

Board of Directors			
Date	13 July 2023	Agenda item:	Bo.7.23.21

Report from the Chair of the Charitable Funds Committee

Presented by	Altaf Sadique, Deputy Chair of the Charitable Funds Committee		
Author	Jacqui Maurice, Head of Corporate Governance		
Lead Director	John Holden, Director of Strategy & Integration		
Purpose of the paper	To provide a summary of the discussions and outcomes from the Charitable Funds Committee meeting held on 4 July 2023		
Meeting attendees	<p>Members:</p> <ul style="list-style-type: none"> Altaf Sadique, Non-Executive Director Julie Lawreniuk, Non-Executive Director Karen Walker, Non-Executive Director John Holden, Director of Strategy and Integration Mel Pickup, Chief Executive <p>In attendance:</p> <ul style="list-style-type: none"> Sharon Milner, Charity Director Michael Quinlan, Deputy Director of Finance Laura Parsons, Associate Director of Corporate Governance/Board Secretary Adrian Maxwell, Rathbones (to provide an update on Rathbones Investments) Amy Stevens, Gifted Philanthropy (to support the item on Bradford Hospitals' Charity Strategy Development) <p>Apologies were received from:</p> <ul style="list-style-type: none"> Dr Maxwell Mclean, Chair Matthew Horner, Director of Finance <p>Absent</p> <ul style="list-style-type: none"> Mohammed Hussain, Non-Executive Director 		
Action required	For assurance and approval		
Previously discussed at/informed by	N/A		
Previously approved at:	N/A	Date	

Key Matters Discussed

The Charitable Funds Committee last met on 4 July 2023. Summaries of the key items discussed are presented below. The next meeting is scheduled for 7 November 2023, however depending on progress; the committee will hold an extraordinary meeting on 19 September 2023 to discuss plans to move the Charity onto an independent footing.

Summary of key items discussed on 4 July

1. Rathbones Investment update

A key discussion took place with regard to investment decisions. The committee's portfolio has restrictions placed on investments with regard to alcohol, tobacco and armaments. It also unanimously agreed to exclude any investments associated with gambling.

2. Investment tender

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The recommendation to extend the contract to retain Rathbones as the Charity's investment manager for a further year (up to the end of August 2024) was approved.

3. Draft 2022/23 BHC Accounts & Annual Report

There has been a delay in the preparation of the draft accounts. It was agreed that the annual report and accounts would be shared virtually with committee members for review at the end of July.

4. External Audit of 2022/23 BHC Accounts & Annual Report

The committee confirmed a series of recommendations to be made to the Board of Directors to delegate authority to the committee to approve the appointment of an external auditor for the Charity's Annual Report and Accounts.

The specific recommendations for the board to consider and approve are presented on page 3 of this report.

5. 2023/24 Budget

Although a budget has been set for this year (2023/24) it will be reviewed. The work underway on the development of the strategy will also help in setting realistic projections.

6. 2023/24 Finance Report – Month 2

A thorough review has been taking place to look at the projections and assumptions on which the finance report is based. In particular the neo-natal appeal costs are in the process of being revised. The committee heard that the Charity also needed to be realistic about its expectations with regard to other areas of funding (both large and small). This work was almost complete and as mentioned above would also be informed by the strategy.

7. Bradford Hospitals' Charity Strategy Development

Amy Stevens provided a comprehensive report on the work undertaken to date to inform the development of the strategy. Of particular note were the outcomes from meetings held with businesses and leaders within our South Asian communities who had expressed a real desire to engage with our Trust and were pleased that the Trust had reached out. This was extremely encouraging.

8. Bradford Hospitals' Charity Case for Change – Progress Update

The due diligence work required to support the Charity in moving towards independence was continuing well. The intention was to be in a position to present a recommendation to the Board in September or November for the Charity to become independent or not.

9. Operational Committee Report

The report highlighted those items discussed at the meetings of the Operational Committee held in April and June 2023. Many of the items discussed reflected those on this agenda. Of particular note were the following:

- A successful visit from the Sick Children's Fund in relation to the neo-natal appeal.

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- Appointment of Lisa Williams as the new Head of Fundraising from 3 July; a particularly welcome addition to the team.
- The new branding for the Charity and the planned launch of the new website (at the end of July/early August). The committee was particularly delighted with the new branding which was described as 'professional and eye-catching'.

An example of the new branding content has been included at appendix 1.

10. Committee Effectiveness Review

There was support for this committee's effectiveness review to be aligned with that undertaken by the Academies. It was noted that the Academy Chairs would be meeting on 6 July to discuss this. It was further agreed that a discussion should then be held with Dr Maxwell Mclean to ascertain his view on the effectiveness review and the method of delivery.

11. Investment and Treasury Management Policy

Whilst there were minor changes presented for review the Investment and Treasury Management Policy was approved subject to the addition of a clause that reflected the intent not to accept or seek funds related to gambling - in line with the decision made earlier in the meeting to exclude any investments associated with gambling from the investment portfolio.

12. Reserves Policy

The Reserves Policy was approved.

13. Any other business

In closing, on behalf of the Charitable Funds Committee I would like to say a heartfelt thank you to John Holden, who will be retiring at the end of August, for all the work he has undertaken in leading our Charity to a good and exciting place.

Matters escalated to the Board

There were no matters to escalate to the Board of Directors

New/emerging risks

There were no new or emerging risks identified.

Recommendation

The Board of Directors is requested to note the discussions and outcomes from the Charitable Funds Committee meeting held 4 July 23 and to **approve the following three recommendations as per item 4 above:**

1. The Charity appoints an external auditor in line with Charity Commission guidelines that provides more value for money;
2. Where possible and in line with the Charity Commission guidelines, the Charity's external auditor carries out an independent examination. Where it is not possible because gross income exceeds £1.0m an audit will take place; and

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3. The final decision on the appointment of external auditors and type of audit work is delegated to the Charitable Fund Committee.

Appendix 1

Example of the new branding content

