

BRADFORD HOSPITALS' CHARITABLE FUNDS COMMITTEE MEETING

Date:	Tuesday 9 th March 2021	Time:	13:30-14:30
Venue:	MS Teams meeting	Chair:	Dr Maxwell Mclean, Chairman
Present:	<p>Non-Executive Directors:</p> <ul style="list-style-type: none"> - Dr Maxwell Mclean, Chairman (MM) - Mrs Julie Lawreniuk, Non-Executive Director (JL) - Mr Altaf Sadique (AS) - Ms Karen Walker (KW) <p>Executive Directors:</p> <ul style="list-style-type: none"> - Professor Mel Pickup, Chief Executive (MP) - Ms Karen Dawber, Chief Nurse (KD) - Mr John Holden, Director of Strategy and Integration (JH) 		
In Attendance:	<ul style="list-style-type: none"> - Mr Michael Quinlan, Deputy Director of Finance (MQ) on behalf of Mr Matthew Horner, Director of Finance (MH) - Ms Laura Parsons, Associate Director of Corporate Governance / Board Secretary (LP) - Mr Amit Bhagwat, Governor (AB) as an Observer - Mr Adrian Maxwell, Rathbones Investment Manager (AM) for item C.3.21.8 - Mr Neil Small, Professor of Health Research, University of Bradford (NS) for item C.3.21.9 		

No.	Agenda Item	Action
C.3.21.1	<p>Apologies for Absence</p> <p>The Chair noted apologies for absence from Mr Matthew Horner, Director of Finance (MH).</p>	
C.3.21.2	<p>Declarations of Interest</p> <p>There were no declarations of interest to note.</p>	
C.3.21.3	<p>Minutes of the Virtual Meeting Held in November 2020</p> <p>The tabled minutes were accepted as a true and fair reflection of the responses given to the virtual meeting.</p>	
C.3.21.4	<p>Matters Arising</p> <p>The Committee reviewed the following actions:</p> <p>C21004 – BHC Financial Information – this action was closed and dealt with under agenda item C.3.21.6.</p> <p>C21005 – Rathbones Investment Update – this action was closed and dealt with under agenda item C.3.21.8.</p> <p>C21006 – Draft Committee Work Plan – the work plan was approved and the action closed.</p>	

C.3.21.5	<p>Finance Report</p> <p>MQ highlighted the following points in relation to the financial year April 2020 to January 2021:</p> <ul style="list-style-type: none"> • Spending in Accordance with Plan Last financial year the Committee agreed that from a finance perspective the aim was to break even each financial year and any donations received would be spent in a timely manner. • Income and Expenditure Position For this financial year the financial plan will broadly be delivered at the end of March 2021. The Charity is currently reporting an investment gain of £194,000 which comprises both unrealised and realised investment gains. • Fundraising Events Significant challenges from a fundraising perspective continue with no indication of when fundraising events will resume. Income is significantly lower than in previous years and management of these resources into the next financial year will need to be managed from a fundraising perspective. The resources have been used to support donations and grants coming in this financial year, in particular for NHS Charities Together. • Covid Income and Expenditure All donations received are being spent in line with the donators' wishes and in a timely manner, in particular for NHS Charities Together. Approximately £130,000 is expected in the next financial year from NHS Charities Together to support mental health and recovery of NHS staff and volunteers. <p>The Committee noted the report.</p>	
C.3.21.6	<p>Business Rates</p> <p>MQ explained business rates is a tax on property used for business purposes paid to the Local Authority, with some businesses being eligible for business rates relief. A case has been submitted to the High Court Justice stating the NHS has charitable status and therefore may be entitled to charitable rate relief of 80% on business rates. This has not been accepted as no assurance was provided that the NHS is a charity and an appeal has been submitted which is to be heard during May 2021.</p> <p>MQ advised if the appeal is successful this could be of significant benefit to the Trust with any back payment received being for potentially between five and 10 financial years.</p> <p>Item to be kept on agenda until an update is received regarding the appeal.</p>	
C.3.21.7	<p>Annual Report and Accounts Update</p> <p>MQ provided an update regarding the current position of the accounts for the 2019-20 financial year which are not yet in a position to be submitted to the Charity Commission.</p>	

