

**CHAIRMAN'S SUMMARY REPORT**

*This summary sheet is for completion by the Chair of any committee/group to accompany the minutes required by a trust level committee.*

<b>Name of Committee/Group:</b>	Charitable Funds Committee	
<b>Report From:</b>	Chair of Audit Committee – Mr K Bryan	
<b>Meeting Date:</b>	2 <sup>nd</sup> August 2011	
<b>Action Required by receiving committee/group:</b>	<input checked="" type="checkbox"/> For Information <input type="checkbox"/> Decision <input type="checkbox"/> Other	
<b>Aims of Committee:</b> Bullet point aims of the reporting committee (from Terms of Reference)	<ul style="list-style-type: none"> <li>To offer strategic direction and guidance to ensure that The Royal Wolverhampton Hospitals Charity has all the hallmarks of an effective Charity, as set out in the standards issued by the Charity Commission.</li> <li>To ensure the management and administration of the Charity, in accordance with the Charity's purposes, as set out in its Governing Documents.</li> </ul>	
<b>Drivers:</b> Are there any links with Care Quality Commission/Health & Safety/NHSLA/Trust Policy/Patient Experience etc.	The majority of monies spent will be to enhance the patient and staff experience subject to the individual conditions of the fund.	
<b>Main Discussion/Action Points:</b> Bullet point the main areas of discussion held at the committee/group meeting which need to be highlighted	<ul style="list-style-type: none"> <li>The intention to advertise for a fundraising co-ordinator to increase the funds donated to the Trust</li> <li>The annual accounts/report had been completed and received an external audit clean opinion</li> <li>Latest guidance received is that the requirement to consolidate Trust's Charity Accounts has been deferred for 2 years</li> <li>Transferring funds from Wolverhampton PCT for the provider services have been consolidated to a smaller number</li> <li>There was now an approved list of what could be purchased from Charitable Funds</li> </ul>	

	<ul style="list-style-type: none"><li>• A tender process for investment managements advice was underway.</li></ul>
<b>Risks Identified:</b>  Include Risk Grade (categorisation matrix/Datix number)	

# The Royal Wolverhampton Hospitals NHS Trust

## Minutes of the Charitable Funds Committee

**Date** Tuesday, 2 August 2011  
**Venue** Conference Room, Hollybush House  
**Time** 10.45 am

**Present:**

Name	Role
Keith Bryan (Chair)	Non-Executive Director
Jeremy Vanes	Non-Executive Director
Kevin Stringer	Director of Finance & Information

**In Attendance:**

Name	Role
Sandra Ness	Deputy Finance Director
Matthew West	Financial Controller
Natalie Ingles	PricewaterhouseCoopers
Samantha Turner (part)	Communications Department

**Apologies:**

Name	Role
David Loughton	Chief Executive
Michael Burgess	Barclays Wealth Investment Management

Item No		Action
1	<b><u>Apologies for absence</u></b> The committee noted that apologies had been received from D Loughton and that it had not been necessary for M Burgess to attend the meeting.	
2	<b><u>Minutes of Previous Meeting dated 8 February 2011</u></b> The minutes of the meeting held on the 8 February 2011, were agreed as a correct record.	





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Item No		Action
6	<p><b><u>Draft Annual Accounts to 31 March 2011</u></b></p> <p>N Ingles reported to the committee that the draft annual accounts for 2010/11 had been audited last week and the Annual Report had also been reviewed.</p> <p>N Ingles advised there were no adjustments arising from the audit, however, there were some disclosure issues to be addressed following which a revised draft would be checked and signed off. The ISA 260 and representation letter will be issued to S Ness next week for any amendment. There was one control issue which will be included in the ISA 260 relating to a year end transaction with city Bank.</p> <p>N Ingles advised the committee that the audit had gone very well and there were no significant issues of note.</p> <p>S Ness tabled a timetable for the committee's attention detailing the timescales for the Annual Accounts and Annual Report to be approved and signed off. The committee noted that it was proposed that both the Annual Accounts and Annual Report would be approved at the September Audit Committee. Following discussion it was agreed that a special Charitable Funds meeting would be held prior to or immediately after the Audit Committee meeting on the 8<sup>th</sup> September. S Ness undertook to arrange a suitable time and notify members of the committee.</p> <p>J Vanes asked for an explanation as to why the legacies line on page 1 appeared to be very low compared to the previous year. S Ness advised that this was because the charity received a large donation last year, hence the material difference for this year appeared to be low.</p> <p>The committee approved the draft Annual Accounts subject to final clearance in September.</p> <p><b>RESOLVED: The committee noted and approved the draft Annual Accounts.</b></p>	<p><b>S Ness</b></p>

