

Charitable Funds Committee

Item 3

Minutes

Date of Meeting: Tuesday 7th July 2015
Time: 2.00pm
Venue: Boardroom, Management Zone, Executive Offices

Present: David Bricknell, Non-Executive Director (in the chair)
Ian Cartwright, Head of Financial Accounts
Julian Farmer, Non-Executive Director
Lucy Lavan, Associate Director of Corporate Affairs
David Jago, Chief Finance Officer

In attendance: Jennifer O'Brien, Secretary
Jo Whittingham, Senior Manager-Grant Thornton

Apologies for Absence: Mary Liley, Head of Fundraising

1. Apologies for Absence

As stated.

2. Declaration of Interests relating to Agenda Items

None.

3. Minutes of the meeting held on Monday 10th March 2015

The minutes were accepted as a true record of the meeting.

4. Matters Arising & Action Log

Further to a request from Paul Modi at the March Charitable Funds Committee for £10,000 for Lucid Innovations to develop improvements on the mitral retractor and develop some initial prototypes, David Bricknell confirmed that he had since seen the detail of Paul Modi's proposed design work and approved the release of the funds.

Item 1-Ian Cartwright confirmed that out of the seven funds he had written to, five responses had been received and fund holders had stated that they had plans to utilise the balances and in some cases increase the size of the funds through additional fundraising efforts. In regards to the two funds where no response was received (palliative care and general) the Committee agreed to close the funds and amalgamate the balances into the LHCH Appeal. Moving forward Ian Cartwright would only update on balances under £500.

Item 2-The Innovation Strategy was to become an on-going agenda item therefore this item would be marked as complete and removed from the action log.

Item 3-The business cycle was updated accordingly. This item would be marked as complete and removed from the action log.

Item 4- Residual and COIF would become an on-going agenda item under the Financial Report; therefore this item would be marked as complete and removed from the action log.

5. Review of Committee Business Cycle

The business cycle would be updated to reflect that in future the annual report and accounts would come to the Charitable Funds Committee in July following the Board of Directors request to see them in May to fall in line with the main Trust accounts.

DJ

6. Head of Fundraising: First Thoughts & Plans

Lucy Lavan explained to Committee members that Mary Liley had produced the paper to present an overview of her initial thoughts and findings regarding the future direction of fundraising, prior to the completion of the Fundraising Strategy.

It was noted that a key issue was the branding of the charity with a significant mis-match to the brand of the Trust. Therefore in September 2015 there would be a review with the designer of the Trust brand to determine how the charity could be re-branded to fall in line with the Trust so the link between the two was easily identifiable. Potential ideas/suggestions would then be discussed between Committee members at the October 2015 meeting.

Lucy Lavan stated how first thoughts centred around 2 strategies that would work in parallel, the first surrounding general fundraising and building on the work the charity already does with a first draft of the revenue strategy being completed by August 2015. This strategy would detail how the Trust might achieve the target set out in the Tarnside report. The Charitable Funds Committee was asked to note that this may result in some resource implications.

A tri-partite mission was suggested to develop this strategy;

- “The Latest and the Best”-supporters could give to help LHCH have the latest and the best medical equipment.
- “Tomorrow’s Medicine Today”-the supporter could give to developments in medical research and innovation.
- “Going the Extra Mile”-the supporter could give to help with patient and staff amenities that would not normally be available within the normal constraints of the NHS

To ensure this strategy was successful, it was emphasised that there would need to be a clear vision with all literature emphasising the three strands, along with profile raising of the charity and data cleansing of the current donors register.

Lucy Lavan explained that the second strategy would surround a proposal for a major targeted appeal for which Patrick Boggan from Tarnside Consulting was currently developing a case. This would focus on 2-3 major contributors/funders either individuals or organisations. An update would be provided at the October 2015 Charitable Funds Committee. **ML**

It was noted that for the next 12 months Mary Liley would continue to work with an additional one or two clerical support staff and then decide if further support was needed to move the strategy forward. Committee members were asked to note that the Fundraising Strategy was a 3 year cycle where relationships needed to be built and the charity profile raised in order to secure donations.

Discussions ensued between Committee members with all members agreeing that Mary Liley should conduct a stakeholder focus group to discuss the proposed names regarding the tri-partite mission as all members were in agreement that they were unsure about the “Going the Extra Mile” title as it was too general a term compared to the other two which were seen as self-explanatory. Lucy Lavan would feedback to Mary Liley. **LL**

Lucy Lavan informed the Charitable Funds Committee that proposed branding and a draft Fundraising Strategy would be brought to the October 2015 meeting with a proposed case also going to Board of Directors before then. **ML**

David Bricknell thanked Mary Liley for this piece of work, highlighting her efforts having only been in post a month.

