

## CHARITABLE FUNDS COMMITTEE

### Minutes of the meeting held on Tuesday 10<sup>th</sup> March 2020 in the Boardroom, Carlton Court

**Present:**

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| Ms Jackie Hughes   | Independent Member (Chair) |
| Ms Cheryl Carlisle | Independent Member         |
| Dr David Fearnley  | Executive Medical Director |

**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                  |

| Agenda Item  | Action |
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| <p><b>CF20/01 Apologies for absence &amp; Declarations of interest</b></p> <p>Apologies for absence were noted for Ms Helen Wilkinson (Independent Member), Mrs Sue Hill (Acting Executive Director of Finance) and Mr Mark Wilkinson (Executive Director of Planning and Performance).</p> <p>The Head of Fundraising noted her Declaration of Interest with regards to the Year of the Nurse application for funding (£10k) and the Hearts and Minds Application (£20k) as per agenda item CFO20/10, as she submitted both these applications.</p> |        |
| <p><b>CF20/02 Minutes of the previous meeting held on 4<sup>th</sup> October 2019:</b></p> <p><b>CF19/20.1 Accuracy</b></p> <p>The minutes from the meeting held on 10<sup>th</sup> December 2019 were approved as an accurate record.</p> <p><b>CF19/20.2 Matters arising and review of summary action plan</b></p> <p>The committee reviewed the summary action plan in detail and updated accordingly.</p>  |        |
| <p><b>CF20/03 Charitable Funds Finance Report Q3 2019/20</b><br/><i>Ms R Hughes</i></p> <p>The Charity Accountant presented the Charitable Funds Finance Report for Q3 2019/20. She firstly alerted the committee to the new 'Appendix 6 – Glossary of terms'</p>  |        |

which the committee requested during the last meeting, which outlines and clarifies the legal and technical definitions. The most important definitions to the charity are restricted, unrestricted, designated and general funds.

Donation and fundraising income is up by £126,000 (14%) on the same period last year. The number of donations received has increased by 16% (from 3,602 to 4,181), but the average donation value has fallen slightly from £248 to £243. Legacy income has seen a significant increase this quarter, raising the year to date income and showing growth of £385,000 compared to quarter 3 of 2018/19. Further details of legacies can be seen in Appendix 1.

Overall, total income has increased by £530,000 or 46%, which is a very positive improvement. Income for 2019/20 is now forecast to be higher than in the three previous years, depending on the legacies received and accrued in the final quarter.

In memory donations continue to be our largest donation area to date in 2019/20, totalling £314,000. In aid of events, runs and challenges and Awyr Las events have brought in a higher percentage of income so far during 2019/20 compared to last year as a whole. However overall, the source of donations for the current year follows a similar pattern to last year.

Grant funded expenditure of £1,427,000 is £103,000 (7%) lower than expenditure up to quarter 3 of last year and can be broken down as follows:

- Actual expenditure in year: £758,000
- Commitments awarded in 2019/20 not yet spent: £669,000

Total fundraising expenditure is £25,000 lower than for the same period last year.

The Fundraising Team costs are £54,000 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 a £31,000 under spend on staff costs. In addition, there is a £23,000 under spend on non-pay costs. Further details on this under spend are included in the Fundraising report.

The gain on investments totals £614,000, which equates to 8% of the brought forward portfolio value. Although this gain is unrealised, it is included in General Funds as income.

Long term investments have increased by £655,000 over the 2018/19 year end valuation, continuing the upward trend. The change in the value of the investments reflects the unrealised revaluation gain on the portfolio plus investment income, offset by investment management costs. The Charity Accountant reminded the committee that interviews are taking place this Friday for the Charitable Funds Investment Manager Tender.

