



**GIG**  
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**WALES**

Bwrdd Iechyd Prifysgol  
Abertawe Bro Morgannwg  
University Health Board



Freedom of Information Status		Agenda Item	4.3 (ii)
		Open	
Reporting Committee	Charitable Funds Committee		
Author	Claire Mulcahy, Corporate Governance Officer		
Chaired by	Martyn Waygood, Independent Member		
Lead Executive Director (s)	Lynne Hamilton, Director of Finance		
Date of last meeting	24 June 2019		
Summary of key matters considered by the committee and any related decisions made.			
<ul style="list-style-type: none"><li>- <b>Small Grants Scheme</b> – The committee received an updated bid for funding for the Small grants scheme to the amount of £52,618. Members were advised that there had been nineteen applications, of which five had been recommended for the grant funding. A range of services that raise awareness, support individuals and groups and promote mental health and wellbeing would be delivered and the projected beneficiaries across the region totalled over 2,000. Members were informed that the application process for 2019/20 had been much more robust and the committee felt much more comfortable that the correct controls were in place and were therefore happy to approve the bid for funding.</li><li>- <b>Health Board Charity Branding Proposal and Development of Charity Website</b>– Members received a report outlining a proposal for the branding for the health board Charity. They were asked to and approved the working name of ‘Swansea Bay Health Charity’. The committee were also asked to approve proposals for a new logo and branding colours, and were advised that this would also take place via a staff engagement poll. A proposal for the development for the Charity Website was received and members were presented with various options and cost implications for consideration. The committee were content to approve the low cost option for the production of both a Welsh and English website.</li><li>- <b>Investment Policy</b> – Members approved the Investment Policy for adoption by the trustees. Members were advised that the policy would be communicated to the Charity’s Investment Managers and compliance with the policy monitored by the Charitable Funds Committee on behalf of the Trustees.</li><li>- <b>Expenditure Strategy and Reserves Policy</b> – Members approved the Expenditure and Reserves Policy. Members were informed that the health board charity is required to have a reserves policy as one of its key governance documents. Compliance with the policy would be monitored by the Charitable Funds Committee on behalf of the Trustees.</li></ul>			

Key risks and issues/matters of concern of which the board needs to be made aware:	
<p>- <b>Golau Research Fellow Post</b> - The committee received a bid for the use of the Golau Charitable fund to part fund a research fellow post. The committee raised a number of concerns surrounding the request, as they felt the correct processes had not been followed in this instance. They were not content to approve on this basis and more information was requested from the Unit Director.</p>	
Delegated action by the committee:	
None identified.	
Main sources of information received:	
<ul style="list-style-type: none"> <li>- Expenditure exceeded income for the first 2 months of 2019/20 by £210k;</li> <li>- Income was received into 27% of the delegated funds during the period with expenditure being incurred from 32%;</li> <li>- The balance on the Charitable Funds Committee fund was £187,545 with commitments against the fund for 2019/20 currently totalling £246,719;</li> <li>- An update on the work to reduce dormant funds and future legacies;</li> <li>- The Investment Manager's report;</li> <li>- Information on new fund requests and dormant funds;</li> <li>- Details of funds closed since the previous meeting;</li> <li>- An update on the Bridgend Boundary Change including the final analysis of funds to transfer to Cwm Taf;</li> <li>- A report outlining the impact of the consolidation of NHS Charities in the Welsh Government Resource Boundary;</li> <li>- The committee's work plan for 2019/20</li> <li>- The Charitable Funds Committee Annual Plan (<b>appendix 1</b>) ;</li> </ul>	
Highlights from sub-groups reporting into this committee:	
A report was received from the bids panel providing an update on recent bids received and the corresponding decisions.	
Matters referred to other committees	
None identified.	
<b>Date of next meeting</b>	30 September 2019



