

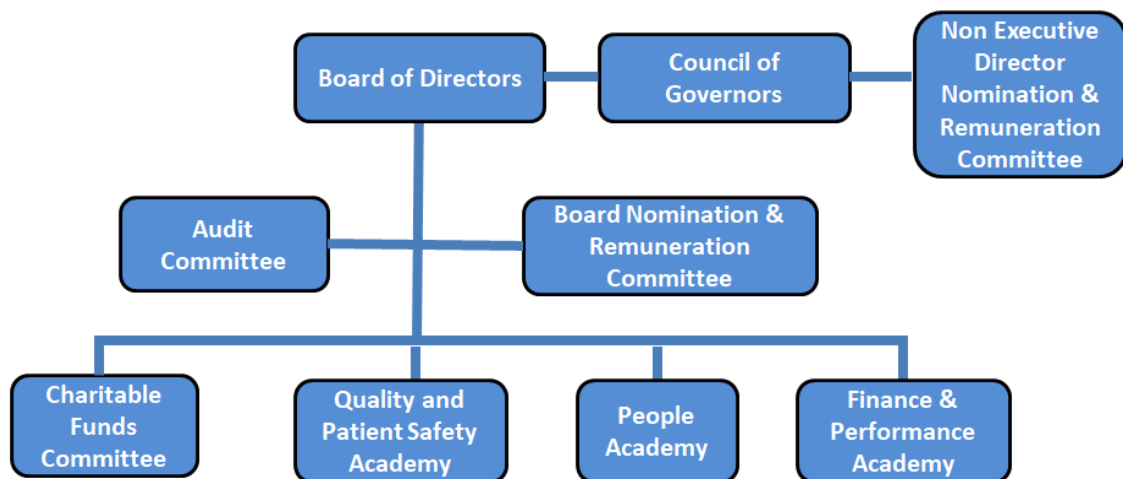
## Charitable Fund Committee Annual Report 2022/23

### 1. Introduction

Good practice requires that the Trust's Board of Directors ('the Board') should review the performance of its Committees/Academies annually to determine whether they have been effective, and whether further development work was required.

#### 1.1 Board Governance Structure

The Board and Committee/Academy Structure is outlined below:



#### 1.2 Scope of this Annual Report

This annual report incorporates a summary of the activities of the Charitable Fund Committee during and in respect of 2022/23. The period reported on is from **April 2022 to March 2023**.

### 2. Charitable Fund Committee Terms of Reference

The Committee reports directly to the Board.

The Terms of Reference of the Committee were reviewed and approved by the Board of Directors in November 2022 and are attached at Appendix A.

#### 2.1 The role and objectives of the Committee

The purpose of the Committee is to give additional assurance to the Board that the Trust's charitable activities are within the law and regulations set by the Charity Commissioners for England and Wales and to ensure compliance with the charity's own governing document.

It does not remove from the Board the overall responsibility for this area, but provides a forum for a more detailed consideration of charitable matters and allows for direct contact with the Charity Commissioners where necessary.

## 2.2 Reporting requirements

It is the duty of the Committee Chair to report to the Board on the Committee's activities on a timely basis. A Chair's report is presented to the Board following each meeting.

The minutes from meetings of the Committee are also presented to the Board once approved, for information and assurance.

The Committee is also required to present an annual report to the Board summarising the Committee's activities and the assurance received, and outlining its work plan for the future year. This report will be presented to the Board in May 2023.

The Chair of the Committee is satisfied that the Committee fully complied with its reporting requirements during and in respect of 2022/23.

## 3. Membership and attendance record during and in respect of 2022/23

From April 2022 to March 2023 the Committee met twice.

Membership and attendance is recorded in the table below.

