available on request or can be accessed via our website at www.brewin.co.uk.

If you invest in currencies other than your own, fluctuations in currency value will mean that the value of your investment will move independently of the underlying asset.

Restricted Advice

Whilst Brewin Dolphin looks across a wide range of financial products and services in order to meet your needs and objectives, we will not review all retail investment products in the market. As such we offer a 'Restricted Advice' service.

Brewin Dolphin is regulated by the Financial Conduct Authority (FCA), number 124444.





BREWIN DOLPHIN

Risk guide

Understanding risk

Important information

All of the investment solutions we offer involve some form of investment risk. You should be aware that the value of investments and any income from them can fall and you may get back less than originally invested.

If you invest in currencies other than your own, fluctuations in currency value will mean that the value of your investment will move independently of the underlying asset.

Our services are not suitable for everyone, but we can advise you on the specific services that are suitable for you.

We may provide guidance on using tax-efficient structures such as making use of tax allowances. You should be aware that tax structures are subject to changes in legislation and depend on your personal circumstances. Your adviser will be happy to discuss any of these in greater detail.

You have sole responsibility for the management of your tax and legal affairs including all applicable tax filings and payments for complying with applicable laws and regulations. We are not specialist tax advisers and will not provide you with tax or legal advice and recommend that you obtain your own independent tax and legal advice, tailored to your individual circumstances.

Past performance is not an indication of future performance. In this document performance is quoted before fees, charges, levies and taxes and these may have the effect of reducing the illustrated performance. All performance shown is based upon any income generated being re-invested, except for the Average Capital Return and Average Yield figures.

The expected returns shown are based on our long-term forecasts, for a mix of assets similar to a portfolio suitable for an investor aligned to the Risk Category indicated.

The data in our sample charts is based on reasonable assumptions which are in turn based on objective data. There are no guarantees that these levels of performance will be achieved, in which case any returns will differ from those illustrated.

All data as at 31st December 2020

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Twitter: twitter.com/brewindolphin



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| Brewin Dolphin's risk categories | 6 |
| Our performance benchmarks | 14 |
| Appendix | 15 |

Overview

Introduction

This document provides a brief overview of the risk categories used by Brewin Dolphin to determine an investment mandate. We set out the types of investments a portfolio is likely to be composed of and we also give an indication of the level of risk and potential return.

We provide example charts to help you understand the financial concepts involved and what could happen to the portfolio.

How long should you invest for?

In general terms, the longer the time horizon the better, particularly if you need to maximise your capital growth. Investing with a longer-term view – for example, 10 years or more – gives more time to recover losses on the portfolio which may be caused by periods of market volatility and therefore sits relatively well with higher-risk investment strategies. Investing on a shorter-term view, such as three to five years reduces the time available to recover losses and costs. Investing with a higher-risk investment strategy over the short-term will require a greater ability to withstand volatility.

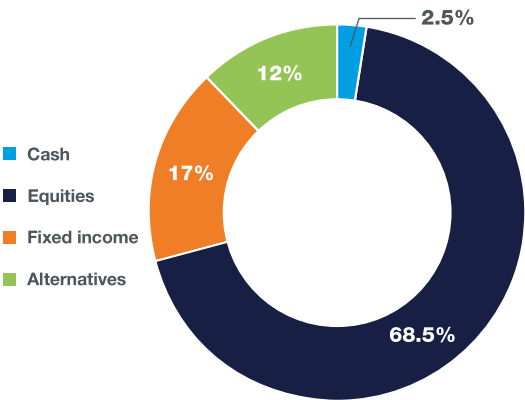
What will your portfolio be invested in?

How the portfolio is constructed will depend on the investment mandate, and we will consider how much return you are trying to achieve in the context of your willingness and ability to accept risk.

We will agree a mandate with you to help achieve your objectives by investing in a mix of asset classes such as fixed income, equities, cash and alternative investments. The mix of assets is important as it influences the possible return and the amount of risk within the portfolio.

Please refer to the appendix for more information.

Example asset mix (Risk Category 6)



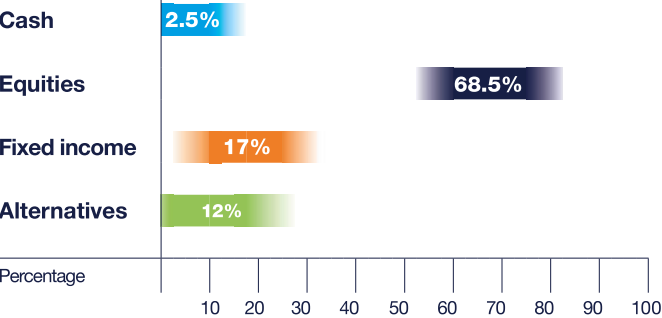
We set limits on this mix of assets to control risk and over time we will review these to ensure that they are still appropriate.

The sample chart below shows our Strategic Asset Allocation for a risk category 6 portfolio. Our Investment Managers can adjust the asset mix and weightings in accordance with Brewin Dolphin tactical asset allocation views to take account of both the specific investment objectives and the prevailing market conditions.

Example asset mix range (Risk Category 6)



Asset mix range



We have three broad categories of investment objectives to choose from:

- **Income** (where your priority is to generate an income from your investments)
- **Capital growth** (where you have a priority to grow your investments)
- **Income and capital growth** (where you require a combination of both income and capital growth from your investments).

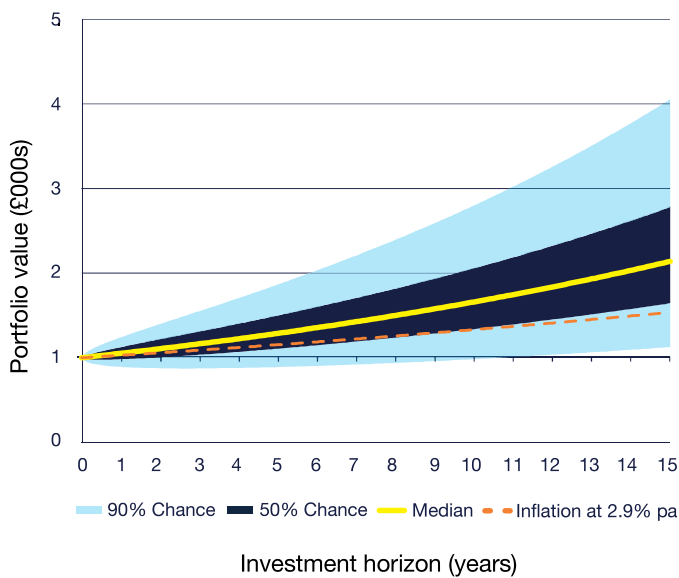
How much could the portfolio grow?

The market changes a great deal but your investment manager, supported by our research team, will endeavour to manage the portfolio to achieve your investment objectives. The longer the period you invest for, the more chance the portfolio has to grow.

For illustrative purposes, the following chart shows the range of likely returns, based on a risk category 6 mandate. As you can see, in the early years the range of returns is smaller but easier to predict. In the long term, the returns are greater, but more difficult to predict as shown by the widening shaded area on the chart.

Example projected accumulation of wealth (Risk Category 6)

The potential value of a portfolio of £1,000 over a projected 15-year period from 31 December 2020



Source: Brewin Dolphin Limited, Datastream as at 31 December 2020
Please note, in the example chart above, we have used a market-based rate of 2.9% for inflation.

The yellow line on the chart represents the mid-point of the range of forecast outcomes. This means that there is an equal probability of the value of the portfolio either being above or below the yellow line at any point in time.

The expected returns detailed in the above sample chart are based on Brewin Dolphin's return forecasts for a mix of assets similar to a portfolio Risk Category 6. The size of the shaded bands is based on historic market data covering the previous 15 years up to 31 December 2020.

The sample chart shows the expected amount of return that could be created in a portfolio over a 15-year period with an initial investment of £1,000. For illustrative purposes, the chart shows the total return assuming that all income generated by the portfolio is reinvested.

Two key points that sample charts like these aim to illustrate are:

- The longer the period invested, the less predictable the returns achieved will be
- The more investment risk accepted, the less predictable the returns achieved will be.

The shaded areas of the chart represent various forecasts showing the likelihood of achieving a level of asset accumulation, as follows:

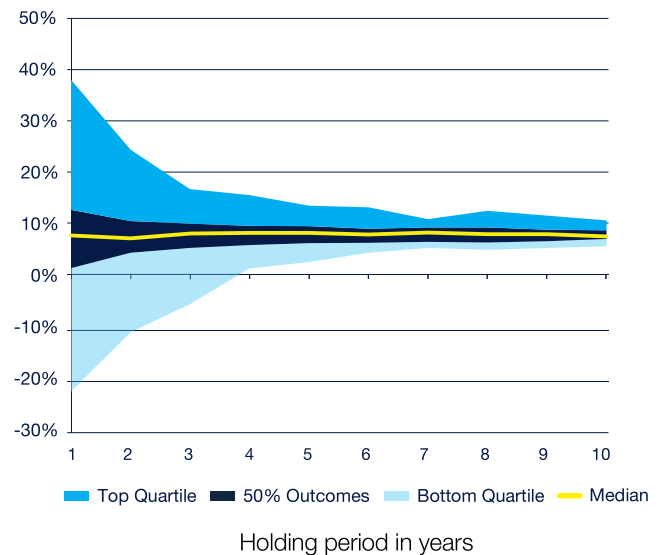
- The dark blue area shows 50% of all forecasts
- The lighter coloured areas represent less likely outcomes with 90% of all forecasts falling within this illustration. For example, we believe that there is 90% probability that the accumulated assets in the portfolio shown would range between £1,100 and £4,000 after 15 years.
- There is a further 10% probability that the value of the portfolio could be outside of the ranges shown in this illustration – either above or below the ranges shown.

Please see the Important information on page 2

What is the advantage of investing over a longer time horizon?

Example annualised historic returns for Risk Category 6

The chart below illustrates the range of annualised returns that an investor would have historically received over different periods. For shorter periods there is a wider range of outcomes, but as the time held lengthens, the range narrows. The shorter-term variability of returns is smoothed over time. The chart shows holding periods covering data up to 10 years.



Source: Brewin Dolphin Limited, Datastream as at 31 December 2020

Brewin Dolphin's risk categories

The following table provides a brief description of the 10 risk categories we have identified, including the level of investment risk represented by each category.

We consider that the risks posed by our Discretionary Investment Management services are suitable for clients placed in the risk categories from 3 to 8. We judge our Wealth Management and Financial Planning services to be suitable for clients generally in the risk categories from 2 to 9.

| Risk Category | | Description |
|---------------|-------------------------------------|---|
| 1 | | You are completely averse to any investments that could put your capital at risk. You accept that, in light of inflation, this is highly likely to have the effect of eroding the purchasing power of your capital. This typically means that your money will be held in cash, building society accounts or national savings. |
| 2 | Wealth Management | Preservation of capital remains important to you and you accept that investment returns may not meet or exceed the rate of inflation. You are prepared to accept only a very limited risk of loss to your capital. As a result, your portfolio will typically comprise of cash and cash like investments, meaning that the value of the portfolio may experience a small degree of fluctuation |
| 3 | Financial Planning | You place a higher priority on preserving the value of your investments over investment returns and typically will be sensitive to large negative movements in the value of your investment. You are looking to maintain the real value of your investments against inflation and are happy to accept a small degree of fluctuation in the value of the portfolio to achieve this. As a result, the portfolio will hold a greater proportion in lower risk asset classes, such as cash, fixed income and alternatives, relative to the higher risk asset class of equities. |
| 4 | Investment Management | Preserving the value of your investments remains important to you and you would like to maintain the real value of your investments against inflation. Your portfolio is likely to be more evenly balanced between equities and fixed income investments. The amount invested in equities is such that your portfolio is likely to experience some market volatility in exchange for the potential of increased levels of return. |
| 5 | Discretionary Investment Management | You are looking to maintain the real value of your investments by achieving returns above inflation. Preserving the value of your investment remains important, but you are willing to accept short term volatility to generate potentially higher long-term investment returns. The portfolio will be more evenly balanced between equities and the combined asset classes of cash, fixed interest and alternatives. |
| 6 | | You are prepared to have a greater proportion of your investment held in equities with the aim of achieving a higher investment return over the long-term. The greater allocation to equities means the portfolio may experience heightened levels of volatility over the investment term. The portfolio will typically include two thirds of the assets invested in equities whilst the remainder will be split between cash, fixed income and alternatives. You are prepared to accept fluctuations in the value of the portfolio to achieve your investment goals. |
| 7 | | You are seeking to generate higher investment returns through an increased exposure to equities to help achieve your long-term investment goals. The portfolio will typically have a very high proportion of the investment held in equities and very low levels of fixed income, cash and alternative asset classes. A larger proportion invested in equities increases the likelihood of volatility and degree of change in the overall value of the portfolio. |
| 8 | | You are looking to maximise your investment returns by having a portfolio invested almost entirely in equities. Significant levels of volatility and more frequent changes in the value of the investments can be expected, but you are willing to accept these risks to achieve your investment goals. |
| 9 | | You are willing to invest in higher-risk and speculative investments to achieve high possible returns and accept the risk of losing all, or a substantial part of, your investment. Typically, this could include very high-risk investments such as venture capital trusts, enterprise investment schemes and other specialist investments. |
| 10 | | You are prepared to make wholly speculative investments, fully aware of and accepting the possibility of losing all of your capital. This could typically be in the form of derivatives and contingent liability investments, which often include gearing which means you could lose more than your initial capital investment. You are totally insensitive to risk. |

What is the difference between the risk categories?

The following pages show the difference between Risk Categories 3 to 8. Investments classified as Risk Category 2 generally consist of liquidity funds as part of a wider investment strategy, whilst investments classified as Risk Category 9 often benefit from HM Revenue & Customs (HMRC) reliefs such as those provided by Venture Capital Trusts (VCTs) and Enterprise Investment Schemes (EIS). As such, they do not have dedicated pages in this document. Typically, they form part of an overall investment plan for higher earners and sophisticated clients with significant assets. Tax relief is provided to encourage investment into certain areas such as regeneration projects, renewable energy and forestry. Whilst to some the tax benefits can be very attractive, this must be balanced with a higher risk of loss and reduced liquidity.

What is the Brewin Risk Measure?

The method we use for measuring risk in a portfolio of assets is called the Brewin Risk Measure (BRM), which is calculated according to an industry standard for risk estimation. By considering what has happened in the past, it aims to provide a reasonable indicator of what could happen in the future. While we expect the value of the portfolio to increase over the longer term, it is important that you understand your investment will be exposed to risk.

Simply put, the BRM is a way of giving a feel for how much the portfolio value could fall over a single month. We consider the worst 1% of actual historic price movements for each of the asset classes in the portfolio and we assess the impact that these would have on the portfolio value.

Example BRM range (Risk Category 6)

Brewin Risk Measure 11.7% – 16.7%

We use BRM as a guide for our Investment Managers to monitor the amount of risk within a client portfolio across Brewin Dolphins Risk Categories. Each Risk Category has its own unique BRM range and wherever possible our Investment Managers will endeavor to build and manage a portfolio that operates within these ranges. For example, if we are managing a portfolio for a client in Risk Category 3, then the BRM parameters will be at a lower level than in Risk Category 8 and so on. In short, we will be taking less investment risk for a client in Risk Category 3 than for a client in Risk Category 8. The BRM enables us to monitor this effectively.

How much might the portfolio reduce in value?

We cannot say with certainty how much a portfolio value could change. However, we can estimate the possible change based upon historical data. Although the past performance of financial markets is not a reliable guide to how any investment will perform in the future, it can provide a useful guide to help you understand the changes that the portfolio might experience.

In the illustration shown, we can see a significant drop in the value of the asset mix. The fall took the portfolio value to £871. However, as you can see the value of the portfolio then increased over time and would have been worth £2,850 over the full 15-year period.

How long could the portfolio take to recover?

The following table shows the biggest falls in value and the longest period to recover the value of the portfolio in the example chart.

Example historic asset mix characteristics for the last 15 years (Risk Category 6)

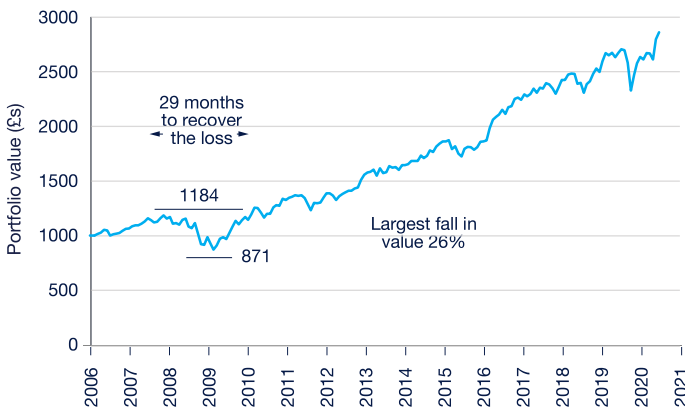
| | |
|--|--------|
| Average total return per year | 7.2% |
| Average capital return per year | 4.7% |
| Average yield | 2.5% |
| Gain over the period* | 185.0% |
| Largest fall in value during the period* | 26.4% |
| Longest time to recover (months)* | 28 |

Source: Brewin Dolphin Limited, Datastream as at 31 December 2020

* Based on total return

Example historic 15 year performance

The past performance of a mix of assets similar to a portfolio suitable for an investor in Risk Category 6.



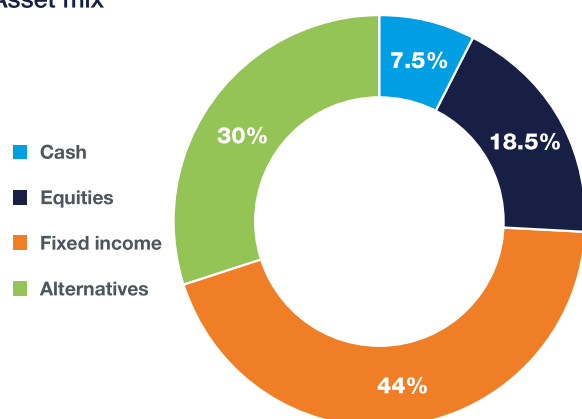
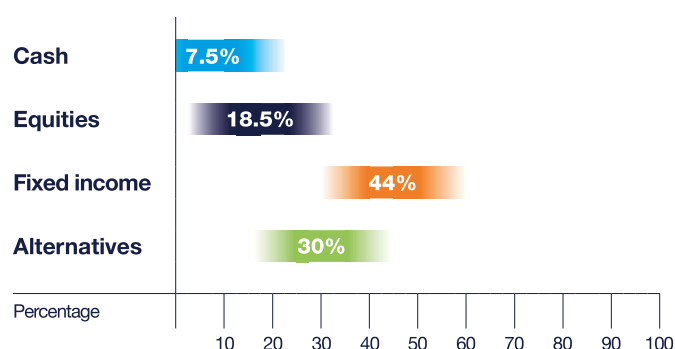
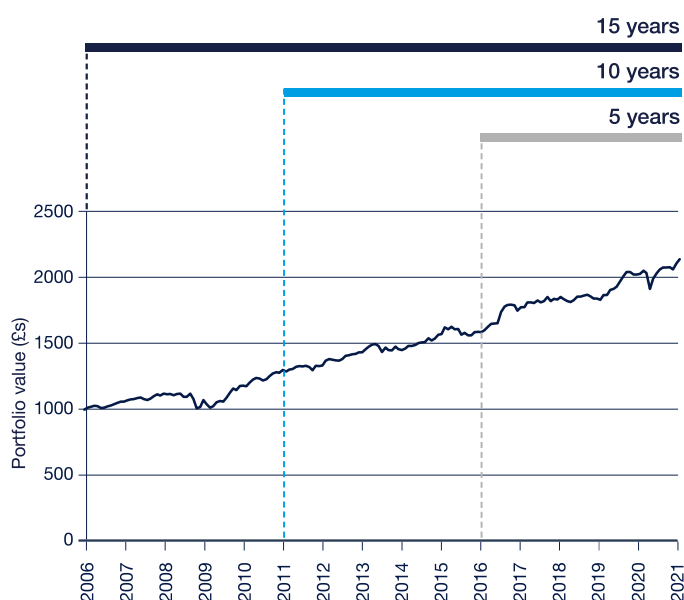
Source: Brewin Dolphin Limited, Datastream from 31 December 2005 to 31 December 2020

LOWER RISK

HIGHER RISK

RISK CATEGORY 3**Brewin Risk Measure 4.5% – 9.5%**

You place a higher priority on preserving the value of your investments over investment returns and typically will be sensitive to large negative movements in the value of your investment. You are looking to maintain the real value of your investments against inflation and are happy to accept a small degree of fluctuation in the value of the portfolio to achieve this. As a result, the portfolio will hold a greater proportion in lower risk asset classes, such as cash, fixed income and alternatives, relative to the higher risk asset class of equities.

Asset mix**Asset mix range****Performance for this asset mix over the past 15 years**

For more information about our performance benchmarks, please refer to the section entitled 'Our performance benchmarks' on page 14.

Source: Brewin Dolphin Limited, Datastream from 31 December 2005 to 31 December 2020

Please see the Important information on page 2

Historic asset mix characteristics for the past 15 years

| | |
|--|--------|
| Average total return per year | 5.2% |
| Average capital return per year | 3.4% |
| Average yield | 1.9% |
| Gain over the period* | 113.2% |
| Largest fall in value during the period* | 9.9% |
| Longest time to recover (months)* | 15 |

Historic asset mix characteristics for the past 10 years

| | |
|--|-------|
| Average total return per year | 5.1% |
| Average capital return per year | 3.5% |
| Average yield | 1.5% |
| Gain over the period* | 64.2% |
| Largest fall in value during the period* | 6.8% |
| Longest time to recover (months)* | 13 |

Historic asset mix characteristics for the past 5 years

| | |
|--|-------|
| Average total return per year | 6.1% |
| Average capital return per year | 4.7% |
| Average yield | 1.3% |
| Gain over the period* | 34.8% |
| Largest fall in value during the period* | 6.8% |
| Longest time to recover (months)* | 7 |

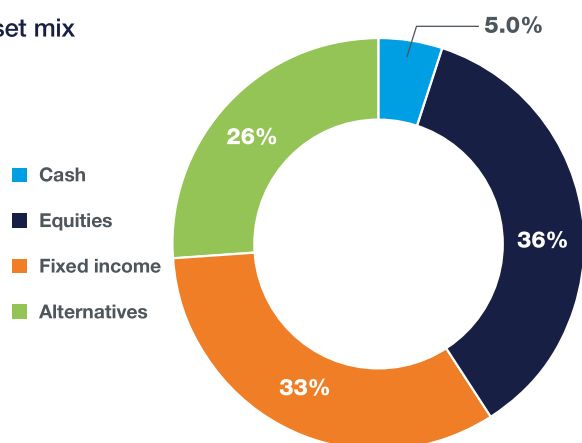
* Based on total return

RISK CATEGORY 4

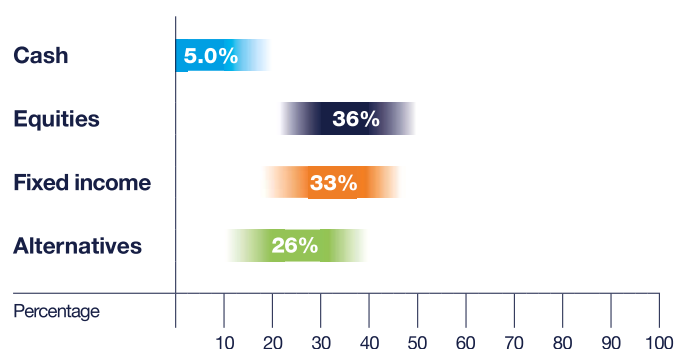
Brewin Risk Measure 6.9% – 11.9%

Preserving the value of your investments remains important to you and you would like to maintain the real value of your investments against inflation. Your portfolio is likely to be more evenly balanced between equities and fixed income investments. The amount invested in equities is such that your portfolio is likely to experience some market volatility in exchange for the potential of increased levels of return.

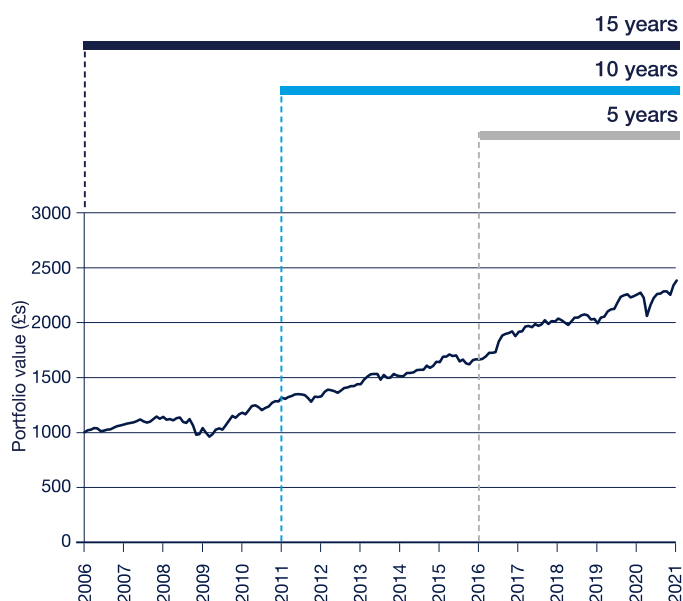
Asset mix



Asset mix range



Performance for this asset mix over the last 15 years



For more information about our performance benchmarks, please refer to the section entitled 'Our performance benchmarks' on page 14.

Source: Brewin Dolphin Limited, Datastream from 31 December 2005 to 31 December 2020

Historic asset mix characteristics for the past 15 years

| | |
|--|--------|
| Average total return per year | 6.0% |
| Average capital return per year | 4.0% |
| Average yield | 2.0% |
| Gain over the period* | 138.7% |
| Largest fall in value during the period* | 15.9% |
| Longest time to recover (months)* | 23 |

Historic asset mix characteristics for the past 10 years

| | |
|--|-------|
| Average total return per year | 6.1% |
| Average capital return per year | 4.3% |
| Average yield | 1.7% |
| Gain over the period* | 81.1% |
| Largest fall in value during the period* | 9.4% |
| Longest time to recover (months)* | 12 |

Historic asset mix characteristics for the past 5 years

| | |
|--|-------|
| Average total return per year | 7.5% |
| Average capital return per year | 5.7% |
| Average yield | 1.6% |
| Gain over the period* | 43.4% |
| Largest fall in value during the period* | 9.4% |
| Longest time to recover (months)* | 7 |

* Based on total return

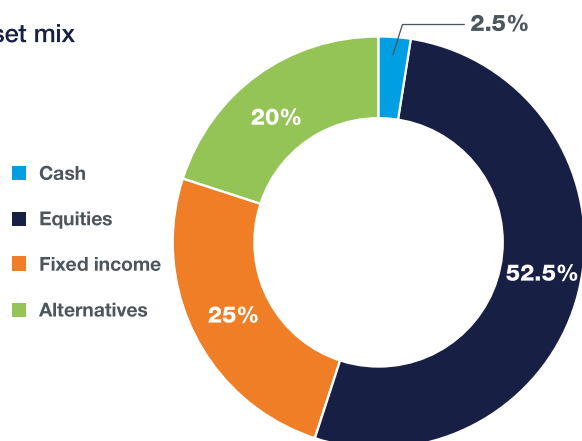
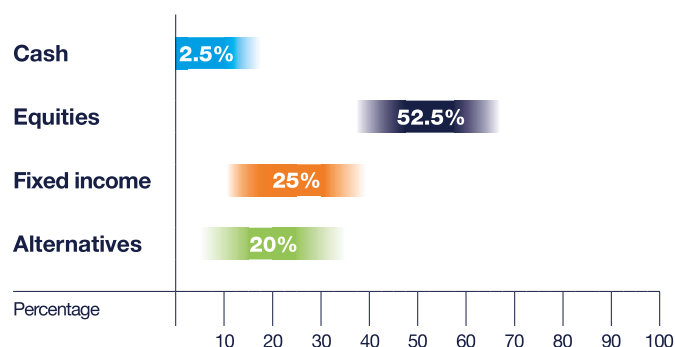
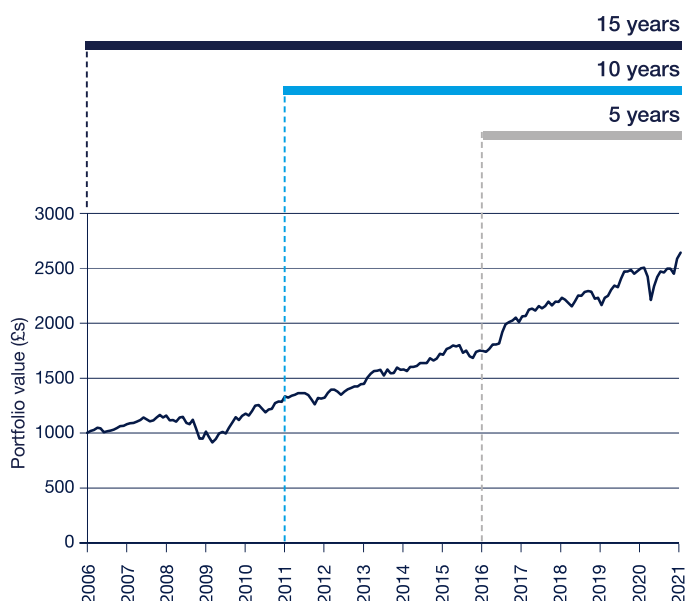
Please see the Important information on page 2

LOWER RISK

HIGHER RISK

RISK CATEGORY 5**Brewin Risk Measure 9.3% – 14.3%**

You are looking to maintain the real value of your investments by achieving returns above inflation. Preserving the value of your investment remains important, but you are willing to accept short term volatility to generate potentially higher long-term investment returns. The portfolio will be more evenly balanced between equities and the combined asset classes of cash, fixed interest and alternatives.

Asset mix**Asset mix range****Performance for this asset mix over the last 15 years**

For more information about our performance benchmarks, please refer to the section entitled 'Our performance benchmarks' on page 14.

Source: Brewin Dolphin Limited, Datastream from 31 December 2005 to 31 December 2020

Please see the Important information on page 2

Historic asset mix characteristics for the past 15 years

| | |
|--|--------|
| Average total return per year | 6.6% |
| Average capital return per year | 4.4% |
| Average yield | 2.2% |
| Gain over the period* | 162.6% |
| Largest fall in value during the period* | 21.5% |
| Longest time to recover (months)* | 26 |

Historic asset mix characteristics for the past 10 years

| | |
|--|-------|
| Average total return per year | 7.0% |
| Average capital return per year | 4.9% |
| Average yield | 2.0% |
| Gain over the period* | 97.5% |
| Largest fall in value during the period* | 11.6% |
| Longest time to recover (months)* | 10 |

Historic asset mix characteristics for the past 5 years

| | |
|--|-------|
| Average total return per year | 8.6% |
| Average capital return per year | 6.5% |
| Average yield | 2.0% |
| Gain over the period* | 50.9% |
| Largest fall in value during the period* | 11.6% |
| Longest time to recover (months)* | 10 |

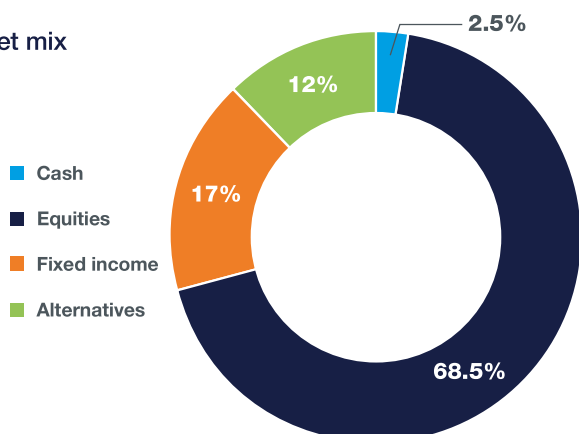
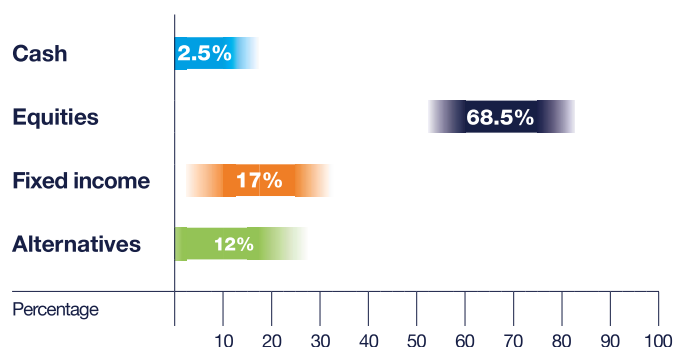
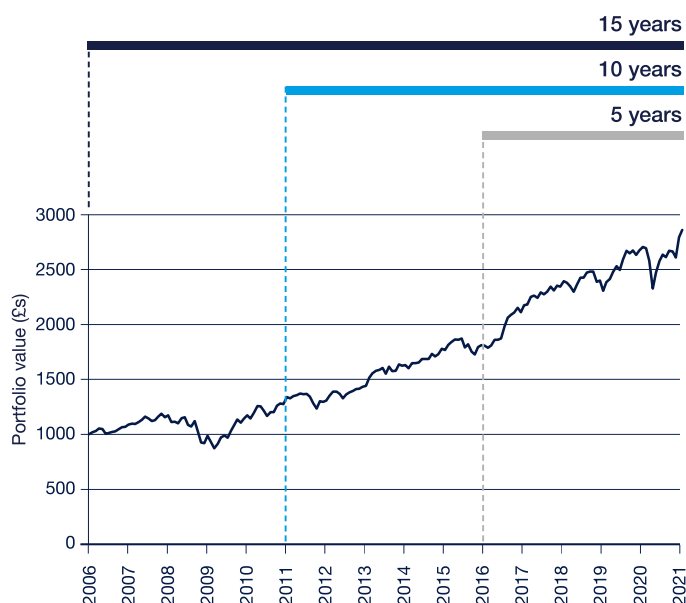
* Based on total return

LOWER RISK

HIGHER RISK

RISK CATEGORY 6**Brewin Risk Measure 11.7% – 16.7%**

You are prepared to have a greater proportion of your investment held in equities with the aim of achieving a higher investment return over the long-term. The greater allocation to equities means the portfolio may experience heightened levels of volatility over the investment term. The portfolio will typically include two thirds of the assets invested in equities whilst the remainder will be split between cash, fixed income and alternatives. You are prepared to accept fluctuations in the value of the portfolio to achieve your investment goals.

Asset mix**Asset mix range****Performance for this asset mix over the last 15 years**

For more information about our performance benchmarks, please refer to the section entitled 'Our performance benchmarks' on page 14.

Source: Brewin Dolphin Limited, Datastream from 31 December 2005 to 31 December 2020

Historic asset mix characteristics for the past 15 years

| | |
|--|--------|
| Average total return per year | 7.2% |
| Average capital return per year | 4.7% |
| Average yield | 2.5% |
| Gain over the period* | 185.0% |
| Largest fall in value during the period* | 26.4% |
| Longest time to recover (months)* | 28 |

Historic asset mix characteristics for the past 10 years

| | |
|--|--------|
| Average total return per year | 7.9% |
| Average capital return per year | 5.4% |
| Average yield | 2.3% |
| Gain over the period* | 113.4% |
| Largest fall in value during the period* | 14.0% |
| Longest time to recover (months)* | 13 |

Historic asset mix characteristics for the past 5 years

| | |
|--|-------|
| Average total return per year | 9.6% |
| Average capital return per year | 7.1% |
| Average yield | 2.3% |
| Gain over the period* | 58.0% |
| Largest fall in value during the period* | 14.0% |
| Longest time to recover (months)* | 11 |

* Based on total return

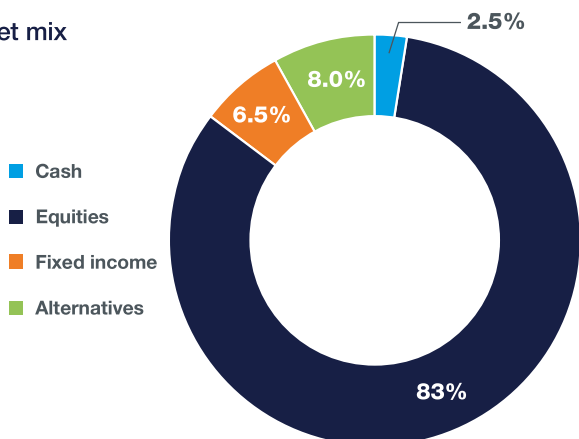
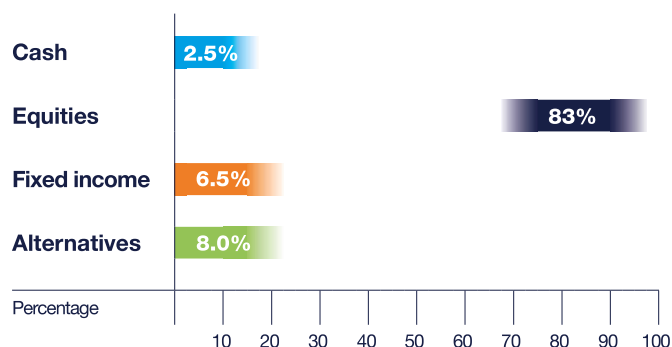
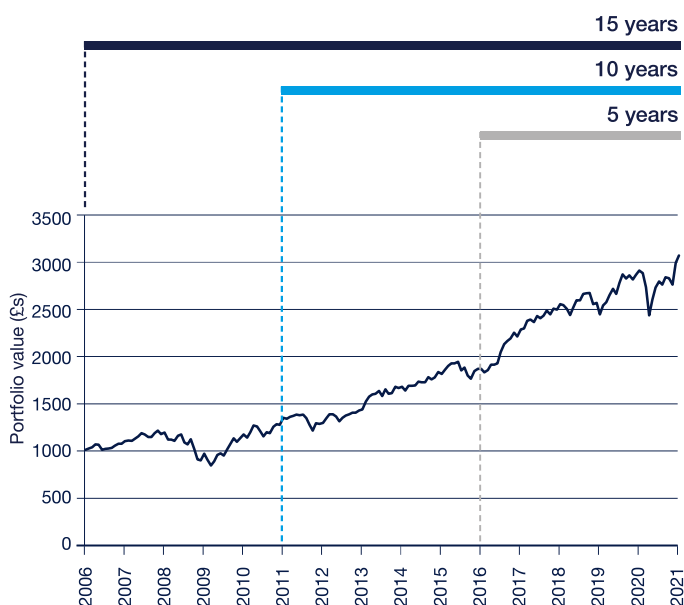
Please see the Important information on page 2

LOWER RISK

HIGHER RISK

RISK CATEGORY 7**Brewin Risk Measure 14.1% – 19.1%**

You are seeking to generate higher investment returns through an increased exposure to equities to help achieve your long-term investment goals. The portfolio will typically have a very high proportion of the investment held in equities and very low levels of fixed income, cash and alternative asset classes. A larger proportion invested in equities increases the likelihood of volatility and degree of change in the overall value of the portfolio.

Asset mix**Asset mix range****Performance for this asset mix over the last 15 years**

For more information about our performance benchmarks, please refer to the section entitled 'Our performance benchmarks' on page 14.

Source: Brewin Dolphin Limited, Datastream from 31 December 2005 to 31 December 2020

Please see the Important information on page 2

Historic asset mix characteristics for the past 15 years

| | |
|--|--------|
| Average total return per year | 7.7% |
| Average capital return per year | 5.0% |
| Average yield | 2.6% |
| Gain over the period* | 205.9% |
| Largest fall in value during the period* | 30.8% |
| Longest time to recover (months)* | 29 |

Historic asset mix characteristics for the past 10 years

| | |
|--|--------|
| Average total return per year | 8.6% |
| Average capital return per year | 5.8% |
| Average yield | 2.5% |
| Gain over the period* | 127.8% |
| Largest fall in value during the period* | 16.3% |
| Longest time to recover (months)* | 13 |

Historic asset mix characteristics for the past 5 years

| | |
|--|-------|
| Average total return per year | 10.5% |
| Average capital return per year | 7.7% |
| Average yield | 2.6% |
| Gain over the period* | 64.6% |
| Largest fall in value during the period* | 16.3% |
| Longest time to recover (months)* | 11 |

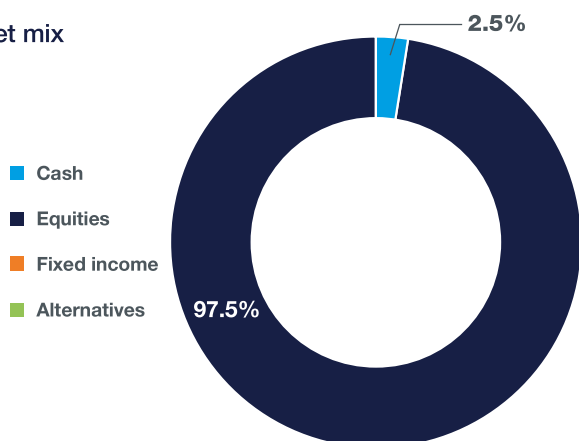
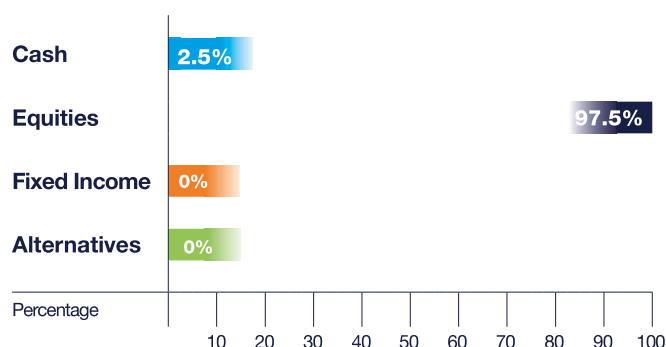
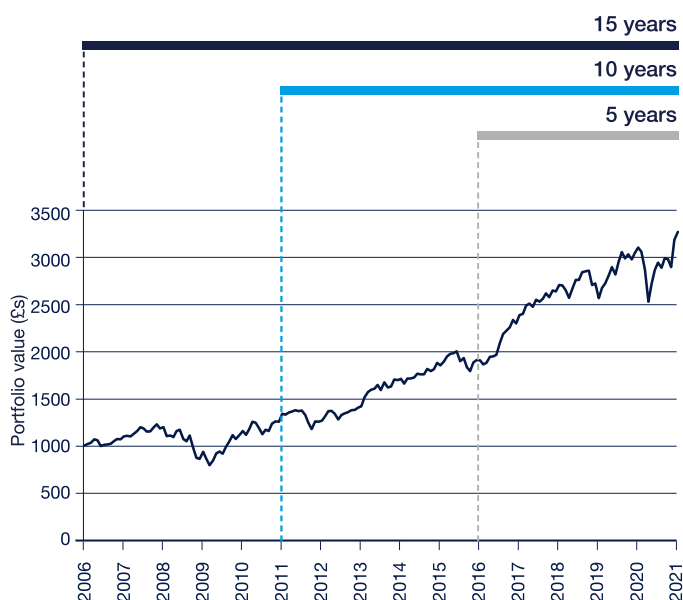
* Based on total return

LOWER RISK

HIGHER RISK

RISK CATEGORY 8**Brewin Risk Measure 16.5% – 21.5%**

You are looking to maximise your investment returns by having a portfolio invested almost entirely in equities. Significant levels of volatility and more frequent changes in the value of the investments can be expected, but you are willing to accept these risks to achieve your investment goals.