A review of dormant funds is currently being undertaken. Appendix 5 list those dormant and semi dormant funds. Fund Advisors of dormant and semi-dormant funds are being



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| <p><b>CF20/04 Charitable Funds Fundraising Report Q3 2019/20</b><br/> <i>Ms K Thomson</i></p> <p>The Head of Fundraising presented the Charitable Funds Fundraising Report for Q3 2019/20, starting with the highlights and good news stories.</p> <p>The BCUHB Staff Lottery Business Case was discussed, with the Chair raising concern over the Fundraising Teams structure and Independent Member Ms Cheryl Carlisle with the gambling issues associated, such as checks in place to ensure an employee can afford to be taking part. The committee reiterated to Ms Cheryl Carlisle that the business case has been approved at the committee meeting with the need to take it through the official routes of board and committee level meetings approval routes.</p> <p>The Chair noted that many of the organisations that preceded BCU had staff lotteries. The committee discussed the importance of clear communications when launched.</p> <p>*ACTION* Head of Fundraising to ensure Trade Union representative on Working Group. KT</p> <p>*ACTION* Head of Fundraising to amend the start date from June to later in year, maybe September or even later, based on recruitment and approvals then in place. KT</p> <p>*ACTION* Head of Fundraising to email Chair and committee members a copy of the lottery EQIA. KT</p> <p>*ACTION* The Chair asked for the Head of Fundraising to check that I.T/ Payroll will support and have the capacity to support this. KT</p> <p>*ACTION* Once the Head of Fundraising has amended the business cases following the committee's comments, lead on the business case going through the correct approval routes, via Ian Howard (Planning Dept.). KT</p> <p>The Head of Fundraising informed the committee that she's just updated the Communications strategy.</p> <p>The committee discussed the role of volunteering in an epidemic, to carry out home based care duties with isolated people who are living alone, and are cut off. The Head of Fundraising confirmed that we have Robins volunteers who are all DBS checked and are provided with uniforms and travel costs only.</p> <p>The Head of Fundraising confirmed that they have community networks that they could draw on to help out in communities with people who may be self-isolating, to support drawing on volunteering.</p> <p>The committee noted the report but requested that the BCUHB Staff Lottery Business Case be revised.</p> |  |
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| <p><b>CF20/05 Awyr Las Strategic Priorities</b><br/> <i>Ms K Thomson</i></p> <p>The Head of Fundraising informed the committee that there's been some huge developments over the past three months. Three of the four representatives came to the December committee meeting to present.<br/> The Head of Fundraising updated the committee on the four areas:</p> <p><u>Cancer Care:</u> A working group has been set up and a draft plan and draft MOU has been drawn up. Shooting Star Cancer Care, an external charity, has offered to help fund the project with a £400+ contribution and lead the fundraising appeal.</p> <p>A scoping paper and/ or business case will be going to the Executive Team meeting within the next month.<br/> The Head of Fundraising informed the committee that all final documents can come to the committee meeting in June 2020, including the Memorandum of Understanding.</p> <p><u>Younger People:</u> 'First 1000 Days Campaign' – A business case is currently being pulled together along with a wish list, with a plan to launch in June 2020.</p> <p><u>Older People:</u> No approval has been granted for the virtual learning and training facility and equipment business plan to date. The Business Plans are still being produced, so a small scale £10,000 appeal for activity equipment is being launched in March 2020.</p> <p><u>MHLD:</u> The Awyr Las Support Team continues to encourage donations to the I CAN Campaign (see <a href="https://awyrlas.org.uk/icangrant">https://awyrlas.org.uk/icangrant</a>). The I CAN campaign continues to focus on smaller projects (under £25,000) until a decision on the focus of a large scale campaign is made by the MHLD Senior Management Team.</p> <p>The Head of Fundraising reassured Independent Member, Ms C Carlisle that the applications and requests are for items over and above what BCUHB can provide. If it's decided it has to be core funded then it would need to be re looked at. Everything that is funded is additions to agreed plans of the Health Board.</p> <p>Each area has a nominated Executive lead but the Chair requested that Independent Members are also invited to nominate to become lead IM's on the priority projects.<br/> *ACTION*</p> <p>The committee requested the report to focus on 'better outcomes', therefore changing the current language and presentation. *ACTION*</p> <p>The committee approved the report and the actions being taken.</p> | <p>KT</p> <p>KT</p> |
| <p><b>CF20/06 Third Sector Groups Report</b><br/> <i>Ms K Thomson</i></p>  |                     |