## **CHARITABLE FUNDS COMMITTEE**

### **ANNUAL REPORT**

**2018/19**

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## **1. Introduction**

- 1.1. The Charitable Funds Committee presents its' Annual Report to the Board of Trustees for 2018/19. The purpose of the Committee is to make and monitor arrangements for the control and management of the Health Board's Charitable Funds. It should ensure that the Health Board's policies and procedures for charitable funds investments are followed, and to make decisions involving the sound investment of charitable funds in a way that preserves their value and produces a proper return consistent with prudent investment and ensuring compliance with:
  - Trustee Act 2000
  - The Charities Act 2011
  - Terms of the fund's governing documents
- 1.2. The Committee discharges this responsibility by fulfilling its responsibilities as outlined in its Terms of Reference and through the delivery of the 2018/19 Board approved Work Plan, as demonstrated in the main body of this report.
- 1.3. It is supported by Investec Wealth & Investment Limited, the Health Board's appointed Trust Investment Advisors.
- 1.4. A key issues report from each meeting of the Committee has been presented to the Health Board but this report constitutes a formal report of the matters that have been considered by the Committee and the conclusions drawn for the 2018/19 financial year.

## **2. Committee Structure**

The membership of the Committee is set out below: -

- M Waygood, Independent Members (Chair)
- M Sollis, Independent Member
- J Davies, Independent Member
- L Hamilton, Director of Finance
- S Harrop-Griffiths, Director of Strategy

The meetings were also normally attended by: -

- A Biston, Head of Accounting and Governance
- P Wenger, Director of Corporate Governance

In addition, J Minett, Senior Investment Advisor, Investec Wealth & Investment attends 2 meetings per year usually in June and December.

- 2.1. During the year, the Secretary to the Committee for the year was Liz Stauber, Committee Services Manager, supported by Claire Mulcahy, Committee Services Officer .
- 2.2. The Terms of Reference require the Committee to meet not less than twice a year and otherwise as the Committee deems necessary. During 2018/19, the Committee met on five occasions as set out below

	<b>26/06/18</b>	<b>09/10/18</b>	<b>01/11/18</b>	<b>11/12/18</b>	<b>25/03/19</b>
M Waygood	√	√	√	√	√
M Sollis	√	√	X	√	X
J Davies	√	X	√	√	√
L Hamilton	√	√	√	√	√
S Harrop-Griffiths	X	√	X	√	X

The November meeting which considered the annual accounts and annual report of the charity for 2017/18 was also attend by G Howells, Director of Nursing & patient Experience and M Child, Non Officer member in their roles as members of the ABMU Health Board Audit Committee.

### **3. 2018/19 Work Programme**

#### **3.1. Terms of Reference Annual Review**

At its March 2018 meeting, the Committee reviewed its Terms of Reference. It was noted that were no proposed amendments to the terms of reference.

#### **3.2. Investment Policy and Investment Management**

3.2.1. In line with the Terms of Reference, the Committee reviewed the current Investment Policy and considered whether any changes were required. The Investment Policy set for the Charitable Funds held by ABM University Health Board must address:

- The need for sufficient resources to carry out both present and future activities effectively;
- The level of acceptable risk and how to manage it; and
- The Charity's stance on ethical investment

The Committee confirmed no change to the Investment Policy for 2018/19.

#### **3.3. Reserve Policy and Expenditure Strategy**

3.3.1. The Committee received a report from the Director of Finance to inform discussions regarding the review of the Expenditure Strategy and Reserves Policy.

The report set out the background to the fund balances held, the requirements of a reserves policy, income and expenditure summaries for the past 5 years, and the performance of the investment portfolio over the same period.

- 3.3.2. The reserves policy approved by the Charitable Funds Committee in June 2018 and ratified by the Trustees in November 2018 states that the level of reserves held should be between one and four years average annual expenditure with the aim of reducing the level of reserves by 31st March 2019 to a maximum of two and a half years average expenditure. The reserves figure excludes unrealised gains held within the investment portfolio.
- 3.3.3. During 2018/19 the level of reserves reduced mainly due to expenditure exceeding income in the year. Whilst 2018/19 saw a small increase in the level of donations and bequests received, expenditure was at broadly the same level as in 2017/18, and continued to exceed the level of income received. This situation is linked to the actions taken by the Charitable Funds Committee over the last 2 years to encourage fund managers to utilise their funds and is in line with the expenditure strategy agreed by the Trustees in November 2018 which states that the Trustees may commit expenditure over and above the level of income received provided that the level of expenditure incurred does not reduce the value of the funds held below the minimum balance agreed within the reserves policy.