	<p>The Trust's external auditor Deloitte have proposed a different route is taken in relation to the Elsie Sykes transaction of approximately £228,000 and how this fund is valued in the accounts. KPMG have advised a potential cost of £55,000 for the Charity to understand the value of the investment. MQ has spoken to the Elsie Sykes Trust who are meeting to discuss if they can share with the Charity how their investment portfolio is made up. Due to the complexities around this investment valuation an extension for submission of the accounts has been granted by the Charity Commission and work is ongoing to determine the new deadline. The complexities around the Elsie Sykes transaction have also been discussed with the Trust's Audit & Assurance Committee.</p> <p>The Committee approved the course of action being taken.</p>	
C.3.21.8	<p>Rathbones Investment Update</p> <p>AM joined the meeting and highlighted the following key points:</p> <ul style="list-style-type: none"> • The portfolio is up 8.9% versus the benchmark which was up 0.9% so good absolute and relative performance. The key drivers of this were the slightly cautious deployment of the assets at the outset at the beginning of 2020, deploying the funds into the weakness gave a good entry point and a platform to build on, and strong performance from the USA, Japanese and Asian exposure within the portfolio particularly drove the performance. • Year to date – in 2021 the portfolio is broadly flat and in line with the benchmark so a period of consolidation. • Portfolio positioning – now moved away from the deployment stage into the ongoing management phase and tweaking the margin and specific investment amendments as appropriate. • Asset allocation – still broadly neutral relative to the asset allocation mid-point for the target. Preference still is for equities and allocation there is at full level. • Outlook – central banks and Government still seem supportive with various spending extensions but not unexpectedly corporation tax is likely to rise significantly in 2023. A vaccine-led recovery of the economy is a definite positive. Conversely the negative is the rise in inflation which has occurred and the implication this may affect interest rates in the short-term. <p>Overall the performance has been good over the last year and the portfolio is positive.</p> <p>MQ asked if other NHS Charities are changing their risk appetite or profile of investments made, and is there a need for Bradford Hospitals' Charity to undertake a review? AM advised other NHS Charities have not changed their risk appetite or profile. He also stated unless there has been a material change in Bradford Hospitals' Charity's financial circumstances there is not currently a need to undertake a review, however this should be monitored.</p>	

	AM left the meeting.	
C.3.21.9	<p>Born in Bradford Trust Fund Proposal</p> <p>NS joined the meeting.</p> <p>MM provided background to the Born in Bradford research programme and the aspirations of developing an outreach programme for older children.</p> <p>NS advised Born in Bradford reports to the Trust's Board and has had charitable engagement since its inception in 2007. He discussed the support Born in Bradford hopes to provide to the children going forwards for which charity funding is sought through local fundraisers.</p> <p>In terms of the desired amount of funding required NS discussed the various sums involved for the differing options they are currently considering eg funding a PhD three year studentship (approximately £70,000), running a summer school, and working in collaboration with schools in Bradford.</p> <p>Following discussion it was agreed MQ would produce a brief paper articulating the challenge and if it is appropriate for Bradford Hospitals' Charity to spend funds within the community in the ways desired by Born in Bradford. MQ to discuss the topic further with NS.</p> <p>NS left the meeting.</p>	Assistant Director of Finance C21002
C.3.21.10	<p>Operational Sub Committee Report</p> <p>KD discussed the report already circulated.</p> <p>KD also advised that in addition to Paediatrician Beccy Bardgett who is an active fundraiser for the children's section of the Charity, following the success of her Christmas lights Dr Kavitha is to become a champion for adults and will attend the Charity Operational Committee as one of the main fundraisers.</p> <p>MM asked what the timescale is in relation to the Gifted Philanthropy work. KD commented this is being worked on with the aim of providing a paper to be provided to the April Operational Committee Meeting, prior to which it is hoped to respond to the various questions posed by the Committee.</p> <p>JL asked if the Charity Operational Committee will be looking to change anything given the experiences of the last 12 months and the recognition of our focus on improvement. KD confirmed this is the case and conversations have already begun to obtain clinical buy-in to championing the Charity, and a strong fundraising plan is to be developed. There is also a need as an organisation for the Charity to be more inclusive.</p> <p>The Committee noted the report.</p>	

