

Trust Board paper K

**UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST**

**REPORT BY TRUST BOARD COMMITTEE TO TRUST BOARD AS  
CORPORATE TRUSTEE**

**DATE OF TRUST BOARD MEETING: 4 March 2021**

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

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

**DATE OF COMMITTEE MEETING: 19 February 2021**

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

**None**

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

- **Community engagement report (Minute 5/21/3)**
- **Charity benchmarking report (Minute 5/21/4)**

**DATE OF NEXT COMMITTEE MEETING: 16 April 2021**

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

**UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST**

**MINUTES OF THE CHARITABLE FUNDS COMMITTEE VIRTUAL MEETING HELD ON  
FRIDAY 19 FEBRUARY 2021 AT 9.30AM**

**Present:** Mr B Patel – Non-Executive Director (Chair)  
Col (Ret'd) I Crowe – Non-Executive Director and People, Process and Performance Committee Non-Executive Director Chair  
Mr A Johnson – Non-Executive Director and Finance and Investment Committee Non-Executive Director Chair

**In Attendance:** Ms L Davies – Director of Leicester Hospitals Charity  
Mr S Linthwaite – Deputy Director of Finance (Financial Services)  
Ms H Stokes – Corporate and Committee Services Manager  
Mr M Wightman – Director of Strategy and Communications  
Ms J Woolley – Charity Finance Manager

**RESOLVED ITEMS**

**ACTION**

**1/21 APOLOGIES FOR ABSENCE AND WELCOME**

Apologies for absence were received from Ms C Fox Chief Nurse, Mr S Lazarus Chief Financial Officer, and Mr S Ward Director of Corporate and Legal Affairs. The Charitable Funds Committee (CFC) Non-Executive Director Chair welcomed Mr S Linthwaite, UHL Deputy Director of Finance (Financial Services) to the meeting as an observer.

**2/21 DECLARATIONS OF INTERESTS**

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

**3/21 MINUTES**

**Resolved** – that the Minutes of the 18 December 2020 Charitable Funds Committee (CFC) be confirmed as a correct record.

**4/21 MATTERS ARISING FROM THE MINUTES**

Paper B detailed progress on actions from previous CFC meetings. Updates from this meeting would be reflected in the next iteration of the log.

**CCSM**

**Resolved** – that the matters arising log update at paper B be noted, and any resulting actions be taken forward by the named lead(s).

**NAMED  
LEAD(S)**

4/21/1 Report from the Director of Strategy and Communications

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

4/21/2 Report from the Director of Leicester Hospitals Charity

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

4/21/3 Report from the Director of Leicester Hospitals Charity

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

**5/21 KEY ISSUES FOR DISCUSSION/DECISION**

5/21/1 Items for Approval

## 5/21/1.1 Items for Approval Report

Paper C sought approval for grant applications received since the December 2020 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 [34 applications totalling £83k]). In response to a query from the CFC Non-Executive Director Chair, who noted that such items would not usually be charitably funded, the Charity Finance Manager outlined the reasons for the decision to fund additional bay curtains for the Pain Management Service.

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. As noted at the December 2020 CFC, the report included an 'LHC funding areas' section for the applications being presented to CFC, setting out a score for each bid. As detailed in paper C1, CFC noted that 1 application had been approved by Trustees outside the formal meeting cycle (7774 – £27,733 for bike shed improvements).

One application was presented for CFC approval at this meeting, as outlined below:-

(a) **application 7783** (TRiM training for staff - £20,700 from fund numbers CV19 and CV20: application score 37/45) submitted by the Staff Engagement, Health and Wellbeing Team. The Charity Finance Manager advised CFC that £18,000 had specifically donated for this project (fund number CV20), with a small top-up of £2,700 therefore required from Covid funding (fund number CV19). An initial TRiM [Trauma Risk Management] training project had been supported by CFC in June 2020, and application 7783 was requesting funding to run 5 additional groups to train a further 40 TRiM Practitioners. The application was approved as presented.