#### **3.4. Charitable Funds Committee General Fund**

- 3.4.1. Following its' creation in November 2017, the Charitable Funds Bids Panel continued to provide funding across the health board from the Charitable Funds Committee Fund. The panel has clear terms of reference and delegated powers and is required to submit reports to the Charitable Funds Committee at each of its meetings. The bids approved during the 2018/19 financial year are detailed in the table below:

<b>Scheme Supported/Approved</b>	<b>Value (£)</b>
Wardrobes Ward G Neath Port Talbot Hospital (Mental Health)	14,178
Community Resource Team Therapy Output Measures (TOMS) Training	3,600
Writing Workshops to support staff publishing the results of their research	1,920
Stonewall Diversity Champions Programme	7,500
Volunteer Celebration Event	3,634
Fit for Purpose Traumatic Brain Injuries Project	6,340
Training in New Plastic Surgery Techniques	8,980
Dementia Care Training	2,170
Birthing Pool Singleton Maternity Unit	11,976
Upgrading of Furniture at Coity Clinic	7,930

Creation of Gwelfor TV Lounge	6,088
Numed Screen at Cwmafan and Cymmer Surgeries	6,901
Food Hygiene Training – LD Bungalows	1,350
Wall Art and Posters Rowan House LD Bungalow	1,500
Webcams for GP Practices in Neath and Bridgend for treatment of Dermatology Conditions	7,675
<b>Total</b>	<b>91,742</b>

- 3.4.2. In addition to this, there is a process to allow chair's action to approve bids for less than £500 each. During the year bids totalling £2,299 were approved. This included bids for new staff fridges in Singelton HSDU and Morriston Education Centre, books for learning disability services, to support carol singing at Neath Port Talbot Hospital, purchase of fruit for wellbeing through work week, arts and crafts material for learning disabilities bungalows and works to provide piped cold drinking water at Moriston Education Centre.

### **3.5. Charitable Funds Financial Control Procedure**

- 3.5.1. The Committee considered and approved a number of amendments to the Financial Control Procedure at its November 2018 meeting. The amendments were made to further enhance controls and were based on recommendations made by NWSSP Internal Audit service and Wales Audit Office following their respective internal audits and audit of the year end charitable fund accounts.

### **3.6. Charitable Fund Cash Position**

- 3.6.1. The Committee discussed the Charitable Funds cash position at its June 2018 and December 2018 meetings. Due to expenditure exceeding income, the charitable funds cash balances reduced to a very low level of £0.087m in May 2018 resulting in the requirement to request the release of £0.5m of cash from the investment managers Investec Wealth and Investment Limited in June 2018. This cash was provided from cash held by the investment managers and did not require the sale of investments. A further sum of cash of £1m was called down from the investment managers in February 2019 to provide cash to support the transfer of charitable funds to Cwm Taf Morgannwg Health Board as a result of the Bridgend boundary change (see section 3.13 of this report for further details on the Bridgend boundary change).
- 3.6.2. The Committee will continue to review the cash position throughout 2019/20, and if required draw down cash available from the Investment Portfolio.

### **3.7. Finance Report**



3.7.1. At each meeting, the Committee considered a Finance Report which was prepared to inform the Committee of:

- The Income and Expenditure position for the period to date;
- The performance of the Investment Portfolio for the period to date;
- Interest earned on cash balances held in the commercial bank deposit and fixed term investment accounts for the period to date;
- Overall fund balances for the period to date; and
- Legacies and Bequests received in the period.

3.7.2. The Income and Expenditure position reported to the Committee for the year ended 31<sup>st</sup> March 2019 is summarised in the table below:

<b>1<sup>st</sup> April 2018 to 31<sup>st</sup> March 2019</b>	<b>£</b>
Income: -	
Donations	832,899
Legacies / Bequests	507,116
Dividends & Interest	210,765
Other Income	34,322
<b>Total Income</b>	<b>1,585,102</b>
<b>Less Total Expenditure</b>	<b>(2,082,010)</b>
<b>Net before Other Gains / (Losses)</b>	<b>(496,908)</b>
Realised Losses	(62,193)
Realised Gains	318,980
Unrealised Loss	(475)
<b>Net Movement in Year</b>	<b>(240,596)</b>

3.7.3. The table shows that the Charity spent more than it received in the year by £497k. The net movement becomes a decrease of £241k after net losses on investments are taken into account.

3.7.4. Realised losses amounted to £62k, and realised gains to £319k during the period which resulted from the sale of investments undertaken as part of the day to day portfolio management by Investec.