Asset mix**Asset mix range****Performance for this asset mix over the last 15 years**

For more information about our performance benchmarks, please refer to the section entitled 'Our performance benchmarks' on page 14.

Source: Brewin Dolphin Limited, Datastream from 31 December 2005 to 31 December 2020

Historic asset mix characteristics for the past 15 years

| | |
|--|--------|
| Average total return per year | 8.2% |
| Average capital return per year | 5.2% |
| Average yield | 2.8% |
| Gain over the period* | 224.9% |
| Largest fall in value during the period* | 35.0% |
| Longest time to recover (months)* | 29 |

Historic asset mix characteristics for the past 10 years

| | |
|--|--------|
| Average total return per year | 9.3% |
| Average capital return per year | 6.3% |
| Average yield | 2.8% |
| Gain over the period* | 143.0% |
| Largest fall in value during the period* | 18.5% |
| Longest time to recover (months)* | 17 |

Historic asset mix characteristics for the past 5 years

| | |
|--|-------|
| Average total return per year | 11.3% |
| Average capital return per year | 8.3% |
| Average yield | 2.9% |
| Gain over the period* | 70.9% |
| Largest fall in value during the period* | 18.5% |
| Longest time to recover (months)* | 11 |

* Based on total return

Please see the Important information on page 2

Our performance benchmarks

Each investment mandate has its own performance benchmark (a yardstick to measure the performance of a portfolio) which we construct from a combination of market indices which represent the asset classes that make up each mandate (Equities, Fixed Income, Alternatives and Cash). For example, for Equities we use two indices – the FTSE All Share for UK equities and the FTSE All World ex UK for overseas equities.

The weighting of each of the individual indices in the overall benchmark for each Risk Category will depend on the asset mix

for that particular Risk Category. For example, for Risk Category 6, the asset mix includes 68.5% in Equities, broken down into 24.0% in UK equities and 44.5% in overseas equities. This means that 68.5% of the benchmark will be made up of equity indices – 24.0% in the FTSE All Share for the UK equity component and 44.5% in the FTSE All World ex UK for the overseas equity component. Please see the table below for details of the individual indices for each asset class (on the right hand side of the table) and their weightings in the bespoke benchmark for each Risk Category.

Please note that the benchmark composition numbers in the table below are based on the strategic asset allocations for each Risk Category and that the benchmark for the portfolio may be tailored to meet its individual needs.

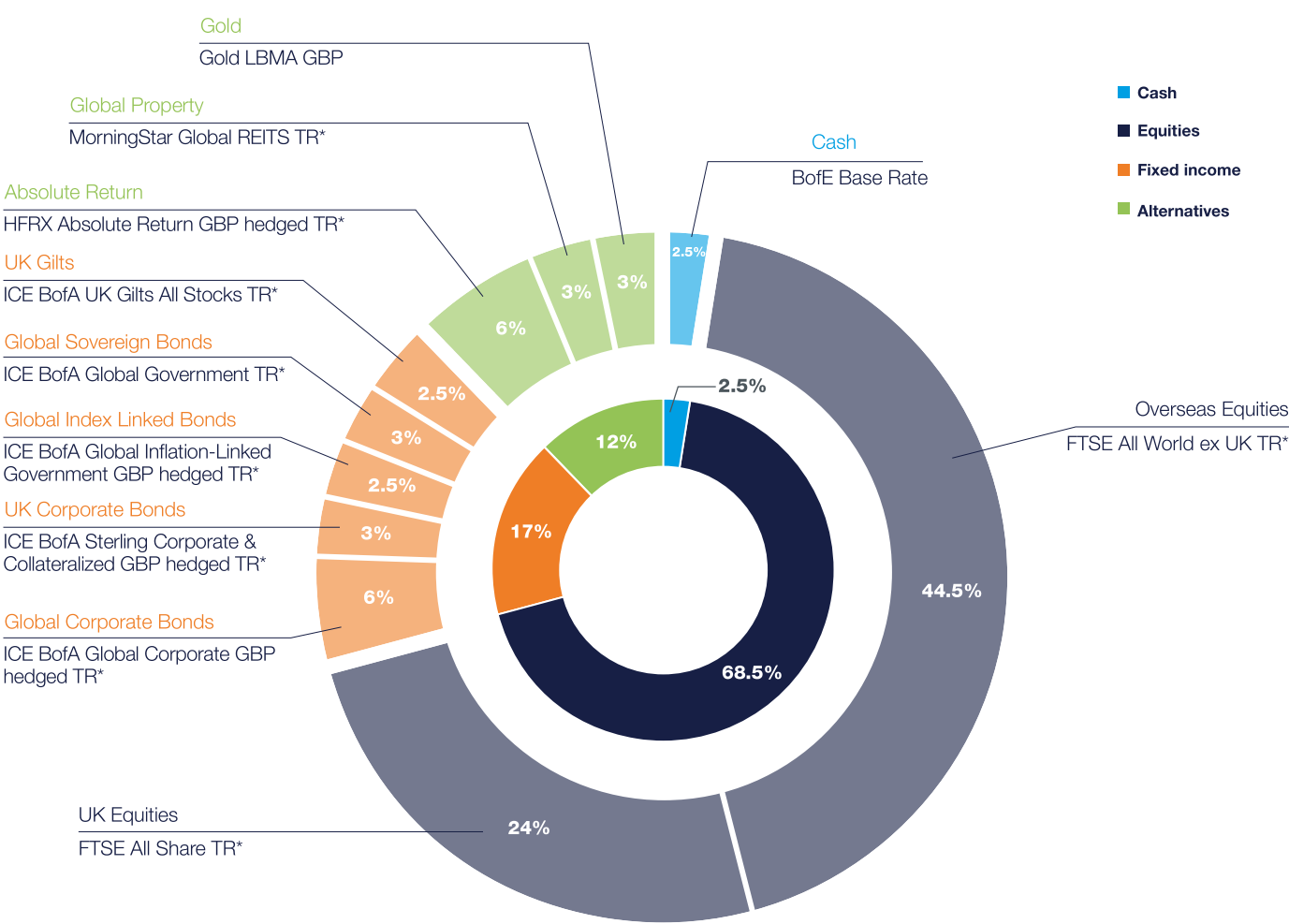
Composition of benchmarks for each Risk Category

| Asset class | Sub asset class | Risk Category 3 | Risk Category 4 | Risk Category 5 | Risk Category 6 | Risk Category 7 | Risk Category 8 | Index |
|--------------|---------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|---|
| Cash | Cash | 7.50% | 5.00% | 2.50% | 2.50% | 2.50% | 2.50% | BofE Base Rate |
| Equities | UK Equities | 6.50% | 12.50% | 18.50% | 24.00% | 29.00% | 34.00% | FTSE All Share TR* |
| | Overseas Equities | 12.00% | 23.50% | 34.00% | 44.50% | 54.00% | 63.50% | FTSE All World ex UK TR* |
| Fixed Income | UK Gilts | 7.50% | 5.50% | 4.00% | 2.50% | 1.00% | 0.00% | ICE BofA UK Gilts All Stocks TR* |
| | Global Sovereign Bonds | 8.50% | 5.00% | 5.00% | 3.00% | 2.00% | 0.00% | ICE BofA Global Government TR* |
| | Global Index Linked Bonds | 5.00% | 5.00% | 2.50% | 2.50% | 0.00% | 0.00% | ICE BofA Global Inflation-Linked Government GBP hedged TR* |
| | UK Corporate Bonds | 8.00% | 6.50% | 5.00% | 3.00% | 1.00% | 0.00% | ICE BofA Sterling Corporate & Collateralized GBP hedged TR* |
| | Global Corporate Bonds | 15.00% | 11.00% | 8.50% | 6.00% | 2.50% | 0.00% | ICE BofA Global Corporate GBP hedged TR* |
| Alternatives | Global Property | 15.00% | 13.00% | 10.00% | 6.00% | 4.00% | 0.00% | MorningStar Global REITS TR* |
| | Absolute Return | 7.50% | 6.50% | 5.00% | 3.00% | 2.00% | 0.00% | HFRX Absolute Return GBP hedged TR* |
| | Gold | 7.50% | 6.50% | 5.00% | 3.00% | 2.00% | 0.00% | Gold LBMA GBP |

*TR – Total Return is the return an investor receives when income is reinvested

Please see the Important information on page 2

Example composite of benchmark for Risk Category 6



*TR – Total Return is the return an investor receives when income is reinvested

Appendix

A description of assets and a guide to their risks

Most of the solutions we offer involve some form of investment risk and you should be aware that the value of investments and any income from them can fall and you may get back less than the amount invested.

Our services provide exposure to financial assets – such as equities and bonds – all of which are subject to some form of investment risk. It is important to understand that the level of return you can expect from an investment that is made is related to the amount and type of risk for that investment.

Below we discuss in detail the many types of risk that can impact upon the performance of an investment. First, we will look at the broad categories of investment risk and second at the different types of investment asset and the specific risks that apply to each.

Please note that this does not necessarily mean that the portfolio(s) will contain these types of investment directly.

Types of investment risk

Volatility risk

'Volatility' is a measure of the relative rate at which the price of a particular investment moves up and down. If the price of an investment moves up and down rapidly over short time periods it can be described as having high volatility. If the price changes relatively infrequently, it can be described as having low volatility.

The movements in price of an investment could be caused by events in the domestic or global economy, changes in interest rates or currency exchange rates, general political factors or company or investment-specific factors. Some investments are more volatile than others – for example, equities would generally be more volatile than government bonds, and cash would be the least volatile.

However, it is important to understand that there is a 'trade-off' between the level of volatility you are prepared to accept and the return you can expect to achieve from an investment. As a general rule, the higher the volatility of an asset, there is not only the greater potential for positive returns but also the greater potential for losses. This is often referred to as the trade-off between risk and reward. Overall, it is important to remember that investments and the income from them may go down and you may get back less than the amount invested.

Inflation risk

If you are investing over a long period of time, you need to be aware of the long-term impact of inflation. Inflation erodes the 'purchasing power' of assets – i.e. it reduces how much they will be able to buy at future price levels. Of course, inflation risk can have an impact on all types of investment but some types are more at risk than others. For example, cash is among the asset classes most vulnerable to inflation risk. If the interest rate payable on a cash deposit in a bank or building society is consistently below the rate of inflation over time, then the 'real' value (after inflation) of that cash will be eroded. This is particularly relevant to the market conditions we have experienced in the last few years, where interest rates available on deposit accounts have been generally lower than the prevailing level of inflation for some time.

Currency risk

This form of risk relates to all investments denominated in foreign currency, for example US government bonds or Continental European company shares. These assets will generally be priced in the currency of the country of origin – US government bonds will generally be denominated in US dollars and Continental European company shares will generally be priced in euros. UK investors – whose investment portfolios will usually be priced in sterling – therefore need to be aware that the value of the foreign assets that they own will depend not only on the price movements of the assets themselves in the local foreign currency but also on the movements of the exchange rate of the currencies against sterling. This can mean that investments denominated in foreign currency can be more volatile than those denominated in sterling. Movements in exchange rates may cause the value of an investment to fluctuate either in a favourable or unfavourable manner and also independently of the value of the underlying asset.

Liquidity risk

The investment term 'liquidity' essentially means the ease with which an investment can be bought and sold. For example, the shares of large companies in developed countries such as the UK have a relatively high level of liquidity – there are typically a large number of buyers and sellers in these markets and these shares can usually be bought and sold readily. They can therefore be said to have a low level of liquidity risk – should you want to 'cash in' the investment held in the shares of a large UK company you will generally be able to do so easily and relatively quickly. On the other hand, there are a number of assets which can be described as having a relatively high level of liquidity risk. These could include the shares of very small, relatively unknown companies where there is a narrow market for the shares (i.e. a relatively small number of potential buyers and sellers) and they are therefore infrequently traded. An investor who owns such 'illiquid' shares and wants to sell them may find that it takes a considerable amount of time to find a buyer, or that they will need to reduce the price they are prepared to sell the shares for in order to sell them quickly. It is this latter point particularly that you should be aware of when considering investing in relatively illiquid assets – it can sometimes prove difficult to sell these investments in a timely way and there may be a significant risk of capital loss. In extreme cases an investment may become 'non-readily realisable'. In this case the investment may not be easily tradable, and it may be difficult to obtain any reliable independent information about the value and risks associated with such an investment.

Leverage/gearing risk

Collective funds (such as investment trusts) and companies may make use of borrowing in order to enhance returns. This is known as leverage or gearing and increases both the volatility and the risk level of an investment. It applies if a company has borrowed

significant amounts of money, or if an investment vehicle (such as an investment trust) otherwise allows an investor to gain much greater exposure to an asset than is paid for at the point of sale (i.e. money is borrowed to obtain the increased exposure to that asset). It also applies if an investor borrows money for the specific purpose of investing.

The impact of leverage can mean that movements in the price of an investment lead to much greater volatility in the value of the leveraged position, and this could lead to sudden and large rises and falls in value. The impact of interest costs from borrowing may also lead to an increase in any rate of return required to break even while there is also a risk that the investor may receive nothing back once the leverage is repaid if there are significantly large falls in the value of the investment.

Stabilisation

This activity enables the market price of a security to be maintained artificially during the period when a new issue of securities is sold to the public. Stabilisation may affect not only the price of the new issue but also the price of other securities relating to it. Stabilisation can help to counter the fact that, when a new issue comes onto the market for the first time, the price can sometimes drop for a time before buyers are found due to the excess supply of shares. Stabilisation is carried out by a 'stabilisation manager' (normally the firm chiefly responsible for bringing a new issue to market). As long as the stabilisation managers follow a strict set of rules, they are entitled to buy back securities that were previously sold to investors or allotted to institutions which have decided not to keep them. The effect of this may be to keep the price at a higher level than it would otherwise have been during the period of stabilisation.

Settlement risk

This is the risk that one counterparty to a transaction does not deliver a security or its value in cash as agreed when the security was traded after the counterparty has delivered either the cash or security as per the trade agreement.

Legal risk

We instruct various agents and third parties to provide us with a service or product to enable us to administer your account such as a market counterparty to buy or sell a stock in the market. Another example is client money held by a bank instructed by us. We take great care in selecting reputable agents and third parties, however, should they default or be unable to perform their obligations by reason of any cause beyond our control, this may mean that you will bear the loss of the default to your account or change to our service. Your investments will be pooled with investments owned by other clients, therefore your individual investments are not separately identifiable. Stocks are regularly reconciled but in the unlikely event that there is an irreconcilable shortfall, you may not receive your full entitlement and share in the shortfall in proportion to your holding. The majority of our clients' pooled investments in the UK are held by one of our wholly-owned nominee companies for which we would be responsible if it acted wrongly.

There is an additional risk of investing in overseas stocks as they are held by an overseas custodian or sub-custodian which may be pooled and subject to different rules and laws governing investment. We take care in appointing the custodian and perform periodic reviews on the custodian but should it become insolvent, this may cause delay in settling a transaction or transferring investments or worse, a loss to your investment. Unless we have been negligent in appointing the custodian, we will not be responsible for the custodian's insolvency.

Investment-specific risks

In the following, we look at the various asset classes and the investment risks that are specific to each.

Equities

Company shares – attributes

Equities or company shares – and collective funds that invest in them – are commonly used by investors seeking longer-term capital growth.

- Each company share represents a stake in the ownership of that firm. In most cases, the company will be listed on a stock exchange (such as the London Stock Exchange)
- Most large company shares can be readily bought and sold under most market conditions. They entitle the shareholder to the payment of dividends – a regular payment made out of the company's profits
- Although a company is not obliged to pay a dividend its management can be held accountable by shareholders if they do not provide a reasonable return
- Over the longer term company shares have historically provided a reasonable return together with a degree of inflation protection. Although past performance is not a guide to future performance.

Specific risks

- Returns on company shares cannot be guaranteed. The price of a company's shares can go up and down and you may get back less than you originally invested
- The price variability of international shares denominated in a currency other than sterling may be higher or lower than that of UK shares once foreign currency exchange rates are taken into account
- As ownership of an equity represents a direct stake in the company concerned this will give you full exposure to the economic risks faced by the company and its value can therefore fall as well as rise. The price volatility of equity markets can change quickly and cannot be assumed to follow historic trends
- In times of particularly difficult market conditions, there is the potential to suffer irrecoverable capital losses. In the worst case, a company could fail and, if this happens, its equity can become worthless.

Examples of typical company characteristics which could mean a heightened level of equity investment risk are:

- The company's market value is relatively low (otherwise known as the 'market capitalisation')
- The products that the company offers are undiversified (i.e. it relies on one or a few product lines or services for the bulk of its profits) or the company relies on a single market as a major source of income
- A significant reliance on borrowing as a source of finance
- A significant level of up-front fixed costs to pay (for example, payments for the leasing of business premises) which are not directly related to the company's level of production
- Major income sources which are seasonal or 'cyclical' (i.e. they vary according to prevailing economic conditions) in nature
- Companies trading primarily in developing countries, particularly during poor market conditions, or in countries where legal property rights may be difficult to enforce.

Most shares that we would buy for you can be readily bought and sold under most market conditions, although this might not always be the case with shares from some very small companies. The shares of some smaller companies may trade in very low volumes, and an investment in these kinds of shares will usually involve a proportionately large difference between the market buying and selling price. This could mean that a purchase of shares of this kind followed by an immediate sale may lead to a significant loss. Some smaller companies may not be subject to the rules of a listing authority (for example, the London Stock Exchange). Such companies are likely to be higher-risk ventures and may have an unproven trading history or management team. These shares may not be readily sold, and it could be difficult to value them independently as they are not easily tradable.

Overall, the risks involved in investing in company shares can often be managed by using collective funds (such as unit trusts and investment trusts) which have a diversified portfolio of holdings or by investing directly in a wide range of shares which give exposure to a variety of industries, countries and currencies.

Collective investment schemes – attributes

A collective investment scheme is a form of investment fund that enables a number of investors to 'pool' their assets and invest in a professionally managed portfolio of investments – typically company shares and fixed income investments.

- Collective funds are an easy way for investors to obtain diversity in a portfolio or exposure to a particular sector
- A reduction in risk is achieved because the wide range of investments in a collective investment scheme reduces the effect that any one investment can have on the overall performance of the portfolio
- By pooling the assets of many investors, collective funds offer 'economies of scale'. The collective fund will buy and sell investments in large amounts and the costs of this will be shared by all of the investors in the fund. The costs of investing would therefore usually be lower for each individual investor than if they were investing privately
- Investors may benefit from the skills, experience and resources a professional management company can offer
- Collective investments may be more expensive due to additional fund management fees.

Specific risks

- The price of a collective investment scheme is determined by the price of the underlying assets of the fund. Therefore the price of a fund may rise or fall in line with the underlying rise or fall of underlying asset values
- Returns on company shares, and therefore the investment funds that invest in them, are not guaranteed
- As with company shares, in times of particularly difficult market conditions, there is the potential to suffer irrecoverable capital losses
- Some collective investments may be in unquoted investments or property and therefore potentially higher risk and illiquid and therefore not easily realisable
- There may be exposure to foreign currency fluctuations which could amplify losses that may be incurred on typical investments.

As the underlying components of collective investment schemes are chiefly company shares and fixed income investments, please see these sections for fuller explanations of their attributes and the associated risks to which you may be exposed.

Investment trusts – attributes

Investment trusts (specialist companies set up for the purpose of investment that are listed on a stock exchange) are a type of collective fund – an equity investment that pools money from many different investors.

- Investment trusts are known as 'closed ended' – that is, they have a set number of shares that can be traded on a stock exchange (although investment trusts do occasionally issue more shares or buy some of their shares back)
- The share price of an investment trust is determined by supply and demand for the shares and can be higher or lower than the value per share of the underlying assets (this is called the 'net asset value' or NAV). When the share price is higher than the NAV, the investment trust will be trading at a 'premium' but when the share price is lower than the NAV it will be trading at a discount. The concept of investment trust discounts and premiums is a key risk for investors to be aware of – it is important that you refer to the specific risks set out below for further information
- Investment trusts can make use of borrowing in order to enhance returns (known as 'leverage' or 'gearing') or may invest in other companies that may use gearing.

Specific risks

- While gearing can potentially produce stronger investment returns if used successfully it also increases both the volatility (a measure of the relative rate at which the price of a particular investment moves up and down) and the overall risk level of an investment in investment trust shares
- As a result, movements in the value of the leveraged position (the investments purchased using the borrowed funds) may be more volatile than the movements in the price of the underlying investment. The value of the leveraged position may be subject to sudden and large falls in value and you may get back nothing at all if the fall in value is sufficiently large
- Investing in the shares of an investment trust is subject to similar risks to investing in company shares, although the share price can also be impacted by the performance of the underlying investments
- While the share price of an investment trust may be influenced by the performance of the underlying investments and thus the NAV, there is no guarantee that a discount will close or that an investment trust will move to a premium even if the underlying investments are performing well.

Structured products – attributes

A structured product is the generic term for manufactured investment products used by investors to provide exposure to a wide range of underlying asset classes (for example, equities).

- Generally they have a limited lifespan and a maturity date
- An investor in structured products should be aware of both the nature of the underlying assets and the extent of the exposure to those assets. In some cases, structured products may offer a high income or a high level of access to the capital growth of the underlying assets

- Structured products are generally issued by investment banks. The solvency of these institutions is crucial for not only the investment return but also for the ability of investors to buy and sell structured products (i.e. their 'liquidity')
- The level of income and/or capital growth provided by a structured product is usually linked in some way to the performance of a specified underlying asset class. Some structured products aim to at least return the initial capital invested at the end of the term
- Structured products can also come in the form of credit-linked notes, where product performance is linked to a fixed income index or a particular bond. This type of product is more likely to behave like an ordinary bond that pays a regular coupon and so should be categorised in the fixed income asset class. However, structured product returns are never guaranteed
- The investment return (i.e. the level of income and/or capital growth) is usually linked in some way to the performance of the relevant underlying assets
- Structured products can be complex – supported by our Research Team, we will examine closely the precise details of an individual product before investing.
- It is important to be aware that the product terms for a structured product will only apply to investors who invest at launch and who hold the product until final maturity. Early redemption or purchase after launch could result in a capital loss, even where the product aims to return the amount purchased. These products may also not be readily realisable, which means that it may be difficult to sell a product of this type
- Investors should only invest in structured capital at risk products if they are prepared to accept the risk of sustaining a total or substantial loss of the money they have invested, plus any commission or other transaction charges. Furthermore, some structured products may not be covered by the Financial Services Compensation Scheme or the Financial Ombudsman Service
- The payoff of a structured product can be linked to the performance of any asset class such as equities, fixed income or commodities. The type of asset will largely determine the risk/return profile of the structure. If the product performance is linked to an equity index such as the FTSE 100 then the structure will exhibit equity-like risk-return characteristics and so it should be allocated to the equity asset class. Some structured products with partial capital protection may be linked to more than one asset class at the same time. An example of this would be a 'geared supertracker' where the product performance is linked to the gold price while the capital protection is linked to an equity index.

Specific risks

- You should be aware that the return of capital invested at the end of the investment period is not guaranteed, and therefore you may get back less than was originally invested
- Structured products can expose you to a range of different investment risks. We will monitor these risks and associated risks on an ongoing basis. This is crucial as the risk of structured products evolves as time passes
- Structured capital-at-risk products (known as SCARPs) aim to return the original money invested at the end of the term unless the index or asset price to which the product is linked has fallen below a predetermined threshold. If this happens you can quickly lose all or part of the original capital invested
- Prices can fluctuate below the level at which originally invested, due to market forces such as interest rates. If the product is sold before its maturity date the return may be less than invested, irrespective of the performance of the underlying asset
- Structured products will not necessarily outperform the underlying asset to which they are linked
- In a similar way to bonds and debt instruments, most structured product strategies are exposed to the credit risk of the product issuer, meaning that investments could be entirely lost if the issuer is not able to repay the sums due under the terms of the product
- Structured products generally include leverage (i.e. borrowing), and their value can be subject to sudden and large falls if conditions arise which mean that the product is unable to repay the full amount invested
- Investors should review detailed product information and other literature carefully for details of any factors which might impact how the payout from a structured product may change under different economic or market conditions. In particular, where a product aims to repay the amount invested, which is subject to certain conditions being met, the value of an investment will be exposed to the full risk of the underlying assets if these conditions are not met

Fixed income bonds and bond funds – attributes

A fixed income investment is a security that pays a known return, often with lower risk than equities. Bonds are the most common form of fixed income security – these are loans mainly issued by governments, companies or other organisations.

- The bond issuer promises to repay the amount borrowed at the end of the bond's life and also promises to make predetermined interest payments during the life of the bond
- There are various types, ranging from bonds issued by robust governments/countries, where the risk that an investor will not be repaid tends to be very low, to corporate bonds (bonds issued by companies) where the risk is generally higher
- Government bonds can generally be bought and sold easily while corporate bonds vary more in terms of the ease with which they can be traded
- The price of bonds often moves inversely to changes in cash interest rates.

Specific risks

- Bonds issued by major governments (e.g. UK government bonds, often referred to as 'gilts') or supranational bodies (for example, the European Investment Bank) tend to be lower-risk investments
- The risks of other types of bonds (such as those issued by developing countries or individual companies) can vary greatly
- For example, if an issuer is in financial difficulty, there is an increased risk that they may be unable to meet the payments to bondholders that they are due to make. In this event, little or no capital may be recovered and any amounts repaid may take a significant amount of time to obtain
- The payments received from bonds are typically fixed (hence the term 'Fixed Income') which means that inflation can erode their 'real' value to some extent.

The value of bonds can generally be expected to be more stable than that of company shares. However, in some circumstances the value of most bonds can also be volatile and prices can go up or down. The factors which are likely to have an impact on the value of a bond are:

- The financial position of the bond issuer
- Changes to market interest rate expectations
- The bond issuer's credit rating (which reflects their ability to repay the amounts payable when they fall due)
- The amount of interest payable (otherwise known as the 'coupon')
- The length of time until the debt falls due for repayment
- Where the bond ranks in terms of the issuer's other liabilities (referred to as the 'seniority'), and the quality of any security available. Should a company be wound up, bonds rank above equities in terms of claims on the company's assets and are therefore less risky.

Government bond investments can generally be sold easily to release funds if required. Corporate bond investments (loans to companies) vary more in terms of the ease with which they can be bought or sold. Holding bonds in an investment portfolio can partially reduce the level of risk in a portfolio as bonds often make gains when company share prices fall. However, the price of bonds often moves inversely to changes in cash interest rates.

Cash – attributes

The main form of cash for investment purposes is savings or deposit accounts which generally (but not always) pay interest on the amount deposited.

- Our investment managers will generally hold a certain amount of cash in a portfolio to enable them to take advantage of investment opportunities as and when they arise
- Cash is also used to reduce the volatility of a portfolio and this can be of particular use in terms of helping to protect its value during periods of falling markets.

Specific risks

- Broadly speaking, cash has virtually no short-term risk of capital loss (other than due to a default by the institution taking the cash deposit) and can be readily accessed (e.g. an instant access deposit account will allow you to withdraw cash whenever you want to)
- However, cash frequently provides a return that is below the prevailing rate of inflation – particularly in recent years as interest rates have been at historically low levels – meaning that the 'real' value, i.e. buying power, of cash is eroded over time.

Alternative investments

'Alternative investments' are a range of assets which have different characteristics from equities, bonds and cash and may be used by our investment managers for diversification and risk management purposes. Diversifying through alternative investments may be used to further mitigate against the investment risks within a portfolio.

These investments may involve unique or unusual risks as a result of providing alternative sources of return for a portfolio. It is important that investors understand the properties of the particular type of assets they are planning to use before making such an investment. Many alternative investments are structured as unregulated funds. This

means that standards of operation, administration and management are determined privately by the operator of the fund, rather than being driven by regulation. It is important to understand that it may be difficult to sell an investment of this type, or to obtain an independently determined fair valuation for a holding in this kind of investment.

In addition, investors may not be protected by financial regulations or compensation schemes in the event that a company operating an alternative investment scheme acts unlawfully and causes a loss to investors when managing fund assets. Such risks can be mitigated by conducting thorough research prior to investment, or through investment via a professionally managed fund of funds.

You should only invest in these products if you are prepared to sustain a total or substantial loss of the money invested, plus any commission or other transaction charges. The term 'alternative investments' covers a very wide range of investment products – the attributes and risks specific to the most widely used categories of these products are set out here.

Absolute Return – attributes

Absolute Return funds aim to deliver positive returns in any market condition, but returns are not guaranteed. Absolute Return is a very broad category that encompasses most asset classes and investment techniques.

- An Absolute Return fund may invest in any asset class such as equities, bonds, currencies, commodities or derivatives
- Absolute Return funds employ various investment strategies, many of which are similar to the strategies employed by hedge funds. Below are some examples:
 - Short selling – selling securities and buying them back at a later date if a security price is expected to fall
 - Relative value trades – selling one security whilst simultaneously buying another one with similar characteristics
 - Trend/Momentum trades – buying or selling securities based on their recent performance
 - Curve/Duration trades – buying or selling bonds with different maturities according to portfolio managers' interest rate expectations
- Absolute Return funds can be complex – supported by our Research Team, we will examine the details of individual funds to try and reduce the risk of investing.

Specific risks

- Although Absolute Return funds aim to achieve positive returns, this objective is not guaranteed
- Absolute Return funds often invest in derivatives which can have additional risks associated with them
- Selling assets ('going short') exposes the investors to a higher level of risk than buying securities. This is because the losses are potentially unlimited as the price of sold securities can go up perpetually. Additionally there is a regulatory risk, e.g. the Financial Conduct Authority (FCA) may place a ban on short sales
- Absolute Return funds may employ leverage either through borrowing or through derivative positions. Whilst it can enhance the potential returns it also exaggerates potential losses
- Often Absolute Return funds take positions in exotic or thinly traded assets to earn extra returns from holding illiquid assets.

Property – attributes

The main type of property that is typically purchased for investment portfolios is commercial property – this encompasses shops, offices and other types of business premises and is usually acquired via units in a property fund.

- Investment in commercial property entitles the holder to rents paid by the tenant as well as the disposal proceeds if property is sold
- Over longer periods the capital growth and income returns it can generate have historically provided a level of protection against inflation. Although past performance is not a guide to future performance.

Specific risks

- The rental income from and value of a given property will be impacted by demand, although it is important to emphasise that property can be difficult to value independently. There is no guarantee that the underlying properties invested in by a property fund will remain occupied and they may incur significant maintenance or restoration costs which could impact on the returns available. All property is subject to local risks which may be unique in nature and may be caused by factors such as prevailing legal, economic, environmental or political circumstances
- One of the key risks of investing in property is that it is the least 'liquid' of the main asset types – that is to say the relatively long time it can take to buy and sell property means that direct investment in this asset class will generally not offer quick access to your money if you want to sell. In weak market conditions it may prove more difficult to sell a property
- Our investment managers use specialist property collective investment schemes (funds) such as Real Estate Investment Trusts (REITs) or Property Authorised Investment Funds (PAIFs) that invest in property, meaning they can usually sell holdings on any working day. However, there have historically been a few examples of funds having to suspend investors' rights to withdraw money, sometimes for a substantial period of time, in order to balance the interests of investors exiting a property fund with those staying in the fund
- These delays can be up to six months in duration in the case of funds which invest directly or indirectly in buildings or land
- Investment in property development funds carries additional risks related to the successful completion of the development project both on time and according to budget. Even if a project is successfully completed, there is no guarantee that properties will either be sold or become occupied with tenants at the intended price or within the intended timeframe
- Commercial property is also subject to risks related to the type of use associated with the property, and the prosperity of the local or national economy relevant to the tenants and their business. Returns available from property funds may also be affected by leverage where borrowing is used to finance either construction or purchase.

Hedge funds – attributes

Hedge funds are pooled investments which, in contrast to conventional collective funds, will use a wide variety of different trading strategies in order to produce returns.

- One example of this is 'short selling' – an investment technique that enables a fund to potentially benefit from falling share prices
- The type of strategies and investments used by a hedge fund will be a key determinant of how risky the investment will be
- Our investment managers may use absolute return funds and funds of hedge funds in client portfolios (these offer diversified exposure to a range of types of hedge fund and are managed by specialists dedicated to hedge fund analysis).

Specific risks

- Strategies may range from lower-risk funds which aim to deliver a positive return regardless of market conditions (known as 'absolute return funds') to high-risk or speculative funds which make use of borrowing (or 'leverage') in an attempt to maximise returns
- While this borrowing will serve to magnify positive returns it will also make losses larger than they would have been had the borrowed money not been invested
- Investments made by hedge funds may also be narrowly based around a specific type of asset or trading strategy and the returns experienced by investors in these funds may be adversely affected by very specific market or industry circumstances. It is therefore important to understand the type of strategy and investment to be used
- Potential for high volatility
- Returns on hedge funds are not guaranteed, you may get back less than you invested.

Infrastructure – attributes

The term infrastructure refers to investment in vital economic assets including roads, railways, airports, oil and gas storage and transportation facilities, marine ports and electricity and water utilities.

- Investing in infrastructure offers the potential for capital growth as well as a degree of protection from inflation – broadly speaking, infrastructure investments tend to generate relatively stable levels of income (although this cannot be guaranteed).

Specific risks

- A key risk to investing in this sector is that companies involved in infrastructure-related industries are subject to environmental considerations and government regulation, which may impact on returns to investors.

Commodities-linked products – attributes

This broad term refers to natural resources that are either mined, extracted or harvested. Commodities encompass energy (i.e. oil, coal and natural gas), 'soft' commodities (i.e. agricultural goods such as coffee and wheat), 'hard' commodities (i.e. industrial metals such as copper and tin) and precious metals such as gold.

- A key reason for investing in commodities is that it can offer some protection from inflation. Virtually everything that is produced, bought and sold makes either a direct or indirect use of commodities of one form or another so a general rise in prices is likely to be associated with a rise in the price of at least some key commodities. Therefore, getting exposure to commodities should in theory help to maintain the purchasing power of an investment portfolio

- Investment in commodities (including precious metals) is often achieved either via a structured product based on a commodities index or basket of different commodities, or by using a commodity derivative (a financial contract which derives its value from the performance of an underlying asset or market index), or by the use of an Exchange-Traded Fund (ETF) which aims to track the price of the commodity itself
- Precious metals have their own distinct characteristics and a key reason for using these in a portfolio (indirectly through an ETF) is that their value is generally not connected to the performance of the other more mainstream asset classes such as company shares or bonds
- In particular, gold and other precious metals are seen as more likely to hold or even increase their value during times of severe economic and social turbulence as theoretically investors will flock to them as 'safe havens' and this has proved to be the case on a number of occasions in history.
- A further risk is that as private companies do not have to meet the requirements of a company that lists on a stock exchange, there is a risk of a lower level of scrutiny of the management of these companies. As a result, the management may be less accountable to shareholders for decisions that they make than the management teams of public companies
- One of the features of private equity fund investment is a concept called 'capital commitment'. This is an agreement between an investor and a private equity fund under which the investor is obliged to contribute money to the fund. The investor may pay all of the committed capital at one time or over a period of time (known as the 'capital commitment period'). Investors must therefore be capable of making payments to satisfy the requests for capital made throughout the commitment period
- Private equity investment may involve a focused portfolio of investments, which could lead to exposure to undiversified underlying assets. It may also involve the use of significant leverage or borrowing, which amplifies potential risks

Specific risks

- A key risk to be aware of is that commodity prices can be extremely volatile – that is the price can change dramatically from month to month or over very short time periods
- They can also be very difficult to predict – commodities may be affected by a variety of political, economic, environmental and seasonal factors which impact on the demand for or the available supply of the given commodity. For example, the prices of agricultural goods will be impacted if severe weather events affect crop yields, while the price of oil has historically been strongly linked to global political events such as tensions in the Middle East.

Private Equity – attributes

This term refers to investment in companies that are not traded on a public stock exchange (for example, the London Stock Exchange), but can offer access to strong growth potential.

- These companies raise finance privately and are not subject to the stringent requirements faced by companies that do list on a stock exchange
- The type of unlisted companies that a private equity fund may invest in could range from small start-up companies to larger firms with a long and established trading history
- By definition private equity is not dealt on public stock exchanges and is therefore generally difficult to trade in. Our investment managers tend to access private equity through collective investments which are usually dealt on a daily basis.

Specific risks

- As private equity investments are not traded on public stock exchanges, there is a risk that they may prove difficult to sell as it may take time to find a buyer – i.e. they can be significantly less 'liquid' than other investments
- This may also affect the price at which the investment can be sold (i.e. you may have to accept a price that is lower than fair value in order to achieve a sale)

- Payments to investors from private equity funds are generally made in cash. However, if a fund is unable to sell its interest in a private company, it may instead distribute holdings in these companies to investors in the fund.

Overall, it is important that you are familiar with the terms of, and risks associated with, any private equity fund that you invest in.

Other investment products and their risks

Derivatives for hedging and income enhancement – attributes

In some circumstances, derivatives (securities whose price is dependent upon or derived from one or more underlying assets – the derivative itself is a contract between two or more parties) may be used to offset certain risks that may exist in a portfolio. This is known as 'hedging'.

- For instance, a holding in a foreign company exposes an investor to the movements of the currency that the company is denominated in, as well as the economic risks of the company. It is possible to offset some of the currency risk by purchasing an appropriate derivative contract
- Similarly, derivative contracts which aim to cover risks associated with interest rate movements, company defaults or falls in equity values can also be purchased.

Specific risks

- The cost of the derivative contract may lower the returns that a portfolio might have otherwise earned if the risk was left 'unhedged'
- The derivative contract may not perfectly offset the risk that it is intended to offset
- The counterparty which issues the derivative may default and not be able to honour the contract
- The price of a derivative can move independently of underlying assets
- The use of derivatives may amplify losses.

In some instances derivatives may be used to enhance the income of a portfolio and the same risks are applicable.

Exchange Traded Funds (ETFs) and Exchange Traded Notes (ETNs) – attributes

ETFs and ETNs are exchange traded funds which try to match a specified benchmark index. There are a number of different structures that are used to create these funds.

Specific risks

- The risks that an investor is exposed to depend partly on the structure of the fund and partly on the index that the fund is designed to track
- If the benchmark index is an equity index then an investor is exposed to the same risks as those for equity funds. Similarly, if the benchmark index is a bond index then an investor is exposed to the same risks as those for bond funds
- The benchmark index could instead be related to commodities or some other index which may have its own idiosyncratic risks
- Further to the risks inherent in the benchmark, the structure of the ETF or ETN may give rise to the following risks:
 - A fund may not fully replicate the benchmark index and may therefore not produce the intended results
 - The fund may engage in securities lending. Securities lending involves the risk that the fund may lose money because the borrower of the loaned securities fails to return them in a timely manner or at all
 - Where a fund uses derivatives to recreate the benchmark index returns, there is a risk that the counterparty which issues the derivative may default and not be able to honour the contract.

Non-Mainstream Pooled Investments (NMPI) – attributes

Non Mainstream Pooled Investments (NMPIs) are pooled investments or funds, which are characterised by unusual, speculative or complex assets, product structures, investment strategies and/or terms and features.

- NMPIs are a particular type of pooled investment vehicle and are generally regarded as high-risk products that often invest in assets which are typically not traded in established markets and which are therefore difficult to value and may be highly illiquid
- The investments are often complex and difficult to understand and performance information may be unavailable or unreliable
- NMPIs may invest in one or more volatile assets, such as property, emerging market stocks, renewable energy or fine wine, and therefore the risk of an investor losing all or part of their money are much higher than other investment types
- A NMPI encompasses:
 - Units in an Unregulated Collective Investment Scheme (UCIS)
 - Units in a Qualified Investor Scheme (QIS)
 - Securities issued by special purpose vehicles (SPVs) (other than excluded securities)
 - Traded life policy investments (TLPIs); and Rights to or interests in investments in any of the above.

- NMPIs are unlikely to be suitable for the average or ordinary retail investor; they are more likely to be appropriate for professional or institutional investors and to those clients who are sophisticated investors, and have significant investment experience of investing in these types of investments, and understand all the associated risks
- While our investment managers may make occasional use of UCIS in client portfolios, these are not a core investment type.

Specific risks

- High risk and illiquid
- A client investing in a NMPI could lose some or all of their investment
- Unlike regulated CIS, NMPI may not be subject to investment and borrowing restrictions aimed at ensuring a prudent spread of risk, therefore the risk of a total or partial loss of capital is much higher. As a result they are generally considered to be a high-risk investment and you should always ensure that you understand the risks before investing
- You may not be covered by the Financial Ombudsman Service (FOS), should you have a complaint about the fund, or the Financial Services Compensation Scheme (FSCS) should you need to seek compensation
- Some investments do not have cancellation rights
- UCIS are not regulated by the UK (or other) authorities and therefore do not provide the same protections as regulated investment funds. Furthermore, their holdings are difficult to value because of the lack of market pricing.

Investment bond products – attributes

An investment bond is a medium to long-term investment contract which is issued by an insurance company.

- An investment will be subject to the ability of the insurance company to repay the sums owing to an investor when they fall due for payment
- This means that the creditworthiness of the insurance company is important, much in the same way as for any other bond
- Investment bond providers generally maintain a range of collective investment funds with different asset allocations and market exposure.

Specific risks

- In some cases, the returns available from an investment bond are linked directly to a specific pool of assets held by the insurance company
- In other cases, the returns could be linked more generally to the profits of the insurance company in general, which reduces the overall transparency of returns.

If you wish to invest in an investment bond, you will be presented with specific information about the type of contract, its terms, charges and more general information about the insurer and its financial strength. Please refer to this information for specific details about the policy and a more detailed description of the risks.

Warrants – attributes

A warrant is a security that entitles the holder to buy the underlying stock of the issuing company at a fixed exercise price until the expiry date.

- A relatively small movement in the price of the underlying security can result in a disproportionately large movement, unfavourable or favourable, in the price of the warrant
- Warrants may appear in clients' portfolios after the process of an initial public offering of an investment trust as they are often issued with ordinary shares at the same time
- It is however, unlikely that an investment manager would include warrants in a client's portfolio unless they have a particularly aggressive growth mandate.

Specific risks

- The price of warrants can be volatile
- It is essential for anyone who is considering purchasing warrants to understand that the right to subscribe which a warrant confers is invariably limited in time – should the investor fail to exercise this right within the predetermined time-scale then the investment becomes worthless.

Warrants are usually only appropriate for clients with the willingness and ability to take a high degree of risk with their investments – you should not buy a warrant unless you are prepared to sustain a total loss of the money you have invested plus any commission or transaction fees.

The value of investments and any income from them can fall and you may get back less than you invested.

No investment is suitable in all cases and if you have any doubts as to an investment's suitability then you should contact us.