CFM

Paper C1 also briefed CFC on a proposed variation to application 7672 (£25,200 for BAME wellness research, funded by a restricted donation from an NHS Charities Together grant) previously agreed at the August 2020 CFC. Due to data collection difficulties it was now proposed to widen the project to cover patients rather than staff. The Director of Leicester Hospitals Charity confirmed that NHS Charities Together were supportive of this variation of use, as was the Trust's Director of Research and Innovation. CFC noted this variation.

**Resolved – that (A) application 7783 be approved and progressed accordingly by the Charity Finance Manager;**

CFM

**(B) the approval of application 7774 outside the meeting be noted, and**

ALL

**(C) the variation to the use of the grant for application 7672 be noted.**

ALL

## 5/21/1.2 Insurance Renewals

As in previous years, paper C2 invited CFC to approve the in-principle funding for 2021/22 of 2 insurance policies from General Purpose Charitable Funds (Directors and Officers Liability and Crime for the Charitable Trustees, and Group Personal Accident for the Trust's Flying Squad). As explained in the report, the 2021/22 renewal cost (start date 1 April 2021 for both policies) would not be finalised until mid-March 2021, with the final costs reported retrospectively therefore to the April 2021 CFC. Paper C2 detailed the nature of the cover provided by the 2 insurance policies and the cost of those policies in 2020/21 (£7,280 and £10,421.60 respectively).

Although supportive of renewing the Group Personal Accident policy, Col (Ret'd) I Crowe Non-Executive Director requested that a short annual report be requested for information from the service, setting out activity including the number of call-outs etc. In discussion on the Directors and Officers Liability and Crime policy, Mr A Johnson Non-Executive Director voiced concern that the indemnity limit was low, given the cost of the policy which he considered to be high. His comments on the level of indemnity were echoed by the CFC Non-Executive Director Chair, who further advised seeking comparative offers from other providers/brokers. The Corporate and Committee Services Manager agreed to discuss the cover and potential providers with the Deputy Director of Finance (Financial Services) given his previous Charity finance experience.

CCSM

CCSM

**Resolved – that (A) the in-principle funding from General Purpose Charitable Funds of the 2 insurance policies be approved;**

ALL

**(B) discussions be held with the Deputy Director of Finance (Financial Services) regarding the scope to obtain a higher indemnity level and lower cost for the Directors and Officers Liability and Crime insurance policy (including alternative providers);**