3.7.5. The performance against the Investment Portfolio in terms of book and market values, excluding cash held by the investment managers, is summarised for the year ended 31<sup>st</sup> March 2019 in the table below: -

	01.04.18	30.06.18	30.09.18	31.12.18	31.03.19	Total Unrealised Gain(+) /loss (-) 2018/19 £
	£	£	£	£	£	
<b>Book Value</b>	5,200,191	4,748,037	4,815,662	4,890,538	4,135,375	
<b>Market Value</b>	6,353,194	6,231,975	6,358,659	5,952,415	5,287,903	
<b>Unrealised Gain(+) /Loss (-)</b>	<b>1,153,003</b>	<b>1,483,938</b>	<b>1,542,997</b>	<b>1,061,877</b>	<b>1,151,928</b>	<b>(475)</b>

3.7.6. The above table shows a net movement on the portfolio which includes sales and purchases over the period, and the movement in share values. The overall unrealised loss for the period to 31<sup>st</sup> March 2019 was £0.000475m

3.7.7. This unrealised loss was added to the centrally held reserve at 31<sup>st</sup> March 2019, giving an overall positive balance of £1.304m as shown in the table below:

<b>Centrally Held Reserve Balance</b>	<b>Amount £</b>
<b>Balance @ 31<sup>st</sup> March 2018</b>	<b>+1,303,601</b>
<b>2018/19:</b>	
Realised Gains	+318,980
Realised Losses	-62,193
Unrealised Loss	-475
<b>Balance @ 31<sup>st</sup> March 2019</b>	<b>+1,559,913</b>

3.7.8. The movements in the portfolio by quarter for the year 2018/19 are calculated on a true time-weighted basis with returns linked each time money moves in and out of an asset class or the portfolio. The performance of the portfolio as compared to the benchmark is as follows:-

	01.04.18 to 30.06.18 %	01.07.18 to 30.09.18 %	01.10.18 to 31.12.18 %	01.01.19 to 31.03.19 %
<b>Bespoke Benchmark</b>	5.31	0.83	-5.81	6.45
<b>ABMU Portfolio</b>	6.09	2.05	-6.22	6.12

3.7.9. During 2018/19 interest earned on cash held locally through both the commercial interest bearing bank account and the fixed term deposit amounted to £682.

3.7.10. The overall value of the Health Board's Charitable Funds (which represents 345 individual delegated funds) at the 31<sup>st</sup> March 2019 is shown in the table below:

	01.04.18 £	30.06.18 £	30.09.18 £	31.12.18 £	31.03.19 £
Investments (Stocks & Shares)	6,211,970	5,683,323	6,188,772	5,907,525	5,219,113
Investments - Cash	141,219	548,652	169,887	44,890	68,788
<b>Total Investment Portfolio</b>	<b>6,353,189</b>	<b>6,231,975</b>	<b>6,358,659</b>	<b>5,952,415</b>	<b>5,287,901</b>
Plus Cash Held Locally	204,364	310,539	388,302	384,816	1,072,525
Plus Debtors	82,103	24,747	13,371	93,313	107,075
Less Creditors	-402,171	-205,713	-149,522	-213,381	-470,612
<b>Total Value of Funds</b>	<b>6,237,485</b>	<b>6,361,548</b>	<b>6,610,810</b>	<b>6,217,163</b>	<b>5,996,889</b>

3.7.11. The legacies / bequests which were received by the Health Board for the period 1<sup>st</sup> April 2018 to 31<sup>st</sup> March 2019 are shown in the table below:

Site	Fund Name	Value £
Morrison	Morrison Ward G	100
Morrison	Morrison Ward H	100
Singleton	Cancer Centre	500
POW	Diabetic Adults	500
Morrison	West Cardiac Centre	1,000
Morrison	West Burns Unit	3,000
Singleton	Singleton General Purpose (1)	4,534
Y Bwthyn Newydd	General Purpose	5,000
Morrison	General Purpose	5,000
Neath Port Talbot	General Purpose	5,000
POW	General Purpose	5,000
Singleton	Cancer Centre	6,000
Primary Care	Maesteg General Purpose	10,000
POW	POW Gastroenterology	10,000
Morrison	Renal Dialysis Unit	10,000
Singleton	Cancer Centre	10,774
Singleton	West Elderly Care & Stroke Rehab	10,774
Morrison	West CCU Patients and Staff	16,474
Singleton	Singleton General Purpose (2)	100,000
Singleton	Singleton Upper GI and Myeloma	117,776
Maesteg	Maesteg General Purpose	185,584
	<b>Total</b>	<b>507,116</b>