Name	Job Title	01/11	12/01	Total
Max Mclean (Chair)	Trust Chairman	1	1	2/2
Altaf Sadique	Non-Executive Director	1	1	2/2
Karen Walker	Non-Executive Director	1	1	2/2
Julie Lawreniuk	Non-Executive Director	1	1	2/2
Mohammed Hussain	Non-Executive Director	0	0	0/2
Mel Pickup	Chief Executive	0	1	1/2
Karen Dawber	Chief Nurse	0	0	0/2
John Holden	Director of Strategy & Integration	1	1	2/2
Matthew Horner	Director of Finance	1	0	1/2

The Committee meetings were also attended by the Deputy Director of Finance and the Associate Director of Corporate Governance/Board Secretary.

## 4. Summary of the work of the Committee during and in respect of 2022/23

**4.1 Financial Position** – the Committee received a detailed update on the financial position of the Charity in November. A target of a balanced I&E position had been agreed for 22/23. At the end of Month 5, the overall position was £159,000 less than planned, with investment gains and losses at £155,000.

The expected return on investment (ROI) was also discussed. In November, this was at 48% (for every £1 spent on fundraising the return is £1.92). The target set was a 25% return. The Committee confirmed its support for the continuing spend in relation to the funding requests being received, 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 was expected that the position would improve over time in line with plans to grow the Charity.

**4.2 Investment Update** – an update on the investments held with Rathbones were provided in November, which reflected upon the recent turbulence in the market however, whilst Rathbones advised of more stability going forward - there remains uncertainty in the markets.

**4.3 Charity Annual Report and Accounts** – for 22/23, it was agreed that the Auditors would undertake an Independent Examination of the Charity's Annual Report and Accounts, rather than a full audit. The Committee noted that this was an acceptable alternative to a full audit and was in line with the requirements of the Charity Commission. In December 2022, the Committee approved the Annual Report and Accounts for submission to the Audit Committee and then the Board for final approval. This was undertaken via e-mail as there were no scheduled meetings within the required timeframe.

**4.4 Charity Operational Committee Report** – the Committee received an update on the work of the Charity Operational Committee in November. The topics covered included the following:

- Review of different income opportunities
- Prioritisation of funding requests and associated processes
- NHS Charities Together Development Grant
- Apportionment of overheads
- Consolidation of trust funds

**4.5 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 had signed up which was a good start.
- Further engagement with local businesses, community and faith establishments.

**4.6 Charity Case for Change** – in January 2023 an extraordinary meeting was held in order that the Committee could consider the proposal to formally investigate the option of converting the current corporate trustee charity into an independent model. The Committee discussed the potential benefits and risks of becoming independent. The potential benefits include opportunities to grow the charity faster and attract more income, the introduction of simpler processes better suited to the charity sector (e.g. recruitment), and clearer separation of duties between the Charity and the Trust. The potential risks include potential disruption and the cost of the process to convert, potential increased administration costs and the need to work through potential issues such as TUPE etc. In balancing the opportunities and risks, the Committee supported the proposal to formally investigate the option of converting the current NHS Foundation Trust charity into an independent organisation, and the proposal was subsequently approved by the Board.

## **4.7 Governance**

Terms of Reference and Work Plan Review – the Committee reviewed its Terms of Reference and Work Plan in November 2022. Minor amendments were agreed 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.

Charity Operational Committee Terms of Reference – the Committee approved minor amendments to the Operational Committee TOR. Updates were made to the membership of the Committee to ensure representation from each of the four main funds.

Policies - Minor amendments to the following four policies were reviewed and approved by the Committee:

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

## **5. Conclusion**

The Committee believes that during 2022/23 it took reasonable steps to perform its duties as delegated by the Board and specified in its terms of reference. The Committee has reviewed all relevant items in line with its Terms of Reference and work plan.

**Dr Maxwell Mclean**  
**Chair of Charitable Fund Committee**  
**Trust Chairman**

**April 2023**

## Appendix A

# BRADFORD HOSPITALS' CHARITY CHARITABLE FUND COMMITTEE TERMS OF REFERENCE



<b>Version:</b>	V1
<b>Executive Lead:</b>	Director of Strategy & Integration
<b>Approval Committee:</b>	Board of Directors
<b>Date approved:</b>	10.11.22
<b>Review date:</b>	November 2023

## **CHARITABLE FUND COMMITTEE – TERMS OF REFERENCE**

### **1. Status and overall purpose of the Charitable Fund Committee**

The Charitable Fund Committee (“the Committee”) is a Committee of the Board of Directors. Its purpose is to give additional assurance to the Board that the Trust’s charitable activities are within the law and regulations set by the Charity Commissioners for England and Wales and to ensure compliance with the charity’s own governing document.