CCSM

	<b>(C) a report confirming the finalised costs of both policies be provided to the April 2021 CFC, and</b>	<b>CCSM</b>
	<b>(D) a short annual activity report be provided to CFC (for noting) by the Trust's emergency retrievals/ flying squad service, detailing the number of call-outs etc.</b>	<b>CCSM/</b>
5/21/2	<u>Future of the Leicester Hospitals Charity Charity Shops – Update</u>	
	Reporting verbally, the Director of Leicester Hospitals Charity confirmed that the charity shops were now closed and the stock had almost all now been donated. No significant costs were expected to be incurred, and once emptied the units would be returned to Estates and Facilities. A further update would be provided to the next CFC.	<b>DLHC</b>
	<b><u>Resolved</u> – that a further update on the charity shops be provided to the April 2021 CFC.</b>	<b>DLHC</b>
5/21/3	<u>Community Engagement Report</u>	
	As requested at the October 2020 CFC (Minute 36/20/1 refers), paper D from the Director of Leicester Hospitals Charity set out Leicester Hospitals Charity's patient and community activity, including an overview of future plans. To understand its donors more, the Charity had undertaken a donor survey in October 2020, and the responses indicated a willingness among some donors to support the Charity more generally rather than only for specific funds. The Director of Leicester Hospitals Charity noted the usefulness of the survey exercise, which she considered should be undertaken annually.	<b>DLHC</b>
	Col (Ret'd) I Crowe Non-Executive Director queried what the report demonstrated about the 'reach' of Leicester Hospitals Charity, including whether it was primarily impacting on the City rather than also the County. He also requested assurance that appropriately full relationships were being built by the Charity with local sports teams. In response, although acknowledging that County engagement was more challenging, the Director of Leicester Hospitals Charity noted a number of sizeable donations from County supporters. Although it was challenging to analyse the Charity's 'reach' in detail without undertaking a likely costly assessment, the Director of Leicester Hospitals Charity noted that the Charity's Christmas campaign had received a good geographical spread of responses. She also commented on the Charity's continued efforts to engage with the wider East Midlands. The Director of Leicester Hospitals Charity further emphasised the key need to raise awareness of the ability to help support "the hospital", rather than necessarily focusing on awareness of the Charity separately. The CFC Non-Executive Director Chair considered that the 'Community Champions Volunteer Programme' initiative planned by Leicester Hospitals Charity would help widen the 'reach' of the Charity.	
	With regard to local sports teams, the Director of Leicester Hospitals Charity provided assurance that appropriate relationships were cultivated and were an active part of the Charity's plans. Engagement had been impacted by Covid-19 however, and the Director of Strategy and Communications noted that once physical events could resume it would further develop those relationships. Col (Ret'd) I Crowe Non-Executive Director also suggested linking with Leicester Racecourse, if this was not already in the plan.	<b>DLHC</b>
	The CFC Non-Executive Director Chair particularly welcomed the exciting (primary) Schools Programme initiative outlined in paper D, and commented that the report provided a useful baseline. This was echoed by Mr A Johnson Non-Executive Director who considered paper D to be an excellent report and voiced his support for an annual supporter survey to appropriately inform event planning and focus. CFC agreed that this report should be highlighted to the Trust Board for information.	<b>CFC NED CHAIR</b>
	<b><u>Resolved</u> – that (A) the principle of annual supporter surveys be endorsed;</b>	<b>DLHC</b>
	<b>(B) the scope be explored to build relationships with Leicester Racecourse, and</b>	<b>DLHC</b>
	<b>(C) this report be highlighted to the March 2021 Trust Board for information.</b>	<b>CFC NED CHAIR</b>
5/21/4	<u>Charity Benchmarking</u>	
	As requested at the June 2020 CFC (Minute 12/20 refers), paper E comprised a benchmarking report for Leicester Hospitals Charity. The Director of Leicester Hospitals Charity had used the most recent annual survey of NHS Charities Together member data and then focused appropriately	

on a group of 20 peer Charities (including LHC) as per the parameters detailed in paper E (ie with an income of between £1m - £6m and working with non-specialist acute Trusts in England). The resulting benchmarking analysis showed that Leicester Hospitals Charity performed well on the key metrics, which related to the following 4 areas: efficiency; reliance on types of income; fulfilment of mission, and resilience, and the Director of Leicester Hospitals Charity particularly highlighted:-

- (a) **efficiency:** LHC's sector comparison as a very efficient charity, with overall running costs below the sector average for comparable NHS Charities. The cost of LHC's fundraising had also decreased;
- (b) **reliance on types of income:** LHC was more reliant on fundraised income than comparable charities, having a lower level of funds invested (and thus resulting investment income) compared to the sector. This reinforced the importance of investing in market research to understand and support the needs of the Charity's donors, as discussed in Minute 5/21/3 above. Mr A Johnson Non-Executive Director commented that it would be useful to have the level of investment (compared to peers) confirmed;
- (c) **fulfilment of mission:** LHC was above the sector average in terms of fulfilling its mission to support patients, carers and staff, with 2/3 of Leicester Hospitals Charity's 2019 annual expenditure was spent on grants compared to 50% in the sector. In 2019, Leicester Hospitals Charity made grants equal to 20% of its net assets compared to 8% for the sector average. With regard to the direction of its grants, the benchmarking report showed that a majority of Leicester Hospitals Charity's grants (41%) went in aid of patients, while the largest grant-making area for the sector was on research. The Director of Leicester Hospitals Charity advised that capital expenditure by LHC would increase for the 2020/21 year, and she commented on the benefits of identifying appropriate research projects to support;
- (d) **resilience:** as noted in point (b) above, Leicester Hospitals Charity was highly reliant (compared to the sector average) on annual income v. investment income. LHC's unrestricted (general purpose) charitable funds were significantly below the sector average, and the Director of Leicester Hospitals Charity advised CFC that a strategy was in place to increase the Charity's general purpose charitable funds. LHC's designated funds were slightly above the sector average, and its restricted funds were significantly higher than the sector average. The Director of Leicester Hospitals Charity commented that LHC held no endowment funds.