### 3.8. Investec Investment Report

3.8.1. Reports from the Health Board's Investment Advisors were received on a quarterly basis, and included sections on:

- Overview
- Performance Review
- Asset Allocation
- Transaction Schedule
- UK Sector Weightings
- Market Commentary

3.8.2. A senior advisor also attended 2 of the 4 meetings held in year to answer questions, provide the most up to date report on the portfolio's performance and to highlight any significant matters for the Committee's attention.

### **3.9. Delegated Funds Income & Expenditure Report**

3.9.1. Regular update reports were received by the Committee on all delegated charitable fund balances. These reports also analysed the value of donations received and expenditure incurred for the period by individual fund, highlighting significant donations exceeding £20,000 and expenditure requests exceeding £25,000.

### **3.10. Closed Fund Approvals**

3.10.1. In line with the Committee's requirements to ensure that fund managers utilised their funds and that action was taken to address the issue of dormant funds across the health board, significant progress continued to be made in identifying and closing dormant funds and amalgamating dormant funds with active funds with similar fund purposes. These actions resulted in the Committee approving thirty requests for funds to be closed ensuring that the fund balance was zero and giving due consideration to the purposes of the fund and the reasons for the proposed closure. The closed funds are summarised in the table below:

<b>Service Delivery Unit</b>	<b>Fund Name</b>	<b>Reason for Closure</b>
Morrison	YG11- West Undergraduate Trauma & Orthopaedic	Fund amalgamation
Morrison	YJ04 – Laboratory Medicine Staff Training & Education Fund	Fund balance fully utilised. Fund no longer needed.
POW	Y666 – East General Purpose Fund	Fund balance fully utilised. Fund no longer needed as POW and NPTH have their own General Purpose Funds.
POW	YD03 – East Radiology Development Fund	Fund balance fully utilised. Fund no longer needed.
Singleton	YP26 – West Chapel	Fund balance fully utilised. Fund no longer needed as all new donations go into an ABM Spiritual Care Fund.

Mental Health & LD	YR25 – Glanrhyd Daily Prayer	Fund balance fully utilised. Fund no longer needed.
Singleton	YB33 – Swansea Thoracic Oncology	Fund fully utilised and no longer needed. Any new donations will go into the Cancer Centre (Golau) Fund where this service is provided
Singleton	YA 14 – West Anaesthetics Dr J Thomas	Fund balance of £18 transferred to another Anaesthetics fund
Singleton	YA16 – West Anaesthetics & Theatre	Fund balance of £968 transferred to another Anaesthetics fund
Singleton	YB12 – Dr Al-Ismail Haematology	Fund balance of 33p transferred to another elderly care fund in POW.
Primary Care & Community	YN07 – Gorseinon East Ward	Fund balance transferred to Gorseinon West Ward Fund as there is no longer an East Ward
Mental Health & LD	YN28 – Cefn Coed O.T. Fund	Fund balance fully utilised. Fund no longer needed.
Mental Health & LD	YN29 – West OAP Woodwork Fund	Remaining fund balance of £18 transferred into Cefn Coed General Fund where this service used to be provided
Mental Health & LD	YR32 Ynysawdre Day Centre Fund	Fund balance of £25 transferred into Angelton Clinic fund
POW	YP02 – Bridgend League of Friends	There is no longer a League of Friends at Bridgend. Fund no longer needed.
POW	YN39 – POW Care for the Elderly	Fund balance fully utilised. Fund no longer needed.
Singleton	Y604 – West Patients and Staff	Fund balance transferred to Singleton General Purpose Fund.
Singleton	Y641 – West Education	Fund balance utilised for course fees and then closed. Fund no longer needed
Neath Port Talbot	YN37 – Neath Port Talbot Continence/Urology Fund	Remaining balance used as part contribution to purchase of a flexiscope with West Urology Fund to support patients in Neath. Fund then closed as no longer needed.
Morriston	YK46 – Paediatric Congenital Deformity Fund	Remaining small fund balance split between Cleft Lip & Palate Fund and Childrens Neurology Fund.
Morriston	YK50 – West Associate Specialist	Fund fully utilised and no longer required.
Mental Health & LD	YR04 – Cefn Coed Acute	Ward now closed – balance transferred to Cefn Coed General Purpose Fund
Mental Health & LD	YR06 – Tredillion House	Small balance transferred to Cefn Coed General Purpose Fund
Singleton	Y691 – West Clinical School	Fund balance utilised for course fees

