

| Board of Directors | | | |
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| Date | 10 November 2022 | Agenda item: | Bo.11.22.27 |

Report from the Chair of the Charitable Funds Committee

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| Presented by | Dr Maxwell Mclean, Chair of the Charitable Funds Committee | | |
| 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 1 November 2022 | | |
| Meeting attendees | <p>Members:</p> <ul style="list-style-type: none"> • Dr Maxwell Mclean, Chair • Julie Lawreniuk, Non-Executive Director • Altaf Sadique, Non-Executive Director • Karen Walker, Non-Executive Director • Matthew Horner, Director of Finance • John Holden, Director of Strategy and Integration <p>In attendance:</p> <ul style="list-style-type: none"> • Michael Quinlan, Deputy Director of Finance • Laura Parsons, Associate Director of Corporate Governance/Board Secretary • Hanif Malik, Consultant (for item 9) <p>Apologies were received from:</p> <ul style="list-style-type: none"> • Mel Pickup, Chief Executive • Karen Dawber, Chief Nurse • Mohammed Hussain, Non-Executive Director | | |
| Key control | N/A | | |
| Action required | To note | | |
| Previously discussed at/informed by | N/A | | |
| Previously approved at: | Committee/Group | Date | |
| | N/A | | |

Key Matters Discussed

The Charitable Funds Committee last met on 1 November 2022. Summaries of the key items discussed are presented below. The next meeting of the Charitable Funds Committee is scheduled for 7 March 2023. The details from this meeting will be reported in the minutes.

1. Financial Information April – September 2022

A new style report was very well received. The committee discussed the financial summary and financial risks. Key to note was the discussion regarding the expected return on investment (ROI). This was currently at 48% (for every £1 spent on fundraising the return is £1.92). The target set was a 25% return (for every £1 spent on fundraising the return expected is £4). Whilst this is a disappointing position the committee believes the target is the right one. The committee also confirmed its support for the continuing spend in relation to the proposals coming through, encouraging fund holders to utilise their funds. The target set for the ROI is part of the five year strategy approved by the Committee. It is expected overtime that the position will improve as the actions within the strategy are embedded.

2. Investment Report

The Bradford Charity currently has £1.53 Million invested with Rathbones Investment Management Company. An investment update was received which reflected upon the recent turbulence in the market however, whilst Rathbones advises of more stability going forward - they

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have reported that there remains uncertainty in the markets. The Committee also noted that the contract with Rathbones Investments was currently into the first of two 12 month extensions. A tender exercise would therefore be most likely to take place at the end of 2023 /early 2024.

3. Independent Examination of the Bradford Hospitals' Charity (BHC) Annual Report and Accounts (ARA) Charity 2021/22 accounts

For this year only, instead of a full Audit undertaken by the External Auditor Deloitte LLP, they have recommended that they carry out an Independent Examination of the BHC ARA 2021/22. This is due to staffing resource issues being experienced by Deloitte LLP in this year (a situation also affecting other external auditors). The Committee noted that this is an acceptable alternative and in line with the requirements of the Charity Commission guidelines. The Audit Committee has discussed this with the External Auditors at its meeting in October 2022 and a briefing has been requested to highlight the difference between the two approaches which will also be shared with the Charitable Funds Committee.

4. Unaudited Draft BHC ARA 2021-22

The work is expected to be completed during the first two weeks of November. Approval of the final BHC ARA 2021/22 will be sought virtually from the members of the Charitable Funds Committee. The document will then be presented to the Audit Committee and then to the Board of Directors in January 2023 for final approval prior to submission to the Charity Commission by 31 January 2023.

5. Update on Bradford Hospitals' Charity (BHC) ISA260 recommendations

The document received by the Committee is a part of the good governance framework recommended by the External Auditors and the Charity Commission. The Committee noted and discussed the recommendations from the last audit and the improvements to the systems and processes that have been put in place in response. Amongst the key areas discussed the Committee noted in particular;

- An internal audit of the BHC internal control systems will be scheduled for either this year or in the next financial year.
- A risk register will be maintained on behalf of the BHC.
- Management of going concerns is now part of the 5 year plan.

6. Operational Committee Report

A good and comprehensive new style high level report was received covering the items discussed and outcomes from the last four meetings of the Operational Committee. These items included but not limited to;

- Review of different income opportunities.
- Prioritisation of funding requests and associated processes.
- Operational Committee Terms of reference reviews
- NHS charities together grant
- Draft BHC ARA 2021/22
- Apportionment of overheads
- Consolidation of the large number of individual pots of funds into smaller more manageable pots.

The Committee also discussed in detail the move towards encouraging more unrestricted donations which would better serve the objectives of BHC.

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7. Charity Operational Committee Terms of Reference

The Committee approved the following changes to the Charity Operational Committee Terms of reference:

- Change the membership of the Charity Operational Committee in order to ensure representation from each of the four main funds within the Charity (Sunshine, Dementia & Elderly, Cancer and Children's). This will better support the ongoing work of the Committee, and in particular the prioritisation process.
- Remove the 'Risk and Governance Representative' as these areas are represented through the Associate Director of Corporate Governance. The new post of Head of Charity Operations to be added.

8. Charitable Funds Committee Terms of Reference and Work Plan Review

Minor amendments to the terms of reference have been agreed at the Charitable Funds Committee meeting. The amendments are proposed to ensure that the terms of reference remain up to date with regard to references to the Charities Act and the Trust's strategic objectives. A separate paper is presented to the Board of Directors seeking approval of the terms of reference. The Committee has reviewed and approved its work plan for 2023. The only change related to the addition of a standing item on the risk register.

9. Consultancy Support to improve engagement with the South Asian community

Hanif Malik, Consultant, presented his report in person to the Committee.

A comprehensive and positive report was received on the actions and outcomes to date of activity to improve engagement with not only the South Asian Communities but also with the local business community. The key headlines covered;

- The recent successful event held at the Aagrah restaurant.
- Soft launch of the '100 club' at the Aagrah event with a formal launch taking place on 23 November. 17 businesses have in total signed up which is a good start.
- The fixed-term appointment to the role of Head of Charity Operations has been confirmed.
- Work is underway on the completion of the NHS Charities application for capacity building and strengthening the charity infrastructure. The submission date is the end of December.
- Further engagement with local businesses, community and faith establishments.

10. Proposed changes to Staff Lottery Prizes and Pennies from Heaven

- The Committee approved changes to the value and frequency of the staff lottery prizes due to the reduction in income the staff lottery receives. On average the monthly prize offering is £950 per month. This will now drop to an average of £900 per month.
- The Committee approved the change of beneficiaries for the Pennies from Heaven scheme from Born in Bradford and the Ear Trust to a staff well-being fund. The scheme was originally launched in 2008 and remains up and running with no promotion from the charity. BTHFT staff are able to donate the pennies from their pay up to 99p per month and there is an average income of less than £10 per month to each fund. A relaunch of the Pennies from Heaven fund will take place in January 2023 together with the Organisational Development team.

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11. Policies

Minor amendments to the following four policies were reviewed and approved by the Charitable Funds Committee.

- Investment and Treasury Management Policy
- Reserves Policy
- Charitable Fund Policy
- Expenditure Policy

Matters escalated to the Board

There were no matters to escalate to the Board of Directors from this meeting of the Charitable Funds Committee.

New/emerging risks

There were no new or emerging risks identified.

Recommendation

The Board of Directors is requested to note the discussions and outcomes from the Charitable Funds Committee meeting held 1 November 2022.