

Charitable Funds Committee

Annual report

Financial Year 1 April 2020 to 31 March 2021

Contents

| Section | Topic | Page |
|----------------|---|-------------|
| 1 | Period covered by this report | 3 |
| 2 | Introduction | 3 |
| 3 | Terms of Reference for the Charitable Funds Committee | 5 |
| 4 | Meetings of the Charitable Funds Committee | 6 |
| 5 | Membership and attendance at meetings | 7 |
| 6 | Reports made to Board of Directors | 11 |
| 7 | Work of the Charitable Funds Committee during 2020/21 | 12 |
| 8 | Conclusion | 13 |

1 Period covered by the report

This report covers the work of the Charitable Funds Committee for the financial year 1 April 2020 to 31 March 2021.

2 Introduction

The Charitable Funds Committee (Committee) has been formally established by the Board of Directors as one of its sub-committees. It is authorised 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. 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 when necessary.

The Committee will monitor and report to the Board on the effectiveness of the supporting systems and processes. The Committee's key objectives are to:

- monitor all aspects of charitable activity within the Trust, as set out within its Terms of Reference; and
- 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.

This report covers the work the Committee has undertaken at the formal meetings held during 2020/21. It seeks to assure the Board on the work it has carried out and the assurances it has received, and to demonstrate that it has operated within its Terms of Reference.

The Committee has responded as a result of the COVID-19 pandemic to ensure that business continuity remains as appropriate for the Committee. Formal reports on the Trust's business continuity plans for all corporate governance meetings have been presented to the Board of Directors. The Board formally agreed to establish standing items on each corporate governance meeting for: COVID-19 Update; and Management of Deferred Items.

Secretariat support is provided by the Corporate Governance team, who work with the Director of Corporate Affairs and Deputy Director of Finance in relation to agenda planning; minutes; managing cumulative action logs; and general meeting support.

Development

Following approval by the Committee in February 2020 the new charity brand was launched in May 2020. The brand Better Lives aligns with the Trust's organisation strategy and strapline, *Better Lives, Together* and is consistent with the Trust's strategic objective to support people to live to their fullest potential and be as healthy as possible.

The Better Lives brand supports several of BDCFT's strategic priorities for 2020/21, including;

- Community Collaborative work, Children and Young people pathway, Learning Disability Pathway and all adult pathway for mental health;
- Connecting with communities and our new Involvement Strategy, Your Voice Matters;
- The Best Place to Work initiative and retention of staff through engagement in fun fundraising activity, with better access to charitable funds to enable staff to enhance the care they provide; and
- The Lynfield Mount site re-development

As part of the relaunch the purpose, vision, aims and values of the charity were refreshed.

Our purpose is to enhance the care provided by Bradford District Care NHS Foundation Trust through charitable activity.

Our vision is to create better lives by improving the physical and mental wellbeing of our patients, service users, carers and staff.

Our charitable aims are to create better lives by:

- improving service user experience and outcomes,
- improving our care (or caring) environments,
- supporting the health and wellbeing of our staff and volunteers,
- enabling our staff to enhance their knowledge and skills,
- any other activity which supports the purpose and vision of the charity.

Our Values link to the Trust's own values:

We Care: We act with respect and empathy, and always value difference

We Listen We understand people's views and respond to their individual needs

We Deliver: We use donations wisely to make a positive difference

Development work on the charity strategy for 2020 to 2024 has also taken place with the aim of the strategy to increase the charitable giving to and from the BDCFT Charitable Funds to improve the experience, health and wellbeing of service users and staff whilst ensuring the future sustainability and growth of the charity.

This will be done by:

- Re-launching the charity brand;
- Delivering charitable fundraising via diverse funding streams which will ensure the charity not only survives but also thrives;
- Enabling staff to efficiently access charitable funds for activity that meets the charity aim; and
- Celebrate the impact of the charity internally and externally to build relationships to encourage further charitable donations and ultimately, life-long giving.

In order to deliver this, we have:

- Employed a Charity Team – to include fundraising, administration and communications support;
- Established a fundraising plan;
- Developed a charity brand with associated publicity material and communications plan;

- Reviewed and updated processes to enable the receipt of charitable donations and charitable giving; and
- Ensured all changes to the current charitable funds are compliant with charity law and where required registered with the Charity Commission.