If you invest in currencies other than your own, fluctuations in currency value will mean that the value of your investment will move independently of the underlying asset.

Please note that this document was prepared as a general guide only and does not constitute tax or legal advice. While we believe it to be correct at the time of writing, Brewin Dolphin is not a tax adviser and tax law is subject to frequent change.

Tax treatment depends on your individual circumstances; therefore you should not rely on this information without seeking professional advice from a qualified tax adviser.

Past performance is not an indication of future performance. In this document performance is quoted before fees, charges, levies and taxes and these may have the effect of reducing the illustrated performance. All performance shown is based upon any income generated being re-invested, except for the Average Capital Return and Average Yield figures.

The expected returns shown are based on our long-term forecasts, for a mix of assets similar to a portfolio suitable for an investor aligned to the Risk Category indicated.

The data in our sample charts is based on reasonable assumptions which are in turn based on objective data. There are no guarantees that these levels of performance will be achieved, in which case any returns will differ from those illustrated.

The range of Alternative assets that can be used in client portfolios has changed over the years and prior to June 2005, the historic performance of the Alternatives asset class was wholly based upon the Property index shown on page 14. From June 2005, the historic performance of the Alternatives asset class has been based upon both the Property and Targeted Absolute Return indices, as shown on page 14. This change represents the broader range of alternative investment options that have become available to investors over time.

Notes

Notes

What constitutes a good investment policy?

Why do you need an investment policy?

Charity Commission guidance requires all charities that have investments managed by a discretionary manager to have an Investment Policy Statement. An investment policy provides a framework for making investment decisions. It is an aide for the effective management of resources and demonstrates good governance. If you have an external investment manager, the policy will set the parameters within which they are able to operate.

The Charity Commission's guidance on investment matters is set out in *CC14: Charities and investment matters: A guide for trustees*.

Who is responsible for the investment policy?

The trustees are responsible for the investment policy. External investment managers and advisors are able to assist in its preparation, but the policy is owned by the charity and should be signed off by the trustees and reviewed on a regular basis.

What should the investment policy cover?

Charity Commission guidance states that an investment policy should cover the following areas:

- The scope of its investment powers
- The charity's investment objectives
- The charity's attitude to risk
- How much is available for investment, the time horizon and the charity's liquidity needs
- The types of investment that are permissible, this may include ethical considerations
- Who can take investment decisions
- How the investments will be managed, and the targets and benchmarks that will be used to measure performance
- Reporting requirements for investment managers

Areas to be covered

1. Introduction

a) General background and financial objective

- What is the amount available for investment?
- What role do investments play in your overall budget and financial plan?
- Are any parts of your assets permanently endowed?
- Are you looking to emphasise certainty of value, income or growth?
- Do you have any specific liquidity needs?

b) Investment powers

- What investment powers does your governing document give to trustees?
- Do you have any restrictions on your assets?

c) Governance

- How are investment decisions made?
- Do you have an Investment Committee

2. Investment objectives

Considerations may include:

- Do you have an overall return target?
- Do you have an income target?
- Are you able to adopt a total return approach?
- Do you have a preference between income and capital returns?
- Are you looking to protect the assets in absolute terms or real terms?

3. Risk

This section should outline the risks the trustees have considered and any policies in place to manage these risks. Considerations may include:

a) Attitude to risk

- Does your charity depend on its investments to fund its charitable work?
- What is the attitude of the trustees to volatility?
- Are expenditure levels fixed or flexible?

b) Assets

- What asset classes can be considered?
- How do you ensure adequate diversification?
- Are there any restrictions on the type or level of assets held?

c) Currency

- What is the base currency for the portfolio?
- Are there any restrictions on exposure to other currencies?

d) Credit/counterparties

- Is there a minimum credit rating you wish to set?
- Are there any restrictions on the maximum amount held with any one issuer?

e) Other

- Other risks highlighted here may include inflation risk, interest rate risk, valuation risk or ethical, social and environmental (ESG) risk

4. Liquidity requirements

Considerations may include:

- Do you wish to draw down on your investments on a regular basis?

- Do you intend to drawdown only income or will you draw upon capital also?
- Do you have any planned expenditure or cash flow requirements other than those highlighted above?
- Are you likely to need to access capital over a short time period?

5. Time horizon

Considerations may include:

- Is your charity expected to exist in perpetuity?
- Would you describe your investments as short term, medium term or long term?
- Do you expect any significant changes to your financial plan in the future?

6. Ethical investments

Considerations may include:

- Do you have an ethical investment policy?
- Does the policy include negative screening, positive screening or engagement?
- Does this policy apply to both direct and indirect holdings?

7. Management, reporting and monitoring

a) Management

- If you have an investment manager, what are the arrangements?
- How many investment managers do you have?
- What is the investment manager's mandate?
- What are the custody arrangements?
- How many signatories are required to authorise decisions?

b) Reporting and monitoring

- What are your reporting requirements?
- How often do you wish to receive reports?
- How often do you require investment managers to attend meetings?
- What benchmark will you use to measure performance?

8. Approval and review

- When was this policy approved?
- How often will it be reviewed?

How should an investment policy be developed?

The areas illustrated above provide a guide to the issues that trustees should be discussing when formulating their investment policy. The time spent on your investment policy may reflect the amount available for investment and the importance of investments to the overall finances. It is important to ensure that your investment policy fits with other policies (for example risk management and reserves) so that it is consistent with your wider financial plan. If you are a large

charity you may wish to employ an external advisor, or consider appointing a trustee with investment experience, in order to help develop your investment policy.

The length of the policy will vary depending on the size of the charity, however the crucial thing is that it contains enough information to make well informed investment decisions.

Sources

CC14: Charities and investment matters: A guide for trustees.

<https://www.gov.uk/government/publications/charities-and-investment-matters-a-guide-for-trustees-cc14/charities-and-investment-matters-a-guide-for-trustees>

Writing your charity's investment policy- CFG & Charity Investors Group

http://www.charityinvestorsgroup.org.uk/Charity_Investors_Group/Initiatives_files/Investment%20Policy%20Statement%20Final.pdf

| |
|---|
| <p>The above information is for illustrative purposes and is not intended as investment or legal advice. Trustees are responsible for ensuring that their investment policy statement meets the specific requirements of their charity.</p> |
|---|

Ethical Policy Discussion Paper - Betsi Cadwaladr UHB Charity

Executive Summary

We have provided a number of potential exclusions which we feel would be of interest to the Trustees in constructing an ethical policy. We address both the issues currently covered directly in your policy as described below, and also discuss further issues to clarify which products may be considered in conflict with the Health Board's activities.

Your Ethical Investments Policy

'It is recommended that there is negative exclusion of investment in companies manufacturing and distributing:

- *Alcoholic products;*
- *Tobacco products; and*
- *Any products which may be considered in conflict with the Health Board's activities.*

Investment in companies:

- *Which have a poor record in human rights and child exploitation;*
- *Which derive their profits from countries with poor human rights records*

should not be permitted.

In addition, investment in companies that demonstrate compliance with the principles of the Equality Act 2010 should be supported.'

We then consider the historic performance of the relevant sectors and summarise the impact on the portfolio. We have no concerns about implementing the criteria described; our only note of caution is if you were to decide to exclude fossil fuels companies, as the size of the sector, and its contribution to dividend income within the UK marketplace, are very significant.

1. Background

For many charities, the nature of their own work is reflected within the ethical element of their Investment Policy Statement. We cannot understate the importance of understanding your values as an organisation and ensuring we uphold Betsi Cadwaladr University Local Health Board's reputation. As an NHS-related organisation that relies on donations, we know how important public perception is to the overall success of your charity and would not want to jeopardise this in any way.

This paper highlights the implications of implementing an ethical investment policy, using our experience of the legal basis for ethical investment, trends within the industry and what other charities are considering and doing with their ethical policies.

2. Legal basis for ethical investment

Ethical investment means investing in a way that reflects a charity's values and ethos and does not run counter to its aims. The Charity Commission's guidance around this area is contained within **Charities and investment matters: a guide for trustees (CC14)**. Trustees of any charity *can* decide to invest ethically, even if the investment might provide a lower rate of return than an alternative investment.

As it currently stands, the main point is that as Trustees, you must be able to justify why you are investing in a certain way or making certain ethical exclusions in accordance with the reasons specified. This must be a collective decision on behalf of the charity and not merely reflect individual views.

The law permits the following reasons:

- a particular investment conflicts with the aims of the charity
- the charity might lose supporters or beneficiaries if it does not invest ethically
- there is no significant financial detriment

In the context of rising concern about topical issues such as climate change, a coalition of 20 charities formed in 2019 to seek a ruling from the Attorney General and Charity Commission on whether the public benefit of charities means they should be required to align their investment policies with their own objectives and commitments to wider society.

The most recent legal ruling on charitable investments was in 1992, and their solicitors, Bates Wells, argued in the light of changing societal attitudes, Trustees need reassurance they would be protected from sanction if, for instance, they chose to align their investments with the goals of the Paris Agreement. At the time of writing, the Charity Commission has not yet responded to the request.

On 15 January 2020 however, the Commission launched a Public Consultation into charities investing in line with their purpose and values. In it, they noted the Commission already encourages Trustees to consider whether their investments are consistent with their charity's aims, encourages greater transparency in disclosures and describes the existing guidance as "permissive". They go on to reiterate their position that:

"[We] want to ensure charities are aware of what they can do in this area, to understand their options when it comes to investing responsibly, and if necessary, equip them with tools to help make thoughtfully considered decisions. In short, we want more trustees to feel empowered to take a fresh look at their financial investments and make informed decisions that are right for their charity."

We trust this document addresses each of these issues and we are on hand to guide you as required.

3. Means of Implementation

i) **Negative screening** – avoiding areas of conflict- i.e. “divestment”.

Establishing Materiality

We would first want to establish the level of materiality that is deemed significant to the Trustees. Where possible, we would do so by quantifying the percentage of a company’s revenues derived from a controversial activity that is to be deemed material.

Generally, 10% is accepted as an appropriate level of materiality, as below this, unintended consequences reduce the investible universe. In the pages that follow, we demonstrate this in practice, and the implications of each iteration on the FTSE All Share universe.

Use of Collective Investments

Our position is that as we do not have control over the underlying portfolios, it is not possible to either influence the composition, or indeed to accurately police the holdings in collective investment funds unless they have a specific ethical mandate (which may not align with *your* ethical mandate).

The Brewin Dolphin SRI (Socially Responsible Investment) Manager Selection process does however provide a universe of funds which exclude companies that generate more than 10% of turnover from weapons manufacture, tobacco, thermal coal, gambling or adult entertainment.

ii) **Stakeholder activism** – exercising voting powers to reflect values/concerns – “engagement”.

Our Stewardship Committee votes your shares and publishes how we have done so on an online portal. We also give you the option to vote yourself if you have a particular view on a certain resolution.

For example, BP faced two shareholder resolutions on climate change in their 2019 AGM, both of which we voted in favour of:

- The first was brought by pressure group *Climate Action 100+*, encouraging BP to make further disclosures on how its investments and business strategy align with the Paris climate goals to limit global temperature rises. This was supported by the Board and carried by 99.14%.
- The second was brought by pressure group *Follow This* on targets encouraging BP to accept responsibility for the climate impact of the end users of products – this was not supported by the Board, but we were among the 8.4% who voted in favour of this.

iii) **Socially responsible investment** – screening companies based on the quality of their management of Environmental, Social and Governance (ESG) factors.

As signatories to the United Nations Principles of Responsible Investment (UNPRI), our analysts consider the social integrity of companies. We believe that a socially responsible company will generate financial benefits, hence the importance of the overall consideration of such factors when researching possible investment opportunities.

This is achieved and integrated into our investment process through the study of company reports and accounts, careful questioning at company meetings, site visits and the use of research providers Sustainalytics and VE (formerly Vigeo Eiris).

4. Examples of Ethical Restrictions using Negative Screening

a. Alcohol

Specifically excluded under your current policy.

- 10% is a widely accepted level of materiality for this sector.
- “Production of alcohol” above 10% excludes spirits companies **Diageo** and **Stock Spirits** and brewers **Marston’s**, **C&C Group** and **Fuller Smith & Turner**.
- “Production or distribution of alcohol” greater than 10% further excludes 3 pub operators/restaurants (**J D Wetherspoon**, **Mitchell’s & Butlers** and **Restaurant Group**) which seems logical. Below this 10% threshold, 42 further companies would then be excluded, such as travel and leisure operators, haulage companies, supermarkets and petrol stations that generate less than 10% of their revenues from the distribution of alcohol products manufactured by other companies.

Our recommended interpretation:

“No company which derives greater than 10% of its turnover from the production or distribution of alcohol.”

[Currently 8 companies excluded; 3.32% of the FTSE All Share]

b. Tobacco

Specifically excluded under your current policy.

- 10% is a widely accepted level of materiality for this sector.
- If we interpret the statement to cover “Production of tobacco”, the output is straightforward. It excludes the two ‘big tobacco’ companies – **British American Tobacco** and **Imperial Brands** and nothing else.
- If the interpretation is modified to “Production and distribution of tobacco”, no further companies generate greater than 10% of revenues from this activity.
- The Trustees may also wish to consider the extra control of “Support to the tobacco industry”; companies providing products or services that support the tobacco industry but do not contain tobacco. Above the 10% threshold this currently only excludes **Essentra**, who make cigarette filters.

Our recommended interpretation:

“No company which derives greater than 10% of its turnover from the production or distribution of tobacco or from support towards the tobacco industry.”

[Currently 3 companies excluded; 3.58% of the FTSE All Share]

c. Armaments

Our experience would suggest you consider this “in conflict with the Health Board’s activities”. There are a number of subsets to this, including:

1. Firearms
 - a. Production of civilian firearms
 - b. Production or sale of civilian firearms
2. Military
 - a. Military Sales
 - b. Conventional weapons
 - c. Key parts of services for weapons
 - d. Other military parts of services

The screening software we use generally accepts 10% as indicating significant business activity in this area but the below table summarises the number of companies (and the percentage of the FTSE All Share) within each banding for the above subsets.

| | Production or sale of civilian firearms | Production of civilian firearms | Military sales | Conventional weapons | Key parts or services for weapons | Other military parts or services |
|--------------|--|--|-----------------------|-----------------------------|--|---|
| 0-5% | 5 (2.44%) | 4 (2.18%) | 43 (15.93%) | 1 (0.08%) | 13 (3.32%) | 46 (16.62%) |
| 5-10% | 0 | 0 | 4 (0.71%) | 0 | 0 | 1 (0.02%) |
| >10% | 0 | 0 | 12 (1.74%) | 2 (0.79%) | 8 (1.65%) | 11 (1.32%) |
| Total | 5 (2.44%) | 4 (2.18%) | 59 (18.38%) | 3 (0.88%) | 21 (4.96%) | 58 (17.96%) |

The companies that generate more than 10% of their revenues from the above activities are detailed below, and are all captured by the category of ‘military sales’:

| Military sales | Conventional weapons | Key parts or services for weapons | Other military parts or services |
|------------------------------|-----------------------------|--|---|
| Avon Rubber | | | Avon Rubber |
| Babcock | Babcock | Babcock | Babcock |
| BAE Systems | BAE Systems | BAE Systems | BAE Systems |
| BATM Advanced Communications | | | BATM Advanced Communications |
| Chemring Group | Chemring Group | Chemring Group | Chemring Group |
| Meggitt | | Meggitt | Meggitt |
| QinetiQ Group | | QinetiQ Group | QinetiQ Group |
| Rolls-Royce Holdings | | Rolls-Royce Holdings | |
| Senior | | | Senior |
| Serco Group | | Serco Group | Serco Group |
| TT Electronics | | | TT Electronics |
| Ultra Electronics | | Ultra Electronics | Ultra Electronics |

An example:

“No company which generates more than 10% of revenues from military sales or the production or sale of civilian firearms.”

In this example, 12 companies would be excluded which account for 1.74% of the FTSE All Share.

d. Adult Entertainment

This area may also be considered “in conflict with the Health Board’s activities”. The area is quite a straightforward one as this industry is not represented in any major way in the FTSE All Share.

- On the filter of “*production of pornography, services or facilitation*”, no company derives more than 5% of revenues. For reference, the companies below 5% are telecoms groups **BT Group** and **Vodafone**.
- No company generates any revenue from “*pornography and adult entertainment services*”.

Our recommended interpretation:

“No company which derives greater than 5% of its turnover from the production of pornography, services or facilitation, including adult entertainment services.”

[Currently no companies excluded]

e. Gambling

This area may also be considered “in conflict with the Health Board’s activities”. 10% seems to be an appropriate level of materiality for this sector as below this level you start to exclude a diverse range of businesses including travel and leisure operators, hotel groups, telecoms companies and pubs.

- On the filter of “*Gambling Operations*”, there are 10 companies with revenues greater than 10% (**Flutter Entertainment, The Rank Group, William Hill, 888 Holdings, Playtech, Entain, Plus500, IG Group Holdings, CMC Markets** and **Gamesys Group**).
- There are a further 7 companies with revenues between 0-5% (**STV Group, InterContinental Hotels Group, Carnival, TUI and JD Wetherspoon**).
- The wider filter of “*Gambling Operations or Products*” at 10% produces an identical result to “Gambling Operations”.
- There are 7 companies with revenues between 0-5% on this wider filter, 5 of which are noted above. The additional 2 are **Experian Group and Capita**.

An example:

“No company which derives greater than 10% of its turnover from gambling operations or products.”

In this example, 10 companies would be excluded, which account for 2.11% of the FTSE All Share.

f. Human Rights and Child Exploitation

This is specified in your current policy and we note the Health Board's obligations under the Welsh Government's Code of Practice: Ethical Employment in Supply Chains.

Ethical screening of these categories is more difficult to analyse than those discussed previously, as materiality can't be measured in financial terms like the criteria above and therefore a high degree of subjectivity is introduced. Instead, we refer to news flow.

Our recommendation is to use our screening software (VigeoEIRIS) to identify alleged breaches of fundamental labour rights, or forced labour or child exploitation in contravention of International Labour Organisation ('ILO') conventions within the company from verified sources.

VigeoEIRIS provide a 'Controversy Risk Mitigation' rating, ranging from weak, limited, robust to advanced.

This currently excludes 10 companies, but as the restriction is not sector-specific, this number, and the size of the market covered, could change meaningfully at any given moment depending on which companies have had an allegation made against them. At the time of writing, many of these companies are tobacco or mining companies covered by other ethical criteria contained in this paper.

Example wording would be to exclude a company with a "weak" or "limited" rating in respect of forced labour or child exploitation.

g. Countries with poor human rights records

This is specified in your current policy. As we noted in our Investment Proposal, to be transparent, we would need to agree on which countries might be deemed to have poor human rights records as this can be subjective, and what level of profit/turnover is deemed material (for example, what is the Trustees' view on any company that generates 1% of its profits from China?).

This is a complex area to define ethically, but we would reassure the Trustees that in practice, aside from China if this were considered as such, the sorts of countries with poor human rights records typically labelled as "oppressive regimes" (e.g. Syria, Sudan, North Korea) are generally economically insignificant. They are therefore unlikely to contribute meaningfully to any companies' revenues, or are likely to be captured by other criteria (e.g. selling fighter jets to Saudi Arabia is screened out separately).

ShareAction define oppressive regimes as those with a "systematic abuse of human rights through laws, customs or practices that systematically produce inequalities that oppress specific groups within a society."

We will not invest directly in a sovereign that may even be considered to fall within this definition. If we were to consider a collective investment with exposure to such countries, we will ensure the fund has a robust process with regard to screening out what may be considered an oppressive regime and discuss this with the Trustees.

h. Obesity

For any food or beverage producer, before investing, we would first consider VigeoEIRIS' assessment of the company's contribution to the societal issues of obesity and malnutrition, which may be considered in conflict with the Health Board's activities.

Many companies are addressing these issues through a wider range of lower-calorie or lower-sugar content options and more responsible marketing; others are simply comfortable with their unhealthy product offering and not likely to change.

The assessment is rated as weak, limited, robust or advanced, and thus a suggested wording would be to preclude companies with a 'weak' or 'limited' rating from the portfolio. We would also monitor the direction of travel in their ratings, to see whether a company is paying more or less regard to the issue than previously.

A manual assessment of each company is required to be able to produce aggregate figures, but in summary, this restriction is not likely to affect portfolio composition meaningfully.

i. Climate Change

As a public body, the Health Board is also subject to the provisions of the Environment (Wales) Act 2016 and the Well-being of Future Generations Act 2015. We raise the issue of climate change as you may decide that companies who contribute meaningfully to this problem may be considered in conflict with the Health Board's activities.

Climate change has become one of the major global social and political issues of our time, with the subject gaining considerable prominence in the public consciousness in recent years.

The landmark Paris Agreement, an addition to the UN Framework Convention on Climate Change, is the major globally co-ordinated political effort to strengthen the response to the threat of climate change. It entered into force in November 2016, setting out a framework to keep a global temperature rise this century well below 2 degrees Celsius above pre-industrial levels and to pursue efforts to limit the temperature increase even further to 1.5 degrees Celsius.

The status of the Agreement was subsequently undermined when in June 2017 President Trump announced his intention to withdraw the US from its application. Activism in this area has since gathered real momentum.

Images of natural disasters, pollution and changing habitats have been shared around the world. Activists such as Extinction Rebellion and Greta Thunberg have captured the public's attention in their attempts to convince governments to declare a "climate and ecological emergency" and set ambitious targets to be "carbon-neutral" – reducing greenhouse gas emissions to net zero by 2025. Climate change, and the topic of "How to Save the Planet" was the key discussion point at last year's World Economic Forum in Davos.

Fossil fuel companies have been particularly targeted by activists as the perceived key contributor to climate change. In the investment world, this has been manifested in two main ways:

- **'Engagement'** – shareholders bring forward resolutions in an attempt to challenge and change companies' business models from within
- **'Divestment'** - challenging to investors to sell their holdings in such companies, thereby potentially removing not only a source of capital from public and private markets but also their "social licence to operate"

In terms of ethical investment, as stewards of their charities' funds, many Trustees are understandably re-considering their own charity's approach in this area in the context of changing societal attitudes, and how best to balance the charity's ethos and values with their desire to maximise financial return on behalf the charity.

In the UK, many charities have issued their own individual pledges. 84 universities have pledged to sell their shares in at least some fossil fuel companies after pressure from People & Planet, a group co-ordinating student protests. Many Christian institutions have announced their divestment from fossil fuels or are due to vote on the subject, as part of Operation Noah's 'Bright Now' project.

- Precluding investment in companies with revenues from *tar sands and shale oil* greater than 10% can be implemented with no practical implications on the portfolio.
- Precluding investment in companies with revenues from *coal mining or coal-fuelled power generation* greater than 10% can again be implemented without any concerns.
- Precluding investment in companies with revenues from *fossil fuels* greater than 10% can be implemented, but would have implications on diversification and therefore deviation from benchmark returns.

i) **Tar sands and oil shale extraction**

Tar sands

Also known as “oil sands”, they are deposits of sand and clay saturated with bitumen that can be extracted. Common extraction methods include surface mining—where the extraction site is excavated—and “in-situ” mining, where steam is used to liquefy bitumen deep underground.

Whilst the full extent of their impact is disputed, tar sands are acknowledged to produce carbon pollution at a much higher rate and require the usage of a lot more water than conventional oil extraction.

Oil shale

This is kerogen-bearing rock from which oil can be extracted. Confusingly, shale oil is a petroleum-like liquid produced from the oil shale. Shale oil is therefore a type of synthetic oil. These processes essentially ‘liquefy’ the solid kerogen, the carbon-rich substance contained in the shale (essentially a precursor of crude oil), so that it can be refined into various oil products. Like for tar sands, oil extraction technologies can be divided in “ex-situ” and “in-situ” according to where the process takes place, if on the surface or directly underground.

Because this requires mining and energy-intensive processes, oil shale is again accepted to be a substantially ‘dirtier’ energy source than conventional oil extraction.

There are three companies in the FTSE All Share involved with these two industries: **BP**, **Royal Dutch Shell** and **John Wood Group** (an energy services company providing project, engineering and technical services).

On the filters of “tar sands and oil shale extraction” and “tar sands and oil shale extraction or services”, no company generates greater than 10% of its revenues from these activities.

If the Trustees wished to take a stricter view, it should be noted that **Royal Dutch Shell** have between 10 and 20% of their total reserves in tar sands or oil shale – because it is a particularly low margin form of extraction, this doesn’t translate into turnover of greater than 10%.

Our recommended interpretation:

No company that derives more than 10% of their turnover from tar sands or oil shale extraction or services.

These criteria could therefore be implemented with no practical implication on the portfolio at the current time.

ii) Coal mining and coal-fuelled power generation

Coal can be split into metallurgical coal (also known as coke or coking coal, used primarily for steelmaking and accounting for around 70% of global steel output) or thermal coal (also known as steam coal or energy coal, the heat source for around 40% of electricity generated globally today).

Thermal coal has a high water content used primarily in thermal power plants, where it is burned to produce heat that is then transformed into electricity through the use of steam turbines. Thermal coal is also burned to power heat-demanding processes such as cement manufacturing. Other uses include its transformation in other gaseous or liquid fuels through 'coal-to-liquids' and 'coal-gasification' processes.

Thermal coal is again accepted to be a particularly polluting energy source and is the target of divestment plans, rather than metallurgical coal.

There are four mining companies in the FTSE All Share involved with such industries generally – **Anglo American, BHP Group, Evraz** and **Glencore**.

On the widest filter of “coal mining”, including both metallurgical and thermal coal, Anglo American, BHP Group and Evraz generate greater than 10% of their revenues from this activity. Glencore generate less than 10%.

On the filter of “thermal coal mining”, no company generates greater than 10% of revenues.

There are then four companies involved in coal-fuelled power generation – **Drax Group, Rio Tinto, SSE** and **ContourGlobal**.

Of these only ContourGlobal generates greater than 10% from the activity.

Our recommended interpretation:

No company that generates greater than 10% of its revenues from coal mining or coal-fuelled power generation.

We would have to preclude investment in Anglo American, BHP Group, Evraz and ContourGlobal [currently 3.78% of the FTSE All Share], which we believe is easily manageable and would not be of significant financial detriment.

iii) **Conventional fossil fuels**

Here we are referring to companies involved in the conventional oil and gas industries, above and beyond any involvement in coal mining greater than 10% (as it is assumed you would exclude this before applying a restriction on fossil fuels).

If we apply the filter based on the level of revenues derived from the fossil fuels industry greater than 10%, this currently excludes 13 companies – **BP, Royal Dutch Shell, Energean, Cairn Energy, Diversified Oil & Gas, Petrofac, Tullow Oil, Enquest, Premier Oil, SSE, Drax, Glencore, Centrica and Pharos Energy.**

These 13 companies amount to 9.13% of the FTSE All Share.

For reference, 9 companies generate less than 10% of revenues from the fossil fuels industry: **3i, Harworth Group, Hunting, John Wood, James Fisher and Sons, National Grid, Rio Tinto, RPS Group and Wincanton.** Of these, only **Harworth Group** and **Hunting** have fossil fuels reserves. These companies amount to a further 5.25% of the FTSE All Share.

Our recommended interpretation:

No company that generates greater than 10% of its revenues from fossil fuels.

5. Performance Table to 31 December 2020

Measuring the impact on performance of precluding investment in a particular sector is always difficult, as we only have historic data which comes with the usual caveat that it is no indication of future performance. The data is as follows (all figures are percentages and measure total return), with the one-year numbers clearly affected by the huge dislocation caused by the COVID-19 pandemic in Q1 2020.

To put into context the performance of the relevant FTSE All Share sector (where this maps across to the ethical restrictions raised), the returns are as follows:

| Sector | 1Y | 3Y | 5Y | 10Y | 20Y |
|--|--------|--------|--------|--------|--------|
| FTSE All Share | -9.82 | -2.71 | 28.46 | 71.91 | 146.25 |
| Oil & Gas Producers | -40.56 | -40.68 | 7.54 | -9.71 | 67.45 |
| Oil Equipment & Services | -35.13 | -54.82 | -51.83 | -69.65 | N/A |
| Aerospace & Defence | -24.66 | -18.97 | -0.014 | 41.09 | 195.67 |
| Tobacco | -9.52 | -34.42 | -15.78 | 69.65 | 995.15 |
| Beverages (<i>proxy for alcohol</i>) | -7.97 | 12.19 | 66.64 | 206.67 | 903.54 |

6. Summary of possible exclusions:

| Exclusion | Number of Companies | % of FTSE All Share |
|------------------------------------|---------------------|---------------------|
| Alcohol (>10%) | 8 | 3.3 |
| Tobacco (>10%) | 3 | 3.6 |
| Armaments (>10%) | 12 | 1.7 |
| Adult entertainment (>5%) | 0 | 0.0 |
| Gambling (>10%) | 10 | 2.1 |
| Shale oil & tar sands (>10%) | 0 | 0.0 |
| Thermal coal mining & power (>10%) | 4 | 3.8 |
| Fossil fuels (>10%) | 13 | 9.1 |



Portfolio Report

BCUHB ACCOUNTS

in GBP
01/12/2020 to 31/12/2020



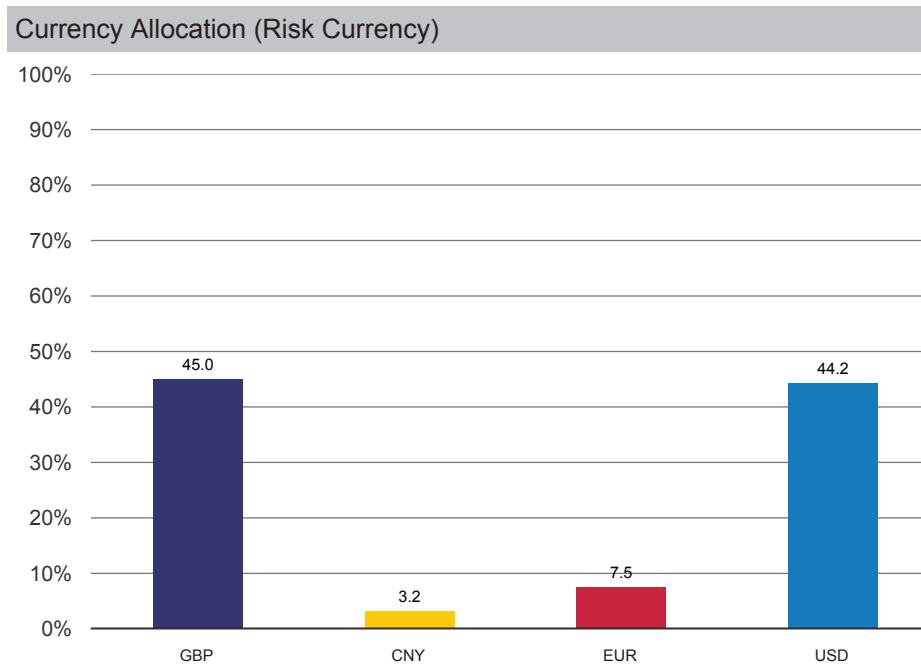
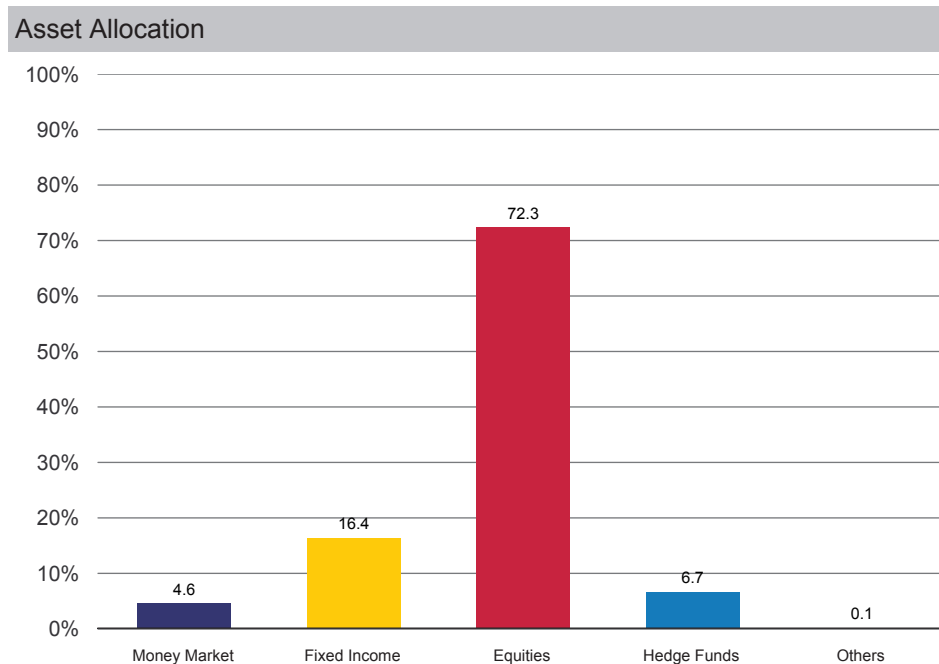
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Overview

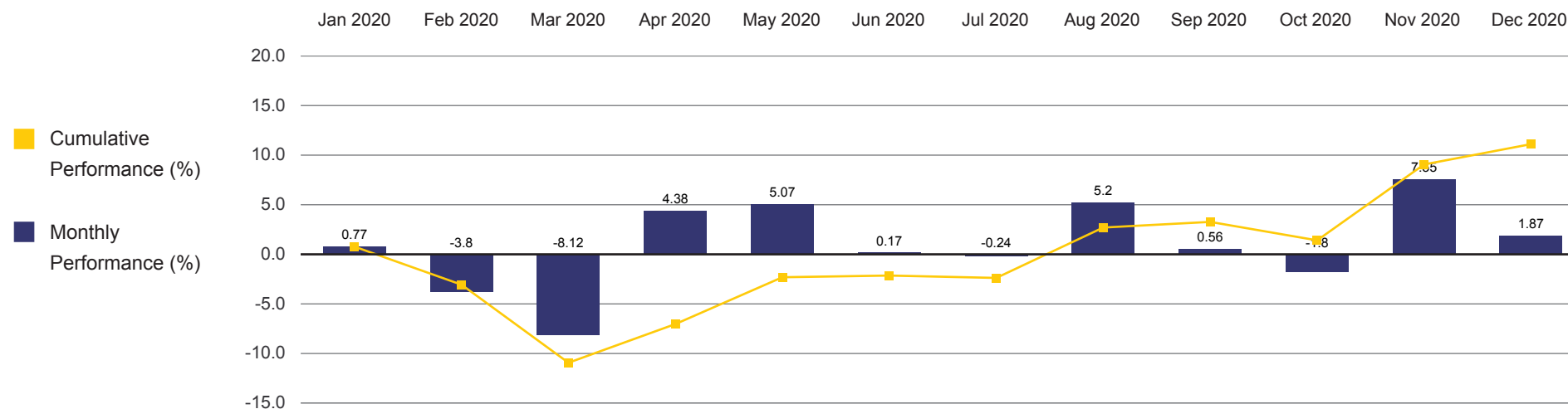


| Portfolio | Pound Sterling | | | Performance | Performance YTD |
|-----------------------------------|------------------------|-----------------------------|------------------|-------------|-----------------|
| | Value as at 01/12/2020 | Contributions / Withdrawals | Market movements | | |
| 1202739.01 BCUHB MAIN ACCOUNT GBP | 9,397,736.21 | 0.00 | 176,125.70 | +1.87% | +11.11% |





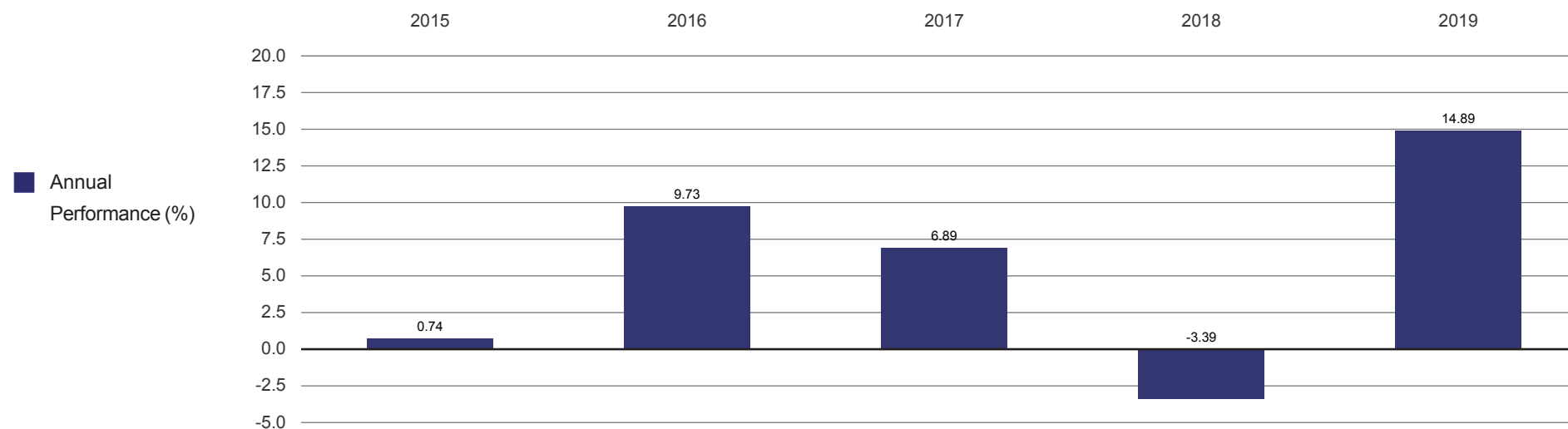
Performance Overview - 12 Month Rolling



| Period (in GBP) | Jan 2020 | Feb 2020 | Mar 2020 | Apr 2020 | May 2020 | Jun 2020 | Jul 2020 | Aug 2020 | Sep 2020 | Oct 2020 | Nov 2020 | Dec 2020 |
|-----------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Opening Value | 8,616,668 | 8,683,283 | 8,353,426 | 7,675,164 | 8,011,325 | 8,417,855 | 8,432,144 | 8,411,918 | 8,849,265 | 8,898,607 | 8,737,993 | 9,397,736 |
| Closing Value | 8,683,283 | 8,353,426 | 7,675,164 | 8,011,325 | 8,417,855 | 8,432,144 | 8,411,918 | 8,849,265 | 8,898,607 | 8,737,993 | 9,397,736 | 9,573,862 |
| Contributions / Withdrawals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Monthly Performance (%) | +0.77% | -3.80% | -8.12% | +4.38% | +5.07% | +0.17% | -0.24% | +5.20% | +0.56% | -1.80% | +7.55% | +1.87% |
| Cumulative Performance (%) | +0.77% | -3.06% | -10.93% | -7.03% | -2.31% | -2.14% | -2.38% | +2.70% | +3.27% | +1.41% | +9.06% | +11.11% |



Performance Overview - Historical

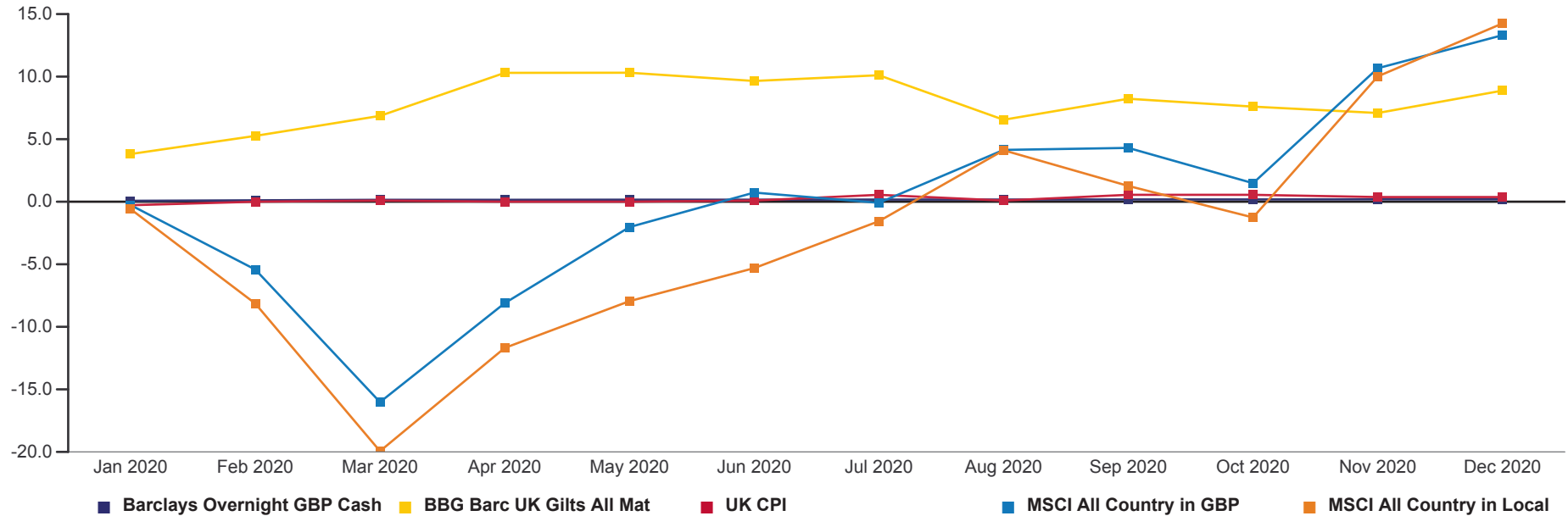


| Period (in GBP) | 2015 | 2016 | 2017 | 2018 | 2019 |
|-----------------------------|-----------|-----------|------------|-----------|-----------|
| Opening Value | 8,818,935 | 8,388,863 | 8,627,567 | 7,763,640 | 7,500,171 |
| Closing Value | 8,388,863 | 8,627,567 | 7,763,640 | 7,500,171 | 8,616,668 |
| Contributions / Withdrawals | -499,940 | -528,584 | -1,400,000 | 0 | 0 |
| Annual Performance (%) | +0.74% | +9.73% | +6.89% | -3.39% | +14.89% |