It does not remove from the Board the overall responsibility for this area but provides a forum for a more detailed consideration of charitable matters and allows for direct contact with the Charity Commissioners where necessary.

The Board Members of the Committee shall act as Trustees of the Charity and in this Terms of Reference are together called “the Trustees”.

### **2. Scope of Authority**

The Committee is authorised by the Board of Directors to monitor all aspects of charitable activity within Bradford Teaching Hospitals as set out within its governing document registered with the Charity Commission.

The Committee is authorised by the Board of Directors to obtain as and when required external independent professional advice through normal business processes and to secure the attendance of outside parties with relevant experience and expertise if this is considered to be appropriate.

### **3. Scope and Objects of the Charity**

The Charity has as its sole objective to use its funds:

“For any charitable purpose or purposes relating to the NHS wholly or mainly for the services provided by Bradford Teaching Hospitals NHS Foundation Trust”.

The Charity seeks to achieve this objective, giving consideration to general guidance on public benefit, by two main routes.

Firstly, the Corporate Trustee works to identify significant projects to which it can contribute or which it can wholly fund. It actively enhances the refurbishment of wards and clinical areas from basic specifications to higher quality.

Secondly, there are hundreds of staff working at a sub-fund level to identify small but valuable differences where Charitable Fund monies can deliver benefits to patients / staff, such as attendances at extra training courses or conferences.

### **4. What is Public Benefit?**

To be charitable, spending must demonstrate sufficient public benefit in what it aims to achieve.

Patient focused expenditure within the NHS (unless directed mainly towards private patients) will generally meet this public benefit test.

## **5. Corporate Strategy**

To achieve the strategic objectives of the Charity, the Trustees' priorities should be:

1. To provide outstanding care for patients, delivered with kindness
2. To deliver our financial plan and key performance targets
3. To be one of the best NHS employers, prioritising the health and wellbeing of our people and embracing equality, diversity and inclusion
4. To be a continually learning organisation and recognised as leaders in research, education and innovation
5. To collaborate effectively with local and regional partners, to reduce health inequalities and achieve shared goals

## **6. Powers of Trustees and their responsibilities**

Trustees have and must accept ultimate responsibility for directing the affairs of a Charity, and ensure that it is solvent, well-run, and delivering the charitable outcomes for which it has been set up. Bradford Teaching Hospitals NHS Foundation Trust is a corporate body and is the Corporate Trustee of the Charity, acting through the Board of the Foundation Trust. Members of the Board of Directors and the Committee must act in accordance with the responsibilities and duties of charity Trustees.

### **Compliance – Trustees must:**

- Ensure that the Committee complies with charity law, and with the requirements of the Charity Commission as regulator; in particular ensure that the Committee prepares reports on what it has achieved and annual returns and accounts as required by law.
- Ensure that the Committee does not breach any of the requirements or rules set out in its governing document and that it remains true to the charitable purpose and objects set out there.
- Comply with the requirements of other legislation and other regulators (if any) which govern the activities of the charity.
- Act with integrity, and avoid any personal conflicts of interest or misuse of charity funds or assets.

### **Duty of prudence – Trustees must:**

- Ensure that the charity is and will remain solvent.
- Use charitable funds and assets reasonably, and only in furtherance of the charity's objects.
- Avoid undertaking activities that might place the charity's endowment, funds, assets or reputation at undue risk.

### **Duty of care – Trustees must:**

- Use reasonable care and skill in their work as Trustees, using their personal skills and experience as needed to ensure that the charity is well-run and efficient.
- Consider getting external professional advice on all matters where there may be material risk to the charity, or where the Trustees may be in breach of their duties.

