

**MINUTES OF THE CHARITABLE FUNDS
COMMITTEE HELD ON TUESDAY 19 JULY
2011, IN THE BOARDROOM,
CUMBERLAND INFIRMARY, CARLISLE**

PRESENT: Mr M Bonner, Non Executive Director (Acting Chair)
Mr M Evens, Non Executive Director
Mr A Mulvey, Director of Finance and Information
Mr E Gardiner, Associate Director of Finance
Mrs C Platton, Acting Director of Nursing
Dr F Dallas, Clinical Representative
Mr J Tollitt, Acting Assistant Director of Finance

IN ATTENDANCE: Mrs J Lynch, Office Manager (Minute taker)

CF10/11 WELCOME & APOLOGIES

Apologies were noted from Mr P Day, Mr M Little, Mrs R Duguid and Dr J Nicoll.

CF11/11 MINUTES OF THE PREVIOUS MEETING

The minutes were **approved** as a true and accurate record

CF12/11 MATTERS ARISING AND ACTION PLAN

Please see action plan for updated actions.

Matters Arising from Action List:

There were no matters arising.

CF13/11 PROPOSAL FOR CHARITABLE FUNDS FOR BAY DOORS

Committee members discussed the agenda item, as it was apparent that the information received from Dr Graham did not correspond to the title of the item on the agenda. Mrs Platton reported that the request for the bay doors stemmed from an infection control report. Members discussed this and it was noted that the cost for the doors would require a decision at Charitable Funds in the future. The information received from Dr Graham was for something else entirely and was of a low value, therefore not requiring the authorisation of the Charitable Funds Committee. Members agreed that Mr Mulvey would discuss the bay doors with Dr Graham and would report back

to members before the October meeting to allow a decision, to be made regarding the funding.

Action: Request for funding for Bay Doors:
Mr Mulvey to discuss this item with Dr Graham and to report back to members before the October meeting to allow a decision, to be made, prior to the October meeting on the request for funding for the bay doors.

CF14/11 FUND BALANCES

Mr Gardiner informed members that meetings had taken place with fundholders of the larger funds and spending plans had started to be developed.

Mr Gardiner further reported that there were a number of 'inactive' funds where funds had not been touched for a period of time and a number of them had low fund balances. Mr Gardiner questioned members on a proposal to move those funds into another more appropriate fund or a general fund. Members discussed this request in depth and agreed the following criteria:

- a) Regarding inactive funds specifically at WCH further information to be sought regarding the original request when the funds were donated.
- b) Discuss the inactive funds that had not been used for 2 years (since April 2009) and had a balance of less than £2,000 with fund holders. If they had no spending plans it was agreed that they would be given 4 weeks to develop plans or the funds would be amalgamated into an appropriate active fund. It should also be highlighted to these fund holders that they would still be able to access funds via the general funds.

Mr Gardiner informed Committee members that he would bring a report back to the October meeting showing the spending plans. Mr Mulvey suggested that the committee were shown the detailed spending plans of the most material funds. Members agreed to this suggestion and to the suggestion later in the meeting that some of the fundholders be invited to the October meeting to inform members of their spending plans.

Mr Gardiner further informed members that he had the Charitable Fund Accounts and would circulate them to members before the October meeting. The auditors would not be able to audit these accounts until later in the summer.

Mr Bonner questioned the complex legacy that had been received into the Trust for the Renal Department and questioned whether the estate had been sorted so that the Trust had received the cash. Mr Tollitt and Mr Gardiner both felt that this had happened and all the buildings had been sold, but Mr Tollitt would check on this and inform members. Mr Bonner also questioned that the family issue had been addressed.

The report was noted.

ACTION: Fund Balances

- a) Regarding inactive funds at WCH Mr Gardiner to seek further information regarding the original request when the funds were donated.
- b) Mr Tollitt to raise awareness that the inactive funds that had not been used for 2 years (April 2009) and were less than £2,000 were being examined with the potential move of said funds into another more general fund if spending plans were not produced. Contact the fund holders of these funds via letter and give them 4 weeks to produce spending plans, otherwise the funds would be moved into another more appropriate fund or a general fund. To also ensure in the letter that the fundholders were aware that the funds could be accessed by application to the general fund.
- c) Mr Gardiner informed Committee members that he would bring a report back to the October meeting showing the spending plans. And that some fund holders may also be asked to attend to present the plans.
- d) Mr Gardiner to circulate the Charitable Fund Accounts to committee members before the October meeting.
- e) Mr Tollitt to update Committee members on the renal legacy and whether the buildings had all been sold and the money received into the Trust. Also to report on the family issue relating to the legacy.