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Item No		Action
7	<p><b><u>Public Benefit Report</u></b></p> <p>S Ness presented the Public Benefit Report to the committee for approval.</p> <p>S Ness asked that the committee discuss and agree a form of text to be published in the statement in the Annual Report for 2010/11.</p> <p>The Chairman advised that he had read the report and was happy with the wording in paragraph 3. However, K Stringer emphasised that the Charity needed to demonstrate that it was compliant with meeting Charity Commission requirements and questioned whether the proposed paragraph would be sufficient. K Stringer suggested that a simple table be produced replicating the requirements and then definitive points on how the Charity had delivered against each of the requirements. The committee concurred this was a good way forward and asked S Ness to action.</p> <p>The Chairman raised concerns regarding the wording in bullet point 1 namely <i>“by contributing to the rebuilding and refurbishment of the buildings used by the Trust”</i> and questioned whether this would be a correct use of charitable fund donations. K Stringer advised that a rebuilding or refurbishment project would be acceptable if within the constraints of the designated fund, however, the purchase of routine medical equipment etc would not be.</p> <p><i>S Turner entered the meeting.</i></p> <p>Following discussion it was agreed that the word <i>“rebuilding”</i> would be changed to <i>“improvement”</i>. The committee asked S Ness to make the necessary amendment.</p> <p><b>RESOLVED: The Committee were happy with the proposed statement subject to the amendments above</b></p>	<p>S Ness</p> <p>S Ness</p>
8	<p><b><u>Restricted and Unrestricted Funds Report</u></b></p> <p>S Ness presented to the committee a report detailing the classification of charitable funds as unrestricted, restricted and endowment funds. The committee noted the detail behind each category as detailed on page 2 of the report.</p>	

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	<p>S Ness advised members that in order to ensure best utilisation of funds and best practice it was proposed to review fund balances and if feasible and within the wishes of the donor recategorise some of the charitable funds as unrestricted funds with designated fund components.</p> <p>Following discussion the committee agreed that they were happy with this proposed change subject to the original wishes of the donor being adhered to.</p> <p><b>RESOLVED: The committee noted and approved the report</b></p>	
9	<p><b><u>Governance &amp; Constitution – Statement on Consolidation of Charity &amp; Trust Accounts</u></b></p> <p>S Ness advised the committee that there had been a two year deferral on the consolidation of Charity and Trust Accounts.</p> <p><b>RESOLVED: The committee noted the verbal update</b></p>	
10	<p><b><u>Rationalisation of Funds with Transfer of Funds for PCT</u></b></p> <p>M West presented to the committee a report on the rationalisation of funds following the transfer of Charitable Funds from Wolverhampton PCT.</p> <p>The committee noted that a total of 50 funds had transferred over with two being restricted endowment funds. A total of 38 funds had balances of less than a £1000. M West confirmed that the unrestricted funds transferred over would be amalgamated into a similar fund group.</p> <p>S Ness reassured members of the committee that contact would be made with managers to explain how funds would be amalgamated. K Stringer advised that the Director of Community Services - Mark Edwards should be contacted so that he was aware of the changes.</p> <p><b>RESOLVED: The Committee approved the recommendations put forward for the transfer of funds</b></p>	<p><b>S Ness/ M West</b></p>
11	<p><b><u>Allowable Charity Spend</u></b></p> <p>M West presented to the committee a report explaining what areas would be approved as a charitable expense and what would be deemed as inappropriate use of Charitable Funds.</p> <p>M West explained that the report provided draft guidelines for managers to</p>	

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Item No		Action
	<p>adhere to and detailed what areas were likely to be approved as a charitable expense and what was unlikely to be approved. This detail will be communicated to managers throughout the Trust.</p> <p>Following discussion the committee agreed that the report was self-explanatory and concise and advised they were happy with the proposed wording.</p> <p><b>RESOLVED: The committee approved the report</b></p>	
12	<p><b><u>Fund Raising</u></b> The committee concluded that fund raising had been discussed in detail earlier in the meeting and there was nothing further to discuss.</p> <p>As part of a fund raising issue the Chairman enquired about the income received from a dedicated charity shop trading in Wolverhampton called Babyblues. S Ness agreed to check any income received going back three years and report back to the committee at the November meeting.</p>	<b>S Ness</b>
13	<p><b><u>Reserves Policy</u></b> S Ness presented to the committee the report on the Reserves policy and future action to be taken.</p> <p>S Ness informed the committee that a statement for inclusion in the 2010/11 Annual Report required approval (point 6 refers of the report) and principles for the 2011/12 reserves policy to be discussed (point 7 refers), in order that an updated policy could be presented to the November meeting of the committee.</p> <p>S Ness further advised the committee with regard to the work that needed to be undertaken on the reserves action plan. The committee noted that Fund Managers had been approached to ascertain what future plans were in place for their respective charitable fund. However, thus far responses had been slow. K Stringer stressed that Fund Managers needed to be reminded that the committee's view was that robust timescales should be in place for when funds would be spent. The Chairman agreed that funds should be used and not withheld and stated that it should be noted in the Annual Report that the committee's plan was not to increase fund balances unless through significant donations (point 6 refers).</p> <p>J Vanes concurred that both the Reserves Policy and the Fund Raising</p>	<b>S Ness</b>

