

Board of Directors (Public) Item 6.2.7

board report

Subject: Charitable Funds Committee Annual Report 2014/15
Date of meeting: 28th April 2015
Prepared by: Lucy Lavan, Associate Director of Corporate Affairs
and David Jago, Chief Finance Officer
Presented by: David Bricknell, Chair of Charitable Funds Committee

Data Quality Rating	BAF Ref	Impact on BAF
N/A	3, 9	None

1. Introduction

The Charitable Funds Committee has been established as a Committee of the Board of Directors to ensure that the Trust's duty as Corporate Trustee of its Charitable Fund is discharged. The purpose of the report is to provide assurance that the terms of reference set by the Board have been adequately discharged and to make recommendations in respect of the operation of the Committee going forward.

2. Principal Review Areas

This annual report reflects the key objectives of the Committee as set out in the terms of reference.

2.1 Compilation of Annual Report and Accounts to meet the requirements of the auditor and Charities legislation.

The Committee has reviewed relevant disclosures for 2013/14, along with the Auditor's report which gave an unqualified opinion. The Annual Report and Accounts 2013/14 were approved in January 2015.

The Board of Directors has requested that the annual audit process be aligned to that of the Trust's main annual reporting cycle, such that the annual report and accounts are finalised and approved in a more timely fashion after the year end.

Action – Chief Finance Officer to negotiate revised timeframe for completion of annual accounts with the external auditor.

2.2 Invest and apply income, funds and property in accordance with legislation

This has been demonstrated through the annual audit process and unqualified audit opinion.

2.3 Advise Board on Fundraising

Following signal from the Board that the potential to make a stepped change in fundraising should be explored, the Committee commissioned consultancy work from Tarnside to evaluate current arrangements for fundraising, identify the potential to grow this area of activity and provide support in compiling a revenue fundraising strategy, along with exploration of a bid for a major capital appeal.

The Trust generated income of £542k in 2013/14 and in recent years this has been gradually declining largely due to the fact that there has been no fundraising manager in post for some time.

The Committee received Tarnside's report on revenue fundraising in January 2015 and considered options for taking forward the strategy. The outcome of the Committee's decisions will be reported to the Board of Directors in March 2015 and work is in progress to begin recruitment to a specialist fundraising team, with continued support in the interim from Tarnside.

Initial exploratory work for a capital campaign found that the Trust's proposal to centre this on creation of a Young Person's Unit was not viable and therefore work is in progress to establish a case for new facilities that will support a new Innovation strategy for the Trust, led by Dr Jay Wright, with a number of clinical champions actively engaged in compiling a business case.

2.4 Review and Update ToRs

The Committee has reviewed its Terms of Reference and has recommended that these be amended to reflect the model Terms of Reference published recently by the Association of NHS Charities. The revised ToRs is attached and the Board is asked to approve these for adoption with immediate effect.

2.5 Evaluate Membership and Performance

The Committee has recommended a change to its membership to reflect changes within the NED team and also to reflect the transfer of executive responsibility for fundraising from Mark Jackson to Lucy Lavan. The Chief Finance Officer will remain the Lead Executive responsible for supporting the Committee Chair and for ensuring the infrastructure to manage the charitable funds effectively.

The proposed new membership is reflected in attached ToRs and will include the new Head of Fundraising once an appointment is made. Other officers /stakeholders may be invited to attend as required, particularly once a case for a capital appeal has been developed.

2.6 Other – Consideration of Independent Status

The Committee has reviewed the guidance set out in the Department of Health's paper "Review of the regulation and governance of NHS Charities Department's ", issued in March 2014, and the outline guidance issued by the Association of NHS Charities and the Department of Health in November 2014. The advantages and disadvantages of possible conversion to independent status have been considered and the Committee will present a report to the Board of Directors with recommendations for consideration in March 2015.

2.7 Other Assurance

The Committee has routinely received reports fund balances, investment portfolio performance, appeal income, receipts and payments and has considered bids for use of charitable funds to meet approval requirements set out in the Trust's SFIs including contributions to research and development.

3. Looking Ahead

In the coming year the Charitable Committee will focus its attention on:

- The structure and objectives of the Charity, informed by the Board's decision on option of independent status
- Overseeing plans to create a more high profile and successful fundraising function, which will deliver a new revenue fundraising strategy, consider the launch of a major capital appeal and raise the profile of the Trust's brand in doing so.

4. Recommendation

The Board of Directors is asked to:

- Receive assurance that the Charitable Funds Committee has operated effectively during 2014/15; and
- Approve the revised Terms of Reference (attached).