

Trust Board paper K

**UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST**

**REPORT BY TRUST BOARD COMMITTEE TO TRUST BOARD**

**DATE OF TRUST BOARD MEETING: 5 March 2020**

**COMMITTEE: Charitable Funds Committee (CFC)**

**CHAIR: Mr B Patel, Non-Executive Director**

**DATE OF COMMITTEE MEETING: 6 February 2020**

**RECOMMENDATIONS MADE BY THE COMMITTEE FOR CONSIDERATION BY THE PUBLIC TRUST BOARD:**

- None

**OTHER KEY ISSUES IDENTIFIED BY THE COMMITTEE FOR CONSIDERATION/ RESOLUTION BY THE PUBLIC TRUST BOARD:**

- None

**DATE OF NEXT COMMITTEE MEETING: 2 April 2020**

**Mr B Patel  
Non-Executive Director and CFC Chair**

**UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST**

**MINUTES OF THE CHARITABLE FUNDS COMMITTEE MEETING HELD ON THURSDAY 6 FEBRUARY 2020 AT 2.30PM  
IN ROOMS 2 & 3, CLINICAL EDUCATION CENTRE, GLENFIELD HOSPITAL**

**Present:** Mr B Patel – Non-Executive Director (Chair)  
Col (Ret'd) I Crowe – Non-Executive Director and Quality and Outcomes Committee Non-Executive Director Chair  
Ms C Fox – Chief Nurse  
Mr A Johnson – Non-Executive Director and People, Process and Performance Non-Executive Director Chair  
Mr S Lazarus – Interim Chief Financial Officer  
Mr K Singh – Trust Chairman (*ex officio*)

**In Attendance:** Ms L Davies – Director of Leicester Hospitals Charity  
Mr D Gorrod – Patient Partner (non-voting member)  
Mr R Sedgwick – Brewin Dolphin (for Minute 7/20/1)  
Ms H Stokes – Corporate and Committee Services Manager  
Ms M Tuddenham – Charitable Funds Administrator (observing)  
Mr S Ward – Director of Corporate and Legal Affairs  
Ms J Woolley – Charity Finance Manager

**RECOMMENDED ITEMS**

**ACTION**

**1/20 REPORT FROM THE DIRECTOR OF LEICESTER HOSPITALS CHARITY**

**Recommended** – that this item be classed as confidential and taken in private accordingly.

**RESOLVED ITEMS**

**ACTION**

**2/20 APOLOGIES FOR ABSENCE AND WELCOME**

Apologies for absence were received from Mr N Sone, Financial Controller and Charity Finance Lead, and Mr M Wightman Director of Strategy and Communications. The CFC Non-Executive Director Chair welcomed Ms M Tuddenham, Charitable Funds Administrator (observing).

**3/20 DECLARATIONS OF INTERESTS**

Mr B Patel Non-Executive Director (CFC Chair), Col (Ret'd) I Crowe Non-Executive Director, Ms C Fox Chief Nurse, Mr A Johnson Non-Executive Director, and Mr S Lazarus Interim Chief Financial Officer all declared their positions as voting members of the UHL NHS Trust Board. Mr A Johnson Non-Executive Director and Mr S Lazarus Interim Chief Financial Officer also declared their positions as (respectively) Non-Executive Director Chair and Non-Executive Director of Trust Group Holdings Ltd. As these were judged by the Committee to be non-prejudicial interests, all remained present at the meeting.

**4/20 MINUTES**

**Resolved** – that the Minutes of the 5 December 2019 Charitable Funds Committee be confirmed as a correct record.

**5/20 MATTERS ARISING FROM THE MINUTES**

Paper B comprised the matters arising log from previous Charitable Funds Committee (CFC) meetings. The CFC Non-Executive Director Chair confirmed that – in light of his discussions with the Trust Chairman – item 13 re: international volunteering (action 14/18/2 of 7 June 2018) could be closed and removed from the log.

**CCSM**

**Resolved** – that the matters arising log update at paper B and any associated actions, be noted.

**LEADS**

**6/20 KEY ISSUES FOR DISCUSSION/DECISION**

The Director of Leicester Hospitals Charity introduced the further updated draft Fundraising Policy (paper C), reflecting comments from the December 2019 CFC. CFC members welcomed this further iteration, and noted the following points in particular:-

