

Board of Trustee Meeting

Tue 24 September 2024, 10:00 - 12:00

MS Teams

Agenda

10:00 - 10:00 **1. Welcome & Introductions**

0 min

Charles Janczewski

10:00 - 10:00 **2. Apologies for Absence**

0 min

Charles Janczewski

10:00 - 10:00 **3. Declarations of Interest**

0 min

Charles Janczewski

10:00 - 10:05 **4. Minutes of the Trustee Meeting held on 09 May 2024**

5 min

Charles Janczewski

 4 - CAJ - Public BoT minutes 09.05.2024 (1).pdf (8 pages)

10:05 - 10:10 **5. Actions following meeting held on 09 May 2024**

5 min

Charles Janczewski

 5 - Public BoT Action Log - 09.05.2024.pdf (1 pages)

10:10 - 10:10 **6. Chair's Action taken since last meeting**

0 min

Charles Janczewski

10:10 - 11:00 **7. Items for Review and Assurance**

50 min

7.1. Charitable Funds Financial Position Report for the Period Ended 31st July 2024

20 mins

Robert Mahoney

 7.1a - Financial Paper meeting.pdf (5 pages)

 7.1b - General Fund IE Balance Projections Attachment 2 (1) (1).pdf (1 pages)

7.2. Independent Review of the Health Charity

20 mins

Joanne Brandon

 7.2 - (Public) Independent Review of the Health Charity.pdf (2 pages)

7.3. New CRM Provider and Operating License Update

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11:00 - 11:00 8. Items for Approval/Ratification

0 min

No items.

11:00 - 11:00 9. Items for Noting and Information

0 min

No items.

11:00 - 11:05 10. Any Other Business

5 min

Charles Janczewski

11:05 - 11:05 11. Private Items

0 min

Charles Janczewski

- i) Private Minutes from 09.05.2024*
 - ii) Organisational Change Process (OCP) - Transition Plan*
 - iii) Rookwood Marketing Update: September 2024*
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11:05 - 11:05 12. Review of the Meeting & Confirmation of Any Actions

0 min

Charles Janczewski

11:05 - 11:05 13. Date and time of next meeting:

0 min

Charles Janczewski

23 January 2025: 10am via MS Teams

**Unconfirmed Minutes of the Board of Trustee Meeting
Thursday 9th May 2024
Via MS Teams**

Chair:		
Charles Janczewski	CJ	UHB Chair
Present:		
Claire Beynon	CB	Executive Director of Public Health
Paul Bostock	PB	Chief Operating Officer
Joanne Brandon	JB	Director of Communications, Arts, Health Charity and Engagement
Emma Cooke	EC	Interim Executive Director of Therapies and Health Sciences
Marie Davies	MD	Interim Executive Director of Strategic Planning
Rachel Gidman	RG	Executive Director of People and Culture
Akmal Hanuk	AH	Independent Member - Community
Robert Mahoney	RM	Deputy Director of Finance
Matt Phillips	MP	Director of Corporate Governance
Catherine Phillips	CP	Executive Director of Finance
Suzanne Rankin	SR	Chief Executive Officer
Jason Roberts	JR	Executive Nurse Director
Susan Lloyd-Selby	SLS	Independent Member – Local Authority
Richard Skone	RS	Interim Executive Medical Director
Rhian Thomas	RT	Independent Member – Capital and Estates
John Union	JU	Independent Member - Finance
Secretariat:		
Rachel Chilcott	RC	Corporate Governance Officer
Apologies:		
Mike Jones	MJ	Independent Member – Trade Union
Sara Moseley	SM	Independent Member – Third Sector
Ceri Phillips	CP	UHB Vice Chair

BT 09/05/001	Welcome & Introductions The UHB Chair welcomed everyone to the meeting in English and Welsh.	Action
BT 09/05/002	Apologies for Absence Apologies for absence were noted.	
BT 09/05/003	Declarations of Interest No declarations of interest were raised.	
BT 09/05/004	Minutes of the Board of Trustee Meeting held on 24 January 2024 The minutes of the Board of Trustee Meeting held on 24 January 2024 were received. The Board of Trustee (the Trustees) resolved that: a) The minutes were approved as an accurate and true record of the meeting held on 24 January 2024. To view the minute: https://youtu.be/FU25Xx-TK6s?list=PLLVdfcKNzmAA7B9IVZC6mznqn8msCNnOV&t=66	
BT 09/05/005	Action Log following the Meeting held on 24 January 2024	