7. Fundraising: Update on Development of Case for Major Appeal

Lucy Lavan informed Committee members that Dr Jay Wright, Dr Mark Jackson, Dr Rod Stables and Professor Aung Oo were working together to build on both Research & Teaching to develop a clear and defined case for a major appeal where they hope to incorporate real time research with real patients, collating real results in a short time scale.

Lucy Lavan confirmed the team were investigating how this project would work until it became self-financing, highlighting that it would likely need 3-5 years funding.

It was determined that this item would now become an on-going agenda item and therefore updates would be continually provided at future Charitable Funds Committee Meetings.

8. Financial Report

The report was taken as read by all Committee members with Ian

Cartwright highlighting the following;

- At the end of May 2015, the Charity had been credited with an income of £78,000 for the year to date, comprising of £41,000 LHCH Appeal fundraising income and other funds at £36,000.
- The percentage of fundraising costs to all income stood at 4.11% at the end of May 2015 with the total of all income received of £78k compared to fundraising costs of £3k.
- During 2015/16 £7,459.39 of costs associated with the fundraising strategy and recruitment of a fundraising manager had been incurred. These costs were additional to the fundraising calculation above and were reflected in the residual fund balances. It was agreed that in reviewing the costs of fundraising normal costs and exceptional costs i.e. Tarnside Consulting would be kept separate.
- The Charity had £1.124m in bank accounts as at 31st May 2015
- The majority of the cash at bank is invested with Government Banking Service, currently yielding interest at a rate of 0.25%. For the period April to May 2015, interest of £411.98 had been earned. This is the most favourable interest rate that could currently be earned whilst remaining compliant with the Trust's Treasury Management Policy.
- The Trust has £400,000 invested in the Charity Official Investment Fund (COIF). The market value of this investment at the 31st May 2015 was £558,677.63 an (unrealised) increase of 1.55% from 31st March 2015. The total increase in value since the funds were invested has been 39.67%.
- Dividends on the COIF are received quarterly. The first quarter's dividend for 2015/16 had been received, totalling £5,927.00. This represents an annual return of 5.93%.
- The balance of charitable funds at the end of May is £0.859m. This compares to the opening balance as at 1st April 2015 of £0.782m and represents an overall increase of £0.078m (10%).
- There had been 7 donations totalling £25,408, including a £10,000 Legacy payment
- There had been four donations contributing to the Aortic Symposium totalling £24,050
- A Police & Crime Commissioner donation of £4,135.
- Donations to Robert Owen House included a Friends of Robert Owen House Donation of £2,100 and Quayside Catering of £1,057
- At the end of May 2015, there had been 9 payments, totalling £3,502.95 leaving a remaining balance of £16,497.05 against the annual approval of £20,000 (annual value subject to Committee approval).
- At the end of May 2015, there had been 11 payments, totalling £3,798.36 leaving a remaining balance of £21,201.64 against the annual approval of £25,000 (annual value subject to Committee approval).

The Finance Department would look at the cash flow for the next six months to determine whether any money could be put into COIF. Ian Cartwright would confirm the notice period offline and email members.

The Committee noted the financial position of the Charitable Funds reported at the end of May 2015 as highlighted in this report.

9. Annual Report & Accounts

Ian Cartwright asked members to note that the circulated papers were pre the independent examination but took the report as read and highlighted the following details from 2014/15;

- Audit fee was £1,300 including VAT
- Total Income of the Charity was £544k
- Donations at £259,000
- Legacies were £116k
- Other Events & Fundraising stood at £146,000
- Investment Income of £20,000
- £3,000 interest on short term deposits
- The total spend in 2014/15 was £1.18m
- CF ward refurbishment was £442k
- Critical Care remodelling was £61,000
- Robert Owen House £70k
- Education & Training at £31,000
- With an overall fund balance of £932,000

Jo Whittingham confirmed that Grant Thornton were pleased to approve the accounts for 2014/15.

The Charitable Funds Committee recommended the accounts to the Board of Directors for their approval at the meeting on the 28th July 2015.

10. Date & Time of Next Meeting

Tuesday 13th October 2015 at 8.30am, Boardroom.