The Committee received updates on the strategy during the year including the needs assessment, action plan and funding projections at its meeting in October 2020. The revised strategy will be launched in September 2021.

Assurance

The Committee receives assurance from the Executive Director members of the Committee and from the subject matter experts who attend the meetings as required dependant on the agenda items being discussed.

Assurance is provided through written reports, both regular and bespoke, through critical challenge by members of the Committee and by members seeking to validate the information provided through wider knowledge of the Trust; specialist areas of expertise; attending Board of Directors, and Council of Governors meetings; visiting services, talking to staff, and observing operational meetings at the Trust as required.

The Committee is assured that it has the right membership to provide the right level and calibre of information and challenge and that the right reporting methods, structures and work plan are in place to provide oversight on behalf of the Board in respect of performance in the areas covered by its Terms of Reference.

The Committee will provide assurance on the following:

- that the Charity complies with current legislation;
- review new legislation and its impact on the charity (i.e. Trustees Act 2000, SORP 2005 & the Charities Act 2006, Charities Act 2011);
- set and review an investment policy for the charity; and appoint brokers to manage the charitable funds (if deemed appropriate);
- review the performance of the charities investments as managed by its brokers;
- set and review an expenditure 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 (current delegated approval limits established as up to £1,000 for Fund Managers, up to £10,000 for Director of Finance, Contracting and Facilities, and over £10,000 by the Charitable Funds Committee itself);
- audit recommendations associated with the Charity;
- the Annual Report and Accounts for the Charity;
- oversee the development of the strategy and objectives for the Charity (including a fundraising plan); and

- oversee the implementation of the infrastructure appropriate to efficient and effective running of the Charity;

The Chair of the Committee provides an update report to Council of Governor meetings held in public on the activities of the Committee, including areas where assurance had been received and areas requiring further development. This provides the Governors will an opportunity to hear more on the work of the Trust and see the Non-Executive Director fulfilling their role.

3 Terms of Reference

The Trust Board meeting in February 2020 approved revisions to the Charitable Funds Committee as follows:

- Section C: additional wording to reflect strategy and fundraising plan; and oversight of supporting infrastructure.
- Section I: frequency of meetings has increased to quarterly to reflect the oversight of the charity's development over the next 12 months.
- Document transferred onto the new Trust terms of reference template as agreed at the Board of Directors meeting on 27 February 2020.

A further review of the terms of reference will be undertaken once the new strategy has been approved.

4 Meetings of the Committee

In 2020/21, the Committee met twice on 13 May 2020 and 8 October 2020. Two other meetings were arranged virtually to approve specific papers (on 10 August 2020 and 1 December 2020). The meeting scheduled for 8 February 2021 was postponed, in line with the need to streamline corporate governance processes in response to COVID-19. However, the Director of Corporate Affairs has been in regular contact with Dr Hussain to brief him about further charity developments and opportunities and the Trust Board received a presentation on progress in May 2021.

The draft agenda for each meeting is presented to the Chair of the Committee; and the Director of Corporate Affairs by the Corporate Governance team.

Paperwork for the Committee is circulated seven calendar days prior to the meeting taking place. All actions pertaining to the meetings of the Committee are tracked on a cumulative action log and presented to each meeting for assurance with progress made.

5 Membership of the Committee and attendance at meetings

Membership of the Committee is made up of two Non-Executive Directors, the Director of Finance, Contracting and Facilities and the Chief Operating Officer. The Director of Corporate Affairs and the Head of Financial Accounting attend each meeting.

The Committee is chaired by a Non-Executive Director (NED), Dr Zulfi Hussain.

Should the NED Chair be unable to chair the meeting this role will fall to another NED. Because of the nature of the position that they hold, all Executive and Non-Executive Directors as Board members can attend any Board sub-committee. Upon doing so they will assume full member rights and responsibilities. The inclusion of Audit Committee Chair allows horizontal communication across Board sub-committees.

Subject area experts are also invited to attend the meetings as appropriate, to provide expertise and knowledge on the areas that they are responsible for. On these occasions, they are attendees and do not count towards membership of the meetings as outlined in the Terms of Reference.