DLHC/  
CFM

If supported by CFC, the 4 recommendations in paper E would be incorporated into the Leicester Hospitals Charity Plan for 2021/22. Those recommendations related to investing in supporting LHC's work on the 'donor journey'; bolstering the Charity's resilience including building and investing an endowed reserve fund; continuing to invest in the Charity Fundraising team and disinvesting in low-yielding activities, and building up the Charity's unrestricted funds to increase flexibility in grant making and responding to emerging needs. These recommendations were supported.

DLHC

Non-Executive Director CFC members welcomed the assurance provided by the benchmarking report, and considered that an annual such exercise would be useful. In discussion on the report, CFC noted in particular:-

DLHC

- (1) a request from the CFC Non-Executive Director Chair that the issue of 'independent' charity status be explored further, noting that a majority of the charities on the peer group list were classed as 'independent'. Although noting this point, the Director of Leicester Hospitals Charity noted that there were both potential advantages and disadvantages;
- (2) the CFC Non-Executive Director Chair's view that further discussion was needed on investment levels and endowment fund levels. The Director of Strategy and Communications suggested that it would be helpful to obtain a view on LHC's investment levels from the new Deputy Director of Finance (Financial Services), who agreed to discuss this with the Charity Finance Manager outside the meeting;
- (3) a query from Col (Ret'd) I Crowe Non-Executive Director re: the approach to addressing dormant restricted funds. In response, the Director of Leicester Hospitals Charity advised that this issue was covered in the Fundraising Policy approved by CFC in June 2021. The Director of Leicester Hospitals Charity and the Charity Finance Manager had now undertaken some preliminary work on this issue which they would bring to the next CFC, and would also start meeting with fundholders who had not spent monies for some time;
- (4) comments from Mr A Johnson Non-Executive Director on the costly nature of research, and his support for the majority of LHC's grants to continue to be directed at aid to patients, and
- (5) comments by the Director of Strategy and Communications on the benefit of having set a cap on the running costs of Leicester Hospitals Charity, as evidenced by the positive benchmarking on efficiency.

DLHC

CFM

DLHC/  
CFM

The CFC Non-Executive Director Chair agreed that the benchmarking report should be highlighted to the Trust Board for information.

