

CHARITABLE FUNDS COMMITTEE

24 August 2012
14.00 – 15.30 in AD80

MINUTES

Attendees:	Yvette Robbins	YR	Chair
	Majid Bhatti	MB	Head of Financial Accounts
	Lisa Cheek	LC	Divisional Chief Nurse – Medical (for Jo Thomas)
	Edward Cooke	EC	Non Executive Director
	Oma Lal	OL	Charitable Funds Accountant
	Paul Simpson	PS	Chief Financial Officer
	Monica Palmer	MP	Note taking
Apologies:	John Power	JP	Non Executive Director
	Fionnula Robinson	FR	Director of Communications

	Log of Actions Arising	Who	Due
1	Chair opened meeting, welcomed members and noted apologies		
2	<p>Minutes of last meeting on 23-Feb 2012 Page 2 – Investment Policy and Paper – Final paragraph to read as follows: “EC was concerned about the continuing erosion of capital since he became involved with the committee”.</p> <p>With the above amendment, the minutes were approved as a true and accurate record of the meeting held on 23 February 12.</p>		
3	<p>Outstanding Issues from Previous Meetings</p> <p>Reorganising of Funds – Patients Council It was agreed that JT and LC would discuss the appropriateness of funding the Patients Council using Charitable Funds and to then feedback any actions at the next committee. SB attended the last Patients Council. The Patients Council is currently undergoing a restructure and the committee agreed that reasonable expenses e.g. parking fees, would continue to be paid during this phase - Action closed.</p> <p>Fundraising Execs have ruled out funds for fundraising. Opportunity to join forces with the Friends who use professional Fundraisers should be considered. FR has met with Richard Burford (RB), who has held meetings with Professional Fund raisers. There is no opportunity, currently, for shared fundraising with the Friends – Action under review.</p> <p>Investment Policy and Paper MB is scheduled to meet with a representative from CCLA to discuss the various investment funds operated by them in order to establish the best vehicle to invest surplus funds into to achieve a higher rate of return. MB to update the committee by e-mail of the recommendations after the meeting with CCLA. This should include recommendations of the amount to be invested and the redemption terms.</p>	YR	

<p>MB circulated the revised policy by e-mail and the committee agreed that option 1 was the best investment option. A disappointing response by the CCLA to questions about capital erosion and transparency of fees and charges raised by MB has resulted in no investment being made at this time and further investment opportunities need to be investigated. PS suggested that the timing for any further investigation should be deferred until after completion of the Trust annual accounts.</p> <p>EC was concerned about the continuing erosion of capital. MB/PS will review and investigate investment opportunities and circulate details. In order to determine the level of investment, feedback was requested from fundholders on their anticipated level of expenditure. A meeting with a number of Investment Fund Managers will be arranged from September from which the most appropriate investment opportunity will be selected. This will be concluded by December. The current value of surplus funds is circa £300k and this amount will be finalised on completion of expenditure plans.</p> <p>Action: An appropriate investment plan to be considered by end December 2012</p> <p>Harrowlands OL confirmed that the Harrowlands balance has now been transferred to the three organisations Sussex Community NHS Trust, First Community Health and Care and also Central Surrey Health. Action closed.</p> <p>External request Funding of training has raised issues in the past. If a charitable fund has been established specifically for training, training requests are acceptable. However, in the absence of designated training funds, individuals requesting training funds should first investigate the availability of a bursary or training budget. Request forms have been amended to ensure that the applicant has applied for relevant Trust Funds or for a bursary in the first place prior to applying for charitable funds - Action closed.</p> <p>Staff Tax Liability Funds donated to staff can result in a tax liability for the individual staff member, in a similar way to long service awards and retirement gifts, where these are declared on the Individuals' P11D. Greater clarity is required in this respect. MB to e-mail HMRC to ascertain the facts in relation to the application of funds/gifts to staff. In a conversation with HMRC they confirmed that awards and gifts up to £150 (for events/parties) do not create a taxable burden on staff receiving the benefit. This amount has not been breached by the Charity previously. It was agreed that gifts such as flowers could be given to staff up to a value of £75. – Action closed.</p> <p>Request for Funds A request for funds has been received from a Retirement Fellowship for retired doctors to provide financial support for their local activities. The Trust has responded that this was not appropriate spending as they were not directly involved with the hospital. The Fellowship asked for this decision to be reconsidered. After discussion, the Committee agreed that this request for funds should be declined on the basis that it cannot be assured that these funds are used for charitable purposes and it is also not for the use of former employees. PS has notified the</p>	<p>MB</p>	
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	<p>external applicant of the Committee's decision – Action closed.</p> <p>Donation Envelopes Envelopes have been distributed to all wards. To date, no envelopes have been returned to the cashiers. It was agreed that the location of these envelopes needs to be reviewed to improve their visibility and awareness to staff, patients and visitors. Suggestions included some disclosure within Michael Wilson's weekly letter, posters, photos of items purchased from donations to be displayed on the charity web page, details of value of funds available circulated as well as charity information posted on ward information boards.</p> <p>ACTION: Lisa Cheek will review locations and come up with some proposals.</p> <p>ACTION: YR to discuss with MW the support being received from Communications department.</p> <p>ACTION: OL to attend Ward & Nursing Managers meetings to update staff.</p> <p>NHS Surrey NHS Surrey has e-mailed SaSH asking if SaSH would take over the management and administration of the NHS Surrey Charitable Funds. As the funds are for community use, the additional cost of administering these funds could not be justified. PS to notify NHS Surrey to this effect – action closed.</p> <p>Legacy Information has been received from Legal department that a legacy of £80k has been received. No further information is available at this time. The legacy of £78k unrestricted funds appears in last year's accounts – Action closed.</p>	<p>LCheek</p> <p>YR</p> <p>OL</p>	
4	<p>Financial Overview Draft Annual Accounts 11-12</p> <p>A new firm of accountants, Grant Thornton, has been appointed as external auditors to carry out an independent audit of the accounts in November, taking 5 days and costing £4k.</p> <p>A general discussion on the Draft Annual Report and Financial Statements took place and in particular the following matters were raised:</p> <ul style="list-style-type: none"> • The Annual Report should state it is a "DRAFT". • the number of funds last year (in total 123) had been reduced to 73 through closure and merger activity in 11/12. • OL informed the Committee that the low inter-company balance and also the high accrual balance was due to expenditure invoices received and paid for in April 13. • There was an increase in voluntary income in 2011/12 from legacy and donations. • Under the section "Our Future Plans" the committee felt that the tone of the second paragraph relating to expenditure plans should be changed to indicate that fund holders are being encouraged 		