- (a) a query from the CFC Non-Executive Director Chair as to where ward fundraising activity fitted into the policy (citing the specific example of cake sales on wards), as he considered that wards might think that they were covered by section 4.1b of the policy. The Director of Leicester Hospitals Charity agreed to include ward fundraising in the policy 'definitions' section to clarify the position. The CFC Non-Executive Director Chair requested that 'Frequently Asked Questions' (FAQs) also be added to the policy. He noted his view that to avoid any confusion, further clarity was needed on the position of cake sales and he asked that contact be made with the Director of Estates and Facilities accordingly on this issue; DLHC  
DLHC  
DLHC
- (b) comments from Mr D Gorrod Patient Adviser on the need to ensure that statements re: following donors' wishes and the position of restricted and designated funds were clear and consistent in the policy. He also commented that donors might not necessarily realise the difference in the various types of fund. Endorsing these points, the CFC Non-Executive Director Chair also requested that the policy specify the length of time after which it would be appropriate to reclassify unspent restricted and designated funds (noting comments from the Interim Chief Financial Officer that a 12-month period – while potentially appropriate for designated funds – would be too short for restricted funds); DLHC
- (c) queries from the Mr A Johnson Non-Executive Director as to:
- whether officers of the Charity were permitted to take out loans – although noting clarifications (from the Director of Corporate and Legal Affairs and the Director of Leicester Hospitals Charity) that this was not permitted and would not in any case be classed as fundraising, the CFC Non-Executive Director Chair requested that for the avoidance of doubt, the policy state explicitly that no officer of the Charity was authorised to enter into a loan agreement without the approval of the Corporate Trustee; DLHC
  - what restrictions/levels of authorisation were in place to prevent officers of the Charity entering into legally-binding agreements. The Director of Corporate and Legal Affairs advised that the Director of Leicester Hospitals Charity – who confirmed that she also followed Trust procurement requirements – would be governed by UHL delegated limits (as for Trust employees). Delegated limits were confirmed to be in place for grant approvals, and the Director of Leicester Hospitals Charity clarified that gifts were not legally binding. However, the Interim Chief Financial Officer considered that it would be beneficial to explore what formal arrangements were in place within the Charity re: delegated financial limits for approvals, and report to the April 2020 CFC accordingly; DLHC/  
ICFO
- (d) the need for appropriate cross-referencing to relevant UHL investment policies (as cited in paragraph 5.17); DLHC
- (e) that any further comments on the policy should be sent to the Director of Leicester Hospitals Charity within 2 weeks, to enable the finalised iteration to be presented to the April 2020 CFC and ALL/  
DLHC
- (f) the need for a clear and coherent plan to communicate the policy to staff, once it was finalised. The CFC Non-Executive Director Chair emphasised his wish to encourage staff to fundraise, and for that fundraising activity to be within the proper framework. The Director of Leicester Hospitals Charity confirmed that the policy itself was not new. DLHC
- Resolved – that (A) the draft Fundraising Policy be further updated to:-** DLHC
- (1) add FAQs;
  - (2) include 'fundraising by wards' in the definitions section;
  - (3) ensure that the statements regarding the following of donors' wishes, and the meaning of 'restricted' and 'designated' funds were consistent and clearly defined;
  - (4) consider after what length of time it would be appropriate for restricted funds to be reclassified;
  - (5) state that no officer of the Charity was authorised to enter into any loan agreement without the approval of the Corporate Trustee;
  - (6) include the Trust reference for the investment and fund management policy referred to in paragraph 5.17;
- (B) contact be made with the Director of Estates and Facilities, to seek clarity on the position** DLHC

re: cake sales (and then reflect that in the draft policy);

- |                                                                                                                                                                                      |             |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| <b>(C) any further comments on the draft policy be sent to the Director of Leicester Hospitals Charity within 2 weeks (updated iteration to be presented to the April 2020 CFC);</b> | <b>ALL</b>  |
| <b>(D) a clear plan be put in place to communicate the policy, once finalised and approved, and</b>                                                                                  | <b>DLHC</b> |
| <b>(E) the formal arrangements in place within the Charity re: delegated financial limits for approvals, be confirmed and reported to the April 2020 CFC accordingly.</b>            | <b>DLHC</b> |

6/20/2

Items for Approval

Paper D sought approval for grant applications received since the December 2019 Charitable Funds Committee meeting, noting the CFC's remit to approve bids up to £50,000 (decision-making on bids below £10,000 was delegated to the Charity Finance Manager and was shown in appendix 1 of the report, totalling £66,000). Bids above £50,000 required recommending for Trust Board approval as Corporate Trustee. No applications were being accepted for General Purpose Charitable Funds, due to the low balance of those funds.

Only 1 application was presented for CFC approval at this meeting, the other 2 applications listed in paper D having been approved by CFC members outside the formal meeting cycle in December 2019 and (as required for application 7320) then the January 2020 Trust Board.