CFC NED  
CHAIR

	<b><u>Resolved</u> – that (A) the benchmarking report be noted, and its 4 recommendations be endorsed and progressed as detailed in paper E;</b>	<b>DLHC</b>
	<b>(B) the Director of Leicester Hospitals Charity be requested to:- (1) consider undertaking the benchmarking analysis on an annual basis; (2) consider the advantages/disadvantages of ‘independent’ charity status;</b>	<b>DLHC</b>
	<b>(C) a report on dormant restricted funds and proposed actions be provided to the April 2021 CFC;</b>	<b>DLHC/ CFM</b>
	<b>(D) a view be sought outside the meeting from the Deputy Director of Finance (Financial Services) re: Leicester Hospitals Charity’s investment levels;</b>	<b>CFM</b>
	<b>(E) the current level of LHC investment compared to sector peers be confirmed to CFC, and</b>	<b>CFM/ DLHC</b>
	<b>(F) this report be highlighted to the March 2021 Trust Board for information.</b>	<b>CFC NED CHAIR</b>
5/21/5	<u>Report from the Director of Leicester Hospitals Charity</u>	
	<b><u>Resolved</u> – that this Minute be classed as confidential and taken in private accordingly.</b>	
6/21	<b>ITEMS FOR ASSURANCE</b>	
6/21/1	<u>Finance and Governance Report</u>	
	<p>Paper G advised that – as at 31 January 2021 – the available General Purpose Charitable Funds balance after commitments was £371,000, which had increased since the position reported to the December 2020 due to income from legacies. The position of the Charity overall as at 31 January 2021 was a balance of £9.749m (an increase of £119k since the end of October 2020 position), reflecting continued increased year-to-date income of £3.758m (£872,000 above plan) and below-plan expenditure of £4.490m due mainly to an underspend on grant expenditure. Appendix 3 of paper G detailed the income and expenditure position of the Children’s Hospital Appeal, noting a current balance of £3.126m after charitable expenditure on capital build costs. Mr A Johnson Non-Executive Director emphasised the need for the Charity to assure itself that money was being spent appropriately and as originally specified – in response to this comment and further comments from the CFC Non-Executive Director Chair, the Director of Leicester Hospitals Charity provided assurance that appropriate checks were undertaken and that invoices were subject to the appropriate sign-off process.</p> <p>Paper G also updated CFC on the audit of the Charity’s annual accounts for 2019/20. The Deputy Director of Finance (Financial Services) confirmed that a 6-month extension had been approved by the Charity Commission to 31 July 2021. In response to a query from Mr A Johnson Non-Executive Director on any potential liabilities, the Deputy Director of Finance (Financial Services) confirmed that no provisions had been imposed on that extension by the Charity Commission. The CFC Non-Executive Director Chair emphasised the need for the Charity audit to be delivered in a timely manner, and for the Charity therefore to set clear expectations and timelines and closely monitor progress.</p>	
	<b><u>Resolved</u> – that appropriately clear expectations and timelines for the 2019/20 Charity accounts audit be developed and communicated to the auditor.</b>	<b>CFM/ CFO</b>
6/21/2	<u>Investment Update Report</u>	
	<p>Paper H updated CFC on the 6-month performance of Leicester Hospitals Charity’s investment portfolio, noting total 2020/21 gains of £851,000 as of 31 January 2021 (overall portfolio value of almost £5.2m). The Charity continued to hold sizeable cash reserves. The CFC Non-Executive Director Chair requested that a report on the Charity’s investments going forward be provided to CFC in either April or June 2021, noting that a report on the required income target from LHC investments was already scheduled for April 2021. In response to a query from the Deputy Director of Finance (Financial Services) re: any periodic market testing of investment management providers, the Charity Finance Manager advised that – following appropriate market assessment and procurement processes – Leicester Hospitals Charity had changed its investment management provider in 2019.</p>	<b>CFM</b>

**Resolved – that a report on Leicester Hospitals Charity’s investments going forwards be provided to CFC in April or June 2021.**

CFM

6/21/3 Fundraising Performance Update (January 2021)

Paper I from the Director of Leicester Hospitals Charity provided an update on the fundraising activity of the Charity as at month 10 of 2020/21. As at the end of January 2021, fundraising performance for 2020/21 had already exceeded the yearly target and stood at 116% v plan. This good performance was heavily driven by the Children’s Hospital Appeal, which highlighted the importance of the right appeal focus for 2021/22. Mr A Johnson Non-Executive Director congratulated the Charity team on the very good community fundraising performance in particular, and the Director of Leicester Hospitals Charity confirmed that this included donations from local groups such as the Drop of Compassion charity. The CFC Non-Executive Director Chair thanked the Charity Team for their work and welcomed the significant achievements demonstrated by the report.

**Resolved – that the fundraising performance update be noted.**

6/21/4 Report from the Director of Leicester Hospitals Charity

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

6/21/5 Report from the Director of Leicester Hospitals Charity

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

**7/21 ITEMS FOR NOTING**

There were no items for noting.

**8/21 ANY OTHER BUSINESS**

8/21/1 Report from Col (Ret’d) I Crowe Non-Executive Director

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

**9/21 DATE OF NEXT MEETING**

**Resolved – that the next meeting of the Charitable Funds Committee take place on Friday 16 April 2021 (9.30am – 11.30am).**

The meeting closed at 11.12am

Helen Stokes – Corporate and Committee Services Manager

**Cumulative Record of Members’ Attendance (2020/21 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>
B Patel (Chair)	5	5	100	C Fox	5	3	60
I Crowe	5	5	100	S Lazarus	5	3	60
A Johnson	5	5	100				

*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>
L Davies	5	5	100	S Ward	5	4	80
K Muccheke	3	2	67	M Wightman	5	4	80
N Sone	3	0	0	J Woolley	5	4	80
C Sutton	5	0	0				