Opening date: 06/09/2011



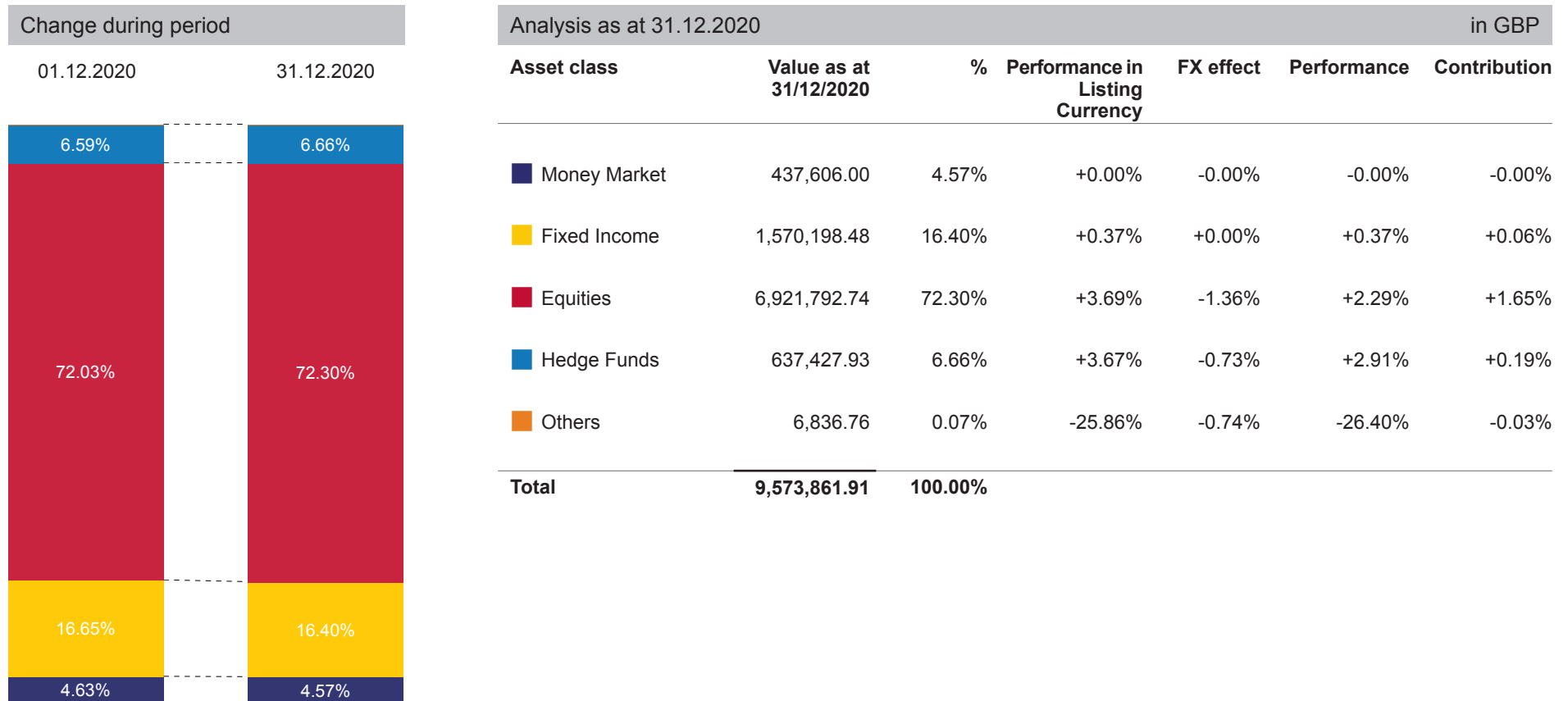
Performance of selected Indices



| Month | Month | Cumulative | Month | Cumulative | Month | Cumulative | Month | Cumulative | Month | Cumulative |
|----------|--------|------------|--------|------------|--------|------------|---------|------------|---------|------------|
| Jan 2020 | +0.07% | +0.07% | +3.81% | +3.81% | -0.28% | -0.28% | -0.27% | -0.27% | -0.59% | -0.59% |
| Feb 2020 | +0.05% | +0.11% | +1.40% | +5.26% | +0.28% | -0.00% | -5.16% | -5.42% | -7.59% | -8.14% |
| Mar 2020 | +0.03% | +0.15% | +1.52% | +6.86% | +0.09% | +0.09% | -11.20% | -16.02% | -12.85% | -19.94% |
| Apr 2020 | +0.01% | +0.15% | +3.22% | +10.30% | -0.09% | +0.00% | +9.41% | -8.11% | +10.31% | -11.69% |
| May 2020 | +0.01% | +0.16% | +0.01% | +10.31% | +0.00% | +0.00% | +6.62% | -2.03% | +4.24% | -7.95% |
| Jun 2020 | +0.01% | +0.16% | -0.59% | +9.65% | +0.09% | +0.09% | +2.82% | +0.73% | +2.86% | -5.31% |
| Jul 2020 | +0.01% | +0.17% | +0.42% | +10.11% | +0.46% | +0.55% | -0.82% | -0.09% | +3.97% | -1.56% |
| Aug 2020 | +0.00% | +0.17% | -3.23% | +6.55% | -0.46% | +0.09% | +4.24% | +4.14% | +5.76% | +4.11% |
| Sep 2020 | +0.00% | +0.18% | +1.57% | +8.23% | +0.46% | +0.55% | +0.16% | +4.30% | -2.74% | +1.26% |
| Oct 2020 | +0.00% | +0.18% | -0.58% | +7.60% | +0.00% | +0.55% | -2.71% | +1.48% | -2.49% | -1.26% |
| Nov 2020 | +0.00% | +0.19% | -0.47% | +7.09% | -0.18% | +0.37% | +9.06% | +10.67% | +11.43% | +10.02% |
| Dec 2020 | +0.00% | +0.19% | +1.67% | +8.88% | +0.00% | +0.37% | +2.39% | +13.31% | +3.85% | +14.25% |

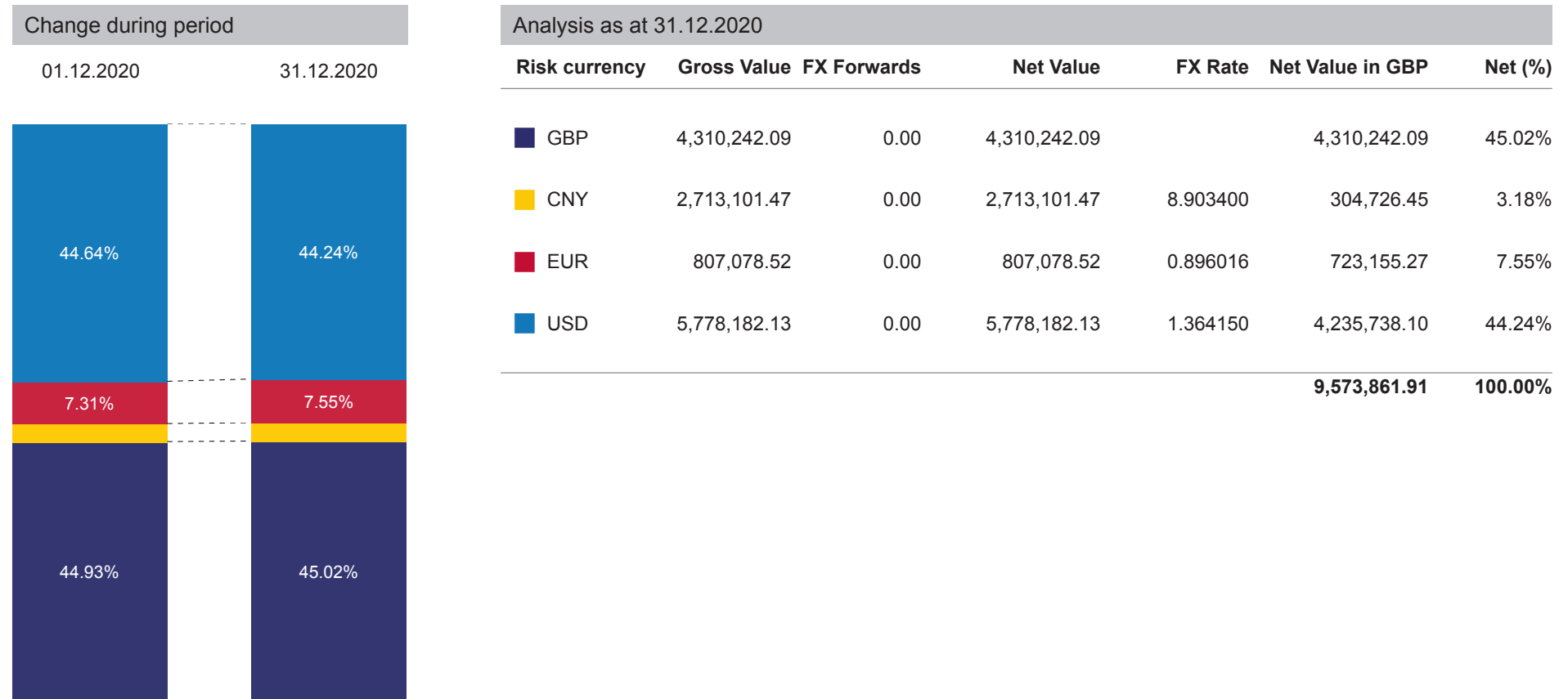


Asset Allocation





Currency Allocation (Risk Currency)



FX forwards are valued on a daily basis using a combination of the current FX rates and the relevant interest rate curves. The values of the FX forwards in their respective risk currencies are shown as per the opening trade amount and as such do not account for the daily change in the interest rate curve.

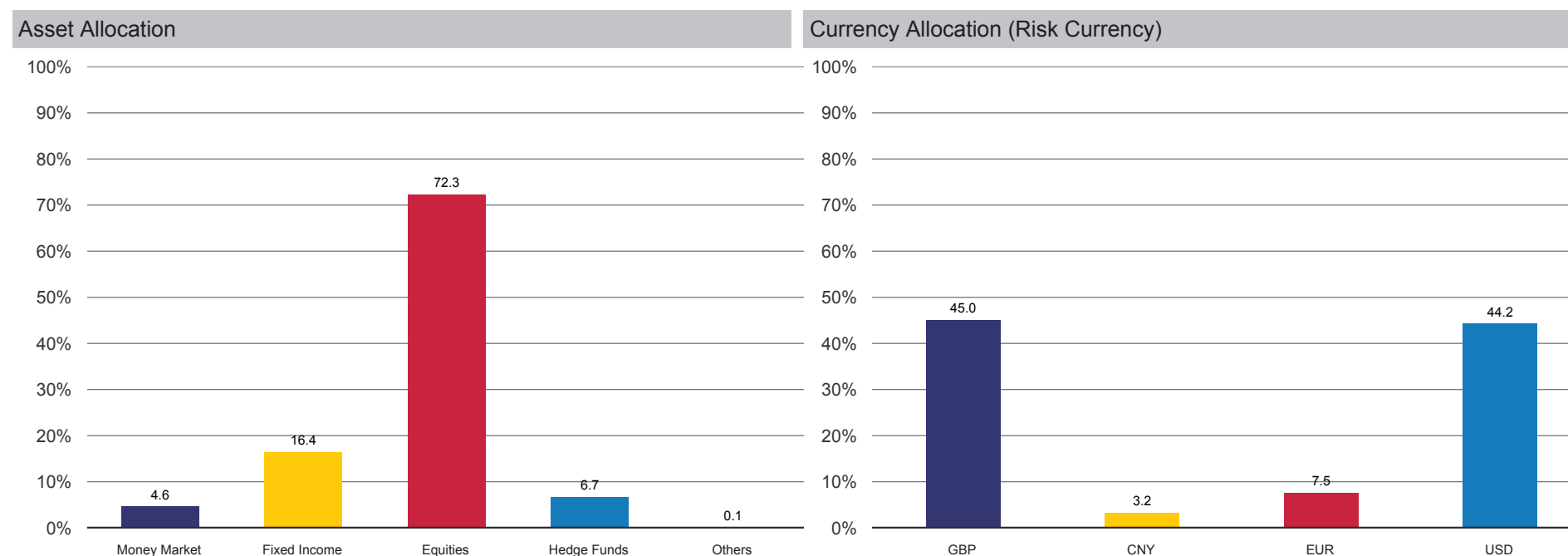


| | |
|---------------------------|--|
| Portfolio Name | 1202739.01 BCUHB MAIN ACCOUNT GBP |
| Reference Currency | Pound Sterling |
| Reporting period | 01/12/2020 - 31/12/2020 |

Overview



| Portfolio | Pound Sterling | | | Performance | Performance YTD |
|-----------------------------------|------------------------|-----------------------------|------------------|-------------|-----------------|
| | Value as at 01/12/2020 | Contributions / Withdrawals | Market movements | | |
| 1202739.01 BCUHB MAIN ACCOUNT GBP | 9,397,736.21 | 0.00 | 176,125.70 | +1.87% | +11.11% |





Portfolio Statement

| Money Market | | | | | | | | |
|--------------------------------|--|---|-----------------|------------------|-------------------|--------------|-------------------|--------------|
| in Pound Sterling | | | | | | | | |
| Money Accounts | | | | | | | | |
| Units / Nominal | Listing currency | Description | Current FX Rate | Accrued interest | Book cost | Total G/L | Market value | % of assets |
| 0 | CHF | Capital Account / GB93ROSW40643910003983 | 1.207136 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00% |
| 0 | CHF | Income Account / GB12ROSW40643910003986 | 1.207136 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00% |
| 0 | EUR | Capital Account / GB28ROSW40643910003989 | 0.896016 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00% |
| 436,486.74 | GBP | Capital Account / GB66ROSW40643910003984 | 1.000000 | 0.00 | 436,486.74 | 0.00 | 436,486.74 | 4.56% |
| 0 | GBP | Income Account / GB82ROSW40643910003987 | 1.000000 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00% |
| 0 | JPY | Capital Account / GB39ROSW40643910003985 | 140.841666 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00% |
| 0 | JPY | Income Account / GB55ROSW40643910003988 | 140.841666 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00% |
| 0 | NOK | Capital Account / GB71ROSW40643910003991 | 11.704407 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00% |
| 0 | SGD | Capital Account / GB98ROSW40643910003990 | 1.803338 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00% |
| 0 | USD | Capital Account / GB44ROSW40643910003992 | 1.364150 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00% |
| Total Money Accounts | | | | | 436,486.74 | 0.00 | 436,486.74 | 4.56% |
| Pending dividends | | | | | | | | |
| Units / Nominal | Listing currency | Description | Current FX Rate | Accrued interest | Book cost | Total G/L | Market value | % of assets |
| 1,526.84 | USD | Pending dividends - Deere & Co Reg Shs (924235) | 1.364150 | 0.00 | 1,126.99 | -7.73 | 1,119.26 | 0.01% |
| Total Pending dividends | | | | | 1,126.99 | -7.73 | 1,119.26 | 0.01% |
| Total Money Market | | | | | 437,613.73 | -7.73 | 437,606.00 | 4.57% |
| Fixed Income | | | | | | | | |
| in Pound Sterling | | | | | | | | |
| Fixed Income - GBP | | | | | | | | |
| Units / Nominal | Description | Current Price | Income | YTM | Book cost | Total G/L | Market value | % of assets |
| Listing currency | ISIN | | | | | | | |
| 4,785 | Multi Units Luxembourg SICAV - Lyxor Core US TIPS (DR) UCITS | 112.85 | 2,679.42 | 0.00% | 519,096.42 | 20,890.83 | 539,987.25 | 5.64% |
| GBP | ETF Shs -Dist- Dist Shs LU1452600601 | | | | | | | |



Portfolio Statement

| Fixed Income - GBP | | | | | | | | |
|---|---|---------------|-----------|--------|--------------|-------------|--------------|-------------|
| Units / Nominal Listing currency | Description ISIN | Current Price | Income | YTM | Book cost | Total G/L | Market value | % of assets |
| 103,434.862 GBP | Rothschild & Co WM SICAV-SIF - Investment Grade Bonds Shs -GBP UKRep Inc X- Dist Shs LU1073122423 | 9.96 | 23,169.45 | 0.00% | 1,036,335.69 | -6,124.46 | 1,030,211.23 | 10.76% |
| Total Fixed Income GBP | | | 25,848.87 | | 1,555,432.11 | 14,766.37 | 1,570,198.48 | 16.40% |
| Total Fixed Income | | | 25,848.87 | | 1,555,432.11 | 14,766.37 | 1,570,198.48 | 16.40% |
| Equities in Pound Sterling | | | | | | | | |
| Equities - UK | | | | | | | | |
| Units / Nominal Listing currency | Description ISIN | Current Price | Income | Yield | Book cost | Total G/L | Market value | % of assets |
| 10,374 GBP | Admiral Group PLC Reg Shs GB00B02J6398 | 29.06 | 11,546.24 | 3.83% | 167,856.39 | 133,612.05 | 301,468.44 | 3.15% |
| 7,315 GBP | Ashtead Group PLC Reg Shs GB0000536739 | 34.38 | 2,973.61 | 1.18% | 156,213.74 | 95,275.96 | 251,489.70 | 2.63% |
| 546,861 GBP | Lloyds Banking Group PLC Reg Shs GB0008706128 | 0.3644 | 23,233.41 | 11.66% | 322,630.29 | -123,354.14 | 199,276.15 | 2.08% |
| 1,859.649 GBP | Pentaris QIAIF - Phoenix Equity Fund - F Class IE00BYSQ2G70 | 117.19864 | 0.00 | 0.00% | 183,468.63 | 34,479.70 | 217,948.33 | 2.28% |
| 969.162 GBP | Pentaris QIAIF - Phoenix Equity Fund - S Class IE00BGPFV972 | 109.35138 | 0.00 | 0.00% | 96,916.20 | 9,063.00 | 105,979.20 | 1.11% |
| Total Equities UK | | | 37,753.26 | | 927,085.25 | 149,076.57 | 1,076,161.82 | 11.24% |
| Equities - Europe ex UK | | | | | | | | |
| Units / Nominal Listing currency | Description ISIN | Current Price | Income | Yield | Book cost | Total G/L | Market value | % of assets |
| 29,620 EUR | Ryanair Holdings PLC Reg Shs IE00BYTBXV33 | 16.465 | 0.00 | 0.00% | 224,671.73 | 212,309.27 | 436,981.00 | 4.56% |
| Total Equities Europe ex UK | | | 0.00 | | 224,671.73 | 212,309.27 | 436,981.00 | 4.56% |



Portfolio Statement

| Equities - North America | | | | | | | | |
|-------------------------------------|---|---------------|----------|-------|------------|------------|--------------|-------------|
| Units / Nominal Listing currency | Description ISIN | Current Price | Income | Yield | Book cost | Total G/L | Market value | % of assets |
| 4,172 USD | American Express Co Reg Shs US0258161092 | 120.91 | 5,260.13 | 1.42% | 202,954.13 | 166,826.70 | 369,780.83 | 3.86% |
| 2,167 USD | Berkshire Hathaway Inc -B- Reg Shs US0846707026 | 231.87 | 0.00 | 0.00% | 132,235.10 | 236,098.51 | 368,333.61 | 3.85% |
| 65 USD | Booking Holdings Inc Reg Shs US09857L1089 | 2,227.27 | 0.00 | 0.00% | 86,387.85 | 19,738.71 | 106,126.56 | 1.11% |
| 139 USD | Cable One Inc Reg Shs US12685J1051 | 2,227.72 | 967.90 | 0.43% | 73,656.83 | 153,336.59 | 226,993.42 | 2.37% |
| 347 USD | Charter Communications Inc -A- Reg Shs US16119P1084 | 661.55 | 0.00 | 0.00% | 82,684.55 | 85,594.49 | 168,279.04 | 1.76% |
| 7,249 USD | Comcast Corp -A- Reg Shs US20030N1019 | 52.40 | 4,888.75 | 1.76% | 205,287.21 | 73,162.81 | 278,450.02 | 2.91% |
| 2,009 USD | Deere & Co Reg Shs US2441991054 | 269.05 | 4,477.04 | 1.13% | 120,641.13 | 275,592.02 | 396,233.15 | 4.14% |
| 10,302 USD | Fox Corp -A- Reg Shs US35137L1052 | 29.12 | 3,473.96 | 1.58% | 280,613.45 | -60,700.51 | 219,912.94 | 2.30% |
| 605 USD | Liberty Broadband Corp Series -C- Reg Shs US5303073051 | 158.37 | 0.00 | 0.00% | 38,807.17 | 31,429.86 | 70,237.03 | 0.73% |
| 1,640 USD | Linde PLC Reg Shs IE00BZ12WP82 | 263.51 | 4,630.91 | 1.46% | 143,681.42 | 173,113.95 | 316,795.37 | 3.31% |
| 948 USD | Mastercard Inc -A- Reg Shs US57636Q1040 | 356.94 | 1,139.80 | 0.46% | 154,950.62 | 93,100.64 | 248,051.26 | 2.59% |
| 1,489 USD | Moody's Corp Reg Shs US6153691059 | 290.24 | 2,445.09 | 0.77% | 163,501.23 | 153,302.17 | 316,803.40 | 3.31% |
| 2,434.556 USD | Pentaris QIAIF PLC - Bares US Equity Fund Shs -F- USD Shs IE00BD0SCN18 | 249.28514 | 0.00 | 0.00% | 196,860.70 | 248,030.72 | 444,891.42 | 4.65% |
| 1,249 USD | S&P Global Inc Reg Shs US78409V1044 | 328.73 | 2,453.90 | 0.82% | 170,257.67 | 130,723.73 | 300,981.40 | 3.14% |



Portfolio Statement

| Equities - North America | | | | | | | | |
|--------------------------------------|--|---------------|------------------|-------|---------------------|---------------------|---------------------|---------------|
| Units / Nominal Listing currency | Description ISIN | Current Price | Income | Yield | Book cost | Total G/L | Market value | % of assets |
| 8,545 USD | Wells Fargo & Co Reg Shs US9497461015 | 30.18 | 7,642.03 | 4.04% | 253,662.99 | -64,616.26 | 189,046.73 | 1.97% |
| Total Equities North America | | | 37,379.51 | | 2,306,182.05 | 1,714,734.13 | 4,020,916.18 | 42.00% |
| Equities - Asia, Far East | | | | | | | | |
| Units / Nominal Listing currency | Description ISIN | Current Price | Income | Yield | Book cost | Total G/L | Market value | % of assets |
| 1,967.544 USD | Pentaris QIAIF PLC - Vanda Fund Shs -F- USD Shs IE00BTGCYL19 | 211.27486 | 0.00 | 0.00% | 143,892.54 | 160,833.91 | 304,726.45 | 3.18% |
| Total Equities Asia, Far East | | | 0.00 | | 143,892.54 | 160,833.91 | 304,726.45 | 3.18% |
| Equities - Global | | | | | | | | |
| Units / Nominal Listing currency | Description ISIN | Current Price | Income | Yield | Book cost | Total G/L | Market value | % of assets |
| 1,585.740697 GBP | Lansdowne Developed Markets Long Only Fund Limited Shs -B- GBP Shs KYG5555M1446 | 137.30 | 0.00 | 0.00% | 165,000.00 | 52,722.20 | 217,722.20 | 2.27% |
| Total Equities Global | | | 0.00 | | 165,000.00 | 52,722.20 | 217,722.20 | 2.27% |
| Equities - Others | | | | | | | | |
| Units / Nominal Listing currency | Description ISIN | Current Price | Income | Yield | Book cost | Total G/L | Market value | % of assets |
| 1,590 GBP | Pentaris QIAIF PLC - Intrinsic Value Europe Shs -F- Unhedged GBP Shs IE00BJBLDC78 | 177.23572 | 0.00 | 0.00% | 141,685.29 | 140,119.50 | 281,804.79 | 2.94% |
| 32,290 GBP | Rothschild & Co WM SICAV-SIF - Selected Opportunities Fund Shs -GBP UKRep Inc X- Dist Shs LU0945520442 | 18.07 | 286.49 | 0.05% | 332,589.19 | 250,891.11 | 583,480.30 | 6.09% |
| Total Equities Others | | | 286.49 | | 474,274.48 | 391,010.61 | 865,285.09 | 9.04% |
| Total Equities | | | 75,419.26 | | 4,241,106.05 | 2,680,686.69 | 6,921,792.74 | 72.30% |



Portfolio Statement

| Hedge Funds | | | | | | in Pound Sterling | | |
|----------------------------------|---|---------------|--------|-------|------------|-------------------|--------------|-------------|
| Hedge Funds - Diversifiers | | | | | | | | |
| Units / Nominal Listing currency | Description ISIN | Current Price | Income | Yield | Book cost | Total G/L | Market value | % of assets |
| 10.6420 GBP | 36 South Funds ICAV - Okura Fund Accum Shs -C- GBP Shs IE00BX9BYY66 | 735.24 | 0.00 | 0.00% | 11,880.83 | -4,056.41 | 7,824.42 | 0.08% |
| 23.8040 GBP | 36 South Funds ICAV - Okura Fund Accum Shs -C- GBP Shs IE00BX9BYY66 | 735.24 | 0.00 | 0.00% | 26,802.68 | -9,301.03 | 17,501.65 | 0.18% |
| 42.1296 GBP | 36 South Funds ICAV - Okura Fund Accum Shs -C- GBP Shs IE00BX9BYY66 | 735.24 | 0.00 | 0.00% | 32,000.00 | -1,024.63 | 30,975.37 | 0.32% |
| 25.3427 GBP | 36 South Funds ICAV - Okura Fund Accum Shs -C- GBP Shs IE00BX9BYY66 | 735.24 | 0.00 | 0.00% | 15,000.00 | 3,632.97 | 18,632.97 | 0.19% |
| 86.4996 GBP | 36 South Funds ICAV - Okura Fund Accum Shs -C- GBP Shs IE00BX9BYY66 | 735.24 | 0.00 | 0.00% | 44,000.00 | 19,597.97 | 63,597.97 | 0.66% |
| 28.3119 GBP | 36 South Funds ICAV - Okura Fund Accum Shs -C- GBP Shs IE00BX9BYY66 | 735.24 | 0.00 | 0.00% | 10,892.41 | 9,923.63 | 20,816.04 | 0.22% |
| 1,960 USD | ACL Alternative Fund SAC Ltd Shs -A- Abbey Focus Fund Series A Shs BMG0071J3299 | 101.07198261 | 0.00 | 0.00% | 151,617.35 | -6,397.92 | 145,219.43 | 1.52% |
| 169.2879 GBP | CFM Institutional Systematic Trends Fund Limited Red.Ptg.Shs -GBP 1.5xd- Distributing Shares Shs VGG2104K1259 | 1,128.69 | 0.00 | 0.00% | 185,000.00 | 6,073.56 | 191,073.56 | 2.00% |
| 698.926 GBP | InRIS UCITS PLC - InRIS CFM Trends Shs -WD- Hedged GBP Shs IE00BYVG4917 | 108.41 | 0.00 | 0.00% | 69,892.60 | 5,877.97 | 75,770.57 | 0.79% |
| 899.081 USD | Pentaris QIAIF PLC - Artemis Volatility Trading Fund Shs -F- USD Shs IE00BF4R7990 | 100.16412 | 0.00 | 0.00% | 67,579.80 | -1,563.85 | 66,015.95 | 0.69% |
| Total Hedge Funds Diversifiers | | | 0.00 | | 614,665.67 | 22,762.26 | 637,427.93 | 6.66% |
| Total Hedge Funds | | | 0.00 | | 614,665.67 | 22,762.26 | 637,427.93 | 6.66% |



Portfolio Statement

| Others | | | | | | | | |
|-------------------------------------|--|---------------|-------------------|-------|---------------------|---------------------|---------------------|----------------|
| Units / Nominal Listing currency | Description ISIN | Current Price | Income | Yield | Book cost | Total G/L | Market value | % of assets |
| 46 EUR | Wts Citigroup 18.12.2020 ESTX50 EUR P 3100 resettable put LU1924392720 | 3.80 | 0.00 | 0.00% | 4,238.84 | -4,082.22 | 156.62 | 0.00% |
| 73 EUR | Wts Citigroup 19.03.2021 ESTX50 EUR P EUR 3250 resettable put LU2064604155 | 42.08 | 0.00 | 0.00% | 6,660.86 | -3,908.44 | 2,752.42 | 0.03% |
| 176 EUR | Wts Citigroup 19.03.2021 ESTX50 EUR P EUR 2600 put LU2079248493 | 9.26 | 0.00 | 0.00% | 36,531.96 | -35,071.67 | 1,460.29 | 0.02% |
| 172 EUR | Wts Citigroup 18.12.2020 ESTX50 EUR P EUR 2250 put LU2079247172 | 0.001 | 0.00 | 0.00% | 17,343.83 | -17,343.68 | 0.15 | 0.00% |
| 90 USD | Wts Citigroup 18.12.2020 S&P 500 USD 2800 put LU1924392563 | 3.00 | 0.00 | 0.00% | 8,333.92 | -8,135.99 | 197.93 | 0.00% |
| 99 USD | Wts BNP Paribas Iss 18.06.2021 S&P 500 USD 2700 put NL0013533078 | 31.27 | 0.00 | 0.00% | 12,623.05 | -10,353.70 | 2,269.35 | 0.02% |
| Total Others | | | 0.00 | | 85,732.46 | -78,895.70 | 6,836.76 | 0.07% |
| Total | | | 101,268.13 | | 6,934,550.02 | 2,639,311.89 | 9,573,861.91 | 100.00% |



Cash Statement

1202739.01

Capital Account / GBP / GB66ROSW40643910003984

| Value Date | Trade Date | Transaction | Units | Price | Debit | Credit | Balance |
|------------------------------------|------------|---|-------|-------|-------------|-----------------|-------------------|
| Opening balance 01/12/2020: | | | | | | | 431,124.24 |
| 02/12/2020 | 02/12/2020 | Incoming Payment - Credit from: BCUHB GB91ROSW08661020273962 | | | | 2,916.36 | 434,040.60 |
| 31/12/2020 | 31/12/2020 | Incoming Payment - Credit from: BCUHB GB91ROSW08661020273962 | | | | 2,446.14 | 436,486.74 |
| Closing balance 31/12/2020: | | | | | 0.00 | 5,362.50 | 436,486.74 |

Income Account / GBP / GB82ROSW40643910003987

| Value Date | Trade Date | Transaction | Units | Price | Debit | Credit | Balance |
|--|------------|---|-------|-------|----------|----------|-----------------|
| Opening balance 01/12/2020: | | | | | | | 2,374.75 |
| 01/12/2020 | 05/11/2020 | Security Event Transaction - Cash dividend Wells Fargo & Co Reg Shs (966021) 8,545 @ 0.10 | | | | 541.61 | 2,916.36 |
| 10/12/2020 | 24/11/2020 | Security Event Transaction - Cash dividend S&P Global Inc Reg Shs (32303352) 1,249 @ 0.67 | | | | 528.33 | 3,444.69 |
| 11/12/2020 | 23/11/2020 | Security Event Transaction - Cash dividend Cable One Inc Reg Shs (28318642) 139 @ 2.50 | | | | 223.28 | 3,667.97 |
| 14/12/2020 | 20/11/2020 | Security Event Transaction - Cash dividend Moody's Corp Reg Shs (1130337) 1,489 @ 0.56 | | | | 529.70 | 4,197.67 |
| Revised opening balance 01/12/2020: | | | | | | | 4,197.67 |
| 02/12/2020 | 02/12/2020 | Payment - Standing order to ROTHSCHILD AND CO BANK INTERNAT.LTD (WEALTH MANAGEMENT) ST. PETER PORT Beneficiary: BCUHB | | | 2,916.36 | | 1,281.31 |
| 17/12/2020 | 02/12/2020 | Security Event Transaction - Cash dividend Linde PLC Reg Shs (37962490) 1,640 @ 0.963 | | | | 1,164.83 | 2,446.14 |



Cash Statement

1202739.01

| Income Account / GBP / GB82ROSW40643910003987 | | | | | | | |
|---|------------|---|-------|-------|----------|----------|---------|
| Value Date | Trade Date | Transaction | Units | Price | Debit | Credit | Balance |
| 31/12/2020 | 31/12/2020 | Payment - Standing order to ROTHSCHILD AND CO BANK INTERNAT.LTD (WEALTH MANAGEMENT) ST. PETER PORT Beneficiary: BCUHB | | | 2,446.14 | | 0.00 |
| Closing balance 31/12/2020: | | | | | 5,362.50 | 1,164.83 | 0.00 |



Important Information

Custody of Assets

All assets shown in this Portfolio Report are held, unless otherwise stated, by Rothschild & Co Bank International Limited as custodian under the terms of the custody agreement with you. The valuation is prepared on a trade date basis, and constitutes the statement from Rothschild & Co Bank International Limited of all the custody assets held for you and for which Rothschild & Co Bank International Limited is accountable or which are in the course of settlement. In addition, Rothschild & Co Bank International Limited holds assets which were sold during the period where the sale transactions are still in the course of settlement; these assets are not shown as they are accounted for on a trade date basis.

Cash Statement

Client cash relating to ISA Capital and Income accounts are held in a designated client bank account and protected under the UK Financial Conduct Authority client money rules.

Your Investments

For our discretionary and advisory clients, the investments in your portfolio have been made in line with your preferences, objectives, circumstances and risk profile, as set out in the Portfolio Strategy agreed with you, a copy of which has been provided to you.

Income

The figures shown in the column headed 'Income' reflect the estimated full year's dividends (assuming that the portfolio holdings are held for a full year based on last year's dividend rates) and estimated full year's income on cash / deposits (assuming that the amount of cash and the interest rate applicable remain constant throughout one year). These are estimates only and are not guaranteed.

Performance Returns

These are shown after the effect of management fees, where the fee is deducted directly from the portfolio.

Fees and Commissions

The portfolio may be invested in collective investment schemes ("Funds") whose investments are managed by Rothschild & Co Wealth Management and for which Rothschild & Co Wealth Management receive a periodic charge of up to a maximum of 1.50% per annum payable out of the assets of the relevant fund (depending on the particular fund's charging structure). Holdings in such funds are not included for the purposes of calculating the annual management fee on the Portfolio.

Risk Warnings

Past performance is not an indication of future performance. The value of investments and the income therefrom, may fall as well as rise.



Important Information

Pricing

The portfolio valuation has been prepared using the last traded or mid-market prices where available; where it has not been possible to value the securities on this basis, investments have been valued on a basis considered appropriate.

Opening Positions

Due to a variety of reasons arising from the booking of the transactions, the opening positions may differ from the closing positions in previous Portfolio Reports provided to you.

Dealing charges

Rothschild & Co Wealth Management UK Limited or Rothschild & Co Bank International Limited may execute transactions through a third party broker who may charge commission. The commission is in addition to any Rothschild & Co fees and other transaction charges, for example stamp duty. A breakdown of costs and charges paid from the portfolio will be provided annually and can be provided at any time upon request.

Regulatory

For accounts that are managed by Rothschild & Co Wealth Management UK Limited (which is authorised and regulated by the Financial Conduct Authority) this statement constitutes the investment manager's periodic report for the portfolio.

Rothschild & Co Bank International Limited is licensed and regulated by the Guernsey Financial Services Commission for the provision of Banking and Investment Services. Company number 1088.

| | | | | | | | |
|--|---|---|--------------------------|--|-------------------------------------|--------------------------------------|--------------------------|
| Cyfarfod a dyddiad: Meeting and date: | Charitable Funds Committee 9 th March 2021 | | | | | | |
| Cyhoeddus neu Breifat: Public or Private: | Public | | | | | | |
| Teitl yr Adroddiad Report Title: | Charitable Funds Finance Report Q3 2020/21 | | | | | | |
| Cyfarwyddwr Cyfrifol: Responsible Director: | Sue Hill, Executive Director of Finance | | | | | | |
| Awdur yr Adroddiad Report Author: | Rebecca Hughes, Charity Accountant | | | | | | |
| Craffu blaenorol: Prior Scrutiny: | Executive Director of Finance | | | | | | |
| Atodiadau Appendices: | <u>Appendix 1:</u> Legacies <u>Appendix 2:</u> COVID-19 Grants <u>Appendix 3:</u> Income and expenditure <u>Appendix 4:</u> Outstanding commitments <u>Appendix 5:</u> Analysis of funds by service <u>Appendix 6:</u> Glossary of terms | | | | | | |
| Argymhelliad / Recommendation: | | | | | | | |
| The Committee is asked to note and approve the report. | | | | | | | |
| The Committee is asked to approve the transfer of restricted funds. | | | | | | | |
| Please tick one as appropriate (note the Chair of the meeting will review and may determine the document should be viewed under a different category) | | | | | | | |
| Ar gyfer penderfyniad /cymeradwyaeth For Decision/ Approval | <input checked="" type="checkbox"/> | Ar gyfer Trafodaeth For Discussion | <input type="checkbox"/> | Ar gyfer sicrwydd For Assurance | <input checked="" type="checkbox"/> | Er gwybodaeth For Information | <input type="checkbox"/> |
| Sefyllfa / Situation: | | | | | | | |
| The Charitable Funds Committee has responsibility for overseeing the financial management and stewardship of the charitable funds. This is the Finance Report for the charity as at the 31 st December 2021, reporting the financial position over the third quarter of 2020/21. | | | | | | | |
| Cefndir / Background: | | | | | | | |
| NHS charitable funds are defined as all monies donated to the Health Board for purposes related to the NHS and include voluntary donations, legacies and fundraising. Awyr Las's objects, as recorded with the Charity Commission, are <i>'for any charitable purpose or purposes relating to the National Health Service'</i> . | | | | | | | |
| The vision of the Charity expands on this further: <i>'To use Charitable Funds to make a real difference to our patients, their families and staff across North Wales in the delivery of safe and effective healthcare'</i> . The Charity's focus is always on the ultimate patient benefit and funding items that go over and above the core NHS service. | | | | | | | |
| Asesiad / Assessment: | | | | | | | |
| Strategy Implications Aligned to the Awyr Las Charity Strategy. | | | | | | | |
| Options considered | | | | | | | |

Not applicable – paper is for information on the financial position of the charity.

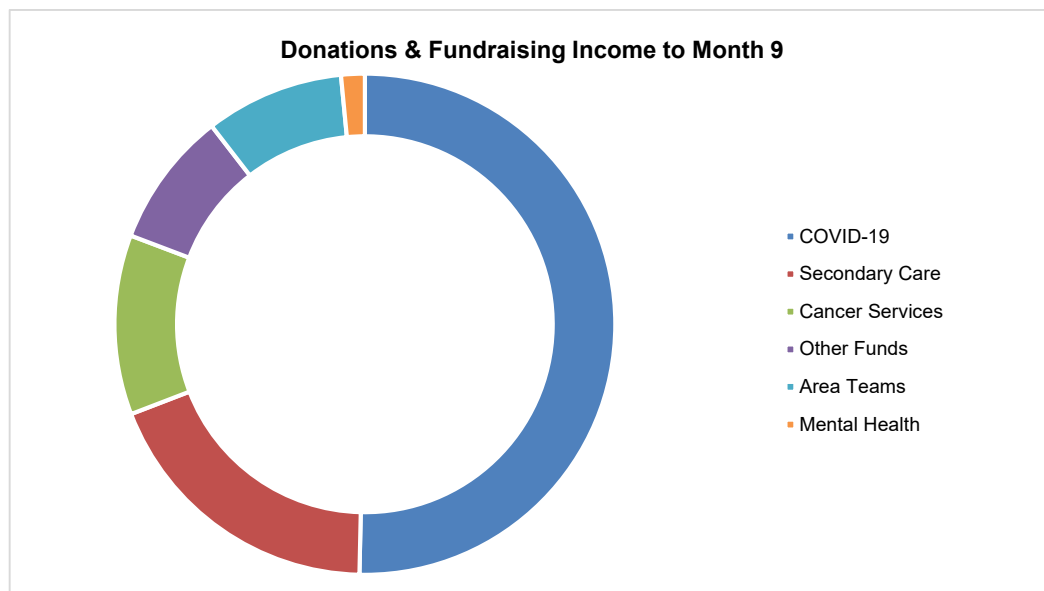
Financial Implications

Statement of Financial Activities

| | Quarter ended 31 st December 2020 £000 | Year to 31 st December 2020 £000 | Year to 31 st December 2019 £000 |
|------------------------------|---|---|---|
| Donations & fundraising | 220 | 983 | 1,021 |
| Legacies | 11 | 102 | 580 |
| Investment income | 6 | 77 | 86 |
| Total income | 237 | 1,162 | 1,687 |
| Grants funded | (322) | (1,050) | (1,236) |
| Governance & support costs | (26) | (80) | (79) |
| Fundraising costs to date | (61) | (168) | (164) |
| Charity budget commitment | 79 | (189) | (191) |
| Investment management | 2 | (22) | (40) |
| Total expenditure | (328) | (1,509) | (1,710) |
| Gain/(loss) on investments | 668 | 1,847 | 614 |
| Net movement in funds | 577 | 1,500 | 591 |

Income

- Donation and fundraising income for the year to date totals £983,000, which is £38,000 (4%) lower than for the same period last year. Current year figures include donations for COVID-19, which to the end of December totalled £495,000, comprising 50% of all donated income. Included in this figure is £266,600 from NHS Charities Together. Donated income to other funds within the charity was down by £533,000 (52%) compared to the same period last year.



- Legacy income this for the first nine months of the year totals £102,000, which is £478,000 (82%) lower than at the same point last year. Further details on legacies are included in Appendix 1.

Expenditure

- Grant funded expenditure of £1,050,000 is £186,000 (15%) lower than at the same point last year. Grants of £491,000 have been awarded from COVID-19 funds, which comprises 47% of total grants for the year to date. Further detail on COVID-19 grants is included in Appendix 2.
- The charity budget commitment relates to the costs for the whole of the year that are chargeable to General Funds, as per the approved budget. These are committed at the start of the year, so that the General Funds balance accurately reflects what is available to use in grant awards. The commitment is reduced throughout the year as costs are realised.
- Further detail on items of income and expenditure over £25,000 is included in Appendix 3.

Fundraising Costs

| | Total Budget £000 | Month 9 Budget £000 | Month 9 Actual £000 | Month 9 Variance £000 |
|--------------------------------|----------------------|------------------------|------------------------|--------------------------|
| Fundraising Team Pay Costs | 225 | 169 | 140 | (29) |
| Fundraising Team Non-Pay Costs | 50 | 38 | 25 | (13) |
| Total Fundraising Team | 275 | 207 | 165 | (42) |
| Other Fundraising Costs | 28 | 21 | 3 | (18) |
| Total Fundraising Costs | 303 | 228 | 168 | (60) |

- The Fundraising Team costs are £42,000 under spent for the year to date. The team currently has one vacancy, a 30 hour Band 6 Fundraising Support Manager, which is resulting in the under spend on staff costs. Non-pay costs are also under spent, with many fundraising events unable to take place during the pandemic.