As requested in paper D, CFC members therefore considered application 7467 (acute and chronic pancreatitis app project – £49,750 from fund number S003) submitted by the Cancer, Haematology, Urology, Gastroenterology and General Surgery CMG. As detailed in appendix 3, that fund currently had a balance of £25,605. Despite the Charity Finance Manager's view that the CMG would raise the additional sum, and confirmation from the Director of Leicester Hospitals Charity that no purchase would be commissioned until all funds had been raised, the Interim Chief Financial Officer expressed concern that more money was being requested than was contained in the fund. It was agreed to discuss that approach further outside the meeting. There was some uncertainty about the exact likely cost of the app, eg whether it would potentially be less than £49,750 in total. In further discussion on the application (and although welcoming the creative and innovative intention), the CFC:-

**ICFO/  
DLHC/  
DCLA**

- |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |              |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| (a) queried whether the Acting Chief Information Officer had approved the application (confirmation not yet received of his agreement). CFC agreed that this was a key issue;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <b>CFM</b>   |
| (b) noted queries re: Intellectual Property (IP) and commercial benefit considerations, as now raised by Col (Ret'd) I Crowe and Mr A Johnson Non-Executive Directors. They considered that there was a particular need to understand whether the application was intended to be free of charge, whether UHL would derive any (appropriate) IP benefits from the application, whether it would carry UHL branding and be credited to the Trust, and whether any other organisation such as the developer would receive any commercial benefit from the product. Mr A Johnson Non-Executive Director and Mr D Gorrod Patient Adviser also requested specific further information on whether the app development company would retain any ownership rights over the product; | <b>CFM</b>   |
| (c) noted a request from Mr A Johnson Non-Executive Director for confirmation that appropriate procurement processes had been followed (eg seeking 3 competitive quotes from approved companies), and of how far the Head of Procurement and Supplies was sighted to this procurement, and                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <b>CFM</b>   |
| (d) noted concerns voiced by Col (Ret'd) I Crowe Non-Executive Director over whether UHL was appropriately sighted to the various Trust websites and applications currently in place, in terms of assurance and oversight. He cited specific examples and agreed to provide further details to the Director of Corporate and Legal Affairs. Col (Ret'd) I Crowe Non-Executive Director emphasised that he had no wish to prevent the development of apps such as that in paper D, subject to appropriate governance processes being observed.                                                                                                                                                                                                                              | <b>ICNED</b> |

In light of the comments above, CFC agreed that it was not in a position to approve application 7467 at this meeting. CFC requested that the issues raised be addressed, and the application therefore be re-presented to its 2 April 2020 meeting, with CHUGGS CMG representatives invited to attend..

**CFM**

**Resolved – that (A) In light of the clarifications requested below, consideration of application 7467 (acute and chronic pancreatitis app project – £49,750 from fund number S003) be deferred to the April 2020 CFC, with CHUGGS CMG representatives invited to attend for that item;**

**CFM**

**(B) ahead of re-presenting application 7467 to the April 2020 CFC as per (A) above,**

**CFM**

clarification be sought of:-

- whether the bid had been approved by the Acting Chief Information Officer;
- Intellectual Property and commercial benefit/ownership issues, including whether:-
  - the app would be appropriately branded as a UHL product;
  - the Trust would (and was entitled to) receive any income from its use;
  - any other organisation such as the design and development company would receive any commercial benefit from the app and/or retain ownership of the coding;
- whether the Head of Procurement had been appropriately involved in the process of seeking quotes;

**(C) details of UHL websites and apps be provided to the Director of Corporate and Legal Affairs, in light of concerns expressed re: oversight and assurance;**

ICNED

**(D) concerns raised by the Interim Chief Financial Officer over agreeing applications for more than is currently contained in the specified fund, be reviewed outside the meeting, and**

DLHC/  
ICFO/  
DCLA

**(E) the applications approved outside the meeting be noted as per paper D.**

6/20/3

Report from the Director of Leicester Hospitals Charity

**Resolved – that that this item be classed as confidential and taken in private accordingly.**

7/20

## **ITEMS FOR ASSURANCE**

7/20/1

Quarterly Update from the Charity Fund Investment Managers

In addition to the report circulated at paper G, Mr R Sedgwick attended from Brewin Dolphin (the Trust's Charity Fund investment managers) to provide an update on portfolio performance. He tabled a more detailed report, noting that 2019 performance had been better than expected. As agreed by the Trust, the Leicester Hospitals Charity investment portfolio had a relatively risk averse profile (risk category 5), and consisted of more equities than fixed income investments. Its current value was just under £4.9m with a net estimated income of £127,247 and a net estimated yield of 2.6%. For the period 26 September 2019 – 3 February 2020 the return was 1.71%, performing better therefore than the benchmark of 1.56%. Mr Sedgwick confirmed that Brewin Dolphin observed the Charity's ethical investment policy in managing the funds. In discussion on the report, the CFC:-

- (a) noted (in response to a query from Col [Ret'd] I Crowe Non-Executive Director) that Leicester Hospitals Charity's risk category of 5 was broadly in line with that of other NHS Charities. Mr Sedgwick advised that although moving the risk category (to eg 6) could provide a slightly better return, the return was also impacted by factors such as the level of focus on income from the investments. A risk guide was available if members wished, and
- (b) agreed that it would like Mr Sedgwick to attend CFC in person twice a year, in addition to the regular written reports – timing suggested as potentially April/June and then mid-year (to be confirmed by the Charity Finance Manager).