	<ul style="list-style-type: none"> Under note 7 "Governance and Overhead Costs" the sentence on staff recharging was changed slightly to "Only the cost of NHS staff that spend a material amount of time on charitable funds are recharged to the charity". Paul Simpson was given delegated authority to make changes to the Annual report to utilise charitable funds. <p>The draft Trustees Annual report was noted and approved, subject to the above amendments, for independent examination by the external auditors.</p> <p>Volunteers ACTION: OL to talk with Maris Codling about opportunities for a volunteer.</p> <p>July 2012 Management Accounts The Management Accounts have been produced in the format as previously agreed. These are produced monthly and updated on the Intranet.</p> <p>Review of actions from internal audit report There were 11 recommendations, all of which were low or medium. Internal audit recognised that this unusually high number was mainly due to the handback of responsibilities from JS2. The RSM cost was within the fixed audit fee and was not charged to Charitable Funds.</p> <p>The Committee acknowledged the implementation of all the internal auditor recommendations, all of which have been confirmed by the Internal auditors.</p> <p>Expenditure Plans Fundholder expenditure plans for 12/13 were reviewed. However, a significant number of fundholders (with high fund balances) had not responded to requests for their spending plans.</p> <p>OL to meet directly with fundholders who hold a high fund balance over the coming weeks, rather than to request information through e-mail, to ascertain their spending information. This information will also assist in conversations with investment managers in fixing a level of surplus funds available to invest.</p> <p>Action: OL to meet directly with fundholders to establish their expenditure plans for 12/13. OL to attend the Ward Managers meetings to increase visibility and awareness of the funds and encourage the use of the funds.</p>	OL	
5	<p>Terms of Reference: Update to May 11 TOR The following should be included in the ToR under the heading "Attendance": In the absence of a quorate member, decisions will be followed up with the appropriate member.</p> <p>Review of Committee workplan 12-13 PS to meet with MB/OL prior to next meeting to review report structure.</p>	PS/MB/OL	
6	Approved Funding Requests- Committee noted		

7	<p>Any Other Business:</p> <p>Consolidation of Charitable Funds HM Treasury confirmed that consolidation standard (IAS 27) under International Financial Reporting Standards (IFRS) will not be applied to accounts of NHS bodies until 13/14 at the earliest. This means that, in principle, where an NHS body 'controls' an NHS charity the NHS body will be required to consolidate the charity's accounts with its own. To this end the DH carried out a fact finding exercise in Q1.</p> <p>New Charities Act 2011 There are no changes to the law. It consolidates the four previous Acts.</p> <p>Edward Cooke's retirement as NED As it was his last meeting, YR asked if he had a wish list. "A quicker turnover of funds, get people more involved and invest more of the funds were his priorities". Chair thanked EC for all his contributions to the committee since he joined.</p>		
8	<p>Proposed Date of next meeting</p> <p>November 2012 – Date and time to be confirmed</p>		