		and then closed.
Mental Health & LD	YR05 – West EMI Research	Small balance transferred to Cefn Coed General Purpose Fund
Morrison	YC03 – West Heart Protection	Small fund balance transferred into YC02 West Cardiac
Mental Health & LD	YR27 – Glanrhyd DR.RH Davies Research	Small unused balance transferred into YR28 Glanrhyd General Purpose
Mental Health & LD	YR33 – Glanrhyd Occupational Therapy	Small unused balance transferred into YR28 Glanrhyd General Purpose
Morrison	YF67 – A&E Training & Research Fund	Fund fully utilised and no further donations expected as future donors will be advised to donate to main A&E fund
Morrison	YA22 – West Theatre Services	Small dormant balance remaining transferred to Morrison General Purpose Fund

### **3.11. Golau Cancer Foundation**

3.11.1. Following the appointment of the new Fundraising Manager for Golau in February 2018 and the internal audit report on the Golau governance arrangements which was received at the March 2018 Charitable Funds Committee, the Committee took a proactive role in monitoring progress against the recommendations in the governance review during 2018/19.

3.11.2. Updates were received by the Committee at its June, October, December and March meetings with the Golau Board Terms of reference and the Administration and Fundraising policies for Golau being approved. In addition the Chair of the Charitable Funds Committee and Director of Corporate Governance met directly with the Service Delivery Unit Manager for Singleton, the delivery unit under which Golau operates to ensure that the issues arising from the governance review were fully addressed.

3.11.3. The focus for the Charitable Funds Committee for 2019/20 will be to work to bring the Golau brand underneath the overall health board fundraising umbrella. The Committee will also continue to receive regular updates from Golau at its quarterly meetings.

### **3.12. Dormant Funds**

3.12.1. As a result of concerns raised by the Committee that some Charitable Funds were not being utilised, the Committee requested that reports detailing dormant funds be brought to each meeting rather than six monthly.

3.12.2. This decision to receive updates on dormant funds at each meeting was then further vindicated when Wales Audit Office in their “Audit of Financial Statements” (ISA 260) report issued in October 2018, raised the issue of dormant funds, reporting that 64 funds had received no income and had no expenditure during the 2017/18 financial year and were therefore classed by Wales Audit Office as dormant.

3.12.3. At its March meeting the Committee received a report confirming that following meetings with fundholders of these dormant funds that the number of dormant funds had reduced to 41 with 7 funds being closed and 16 funds beginning to be used. The Committee will continue to receive reports on dormant funds at each meeting during 2019/20.

### **3.13. Bridgend Boundary Change**

3.13.1. On 14<sup>th</sup> June 2018, the Cabinet Minister for Health and Social Services at Welsh Government confirmed that as of 1<sup>st</sup> April 2019 the services provided on behalf of the Bridgend population would transfer from ABMU Health Board to Cwm Taf Health Board. Where services were to transfer then any charitable funds associated with those services would also transfer. The Minister also confirmed that the boundary change order would rename ABMU Health Board as Swansea Bay University Local Health Board.

3.13.2. The Charitable Funds Committee received an initial report on the transfer process at its October 2018 meeting and then at its December 2018 meeting agreed the details of the charitable funds to transfer, including the methodology for funds to be split where a single charitable fund covered the whole of the health board population. The details of the funds to transfer were then agreed by the Trustees at a special meeting on 1<sup>st</sup> February 2019.

3.13.3. At its March 2019 meeting the Charitable Funds Committee then agreed that a formal request be made to the Charity Commission to change the official charity name to Swansea Bay University Health Board Charitable Fund and Other Related Charities. The Committee also approved the request to the Charity Commission to formally transfer the subsidiary Maesteg Hospital Charity to Cwm Taf Health Board. Both request were approved by the Charity Commission.

3.13.4. Using the balances as at 31st March 2019, a sum of £1.039m of charitable funds was transferred from the new Swansea Bay University Health Board Charitable Fund to the Cwm Taf Health Board Charitable Fund.

