

**UNRATIFIED MINUTES OF THE CHARITABLE FUNDS  
COMMITTEE HELD ON TUESDAY 01 MAY 2012 AT  
10AM IN THE BOARDROOM, CUMBERLAND**

**PRESENT:** Mr M Bonner, Non Executive Director (Acting Chair)  
Mr M Little, Trust Chairman  
Mr M Evens, Non Executive Director  
Mr A Mulvey, Director of Finance/Deputy Chief Executive  
Mr E Gardiner, Deputy Director of Finance  
Dr F Dallas, Clinical Representative  
Ms C Simpson, Nursing Representative

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

**CF16/12 WELCOME & APOLOGIES**

Mr Bonner opened the meeting and welcomed Ms Simpson to her first Charitable Funds committee meeting. Members introduced themselves to Ms Simpson.

Apologies were noted from Mr P Day, Mrs R Duguid, Mrs C Platton, Dr J Nicoll and Mr J Tollitt.

**CF17/12 MINUTES OF THE LAST MEETING**

With the following amendment the minutes of the last meeting were agreed to be a true and accurate record.

CF07/12, page 2, 2<sup>nd</sup> bullet point: the word 'but' to be removed from the sentence.

**CF18/12 MATTERS ARISING AND ACTION PLAN**

Mr Evens informed members that the action list did not match up with the minutes so it was agreed to go through both the minutes and the action list in detail. The actions are noted on the action list.

There were no other matters arising.

**CF19/12      FUND BALANCES**

Mr Gardiner updated members on the Charitable Fund balances and spending plans. Mr Bonner identified an error he had found in the unrestricted funds. Mr Gardiner apologised to members for the error and informed members that this would be corrected. Mr Bonner further questioned that the spending plans should read the financial year 2012/13. Mr Gardiner reported that the financial year 2011/12 was the correct wording.

Mr Gardiner reported to members that he was currently writing to fundholders about their spending plans and meetings were being arranged to discuss the funds and spending plans. Feedback from the meetings and discussions would be reported to Charitable Fund members at a future meeting. Mr Mulvey informed members that the Trust was in a better position than previously as there were more spending plans, but this remained work in progress.

Members discussed in depth the lack of spending plans for the funds, along with the shortage of requests to access Charitable Funds. The following points were noted:

- As already noted in the action list, a report to be placed into the Chief Executives Bulletin regarding the use of Charitable Funds and how to access them, along with an item in the Staff magazine.
- The Trust was discussing with the Auditors about the potential uses for Charitable Funds, and how the wishes of the donor had to be adhered to if it was donated for a specific request.
- Some of the general funds at the West Cumberland Hospital were being retained to allow enhancement of the new/rebuild of the hospital, but the spending of funds at the West Cumberland Hospital was to be encouraged also.
- Ms Simpson reported that the funds held for the Henderson Suite would be used to enhance the new area once the department had been moved, but she was pleased to note that there was also the possibility to access general funds.
- Encouragement was to be given to fund holders to create spending plans, and to note where funds were being saved for a specific use.
- Mr Mulvey suggested each ward/department should be given £1k of Charitable Funds money to spend on enhancing their areas. Members all agreed that this would be a simple but effective use of Charitable Funds. Mr Gardiner is to take this forward.
- It was noted that there were a number of funds that would require merging or transferring due to the extinction of the original fund or the ward/department/service that the funds were to be used for.

Mr Gardiner further reported to members that the outstanding issues relating to the legacy had been resolved. A payment of £22,000 including legal fees had been agreed with the claimant.

The Report was **NOTED**.

Action: Fund Balances

1. Mr Gardiner to correct the error noted in the unrestricted funds section of the report.
2. Mr Gardiner to report back to Charitable Fund members on the meetings and discussions held with fundholders relating to spending plans
3. Mr Gardiner to encourage each ward/department to spend £1k of Charitable Funds money. Mr Gardiner to report back to the committee.
4. Mr Gardiner to look into the funds that may require merging or transferring due to the extinction of the original fund use or the ward/department/service that the funds were to be used for.

**CF20/12**      **INVESTMENT APPROACH**

Mr Mulvey updated committee members with regards to the action relating to the HSBC investment portfolio.

The committee had raised concern previously over the level of return on its investment portfolio. Concerns had also been raised regarding the value for money and contribution HSBC add in management of the portfolio against the costs levied for the service. The charges for the service provided were 1% of the portfolio value, or a minimum charge of £5,000. The Trust holds a portfolio of £633,196 at December 2011. The Trust awaited the latest quarterly valuation update and it was anticipated that this would arrive in early May 2012.

Members discussed in depth the concerns in leaving the fund management with HSBC against the potential of managing the funds within the Trust. Mr Gardiner reported that the performance of HSBC had been comparable to other companies and that HSBC were eager to continue working with the Trust and to look at other ways of working with the Trusts Charitable Funds. Members agreed that it would be prudent to move the funds from HSBC; to keep £1,000,000 as available cash and to invest the rest of the funds in cash based investments over a range of investments that fitted in with the Trusts Charitable Funds Policy. Mr Mulvey agreed to move forward with these plans and Mr Bonner informed members that he would inform the Trust Board members as overall trustees of the Charitable Funds.

The report was **NOTED**.

Action: Investment Approach:

1. Mr Mulvey/Mr Gardiner to move the Charitable Funds from HSBC, and for the funds to be invested in a range of cash based investments, with £1m to be kept as cash.
2. Mr Bonner to report the decision of the Charitable Funds Committee to move the funds to Trust Board as overall trustee's of Charitable Funds

**CF21/12     ANY OTHER BUSINESS**

There was no other business to note.