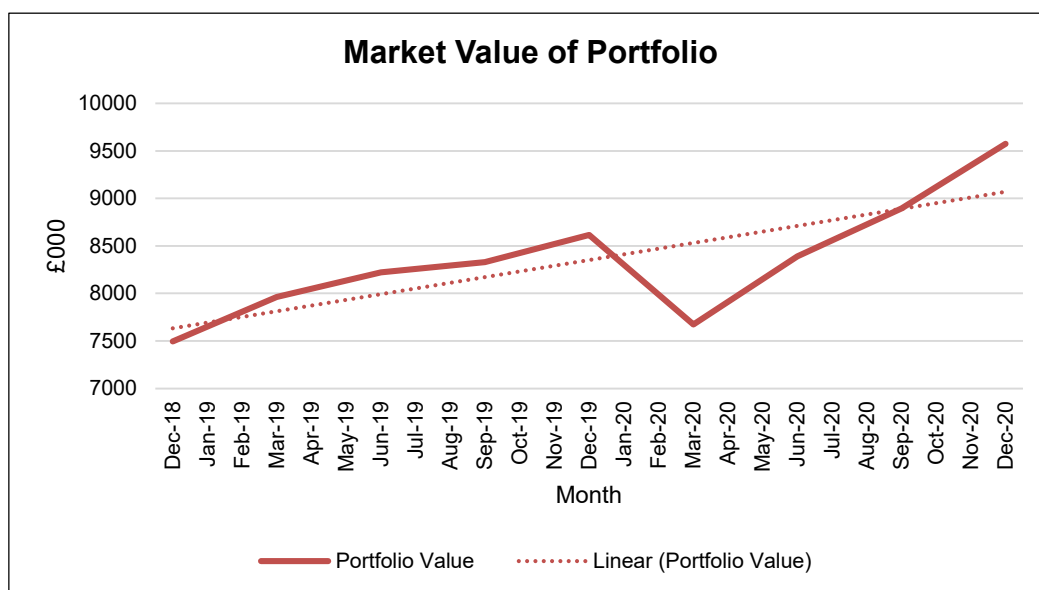
Balance Sheet

| | As at 31/12/20 £000 | As at 31/03/20 £000 |
|---|---------------------------|---------------------------|
| Long term investments | 9,573 | 7,673 |
| Land | 135 | 135 |
| Total fixed assets | 9,708 | 7,808 |
| Debtors | 218 | 543 |
| Cash at bank and in hand | 738 | 884 |
| Total current assets | 956 | 1,427 |
| Creditors | (213) | (220) |
| Net current (liabilities)/assets | 743 | 1,207 |
| Creditor for commitments | (1,297) | (1,361) |
| Net assets | 9,154 | 7,654 |
| Unrestricted fund balances | 4,953 | 3,813 |
| Restricted fund balances | 3,624 | 3,841 |
| Net assets | 8,577 | 7,654 |

Investments

- All of the loss suffered at the end of 2019/20 due to COVID-19 has been regained during 2020/21 and the portfolio is now £956,000 higher than at the peak last year. This has given a third quarter gain on investments of £668,000. The year to date gain of £1,847,000 equates to 24% of the

brought forward portfolio value. Although this gain is unrealised, it is included in General Funds as income.



- The investment portfolio is a separate agenda item, with Brewin Dolphin in attendance to discuss strategy going forward.

Assets and liabilities

- Total cash held has decreased by £146,000 during the first nine months of the year. It is forecast that the cash held is sufficient to meet current needs.
- The provision for commitments has decreased by £64,000 (5%) compared to the end of the last financial year. Extensions were given to all commitments at the start of the year, to ensure that applicants were not disadvantaged by the pandemic, with business as usual being severely disrupted. Applicants with outstanding approvals that have not progressed have been contacted during February to determine their status. Grants that have not progressed and have no plan to restart have been cancelled.
- A review of all COVID-19 grants has also been undertaken in February. Of the 128 grants between £100 and £5,000 that have been awarded to end of December 2020, 47 of these have been fully used and closed. A full review of all open grants resulted in a further 35 being closed. The remaining grants will be monitored to ensure that they are being utilised as agreed. Further details of outstanding commitments are included in Appendix 4.

Funds Analysis

- Available unrestricted fund balances total £4,953,000 compared to a target level of £2,811,000.
- Available General Funds total £1,063,000. This balance is after the running costs of the charity for 2020/21 have been removed. General Funds have increased further during the third quarter due to the unrealised gains made on the investments.
- Within the charity, fund 8T26 - Yirga Alem Hospital Link was set up to support a link between the Health Board and a hospital in Awassa, Ethiopia. This is a restricted fund and has a balance of £11,324. Due to unrest in the area, the link has now ceased and so we can no longer spend the money that remains in the way that was intended. The Fund Advisors have requested that the remaining funds are transferred to fund 8T08 - Ethiopia Link Charitable Fund, which supports

the Health Board's link with a hospital in Hossana, Ethiopia. Charity Commission guidance has been sought, due to the monies being restricted. They have confirmed:

If the donor insisted on having the funds returned if their wishes could not be fulfilled then those funds must be returned to the donor, wherever possible. If the original donor merely 'wished' or 'desired' to restrict the funds for a particular purpose, the trustees are free to proceed at their own discretion.

Donations to the fund were made with a wish that they be used for the original purpose and therefore they can be used for an alternative purpose. The Committee is asked to approve the transfer of the funds remaining in fund 8T26 to fund 8T08.

- An analysis of funds by service is included in Appendix 5.
- A glossary of terms used in this report is included in Appendix 6.

Risk Analysis

The risks of the charity are reviewed by the Committee on an annual basis, every March and are included as a separate agenda item.

Legal And Compliance

Not applicable.

Impact Assessment

Not applicable.

Appendix 1 – Legacies

| Open Legacies – Quarter 3 2020/21 | | | | | | |
|-----------------------------------|----------------------|-----------------------|--|----------------------|------------------|--|
| Name | Date of Notification | Pecuniary / Residuary | Fund to Benefit | Received in Period £ | Total Received £ | Current Status |
| Cunliffe, N M | May-20 | Residuary | Cancer Centre, YGC / Ophthalmology, ABH & Audiology, YGC | 0 | 0 | Grant of Probate was awarded in October 2020. A sale on the property has been agreed. All assets and liabilities have been collated. |
| Lewis, J E | Mar-20 | Residuary | Cancer Centre, YGC | 0 | 0 | The executing solicitors are in the process of collating assets and liabilities to apply for Grant of Probate. |
| Williams, C J L | Dec-19 | Residuary | Renal Unit, YG | 0 | 0 | Grant of Probate has been awarded. All assets and liabilities have been collated and the distribution of the Estate will be in quarter 4 of this financial year. |
| Williams, E L | Jan-20 | Residuary | Parents and Friends of Rhuddlan Children's Centre | 0 | 0 | The solicitors are in the process of applying for Grant of Probate. |
| Young, G A | Nov-19 | Residuary | Aberconwy Ward, Llandudno General Hospital & Gwynedd Breast Cancer Research Fund | 0 | 0 | A sale has been agreed on the property in Llandudno. |
| Total open legacies | | | | 0 | 0 | |

Appendix 1 – Legacies

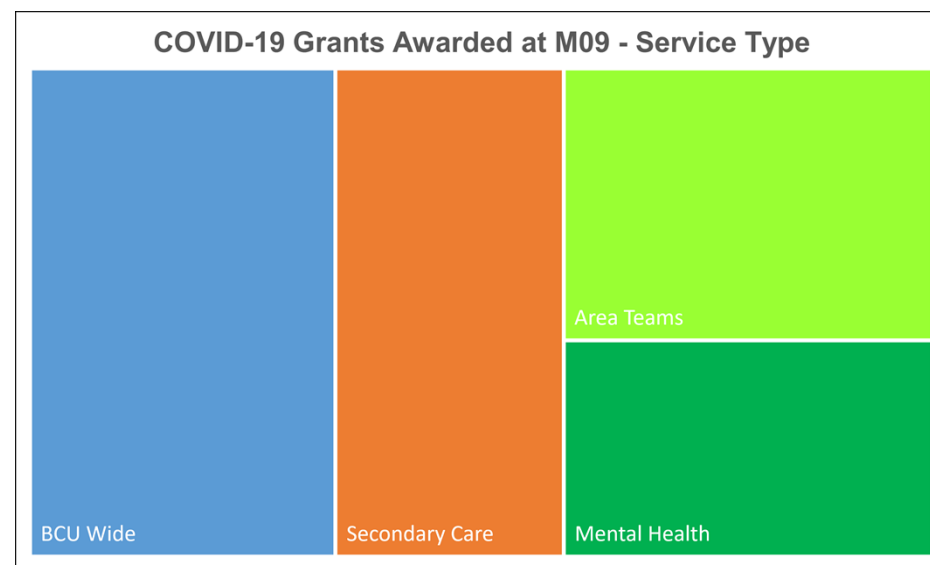
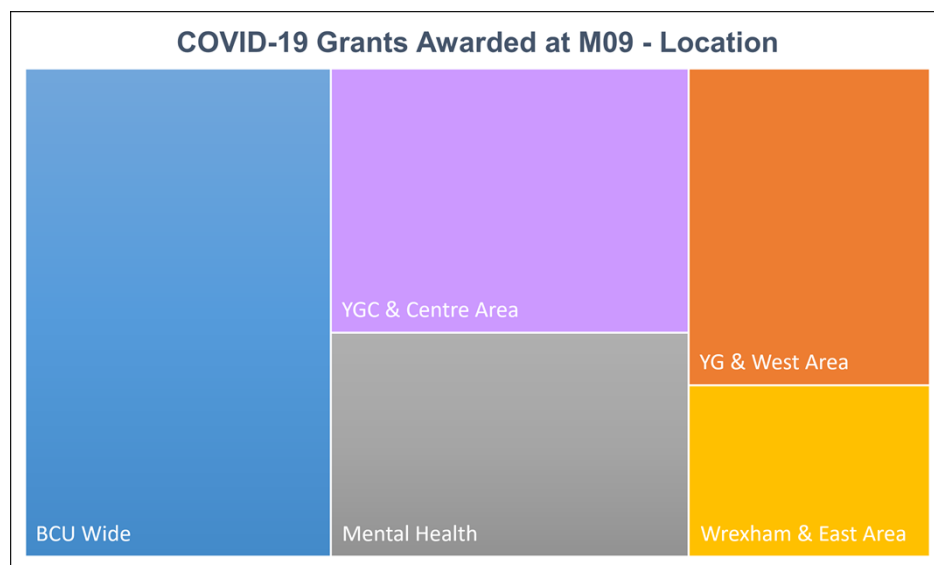
| Closed Legacies – Quarter 3 2020/21 | | | | |
|---|-----------------------|--------------------------------------|----------------------|------------------|
| Name | Pecuniary / Residuary | Fund to Benefit | Received in Period £ | Total Received £ |
| Ellison, F | Residuary | Ruthin Hospital General Purpose Fund | 165,422 | 165,422 |
| Jones, D A | Residuary | Cancer Centre, YGC | 13,071 | 13,071 |
| Staniforth, J E | Residuary | Cancer Centre, YGC | 1,157 | 101,157 |
| Whellens, M | Pecuniary | Cancer Centre, YGC | 1,000 | 1,000 |
| Total closed legacies | | | 180,651 | 180,651 |
| Legacies Accrued in prior years | | | (169,748) | |
| Total Legacies Received in Quarter 3 | | | 10,903 | |

Appendix 2 – COVID-19 Grants

COVID-19 grants have been available to all divisions, regardless of the specific funds they may hold. 34% of grants have been for use on a Health Board wide basis, with the remainder going to specific areas. A summary of the location and service type of these grants is shown below.

| Location | £000 |
|---------------------|------------|
| BCU Wide | 166 |
| YGC & Centre Area | 105 |
| Mental Health | 89 |
| YG & West Area | 85 |
| Wrexham & East Area | 46 |
| Total | 491 |

| Service Type | £000 |
|----------------|------------|
| BCU Wide | 166 |
| Secondary Care | 124 |
| Area Teams | 112 |
| Mental Health | 89 |
| Total | 491 |



Appendix 3 – Income and Expenditure

Items over £25,000

| Income & Expenditure Items Over £25,000 | | | | |
|---|---|-----------------|----------------------|--|
| Division | Fund | Income £'000 | Expenditure £'000 | Description |
| Income | | | | |
| COVID-19 | 8T52 – COVID-19 Response | 52 | | Grant - NHS Charities Together |
| Centre Area | 8B16 – Denbigh South Locality: Ruthin General Purposes | 165 | | Legacy – F Ellison |
| Expenditure | | | | |
| Ysbyty Wrexham Maelor | 7B67 - Cardiology Fund, East | | (37) | Ambulatory ECG Monitoring System |
| Ysbyty Glan Clwyd & Abergel | 8B66 – Livsey Fund | | (50) | Hybrid Theatre - Hand pieces and accessories |
| Total | | 217 | (87) | |

Appendix 4 – Outstanding Commitments

| Approval Expiry | Description | Fund No. | Fund Name | Amount Approved £ | Amount Paid/ Accrued £ | Amount Outstanding £ | Notes | Status |
|-----------------|--|----------|---|----------------------|------------------------------|-------------------------|---|--------|
| 31/01/2021 | Equipment and Flooring - Alaw Ward | 9Q04 | Janet Jones (Alaw) - YG | 56,000 | 44,575 | 11,425 | The work has now been completed and was less than originally expected. The commitment has been closed in February 2021 and the balance returned to the fund. | |
| 31/01/2021 | Ambulatory ECG Monitoring System | 7B67 | Cardiology Fund - East | 45,000 | 36,721 | 8,279 | Final payment made in November. Commitment closed and remaining balance returned to fund. | |
| 31/01/2021 | Purchase of 8 televisions for the new Coronary Care Unit | 8B42 | Cardiology Department Central - Patients Fund | 24,000 | 0 | 24,000 | The application has been withdrawn as they are unable to do the work required during the pandemic. They will look to reassess and potentially resubmit when the pressures of COVID-19 cease. Commitment closed in January and balance returned to the fund. | |
| 31/01/2021 | Operating table/couch for the Pacing Theatre - VAT element | 8B42 | Cardiology Department Central - Patients Fund | 9,458 | 0 | 9,458 | VAT element of invoice. Finalised in January and commitment closed. | |
| 28/02/2021 | BQL - Lesotho Family Medicine Specialty Training Program | 8T52 | COVID-19 Response Fund | 9,857 | 8,632 | 1,225 | Ongoing project. | |
| 28/02/2021 | BQL - Lesotho Family Medicine Specialty Training Program | 9T27 | Betsi-Quthing Fund | 5,700 | 0 | 5,700 | Ongoing project. | |
| 28/02/2021 | BAME NHSCT Grant | 8T52 | COVID-19 Response Fund | 50,000 | 22,800 | 27,200 | COVID-19 grant from NHS Charities Together to be used for BAME projects. Individual projects are being identified and when approved, they will be set up as separate projects and this ring-fenced amount reduced accordingly. | |

Appendix 4 – Outstanding Commitments

| Approval Expiry | Description | Fund No. | Fund Name | Amount Approved £ | Amount Paid/ Accrued £ | Amount Outstanding £ | Notes | Status |
|-----------------|---|----------|---------------------------------------|----------------------|------------------------------|-------------------------|--|--------|
| 28/02/2021 | Older Persons Mental Health - Equipment Request | 8T52 | COVID-19 Response Fund | 16,780 | 0 | 16,780 | Ongoing. | |
| 28/02/2021 | Rural Community Public Access Defibrillation | 8T52 | COVID-19 Response Fund | 9,698 | 7,145 | 2,553 | Ongoing. | |
| 28/02/2021 | Neuro Physio Equipment | 8T52 | COVID-19 Response Fund | 9,240 | 88 | 9,153 | Ongoing. | |
| 28/02/2021 | Bladder Scanner | 9Q04 | Janet Jones (Alaw) - YG | 6,850 | 0 | 6,850 | Order placed November 2020. | |
| 28/02/2021 | Hydref Ward - Furniture Request | 8T52 | COVID-19 Response Fund | 6,815 | 264 | 6,551 | Ongoing. | |
| 31/03/2021 | North Wales Adolescent Service (NWS): Experience Based Co-design (EBCD) Project | 8F17 | Denbighshire Child Development Centre | 4,720 | 2,589 | 2,131 | Ongoing project. The main project has been undertaken, but there are some outcomes still outstanding - framing service user artwork, purchasing furniture and signage for the building. Some of this had to be suspended due to COVID-19, but is expected to resume shortly. Three year extension awarded. | |
| 31/03/2021 | Hybrid Theatre | 8B66 | Livsey Fund | 500,000 | 451,203 | 48,797 | Large-scale Estates project. Orders raised from November 2018 onwards, in line with the project plan. There was a pause on the project for COVID-19, but it has restarted at the beginning of 2021. The Cardiology team have confirmed that the funds will be used by June 2021. Two year extension awarded. | |

Appendix 4 – Outstanding Commitments

| Approval Expiry | Description | Fund No. | Fund Name | Amount Approved £ | Amount Paid/ Accrued £ | Amount Outstanding £ | Notes | Status |
|-----------------|---|----------|-------------------------------------|----------------------|------------------------------|-------------------------|--|--------|
| 31/03/2021 | Virtual Hospital Scoping Project | 8T52 | COVID-19 Response Fund | 5,000 | 0 | 5,000 | The Research and Innovation Office has led on this and the project is underway. It is due to be completed by the end of March and the Bevan Foundation, who has undertaken the work, will be invoicing for it in March. Three month extension awarded, | |
| 31/03/2021 | Additional Equipment – Hybrid Theatre | 8B66 | Livsey Fund | 75,300 | 0 | 75,300 | This is linked to the main Hybrid Theatre application. Orders are raised in line with the project plan. There was a pause on the project for COVID-19, but it has restarted at the beginning of 2021. The Cardiology team have confirmed that the funds will be used by June 2021. | |
| 31/03/2021 | Project Support for ChemoCare Version 6 Upgrade and Roll-out to Haematology | 8Q02 | Cancer Charitable Fund - Glan Clwyd | 92,000 | 25,674 | 66,326 | Ongoing project | |
| 31/03/2021 | Cancer Care Self Help Group - 2020 | 8Q02 | Cancer Charitable Fund - Glan Clwyd | 500 | 0 | 500 | The event was cancelled due to COVID-19. Commitment closed in February 2021 and balance returned to fund. | |
| 31/03/2021 | Minor Works Scheme - Ysbyty Alltwen | 9B10 | Madog Community and Hospital Fund | 29,700 | 0 | 29,700 | Estates have confirmed that due to other priority COVID-19 works the contractor has been undertaking, the job has been delayed. It is scheduled to start end of February and the materials required have been ordered. One year extension awarded. | |
| 31/03/2021 | Evaluating Musical Interaction Therapy (MIT) for Autism with Cross-BCU Impact | 8T28 | General Funds - Awyr Las | 16,500 | 6,412 | 10,088 | Ongoing project. | |

Appendix 4 – Outstanding Commitments

| Approval Expiry | Description | Fund No. | Fund Name | Amount Approved £ | Amount Paid/ Accrued £ | Amount Outstanding £ | Notes | Status |
|-----------------|---|----------|-------------------------------------|-------------------|------------------------|----------------------|--|--------|
| 31/03/2021 | CV-19 Grant - Small grants scheme | 8T52 | COVID-19 Response Fund | 2,000 | 992 | 1,008 | COVID-19 initial response small grants scheme. | |
| 31/03/2021 | Charity Budget 2020/21 | 8T28 | General Funds - Awyr Las | 449,497 | 260,363 | 189,134 | Budget for 2020/21. | |
| 31/03/2021 | Provision of Parabl Talking Therapy | 8T52 | COVID-19 Response Fund | 21,274 | 18,984 | 2,290 | Ongoing project. | |
| 31/03/2021 | Nathan Wyburn - Thank you BCUHB/NHS/Artwork | 8T27 | Creative Well Fund | 2,500 | 500 | 2,000 | There have been delays whilst fire regulation approval is sought for the sites to allow the artwork to be hung. Three month extension awarded. | |
| 31/03/2021 | IPad Grant Scheme | 8T52 | COVID-19 Response Fund | 50,000 | 30,780 | 19,220 | COVID-19 project. IT are organising the purchase and roll out of devices. | |
| 31/03/2021 | CV-19 Funding Requests (£100 to £5,000) | 8T52 | COVID-19 Response Fund | 170,148 | 73,283 | 96,865 | A total of 128 grants between £100 and £5,000 have been awarded to end of December 2020. 47 of these have been fully used and closed. A full review of all COVID-19 grants awarded and not yet spent was undertaken in February. This resulted in a further 35 grants being closed. The remaining grants will be monitored to ensure that they are being utilised as agreed. | |
| 30/04/2021 | Wet Rooms - Enfys Ward | 8Q02 | Cancer Charitable Fund - Glan Clwyd | 11,231 | 0 | 11,231 | The communal wet room has been completed, but the bathrooms in the single rooms are still outstanding. Work has been delayed due to COVID-19. Nine month extension awarded. | |

Appendix 4 – Outstanding Commitments

| Approval Expiry | Description | Fund No. | Fund Name | Amount Approved £ | Amount Paid/ Accrued £ | Amount Outstanding £ | Notes | Status |
|-----------------|---|----------|-------------------------------------|----------------------|------------------------------|-------------------------|---|--------|
| 30/04/2021 | PhD Prudent Healthcare (KESS Scholarships) | 8T28 | General Funds - Awyr Las | 4,000 | 3,500 | 500 | The student undertaking the PhD withdrew in September 2018 after 2 years on the project. It is hoped that the funding for the final year, some of which is held by Bangor University and some by the charity, can be converted into a one year Masters. The submission request for this was in the final call before the lockdown. The project proposals submitted to the call now have to go to the KESS 2 Approval Panel and a date is in the process of being set for that meeting. Two and a half year extension awarded. | |
| 30/04/2021 | Exploring Healthcare Professionals perspectives on Advance Care Planning: another piece of the puzzle | 7Q03 | Palliative Care Fund - YMW | 23,993 | 0 | 23,993 | The project is being led by Bangor University and has now been completed, but the university have not yet issued an invoice. Costs are invoiced in arrears. The service lead is following up with the university. One year extension awarded. | |
| 30/04/2021 | Complimentary Therapy 2020 | 7Q02 | Cancer Support Group - YMW | 16,000 | 0 | 16,000 | Commitment for 2020/21. | |
| 30/04/2021 | Complimentary Therapy 2020 | 8Q02 | Cancer Charitable Fund - Glan Clwyd | 26,000 | 1,805 | 24,195 | Commitment for 2020/21. | |
| 30/04/2021 | Complimentary Therapy 2020 | 9Q18 | #TeamIrfon | 33,000 | 0 | 33,000 | Commitment for 2020/21. | |
| 30/04/2021 | Oncology Wigs 2020 | 7Q02 | Cancer Support Group - YMW | 25,000 | 1,620 | 23,380 | Commitment for 2020/21. | |

Appendix 4 – Outstanding Commitments

| Approval Expiry | Description | Fund No. | Fund Name | Amount Approved £ | Amount Paid/ Accrued £ | Amount Outstanding £ | Notes | Status |
|-----------------|---|----------|-------------------------------------|----------------------|------------------------------|-------------------------|---|--------|
| 30/04/2021 | Oncology Wigs 2020 | 8Q02 | Cancer Charitable Fund - Glan Clwyd | 25,000 | 4,050 | 20,950 | Commitment for 2020/21. | |
| 30/04/2021 | Oncology Wigs 2020 | 9Q04 | Janet Jones (Alaw) - YG | 25,000 | 2,970 | 22,030 | Commitment for 2020/21. | |
| 30/04/2021 | Dermatology Wigs 2020 - East | 8T28 | General Funds - Awyr Las | 10,000 | 3,420 | 6,580 | Commitment for 2020/21. | |
| 30/04/2021 | Dermatology Wigs 2020 - West | 8T28 | General Funds - Awyr Las | 10,000 | 4,716 | 5,284 | Commitment for 2020/21. | |
| 30/04/2021 | Dermatology Wigs 2020 - Central | 8T28 | General Funds - Awyr Las | 10,000 | 5,490 | 4,510 | Commitment for 2020/21. | |
| 30/04/2021 | Hearts & Minds Regular Grants Scheme | 8T28 | General Funds - Awyr Las | 20,000 | 0 | 20,000 | Small grants scheme for 2020/21. | |
| 30/04/2021 | International Year of the Nurse and Midwife | 8T28 | General Funds - Awyr Las | 10,000 | 0 | 10,000 | Ongoing project. | |
| 30/05/2021 | Bereavement Support Provision | 8T52 | COVID-19 Response Fund | 20,000 | 3,821 | 16,179 | Ongoing project that has been delayed due to COVID-19 pressures. Six month extension awarded. | |
| 31/05/2021 | Gwynt Y Mor Community Fund - Motiv8 Project | 8D12 | Motiv8 North West Wales | 47,190 | 0 | 47,190 | Due to COVID-19, the project was put on hold. However, the project has now recommenced and the person appointed to lead it started in mid-February. | |

Appendix 4 – Outstanding Commitments

| Approval Expiry | Description | Fund No. | Fund Name | Amount Approved £ | Amount Paid/ Accrued £ | Amount Outstanding £ | Notes | Status |
|-----------------|--|----------|------------------------------|----------------------|------------------------------|-------------------------|---|--------|
| 31/05/2021 | Supporting Primary Care Placements for Nurses and Student Nurses | 8T28 | General Funds - Awyr Las | 4,800 | 3,450 | 1,350 | First cohort of students commenced at the end of 2017, having been a delayed due to the university having to undertake full work based audits on all practices taking part in the scheme. Due to COVID-19, there have not been any student nurses out in practice, but Bangor University are looking to open up 3rd year placements for primary care students from April 2021 onwards. Four year extension awarded. | |
| 31/05/2021 | Covid-19 Medical Education Fellowship | 8T52 | COVID-19 Response Fund | 19,200 | 0 | 19,200 | Ongoing project. | |
| 31/05/2021 | Covid-19 Medical Education Fellowship | 8T52 | COVID-19 Response Fund | 20,000 | 0 | 20,000 | Ongoing project. | |
| 30/06/2021 | Hearts and Mind Grants 2019.20 | 8T38 | Awyr Las Hearts & Minds Fund | 5,695 | 2,196 | 3,499 | Small grants scheme administered by the Fundraising Team. This was put on hold due to COVID-19, but will be restarting shortly. Fifteen month extension awarded. | |
| 30/06/2021 | Hearts and Mind Grants 2019.20 | 9Q01 | Cancer Research - YG | 1,000 | 0 | 1,000 | Small grants scheme administered by the Fundraising Team. This was put on hold due to COVID-19, but will be restarting shortly. Fifteen month extension awarded. | |
| 30/06/2021 | Staff Experience Application | 8T48 | Staff Development Fund | 24,000 | 0 | 24,000 | Small grants scheme administered by the Fundraising Team. This was put on hold due to COVID-19, but will be restarting shortly. One year extension awarded. | |
| 30/06/2021 | PALS Hub, YG | 8T28 | General Funds - Awyr Las | 6,819 | 0 | 6,819 | Ongoing. | |

Appendix 4 – Outstanding Commitments

| Approval Expiry | Description | Fund No. | Fund Name | Amount Approved £ | Amount Paid/ Accrued £ | Amount Outstanding £ | Notes | Status |
|-----------------|---|----------|-----------------------------|----------------------|------------------------------|-------------------------|--|--------|
| 30/06/2021 | Cultural Competence Training | 8T52 | COVID-19 Response Fund | 2,800 | 0 | 2,800 | COVID-19 grant from NHS Charities Together for BAME projects. There have been difficulties in staff being released for awareness sessions, due to COVID-19 pressures. The Equality and Human Rights Strategic Forum have agreed sessions will be delayed to April. Six month extension awarded. | |
| 31/07/2021 | Nasal Mucous Collection | 8T28 | General Funds - Awyr Las | 5,700 | 2,414 | 3,286 | Ongoing project. Project now planned to cover three hay fever seasons and so take longer than originally anticipated. Two year extension awarded. | |
| 31/07/2021 | Advancing the Primary Care Nursing Workforce across North Wales | 8T48 | Staff Development Fund | 50,000 | 21,091 | 28,909 | The first cohort of courses took place in September and October 2019. The pandemic delayed the programme; it restarted in August 2020, but has had to be put on hold again due to the rise in COVID-19 cases and the inability to release staff to attend this training. Eighteen month extension awarded. | |
| 31/07/2021 | MSc Biomedical Science course | 9J06 | Microbiology Research - YG | 7,500 | 0 | 7,500 | Ongoing course. The staff member is now in her second year, but an invoice from Bangor University has not been received. The service lead is following this up. | |
| 30/09/2021 | Replacement Flooring, Tywyn Hospital | 9B34 | Tywyn General Purposes Fund | 6,209 | 0 | 6,209 | Ongoing project. There were initially delays in commencing due to some asbestos work that needed to be carried out. Then COVID-19 delayed the project further. The hospital team are waiting for Estates to commence the work as soon as they are able to, but it is unlikely to be until after April. Two year extension awarded. | |

Appendix 4 – Outstanding Commitments

| Approval Expiry | Description | Fund No. | Fund Name | Amount Approved £ | Amount Paid/ Accrued £ | Amount Outstanding £ | Notes | Status |
|-----------------|---|----------|---|----------------------|------------------------------|-------------------------|--|--------|
| 31/10/2021 | KESS Studentship | 8Q03 | Cancer Research Fund - Glan Clwyd | 7,500 | 5,625 | 1,875 | Ongoing three year project. Student started in September 2018 and is due to finish in July 2021 | |
| 30/11/2021 | Oncology Research Project | 9Q04 | Janet Jones (Alaw) - YG | 30,000 | 0 | 30,000 | Ongoing research project. | |
| 30/11/2021 | Diagnosis of Meningitis in new-born babies - Research Scientist | 8T28 | General Funds - Awyr Las | 11,500 | 0 | 11,500 | Ongoing research project. | |
| 30/11/2021 | Diagnosis of Meningitis in new-born babies - Equipment | 8T28 | General Funds - Awyr Las | 13,473 | 0 | 13,473 | Ongoing research project. | |
| 31/03/2022 | Cancer Care Self Help Group - 2021 | 8Q02 | Cancer Charitable Fund - Glan Clwyd | 500 | 0 | 500 | The event was cancelled due to COVID-19 and so the funding is not required. Commitment closed in February 2021 and balance returned to fund. | |
| 30/04/2022 | Patient Journey App | 9N17 | Trauma & Orthopaedic (West) CPG GP Fund | 13,400 | 7,450 | 5,950 | Ongoing project. Approval was £5,000 for set up costs and £350 per month for license for 2 years. | |
| 31/05/2022 | Keep the Beats Officer | 7B67 | Cardiology Fund - East | 30,000 | 12,493 | 17,507 | Ongoing project. | |
| 31/05/2022 | Keep the Beats Officer | 8B42 | Cardiology Department Central - Patients Fund | 26,000 | 10,827 | 15,173 | Ongoing project. | |
| 31/05/2022 | Keep the Beats Officer | 9K08 | Cardiology Department - West | 18,000 | 7,495 | 10,505 | Ongoing project. | |

Appendix 4 – Outstanding Commitments

| Approval Expiry | Description | Fund No. | Fund Name | Amount Approved £ | Amount Paid/ Accrued £ | Amount Outstanding £ | Notes | Status |
|-----------------|---|----------|--------------------------|----------------------|------------------------------|-------------------------|--|--------|
| 31/03/2023 | Study - Correlation between novel biomarker expression and interventional treatment in chronic back pain – Pain Management, Wrexham | 8T28 | General Funds - Awyr Las | 51,500 | 0 | 51,500 | Ongoing project. | |
| 30/09/2023 | Assessing the mental health of patients on the Alaw Cancer Care Unit | 9Q18 | #TeamIrfon | 52,038 | 0 | 52,038 | Project was put on hold due to COVID-19. The role is not expected to be advertised until May 2021, so is unlikely to be filled until September 2021. Two year extension awarded. | |

Key to Status coding:

TOTAL

1,297,148

| |
|-------------------|
| Approval closed |
| Ongoing |
| Extension awarded |
| Overdue |

Appendix 5 – Analysis of Funds by Service

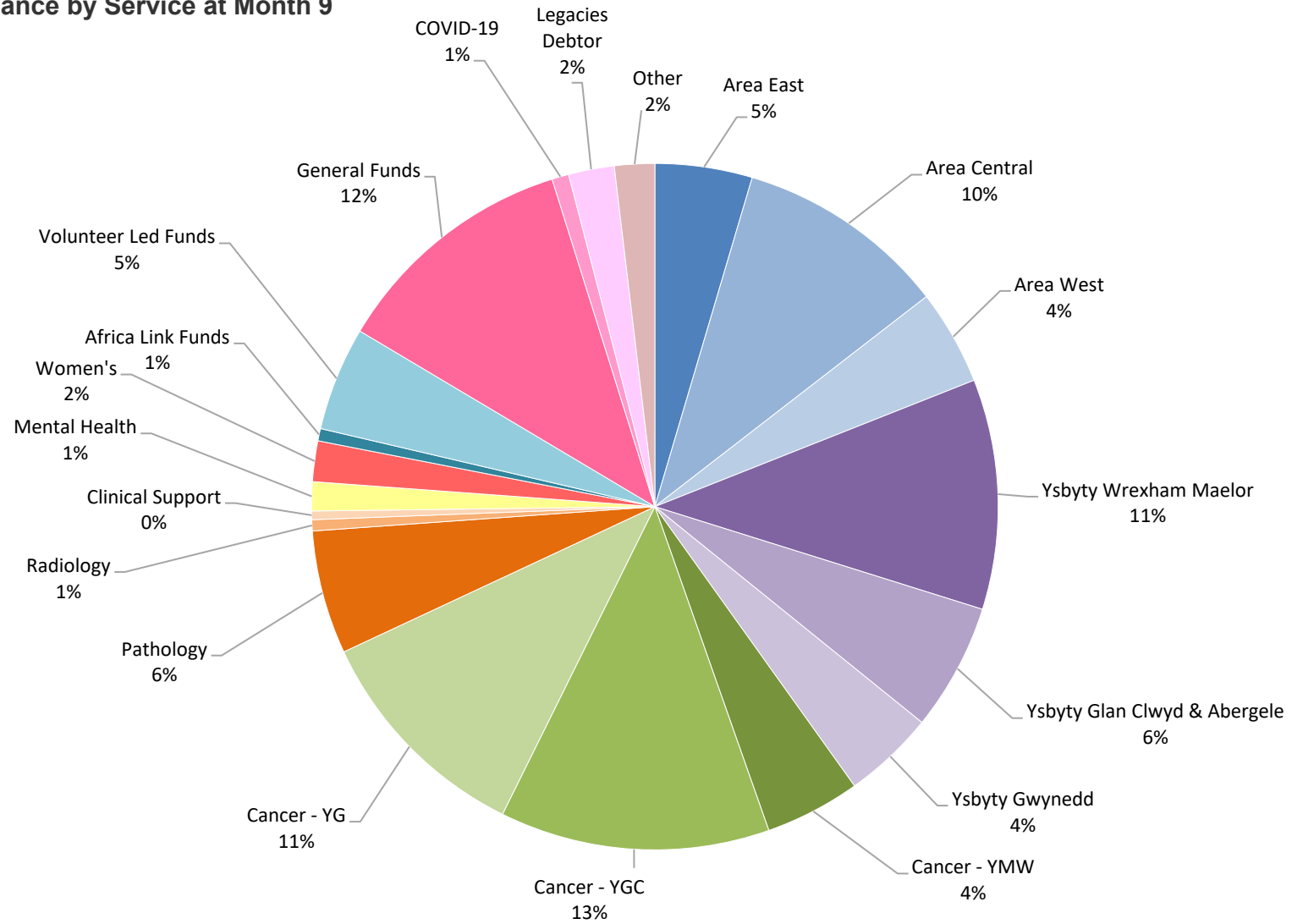
| | Opening position M01 £000 | Income £000 | Expenditure £000 | New Unspent Commitments £000 | Closing position M09 £000 |
|------------------------------|------------------------------|----------------|---------------------|---------------------------------|------------------------------|
| Area East | 431 | 30 | (42) | 0 | 419 |
| Area Central | 769 | 189 | (48) | 0 | 910 |
| Area West | 434 | 39 | (63) | 0 | 410 |
| Area Teams | 1,634 | 258 | (153) | 0 | 1,739 |
| Ysbyty Wrexham Maelor | 971 | 90 | (52) | (17) | 992 |
| Ysbyty Glan Clwyd & Abergel | 554 | 69 | (54) | (21) | 548 |
| Ysbyty Gwynedd | 410 | 57 | (57) | (16) | 394 |
| Women's & Maternal Care | 180 | 9 | (14) | 0 | 175 |
| Pathology | 533 | 1 | (1) | 0 | 533 |
| Radiology | 48 | 1 | (1) | 0 | 48 |
| Clinical Support | 37 | 0 | 0 | 0 | 37 |
| Secondary Care | 2,733 | 227 | (179) | (54) | 2,727 |
| Cancer - YMW | 384 | 22 | 5 | 0 | 411 |
| Cancer - YGC | 1,097 | 90 | (24) | 0 | 1,163 |
| Cancer - YG | 954 | 66 | (1) | (37) | 982 |
| Cancer Services | 2,435 | 178 | (20) | (37) | 2,556 |
| Mental Health | 114 | 15 | (4) | 0 | 125 |
| Africa Link Funds | 69 | 5 | (15) | (6) | 53 |
| Volunteer Led Funds | 441 | 16 | (9) | 0 | 448 |
| General Funds | (452) | 1,908 | (172) | (221) | 1,063 |
| COVID-19 Funds | 63 | 495 | (240) | (245) | 73 |
| Legacies Debtor | 371 | (174) | 0 | 0 | 197 |
| Other | 246 | 81 | (152) | (2) | 173 |
| Other Funds | 738 | 2,331 | (588) | (474) | 2,007 |
| Total Charity Balance | 7,654 | 3,009 | (944) | (565) | 9,154 |

| Service Type | £000 | % |
|-----------------|--------------|-----|
| Area Teams | 1,739 | 19% |
| Secondary Care | 2,727 | 30% |
| Cancer Services | 2,556 | 28% |
| Mental Health | 125 | 1% |
| Other | 2,007 | 22% |
| | 9,154 | |

| Health Economy | £000 | % |
|----------------|--------------|-----|
| East | 1,822 | 20% |
| Centre | 2,621 | 29% |
| West | 1,786 | 20% |
| BCU Wide | 2,925 | 32% |
| | 9,154 | |

Appendix 5 – Analysis of Funds by Service

Fund Balance by Service at Month 9



Appendix 6 – Glossary of Terms

Donations

Donations include all income received by the charity as gifts made to it on a voluntary basis.

Fundraising income

This includes income from all fundraising activities, events and sponsorship.

Governance and support costs

These include the recharge from the Health Board for Finance and administration support, external audit fees, software fees, bank costs and other admin charges.

Fundraising costs

This is the total costs of fundraising. It includes the costs of fundraising by individual wards and departments, as well as the pay and non-pay costs of the Fundraising Team.

Long term investment

Fixed asset investments are held to generate income and for their investment potential. For the charity, this consists of the investment portfolio managed by Rothschild.

Unrealised gains

An unrealised gain is a potential profit that exists on paper, resulting from an investment. It is an increase in the value of an asset that has yet to be sold for cash, such as a stock position that has increased in value but still remains open. The gains and losses reported in the charity's accounts are unrealised as the investments are still held. They would only become realised if the assets were sold and converted to cash.

Commitments

The value of all the grants that have been approved by the charity, but not yet spent.

Unrestricted funds

Unrestricted funds are spent or applied at the discretion of the trustees to further any of the charity's purposes. Trustees may choose to set up designated funds that remain part of the unrestricted funds of the charity. This is because the designation has an administrative purpose only and does not legally restrict the trustees' discretion in how to apply the unrestricted funds that they have earmarked.

Restricted funds

Funds held on specific trusts under charity law are classed as restricted funds. The resources of each restricted fund are held and maintained separately from other funds. This is in recognition of the circumstances in which the resources were originally received, and/or the restrictions on the fund that determine the way those resources are subsequently to be treated. Restricted funds in Awyr Las primarily come from legacies. However there are also some specific designated funds that are wholly restricted.

Appendix 6 – Glossary of Terms

Reserves

Reserves are the funds that the charity has which can be freely spent on any of its charitable purposes. This therefore excludes restricted income funds, but includes unrestricted designated funds.

Designated Funds

Funds that are aligned to specific wards, departments and services. They can be restricted or unrestricted. These funds are managed by Fund Advisors.

General Funds

These are the funds held by the charity that are not designated. They can be restricted (where there is a broad restriction to the Health Board rather than a particular service) or unrestricted. General Funds receive the unrealised gains or losses on the investments. General Funds pay for the running costs of the charity – all governance and support costs, plus the costs of the Fundraising Team.

Legacies Debtor Fund

This fund holds the accruals for legacies where probate has been granted, but we have not yet received the cash. This fund is used to protect the designated funds from fluctuations in the final legacy received. When the legacy is received, it will be credited to the designated fund specified in the Will and the accrual will be reversed out from the Legacies Debtor fund.

Dormant Funds

These are designated funds, which have not had any income or expenditure in the preceding year.

Semi-dormant Funds

These are designated funds, which have not had any expenditure in the preceding year, but have received income.



| | | | | | | | |
|---|---|---|-------------------------------------|--|-------------------------------------|--|-------------------------------------|
| Cyfarfod a dyddiad: Meeting and date: | Charitable Funds Committee 9th March 2020 | | | | | | |
| Cyhoeddus neu Breifat: Public or Private: | <i>Public</i> | | | | | | |
| Teitl yr Adroddiad Report Title: | BCUHB Fundraising Update Report | | | | | | |
| Cyfarwyddwr Cyfrifol: Responsible Director: | Sue Hill, BCUHB Executive Director of Finance | | | | | | |
| Awdur yr Adroddiad Report Author: | Kirsty Thomson, BCUHB Head of Fundraising | | | | | | |
| Craffu blaenorol: Prior Scrutiny: | <i>No prior scrutiny</i> | | | | | | |
| Argymhelliad / Recommendation: | | | | | | | |
| <i>The Committee is asked to note the information included within the BCUHB Fundraising Update Report and approve the recommendation to engage in trading and sponsorship activity included in section 6.</i> | | | | | | | |
| Appendices: | | | | | | | |
| <i>Appendix 1: Light Up Christmas Evaluation</i> | | | | | | | |
| <i>Appendix 2: Summary of Covid-19 Appeal Fund Income and Expenditure</i> | | | | | | | |
| <i>Appendix 3: Digital Device Case Study</i> | | | | | | | |
| Please tick as appropriate | | | | | | | |
| Ar gyfer penderfyniad /cymeradwyaeth For Decision/ Approval | <input checked="" type="checkbox"/> | Ar gyfer Trafodaeth For Discussion | <input checked="" type="checkbox"/> | Ar gyfer sicrwydd For Assurance | <input checked="" type="checkbox"/> | Er gwybodaeth For Information | <input checked="" type="checkbox"/> |
| Sefyllfa / Situation: | | | | | | | |
| <i>This paper provides an update on the following key areas of the Fundraising Section of the Awyr Las Support Team's activity:</i> | | | | | | | |
| 1. <i>Fundraising & engagement events and activities</i> | | | | | | | |
| 2. <i>Complaints Report</i> | | | | | | | |
| 3. <i>NHS Charities Together Stage 2 & 3 Grant Update</i> | | | | | | | |
| 4. <i>New CRM System Update</i> | | | | | | | |
| 5. <i>Shooting Star Unit Update</i> | | | | | | | |
| 6. <i>Keep the Beats trading and sponsorship activity</i> | | | | | | | |
| 7. <i>Digital Devices Feedback</i> | | | | | | | |
| 8. <i>Specific Appeals Update</i> | | | | | | | |
| <i>This paper seeks to provide assurance on the main activities, direction and focus of the Fundraising Section of the Awyr Las Support Team for BCUHB's Board representatives who form the Charitable Funds Committee membership. This should be read in conjunction with the Awyr Las Finance Report.</i> | | | | | | | |
| Cefndir / Background: | | | | | | | |
| | | | | | | | |

1. Fundraising and engagement events and activities

The inaugural 'Light Up Christmas' activity ([Awyr Las | Blue Sky | Light up Christmas](#)) held in December surpassed fundraising and engagement expectations, raising over £6,000, 60% more than anticipated with 440 requesting dedications, far more than the planned 250 dedications. See Appendix 1, an initial evaluation that doesn't include the participant survey feedback because the survey closed at the end of February, for more information. The intention is to expand this activity to hold a 'Light Up Christmas' activity in all BCUHB hospitals. A working group of volunteers and staff met on 23rd February to begin the planning for 2021.