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| <p>The Chair agreed that this agenda item conversation was going to occur outside of the meeting. *ACTION*</p>  | <p>JH/ KT</p> |
| <p><b>CF20/07 Legacy Strategy</b><br/><i>Ms K Thomson</i></p> <p>The Head of Fundraising brought the whole strategy document back to the committee meeting for review and discussion as the committee wanted more information on legacies and restrictions.</p> <p>The Chair asked the Head of Fundraising to confirm the difference between a legacy request and a donation from somebody's will.</p> <p>The committee noted the report.</p>   |               |
| <p><b>CF20/08 Charity Risk Register</b><br/><i>Ms R Hughes</i></p> <p>The Charity Accountant reminded the committee that the full risk register comes to the committee meeting annually in March, with only red risks coming to the committee quarterly.</p> <p>The Executive Medical Director was concerned over the fundraising risk, querying if internal audit need to look at the risk. The Charity Accountant confirmed that it's on internal audits radar. (Thanking and banking process)</p> <p>The committee agreed that they're happy to keep the risks running how they are.</p> <p>The committee reviewed and noted the report.</p>   |               |
| <p><b>CF20/09 Rothschild Portfolio Report: Report to 31<sup>st</sup> December 2019</b><br/><i>Ms R Hughes</i></p> <p>The Charity Accountant presented Rothschild's quarterly report to 31<sup>st</sup> December 2019 to the committee. It's important to note that Rothschild reports in calendar years.</p> <p>The BCUHB portfolio performed strongly appreciating +3.30% in Q4 bringing full year (2019) returns to +14.89% to the 31<sup>st</sup> December 2019.</p> <p>Overall, the portfolio maintains a solid allocation of 70.8% to 'return' assets, and a notable allocation of 29.2% to 'diversifying' assets - these assets are included to provide real diversification and protection in difficult market conditions.</p> <p>A 'Balanced' portfolio is intended to achieve steady growth over the long term through a diversified approach to investment, which the charity has benefited from greatly.</p> <p>The committee noted the positive report.</p> |               |

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| <b>ITEMS FOR DECISION</b>  |  |
| <p><b>CF20/10 Request for Expenditure Approvals:</b><br/> <i>Ms R Hughes</i></p> <ol style="list-style-type: none"> <li><b>1. Electro navigational bronchoscopy (ENB)- Funding of Super Dimension Electro Navigational Equipment</b></li> <li><b>2. Complementary Therapy (CT) for Alaw Unit, Shooting Star Unit and North Wales Cancer Treatment Centre for 2020</b></li> <li><b>3. Wigs for Cancer Patients who are receiving treatments that may cause alopecia (12 month period)</b></li> <li><b>4. Ambulatory ECG Monitoring System</b></li> <li><b>5. Wigs for Dermatology Patients that have alopecia (12 month cost)</b></li> <li><b>6. Delivering vital eye care out-of-hours through telecommunications</b></li> <li><b>7. BCU Staff App 2020/21</b></li> <li><b>8. Hearts and Minds Regular Grants Scheme</b></li> <li><b>9. Tecotherm Cooling Machine</b></li> <li><b>10. Replacement of patient bedside lockers - Llewelyn ward, Llandudno Hospital</b></li> <li><b>11. International Year of the Nurse and Midwife (IYNM) Legacy Programme</b></li> <li><b>12. Patient Dalton Containment back armchairs – Acton Ward, Wrexham Maelor</b></li> </ol> |  |

