

THE ROYAL WOLVERHAMPTON HOSPITALS CHARITY

Minutes of the Meeting of the Charity Committee held on 8 February 2011 at 11 am in the Board Room, Clinical Skills and Corporate Services Centre, New Cross Hospital

Members Present

Mr K Bryan – Chairman
Mr J Vanes – Non-Executive Director
Mr D Loughton – Chief Executive

In Attendance

Mr D Freer – Finance Department
Mr M West – Finance Department
Ms E Greybanks – Finance Department
Mr M Burgess – Barclays Wealth Investment Management
Mr G Townsend – Barclays Wealth Investment Management
Ms S Turner – Communications (part)

1 Apologies

Mr K Stringer – Director of Finance & Information
Ms S Ness – Deputy Director of Finance

The Chairman requested brief introductions due to a number of new attendees.

2 Minutes of the Charity Committee Meeting held on – 14 October 2010

The minutes of the Charity Committee held on the 14 October 2010 were agreed as a correct record.

ACTION

3 Matters Arising

The Chairman addressed each action item arising from the minutes of the last meeting. After discussion the committee agreed that all actions had been implemented, with the following exceptions:-

3rd Quarter (page 2)

The Chairman referred to the comparison benchmark information raised previously with regard to charity funds. M Burgess reiterated that he wasn't aware of any comparison data, but would investigate further.

M Burgess

Draft Charitable Funds Annual Report and Accounts 2009/10 (page 3)

The Chairman referred to the public benefit test and asked whether the Trust had been able to demonstrate that this had been met as declared in the Annual Report. J Vanes advised the committee that he had read the report and that it was imperative that as a Trust it could be demonstrated how this requirement had been tested and met.

ACTION

D Loughton agreed that assurances were needed and advised D Freer to contact one of the large London hospitals for example, St Bart's or Great Ormond Street to ascertain how they address this issue.

D Freer

Fund Raising Strategy (page 4)

The Chairman enquired if an example job description had been obtained for the proposed new Fund Raising Manager post. In the absence of K Stringer, E Greybanks advised that she was aware that this matter was being looked into. The committee asked for a job description to be presented at the next meeting.

K Stringer

4 **Communication Matters**

The Chairman asked S Turner to give a brief overview of her role within the Trust.

S Turner advised the committee that she was appointed last July to the post of Communications Specialist with responsibility for all internal and external communication coupled with media and day to day enquiries.

S Turner advised that with regards to the creation of the new Fund Raising Manager post this had been discussed with K Stringer briefly - together with the creation of a website (post TCS), which will have a direct link to a donation page. The committee agreed that a dedicated manager was needed to promote fund raising to the public and provoke fresh ideas thus gaining additional funding for less favoured areas in the hospital. J Vanes advised that he welcomed this new initiative, but hoped it would not detract from the good work of other local charities.

The Chairman advised that it would be good publicity for the Trust to notify the public of any donations received and where the money had been spent and for what purpose. D Loughton agreed that this was a good idea and asked E Greybanks to forward this detail on a weekly basis to S Turner for publication. In addition, S Turner advised that this information could also be fed into TrustTalk. The committee agreed that S Turner should take this action forward with K Stringer.

E Greybanks

K Stringer/
S Turner

5 **Report of the Fund Managers and Investment Movements up to 31 December 2010**

M Burgess presented to the committee the Investment Report and Valuation for the fourth quarter of 2010, detailing:-

- Current market conditions;
- Performance of the portfolio;
- Value of the portfolio as at 31 December 2010; and
- Future portfolio strategy

ACTION

It was noted that over the quarter the portfolio had outperformed the benchmark increasing by 5.8% compared to 3.8%.

M Burgess advised that following the last meeting the equity content of the portfolio had been reduced so that the level of risk against which the portfolio is classified remains at "medium to high". The reduction in equity weighting now positions the portfolio just above that of a "medium" risk portfolio. M Burgess addressed the committee as to whether they would like to reduce the equity content of the portfolio further in order for the account to be managed against a "medium" level of risk however, following discussion the committee concurred that they were happy to stay with the current position of the portfolio, and therefore a "medium to high" level of risk and an equity weighting of 60%.

M Burgess referred the committee to page 9 of the report, which detailed the performance of the portfolio. The committee noted that the first half of the year was not as successful as the second quarter, but overall the portfolio had performed well mainly due to equity content and good sales.

The chairman observed that, although returns had been reasonable, the advice and consequent decision in the last meeting to make a reduction in equity holdings had been unfortunate, given the large recent increase in equity values.

The committee noted that there was some discrepancies in time frames between the two documents produced and asked that M Burgess and D Freer liaise to ensure consistency for future meetings.

**D Freer/
M Burgess**

The committee noted that page 14 of the report needed to be updated with regard to the members of the Board. This information to be sent through to M Burgess before the next meeting.

K Stringer

The committee concurred that the report was a positive one and thanked M Burgess for presenting.

6/7 Charitable Fund Balances to end of December 2010 & Cash Balances

D Freer presented the report to members of the committee detailing fund balances to end of December 2010 and cash balances.

D Freer advised that the net movement in funds as at December 2010 was a reduction of £3,000.

The Chairman advised that the narrative had not been updated to correlate with the December figures and asked that this be addressed for future meetings.

D Freer

ACTION

D Freer

The chairman also observed that the movement in the market was not reflected in the report and advised that this needed to be updated in line with BarclaysWealth documentation. In other words the 'snapshot' of the Charitable Funds finances should reflect recent valuations and not those of the previous year end.