97 BCUHB staff, volunteers and patients have got involved in the first round of the 'One Million Steps Challenge' ([Awyr Las | Blue Sky | A Charity for Better Healthcare in North Wales](#)). Challengers include a diabetes team, which is taking it on as an activity to do alongside their patients, and patients recovering from cancer treatment.

Atom PR has been contracted to provide communications support for the Awyr Las Support Team, following the invaluable support provided by Ceidiog PR in March – June 2020. Eight press releases highlighting the impact of Awyr Las grants from the Covid-19 Fund have been scheduled to be issued between now and May. See Appendix 2 for the narrative behind the breakdown of the income received through the Covid-19 Fund. Notable recent press coverage organised by the Awyr Las Support Team with BCUHB Communications Team includes:

- GMTV 03/02/21
- ITV News 03/02/21
- Sunday Express 06/02/21

The Awyr Las Support Team has updated its guidance for all BCUHB staff and disseminated this through internal channels: [Awyr Las | Blue Sky | Information for staff](#). Following the warm reception of the Covid-19 Staff Photography Competition in 2020, the Awyr Las Support Team has teamed up with the Research and Innovation Team to launch a second staff photography competition: [Awyr Las | Blue Sky | A Charity for Better Healthcare in North Wales](#).

A mailing of the 10 Year Impact Report and update from Awyr Las has been intentionally been postponed until May as the timing is more appropriate because of support team capacity and the inclusion of forward-looking messaging.

The Head of Fundraising is representing devolved administrations on a steering group chaired by the COO of NHS England to decide on a fitting tribute for Captain Sir Tom Moore. Representatives from the Awyr Las Support Team contributed to a Volunteering in Health & Social Care WCVA workshop in February and will be attending a Welsh Government Volunteering Funded projects meeting in March.

2. Complaints Report

The Awyr Las Support Team (ALST) received one complaint this quarter. The complainant was received from a Third Sector Partner that felt communication hadn't been sufficient with regard to the closures of the cafes and shops on BCUHB premises. The group had been in weekly contact with Awyr Las staff members and senior hospital staff members in the weeks prior to this complaint. A formal letter was sent reconfirming the status of cafes and shop closures on BCUHB premises.

3. NHS Charities Together Stage 2 & 3 Grant Request Update

The NHS Charities Together (NHSCT) Stage 2 and 3 outline Grant applications have been submitted and the final applications will be submitted in March. A revised grant approval timetable is in place, so

Awyr Las can expect to receive funding the Stage 2 £311,146 (% of £30m based on population figures in STP / Health Board area) and Stage 3 £418,000 (£22 per NHS staff member) in May 2021.

4. The Case for a New CRM System

Following the submission of a full business case for the New CRM System in December, work is being undertaken to carry out a more detailed options appraisal. The aim is to have a new CRM system in place for September 2021.

5. Shooting Star Unit and Maggie's Centre Update

The Head of Fundraising has met with the Chair of Shooting Star Cancer Support (SSCS) and Graham Alexander who is overseeing the business case for the Shooting Star Unit development project three times since December. The business case scoping document has been submitted to the BCUHB Capital Investment Group. It is expected that a total of £1.7 million will need to be raised, but as the business case is still at its early stages, the Shooting Star Cancer Support Trustees and the Head of Fundraising are not yet at a point at which the terms of a Memorandum of Understanding can be agreed. It has not been decided which organisation will take responsibility for managing a dedicated fundraiser – Awyr Las or SSCS – but it is clear that dedicated resource will be required.

The Head of Fundraising (HoF) has had two meetings with the Maggie's Centre Business Manager, and the Maggie's Centre Business Manager has met with the YGC Hospital Managing Director and members of the Cancer Services Senior Management Team. The HoF has provided a SWOT analysis to inform the business case which the Cancer Services Senior Management Team will be drawing up this quarter.

6. Keep the Beats: proposed trading and sponsorship activity

In 2020 Awyr Las agreed to grant funding to the Sudden Adult Death Trust (SADS) UK to support the full salary costs of a North Wales Community Public Access Defibrillator Support (PADS) Officer for a fixed term period. The PADS Officer had previously been self-employed, carrying out the same duties, working in partnership with SADS, WAST and BCUHB's Cardiology Service (specifically the Awyr Las Keep the Beats Fund Advisors in YGC's cardiology team). The PADS Officer's main role is to

1. Support communities with community public access defibrillator (CPAD) sites, ensuring they are on the CAD system and are well maintained and kept operational.
2. Improve data collection for North Wales post out of hospital cardiac arrest.
3. Provide communities with CPR and familiarisation training on how to use the CPAD.

The PADS Officer works closely with schools, community groups, local businesses and local authorities. The PADS Officer and a Keep the Beats Fund Advisor has been working with the Awyr Las Support Team to identify new and existing funding streams to generate more income to support and expand the work he is doing, and to promote the charity in the process. Potential annual charitable support to the value of £100,000 has been identified, though community sponsorship packages and also through the purchase, installation and impact reporting associated with CPADs. The Head of Fundraising is awaiting formal response from the Charity Commission and the Fundraising Regulator to confirm whether 80% of this activity - the purchase, installation and impact reporting associated with CPADs - would be considered trading activity.

This CPAD related trading activity cannot commence without the explicit authorisation of the Charitable Funds Committee. The Head of Fundraising will provide Charitable Funds Committee members with a verbal overview in the Charitable Funds Committee Meeting of the comparison between the current process in place and the recommended process, and how entering into trading activity would benefit the charity.

The Head of Fundraising would like the Charitable Funds Committee to agree in principle to permitting the charity to carry out trading activity specifically for the Keep the Beats Fund. The trading activity will only commence when:

- Clarification on the nature of this activity has been received by both the Charity Commission and the Fundraising Regulator.
- BCUHB Charity Accountant, Tax Financial Accountant and Head of Fundraising have agreed processes, description and restrictions associated with the activity, and the Executive Director of Finance has agreed to this.
- A full risk assessment of this activity has been carried out.
- A new, revised Memorandum of Understanding is in place between Awyr Las (Betsi Cadwaladr University Health Board Charities), Welsh Ambulance Service Trust (WAST), Betsi Cadwaladr University Health Board (BCUHB) and SADS UK.

The processes that are put in place for this primary-purpose trading could, with the Charitable Funds Committee's approval, then be applied to other non-primary purpose trading activity, including the sale of merchandise, which staff and volunteers have requested that the charity enters into.

7. Digital Devices feedback

The Head of Fundraising has been a member of the Patient-Use Devices Group, which met most recently in January to pass over the project from the Informatics Team to the Patient Experience Team. The Group has been led by Informatics Project Manager, Brian Laing. One case study of what has been achieved can be seen in Appendix 3. Brian has confirmed that none of the Welsh Government funds were made available for BCUHB devices because the Regional Partnership Board made the decision to instead focus support for Care Homes and vulnerable people out in the community using that particular funding stream. It was that decision last spring which originally prompted Brian to look for alternative ways of providing these essential solutions for patients receiving care on BCUHB sites – both in terms of the short-term urgent requirements during restricted visiting, but also with longer-term sustainable use cases in mind to maximise any return on investment.

All of the 254 devices we have deployed to BCUHB acute and community care settings, plus the MHL D provision, have been achieved solely through charitable funds from Awyr Las and Macmillan. This has been achieved through the £50,000 Awyr Las Digital Fund and additional designated funds, a £5,000 donation from the Freemasons in the West region, plus £45,000 from Macmillan. The Patient-Use Devices Group have therefore had no cause to incur any costs to BCUHB, other than use of staff time, which has not been charged to the project.

As part of its commitment to the digital inclusion agenda, the model that BCUHB is now working towards is to assign the digital devices to specific patients, so they can be used to aid visiting in hospital, virtual clinics and remote consultations. Rather than this being a pandemic response project, it should be viewed as the start of a meaningful long term programme to further digital inclusion in North Wales.

BCUHB Informatics is looking at whether a further campaign for a digital fund 2021/22 is required, given the increased appetite for technology to support health care. It is thought that it would be particularly timely given the two big challenges we will be facing over the coming years emerging from the global pandemic: the health & poverty inequalities this is now most evidently spotlighting, thereby increasing our societal need to tackle digital inclusion, and available capital allocation for these types of patient-use technology schemes may be less likely to prioritised by BCUHB given the competing pressures being put on our recovering healthcare systems.

8. Specific Appeals Update

- General resilience focus: the Head of Fundraising has been working with the Staff Support and Wellbeing Service Programme Manager to identify how existing and additional funds should be allocated to best support staff. Applications for funding are expected from March. In terms of general patient wellbeing, the Head of Fundraising is liaising with Patient Experience and Informatics to determine the need for more digital devices and other additional tangible improvements that could make a significant difference across the region, particularly for older people.
- The Awyr Las Support Team have been working with the Radiology Service to develop a business case for a mobile MRI Scanner.
- The Awyr Las Support Team has been working with Mental Health Services to support the development of a business case for I CAN services.
- The Awyr Las Support Team have been working with Children's Services to a launch parental accommodation campaign in June.
- A 3 month fundraising appeal for the cardiology diagnostic vehicle is being launched in March.

Asesiad / Assessment & Analysis

Strategy Implications

This report is underpinned by the Awyr Las Strategy 2016-21, see <https://awyrlas.org.uk/content/downloads/The-Awyr-Las-Strategy-2016-to-2021.pdf>.

Options considered

All fundraising, marketing and resourcing options are considered by the Awyr Las Support Team (ALST) during planning phases. All relevant information is included in the Background Section of this paper, where appropriate.

Financial Implications

The items outlined in this report are all costed within the agreed Awyr Las Support Team.

Risk Analysis

An individual Risk Analysis is completed for all Awyr Las events and activities, and for new processes and ways of working introduced by members of the Awyr Las Support Team (ALST). The ALST's perceived main risks are included in the Charity's Risk Register.

Legal and Compliance

All items within this report will be monitored and will be updated on at the June 2021 Charitable Funds Committee meeting.

Impact Assessment

Impact Assessments are carried out for all Awyr Las events and activities, and for new processes and ways of working introduced by members of the ALST.

Light up Christmas 2020 Evaluation

Campaign totals

- **Total dedications received:** 440
- **Total raised:** £6,044*

**Including potential Gift Aid on eligible donations*

Campaign stats

- **Average donation:** £12
- **Largest donation:** £200
- **Number of people giving more than £10:** 50
- **Percentage of people adding Gift Aid:** 58%
- **Gift Aid added value:** £795
- **Average value of Gift Aid added:** £3
- **First donation:** 03/12/2020 21:42
- **Last donation:** 28/12/2020 20:57
- **Days live:** 26
- **Busiest day:** 18/12/2020
- **Raised on busiest day:** £1,072 (before Gift Aid)
- **Average daily total:** £216
- **Percentage of donations originating from Bangor:** 64%
- **Percentage of “in memory” donations:** 96%

Campaign breakdown - table

| Theme | Number | % of total dons | Value | % of total raised |
|---------------------|--------|-----------------|-----------|-------------------|
| #TeamIrfon | 239 | 54 | £3,035.00 | 50 |
| Dementia Services | 122 | 28 | £1,936.25 | 32 |
| COVID - Hospitals | 50 | 11 | £580.00 | 10 |
| COVID - Communities | 29 | 7 | £493.25 | 8 |

Campaign breakdown - charts

Share of donations (value)



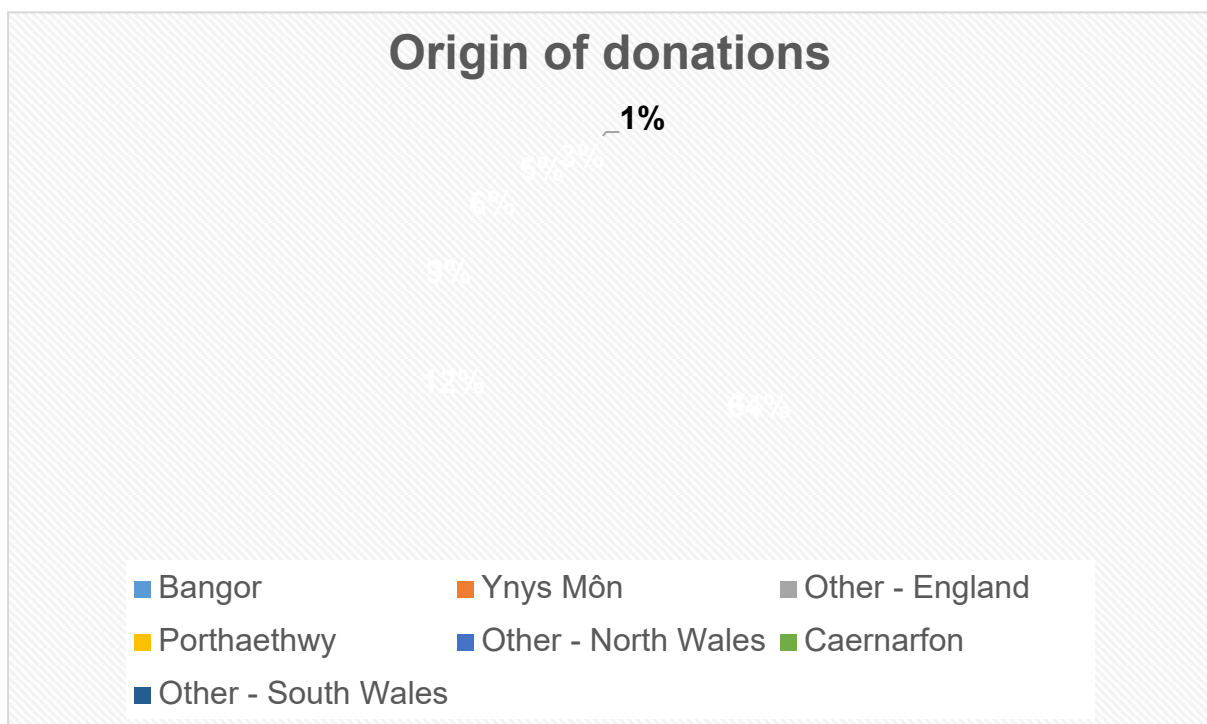
Share of donations (number)



Origin of donations – table

| Origin | Number | % |
|---------------------|--------|-----|
| Bangor | 274 | 64% |
| Ynys Môn | 51 | 12% |
| Other - England | 39 | 9% |
| Porthaethwy | 25 | 6% |
| Other - North Wales | 21 | 5% |
| Caernarfon | 11 | 3% |
| Other - South Wales | 5 | 1% |

Origin of donations – chart



To consider next year

- More promotion (during the lead in time and duration of the campaign) of where donations will go and the impact donation will have, e.g. case studies
- Generic card did not add value – if we send a hard copy item next year it should be personalised

- Around 96% of dedications were “in memory”, raising two considerations:

1) There is more to be made of this as an opportunity for donors to thank / celebrate people / groups

2) There should be some consideration made as to how the different types of dedications are displayed, e.g. is it optimal to have a single “thank you” in amongst 70+ “in memory” dedications? Applies to the digital wall and the real life event.

- Donors appreciated how personalised the dedication was, how nice it looked, how shareable it was on social
- The campaign was labour intensive, and 100s of hours were invested by the organisers, including the Awyr Las Support Teams, Bangor City Council employees and volunteers; a dedicated resource is needed to coordinate the campaign in subsequent years
- Some donors quick to become aggrieved / anxious if dedication was not online in what they perceived to be an acceptable timeframe – very emotive subject so understandable
- Donors were sending in questions about when their dedication would be online, even when 48 hours had not elapsed – need better messaging around this
- The place-based nature of the campaign worked well – e.g. numerous dedications refer to “happy times on the pier”
- Longer lead in time needed, with dedications submitted well in advance
- If dedications were collected in advance, could get them all ready and online (plus in a booklet or similar if we did a hard copy)
- Significant scope for engaging more corporate supporters in subsequent events, and engaging with other community groups, particularly Friends of Bangor Garth Pier
- The form was detailed and (in theory) signposted people well, but it could be improved (e.g. people putting their name in the box where the in memory dedication should go, people not including “from” in the message then asking for it to be changed when it was attributed to them (taken from their name in the form); needs more testing
- People had free reign to upload more than one image and multiple names, which added to the time needed to create the dedications – e.g. not every dedication adhered to the “correct” format
- We could specify there’s only one person and photo per dedication; but if we specify that you must pay per additional person, could be a barrier for some donors and it may be perceived negatively – if we say that you can have as many people as you want per dedication, could reduce the value of the campaign as people who donated separately this year may choose to do one single dedication in subsequent years
- Alternative is to have a standard format to cover most bases, e.g. single person plus one photo, two people plus two photos, etc and tailor the form so it minimises customisation on the donor’s part
- No accounting for people’s spelling errors – multiple donors contacting to say they had made an error with their name, their loved one’s name, the message, and so on; up against a deadline, this was stressful, with more preparation,

people could have a window during which they could check their dedication and amend up until a certain date

- Is there a way we can make the dedications less labour intensive, e.g. using something like Visufund, or is it worth it for the high standard of dedication? Better planning will mitigate this.
- The confusion around projecting the dedications on the pier is actually a really good idea – can imagine this working really well (maybe not on the pier, but perhaps on the side of a building? Could it be at a concert?)
- Highly emotive subject means whoever is working on the campaign needs adequate support
- Likewise, emotive subject calls for specialist support from bereavement services / mental health services / organ donation specialists when planning campaign and donor communications
- Confusion around when the pier was open / closed – exacerbated by COVID-19, but maybe next year, if possible, having the lights lit for a longer period might be a good idea and mitigate against having to close early because of the weather
- Relatively few complaints about not having a label – if all clear next year, this would be a good thing to explore; makes it highly tangible for donors and ties in with the place-based nature of the campaign (could use rubber tag ties / self-tie labels that we get custom printed with a number, that way they could be reused every year)
- Further illustrated some flaws with the Awyr Las website (lack of customisation, lack of control over page structure and layout, Welsh pages do not copy over the English structure so have to build pages from scratch – 2 x the work)
- Would be good to do more on social, encouraging people to post their dedications and tag the charity so we could retweet / share – this was happening ad hoc, but outside of the charity
- May be worth approaching the people who donated this year with a discount / special offer for next year
- Potential sites for other counties – Rhuddlan, Conwy, other Castles? Pontcysyllte Aqueduct? Could not label donations at those locations! Conwy Quay. Sections of Coastal Path.
- One complaint (so far) that those who donated after 21st won't be able to walk on the pier to see the lights (the lights are on but gates closed); again, to consider next year, this is exacerbated by COVID-19
- Majority of lights were generously loaned in 2020, this year will need to factor in the cost of lights, associated event costs, projector to display the tributes, etc – 20k minimum, further highlighting need to gain sponsorship or external funding

Benchmarking

Doncaster & Bassetlaw Teaching Hospitals (DBTH) ran a “Christmas Stars” campaign, to thank their NHS Stars (staff), the community, and remember those they have sadly lost. The campaign raised circa £30k. Not all of this was from dedications.



The charity planned this campaign so it encompassed all of the festive fundraising for 2020. They developed a fundraising pack (see Appendix 1) to promote the campaign.

People were invited to sponsor real life stars, large or small (see left), which were placed on the hospital buildings.

It was possible to make a pledge in return for a virtual star via Visufund: Online visual fundraising & interactive donation display (see Appendix 2).

Visufund is already used by numerous NHS charities and hospices to host “Light up a Life” campaigns.

It is possible to add a message and a photo – the onus is on the user so it makes it less labour intensive as a campaign. However, there are

limitations with the platform, and an additional cost.

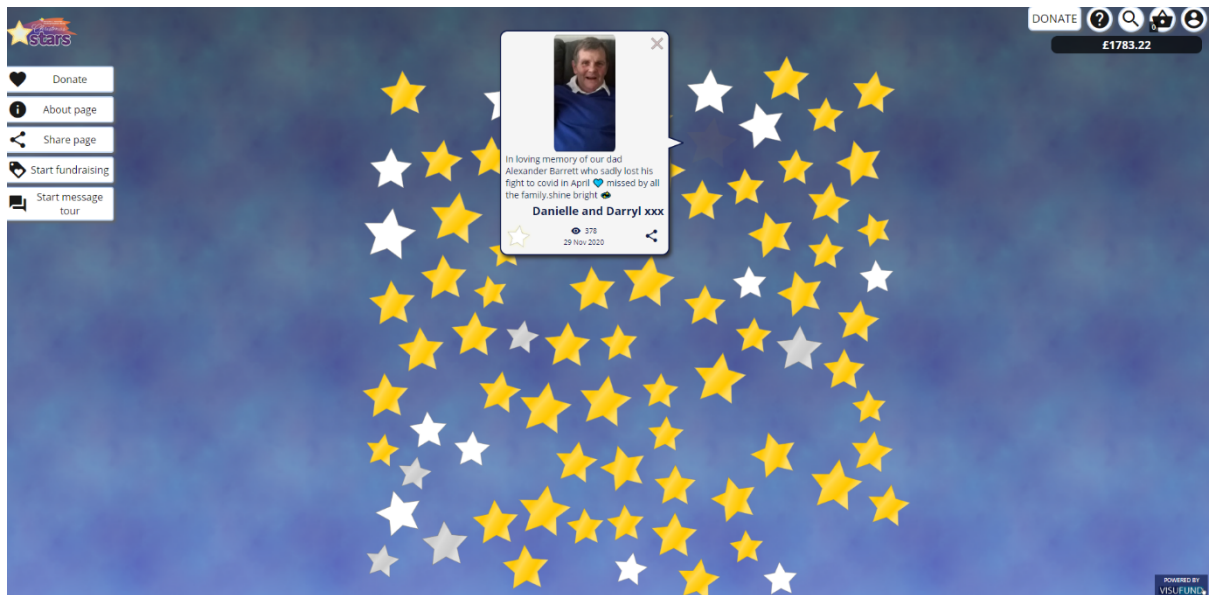
DBTH secured a principal sponsor, DFS, who contributed £10,000 to the campaign. Comms around the campaign included reference to DFS, e.g. ‘in partnership with’ and ‘proudly sponsored by’.

Appendix 1 – Fundraising Pack (Double click to open in pdf reader)



Proudly sponsored by **dfs**

Appendix 2 – Visufund (see full page at <https://visufund.com/nhs-christmas-stars>)



Awyr Las Fundraising Update Report Appendix 2: Summary of Covid-19 Appeal Fund Income and Expenditure

Thank you!

Donations and grants given to the Awyr Las Covid-19 Fund have made a HUGE difference, thanks to the generosity of so many local people, community groups, businesses and the national NHS Charity membership association, NHS Charities Together (NHSCT). A MASSIVE thank you must go to everyone who has donated and who continues to give to this fund, which provides much needed additional support to enhance patient care and treatment and extra assistance for staff that are under increased pressure because of the pandemic.

Information about the Awyr Las Covid-19 Fund can be found at www.awyrlas.org.uk/covid-inpact-hub or on Awyr Las social media channels, @awyrlascharity.

What a difference your support has made for patients and NHS staff in North Wales!

Awyr Las' Covid-19 Fund received significant support from local community groups and individuals as well as the national charity NHS Charities Together (NHSCT) between March 2020 and July 2020 thanks to an outpouring of gratitude for NHS workers.

To date, Awyr Las has funded £472,506 of equipment and special projects through its Covid 19 Fund. £224,884 has been donated by local supporters to make this happen, £247,622 has been granted from NHSCT. This means that 48% of the Awyr Las grants given to support BCUHB's Covid 19 response to date have been funded from donations given directly by local people, and 52% of the Awyr Las grants awarded to healthcare services have been made possible thanks to the support of NHSCT.

NHS Charities Together's support for NHS staff and patients

NHS Charities have been in existence since 1948. Over the past decade the national membership association for NHS Charities, NHS Charities Together, has provide advice, guidance and support for NHS Charities and more recently has fundraised on behalf of its membership.

NHS Charities have in recent years collectively given over £1million a day to support NHS services, but because of the increased challenges that the NHS now faces due to Covid-19 and the legacy of the pandemic, the support given through NHS Charities is needed more now than ever before.

NHSCT raised over £150 million between March 2020 and December 2020 to help support the NHS' response to Covid-19. Approximately 22% of the funds raised by NHSCT during this period were raised through Captain Tom's fundraising efforts. The funds raised are being distributed to all 241 NHS Charity member organisations across the UK. All the support provided by NHSCT goes over and above what the NHS can provide.

There are three stages of grants from the NHSCT Covid-19 Appeal:

- Stage 1: COVID-19 Urgent response Grants for NHS Charities to spend quickly on enhancing the well-being of NHS Staff, volunteers and patients impacted by COVID-19.
- Stage 2: Strategic integrated community and social care pathway Grants for NHS charities to work in collaboration with third sector partners so that NHS patients can leave hospital more quickly and safely, stay or remain out of hospital.
- Stage 3: COVID-19 Recovery and Post pandemic grants to NHS charities to support the mental health and recovery of NHS staff and volunteers and healthcare services.

Over £4,979,000 of the funds raised through NHSCT's Covid 19 Appeal have been designated for Wales. Awyr Las, the North Wales NHS Charity, will receive a total of £912,724.38.

To date, Awyr Las has received the following from NHSCT:

- Stage 1.1: £35k for all member charities = £35,000
- Stage 1.2: £7 per staff member as at Dec 2019 = £112,622
- Stage 1.3: £50,000 for charities applying for additional funding to focus specifically on communities disproportionately affected by COVID = £50,000
- Stage 1.4: £50,000 for Charities in 'local lockdown' prior to the national lockdown / classed as Tier 3 & 4 = £50,000
- Total = £247,622

Within the next four months, Awyr Las will receive the following from NHSCT:

- Stage 2: % of £30 million based on population figure in the STP / Health Board area = £311,146.28
- Stage 3: £22 per staff member of the NHS Charity's Health Trust /Board = £353,955.80

An overview of the Awyr Las Covid 19 Fund (February 2021)

All of the grants that have been given through the Awyr Las Covid 19 Fund go over and above what the NHS has provided in the response to Covid 19 over the past year. The Awyr Las Covid 19 Fund has helped patients, staff and volunteers across North Wales through supporting a range of healthcare and support services, giving grants to fund new equipment, special projects, extra facilities, additional training and education programmes and complementary services. Here are some examples of what frontline and support staff have requested grants for:

- Bereavement and carers support services
- Digital devices for virtual visiting
- Specialist neuro physio equipment, extra ECG machines and blood pressure monitors, equipment for practice development nurses providing training to care home staff and redeployed staff
- Hot cots for newborn babies and Zaky Hugs, special 'paediatric bolsters that help ensure babies in SCBU and children get the comfort and closeness of a parent's loving touch', and equipment for children with diabetes

- A staff wellbeing support service and emotional resilience training for BCUHB staff members
- Arts therapy for patients and arts programmes for staff
- Hubs in the home for patients under the care of the chronic pain management team
- Equipment for the Rural Community Public Access Defibrillation service
- A Covid 19 Medical Education Fellowship, Covid Simulation Suite and Virtual Hospital Scoping Research Project
- Items for new staff 'wobble rooms' and breakout areas
- Talking Therapy and self care packs for people needing mental health support
- Activity equipment for patients, sensory products and wellbeing boxes for dementia patients
- Volunteer expenses

The tables below summarise what the Awyr Las Covid 19 Fund has supported to date. Please note that the following summary descriptions are used to provide indications only: all services (various) indicates that patients from a range of services may benefit from the grants given, and grants for 'across North Wales' may have benefited services in one area more than other areas. The below summaries refer to all grants given through the Awyr Las Covid 19 Fund; NHS Charities Together grants have not funded international projects or additional PPE.

Overview description**Total grant funding**

| | |
|--|-----------------|
| Additional patient comfort and wellbeing support | £57,752 |
| Digital devices | £65,395 |
| Extra equipment | £160,809 |
| Innovation projects | £10,000 |
| More PPE | £7,288 |
| Specialist services | £123,124 |
| Staff wellbeing support | £31,623 |
| Volunteer Programme expenses | £16,515 |
| Total | £472,506 |

Patient group / service**Total grant funding**

| | |
|--|-----------------|
| All services (various) | £140,725 |
| Bereavement Support | £20,000 |
| Children and young people | £34,443 |
| Community Services | £50,732 |
| Critical Services | £73,686 |
| International partnerships support | £9,857 |
| Mental Health and Learning Difficulties services | £95,501 |
| Older People | £14,859 |
| Research and Innovation | £16,188 |
| Volunteer Support Programme | £16,515 |
| Total | £472,506 |

Area**Total grant funding for that area**

| | |
|-------------------------------------|-----------------|
| Across all of North Wales | £224,527 |
| Central area and Ysbyty Glan Clwyd | £106,896 |
| East area and Ysbyty Wrexham Maelor | £47,304 |
| International partnerships support | £9,857 |
| West area and Ysbyty Gwynedd | £83,922 |
| Total | £472,506 |



Your visits made virtual


Our connectivity made available

Find out how Vodafone worked with Betsi Cadwaladr University Hospital Board to get hundreds of free connections to people in need across Wales

Ready?



vodafone
business



Betsi Cadwaladr University Hospital Board (BCUHB) is the largest health organisation in Wales, providing primary, community, mental health, and acute hospital services.

When the COVID-19 crisis hit the UK, the organisation was faced with reconfiguring wards and setting up three emergency field hospitals, all while continuing to provide the best care possible to over half a million people in North Wales.

This included finding innovative ways for older people and vulnerable people to continue to see their loved ones, at a time when they needed them most.

Working with Vodafone, BCUHB got 100 free connections, and over 250 connections on Vodafone's Emergency Tariff, giving hundreds of people the chance to connect.

“

We had good wireless connectivity on most of our sites, but we didn't want to make assumptions about connectivity in care homes or peoples' homes, so we recognised we needed good data coverage. The number of connections Vodafone generously donated, and so quickly, was amazing, and hugely appreciated by the project teams.”

Brian Laing
Informatics Project Manager
Betsi Cadwaladr University Health Board (BCUHB)

Vodafone Business Case study

Challenge

The impact of lockdown

Anyone who's ever been to see a relative in hospital or checked in on a loved one in a care home, will know how important these visits are. A break in the day. Someone to talk to. A lifeline.

During the Coronavirus pandemic some of these visits have no longer been able to take place. This could have left many older and vulnerable people, isolated from friends and family.

“When we were aware that decisions would have to be made to restrict and prevent visiting at our hospital sites, we identified that we would need a solution to deploy very quickly, which would enable our patients to keep in touch with their loved ones,” explains Brian Laing, Informatics Project Manager at Betsi Cadwaladr University Health Board (BCUHB).

But at the point COVID struck, BCUHB's IT team were also heavily involved in supporting ward reconfigurations, ward moves, and the unenviable task of commissioning three field hospitals.

“We needed to deliver an effective and rapid deployment project with minimal impact on our IT teams.” says Sharon Smith, Senior Informatics Improvement Facilitator at BCUHB.

With such a large multi-disciplinary and geographically diverse organisation, they needed to find a solution that would work for as many areas of the Betsi Cadwaladr University Health Board as possible.

“It was important that any investment of charitable funds would provide benefit to our patients long after the COVID pandemic,” adds Brian. “We have an eye on the future. And digital health, telehealth and those types of services, will become a fast-emerging market, post-COVID and beyond.”

Solution

100 free connections

BCUHB worked with partners, including the Welsh Government, the Regional Partnership Board, Macmillan and Welsh NHS Charity Awdyrlas, who got together hundreds of tablets to be distributed to hospitals, care homes, and people in the community.

But the devices were just half the solution. Now, the board needed connectivity.

"We just reached out and asked if there were any suppliers who'd be able to help us with this?" says Brian. "Vodafone very quickly came back to us. And to be honest, they went above and beyond."

Vodafone immediately supplied 100 connections free of charge for six months. Along with over 250 Unlimited Emergency Tariff SIMs, at a discounted rate.

"We had good wireless connectivity on most of our sites, but we didn't want to make any assumptions on connectivity in care homes or in peoples' homes, so we recognised that we needed good data coverage," says Brian. "The number of connections Vodafone generously donated and so quickly, was amazing, and was hugely appreciated by the project teams."

The tablets and connectivity were sent out with an easy-to-use guide, to help users get set-up. And for anyone who needed a bit of extra support, the clinicians were happy to lend a hand.

Applications like Skype, FaceTime and Zoom were all pre-installed to enable people to contact friends and family right away. Along with bookmarks for useful pages like Attend Anywhere, the national solution for remote GP consultations.

Benefit

Virtual visitations

It might just be a tablet and a SIM card to some, but to those people who were told they couldn't see their loved ones, this connectivity was a window to the outside world.

"One lady was in hospital on her 100th birthday," recalls Sharon. "She was able to see her children and her grandchildren over video call, and they were just so happy to be able to celebrate such a milestone birthday together."

"There was also a gentleman who was able to speak to his brother in Canada," adds Sharon. "He hadn't seen him face to face for 18 years, so that was really powerful."

With hundreds of older and vulnerable people connected already, BCUHB hope that the project will continue to have wider impact and kick-start other projects too.

"It's likely that remote consultations with GP's or visits to hospital outpatients clinics, will increasingly be offered as an available option," says Brian. "Why struggle with public transport, or to find a car-parking space, if the services can be provided online and the patient would prefer the convenience of this type of service?"

BCUHB are also hoping projects like this will help tackle digital exclusion across Wales, particularly in the areas of Mental Health and Learning Disabilities.

"I'm hopeful that as we emerge from this global pandemic, that the NHS will continue the momentum it has made on its digital transformation journey," concludes Brian. "We have many of the tools and a growing appetite for change, so hopefully we'll be pushing an open door."

Why Vodafone?

- Vodafone responded quickly to BCUHB's request and immediately supplied 100 connections free of charge for six months
- Over 250 Unlimited Emergency Tariff SIMs were also provided to the board at a discounted rate
- The connections have enabled hundreds of older people across North Wales to keep in touch with loved ones during the pandemic
- The connectivity has opened the door to the prospect of other technology projects at BCUHB, and started them on their digital transformation journey

“

One lady was in hospital on her 100th birthday. She was able to see her children and her grandchildren over video call, and they were just so happy to be able to celebrate such a milestone birthday together.”

Sharon Smith
Senior Informatics Improvement Facilitator
Betsi Cadwaladr University
Health Board (BCUHB)



Betsi Cadwaladr University Health Board (BCUHB) is the largest health organisation in Wales, with over 17,000 staff, and serving over half a million people across North Wales. As well as three main hospital sites in Bangor, Bodelwyddan and Wrexham, BCUHB are responsible for community hospitals, health centres, clinics, mental health units, community teams, GP practices and other NHS services provided by dentists, opticians and pharmacists.

bcuhb.nhs.wales.co.uk

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Ready?



| | | | | | | |
|---|---|---|-------------------------------------|--|--------------------------|--|
| Cyfarfod a dyddiad: Meeting and date: | Charitable Funds Committee 9th March 2021 | | | | | |
| Cyhoeddus neu Breifat: Public or Private: | <i>Public</i> | | | | | |
| Teitl yr Adroddiad Report Title: | BCUHB Third Sector Group Report | | | | | |
| Cyfarwyddwr Cyfrifol: Responsible Director: | Sue Hill, BCUHB Executive Director of Finance | | | | | |
| Awdur yr Adroddiad Report Author: | Kirsty Thomson, BCUHB Head of Fundraising | | | | | |
| Craffu blaenorol: Prior Scrutiny: | <i>No prior scrutiny</i> | | | | | |
| Argymhelliad / Recommendation: | | | | | | |
| <i>The Committee is asked to note the information included within this report and approve the request in section three to commit existing budget for the 'Volunteering in BCUHB Scoping Exercise and Impact Assessment'.</i> | | | | | | |
| Please tick as appropriate | | | | | | |
| Ar gyfer penderfyniad /cymradwyaeth For Decision/ Approval | <input checked="" type="checkbox"/> | Ar gyfer Trafodaeth For Discussion | <input checked="" type="checkbox"/> | Ar gyfer sicrwydd For Assurance | <input type="checkbox"/> | Er gwybodaeth For Information |
| Sefyllfa / Situation: | | | | | | |
| <p><i>The Awyr Las Support Team's Partnerships Support Manager continues to work closely with Third Sector Groups that support BCUHB services, particularly those that run cafes, shops or tea trolley facilities on BCUHB premises.</i></p> <p><i>Included in this report:</i></p> <ol style="list-style-type: none"> <i>Existing Third Sector Partners Update</i> <i>Streamlining support for all charitable supporters of BCUHB</i> <i>BCUHB Volunteer Strategy: Volunteering in BCUHB Scoping Exercise and Impact Assessment</i> | | | | | | |
| Cefndir / Background: | | | | | | |
| <u>1. Existing Third Sector Partners</u> | | | | | | |
| <p>The cafes and shops on BCUHB premises that are run by third party organisations have been closed since March 2020 and continue to be closed at the request of Infection Control, Health and Safety and Estates and Facilities. Representatives from these teams meet monthly with the Partnerships Support Manager and Head of Fundraising to discuss BCUHB's position. The Partnerships Support Manager continues to provide support for these third party organisations during what is an exceptionally challenging time for them.</p> | | | | | | |

2. Streamlining support for all charitable supporters of BCUHB

The Chairman of the Shooting Star Cancer Support charity (SSCS) contacted BCUHB's finance team in January 2021 to request a change in the process for invoicing third sector groups. Like other partners that have shared feedback about the process currently in place, SSCS find that the process is complicated, time consuming for their Treasurer and not appropriate for a 'partnership with a grant making organisation'. Currently third sector groups like SSCS and Leagues of Friends follow this process, and become involved in stages 2-7 and liaise with multiple people within BCUHB in order to receive the information they require for their own reporting:

1. External charity agrees funding (no MOU / Grant Agreement in place with terms)
2. Items ordered on oracle and go through necessary approval process
3. Items delivered
4. BCUHB pays for items
5. BCUHB Finance Colleagues email Department/Consultant for their confirmation of receipt
6. Department/Consultant emails Finance confirming receipt
7. Invoice is sent to SSU

The Awyr Las Support Team advocates putting a streamlined solution in place so all charitable grant-giving organisations receive a quality level of support:

1. External charity agrees funding (*MOU / Grant Agreement with terms on reporting and acknowledging support with press and communications and presentation evening / similar, grant awarded by external charity*)
2. Items ordered on oracle and go through necessary approval process, items delivered (*monthly report on expenditure and update sent*)
3. BCUHB pays for items (*Awyr Las Support Team liaises with Department to organise photos / quotes & initial press release on receipt of item. If grant not received at stage 1, the grant request is issued at this stage and transferred via Awyr Las, as BCUHB's charitable arm*)
4. Presentation event & further press, final report for external charity's annual report

The Head of Fundraising is working with the Charity Accountant and BCUHB Finance to agree a draft new process to share for consultation with Third Sector groups in March.

The Chairman of the Kidney Patients' Association for Ysbyty Gwynedd has contacted the Awyr Las Support Team to highlight that staff request items for the Dialysis Unit through this external charity because they cannot get the items they require promptly through their Awyr Las Charitable Fund. The Awyr Las Support Team have reviewed the issues raised, and notes that these issues stem from:

- I. A general lack of understanding of the financial systems in place and the need to order items through the Oracle System
- II. Ineffective communications or process relating to how staff can order items

The Head of Fundraising and the Charity Accountant is reviewing the Awyr Las Financial Procedures and involving Fund Advisors in the process to ensure staff can access charitable funds promptly.

3. BCUHB Volunteer Strategy: Volunteering in BCUHB Scoping Exercise and Impact Assessment

The Head of Fundraising requests that up to £30,000 of available funds from the 2020/21 fundraising budget be committed to a 'Volunteering in BCUHB Scoping Exercise and Impact Assessment' project.

The project will be led by a steering group formed of BCUHB staff including: Awyr Las Support Team representatives, the Programme Director of well North Wales, Robins Volunteer Manager and W&OD staff overseeing the BCUHB Public Volunteers Service, I CAN and other staff involved in volunteer programmes. The 'Volunteering in BCUHB Scoping Exercise and Impact Assessment' aims to help BCUHB better understand what we have, what we could have and what we need to have in terms of volunteering at BCUHB.

BCUHB already works well with volunteers and third sector partners, but the support and partnership working is not always consistent or of the highest standard possible, and more patient and support services could benefit from having an active volunteer presence. The aim of the 'Volunteering in BCUHB Scoping Exercise and Impact Assessment' is for BCUHB to be in a position where it can devise a purposeful strategy to work with volunteers and other third sector partners more effectively.

The Volunteering in BCUHB Scoping Exercise and Impact Assessment should provide the information needed to inform:

- BCUHB Volunteering Strategy
- BCUHB partnership funding models
- Awyr Las grant and funding programmes relating to volunteering
- BCUHB use of space and third sector supporter partnership working policies
- Other related plans and organisational management schemes

The aim of this Volunteering in BCUHB Scoping Exercise and Impact Assessment Project will be to ascertain:

- What services benefit from existing BCUHB managed volunteer services & what services use external volunteer services currently?
- What is the current value (financial and social) of BCUHB's volunteering services and volunteering services on BCUHB premises (e.g. League of Friends cafes)?
- What services would benefit from having additional volunteers, and what would the scope of the volunteering roles be?
- What additional services could BCUHB run if volunteer led projects were set up in partnership with third-sector groups (and what is already provided in North Wales that BCUHB could fund / use)
- Comparison with other Health Boards (in Wales) and NHS Trusts (UK wide)
- Recommendations for volunteering management, strategy and plan for BCUHB – Awyr Las for 2022-2025

The Awyr Las Support Team has already drawn together various staff involved in volunteering in BCUHB to have initial discussions of what information we already have, what is required and how we need to define different groups of volunteers. We are currently setting up a 'Volunteering in BCUHB Scoping Exercise and Impact Assessment' Steering Group to:

1. Agree Terms and Conditions of the Group are in place and all associated governance requirements are met
2. Agree on the criteria and outcomes for this project and, following BCUHB procurement process, select which specialist supplier we will use to carry out this project
3. Work with a specialist supplier to decide on the delivery of the project, which will involve work by the BCUHB staff involved as well as the specialist supplier. Expected outputs will be existing volunteer and staff surveys, volunteer and staff workshops, third sector representative interviews and specific volunteer focus reports as well as a final evaluation

The £30,000 would fund a specialist supplier with experience of social impact reporting and carrying out scoping exercises and a knowledge of the voluntary sector that could carry out this project within the agreed timescales. The amount stated would be the maximum available for this piece of work.