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Item No		Action
	<p>Policy could be linked together once a Fund Raising Strategy was indeed in place.</p> <p><b>RESOLVED: The committee approved the Reserves Policy subject to suggested word changes detailed above to be incorporated into the Annual Report</b></p>	
14	<p><b><u>Charitable Funds Strategy</u></b></p> <p>S Ness presented to the committee a draft Charitable Funds Strategy for consideration and asked members of the committee for any comments to be provided to her over the course of the next two weeks. K Stringer concurred that the table presentation was very clear and concise.</p> <p>J Vanes advised that a paragraph on what the future developments of the committee were would be useful.</p> <p>Following discussion the committee agreed that S Ness and K Stringer should consider the draft document outside of the meeting.</p> <p><b>RESOLVED: S Ness and K Stringer to review when comments from the committee are received</b></p>	<p><b>S Ness</b></p> <p><b>S Ness</b></p> <p><b>S Ness &amp; K Stringer</b></p>
15	<p><b><u>Progress Report on Tendering of Investment Portfolio</u></b></p> <p>M West circulated to members of the committee a document entitled '<i>Investment Manager Tender – Timetable</i>'.</p> <p>M West advised members of the committee that the technical evaluation of tenders was currently in progress and that the selection process would take place during September with subsequent Board approval. M West enquired if any members of the committee would like to be part of the selection process and the Chairman confirmed that he would like to be involved.</p> <p>Both K Stringer and the Chairman enquired as to the detail of the technical specification currently out to the market and advised that it was essential to have an analysis of the past three years performance in this area of the market. This detail could then be benchmarked against Barclays Wealth performance.</p> <p>The Chairman asked S Ness to provide the detail of the number of shares bought and sold over the last six months of the year.</p> <p><b>RESOLVED: The committee noted the timescales as detailed in the</b></p>	<p><b>M West</b></p> <p><b>S Ness/ M West</b></p> <p><b>S Ness</b></p>

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Item No		Action
	<b>timetable circulated</b>	
16	<p><b><u>Overhead Recharge</u></b>            S Ness provided a verbal update to the committee on the proposed overhead recharge.</p> <p>S Ness advised members of the committee that a recharge figure of £35,000 was proposed for 2011/12. It was noted that the background detail for the existing recharge was £25,000 and the PCT recharge amounted to £14,000 per annum, however, this did include duplicate audit fees. Therefore, a reduction of £4,000 was proposed giving a total recharge figure of £35,000.</p> <p>S Ness informed the committee that a separate review had also been undertaken on the '<i>real time</i>' spent which had resulted in a figure of £33,000. However, S Ness suggested to the committee that £35,000 was approved for 2011/12 and then monitored against the actual time spent going forward. Following discussion the committee agreed that the level would be set at £33,000 for 2011/12.</p> <p><b>RESOLVED: The committee approved the recharge at £33,000 for 2011/12</b></p>	<b>S Ness</b>
17	<p><b><u>Any Other Business</u></b></p> <p>The Chairman addressed S Turner in respect of the number of donations received by the Trust. S Turner advised that the number of donations had been small with no large donations received thus far. However, S Turner reassured the committee that there had been some coverage in Trusttalk of donations received. The Chairman and J Vanes asked that they receive a copy of any future editions of Trusttalk.</p> <p>J Vanes thanked S Ness for her hard work and detailed forensic reports.</p>	<b>S Turner</b>
18	<p><b><u>Date and Time of Future Meetings</u></b>            14<sup>th</sup> November 2011 at 12.30 pm in the Conference Room, Hollybush House; and             13<sup>th</sup> February 2012 at 12.30 pm in the Conference Room, Hollybush House</p>	