CF15/11 SPENDING PLANS (ACTION FROM AUDIT COMMITTEE)

Mr Evens reported to members that the Charitable Funds Internal Audit report had been discussed at the Audit Committee and Mr Evens wanted assurance on behalf of the Audit Committee on the spending plans as well as the poor rate of return of cash. Mr Evens informed members that following the discussion relating to spending plans in this meeting he was assured that work was ongoing to address these issues.

Mr Gardiner informed members that in relation to recommendation 4 of the report that the issue relating to trust expenditure from Charitable Funds had been addressed and the expenditure had been transferred into trust capital expenditure

CF16/11 INVESTMENT APPROACH

Mr Mulvey informed members that this item had been brought back to the committee for further discussion as it had been felt that Mr Day, as committee chairman should be part of the discussion and It was unfortunate that Mr Day was unable to attend the meeting

Mr Evens informed members of the history relating to the investment of Trust Charitable Funds and how previous discussions had not led to any changes in the agreed investment strategy. Mr Evens further reported that the current committee chairman agreed that the Trust should look at the investment strategy of the Charitable Funds.

Mr Mulvey reported that the Trust had to manage the risk in relation to the investment of the funds and secure the best return for the funds, but that the Trust had to be flexible in relation to moving the funds if it was felt appropriate.

Mr Bonner informed members that he was able to give members Mr Day's view on this and that was given the nature of the funding by voluntary donations, the capital had to be preserved at all cost. Mr Bonner further informed members that his own opinion was that the HSBC presentation had been poor.

Mr Evens agreed with Mr Bonner and further stated that he agreed that the capital needed to be protected, but that within the constraint a core of the funds could be invested or deposited, provided the Trust managed the cash flow and credit risk.

Mr Bonner questioned the opportunity to invest the Charitable Funds with the Treasury and Mr Mulvey stated that this could not be done but that the Trust would look at the HSBC contract and the timeframe/costs to get out of the contract, and would also look at alternative ways of investing Charitable Funds and would report back to the Committee in October. Mr Evens questioned the need to wait until October as he felt if there was a long timeframe and did not want to hold up the process. Members agreed that Mr Mulvey would inform them before the October meeting and if members agreed to move the funds before October then the process could start. Mr Mulvey to report back to committee members with the information.

<p>Action: Investment Approach Mr Mulvey to look into the options for moving the Charitable Funds investments and report back to members so that a decision can be made, if appropriate, before the October meeting</p>
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CF17/11 CHARITABLE FUNDS ACTION PLAN

Mr Gardiner informed members that although he had seen the actions, he was not familiar with them and would be advised by committee members. Mr Evens informed members that the action plan had been derived from the 'best practice from the Charities Commission'. The Trust Board had been given an overall sense of direction as to what the Charitable Funds Committee should be doing.

Mr Evens questioned whether the Trust Board would have to be appraised over the potential to consolidate inactive funds both at WCH and CIC.

Mr Mulvey agreed that the Trust Board as Corporate Trustees needed to be aware of this and would inform them at the September Trust Board meeting.

Action: Charitable Funds Action Plan
Mr Mulvey to inform Trust Board members as Corporate Trustees of the potential amalgamation of inactive funds.

CF18/11 **ANY OTHER BUSINESS**

a) Transport for Renal Patients

Mr Evens asked about the patient transport for dialysis patients, as during his walkabout on both sites, this had been noted to be an issue by patients, due to the length of time they had to spend waiting for transport both to and from the hospital. Mr Mulvey informed members that Mr Brown, Mr Davidson and Ms Monk had looked into this issue previously and that it related to a core NHS patient transport provision that needed resolution with NWAS rather than application of donated funds.

Dr Dallas reported that there should be a separate ambulance contract for Renal patients with a 30 minute pick up/drop off window, but this was not the case with the Trust. Mr Evens and Mr Mulvey agreed that the transport issue needed to be addressed with North West Ambulance Service and Mr Mulvey and Mrs Platton would look into this and update committee members. Mr Mulvey stated we needed to get the basic service right before considering any additional investment.

b) Charitable Funds following Acquisition.