The proposed timescales for this project are:

- March – June Procurement Process
- June – November project length
- Report issued for December 2021

As part of this work, the Awyr Las Support Team has already engaged with WCVA and the Welsh Government Third Sector Unit. We will be contributing to NHS Charities workshops to benchmark on a UK basis.

Asesiad / Assessment & Analysis

Strategy Implications

This report is underpinned by the Awyr Las Strategy 2016-21, see

<https://awyrilas.org.uk/content/downloads/The-Awyr-Las-Strategy-2016-to-2021.pdf>.

Options considered

The options for reopening cafes and shops are considered by senior representatives from BCUHB's Infection Control, Health and Safety and Estates and Facilities Teams.

The options for working with external agencies to carry out the 'Volunteering in BCUHB Scoping Exercise and Impact Assessment' will be considered by the Steering Group and the BCUHB Procurement Team.

Financial Implications

The fact that shops and cafes have been unable to open will have an impact on charitable income given directly to BCUHB from the Leagues of Friends.

Risk Analysis

A Risk Analysis has been drawn up for all the cafes and shops on BCUHB premises.

A Risk Analysis will be drawn up as part of the 'Volunteering in BCUHB Scoping Exercise and Impact Assessment' Steering Group Terms of Reference

Legal and Compliance

All items within this report will be monitored and will be updated on at the June 2021 Charitable Funds Committee meeting.

Impact Assessment

An Impact Assessment will be carried out as part of the 'Volunteering in BCUHB Scoping Exercise and Impact Assessment'



| | | | | | | | |
|---|---|---|-------------------------------------|--|-------------------------------------|--|-------------------------------------|
| Cyfarfod a dyddiad: Meeting and date: | Charitable Funds Committee 9th March 2020 | | | | | | |
| Cyhoeddus neu Breifat: Public or Private: | <i>Public</i> | | | | | | |
| Teitl yr Adroddiad Report Title: | BCUHB Awyr Las Strategy 2021-25 overview | | | | | | |
| Cyfarwyddwr Cyfrifol: Responsible Director: | Sue Hill, BCUHB Executive Director of Finance | | | | | | |
| Awdur yr Adroddiad Report Author: | Kirsty Thomson, BCUHB Head of Fundraising | | | | | | |
| Craffu blaenorol: Prior Scrutiny: | <i>No prior scrutiny</i> | | | | | | |
| Argymhelliad / Recommendation: | | | | | | | |
| <i>The Charitable Funds Committee is asked to discuss the Awyr Las Strategy for 2021-25.</i> | | | | | | | |
| Appendices: | | | | | | | |
| <i>Appendix 1: Revised draft overview of the Awyr Las 2021-25 Strategy</i> | | | | | | | |
| <i>Appendix 2: Draft 2021-25 Awyr Las Fundraising & Partnerships Support budget</i> | | | | | | | |
| Please tick as appropriate | | | | | | | |
| Ar gyfer penderfyniad /cymeradwyaeth For Decision/ Approval | <input checked="" type="checkbox"/> | Ar gyfer Trafodaeth For Discussion | <input checked="" type="checkbox"/> | Ar gyfer sicrwydd For Assurance | <input checked="" type="checkbox"/> | Er gwybodaeth For Information | <input checked="" type="checkbox"/> |
| Sefyllfa / Situation: | | | | | | | |
| <i>The Head of Fundraising has provided a draft strategy overview, draft budget and leading questions to help facilitate a discussion on the Awyr Las Strategy for 2021-25. The points raised in the discussion will be collated to inform the operational plans that sit under the Awyr Las Strategy, and a final draft of the Awyr Las strategy will be circulated within two weeks of the Charitable Funds Committee.</i> | | | | | | | |
| Cefndir / Background: | | | | | | | |
| <p>The Awyr Las Support Team organised a series of strategy Workshops for Charitable Funds Committee members, Awyr Las Support Team members, staff and volunteers to inform the Awyr Las Strategy for 2021-25. Three workshops were held in October and November 2020, and Yellow Chair Consulting were commissioned to provide advice and guidance on the delivery of these workshops and the drafting of the Awyr Las Strategy. Yellow Chair Consulting carried out a bench marking exercise with other NHS Charities to help inform the planning behind the strategy.</p> <p>The background and a draft overview of the Awyr Las 2021-25 Strategy were presented to the Charitable Funds Committee. It was decided that a further workshop was needed for the Charitable Funds Committee members, and that operational decisions to change the organisational structure of the team would be made outside of the Charitable Funds Committee meeting. The purpose of this paper is to provide the Charitable Funds Committee with context to enable a discussion which can then inform the operational decision making process.</p> <p>Appendix 1 provides a revised draft overview of the Awyr Las 2021-25 Strategy.</p> | | | | | | | |

Appendix 2 provides a draft budget that would be required in order for the proposed Awyr Las 2021-25 Strategy to be feasibly executed. Additional roles which are not currently included within the Awyr Las budget are highlighted in red.

The following questions are provided as suggestions to lead a discussion about the direction of the Awyr Las 2021-25 strategy:

What do the Charitable Funds Committee Members want for the charity?

- What best describes Awyr Las in your opinion: Awyr Las is a 'fundraising and grant giving organisation' or Awyr Las is an 'organisation dedicated to improving patient care'?
- Should Awyr Las be one of the top 5 charities that people want to support in North Wales?
- Should Awyr Las have more prominence than other charities within BCUHB premises?
- How should Awyr Las' success be measured?
- What should Awyr Las' success be benchmarked against?

How ambitious should the plans for Awyr Las be?

- In the next 5 years should every staff member be aware of Awyr Las?
- Should the Awyr Las brand be visible on every ward and in every department within the next five years?
- Should patients be made aware of Awyr Las before they arrive at a hospital or use BCUHB's services?
- Should Awyr Las be working with BCUHB service teams to establish new charitable partnerships and volunteering opportunities to further BCUHB's health and wellbeing agenda?

In your opinion as Charitable Funds Committee members, how important are the following features of Awyr Las? (Very Important, Important, Not Important)

- Donors can give to the ward or department closest to their hearts
- Donors can be made aware of the greatest priorities for our hospitals and healthcare services
- All those supporting BCUHB services receive the very best level of partnership / donor support
- Awyr Las has a robust income model, attracting support from multiple sources
- Staff want to act as advocates for the NHS Charity

What factors are restricting the development of Awyr Las at the moment?

- What barriers could be removed to ensure Awyr Las' success?
- What needs to change in order for Awyr Las to develop effectively?
- What can the CFC members do to facilitate change?
- What can the Awyr Las Support Team do to ensure the charity is more successful?
- Does the culture of BCUHB enable Awyr Las to develop effectively?

As a Charitable Funds Committee member, which one thing would make you feel very proud of your NHS Charity?

Asesiad / Assessment & Analysis

Strategy Implications

This report is underpinned by the Awyr Las Strategy 2016-21, see <https://awyrlas.org.uk/content/downloads/The-Awyr-Las-Strategy-2016-to-2021.pdf>.

Options considered

All fundraising, marketing and resourcing options are considered by the Awyr Las Support Team (ALST) during planning phases.

Financial Implications

The items outlined in this report are all costed within the draft Awyr Las Support Team budget for 2021-25.

Risk Analysis

An individual Risk Analysis is completed for all Awyr Las events and activities, and for new processes and ways of working introduced by members of the Awyr Las Support Team (ALST). The ALST's perceived main risks are included in the Charity's Risk Register.

Legal and Compliance

All points raised within this discussion will be monitored and will be updated on at the June 2021 Charitable Funds Committee meeting.

Impact Assessment

Once a new Strategy has been agreed, an Impact Assessment will be carried out by the Head of Fundraising.



AWYR LAS STRATEGY

2021 – 25

AWYR LAS / BLUE SKY IS THE WORKING TITLE
OF BETSI CADWALADR UNIVERSITY HEALTH
BOARD CHARITY & OTHER RELATED CHARITIES
REGISTERED CHARITY NUMBER 1138976



Awyr Las
Blue Sky

Elusen GIG Gogledd Cymru
The North Wales NHS Charity



INTRODUCTION

Over the past decade patients have seen significant improvements to their hospitals and community services as a result of the £28 million that Awyr Las has invested in new services, better facilities and equipment, additional resources, research and education.

Over the next four years we will continue to invest in excellence in healthcare to make even greater positive change, so patients in North Wales can have the very best experience possible.

Vision

Patients in North Wales have the best experience possible in our hospitals and in our communities.

Mission

Our mission is to support patients in hospitals and communities across North Wales to give them the best experience possible, through funding improvements to the hospital environment, supporting additional staff and patient wellbeing services and providing grants for research and innovation.

Objectives

1. We will invest in the physical and technical environment of our healthcare facilities in North Wales to ensure the very best patient experience. This will result in great hospital buildings, the latest equipment and the best technology. Patients will benefit from enhanced care and a high-quality environment for patients and staff alike.
2. We will invest in and develop our NHS staff. We will support staff health and wellbeing to ensure our staff are taken care of, helped to remain resilient and feel supported to do their best every day. We will also invest in research, staff development, training, mentoring and ongoing development programmes to ensure they are supported to work well in the challenging and dynamic environment of 21st century healthcare.
3. We will invest in innovation and research to help drive improvements in the quality of care and the patient experience in North Wales. We support pilot projects, quality improvement initiatives and activities that are focused on improving the quality of our patients' care and treatment.
4. We will work in partnership and collaborate with health and social care providers, local charities, our communities, and our patients and their families to build strong relationships that enable us to find creative solutions to the challenges we face. Whether with local businesses, fundraising groups, volunteer groups or healthcare providers, our primary focus is working together to support excellent health care across North Wales.
5. We will continue to build and develop our charity infrastructure to ensure that we grow to be the healthcare charity of choice in North Wales, making a difference to patients every day.



CORE PRINCIPLES

Consistency: We are a small charity supporting patients with different needs who are accessing multiple healthcare services. We must focus on being consistent in all aspects of what we do in order to achieve real impact.

Place-based: We serve communities across North Wales. We have site-specific locations with specific communities surrounding them. We will bring all our energies and resources to support these locations and build strong collaborations so that together we can focus on the issues that are relevant to our patients and communities and seek to have a significant impact on these issues.

Evidence-based: We want to ensure that we test and measure what we do and track the impact that we have. This will enable us to build an evidence base of what works and what doesn't. This will allow us to share our learning with our partners and create new ways of working that achieve meaningful change over time.

Open-minded: New ideas need time, resource and space to flourish and grow. We want to work with staff and patients and partners to take a long-term view, invest in ideas and ensure that they have the opportunity to thrive. We will pump-prime projects and be willing to take risks and support good ideas.

PRIORITY AREAS

First 1,000 Days: Supporting healthcare services for pregnant women and children up to the age of two in the community and in our hospitals.

Cardiology Services in the Community: Awyr Las already funds North Wales' Public Access Defibrillators (PADs) Support Officer, and will support the development of this and associated services in line with the North Wales' Cardiology Service's plans.

Cancer Care: The Cancer Services Team aims to improve their facilities and equipment and enhance the additional support given to patients pre, post and during treatment.

Mental Ill Health: The Mental Health Team have ambitious plans to develop "I CAN" hubs in the community and expand the support they can provide to help prevent hospital admissions.

Care of the Elderly: An ageing population with more complex health needs, and co-morbidities are posing significant challenges for services in the community and in our hospitals. Awyr Las will fund new facilities, equipment and support services in line with the priorities highlighted by staff caring for the elderly.

Social Prescribing: Social prescribing, also sometimes known as community referral, is a means of enabling health professionals to refer people to a range of local, non-clinical services.

Volunteering: This can have a significant effect in enhancing and improving the patient experience as well as releasing nursing staff time and energy to focus on their core role. It can have a hugely beneficial impact on patients and staff.



THE AWYR LAS SUPPORT TEAM

In order to achieve Objective 5, the Awyr Las Support Team has specific goals:

- Increase income
- Raise profile
- Effective governance and systems
- Fund Advisor Priority Plans

In order to deliver this ambitious strategy, Awyr Las will invest in expanding and developing the Support Team.

GOALS

Goal 1: Increase income

Key Outcomes

- Year 1 (2021/22): Sustain income into the charity. Target £2.7 million.
- Year 2 (2022/23): Increase income by 7%. Target £2.89 million.
- Year 3 (2023/24): Increase income by 3% on previous year. Target £2.97 million.
- Year 4 (2024/25): Increase income by 3% on previous year. Target £3.06 million.

Goal 2: Raise profile

Key Outcomes

- Year 1 (2021/22): 'Resilience' public campaign to increase support for priorities, following on from the Covid-19 Appeal. PR & Communications with monthly reports on progress. Events & Marketing Plan with NHS Anniversary & Christmas activities. Staff lottery launch.
- Year 2 (2022/23): NHS 75th Anniversary Celebrations launch.
- Year 3 (2023/24): NHS 75th Anniversary Celebrations.
- Year 4 (2024/25): Awyr Las promotion on all wards / departments / community services. Staff Survey 95% aware of Awyr Las, public survey 75% choose Awyr Las as top 5 charity to support.

Goal 3: Effective governance and systems

Key Outcomes

- Year 1 (2021/22): Recruit new Awyr Las Support Team members. Complete Priority Projects business cases for Years 2-4. Introduce new CRM and new digital Awyr Las grant management system.
- Year 2 (2022/23): Finalise a BCUHB-Awyr Las manifesto, agreeing new means to recognise the charity and its supporters. Formal review of all Charity Standard Operating Procedures
- Year 3 (2023/24): CRM system and grant management evaluation
- Year 4 (2024/25): Implement evaluation recommendations

Goal 4: Fund Advisor Priority Plans

Key Outcomes

- Year 1 (2021/22): All Fund Advisors to submit budget plans for existing funds & complete online charity training module.
- Year 2 (2022/23): All Fund Advisors to complete fundraising plans.
- Year 3 (2023/24): All Fund Advisors to organise own NHS 75th Anniversary Celebration.
- Year 4 (2024/25): All Fund Advisors to produce a 4 year plan.



PRIORITIES

One or more of the charity's objectives must be met in all grant applications submitted for designated funding from one of the charity's existing 400+ funds.

In addition to this, the charity's objectives will be met through its focus on 7 priority areas. Awyr Las aims to be able to provide additional support for these priority areas:

First 1,000 Days

Key Outcomes

- Year 1 (2021/22): Support £250,000 improvements for stage 1 of the BCUHB Parental Accommodation improvements plan
- Year 2 (2022/23): Provide a minimum of 3 x £10,000 grants for service improvements
- Year 3 (2023/24): Provide a minimum of 3 x £10,000 grants for service improvements
- Year 4 (2024/25): Deliver on stage 2 of the BCUHB Parental Accommodation improvements strategy

Cardiology Services in the Community

Key Outcomes

- Year 1 (2021/22): Support the Team to develop a three year strategy. Provide a minimum of 3 x £10,000 grants for new equipment in the community
- Year 2 (2022/23): Provide a minimum of £70,000 funding to meet the strategic needs of the service
- Year 3 (2023/24): Provide a minimum of £70,000 funding to meet the strategic needs of the service
- Year 4 (2024/25): Provide a minimum of £70,000 funding to meet the strategic needs of the service

Cancer Care

Key Outcomes

- Year 1 (2021/22): Support the Team to develop the Shooting Star Unit fundraising plan and wider Cancer Services fundraising strategy. Recruit additional fundraising resources as required and launch fundraiser.
- Year 2 (2022/23): Deliver on the agreed objectives for the Shooting Star Unit fundraising plan
- Year 3 (2023/24): Deliver on the agreed objectives for the Shooting Star Unit fundraising plan
- Year 4 (2024/25): Shooting Star Unit development to be completed



PRIORITIES (CONTINUED)

Mental Ill Health

Key Outcomes

- Year 1 (2021/22): Develop the I CAN Volunteering Academy, committing £55,000
- Year 2 (2022/23): Establish I CAN Hubs and broaden reach of the Mental Health First Aid training with a grant of £50,000
- Year 3 (2023/24): Sustain the I CAN Academy and Hubs with a grant of £50,000
- Year 4 (2024/25): Sustain the I CAN Academy and Hubs with a grant of £50,000

Care of the Elderly

Key Outcome

- Provide a minimum of £30,000 for grants on annual basis for Care of the Elderly services.

Social Prescribing

Key Outcome

- Year 1 (2021/22): Provide a minimum of £30,000 for grants to fund Social Prescribing programmes in North Wales.

Volunteering

Key Outcomes

- Year 1 (2021/22): Publish a BCUHB Volunteering strategy to include the Robins, I CAN, International support and Third Sector Groups partnerships
- Year 2, 3, 4 (2022-2025): Provide a minimum of £30,000 for grants to support volunteering on an annual basis.





DECISION-MAKING STANDARDS

The charity's core principles will be at the heart of all business cases for the strategic objectives.

All business cases must consider:

- **Patient priority and strategic fit**

Does this fit with the strategic priorities for Betsi Cadwaladr University Health Board? Does this go over and above, but also complement, what the Health Board is already funding? Does this fit with the aims of specific Fund Advisors, or the Charity's priority areas?

- **Consistency**

This applies to communications, Support Team processes and fundraising plans, as well as all grant requests. Does this provide a consistent approach to and message around patient experience, staff experience and / or the charity's supporters experience?

- **Need and impact**

Have the communities that stand to benefit been involved in the decision making? Can we test, measure and track the impact? Is this within the scope of our vision and mission?

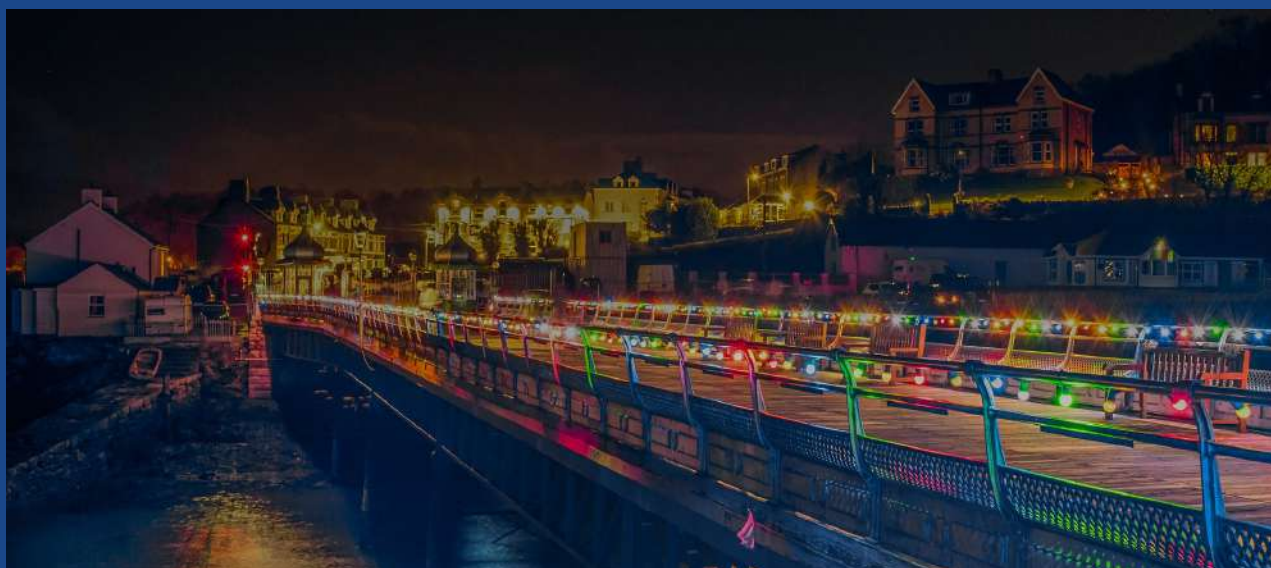
- **Feasible**

Are there existing funds, or is there a robust income generation plan in place? Are those involved sufficiently skilled, trained and have the resource and support to make this a success?

- **Risk**

Have the risks been adequately considered and managed?





Awyr Las: The North Wales NHS Charity

Registered Charity Number 1138976

www.awyrlas.org.uk

01248 384 395 • awyrlas@wales.nhs.uk • m.me/awyrlascharity



/AWYRLASCHARITY

Appendix 2: Proposed budget for Fundraising & Partnerships sections 2021-25

(New roles which are not currently included in the charity budget are noted in red. A re-banding exercise, from a Band 6 to Band 7 is currently underway for the role highlighted in green.)

| Role | Band | WTE | 3% | 3% | 3% | 3% |
|------------------------------------|---------|------|---------|---------|---------|---------|
| | | | 2021/22 | 2022/23 | 2023/24 | 2024/25 |
| | | | £ | £ | £ | £ |
| Head of Advancement | Band 8a | 0.60 | 40,179 | 41,385 | 42,626 | 43,905 |
| Community Fundraiser | Band 6 | 0.60 | 29,265 | 30,143 | 31,047 | 31,979 |
| Digital & Data Manager | Band 7 | 1.00 | 57,506 | 59,231 | 61,008 | 62,839 |
| Donor Care Administrator | Band 3 | 0.80 | 21,331 | 21,971 | 22,630 | 23,309 |
| Grants Officer | Band 6 | 0.80 | 39,020 | 40,191 | 41,397 | 42,638 |
| Communications Officer | Band 6 | 0.80 | 39,020 | 40,191 | 41,397 | 42,638 |
| Lottery Fundraiser | Band 6 | 1.00 | 48,775 | 50,239 | 51,746 | 53,298 |
| | | | 275,097 | 283,350 | 291,851 | 300,606 |
| Role | Band | WTE | 2021/22 | 2022/23 | 2023/24 | 2024/25 |
| | | | £ | £ | £ | £ |
| Partnerships Support Officer | Band 6 | 1.00 | 48,775 | 50,239 | 51,746 | 53,298 |
| Partnerships Support Administrator | Band 3 | 0.60 | 15,998 | 16,478 | 16,973 | 17,482 |
| | | | 64,774 | 66,717 | 68,718 | 70,780 |

| | | | | | | | |
|--|---|---|---|--|--|--|--|
| Cyfarfod a dyddiad: Meeting and date: | Charitable Funds Committee 9th March 2020 | | | | | | |
| Cyhoeddus neu Breifat: Public or Private: | <i>Public</i> | | | | | | |
| Teitl yr Adroddiad Report Title: | BCUHB Charitable Funds Applications Process Review | | | | | | |
| Cyfarwyddwr Cyfrifol: Responsible Director: | Sue Hill, BCUHB Executive Director of Finance | | | | | | |
| Awdur yr Adroddiad Report Author: | Kirsty Thomson, BCUHB Head of Fundraising | | | | | | |
| Craffu blaenorol: Prior Scrutiny: | <i>No prior scrutiny</i> | | | | | | |
| Appendices: | | | | | | | |
| <i>Appendix 1: Grant Prioritisation Criteria from June 2020</i> | | | | | | | |
| Argymhelliad / Recommendation: | | | | | | | |
| <i>The Charitable Funds Committee is asked to discuss the charitable funds application process.</i> | | | | | | | |
| Please tick as appropriate | | | | | | | |
| Ar gyfer penderfyniad /cymeradwyaeth For Decision/ Approval | | Ar gyfer Trafodaeth For Discussion | ✓ | Ar gyfer sicrwydd For Assurance | | Er gwybodaeth For Information | |
| Sefyllfa / Situation: | | | | | | | |
| <i>The Head of Fundraising has provided an overview of the current grant application system for all charitable support, and has included the aims of what the intended outputs and outcomes of a revised process will be. The Charitable Funds Committee are asked to discuss how the grant application system can be improved.</i> | | | | | | | |
| Cefndir / Background: | | | | | | | |
| <p>The Awyr Las Support Team encourage Fund Advisors to submit application forms quarterly, and via Awyr Las communications to BCUHB staff all staff are encouraged to request support from the charity. Staff currently:</p> <ul style="list-style-type: none"> Download an application form from the intranet, complete it and return it to the Charity's Assistant Accountant The Assistant Accountant reviews it and requests approval from the relevant Fund Advisors if the item is under £5,000. If the item is over £5,000 the application is sent on to the Charity Accountant who compiles the applications and passes them on to the Charitable Funds Committee (CFC) members for approval (N.B. The Charity Advisory Group, which is currently stood down, previously would have approved applications between £5,000 and £25,000 and they would go to the CFC for ratification, and would provide the CFC with a recommendation for applications over £25,000) Prior to March 2020, the CFC approved applications over £5,000 quarterly, but at the request of staff as well as supporters, the CFC introduced a new system to approve fortnightly. Voting buttons on emails have been used, grants prioritisation criteria was introduced following the | | | | | | | |

June 2020 Charitable Funds Committee (see Appendix 1), and the CFC Chair and Executive Director of Finance have when possible met fortnightly to approve applications.

There are multiple issues with the system in place currently:

- The document based system, rather than an online system, makes it difficult for all Awyr Las Support Team members and the applicants to monitor applications.
- As the information on applications is not readily available there are barriers to reporting / promoting impact promptly
- As there is no dedicated grants officer, there isn't an effective monitoring and evaluation process in place, leading to missed opportunities to promote impact and engage more with grant recipients
- As the applicants are applying for existing funds only, the existing system doesn't capture potential fundraising priorities well
- The application form is outdated, and doesn't effectively capture quotes and information that can easily be shared to highlight the impact of Awyr Las grants
- The application system is not easy to follow, so feedback shows that staff feel it is inaccessible
- Leagues of Friends and other external charities use a different system. The Partnership Support Manager (a member of the Awyr Las Support Team) separately announces that 'applications are open' for a specific League of Friends group. The systems need to be streamlined to follow the same process
- The current system of approving grants on a fortnightly basis is onerous on the Charitable Funds Committee members, but having a system whereby approvals can be given promptly but have all the necessary governance in place is appreciated by applicants, who now more than ever are seeking swift turn around on decisions

The Awyr Las Support Team is seeking an online solution for all charitable funding applications integrating the front-facing website functionality with the back-office CRM system to enhance accessibility, monitoring and reporting. The aim is for this new system to be put in place when the new CRM system is introduced this year.

The process will be simplified:

1. Any staff member requiring extra equipment, new facilities, additional services, training or research can enter information about what they need
2. The responsible grants officer within the Awyr Las Support Team will assess whether there are existing funds available, whether it should be prioritised for fundraising (including Trusts / Foundations & partner charity funding) or whether it should be rejected
3. There will then be an automated process for Charitable Funds Committee members to approve / decline / request more information

The Charitable Funds Committee members are asked to discuss:

- How would the CFC members like to see the current application approval process change in the short term to address challenges now?
- Is now the right time for the Charity Advisory Group to be reinstated?
- Applicants have really appreciated being able to receive feedback or approvals promptly in recent months. How can the charity retain the positive improvements to the service provided for applicants that have been seen in recent months?
- Longer term, as the Awyr Las Support Team implements the new system over the next year, what fundamental and incidental changes would CFC members like to see?

- What else can the CFC and Awyr Las Support Team do to attract and prioritise quality applications?

Asesiad / Assessment & Analysis

Strategy Implications

This report is underpinned by the Awyr Las Strategy 2016-21, see <https://awyrlas.org.uk/content/downloads/The-Awyr-Las-Strategy-2016-to-2021.pdf>.

Options considered

All fundraising, marketing, financial and resourcing options are considered by the Awyr Las Support Team (ALST) during planning phases.

Financial Implications

The revised grant system will need a resource review within the Awyr Las Support Team. Additional staff resource is costed within the draft Awyr Las Support Team budget for 2021-25, appendix 2 of the Awyr Las Strategy discussion paper.

Risk Analysis

An individual Risk Analysis is completed for all Awyr Las events and activities, and for new processes and ways of working introduced by members of the Awyr Las Support Team (ALST). The ALST's perceived main risks are included in the Charity's Risk Register.

Legal and Compliance

All points raised within this discussion will be monitored and will be updated on at the June 2021 Charitable Funds Committee meeting.

Impact Assessment

Once a new system has been agreed, an Impact Assessment will be carried out by the Head of Fundraising.



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Appendix 1: Criteria for Awyr Las Covid-19 Grant Applications, Awyr Las Support Team Covid-19 Response Second Phase Plan, June 2020 Charitable Funds Committee

Covid-19 Grants Assessment and Prioritisation

BCUHB staff can apply for three different types of Covid-19 Appeal grants:

1. Immediate patient and staff wellbeing
2. Medium term COVID-19 recovery and building resilience within our healthcare community & wider local communities (initial impact to be felt within 6 months)
3. Long term application of lessons learnt from COVID-19 to improve healthcare provision (initial impact to be felt within 12 months)

The below charts provide a simple system to assess and prioritise Covid-19 Appeal grant applications of £100 or more that are submitted to the Awyr Las Support Team.

From 1st July 2020, all applications of £100 or more will be scored by at least 2 of the following people:

- The Awyr Las Head of Fundraising or the Awyr Las Accountant
- The Awyr Las Assistant Accountant or the Awyr Las Digital and Data Manager

The authorising signatories, as follows, will receive the application, the combined average score chart and a recommendation to assist with decision making and prioritising applications:

- ✓ Grants under £5,000: BCUHB Finance Director
- ✓ Grants over £5,000: All Charitable Funds Committee members

The recommendation will read:

The decision on whether to fund this application is ultimately the responsibility of the authorising signature. Representatives from the Awyr Las Support Team have assessed the application and the average score is below:

- *The application is low / medium / high priority.*
- *Given the scoring and the volume of applications, the recommendation is to fund / part fund (50%) / not to fund this.*
- *This application merits funding because of XXX.*

The Awyr Las Covid-19 Grants Scoring System

All scoring: 0 = very poor, 5 = excellent

Immediate wellbeing: 0-10 Low priority, 11-18 Medium Priority, 19-25 High Priority

Medium-term Recovery and Resilience: 0-20 Low, 21-36 Medium, 37-50 High Priority

Long-term application of lessons learnt: 0-20 Low, 21-36 Medium, 37-50 High Priority



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| Immediate staff and patient wellbeing | | | | | | |
|--|---------------|---|---|---|---|---|
| Criteria | Score (0 – 5) | | | | | |
| | 0 | 1 | 2 | 3 | 4 | 5 |
| How relevant is this project to the COVID-19 response? | | | | | | |
| How likely is it that the project will result in an immediate tangible benefit for target group? | | | | | | |
| How meaningful will the impact on the target group's wellbeing be? | | | | | | |
| Consider the location (East, West, Central, BCUHB wide), the service, theme and type of care (secondary / primary) and grant distribution to date. | | | | | | |
| Consider the availability of other charitable funding sources (e.g. existing designated Awyr Las funds) and the strategic priority 'fit'. | | | | | | |

| COVID-19 recovery and building resilience within our healthcare community & wider local communities in the medium term (initial impact to be felt within 6 months) | | | | | | |
|--|---------------|---|---|---|---|---|
| Criteria | Score (0 – 5) | | | | | |
| | 0 | 1 | 2 | 3 | 4 | 5 |
| How relevant is this project to the COVID-19 response? | | | | | | |
| How likely is it that the project will result in a tangible benefit for target group in the medium term? | | | | | | |
| How innovative is the idea? | | | | | | |
| How compelling is the research or science underpinning this project? | | | | | | |
| Is there evidence of existing partnership working, or is there realistic potential to | | | | | | |



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| | | | | | | |
|--|--|--|--|--|--|--|
| work with partners to achieve the aims of the project? | | | | | | |
| How feasible is it to deliver this project in the current environment of the NHS and social care? | | | | | | |
| How robust is the plan for monitoring and evaluating the project? | | | | | | |
| How likely is it that impact will be demonstrable within 6 months? | | | | | | |
| Consider the location (East, West, Central, BCUHB wide), the service, theme and type of care (secondary / primary) and grant distribution to date. | | | | | | |
| Consider the availability of other charitable funding sources (e.g. existing designated Awyr Las funds) and the strategic priority 'fit'. | | | | | | |

| Long term application of lessons learnt from COVID-19 to improve healthcare provision (initial impact to be felt within 12 months) | | | | | | |
|---|----------------------|----------|----------|----------|----------|----------|
| Criteria | Score (0 – 5) | | | | | |
| | 0 | 1 | 2 | 3 | 4 | 5 |
| How relevant is this project to the COVID-19 response? | | | | | | |
| How likely is it that the project will result in a tangible benefit for target group in the long term? | | | | | | |
| How innovative is the idea? | | | | | | |
| How compelling is the research or science underpinning this project? | | | | | | |
| Is there evidence of existing partnership working, or is there realistic potential to work with partners to achieve the aims of the project? | | | | | | |
| How feasible is it to deliver this project in the current environment of the NHS and social care? | | | | | | |



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| | | | | | | |
|--|--|--|--|--|--|--|
| How likely is it that impact will be demonstrable within 12 months? | | | | | | |
| Consider the location (East, West, Central, BCUHB wide), the service, theme and type of care (secondary / primary) and grant distribution to date. | | | | | | |
| Consider the availability of other charitable funding sources (e.g. existing designated Awyr Las funds) and the strategic priority 'fit'. | | | | | | |



| | | | | | | | |
|---|---|---|--------------------------|--|--------------------------|--------------------------------------|-------------------------------------|
| Cyfarfod a dyddiad: Meeting and date: | Charitable Funds Committee 9 th March 2021 | | | | | | |
| Cyhoeddus neu Breifat: Public or Private: | Public | | | | | | |
| Teitl yr Adroddiad Report Title: | Summary of Expenditure Approvals | | | | | | |
| Cyfarwyddwr Cyfrifol: Responsible Director: | Sue Hill, Executive Director of Finance | | | | | | |
| Awdur yr Adroddiad Report Author: | Rebecca Hughes, Charity Accountant | | | | | | |
| Craffu blaenorol: Prior Scrutiny: | Executive Director of Finance | | | | | | |
| Atodiadau Appendices: | <u>Appendix 1</u> : Expenditure Approvals Awarded Quarter 3 2020/21 | | | | | | |
| Argymhelliad / Recommendation: | | | | | | | |
| The Committee is asked to note the applications that have been approved. | | | | | | | |
| Please tick one as appropriate (note the Chair of the meeting will review and may determine the document should be viewed under a different category) | | | | | | | |
| Ar gyfer penderfyniad /cymeradwyaeth For Decision/ Approval | <input checked="" type="checkbox"/> | Ar gyfer Trafodaeth For Discussion | <input type="checkbox"/> | Ar gyfer sicrwydd For Assurance | <input type="checkbox"/> | Er gwybodaeth For Information | <input checked="" type="checkbox"/> |
| Sefyllfa / Situation: | | | | | | | |
| The Charitable Funds Committee has responsibility for the management and stewardship of Charitable Funds. This includes approval of expenditure from the charity, as per the Scheme of Delegation. | | | | | | | |
| Cefndir / Background: | | | | | | | |
| Since March 2020, the COVID-19 pandemic has required the charity to approve grants in a short timescale, in order to respond to the demands on the NHS. It was therefore agreed that applications over £5,000 that require Committee approval would be considered outside of meetings. | | | | | | | |
| Asesiad / Assessment: | | | | | | | |
| <p><u>Strategy Implications</u> Aligned to the Awyr Las Charity Strategy.</p> <p><u>Financial Implications</u></p> <p>Grants approved Between October and December 2020, 12 applications over £5,000 have been approved outside of Committee meetings, at a total cost of £154,046. These applications are listed in Appendix 1.</p> | | | | | | | |

Risk Analysis

Not applicable.

Legal And Compliance

Not applicable.

Impact Assessment

Not applicable.

Appendix 1 – Expenditure Approvals Awarded in Q3 2020/21

| Description | Approval Ref | Date Approved | Fund Number | Fund Name | Amount Approved £ |
|--|--------------|---------------|-------------------|---|-------------------|
| Neuro Physio Equipment | CA-20/20 | 05/11/2020 | 8T52 | COVID-19 Response Fund | 9,240 |
| Hydref Ward – Furniture Request | CA-20/26 | 05/11/2020 | 8T52 | COVID-19 Response Fund | 6,815 |
| Baby Pod | CA-20/29 | 05/11/2020 | 8F09 | Paediatric Department - Glan Clwyd | 5,996 |
| Older Person's Mental Health – Equipment Request | CA-20/30 | 05/11/2020 | 8T52 | COVID-19 Response Fund | 16,780 |
| Mobile Education unit | CA-20/40 | 05/11/2020 | 8B42 & 8T52 | COVID-19 Response Fund | 22,012 |
| Rural Community Public Access Defibrillation | CA-20/42 | 05/11/2020 | 8T52 | COVID-19 Response Fund | 9,698 |
| Surgical lights | CA-20/53 | 05/11/2020 | 9M02, 9M03 & 9M07 | Maternity - YG / Obs & Gynae - YG / Bladder Scanner Fund - YG | 9,163 |
| Bladder Scanner | CA-20/35 | 06/11/2020 | 9Q04 | Alaw Fund, YG | 6,850 |
| BQL - Lesotho Family Medicine Specialty Training Program | CA-20/23 | 04/12/2020 | 9T27 | Betsi-Quthing Fund | 5,700 |
| PALS Hub | CA-20/33 | 04/12/2020 | 8T28 | General Funds | 6,819 |
| Diagnosis of meningitis in newborn babies | CA-20/56 | 04/12/2020 | 8T28 | General Funds | 24,973 |
| Additional Funding for Oncology Research Project | CA-20/59 | 04/12/2020 | 9Q04 | Alaw Fund, YG | 30,000 |
| Total | | | | | 154,046 |

| | | | | | | | |
|--|--|---|--------------------------|--|--------------------------|--------------------------------------|--------------------------|
| Cyfarfod a dyddiad: Meeting and date: | Charitable Funds Committee 9 th March 2021 | | | | | | |
| Cyhoeddus neu Breifat: Public or Private: | Public | | | | | | |
| Teitl yr Adroddiad Report Title: | Charitable Funds Budget 2021/22 | | | | | | |
| Cyfarwyddwr Cyfrifol: Responsible Director: | Sue Hill, Executive Director of Finance | | | | | | |
| Awdur yr Adroddiad Report Author: | Rebecca Hughes, Charity Accountant | | | | | | |
| Craffu blaenorol: Prior Scrutiny: | Executive Director of Finance | | | | | | |
| Atodiadau Appendices: | None | | | | | | |
| Argymhelliad / Recommendation: | | | | | | | |
| The Committee is asked to review and approve the budget for 2021/22. | | | | | | | |
| Please tick one as appropriate (note the Chair of the meeting will review and may determine the document should be viewed under a different category) | | | | | | | |
| Ar gyfer penderfyniad /cymeradwyaeth For Decision/ Approval | <input checked="" type="checkbox"/> | Ar gyfer Trafodaeth For Discussion | <input type="checkbox"/> | Ar gyfer sicrwydd For Assurance | <input type="checkbox"/> | Er gwybodaeth For Information | <input type="checkbox"/> |
| Sefyllfa / Situation: | | | | | | | |
| The Charitable Funds Committee has responsibility for the management and stewardship of Charitable Funds. | | | | | | | |
| Cefndir / Background: | | | | | | | |
| <p>The Charity's budget for 2021/22 covers the costs of running the Charity, including administration, governance and fundraising.</p> <p>As previously agreed by the Committee, all of the administration, governance and central fundraising costs for the Charity are charged to General Funds. General Funds receives all of the gains or losses on the investments plus the investment income and this is therefore used to pay for the Charity's costs. Additionally, when funds allow, the remainder can be used to support Health Board initiatives.</p> <p>Other Fundraising Costs are charged to the fund that will benefit from that fundraising and so are not charged to General Funds.</p> | | | | | | | |
| Asesiad / Assessment: | | | | | | | |
| Strategy Implications | | | | | | | |
| Aligned to the Awyr Las Charity Strategy. | | | | | | | |
| Options considered | | | | | | | |
| Not applicable – paper is for information on the financial position of the charity. | | | | | | | |

Financial Implications

All staff who work with the charity are employed by the Health Board. The costs of the Fundraising Team are recharged in full to the charity on a monthly basis. The costs of Finance staff involved in the charity are included within a monthly recharge from the Health Board, which has been agreed at £96,000 per year. This charge also includes an element of overheads.

The charity's non-pay costs predominantly relate to fundraising. These are split into costs incurred as part of the Fundraising Team's activities and other fundraising costs not initiated by the Team, which also includes costs incurred as part of a specific appeal. In addition, there are costs for audit, software fees, bank and other administration charges.

Proposed Budget

The table below details the charity's forecast administration, governance and fundraising costs for 2020/21, compared to the agreed budget and the proposed budgeted costs for 2021/22.

The total proposed budget for 2021/22 has increased by £15,000 from the 2020/21 budget, which takes into account increased pay costs based on an estimated pay award, plus increments and a rise in the audit fee, all of which is offset by a reduction in other fundraising costs.

| | 2020/21 Budget £'000 | 2020/21 Forecast Actual £'000 | 2020/21 Forecast Variance £'000 | 2021/22 Proposed Budget £'000 |
|------------------------------------|----------------------------|--|--|--|
| BCU recharge - Finance staff costs | 90 | 90 | 0 | 90 |
| Fundraising staff costs | 225 | 188 | (37) | 246 |
| Total pay costs | 315 | 278 | (37) | 336 |
| BCU recharge - overheads | 6 | 6 | 0 | 6 |
| Fundraising Team costs | 50 | 30 | (20) | 50 |
| Other fundraising costs | 28 | 5 | (23) | 15 |
| Investment management fee | 54 | 22 | (32) | 54 |
| Audit fees | 12 | 20 | 8 | 20 |
| Bank & other admin charges | 6 | 3 | (3) | 5 |
| Software fees | 6 | 6 | 0 | 6 |
| Total non-pay costs | 162 | 92 | (70) | 156 |
| Total Costs | 477 | 370 | (107) | 492 |
| Charged to General Funds | 449 | 365 | (84) | 477 |

Note that other fundraising costs are charged to the fund(s) undertaking the fundraising and so are excluded from the charge to General Funds.

Fundraising Staff Costs

- These are forecast to underspend by £37,000 in 2020/21 due to a 0.8 WTE Band 6 vacancy. This vacancy has been funded in the budget for next year, as it is anticipated that the post will be filled.
- The budget for 2021/22 has increased by £21,000 compared to the 2020/21 budget due to an anticipated NHS pay award (2% has been used in the calculation), plus incremental drift.

- The budget for next year does not include the additional posts that have been proposed as part of the revised Fundraising Team structure, as these are still subject to agreement.

Fundraising Team Non-Pay Costs

- These costs are forecast to be under spent in 2020/21 by £20,000, as COVID-19 has affected the ability to hold events. The Head of Fundraising has requested that the budget for 2021/22 is maintained at the same level to support developments.

Other Fundraising Costs

- Fundraising events that sit outside of the Fundraising Team have under spent over the last few years and so the budget for 2021/22 has been reduced to reflect this.

Investment Management Fee

- The underspend of £32,000 has arisen as Rothschild have not been charging a fee since they failed to win the new Investment Management contract. Fees in 2021/22 will be due to Brewin Dolphin.

Audit Fees

- Audit Wales have confirmed that from 2020/21 they will be changing the split of their total fee between the Health Board and charity so that it correctly reflects the audit days needed to deliver the two statutory audits. As a result, the charity's audit fee will increase to £20,180 for 2020/21, with a similar amount anticipated for 2021/22. This is an increase of £9,930 on what has been charged previously.

