

Meeting Title	Board of Directors		
Date	18 November 2021	Agenda item:	Bo.11.21.23

Report from the Chair of the Charitable Fund Committee

Presented by	Dr Maxwell Mclean, Chairman	
Author	Jacqui Maurice, Head of Corporate Governance	
Lead Director	Dr Maxwell Mclean, Chairman	
Purpose of the paper	To provide a summary of the discussions and outcomes from the Charitable Funds Committee meeting held on 9 November 2021	
Key control	N/A	
Action required	To note	
Previously discussed at/informed by	Charitable Funds Committee meeting held 9 November 2021	
Previously approved at:	Committee/Group	Date
	N/A	

Key Matters Discussed

The Charitable Fund Committee meets three times per year and last met on 9 November 2021. Summaries of the key matters discussed are presented below. The confirmed minutes from the meeting held in November will be tabled at the Board of Directors meeting on 10 March 2022. The next meeting of the Charitable Fund Committee is scheduled for 8 March 2022 however an extraordinary meeting of the Committee will be scheduled in January 2022 to sign off the Annual Report and Accounts 2020/21 and to hold a development session to consider the final report from Gifted Philanthropy.

Key matters discussed at the meeting held 9 November 2021

1. Operational Committee Terms of Reference

The Terms of Reference were approved subject to the change of the Executive Lead for the Operational Committee. This was formerly Karen Dawber, Chief Nurse and was now John Holden, Director of Strategy and Integration.

2. Charitable Funds Committee Terms of Reference

The Terms of Reference were approved subject to a small number of clarifications and amendments, including increasing the number of Non Executive members from two to 'up to four'. In particular it was noted that all Board members are effectively trustees of the Charity and those Board members that sit on the Committee are charged with decision making with regard to the BTHFT charitable funds on behalf of the Board.

The Terms of Reference are now subject to Board approval and are attached to this report at Appendix 1. The Board is also asked to confirm the appointment of the following Non Executive Directors to the Committee: Julie Lawreniuk, Karen Walker, Altaf Sadique and Mohammed Hussain.

3. Charitable Fund Policy

The Charitable Fund Policy was approved subject to the inclusion of a new section with regard to the reporting of serious incidents in line with Charity Commission guidelines.

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4. Expenditure Policy

The Expenditure Policy was reviewed and approved subject to the provision of clarification regarding the funding of staff events in line Charity Commission guidelines.

5. Charity Annual Report and Accounts 2019/20

The Committee was pleased to finally approve the Annual Report and Accounts for 2019/20. There were three recommendations from the External Auditor which had been accepted relating to;

- The Charity looking further into unusual transactions and seeking legal advice moving forward.
- The inclusion of the probate date on the legacy register.
- The Charity undertaking a review of the outstanding debt balance it had with the Trust.

The Committee also discussed an issue raised previously by the External Auditor regarding Cyber Security and the increased risk with staff working remotely. Whilst the Committee noted the response it had received at a previous meeting and its review of the actions put in place, it was agreed that the Committee would receive an update on Cyber Security at its next meeting.

6. Draft Charity Annual Report and Accounts 2020/21

The External Auditor has agreed that the audit of the 2020/21 Accounts will be completed by the end of November 2021. The deadline for submission of the Annual Report and Accounts 2020/21 to the Charity Commission is the end of January 2022. The Committee agreed to hold an extraordinary meeting for its receipt of the final report along with the report from the External Auditor. The Committee also noted that the Audit Committee would then need to review and approve the Annual Report and Accounts prior to final Board approval in January 2022.

7. Charity Committee Work Plan

The Work Plan was approved. However it was recognised that this would be subject to the outcomes from the Gifted Philanthropy report and the recommendations that will follow.

8. Financial Information April 2020 – March 2021

The Committee noted the following key points from the comprehensive report received:

- The latest financial position at month 6 is a year to date surplus of £76k (£51k above plan)
- Income (£161k) was less than plan (£275k) by £114k
- Expenditure (£167k) is less than plan (£250k) by £83k
- The Charity has seen an unrealised gain of £82k on its investments
- Cash is above plan by £499k primarily as a result of less money invested with Rathbones

Whilst there were no issues of concern, there were questions raised with regard to the proportions spent on pay and non-pay and the need for some benchmarking. It was noted however that the work underway with regard to 'Gifted Philanthropy' should allow the Committee to address these queries.

9. Rathbones Investment Update

The Committee was pleased to note that the value of the fund at 30th September was £1.3m, which included a gain of £0.08m (as reported in the financial information update at item 8). This is 19.8% against the planned 7% - a significant increase which was good news for the Charity.