Mr Bonner thanked Ms Simpson for attending the meeting. Ms Simpson informed members that she had found the meeting very informative and would be reporting back to the matrons and other members of the nursing fraternity on the need to make use of the charitable fund monies.

Dr Dallas gave her apologies for the meeting in July 2012.

**CF22/12     DATE AND TIME OF NEXT MEETING**

Tuesday 3 July 2012 at 10am in the Boardroom, Cumberland Infirmary,  
Carlisle

## CHARITABLE FUNDS ACTION LIST JULY 2012

DATE OF MEETING:07/05/2012

Minute Point Reference	Details of Action agreed	Action by whom	Timescale	Progress	Governance coding
<b>JULY 2010</b>					
<b>CF16/10</b>	<p><b><u>Assessment of Governance Arrangement Action Plan:</u></b></p> <p>B. Mr Mulvey to speak to Mrs Platton in relation to transferring the fund holder name from Chris Platton to another person in relation to many of the funds and</p> <p>c. The Charitable Funds Governance Action Plan to be brought back to the committee before the acquisition process was finalised</p>	<p>Eric Gardiner</p> <p>Alistair Mulvey</p>	<p>May 2012/ Revised date July 2012</p> <p>August 2012. Revised date September 2012</p>		
<b>December 2011</b>					
<b>CF24/11</b>	<p>Fund Balances</p> <p>a. Mr Gardiner to send out new fund balance reports to members as he had encountered errors in the report that was discussed at the meeting.</p> <p>d. In relation to the legacy bequested to the Trust, Mr Tollitt to inform the Trust Solicitors that they can negotiate with the husband in relation to his claim to a maximum of £35k; this sum to also include the legal costs</p>	<p>Eric Gardiner</p> <p>Jim Tollitt</p>	<p>31 January 2012</p> <p>31 January 2012</p>	<p>Complete</p> <p>Complete</p>	
<b>CF27/11</b>	<p>Annual Governance Report</p> <p>a. Finance and External Audit members to ensure the audit in the forthcoming financial year take place earlier</p>	<p>Jim Tollitt</p>	<p>31/1/2012</p>	<p>Complete. Due to internal Trust issues and external</p>	

	than it has in the current financial year.			Audit issues the work will not be able to take place earlier as requested	
<b>January 2012</b>					
<b>CF08/12</b>	Investment Approach Mr Mulvey to ensure the investment fund accounts are moved from HSBC prior to the May 2012 meeting	Alistair Mulvey	May 2012	Complete – agenda item at May 2012 meeting	
<b>CF10/12</b>	Fund Balances a. Fund balance information to be shown in landscape for future meetings b. Mr Tollitt to look at the run rates in relation to spending of charitable funds for the previous 2 – 3 years against this year, take out the exceptional items and forward this information to charitable fund members in the next couple of weeks c. Mr Mulvey to arrange for information to be sent out to staff in the next couple of weeks regarding using Charitable Funds	Jim Tollitt	May 2012	Complete	
		Jim Tollitt	May 2012	Complete	
		Alistair Mulvey/Mike Little	May 2012	Ongoing – information to be placed into CEO Bulletin and Team Brief. Mr Little to discuss with Non Executive Directors regarding their bringing up the use of Charitable Funds during the patient safety tours.	
<b>CF11/12</b>	Committee Representation Mrs Platton to be asked to approach the Sisters/Matrons for a volunteer to attend the Charitable Funds meetings on behalf of the nursing fraternity	Chris Platton	May 2012	Complete. Ms Crea Simpson to become a member of the committee representing the nursing fraternity.	
<b>CF12/12</b>	Feasibility of Independent Trustee a. Members to be updated on the progress relating to the restrictions formed to ensure charitable funds are not moved away from their original intention.	Jim Tollitt	May 2012	Complete. Included in report at May Meeting	

<b>CF14/12</b>	Ordering of Renal equipment via Charitable Funds Mr Mulvey to look into the issue relating to the request for purchase of renal equipment from Charitable Funds without the fund holder being aware of the purchase and to report back to Dr Dallas.	Alistair Mulvey	May 2012	Complete. The issue relating to the loophole was addressed.	
<b>May 2012</b>					
<b>CF19/12</b>	Fund Balances 1. Mr Gardiner to correct the error noted in the unrestricted funds section of the report. 2. Mr Gardiner to report back to Charitable Fund members on the meetings and discussions held with fundholders relating to spending plans 3. The spending of funds at the West Cumberland Hospital to be encouraged. 4. Mr Gardiner to write to each ward/department engaging them to spend £1k of Charitable Funds money, and for them to send their ideas for use of this money to Mr Gardiner. Mr Gardiner to report back to the committee. 5. Mr Gardiner to look into the funds that may require merging or transferring due to the extinction of the original fund use or the ward/ department/service that the funds were to be used for.	Eric Gardiner Eric Gardiner Eric Gardiner Eric Gardiner Eric Gardiner	July 2012 July 2012 July 2012 July 2012 July 2012		
<b>CF20/12</b>	Investment Approach: 1. Mr Mulvey/ Mr Gardiner to move the Charitable Funds from HSBC, and for the funds to be invested in a range of cash based investments, with £1m to be kept as cash. 2. Mr Bonner to report the decision of the Charitable Funds Committee to move the funds to Trust Board as overall trustee's of Charitable Funds	Eric Gardiner/ Alistair Mulvey Michael Bonner	July 2012 July 2012		