

Meeting title:	Public Trust Board (as Corporate Trustee)					
Date of the meeting:	11 July 2024					
Title:	Escalation Report from the Charitable Funds Committee (CFC): 21 June 2024					
Report presented by:	Prof Tom Robinson, Non-Executive Director Chair					
Report written by:	Hina Majeed, Corporate and Committee Services Officer					
Action – this paper is for:	Decision/Approval		Assurance	x	Update	X
Where this report has been discussed previously	Not applicable					

To your knowledge, does the report provide assurance or mitigate any significant risks? If yes, please detail which
The report provides assurance re: the appropriate spend and governance of charitable funds, and re: progress on fundraising activities.

Impact assessment
N/A
Acronyms used: CFC – Charitable Funds Committee KPI – Key Performance Indicator LHC – Leicester Hospitals Charity

1. Purpose of the Report

To provide assurance to the Trust Board as Corporate Trustee on the work of the UHL Charitable Funds Committee, and escalate any issues as required.

2. Summary

The Committee met on 21 June 2024. The meeting was quorate and the items for discussion summarised below.

3. Recommendations

3.1 Charitable Funds Committee Annual Report 2023-24

CFC considered and endorsed the 2023-24 annual report into the effectiveness of the Committee, noting the below comments, and recommended it for Trust Board approval. The information contained within the report aimed to provide CFC itself and the Trust Board with assurance on an annual basis that CFC meetings had covered all essential areas within its remit which were also aligned with best practice and CFC's terms of reference.

The Director of Corporate and Legal Affairs commented that there was a much wider piece of work around charity governance that needed to be undertaken. One of the recommendations following the review of the Charity would be the need for an external review of (a) the responsibilities and duties as a Corporate Trustee, and (b) the functioning of the CFC. In addition of this, a review of the application process, delegated limits and reestablishing the requirement for impact reports was also recommended.

The 2023/24 CFC annual report is endorsed and recommended for Trust Board approval as Corporate Trustee. A standalone report features on the 11.7.24 Trust Board agenda accordingly.

4. Discussion Items

4.1 Investment Management Update including Procurement Update: Investment Managers Contract

The investment losses of £34k for 2024/25 (as of 31st May 2024) were noted.

It was agreed that there should be 2 signatories to authorise any amendments and changes to the Investment Managers' account – one would be Professor, T Robinson, Non-Executive Director/Chair of CFC. The Director of Corporate and Legal Affairs undertook to confirm the second signatory outwith the meeting.

The Committee was required to review and approve the investment strategy before work could commence to procure a new investment manager contract. The following suggestions to the Investment Strategy were made: -

- Term of appointment – three years with an option to extend at least on one occasion, by mutual consent for a set period;
- Ethical restrictions – currently, the strategy stated that 'the Trustees do not wish to invest in companies whose principal activities are tobacco related'. It was suggested that consideration be given to including alcohol, modern slavery, gambling, sustainability (net zero carbon perspective), firearms, vaping, infant formula, predatory lending etc. The wording of section 6.12 (ethical restrictions) of the investment strategy be reviewed and presented for approval to CFC. This same approach be used in respect of receiving donations and the charity related policies be updated to reflect the change once the wording of the investment strategy was approved, and
- an additional bullet point under the 'Appointment' sub-section be included in terms of a robust process of investment managers' appointment itself, reflecting on a similar process around the appointment of Trust auditors.

4.2 Finance and Governance Report

The Committee noted the Charity's year to date income of £91k was £117k below plan mainly due to fewer major gifts and trust & foundation income than expected. The year-to-date expenditure of £175k was £221k below plan due to lower grant expenditure than expected. The report showed an overall net decrease in funds of £150k, giving a closing balance of the Charity's funds (at month 1) of £7,670k. The cost of outstanding commitments relating to previously approved applications was £2,005k as of 30 April 2024. At month 1 (after commitments), the General Purposes fund available balance was £787k.

4.3 Charity Performance Report 2023/24 – Month 1 and 2

CFC was briefed on the performance of the Charity against targets and KPIs. A brief update on the status of some appeals/projects was provided. The Committee received and noted the contents of this report.

5. **Any Other Business**

5.1 All applications requiring estates work to be taken through the Interim Director of Estates, Facilities and Sustainability – this was agreed by the Chief Nurse;

5.2 Members congratulated Ms S Patel, Acting Head of Charity for being nominated for Compassionate and Inclusive Leader Award;

5.3 Mr J Macdonald, Trust Chair's last CFC meeting at UHL – members thanked him for his contribution to the Committee, and

5.4 The CFC congratulated Mr R Mitchell, Chief Executive for featuring on HSJ's Top Chief Executives list.