

Agenda
Item

23

Charitable Funds Committee

Annual report

Financial Year 1 April 2021 to 31 March 2022

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1 Period Covered by the Report

This report covers the work of the Charitable Funds Committee for the financial year 1 April 2021 to 31 March 2022.

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 2021/22. 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

The Better Lives Charity Strategy 2021-2024 was launched in September 2021 with the aim to increase funds going into the Trust Charity and therefore increase charitable spending to improve the experience, health, and wellbeing of service users and staff, whilst ensuring the future sustainability and growth of the charity. There are 3 main areas of delivery for the strategy:

- Funds In – Delivering charitable fundraising through diverse funding streams.

- Funds out – ensuring funds are used to have the greatest impact on achieving our charity vision.
- Well Led – ensuring the charity operates in an inclusive, equitable and transparent way, meeting all its obligations within charity law and fundraising codes of practice.

Significant progress has been made in all of these areas.

Funds In

- The Charity has delivered 9 fundraising activities in 21/22 with 50 participants, as well as supporting 16 individuals who have participated in a fundraising activity on behalf of Better Lives. Four Trust teams and three schools have also held a fundraising event. There have still been restrictions during this time as a result of COVID-19, which has limited some events and activities that could be delivered, but despite this good progress has been made in increasing unrestricted income.
- The Charity has successfully secured a number of grants from external funders for specific projects, the largest of these from the Morrisons Foundation of £24,000 for the RITA system which supports therapeutic activity with patients in DAU and Bracken wards.
- The Charity has worked with a number of corporate partners, including P.E.C as their charity of the year. They have not only fundraised, but also participated in our events and supported the development of the allotment project. We also have some small corporate partners who have made one off donations.
- We have worked with the Palliative Care team to establish an improved 'in memory' donation process, and have received a number of small donations in the last year.
- The Charity received one grant in the year from NHS Charities Together as part of their COVID Recovery Grants programme. This totalled £77,000 and is delivering a peer support and social prescribing project to improve the discharge and recovery outcomes from CMHT.
- The Charity registered for Gift Aid.

Funds Out

- The Charity has processed an increased number of applications. There were 137 applications, of these 12 were withdrawn, 117 approved and 8 rejected. The total amount approved was £63,012.85.

Well Led

The Charity has delivered some key developments to reflect the growth in delivery:

- Implemented Donorfy, a donor management system.
- Re-designed the grants application process for staff accessing charitable funds to ensure better oversight and equitable decision making.
- Implement a process when applying for external grants to ensure grant applications are made with clear need and delivery ability identified.
- Governance review undertaken with actions identified to update Standard Operating Procedures, Terms of Reference and information held by the Charity Commission.

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 and Committee Effectiveness Review

The Committee Terms of Reference received a detailed review and approval at Trust Board in February 2020. An annual review was deferred awaiting the approval of the revised Better Lives Strategy 2021-24. The new Strategy was approved by the Trust Board in July 2021.

A Committee Effectiveness Review was conducted in April 2022 and, together with a review of the new key standard operating procedures, will enable the Committee to ensure that its Terms of Reference are updated appropriately in 2022.

4 Meetings of the Committee

The Committee met three times during 2021/22:

- 24 June 2021;
- 23 September 2021; and
- 16 December 2021.

One other meeting was arranged virtually on 10 June 2021 to approve specific papers.

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.

A log of deferred items was initiated when all Committees were asked to reduce their agendas in response to the COVID-19 pandemic to ensure the workforce could concentrate on service users and carers. Any agenda items that have been deferred for any reason are still managed on the deferred items log to provide assurance that all workplan and agenda items will be presented to Committee.

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.

During this period, the Committee was 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 the 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 for which they are responsible. On these occasions, they are attendees and are not included in the 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 gain 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 Charity.

The table below show attendance for substantive members of the Committee for the meetings that took place during 2021/22.

Attendance at Committee meetings by substantive members

Name	Number of business meetings attended	24 June 2021	23 September 2021	16 December 2021
Zulfi Hussain	3/3	*√	*√	*√
Andrew Chang	2/3	-	√	√
Mike Woodhead	3/3	√	√	√
Patrick Scott	1/3	√	-	-

* indicates Chair of the meeting

- indicates apologies at the meeting

Attendance at Committee meetings by formal attendees

Name	Number of business meetings attended	24 June 2021	23 September 2021	16 December 2021
Paul Hogg	3/3	√	√	√
Catherine Jowitt	3/3	√	√	√
Stacey Pearson	3/3	√	√	√
Helen Verity	3/3	√	√	√

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. 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 held in public. In addition, a copy of Committee-ratified minutes is presented to the Trust Board for information.

Date of meeting	Assurance and escalation report to Board by Chair	Ratified minutes presented to Board
24 June 2021	8 July 2021	October 2021
23 September 2021	11 November 2021	13 January 2022
16 December 2021	13 January 2022	To be approved at April 2022 Committee

7 The Work of the Committee during the year 1 April 2021 until 31 March 2022

The Committee reviewed its work programme during 2021/22 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 2021/22 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 2021/22 are as follows:

Assurance on:

- 2020/21 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

Reports and presentations on:

- Charity Name Change and associated documentation
- Updates about activities of Better Lives Charity
- Updates about the Charity Strategy
- Funding to support charity expenses
- Charity fundraising updates
- Revised process for Charitable Fund Grant Applications

8 Conclusion

The Chair of the Committee would like to highlight to the Board that the Committee has worked effectively in fulfilling its Terms of Reference during 2021/22, 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.

April 2022

Mark Rawcliffe
Non-Executive Director
And Chair of the Committee

Paul Hogg
Director of Corporate Affairs