Mr Evens questioned what would happen to the Charitable Funds subsequent to any potential acquisition, and what the Trust could do to ensure that the funds were protected for the reason they had been donated and not diverted to another use. Mr Mulvey reported that the Trust Funds would be transferred to the new organisation but that the fund purposes would still exist and funds would need to be applied for the purpose they were donated for. Mr Evens asked that the rules be checked to ensure that the funds were protected; that is were kept local and not transferred. Mr Evens requested that a review was undertaken on the Charitable Funds to identify any areas of risk.

Mr Evens then questioned if there was any viability in setting up an independent trustee of the funds, noting that there would be costs associated with this. Members discussed this and it was agreed that the feasibility of this option would be looked at.

c) Consolidating of Charitable Trust Funds into Trust Accounts

Mr Evens questioned the consolidating of Charitable Funds into Trust Accounts following the discussion at the Audit Committee meeting on Monday 18 July 2011. Members discussed this and agreed that it would

follow the guidance that was available and comply with the necessary requirements.

Action:

- a) Renal Transport: Mr Mulvey and Mrs Platton to address the issue of the patient transport services for renal dialysis patients and report back to committee members.
- b1) Mr Tollitt to review the Charitable Funds to identify any areas of risk whereby the funds may be transferred away from the original intention and used by the acquiring Trust for other purposes.
- b2) Mr Tollitt to investigate the feasibility of looking at an independent trustee to oversee Charitable Funds to be looked into and reported back to members

CF19/11 DATE AND TIME OF NEXT MEETING

Tuesday 18 October 2011 at 10am in the Boardroom, Cumberland Infirmary, Carlisle

CHARITABLE FUNDS ACTION LIST JULY 2011

DATE OF MEETING: July 2011

<u>Minute Point Reference</u>	<u>Details of Action agreed</u>	<u>Action by whom</u>	<u>Timescale</u>	<u>Progress</u>	<u>Governance coding</u>
JULY 2010					
CF16/10	<p><u>Assessment of Governance Arrangement</u> <u>Action Plan:</u> Mr Mulvey to update the framework document and bring back to the October Charitable Funds meeting</p>	Alistair Mulvey	October 2010 Completion date moved to January 2011 -	Ongoing – Mr Mulvey and Mrs Duguid to meet and formalize taking this document to the Trust Board in September and the Charitable Funds meeting in October.	
FEBRUARY 2011					
CF06/11	<p><u>ScopeGuide Business Case</u> Mr Brown to speak to Mrs Platton to ensure that the Insufflation unit would be brought to the attention of the Trust Medical Director, as it would be required to be discussed at the Medical Devices Committee, as it was a new piece of equipment that was not currently used in the Trust</p>	Chris Platton	17 May 2011 Revised date 19 July 2011	Complete – Dr Dallas reported on 20 July via email that she had met Dr McDonald and he confirmed that the equipment was being used and had already halved the number of patients requiring sedation.	

JULY 2011					
CF13/11	<u>Request for funding for Bay Doors:</u> Mr Mulvey to discuss this item with Dr Graham and to report back to members before the October Meeting to allow a decision, to be made, prior to the October Meeting on the request for funding for the bay doors	Alistair Mulvey	18 October 2011	Ongoing – Following email information received, Dr Dallas to verbally update at the October meeting.	
CF14/11	<u>Fund Balances</u> c) Regarding inactive funds at WCH , Mr Gardiner to see further information regarding the original request when the funds were donated d) Mr Tollitt to raise awareness that the inactive funds that had not been used for 2 years (April 2009) and were less than £2,000 were being examined with the potential move of said funds into another more general fund if spending plans were not produced. Contact the fund holders of these funds via letter and give them 4 weeks to produce spending plans, otherwise the funds would be moved into another more appropriate fund or a general	Eric Gardiner Jim Tollitt	18 October 2011 18 October 2011 18 October 2011		

	intention and used by the acquiring Trust for other purposes b2) Mr Tollitt to investigate the feasibility of looking at an independent trustee to oversee Charitable Funds and report back to members	Jim Tollitt	18 October 2011		
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