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10. Born in Bradford Proposal

Further to the proposal received from Born in Bradford and considered at the previous meeting, the Committee had now received legal advice with regard to whether the 'objects' of the BTHFT charity would allow it to support the Born in Bradford proposal and their proposed activities within the community.

The legal advice has confirmed that the Charity would not be able to support all elements of the Born in Bradford proposal in line with its 'objects'. For example, working with teachers in schools to enrich the curriculum is not a service provided by the Trust or the NHS as a whole; and providing direct support to students in further and higher education via scholarships would not by itself give a direct benefit to the NHS. The Chairman asked that it be noted that he disagreed with the legal advice provided, but that he would respect the majority wishes of the Trustees.

All elements of the proposal could be supported if the Charity was independent of BTHFT. Following a detailed discussion, the Committee confirmed that it did not wish to become an independent Charity at the current time, however it did recognise the importance of the proposal presented by Born in Bradford and in particular the focus on support for local young people to become more familiar with and knowledgeable about:

- Research into their health and wellbeing with the aim of improving Born in Bradford; and
- Enhancing citizenship and augmenting their education.

The Committee formally requested that Executive colleagues pursue the proposal through Act as One to see if support for this important work could be provided through that route.

11. Operational Sub Committee Report

The Committee noted the report from the Operational sub-committee held on 28 September which covered their review of a wide range of items. The key points noted were:

- The conclusion of the 'Rays a Smile' appeal
- The COVID-19 NHS Hospital Heroes appeal would be open until the end of March 2022
- The funds secured from key events including the Yorkshire 3 Peaks (£13,750), NHS Big Tea (£7,500) and the Endure 24 race (£5,000)
- Progress with regard to the draft fundraising plan and the review of the communications plan for the coming year
- The review of funding provided to staff at Christmas and the change so that staff are able to access funds throughout the year to support diversity and inclusion

The sub-committee reported that overall the Charity was ahead of plan due to grants received. However, with regard to donations and fundraising the Charity was behind plan due to the impact of Covid. The Committee also noted that work to consolidate funds, which had been paused during the Covid pandemic, has now restarted however it was noted that due to the complexities this would take much longer than originally planned.

12. Gifted Philanthropy Feasibility Study progress update

The Committee received an overview of the work to date. From the report presented it was noted that Phase 1 included:

- Contextual information on the Charitable sector and the effects of Covid.
- The BTHFT audit position with regard to the costs of raising funds.
- A review of the nature of the funds sought and seeking to tap into larger grant giving bodies.
- Helpful comparative information regarding other Trusts and the nature of the funds they raise.

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- The surveys underway to support the final outcomes of the feasibility study.
- The fundraising strategy for the Neo-Natal Appeal, the wider fundraising strategy and broader questions for the Committee to consider.

The Committee did require further time to digest the contents of the report and as such would provide any feedback they had outside of this meeting. However, an extraordinary session will be scheduled in January 2022 for the Committee to consider the final feasibility study.

Items of Positive Assurance, Learning and/or Improvement

- The Committee continues to be rigorous in ensuring that it operates within the legal parameters set down by Charity Law and the objects of the charity particularly with regard to Born in Bradford proposal. Whilst it is unfortunate that the Charity cannot support the Born in Bradford project in its entirety, it is hopeful that support may be provided through another agency.
- The investments update from Rathbones was particularly good news highlighting the performance far in excess of that expected. It is hoped that this position continues.
- We are now moving closer to the development of our long term plan and we will be considering our vision to take us through the next three to five years. Here we will be able to articulate our risk appetite, our level of ambition and what we would continue to expect in terms of our return on investments. I look forward to our session in January where we consider the final report from Gifted Philanthropy and start to formulate our strategy.

Matters escalated to the Board and other Committees

- The Board is asked to note the discussion with regard to the Born in Bradford initiative and the request for this to be pursued by our Executive colleagues through Act as One.
- The Board of Directors is also asked to approve the Charity Committee Terms of Reference which are reported on under item 2 of this report. The terms of reference are attached at Appendix 1.
- The Audit Committee is reminded that it will be required to approve the Bradford Hospitals' Charity Annual Report and Accounts 2020/21 prior to the submission to the Board for approval in January 2022.

New/emerging risks

No new/emerging risks were noted.

Recommendation

The Board of Directors is requested to:

- note the discussions and outcomes from the Charitable Fund Committee meeting held 9 November 2021;
- approve the updated Bradford Hospitals' Charity Terms of Reference as attached at Appendix 1; and
- confirm the appointment of the following Non Executive Directors to the Charitable Fund Committee: Julie Lawreniuk, Karen Walker, Altaf Sadique and Mohammed Hussain.