C.3.21.11	Draft Committee Work Plan Approval of the annual work plan submitted was given.	
C.3.21.12	Any Other Business MP advised following a review of the Executive Team's roles, portfolios and responsibilities it has been agreed JH will take over Executive leadership responsibility for the Bradford Hospitals' Charity from KD. JH will therefore also take over Chairmanship of the Charity Operational Committee. The Committee noted the change and acknowledged the work done by KD.	
C.3.21.13	Date and Time of Next Meeting Tuesday 6 th July 2021 13:30-14:30	

ACTIONS FROM BRADFORD HOSPITALS CHARITY COMMITTEE MEETING 9TH MARCH 2021

Action ID	Date	Agenda Item	Required Action	Lead	Timescale	Comments/Progress
C21001	Nov 2020	C.11.20.8 C.3.21.6	Business rates Committee noted the information provided in the report and that this item would be carried over to the next meeting.	Director of Finance	6 July 2021	6.7.21 – item added to July agenda 09.03.21 – item to remain on meeting agenda until appeal outcome known Added to March 2021 agenda.
C21002	09.03.21	C.3.21.9	Born in Bradford Trust Fund Proposal Following discussion it was agreed MQ would produce a brief paper articulating the challenge and if it is appropriate for Bradford Hospitals' Charity to spend funds within the community in the ways desired by Born in Bradford. MQ to discuss the topic further with NS.	Deputy Director of Finance	6 July 2021	6.7.21 – item added to July agenda
C21003	Nov 2020	C.11.20.10 C.3.21.10	Operational Sub Committee Report Item carried over to the next meeting for further consideration prior to approval. A separate document should be presented with regard to the funding request and the Chief Nurse is asked to note that the document should include focus on the key points raised with regard to: <ul style="list-style-type: none"> - understanding more about the value to be derived from the feasibility study; - more profile information with regard to Gifted Philanthropy; - the benefits to be gained by using Gifted Philanthropy to undertake the feasibility study; - an articulation with regard to the positive rate of return / expected benefits of the work; and - reflections on using other companies to carry out the study particular with regard to costs. 	Chief Nurse	6 July 2021	6.7.21 – item added to July agenda Deferred to July meeting due to COVID at request of CN. 16.04.21 – Michael Quinlan to circulate Neonatal Unit Feasibility Study to the Committee for virtual approval. Action to be closed at July meeting.

Actions closed

No	Date	Agenda Item	Required Action	Lead	Timescale	Comments/ progress	Status
C21004	11.07.19	C.7.19.5 C.7.20.4	BHC Financial Information MQ to research whether the rate rebate project that is ongoing will have implications on our Charitable status as a Foundation Trust.	Deputy Director of Finance	9 March 2021	<u>November 2020</u> : item carried over to the next meeting in March 2021. MH to provide verbal update. 16.7.20 – Brief update report to charity members required from MQ. <u>09.03.21 – action closed</u>	Closed
C21005	Nov 2020	C.11.20.6 C.3.21.8	Rathbones Investment Update Committee noted the information provided in the report and that this item would be carried over to the next meeting.	Director of Finance	9 March 2021	Added to March 2021 agenda. <u>09.03.21 -- action closed</u>	Closed
C21006	Nov 2020	C.11.20.9 C.3.21.11	Draft Committee Work Plan This item to be carried over to the next meeting for discussion prior to approval. The following comments to inform the discussion; to confirm if the work plan is simply the matrix with dates as shown and, regarding prioritisation – are there any specific plans for the coming year.	Chief Nurse	9 March 2021	Added to March 2021 agenda. <u>09.03.21 -- work plan approved and action closed</u>	Closed