

UNIVERSITY HOSPITALS DORSET NHS FOUNDATION TRUST
CHARITABLE FUNDS COMMITTEE ANNUAL REPORT 2022/23

1 PURPOSE OF THE REPORT

- 1.1 The Charitable Funds Committee (the “Committee”) has prepared this report for the Board of Directors. It sets out how the Committee satisfied its terms of reference – which relate to the operation of the University Hospitals Dorset NHS Foundation Trust Charitable Funds (Charity Registration Number 1057366) (the “Charity”) - between 1 April 2022 and 31 March 2023. The Committee seeks to provide the Board with evidence that it has met its responsibilities as set out in its terms of reference during the relevant period. The Committee’s terms of reference were reviewed and updated in January 2023¹.
- 1.2 The Committee exists as a committee of the Trust (in its capacity as Corporate Trustee of the Charity), with the Board of Directors acting as the Board of the Trustee.

2 MEETINGS

- 2.1 Four formal meetings were held during the year, all of which were quorate:
- Thursday, 5 May 2022
 - Monday, 8 August 2022
 - Monday, 14 November 2022
 - Monday, 6 February 2023
- 2.2 Meeting attendance is detailed in **Appendix 1**.

3 MEMBERSHIP

- 3.1 Membership of the Committee comprises three Non-Executive Directors, the Chief Finance Officer, the Chief People Officer².

Membership of the Committee in 2022/23 comprised of:

- John Lelliott, Non-Executive Director and Committee Chair
- Pankaj Davé, Non-Executive Director (*from 1 January 2023*)
- Philip Green, Non-Executive Director
- Caroline Tapster, Non-Executive Director (*until 31 December 2022*)
- Pete Papworth, Chief Finance Officer
- Karen Allman, Chief People Officer
- Richard Renaut, Chief Strategy & Transformation Officer (*until 31 December 2022*)

¹ This self-assessment has been prepared against the Committee’s terms of reference in effect from 25 January 2023 (notwithstanding that during part of the period under consideration, the previous terms of reference applied).

² Chief Strategy & Transformation Officer a member until 31 December 2022.

4 COMPLIANCE WITH TERMS OF REFERENCE

- 4.1 A review of the Committee's compliance with its own terms of reference was undertaken (by the Company Secretary Team to support the Committee) in April 2023 by scrutinising the agendas and minutes of the four Committee meetings which took place between 1 April 2022 and 31 March 2023. This evidences how the Committee has discharged each of its responsibilities:

4.1.1 **To monitor and authorise the application of all charitable funds in accordance with the Charities Acts, external guidance and applicable legislation and to ensure that decisions on the use or investment of such funds are compliant with the explicit conditions or purpose of each donation or bequest.**

The Committee monitored the application of charitable funds through the quarterly finance report.

4.1.2 **To make decisions involving the investment of charitable funds with regards to the existing and subsequent legislation, policy and guidance from the Charity Commission.**

The Committee made decisions in respect of the investment portfolio, considering advice from the investment manager (Quilter Cheviot). In relation to legislation, policy and guidance from the Charity Commission, recommendations of the Chief Finance Officer were taken into account. Under the Trust's Standing Financial Instructions (section 16.5), the Chief Finance Officer is responsible for all aspects of the management of the investment of charitable funds

4.1.3 **To ensure compliance with the Trust's Standing Financial Instructions and Scheme of Delegation as applicable to charities.**

Section 16 of the Standing Financial Instructions predominantly sets out responsibilities of the Chief Finance Officer.

It has been identified that there appears to be a discrepancy between the Scheme of Delegation (section 16.6.1) which provides for the Committee to approve expenditure of charitable funds from £20,000 to £250,000 and the operational process implemented for business cases being presented (above £25,000, rather than £20,000). The potential discrepancy is currently under review.

Where presented to the Committee, approval of expenditure from charitable funds exceeding £250,000 was recommended to the Board.

4.1.4 **To monitor the performance of the investment portfolio, to include the review of spending plans and balances held within individual charitable funds.**

Performance of the investment portfolio was presented at each meeting by the investment manager (Quilter Cheviot) and monitored by the Committee. The Committee also conducted a review of the ethical positioning of the investment

portfolio in August 2022. Balances of individual funds were reviewed through the standing finance report.

4.1.5 To review and recommend approval to the Board of the Annual Report and Accounts of the Charity for submission to the Charity Commission.

The Committee reviewed the draft annual report narrative in May 2022, followed by the full annual report and accounts in August 2022 which were recommended to the Board for approval.

4.1.6 To receive and review the quarterly charitable funds income and expenditure accounts together with any other supporting information.