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| <p><i>*All of the above 12 applications will be reviewed offline by all members and agreed via Chairs Action*</i></p> <p><b>*ACTION*</b></p>   | <p>JH</p> |
| <p><b>CF20/11 Charity Budget for 2020/21</b><br/><i>Ms R Hughes</i></p> <p>The Charity's budget for 2019/20 covers the costs of running the Charity, including administration, governance and fundraising.</p> <p>The Charity Accountant informed the committee that there's little change to next year's budget, and all costs to the charity are charged to general funds.</p> <p>Fundraising staff costs have increased slightly to reflect pay awards and increments.</p> <p>The team is forecast to underspend this year, but are anticipating to use full budget next year.</p> <p>The Charity Accountant informed the committee of the Investment management fee listed in the report, if Rothschild are still in place but this may change following Fridays tender investment manager interviews.</p> <p>The committee reviewed and approved the charity budget for 2020/21.</p>  |           |
| <p><b>ITEMS OF GOVERNANCE</b></p>  |           |
| <p><b>CF20/12 Charity Reserves Policy</b><br/><i>Ms R Hughes</i></p> <p>The Charity Accountant presented the Charity Reserves Policy document, which is used for calculating the level of reserves held. The Reserves Policy of a charity must be set out and declared in annual report every year. Ask of charity commission.</p> <p>The available unrestricted reserves as at the 31<sup>st</sup> December 2019 totalled £4,959,000. Compared to the target level of reserves of £2,811,000, the Charity is holding higher reserves than it should be. Therefore actions need to be taken to increase expenditure rates.</p> <p>The Charity Accountant informed the committee that this is a standard paper that comes annually to the committee meeting.</p> <p>In previous committee meeting, Independent Member Ms H Wilkinson was concerned at the level of reserves held by the charity.</p> <p>The Committee reviewed and approved the amended Reserves Policy and Target Level of Reserves.</p> |           |

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| <p><b>CF20/13 Charity Investment Policy</b><br/><i>Ms R Hughes</i></p> <p>All of the Charity's investments are held within a portfolio managed by Rothschild Wealth Management Limited. Investment performance is monitored by the Charitable Funds Committee at its quarterly meetings. The Committee receives reports from the investment managers explaining the portfolio's performance, the level of risk seen and expectations for the future.</p> <p>The Charity's Investment Policy includes both the ethical policy and the risk policy.</p> <p>The committee discussed potentially updating the Ethical policy for the committee meeting in June 2020.</p> <p>A balanced portfolio gives us more opportunities to make more returns, and is intended to achieve steady growth over the long term.</p> <p>Independent Member, Ms C Carlisle said that we must remain cautious with whom we invest with.</p> <p>The Executive Medical Director asked how we can be assured what we're investing in, besides it being listed. The Charity Accountant informed the Executive Medical Director that Rothschild carry out site visits in other countries and take company practice very seriously.</p> <p>An ethical issue was investigated further previously, which gave the charity confidence that they do monitor company practice. Luckily in that scenario it wasn't an issue in the end but they investigated and it was flagged to BCUHB.</p> <p>The committee noted the Investment Policy.</p> |  |
| <p><b>CF20/14 Charity Work Plan for 2020/21</b><br/><i>Ms R Hughes</i></p> <p>The Charity Accountant presented the Work Plan for the year for governance purposes, which is listed as a standard annual agenda item (The Cycle of Business) to the committee.</p> <p>The Charity Accountant noted that the dates of the accounts are based on last year, but we've not yet had confirmation from Wales Audit Office, depending on availability. The accounts are normally take at the December committee meeting but they came to September's committee meeting last year.</p> <p>The Committee approved the Cycle of Business and work plan presented, as a starting point for the work to be undertaken in 2020/21.</p>  |  |
| <p><b>ITEMS FOR INFORMATION</b></p>  |  |

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| <p><b>CF20/15 Issues of significance to report to the Health Board</b></p> <ul style="list-style-type: none"> <li>- The Staff Lottery Business Case.</li> </ul>   |               |
| <p><b>CF20/16 Date of next meeting:</b></p> <p>25<sup>th</sup> June 2020 at 9.00am, Carlton Court</p> <ul style="list-style-type: none"> <li>- <i>Strategy session after committee meeting in June (Invite IM &amp; Exec leads for the strategic priorities, Head of Communications and all Charity Support Team members) *ACTION*</i></li> </ul> | <p>KT/ FP</p> |

*Betsi Cadwaladr University Health Board is the operational name of Betsi Cadwaladr University Local Health Board*