### **3.14. Charitable Funds Expenditure Plans**

3.14.1. As part of its' 2018/19 Work Plan, the Committee requested that all fund managers submit expenditure plans detailing their plans for utilising their delegated fund balances.

3.14.2. A significant number of expenditure plans were received during the year; however there is still a long way to go. The Finance Department continues to chase the outstanding plans and this issue will be further considered during 2019/20 with a focus on the actions to be taken where expenditure plans are not submitted.

### **3.15. Annual Accounts & Annual Report 2017/18**

3.15.1. The Committee received the audited Annual Accounts and supporting Annual Report for the year ending 31<sup>st</sup> March 2018.

3.15.2. It also received the Wales Audit Office report on the Financial Statements (ISA 260) which stated that:

- The Auditor General intended to issue an unqualified audit report on the financial statements and there were no issues to report to the Health Board prior to their approval;
- There were no uncorrected misstatements
- That there was one corrected misstatements, which had no impact on net expenditure
- There were no concerns about the qualitative aspects of the Health Board's accounting practices and financial reporting;
- They had no significant difficulties during the audit;
- There were no significant matters discussed and corresponded upon with management which they needed to report to the Health Board;
- There were no other matters significant to the oversight of the financial reporting process that they needed to report to the Health Board; and
- They did not identify any material weaknesses in the Health Board's internal controls
- An issue was raised around the number of funds classed as dormant by Wales Audit Office, the report identifying that 64 funds totalling £213,578 had received no income or had no expenditure during 2017/18 thereby classifying them as dormant. Wales Audit Office recommended that where possible these funds should be closed during 2018/19.
- Wales Audit Office also noted that 2 items of expenditure between £5,000 and £25,000 did not follow procurement rules as no quotes had been obtained. The report recommended that the Committee ensure compliance with this requirement in 2018/19.

3.15.3. The Committee approved the Accounts at their meeting on 1<sup>st</sup> November and recommended their adoption to the Trustees at their meeting on 29<sup>th</sup> November 2018. The accounts and annual report were subsequently submitted to the Charities Commission before the deadline of 31<sup>st</sup> January 2019.



### **3.16. Third Sector Funding**

- 3.16.1. Following on from the success of the small grants scheme during the previous year, a further £50,000 was made available for the Changing for the Better Grant scheme during 2018/19. The Grant Scheme was open to voluntary and community groups for activities, facilities and services that were of benefit to people living in Swansea, Neath Port Talbot or Bridgend areas.
- 3.16.2. In total there were 12 projects that were awarded funding. This money has had a positive impact on individuals within the AMBU area; with over 2,100 individuals directly benefiting from the funding, along with benefiting organisations by enabling them to improve the skills of their staff and volunteers. A number of the projects have stated that they will continue to run their project/activities and in some cases have already sourced alternate funding to do this. This thereby suggests that the Changing for the Better Grant scheme has longer lasting effects beyond the life of the grant period.
- 3.16.3. In discussing the report the Committee noted the wide range of schemes supported and the positive progress which had been made. The Committee requested a business plan be brought forward for the 2019/20 financial year to support the request for funding for the financial year.

### **3.17. Charitable Funds Fundraising and Marketing Strategy**

- 3.17.1 Following work commenced in 2017/18 the Committee approved a proposal to appoint a Fundraising Manager for the Charity who would be responsible for developing a brand for the newly renamed charity and of developing a fundraising and marketing strategy. The Committee felt that this post was essential given that expenditure from charitable funds has exceeded income in each of the last 2 financial years resulting in a reduction in fund balances.
- 3.17.2 At its June 2018 meeting the Committee approved a job description for the fundraising managers post. However, due to grade banding issues the post was unable to be advertised until January 2019, with interviews taking place in March 2019. The successful candidate took up post in May 2019 and will be responsible for creating a brand, marketing, and fundraising and communications strategy for the Swansea Bay Health Board Charitable Fund.

## **4. Conclusions**

- 4.1. This report demonstrates that the Committee has fulfilled its responsibilities through the completion of a comprehensive work plan, and from the reports it has received throughout the course of the year from a range of support services and sources.

**The Board of Trustees is asked to note the contents of this report as a summary of the work of the Charitable Funds Committee for the financial year 2018/19.**