CFM

Following the departure of Mr Sedgwick, Mr A Johnson Non-Executive Director considered that increasing the risk profile would significantly increase the risk level, and he noted his support to retain the portfolio at risk category 5.

**Resolved – that (A) the update from the Charity Fund Investment Managers be noted, and**

**(B) Brewin Dolphin attendance – as the Charity's Investment Managers – be scheduled for 2 CFC meetings per year (in addition to the regular update reports); dates to be advised by the Charity Finance Manager.**

CFM

7/20/2

Fundraising Performance Update

Paper H from the Director of Leicester Hospitals Charity, provided a general update on the fundraising activity of the Charity. She advised that fundraising activity had increased by 64% compared to the same time in 2018/19 and was being delivered at a lower cost. CFC members welcomed this update, noting the range of activities being undertaken (including the planned 'Big Abseil' down the LRI Windsor Building, in which Col [Ret'd] I Crowe Non-Executive Director was taking part) and the hard work of the Charity team.

In response to a query from the Director of Corporate and Legal Affairs, the Director of Leicester

Hospitals Charity noted her high level of confidence that the 2019/20 year-end fundraising target would be delivered (currently at 46% against plan) – this confidence was due to a ramping-up of Children’s Hospital Appeal activity and an expected significant legacy, although it was recognised that major gifts performance was below plan. In response to a query from the CFC Non-Executive Director Chair, the Director of Leicester Hospitals Charity confirmed that links were being made with faith-based communities.

**Resolved – that the position be noted.**

7/20/3 Finance and Governance Report

Paper I from the Charity Finance Manager advised that – as at 31 December 2019 – the available General Purpose Charitable Funds balance after commitments was £65k. The year to date income of £1,787k was £1,130k below plan due primarily to fewer major gifts being received than expected. Year to date expenditure of £1,681k was £1,567k below plan due primarily to an underspend on grant expenditure. The Charity’s overall funds stood at £7,719k as at 31 December 2019 including the Children’s Hospital Appeal balance.

**Resolved – that the contents of this report be received and noted.**

8/20 **ITEMS FOR NOTING**

8/20/1 Children’s Hospital Appeal Update

Paper J updated CFC on the Children’s Hospital Appeal, advising that progress was on track and that it was hoped to reach £5m by the beginning of March 2020. 65 applications had been sent out to charitable trusts and foundations, and many fundraising events were planned, as detailed in paper H above. The Director of Leicester Hospitals Charity advised that design enhancements were now being reviewed for PICU and the Cardiac ward, followed by outpatients, and she confirmed that the Charity was appropriately integrated with the programme of works. The Charity team continued to engage with the media on the Children’s Hospital Appeal.

**Resolved – that the position be noted.**

9/20 **ANY OTHER BUSINESS**

**Resolved – that there were no further items of business.**

10/20 **DATE OF NEXT MEETING**

**Resolved – that the next meeting of the Charitable Funds Committee be held on Thursday 2 April 2020 from 2.30pm in the Board Room, Victoria Building, Leicester Royal Infirmary.**

The meeting closed at 3.40pm.

Helen Stokes - **Corporate and Committee Services Manager**

**Cumulative Record of Members’ Attendance (2019/20 to date):**

*Voting Members*

<b>Name</b>	<b>Possible</b>	<b>Actual</b>	<b>% attendance</b>	<b>Name</b>	<b>Possible</b>	<b>Actual</b>	<b>% attendance</b>
<i>B Patel (Chair)</i>	7	6	86	<i>A Johnson</i>	7	5	71
<i>C Benham (1.11.19 – 11.12.19)</i>	1	0	0	<i>S Lazarus (from 13.12.19)</i>	1	1	100
<i>I Crowe</i>	7	7	100	<i>K Singh (ex-officio)</i>	7	5	71
<i>C Fox</i>	7	5	71	<i>P Traynor (until 31.10.19)</i>	5	4	80

*Non-Voting Members*

<b>Name</b>	<b>Possible</b>	<b>Actual</b>	<b>% attendance</b>	<b>Name</b>	<b>Possible</b>	<b>Actual</b>	<b>% attendance</b>
<i>L Davies</i>	7	7	100	<i>S Ward</i>	7	7	100
<i>D Gorrod</i>	7	7	100	<i>M Wightman</i>	7	5	71
<i>N Sone /T Blick</i>	7	5	71	<i>J Woolley</i>	7	7	100
<i>C Sutton</i>	7	0	0				