

<b>Meeting Title</b>	<b>Board of Directors</b>		
<b>Date</b>	<b>12 May 2022</b>	<b>Agenda item:</b>	<b>Bo.5.22.24</b>

## Report from the Chair of the Charitable Fund Committee

<b>Presented by</b>	Dr Maxwell Mclean, Chairman		
<b>Author</b>	Jacqui Maurice, Head of Corporate Governance		
<b>Lead Director</b>	Dr Maxwell Mclean, Chairman		
<b>Purpose of the paper</b>	To provide a summary of the discussions and outcomes from the Charitable Funds Committee meetings held on 11 January and 8 March 2022.		
<b>Key control</b>	N/A		
<b>Action required</b>	To note		
<b>Previously discussed at/informed by</b>	<ul style="list-style-type: none"> <li>Charitable Funds Extraordinary Committee meeting held 11 January 2022</li> <li>Charitable Funds Committee meeting held 8 March 2022</li> </ul>		
<b>Previously approved at:</b>	<b>Committee/Group</b>	<b>Date</b>	
	N/A		

### Key Matters Discussed

The Charitable Fund Committee meets three times per year. An extraordinary meeting of the Committee was held on 11 January 2022 to sign off the Charities Annual Report 2020/21. The Committee's next scheduled meeting was held on 8 March 2022.

Summaries of the key matters discussed at the meetings are presented below.

The confirmed minutes from the meetings held in January were presented to the Board in March 2022. The minutes from the meeting held in March will be presented to the Board on 14 July 2022.

The next meeting of the Charitable Funds Committee is scheduled for 7 July 2022.

### Key items from the meeting held 11 January 2022

#### 1. Bradford Hospitals' Charity ISA260; Draft Annual Report and Accounts 2020/21 and draft Letter of Representation

Since reviewing the Annual Report and Accounts in July 2021, Deloitte had now completed its audit and provided the ISA260 and the Letter of Representation. Minor changes had been made to the Annual Report and Accounts 2020/21. The ISA260 contained 5 recommendations in terms of controls. These would be reviewed and actioned by the Charity Operational Committee with updates provided to the Charitable Funds Committee. The Committee noted the ISA260 and the draft Letter of Representation and approved the Draft Annual Report and Accounts 2020/21.

*The Audit Committee was in receipt of the Charities Annual Report and Accounts 2020/21 prior to it being presented to the Board of Directors which provided final approval on 20 January 2022.*

### Key items from the meeting held 8 March

#### 1. Financial Information April 2021 – January 2022

The month 10 financial position was disappointing and shows a deficit in the planned position of £288k for the financial year. This is primarily because money is invested and committed.

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However, income has not been as expected. It is assumed that this is primarily due to the impact of Covid, particularly given the volatility of the last few years. The Committee agreed that it would need to re-establish baseline figures moving forward.

## 2. Draft Budget 2022/23 Onwards

The Committee approved the financial plan for the next five years following detailed scrutiny. An exceptional addition was the inclusion of a 'worst case scenario' in relation to the cash and investment forecast which demonstrated that the Charity does have sufficient cash and investments to support the plan. It was recognised that the plan did have a number of uncertainties however these would become clearer in time. The findings of the risk based 'ongoing concern assessment' were also scrutinised and noted by the Committee.

## 3. Charity Sector Development (Including Cyber Security)

The committee reviewed the sector developments and considered the recommendations presented with regard to Bradford Hospitals Charity. Those which could have an impact included the Covid-19 pandemic, cyber security breaches, charity fraud awareness and safeguarding. An update on the cyber security risk RAG rating which currently reflected amber was requested for the next Committee meeting.

## 4. Rathbones Investment Update

There have been some gains and losses in previous years with regard to the Charities investment portfolio which is held by Rathbones. The Charity continues to maintain a balanced portfolio of assets. There have been two good years of performance which have been impacted recently as a result of inflation and the situation in Europe. There is a negative return for this year to date but overall a good performance since 2020. Rathbones are actively monitoring the account and are authorised to change underlying holdings as required. They have reduced some of the higher risk elements and diversified other elements of the portfolio. This leaves a portfolio which provides an income of just under £30,000 monthly to the Charitable Funds.

The Committee discussed in detail investments with regard to fossil fuels; seeking to understand more about the impact in relation to the climate emergency, ethical investments, the risk appetite and potential impact on divestment. There is a further meeting scheduled with Rathbones in July where this conversation will be continued.

## 5. Operational Committee Report

The report was noted by the Charitable Funds Committee. It was confirmed that the Operational Committee members were enthusiastic about the recruitment of a new senior manager.

## 6. Gifted Philanthropy Feasibility Study Final Report and Next Steps

The Committee noted the report and the next steps. The committee members had attended a special workshop on 14 February to discuss the outcomes of the Feasibility Study. The feasibility study had been undertaken to understand the Charity's potential for raising significant sums for the Neo Natal Unit (NNU) appeal, in addition to increasing unrestricted giving for the charity. A recommendation was to create a new post within the Charity of Senior Charity Manager. The post will ensure that there is sufficient resource and capacity in order to deliver the NNU Appeal and ensure that the Charity continues to grow and thrive in future. The paper was noted and the recommendation considered and agreed by the members of the Committee, made on 14 February, with regard to the recruitment of a Senior Charity Manager was formally ratified.

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<b>Items of Positive Assurance, Learning and/or Improvement</b>	
<ul style="list-style-type: none"> <li>The approval of our long term plan is good news as this will take us through the next three to five years.</li> <li>The investments update from Rathbones still presented good news for the Charity despite the issues with inflation. The situation will be monitored closely however and we look forward to our next meeting in July and in particular the discussion we will have around ethical investing.</li> <li>The plan to appoint a new Senior Charity Manager was seen as a huge positive for Bradford Charitables.</li> </ul>	
<b>Matters escalated to the Board and other Committees</b>	
There are no matters to escalate.	
<b>New/emerging risks</b>	
No new/emerging risks were noted.	
<b>Recommendation</b>	
<p>The Board of Directors is requested to mote the discussions held at the meetings on:</p> <ul style="list-style-type: none"> <li>11 January 2022</li> <li>14 February 2022</li> <li>8 March 2022</li> </ul>	