## **7. Membership and attendance at the Charitable Fund Committee**

The Charity and its property shall be managed and administered by a Committee comprising Board Members elected by the Board of Directors.

The Committee membership shall comprise;

The Chairman  
Up to four other Non-Executive Directors  
The Chief Executive  
The Director of Finance  
The Chief Nurse  
The Director of Strategy and Integration

The Deputy Finance Director and Trust Secretary will be in attendance.

## **8. General Meetings**

The Committee shall meet three times per year unless the Committee agrees a different meeting schedule.

A minimum period of notice is required to hold any general meetings of the Committee of at least fourteen calendar days.

## **9. Quorum**

No business shall be transacted at any general meeting unless a quorum is present. A quorum is a minimum of three Trustees including at least one Executive and one Non-Executive Director.

## **10. Chair**

General meetings shall be chaired by the Chairman.

If there is no such person or he or she is not present, a Non Executive Director nominated by the Trustees shall chair the meeting.

## **11. Adjournments**

The Trustees present at a meeting may resolve that the meeting shall be adjourned.

## **12. Votes**

Each Trustee shall have one vote but if there is an equality of votes the person who is chairing the meeting shall have a casting vote in addition to any other vote he or she may have.



### **13. Duties of the Committee**

The duties of the Committee are to:

- Ensure that the Charity complies with current legislation;
- Review new legislation and its impact on the Charity;
- Set and review an investment policy for the Charity;
- Appoint brokers to manage the Charity's funds if required;
- Review the performance of the Charity's investments as managed by its brokers;
- Set and review an investment policy including the use of investment gains;
- Review individual fund balances within the overall Charity on a regular basis;
- Seek expenditure plans from individual fund holders where funds are currently not being used;
  - Agree guidance and procedures for fund holders;
  - Review audit recommendations;
  - Review the Annual Accounts for the Charity; and
  - Review the Annual Reports for the Charity.

### **14. Financial Controls**

Financial controls are an essential part in assuring all stakeholders that a charity's property is safeguarded, is managed efficiently and that sound governance arrangements exist.

The Director of Finance is responsible for implementing an internal control system which clearly shows areas of responsibility and lines of authority. These are set out in the following internal documents set by the Committee in the governing document.

- Expenditure policy
- Investment policy
- Reserve policy

### **15. Disqualification and removal of Trustees**

A Trustee shall cease to hold office if he or she;

- Ceases to be a Director of the Charity
- Resigns as a Trustee
- Is disqualified from acting as a Trustee by virtue of section 178 of the Charities Act 2011

### **16. Delegation**

The Trustees may delegate any of their powers or functions to a subcommittee of two or more Trustees but the terms of any such delegation must be recorded in the minute book. The Trustees have the power to delegate all investment decisions to the appointed investment broker.

### **17. Minutes**

The Trustees must keep minutes of all:

- proceedings at meetings of the Charity;

- meetings of the Trustees and committees of Trustees including the names of the Trustees present at the meeting;
- the decisions made at the meetings and where appropriate the reasons for the decisions;
- the draft minutes as agreed with the Chairman of each Committee will be presented to the next Board of Directors meeting. Any amendments to those minutes agreed at the subsequent Committee will also be reported to the next Board of Directors meeting.

## **18. Annual Report and Return of Accounts**

The Trustees must comply with their obligations under the Charities Act 2011 with regard to;

- the keeping of accounting records for the Charity;
- the preparation of annual statements of account for the Charity;
- the auditing, or independent examination, of the statements of account of the Charity;
- the preparation of an annual report and the sending of it together with the statements of account to the Charity Commission; and
- the preparation of an annual return and its transmission to the Charity Commission.

Accounts must be prepared in accordance with the provisions of any Standard of Recommended Practice (SORP) issued by the Charity Commission.

## **19. Review of Terms of Reference**

The Committee shall review the terms of reference annually, and any amendments required shall be put before a meeting of the Board of Directors for approval.