J Vanes referred to the sheet detailing 'legacies received between 1 April 2010 and 31 December 2010' and asked for more background information on the Fowler bequest of £90,000. D Loughton advised that such a large donation normally meant that the whole estate had been left to the hospital rather than family. The Chairman observed that, based on queries he had previously raised, he was assured that significant donations and bequests are subject to appropriate 'thank you' messages from the Trust.

The committee noted the report.

The Chairman advised that agenda item no 10 would be addressed next on the agenda.

10 Charitable Funds Cash Plan

M West presented to the committee a proposed three year cash plan for charitable funds.

The committee noted that the plan had been drafted by only addressing the ten largest funds with a separate heading for the remainder of the smaller amalgamated funds.

The plan had been formulated by taking into account income and expenditure for each fund over the past three years and by calculating the average for the three year period predicting an income and expenditure plan going forward.

The committee were disappointed to learn that only two Fund Managers had responded regarding potential income or expenditure over and above the norm. M West confirmed that that the plan had been adjusted to take into account the two responses received from Cardiac and Rheumatology. It was, therefore, concluded that the remainder of the Fund Managers had no imminent plans to spend any of their fund.

J Vanes raised concern with regard to Fund Managers not using the funds available, but "stock piling", which could result in criticism from the Charity Commission over the Trust's handling of Charitable Funds. The committee agreed that this particular issue needs to be discussed further and a clear policy drawn up, which may need input from an expert advisor. Following discussion the Chairman asked J Vanes to contact K Stringer to take this matter forward.

J Vanes

ACTION

The committee concurred that the proposed 'cash plan' was extremely useful, notwithstanding that at the moment it could only rely on past trend information, which inevitably would change in reality. The committee asked that it be updated on a regular basis.

M West

8 **Governance & Constitution – Verbal Position Statement**

D Freer advised the committee that there was nothing new to report on since the last meeting in October 2010. It was noted that the planned meeting in December to decide on the consolidation of Charity Funds into Trust balance sheets from the 1 April 2012 had been cancelled.

9 **Finance Department Administration Charges**

D Freer presented to the committee the report detailing Trust overheads that are associated with the administration of the charitable fund section.

The committee noted the proposed expenditure increase from £24,924 to £40,425 in 2010/11.

D Loughton was concerned to have more and better detail to justify any increase, and the committee supported this view. The Chairman asked D Freer to review the detail of the report and bring a revised paper to the next meeting.

D Freer

11 **Policies & Procedures**

D Freer tabled a document entitled '*Charitable Funds – guidance for what may be considered as appropriate expenditure that may be funded from charitable donations*'. Appendix 1 detailing what was 'allowable and not allowable' expenditure from Charitable Funding. This document was presented to members of the committee for approval prior to circulation to departments and directorates.

D Freer advised the committee that the report had been drawn up to add clarity to the current system and to ensure that there was a clear link between staff and patients benefiting. J Vanes agreed that the Trust could be rightly criticized if a review was to take place and this was not the case. Following discussion it was agreed that a draft document should be drawn up detailing the pattern of spend for each charitable fund. This information will then form the basis of a discussion document to be shared with Directors to make an informed decision going forward.

D Freer

The Chairman asked that the remaining three policies namely –

- Terms of Reference
- Reserves Policy
- Charitable Funds Strategy

ACTION

D Freer

be circulated to members of the committee prior to the next meeting. He stressed that, given the infrequency of meetings and the fact that we are custodians of funds, it was important that when issues/papers were timetabled to be dealt with the necessary information should be available in a timely manner.

12 **Application for a New Charitable Fund Form**

The committee noted the request to approve a new Charitable Fund form and asked for the background to this request.

E Greybanks advised that she had received several requests for new funds to be created and for clarity and audit purposes had drafted the form. Following discussion it was agreed that although the form was a good idea that the creation of new funds should not be encouraged. D Loughton advised that if appropriate any new donations should be diverted to the General Purposes Trust Fund.

13 **PCT Charitable Funds Update**

D Freer advised that the PCT are transferring their Charitable Funds to RWHT from the 1 April 2011. The total amount being approximately £250,000 made up of mainly small funds. The funds will be merged on a 'like for like' basis there will be no requirement to get separate funds created.

The committee thanked D Freer for the verbal update.

14 **Date/Time of Next Meeting**

Following discussion it was agreed that the next meeting of the committee would be mid to end of June 2011.

15 **Schedule of Forthcoming Meetings and Forward Planning**

The Chairman advised that it would be very useful to have a schedule of meetings for the year drawn up. As the committee had already agreed that the next meeting would be held in June it was concurred that the meeting following that would be held in November. D Freer agreed to co-ordinate.

D Freer

16 **Any Other Business**

The Chairman concluded that all agenda items had been discussed, but asked if there was any further business that needed to be addressed.

- 16.1 D Freer circulated to members of the committee (for information) a letter from the Audit Commission dated 14 December 2010, advising that PricewaterhouseCoopers had been appointed to audit the Charity accounts. The committee noted the contents of the letter.

ACTION

16.2 D Freer advised that the contract with Barclays Wealth expired at the end of March 2011. Following a discussion with K Stringer the proposal put forward to the committee was to extend the existing contract for a further six months and then go out to tender. Following discussion the committee approved the proposal as a sensible way forward.

D Freer

16.3 E Greybanks expressed concern to the committee regarding the number of requests being received that might not be charity fund items, but indeed might be revenue items of the Trust, for example, requests for medical equipment. D Loughton advised that this issue needs to be addressed quickly and managers need to be educated as to the correct use of charitable fund monies. The Chairman agreed and it was, therefore, agreed that D Loughton would speak with K Stringer on how this issue could be addressed and plans put in place to resolve any further problems.

**D Loughton/
K Stringer**