The Committee received and reviewed the quarterly finance report. It also reviewed and approved charity recharges in August 2022.

4.1.7 To ensure that expenditure is controlled and utilised on suitable projects.

The Committee reviewed expenditure and charitable funds applications through the quarterly finance report. It also considered and, if thought suitable, approved applications presented to it between £25,000 and £250,000.

4.1.8 To establish policies and procedures to ensure the effective day to day management of the charitable funds and to ensure that these procedures are followed.

The Committee reviewed and approved the fundraising policies in February 2023. It also approved the reserves policy in August 2022. Assurance of the effective day-to-day management of the charitable funds was provided through the standing fundraising and finance reports.

4.1.9 To review detailed business cases relating to major investment decisions and to recommend investment or otherwise.

The Committee reviewed and, if suitable, approved business cases between £25,000 and £250,000. Business cases above £250,000 were recommended to the Board for approval.

4.1.10 To ensure legacies are realised in a timely and complete manner.

Legacy performance was reported to the Committee through the standing fundraising report.

4.1.11 To safeguard donated money.

At each meeting of the Committee, the following were received:

- a fundraising report;
- a finance report.

- The investment portfolio update.
- and the risk register reviewed and discussed.
In November 2022, the Committee received an update in relation to the final distribution from a particular legacy.

4.1.12 To review annually the overall fundraising strategy and fundraising projects and recommend schemes to the Board for approval.

The fundraising strategy for 2023/24 was approved by the Committee in February 2023. Business cases were recommended to the Board where the value exceeded the Committee's delegated limit of £250,000.

4.1.13 To enact the overall strategy, as set by the Board, on the use of the Charitable Fund.

Progress against the fundraising strategy was regularly monitored through the Committee's standing fundraising and finance reports.

4.2 A governance cycle detailing which reports are to be expected at each meeting was formally reviewed and approved in February 2023. The governance cycle is attached as **Appendix 2**.

4.3 The Committee's terms of reference specify that unless otherwise agreed by the Committee Chair, the papers should be circulated not less than 5 working days in advance of the meeting. There were occasions during the year when scheduled business cases were received late.

5 CONCLUSION

5.1 The Committee considers that it has effectively discharged its responsibilities as set out in its terms of reference.

John Lelliott OBE
Chair, Charitable Funds Committee
May 2023

Appendix 1 – Attendance at Charitable Funds Committee 2022/23

Charitable Funds Committee		5 May 2022	8 August 2022	14 November	6 February 2023
Present	John Lelliott				
	Pankaj Davé				
	Philip Green				
	Caroline Tapster	A			
	Pete Papworth		D		
	Karen Allman				A
	Richard Renaut	A	A		
Attendees	Debbie Anderson				
	Robert Bufton				
	Richard Callaghan				
	James Donald				
	Georgina Floyd				
	Yasmin Dossabhoy				
	Caroline Fawcett				
	David Frost				
	Ewan Gauvin				
	Andrew Goodwin				
	Jon Harding				
	Siobhan Harrington				
	Chris Hickson				
	Gaurika Kapoor				
	Helen Martin				
	Deborah Matthews				
	Marie Miller				
	John Payne				
	Nik Ramsay				
	Mandy Tanner				
	Rob Whiteman				
Was the meeting quorate?		Y	Y	Y	Y

Key

	Not in Attendance
A	Apologies
D	Delegate Sent
	In attendance
	N/A

Appendix 2 – Charitable Funds Committee Governance Cycle (version February 2023)

UNIVERSITY HOSPITALS DORSET NHS FOUNDATION TRUST

CHARITABLE FUNDS COMMITTEE

GOVERNANCE CYCLE 2023

QUARTERLY REPORTS	
Charitable Funds Committee Minutes	Chair
Action List	Chair
Investment Report	Quilter Cheviot
Risk Register	HoC
Fundraising Quarterly Report	HoC
Financial Quarterly Report	ADoF
Business Cases / Charitable Funds Applications	HoC

ANNUAL REPORTS	Lead	Due
Annual Report & Accounts	CFO	August
Fundraising Strategy	HoC	February
Fundraising Policies	HoC	February
Charity Recharges	ADoF	August
Financial Forecast & Compliance with Reserves Policy	ADoF	August
Review of Ethical Positioning	CFO	August
Charitable Funds Committee: Governance Cycle	CoSec	February
Charitable Funds Committee: Terms of Reference	CoSec	November
Charitable Funds Committee: Annual Report	Chair	May

ADoF = Associate Director of Finance
 CFO = Chief Finance Officer
 CoSec = Company Secretary
 HoC = Head of Charity