The total charge to General Funds for 2021/22 would be £477,000, which is £28,000 than in the current year. General Funds at the 31st December 2020 totalled £1,063,000; therefore, the proposed budget would reduce these funds to £586,000.

Risk Analysis

Not applicable.

Legal And Compliance

Not applicable.

Impact Assessment

Not applicable.

| | | | | | | |
|--|--|---|-------------------------------------|--|-------------------------------------|--------------------------------------|
| Cyfarfod a dyddiad: Meeting and date: | Charitable Funds Committee 9 th March 2021 | | | | | |
| Cyhoeddus neu Breifat: Public or Private: | Public | | | | | |
| Teitl yr Adroddiad Report Title: | Charity Risk Register | | | | | |
| Cyfarwyddwr Cyfrifol: Responsible Director: | Sue Hill, Executive Director of Finance | | | | | |
| Awdur yr Adroddiad Report Author: | Rebecca Hughes, Charity Accountant | | | | | |
| Craffu blaenorol: Prior Scrutiny: | Executive Director of Finance | | | | | |
| Atodiadau Appendices: | <u>Appendix 1</u> : Risk Register | | | | | |
| Argymhelliad / Recommendation: | | | | | | |
| <p>The Committee is asked to review and note the report.</p> <p>The Committee is asked to approve the removal of the charity risks from Datix and the creation of a standalone risk register.</p> | | | | | | |
| Please tick one as appropriate (note the Chair of the meeting will review and may determine the document should be viewed under a different category) | | | | | | |
| Ar gyfer penderfyniad /cymeradwyaeth For Decision/ Approval | <input checked="" type="checkbox"/> | Ar gyfer Trafodaeth For Discussion | <input checked="" type="checkbox"/> | Ar gyfer sicrwydd For Assurance | <input checked="" type="checkbox"/> | Er gwybodaeth For Information |
| Sefyllfa / Situation: | | | | | | |
| The Charitable Funds Committee has responsibility for the management and stewardship of Charitable Funds. This includes overseeing the risks of the charity. | | | | | | |
| Cefndir / Background: | | | | | | |
| As agreed at the Charitable Funds Committee meeting in March 2019, the full charity risk register is brought to the Committee on a yearly basis. This will be added to the Committee Cycle of Business for review every March. In intervening Committee meetings only red rated risks are brought to the Committee for review. | | | | | | |
| Asesiad / Assessment: | | | | | | |
| <u>Strategy Implications</u> | | | | | | |
| Aligned to the Awyr Las Charity Strategy. | | | | | | |
| <u>Options considered</u> | | | | | | |
| Not applicable. | | | | | | |
| <u>Financial Implications</u> | | | | | | |
| Not applicable. | | | | | | |

Risk Analysis

Charity Risks

There are currently eight risks recorded for the charity. None of these are red rated. The details of each these risks is included in Appendix 1.

Risk Register

The charity's risks were entered onto the Health Board's Datix system in September 2018, so that reporting would mirror that of the Health Board. However, in December 2020, the Health Board established a Risk Management Strategy that brings all risks held on Datix under a tier system. This would mean that the charity risks fall within Tier 3 and so must be scored in the range 1-8. This reflects their relative risk to the Health Board, but does not take account of their risk to the charity.

Following discussions with the Head of Risk Management, it has been agreed that the best way to allow the charity to score risks based on the impact to itself would be to remove them from Datix. A standalone charity risk register would be established, held in Excel and updated by the charity team. The format of the reports to the Committee would remain the same.

Legal And Compliance

Not applicable.

Impact Assessment

Not applicable.

Appendix 1 – Risk Register

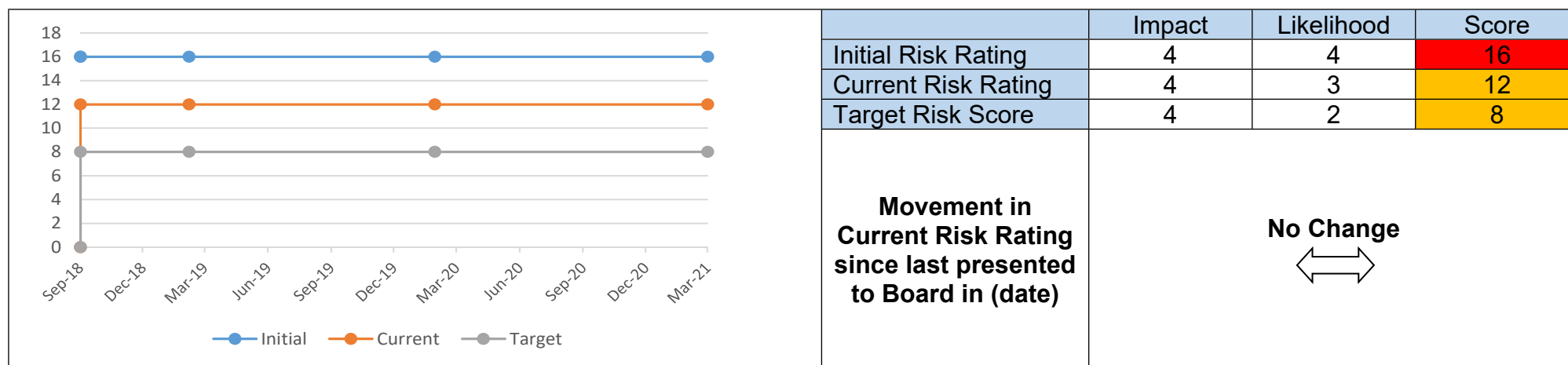
| | | |
|--------|---|---------------------------------------|
| CFRR01 | Director Lead: Executive Director of Finance | Date Opened: 04/09/2018 |
| | Assuring Committee: Charitable Funds Committee | Date Last Reviewed: 15/02/2021 |
| | Risk: Fundraising | Target Risk Date: |

There is a risk of non-compliance with fundraising regulations.

This could be due to:

1. Involvement with third parties.
2. Not being aware of all the fundraising taking place in the charity's name.
3. Lack of resources meaning basic processes are not in place.
4. New regulations which the charity is not aware of.

The impact of this could be damage to the charity's reputation and potential investigation/fine by the Fundraising Regulator.



| Controls in place | Further action to achieve target risk score |
|--|---|
| 1. The Joint Working Protocol, which has established the need for signed Joint Working Agreements (JWA) for all relationships with third parties in order to clearly set out the terms and expectations of the relationship. | 1. All new or different engagement projects must be checked to ensure all activity complies with GDPR and Fundraising Regulation. |

Appendix 1 – Risk Register

| | |
|---|---|
| <p>2. The Charity Support Team maintains a log of fundraising that is taking place in the Charity's name.</p> <p>3. The Fundraising Support team is working towards set targets for ensuring basic processes are in place.</p> <p>4. The Charity Strategy provides the direction for the Charity and is crucial for informing what its priorities are and where fundraising efforts should be directed.</p> <p>5. The Charity is a member of the NHS Charities Together (formerly the Association of NHS Charities), which provides updates on new legislation and regulations that may impact the Charity.</p> | <p>2. Continue to ensure that all new third party relationships have a signed Joint Working Agreement (or Memorandum of Understanding if more appropriate).</p> <p>3. Continue to establish and maintain good communication links with staff, the public and donors so that everyone is aware of the need to seek approval from the Charity for any fundraising being undertaken in its name.</p> |
|---|---|

| Assurances | Links to | | |
|--|-----------------|-----------------|------------------------|
| Wales Audit Office Charity Commission | Strategic Goals | Principal Risks | Special Measures Theme |
| | 8 | Not Applicable | Not Applicable |

Appendix 1 – Risk Register

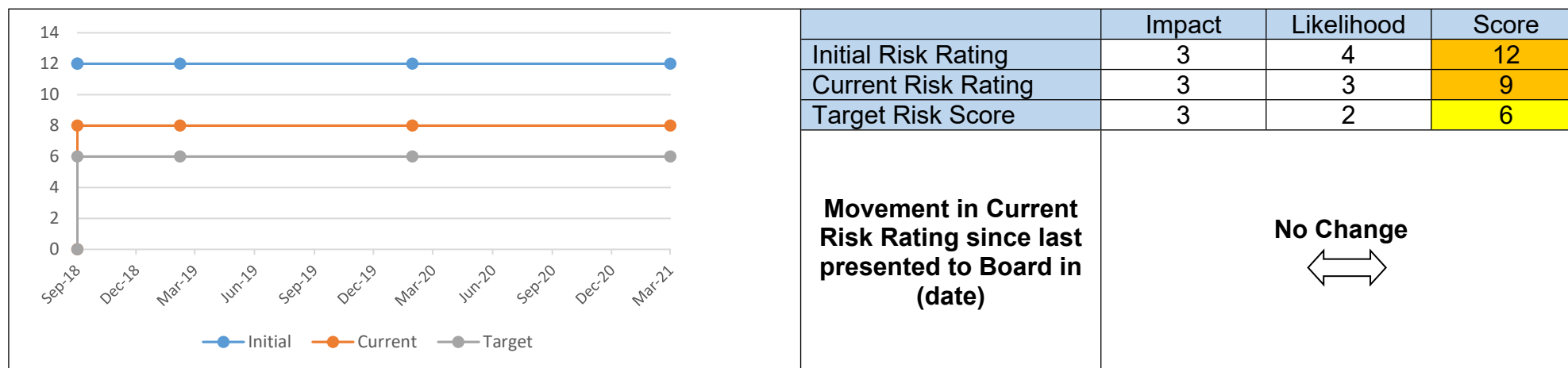
| | | |
|--------|---|---------------------------------------|
| CFRR02 | Director Lead: Executive Director of Finance | Date Opened: 05/09/2018 |
| | Assuring Committee: Charitable Funds Committee | Date Last Reviewed: 15/02/2021 |
| | Risk: Fund Advisors | Target Risk Date: |

There is a risk that the charity's Fund Advisors are unaware of their role and responsibilities.

This could be due to:

1. Lack of training.
2. Lack of understanding of a Charity and the appropriate rules and regulations.

The impact of this could be that the charity's funds are not spent or not spent in accordance with its objectives.



| Controls in place | Further action to achieve target risk score |
|--|--|
| <ol style="list-style-type: none"> 1. A Fund Advisor Handbook was developed and issued to all Fund Advisors, to provide guidance and support in discharging their responsibilities. 2. Fund Advisor training days are held at various dates throughout the year (on hold during the pandemic). | <ol style="list-style-type: none"> 1. Fund Advisor training days have not been possible in 2020/21 due to COVID-19. Whilst the pandemic is ongoing, it is unlikely that staff would be released to attend. However, options around when these can be restarted and how they may take place are under consideration. |

Appendix 1 – Risk Register

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| <p>3. The Handbook includes a requirement for all Fund Advisors to undertake an Annual Review of their fund and prepare an expenditure plan. This also includes an Accountability Agreement for all Fund Advisors, established to ensure that roles and responsibilities are understood and accepted.</p> <p>4. A review of dormant funds is under taken every year. Funds that are not being utilised and do not have future expenditure plans in place are referred to divisional management teams.</p> | <p>2. The Awyr Las Support Team needs to undertake further work to engage with Fund Advisors of the lesser active funds to help establish expenditure plans for the future. Fund Advisors need to be aware that funds should be used and they need to be clear and transparent about their plans.</p> <p>3. The Fund Advisor Handbook needs to be reviewed and updated. It is planned that the Annual Review and Accountability Agreement are moved online and the work to set this up needs to be done.</p> |
|---|--|

| Assurances | Links to | | |
|--|-----------------|-----------------|------------------------|
| Wales Audit Office Charity Commission | Strategic Goals | Principal Risks | Special Measures Theme |
| | 8 | Not Applicable | Not Applicable |

Appendix 1 – Risk Register

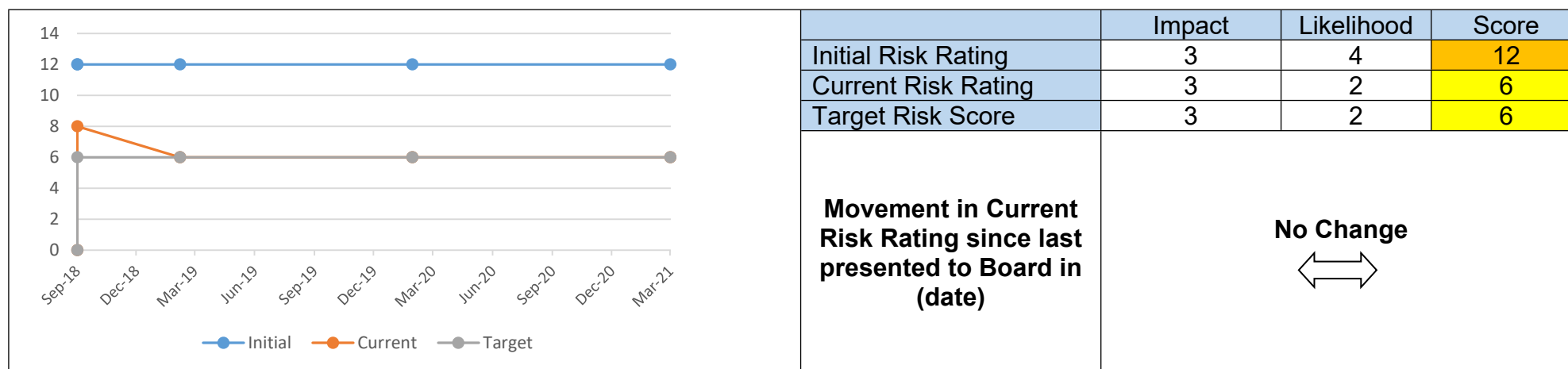
| | | |
|--------|---|---------------------------------------|
| CFRR03 | Director Lead: Executive Director of Finance | Date Opened: 05/09/2018 |
| | Assuring Committee: Charitable Funds Committee | Date Last Reviewed: 15/02/2021 |
| | Risk: Appeals | Target Risk Date: |

There is a risk that the charity is unable to identify a potential major Appeal.

This could be due to:

1. Lack of detailed information about the priorities for charitable support.
2. The geography of BCU making it difficult to identify one appeal for the whole Health Board.

The impact of this could be that the charity does not undertake a major appeal and loses out on potential income.



| Controls in place | Further action to achieve target risk score |
|--|--|
| 1. The Charity Support Team reviews the unfunded requests submitted to voluntary organisations and also those on the capital register. | 1. Campaign leads are now in place and Business Plans are being developed. |

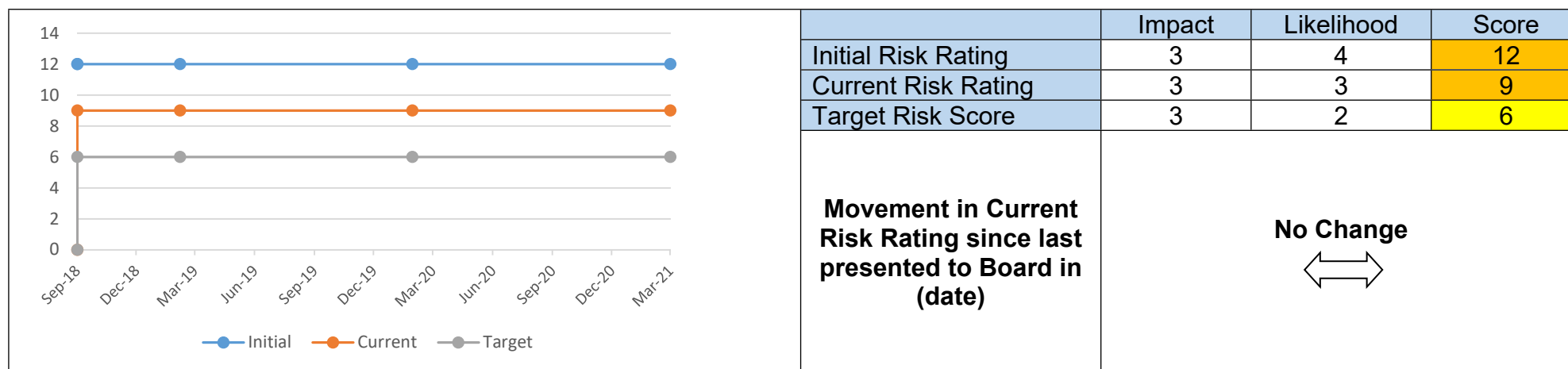
Appendix 1 – Risk Register

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| <p>2. The Annual Review section in the Accountability Agreement requires Fund Advisors to formally document their priorities and identify any future fundraising that may be required.</p> <p>3. Initial engagement with the Planning Team has taken place to help align the priorities of the charity with those of the Health Board.</p> <p>4. Discussions of the Health Board as Trustee have identified four key priority areas (Mental Health, Older People, Younger People and Cancer Care) as key strategic priorities for the charity. Projects aligned to these areas will be a focus for the charity over the next year.</p> | |
|--|--|

| Assurances | Links to | | |
|--|-----------------|-----------------|------------------------|
| | Strategic Goals | Principal Risks | Special Measures Theme |
| Wales Audit Office Charity Commission | 8 | Not Applicable | Not Applicable |

Appendix 1 – Risk Register

| | | |
|---|---|---------------------------------------|
| CFRR04 | Director Lead: Executive Director of Finance | Date Opened: 05/09/2018 |
| | Assuring Committee: Charitable Funds Committee | Date Last Reviewed: 15/02/2021 |
| | Risk: Staff Engagement | Target Risk Date: |
| <p>There is a risk that staff are disengaged, or unaware of the charity.</p> <p>This could be due to:</p> <ol style="list-style-type: none"> 1. Lack of training. 2. The size of the Health Board making it difficult to communicate messages. 3. Negative media impacting on their opinion of the charity. 4. Difficulty with placing orders. <p>The impact of this could be that staff do not positively promote the Charity with patients and potential donors and it loses out on potential income.</p> | | |



| Controls in place | Further action to achieve target risk score |
|--|---|
| 1. The introduction of the Charitable Funds Advisory Group has allowed front line staff to become involved in decision making on charitable expenditure (on hold during the pandemic). | 1. A network of Charity Champions at ward, department or locality level needs to be established to aid the promotion of the |

Appendix 1 – Risk Register

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|--|--|
| <p>2. The Fund Advisor Handbook highlights to Fund Advisors that they have a key role to play in promoting the benefits of the charity. This is reinforced through the Fund Advisor training days.</p> <p>3. An action plan for staff engagement, including working with Workforce & Organisational Development and the Communications team has been developed as part of the Communication Strategy.</p> <p>4. The use of social media has been increased and used to promote good news stories about the charity, as well as responding to any negative media coverage.</p> <p>5. A process for ordering items not available on Oracle has been agreed with Procurement, to ensure that staff can order the items that they want, whilst still complying with Procurement procedures and maintaining an audit trail.</p> | <p>Charity and the work that it is doing. This has been delayed due to COVID-19.</p> <p>2. Staff communications will be issued around the charity's Annual Report to help inform staff of the work that the charity does and how they can become involved.</p> <p>3. The Staff Lottery aims to assist with staff engagement and communicating key messages more effectively.</p> |
|--|--|

| Assurances | Links to | | |
|--|-----------------|-----------------|------------------------|
| Wales Audit Office Charity Commission | Strategic Goals | Principal Risks | Special Measures Theme |
| | 8 | Not Applicable | Not Applicable |

Appendix 1 – Risk Register

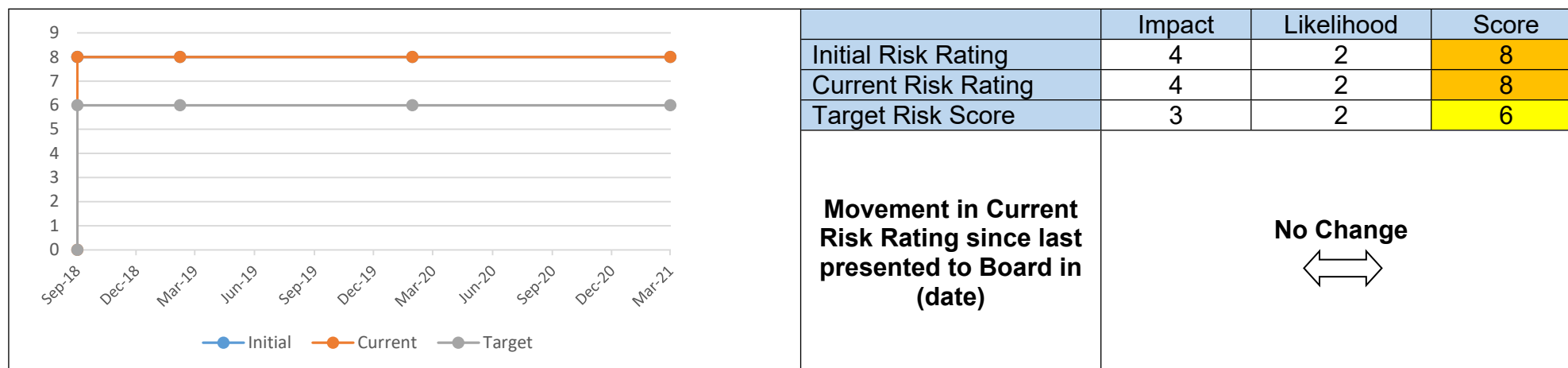
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|--------|---|---------------------------------------|
| CFRR05 | Director Lead: Executive Director of Finance | Date Opened: 05/09/2018 |
| | Assuring Committee: Charitable Funds Committee | Date Last Reviewed: 15/02/2021 |
| | Risk: Investments | Target Risk Date: |

There is a risk that the investment portfolio falls significantly in value.

This could be due to:

1. Changes in the markets or economy.
2. Poor performance from the investment managers.

The impact of this could be that a severe impairment to the charity's ability to support future projects.



| Controls in place | Further action to achieve target risk score |
|---|--|
| 1. The charity's investment portfolio is monitored on a monthly basis by the Charity Support Team and on a quarterly basis by the Charitable Funds Committee. | 1. Monitoring of investments and the portfolio performance needs to be a continual process. The investment policy needs to be reviewed in light of the income and capital needs of the charity for the short to medium term. |

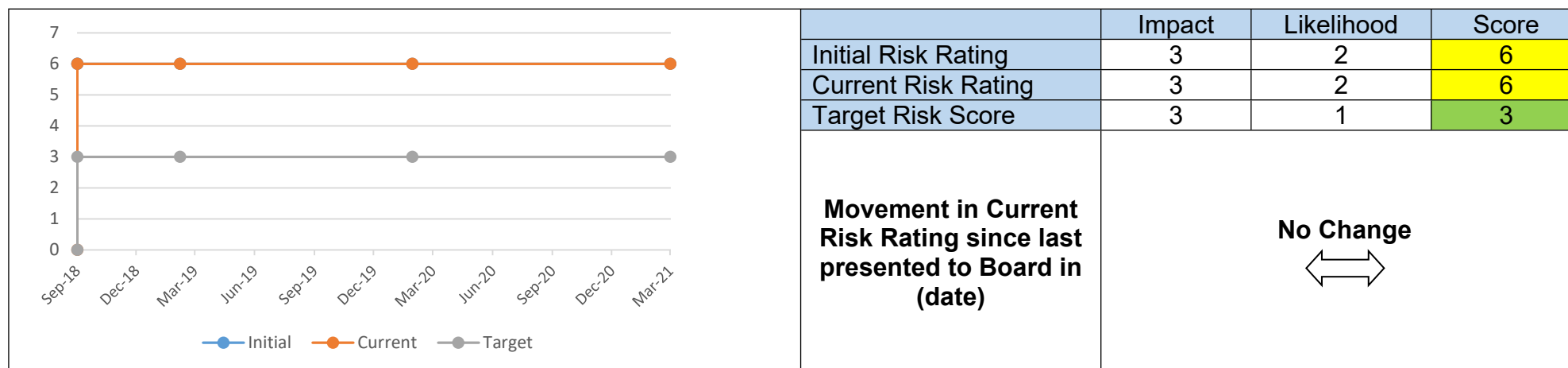
Appendix 1 – Risk Register

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| 2. The investment policy is reviewed by the Committee on an annual basis, in conjunction with the Investment Managers, to ensure it remains relevant to the charity's long term strategy. | |
| 3. The Investment Managers attend Committee meetings on an annual basis, but are available to answer any issues raised throughout the year. | |

| Assurances | Links to | | |
|--|-----------------|-----------------|------------------------|
| Wales Audit Office Charity Commission | Strategic Goals | Principal Risks | Special Measures Theme |
| | 8 | Not Applicable | Not Applicable |

Appendix 1 – Risk Register

| | | |
|--|---|---------------------------------------|
| CFRR06 | Director Lead: Executive Director of Finance | Date Opened: 05/09/2018 |
| | Assuring Committee: Charitable Funds Committee | Date Last Reviewed: 15/02/2021 |
| | Risk: Financial | Target Risk Date: |
| <p>There is a risk that the charity does not have sufficient reserves to support the projects it wishes to.</p> <p>This could be due to:</p> <ol style="list-style-type: none"> 1. Reduction in the income to the charity, 2. Approval of expenditure above the level of resources available. <p>The impact of this could be that a severe impairment to the charity's ability to support future projects.</p> | | |



| Controls in place | Further action to achieve target risk score |
|--|--|
| <ol style="list-style-type: none"> 1. Funds available are monitored through the Reserves Policy, which is updated and reviewed by the Committee on an annual basis. 2. The level of reserves is monitored against the target and reported to the Committee on a quarterly basis. | <ol style="list-style-type: none"> 1. Further work needs to be done to establish income plans in order to develop new and different income streams. 2. The Staff Lottery is intended to increase undesignated income (General Funds) to help fund small and medium sized |

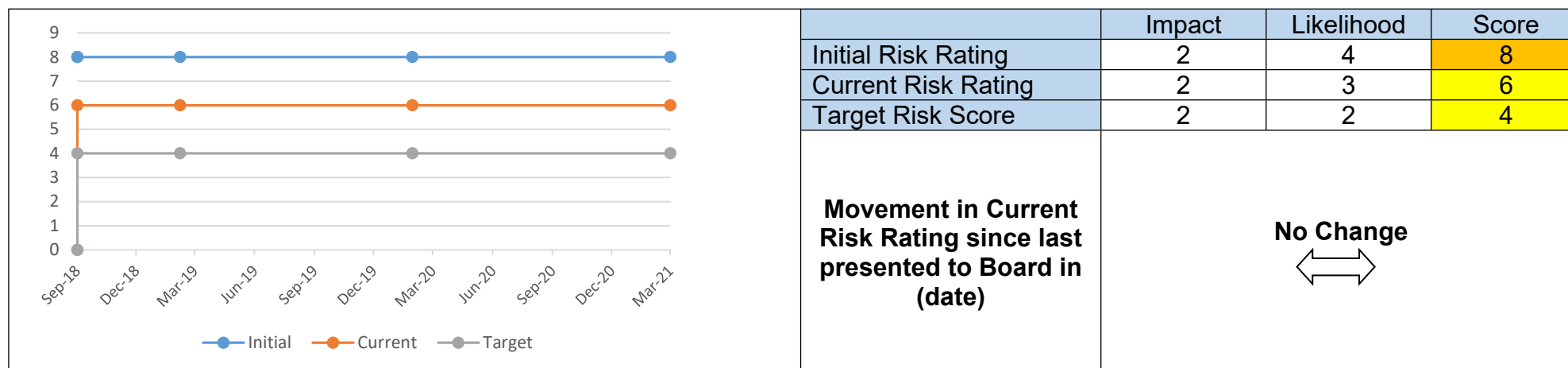
Appendix 1 – Risk Register

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|---|---|
| <p>3. Individual funds are checked to ensure there is enough monies available before any expenditure is approved from them.</p> <p>4. Available General Funds are monitored closely and reported to the Committee on a quarterly basis.</p> | <p>applications for funding from priority services, which don't traditionally receive charitable funding.</p> |
|---|---|

| Assurances | Links to | | |
|--|-----------------|-----------------|------------------------|
| Wales Audit Office Charity Commission | Strategic Goals | Principal Risks | Special Measures Theme |
| | 8 | Not Applicable | Not Applicable |

Appendix 1 – Risk Register

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|--|---|---------------------------------------|
| CFRR07 | Director Lead: Executive Director of Finance | Date Opened: 05/09/2018 |
| | Assuring Committee: Charitable Funds Committee | Date Last Reviewed: 15/02/2021 |
| | Risk: Use of Technology | Target Risk Date: |
| <p>There is a risk that the charity is not using technology as effectively as possible.</p> <p>This could be due to:</p> <ol style="list-style-type: none"> 1. Lack of resources meaning the basics are not in place. 2. Lack of expertise. <p>The impact of this could be a lack of engagement with donors.</p> | | |



| Controls in place | Further action to achieve target risk score |
|---|---|
| <ol style="list-style-type: none"> 1. The charity's internet site has been redeveloped and is now live. 2. The Communications Strategy includes specific actions around social media to engage widely with the population of North Wales. | <ol style="list-style-type: none"> 1. Further developments to the internet site are required to allow the charity to significantly improve its engagement with donors, volunteers and staff, whilst providing a platform for the promotion of events and social media streams. |

Appendix 1 – Risk Register

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|---|---|
| 3. New ways of donating, via text giving, Facebook and debit/credit card have been introduced to maximise the use of technology in this area. | 2. A member of the Awyr Las Fundraising Section will be responsible for Data and Digital from March 2021. Having a dedicated point person for digital and data projects will enable the team to improve use of existing resources and trial new technology. |
|---|---|

| Assurances | Links to | | |
|--|-----------------|-----------------|------------------------|
| Wales Audit Office Charity Commission | Strategic Goals | Principal Risks | Special Measures Theme |
| | 8 | Not Applicable | Not Applicable |

Appendix 1 – Risk Register

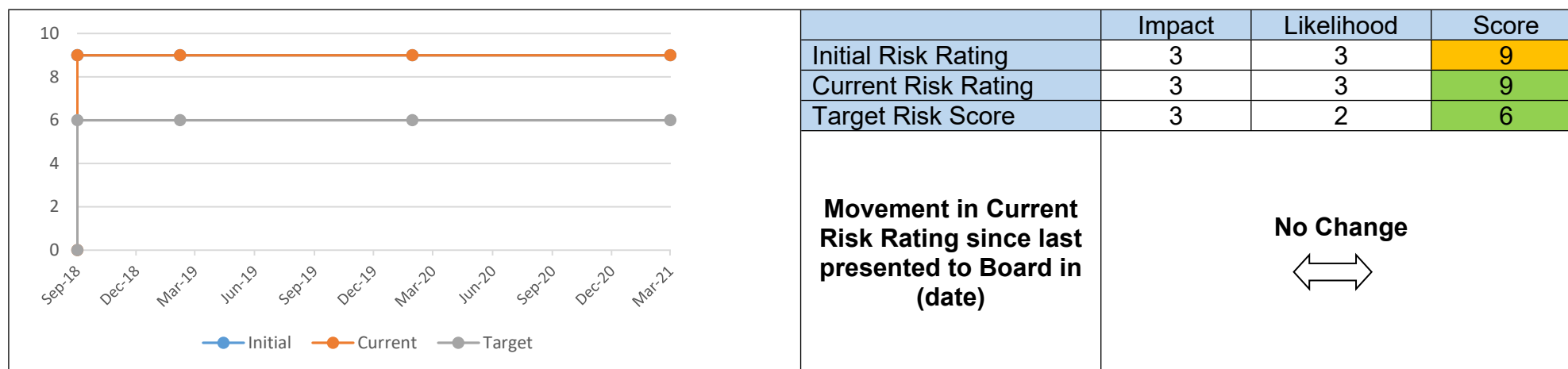
| | | |
|--------|---|---------------------------------------|
| CFRR08 | Director Lead: Executive Director of Finance | Date Opened: 05/09/2018 |
| | Assuring Committee: Charitable Funds Committee | Date Last Reviewed: 15/02/2021 |
| | Risk: Reputation | Target Risk Date: |

There is a risk that the charity's reputation is damaged.

This could be due to:

1. Adverse publicity in the media.
2. Disagreement with a funding decision among donors/supporters/the public.

The impact of this could be a reduction in the income that the charity receives.



| Controls in place | Further action to achieve target risk score |
|---|---|
| 1. The charity's Fund Advisors make decisions on how funds should be spent, so involving front line staff in decision making. | 1. Regular updates on grant making need to be maintained on the charity's internet site and social media to continue to improve engagement with staff, donors and the public. |

Appendix 1 – Risk Register

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|--|--|
| <p>2. The use of the charity's social media platforms has increased and is used to promote good news stories about the charity, as well as responding to negative media coverage.</p> <p>3. There is an external audit and sign off of the charity's accounts and annual report by Wales Audit Office.</p> <p>4. Regular reporting of any complaints received to the Charitable Funds Committee, so that they can be monitored and assurance given that actions have been taken to address them.</p> | <p>2. Consideration needs to be made of the public and donor view in all funding decisions, to ensure that grants awarded would pass the 'Daily Mail test', as recommended by the Association of NHS Charities.</p> <p>3. Improvements are being made to the funding application form to ensure that it allows applicants to clearly identify the impact that the grant will have for patients. This will help to support funding decisions.</p> |
|--|--|

| Assurances | Links to | | |
|--|-----------------|-----------------|------------------------|
| Wales Audit Office Charity Commission | Strategic Goals | Principal Risks | Special Measures Theme |
| | 8 | Not Applicable | Not Applicable |

| | | | | | | | |
|--|--|---|--------------------------|--|--------------------------|--|--------------------------|
| Cyfarfod a dyddiad: Meeting and date: | Charitable Funds Committee 9 th March 2021 | | | | | | |
| Cyhoeddus neu Breifat: Public or Private: | Public | | | | | | |
| Teitl yr Adroddiad Report Title: | Review of Charity Reserves Policy | | | | | | |
| Cyfarwyddwr Cyfrifol: Responsible Director: | Sue Hill, Executive Director of Finance | | | | | | |
| Awdur yr Adroddiad Report Author: | Rebecca Hughes, Charity Accountant | | | | | | |
| Craffu blaenorol: Prior Scrutiny: | Executive Director of Finance | | | | | | |
| Atodiadau Appendices: | None | | | | | | |
| Argymhelliad / Recommendation: | | | | | | | |
| The Committee is asked to review and approve the amended Reserves Policy and Target Level of Reserves. | | | | | | | |
| Please tick one as appropriate (note the Chair of the meeting will review and may determine the document should be viewed under a different category) | | | | | | | |
| Ar gyfer penderfyniad /cymradwyaeth For Decision/ Approval | <input checked="" type="checkbox"/> | Ar gyfer Trafodaeth For Discussion | <input type="checkbox"/> | Ar gyfer sicrwydd For Assurance | <input type="checkbox"/> | Er gwybodaeth For Information | <input type="checkbox"/> |
| Sefyllfa / Situation: | | | | | | | |
| The Charitable Funds Committee has responsibility for the management and stewardship of Charitable Funds. | | | | | | | |
| Cefndir / Background: | | | | | | | |
| <p>Reserves are that part of a charity's unrestricted income funds which are freely available to spend on any of the charity's purposes. The reserves policy explains to existing and potential fundraisers, donors and other stakeholders why a charity is holding a particular amount of reserves. A good reserves policy gives confidence to stakeholders that the charity's finances are being managed and can also provide an indicator of future funding needs.</p> <p>The reserves policy of a charity must be set out in its Annual Report. It should take into account the charity's financial circumstances and other relevant factors. It is good practice to keep the reserves policy under review to ensure it meets the changing needs and circumstances of the charity.</p> <p>Deciding on the level of reserves that a charity needs to hold is an important part of financial management and forward financial planning. Reserves levels which are higher than needed may tie up money unnecessarily. However if reserves are too low then the charity's solvency and its future activities can be put at risk.</p> <p>The charity, drawing on Charity Commission guidance and examples of best practice from other charities, has adopted a reserves policy which includes a target level of reserves. In accordance</p> | | | | | | | |

with best practice, the Committee should review its reserves policy and target level of reserves on an annual basis, recalculating the target based on the latest audited accounts.

Asesiad / Assessment:

Strategy Implications

Aligned to the Awyr Las Charity Strategy.

Options considered

Not applicable.

Financial Implications

Current Policy

The charity's current reserves policy was reviewed and updated in March 2020 and states:

'The reserves policy has the objective of ensuring that the charity has sufficient funds available to maintain liquidity, cover unforeseen risks and provide for future opportunities.

The charity relies heavily on income from donations, fundraising and legacies. These are unpredictable sources that can vary year to year. Therefore the charity needs sufficient reserves to be able to continue its activities in the event of fluctuations in its income.

The charity has a target level of reserves of £2,811,000. This is based on the following calculation, with average figures taken from the last three years' of audited accounts:

- One year's administration costs (support costs, fundraising costs and investment management costs).*
- 25% of the value of investments held.*
- 25% of the grant funded activity expenditure.*
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The target level of reserves will be reassessed on an annual basis.

The Trustee will review the actual reserves held against the target throughout the year, to ensure that sufficient funds are held within the charity, whilst also continuing to utilise funds within a reasonable period of receipt.'

There are no changes proposed to the wording of the reserves policy, other than to recalculate the target level of reserves.

Target Level of Reserves

To establish the target level of reserves, a number of factors were considered:

- Anticipated levels of income for the current and future years;
- Anticipated levels of expenditure for the current and future years;
- Future needs, opportunities, commitments and risks. This includes looking at future plans, projects or other spending needs that cannot be met from the income of a single year's budget.

The vast majority of the charity's income is from donations, fundraising and legacies. These are unreliable and unpredictable sources that can vary year to year. The Fundraising Team is working on diversifying and broadening the sources of income through identifying new potential donors

and raising awareness of the charity in different spheres of influence. This should help provide more security of income; however, there can still be no guaranteed level of income for any year.

The charity's expenditure is primarily driven by funding approvals awarded by the Charitable Funds Advisory Group and the Committee. These are entirely within the charity's control and the level of approvals can be reduced or increased depending on the reserves available.

The charity does have ongoing expenditure arising from the costs of the Fundraising Team and Finance staff, the Investment Manager fee and Audit fees. The Committee has little influence over these in the short term and so they should be taken into account when considering the reserves requirement.

The other large influence on the charity's reserves is fluctuations in the investments, which can rise or fall in value on a monthly basis.

Taking the above into account and using average figures from the last three years' of audited accounts, the calculation of the target level of reserves is as follows:

- The reserves should include one year's administration costs (support costs, fundraising costs and investment management costs), which would allow the charity to continue to run for this period even if no income was received. The three year rolling average is £411,000.
- To insure against the risk of a large fall in the investments, the reserves should include 25% of the three year rolling average value of the investments. This would allow for a significant fall in value and is based on 2008/09, the investments of the three predecessor charities fell by 26% (note that in 2019/20 they fell by 11%). The amount included in the target is £1,934,000.
- To allow the charity to support larger projects that cannot be paid for with one year's worth of income and also to allow the Charity to continue to support projects if income was severely reduced, 25% of the grant funded activity expenditure should be included in reserves. Should income cease this would allow the charity to continue to fund projects at its current rate for three months, or at a reduced rate for six months. The three-year rolling average is £543,000.

Based on the above figures, the target level of reserves for the charity would be £2,888,000, which is £77,000 more than the current target.

The available unrestricted reserves as at the 31st December 2020 totalled £4,953,000. Compared to the target level of reserves of £2,888,000, the Charity is holding higher reserves than it should be. Therefore actions need to be taken to increase expenditure rates.

Risk Analysis

Not applicable.

Legal And Compliance

Not applicable.

Impact Assessment

Not applicable.

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| Cyfarfod a dyddiad: Meeting and date: | Charitable Funds Committee 9 th March 2021 | | | | | | |
| Cyhoeddus neu Breifat: Public or Private: | Public | | | | | | |
| Teitl yr Adroddiad Report Title: | Committee Work Plan for 2021/22 | | | | | | |
| Cyfarwyddwr Cyfrifol: Responsible Director: | Sue Hill, Executive Director of Finance | | | | | | |
| Awdur yr Adroddiad Report Author: | Rebecca Hughes, Charity Accountant | | | | | | |
| Craffu blaenorol: Prior Scrutiny: | None | | | | | | |
| Atodiadau Appendices: | <u>Appendix 1</u> : Work Plan 2021/22 | | | | | | |
| Argymhelliad / Recommendation: | | | | | | | |
| The Committee is asked to approve the cycle of business and work plan presented, as a starting point for the work to be undertaken in 2021/22. | | | | | | | |
| Please tick one as appropriate (note the Chair of the meeting will review and may determine the document should be viewed under a different category) | | | | | | | |
| Ar gyfer penderfyniad /cymeradwyaeth For Decision/ Approval | <input checked="" type="checkbox"/> | Ar gyfer Trafodaeth For Discussion | <input type="checkbox"/> | Ar gyfer sicrwydd For Assurance | <input type="checkbox"/> | Er gwybodaeth For Information | <input type="checkbox"/> |
| Sefyllfa / Situation: | | | | | | | |
| The Charitable Funds Committee has responsibility for the management and stewardship of Charitable Funds. | | | | | | | |
| Cefndir / Background: | | | | | | | |
| The Charitable Funds Committee, in common with other committees and sub-committees, needs to agree a cycle of business setting out regular business to be considered on a recurring basis each year. A work plan is also required, setting out additional and one-off items of business planned for each agenda in-year. Ad-hoc items can be added to this plan as and when issues arise. | | | | | | | |
| Asesiad / Assessment: | | | | | | | |
| <u>Strategy Implications</u> Aligned to the Awyr Las Charity Strategy. | | | | | | | |
| <u>Options considered</u> Not applicable. | | | | | | | |
| <u>Financial Implications</u> Not applicable. | | | | | | | |

Risk Analysis

Not applicable.

Legal And Compliance

Not applicable.

Impact Assessment

Not applicable.

Appendix 1 – Work Plan 2021/22

| Agenda Item | June 2021 | September 2021 | December 2021 | March 2022 |
|--|-----------|----------------|---------------|------------|
| Opening Business | | | | |
| Apologies & declarations of interest | X | X | X | X |
| Minutes of the previous meeting | X | X | X | X |
| Matters arising and action plan | X | X | X | X |
| Standing Items | | | | |
| Finance report | X | X | X | X |
| Fundraising report | X | X | X | X |
| Third sector groups report | X | X | X | X |
| Staff Lottery | X | X | X | X |
| Charitable Funds Advisory Group minutes | X | X | X | X |
| Charity Risk Register | X | X | X | X |
| Investment manager's portfolio report | X | X | X | X |
| Items for Decision | | | | |
| Request for expenditure approvals | X | X | X | X |
| Budget for forthcoming year | | | | X |
| Audited accounts and annual report | | X | | |
| Wales Audit Office ISA 260 report | | X | | |
| Items of Governance | | | | |
| Investment manager presentation | X | | | X |
| Review of reserves policy | | | | X |
| Committee work plan for forthcoming year | | | | X |
| Closing Business | | | | |
| Issues of significance | X | X | X | X |
| Date of next meeting | X | X | X | X |
| Planning / agenda setting for next meeting | X | X | X | X |
| In Year / Ad hoc items | | | | |
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