The Trust also invites Governors to observe Board sub-committee meetings. This opportunity allows Governors to observe the work of the Committee, rather than to be part of its work as they are not part of the formal membership of the Committee. Governors observe Board sub-committee meetings in order to get a better understanding of the work of the Trust and to observe Non-Executive Directors appropriately challenging the Executive Directors about the operational performance of the Trust.

The table below show attendance for substantive members of the Committee for the meetings that took place during 2020/21.

Attendance at Committee meetings by substantive members

| Name | Number of business meetings attended | 13 May 2020 | 8 October 2020 |
|---------------|--------------------------------------|-------------|----------------|
| Zulfi Hussain | 2/2 | *√ | *√ |
| Andrew Chang | 2/2 | √ | √ |
| Liz Romaniak | 2/2 | √ | √ |
| Patrick Scott | 0/2 | - | - |

* indicates Chair of the meeting

- indicates apologies at the meeting

Attendance at Committee meetings by formal attendees

| Name | Number of business meetings attended | 13 May 2020 | 8 October 2020 |
|---------------|--------------------------------------|-------------|----------------|
| Cathy Elliott | 1/2 | √ | - |
| Paul Hogg | 2/2 | √ | √ |
| Phil Hubbard | 1/1 | | √ |

| | | | |
|------------------|-----|---|---|
| Claire Risdon | 2/2 | ✓ | ✓ |
| Catherine Jowett | 2/2 | ✓ | ✓ |
| Stacey Pearson | 1/2 | - | ✓ |
| Andrew McCarthy | 1/1 | | ✓ |

6 Reports made to the Board of Directors

The Chair of the Committee makes an Alert, Advise, Assure escalation report regarding the most recent meeting of the Committee to the next available Board of Directors' meeting and Council of Governors meeting. The report has been redesigned to improve clarity and facilitate standardisation across escalation reports to Board. This report seeks to assure the Board on the main items discussed by the Committee and, should it be necessary, to escalate to the Board any matters of concern or urgent business which the Committee is unable to conclude. The Board may then decide to give direction to the Committee as to how the matter should be taken forward or it may agree that the Board deals with the matter itself.

Where the Board wants greater assurance on any matters that are within the remit of the Terms of Reference of the Committee the Board may ask for these to be looked at in greater detail by the Committee.

The below table outlines the date that the assurance and escalation report was presented by the Chair of the Committee to the Board of Directors' meeting.

| Date of meeting | Assurance and escalation report to Board by Chair |
|-----------------|---|
| 8 October 2020 | 26 November 2020 |

7 The work of the Committee during the year 1 April 2020 until 31 March 2021

The Committee reviewed its work programme during 2020/21 to prioritise areas of work and free up capacity during the pandemic, with any deferred items being managed and agreed at each Committee meeting. The Chair of the Committee confirms that during 2020/21 the Committee has carried out its role in accordance with its terms of reference.

Further details of all these areas of work can be found in the minutes and papers of the Committee.

A high-level presentation of areas of work on which the Committee has received assurance and during 2020/21 are as follows:

Assurance on:

- 2019/20 Charitable Funds audited accounts
- Annual charge for managing Charitable Funds
- Charitable Funds expenditure plans
- NHS Charities Together grants expenditure and plans
- Performance of Investments

- Charitable Funds transactions and balances
- Approval of fund objectives and managers
- Internal audit report

Reports and presentations on:

- Launch of the Better Lives Charity
- Updates about the Charity Strategy
- Updates about COVID-19 monies received from NHS Charities Together and how they have been used for the benefit of service users, carers and staff
- Recruitment to Fundraising Officer
- Updates relating to securing corporate sponsors

8 Conclusion

The Chair of the Committee would like to assure the Board that the Committee worked hard to fulfil its Terms of Reference during 2020/21, managing the priority areas for consideration and agreeing items for deferral. The Board is asked to recognise how the Committee supports the ongoing continuous improvement journey both at the Trust and on its own effectiveness.

The Committee adds value by maintaining an open and professional relationship with officers of the Trust and it has carried out its work diligently; discussed issues openly and robustly; and kept the Board of Directors apprised of any possible issues, risks, or learning.

Members of the Committee would like to thank all those who have responded to its requests during the year and who have supported it in carrying out its duties.

June 2021

Dr Zulfi Hussain
Non-Executive Director
And Chair of the Committee

Paul Hogg
Director of Corporate Affairs