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	<p>The action Log was received and all actions were discussed.</p> <p>The Trustees resolved that:</p> <p>a) The Action Log was noted.</p>	
<p>BT 09/05/006</p>	<p>Chair's Action taken since last meeting</p> <p>No Chair's Actions had been taken since the last meeting.</p>	
<p>BT 09/05/007</p>	<p>Health Charity Current Financial Position</p> <p>The DDF advised the Board that the report covered the year to date financial performance of the Charity for the period 1st April 2023 to the 29th February 2024.</p> <p>The DDF provided the following summary:</p> <ul style="list-style-type: none"> - Table 1 demonstrated for the year, the Charity's net outgoings were £0.710m and they had a net movement in funds of £0.549m. - Table 2 provided an analysis of the charity's income and expenditure over the previous two years – broadly their income was in line with previous years, with a slight decline. - Table 3 provided a summary of their closing balance sheet – fund balances had decreased by £0.549m in the period to £9.710m, due to £0.710m excess expenditure offset by £0.161m investment gain. - The cashflow forecast indicated that they had a positive cash balance – however, they had notified their Charity Investment Manager's (Rathbones) to liquidate the sum of £0.400m to meet their cashflow requirements, which was expected to be received in early May 2024. - The General Reserve Fund - they had a deficit brought forward into this financial year of £0.498m. They had closed the fund to new applications, however, they were forecast to increase the deficit whilst they reviewed the structure of the charity team. - Table 5 illustrated the outstanding commitments against the General Reserves, which showed that around 70-75% of the charity team costs were charged to the General Reserve. <p>The DDF highlighted the following:</p> <ul style="list-style-type: none"> - The performance of the investment portfolio currently supported the General Fund balance - A percentage of staff costs were recharged to the General Fund - The General Fund was currently forecast to be £0.611m in deficit by year end – this was a slightly lower deficit than anticipated. A plan was being developed to address the current deficit on the General Funds over a period of time. <p>The IM-CE queried whether the Health Charity had received any legacy contributions which contained more flexibility, and why the staff lottery fell under 'restricted' funds. Regarding the Rookwood Hospital, the IM-CE asked for an update on the status of the expression of interest for the site.</p> <p>The DDF responded that legacies and grants were nearly always intended for specific purposes. He added that, although the Staff Lottery was technically a</p>	

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restricted fund, it had a wide range of objectives on which the funds could be spent which provided some flexibility.

The IM-CE expressed concern around how dependent they were on donations or investments doing well for the general fund.

The DDF explained that this was a common theme across the UK NHS charitable organisations.

The EDF explained that the Rookwood site had been actively marketed and could be sold in whole or in parts due to the legacy services present. The site was gifted with strict instructions, and further clarity on its future, the usage of funds, and the management of legacy services was expected within the financial year. It was noted that an update was due to be presented to the Charitable Funds Committee (CFC) in June 2024.

The CEO observed that the strategy emphasised a shift towards fundraising and campaigns to generate income, and suggested that a clearer distinction between the different forms of income generation was needed. She queried whether they had the capability to do so on a large scale, and whether information was available to the public on the implications of contribution restrictions.

The DOC emphasised the opportunity to review their financial model to move some of their funds into the unrestricted area. She used the example of Maggie's Centre, whereby the money donated was channelled through one central cancer fund.

The IM-C asked whether payments were complete on Horatio's Garden.

The DDF confirmed that there were no further outstanding large sums of money needed for Horatio's Garden, and that they only paid the £9400 per annum towards maintenance.

The DOC explained that Horatio's Garden was established for spinal patients, however, the Health Charity agreed to cover a proportion of the costs for the neurological part of the garden at Rookwood to ensure equitable access for all patients.

The CC highlighted that a Task and Finish Group had been established to develop options to secure a sustainable future for the general fund and the charity itself. He noted that the group was expected to report their findings to the CFC on the 11th June 2024.

The Trustees resolved that:

- a) The financial position of the charity was noted
- b) The performance of the investment portfolio was noted
- c) The over commitment of the General Reserve was noted
- d) The development of a longer-term plan to reduce the deficit on the General Fund Reserve was noted.

To view the minute: <https://youtu.be/FU25Xx-TK6s?list=PLLVdfcKNzmAA7B9IVZC6mznqn8msCNnOV&t=134>

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<p>BT 09/05/008</p>	<p>Health Charity Strategy</p> <p>The CC expressed that he was aware of concern amongst some of the Independent Board Members about the launch and implementation of a new strategy at a time when the general fund required significant attention, and he suggested that the Board might wish to consider pausing the implementation of the strategy.</p> <p>The DOC presented the refreshed Health Charity strategy which detailed the extensive engagement and review process, and included the Task and Finish group's recommendations and key objectives.</p> <p>The IM-F confirmed that the Health Strategy was endorsed by the CFC, but agreed that a pause in the implementation of the strategy would be sensible.</p> <p>The EDF provided the following comments:</p> <ul style="list-style-type: none"> - There was a prevailing nervousness about the strategy's affordability and deliverability against the backdrop of the General Fund deficit, but it was positive that nobody had criticised the strategy itself. - The EDF would be happy to support a pause in the strategy's implementation to concentrate efforts on resolving the General Fund. - The Task and Finish Group's work focused on three key areas: <ol style="list-style-type: none"> 1. Assessing the current team's size and shape in light of the draw on the General Fund being too significant - there was some urgency needed around this piece of work 2. Aligning the future team to deliver the strategy 3. Devising a plan to eliminate the General Fund deficit, which would be over an extended period of time - the aim was to restore the fund to a breakeven point and eventually a positive balance. <p>The IM-C commented that the strategy aligned with the Health Board's values, and agreed that a pause in the strategy's implementation would be sensible.</p> <p>The IM-LA explained that the strategy's focus on fundraising and campaigning aligned with public expectations, but there was a need to ensure that the necessary resources, capacity, and capability was in place to deliver it. The public's confidence was crucial, particularly in terms of not contributing to a deficit.</p> <p>The COO asked what the ambition of the strategy was and how the public could support the objectives.</p> <p>The CC agreed, and suggested that the strategy provide further clarity around what the public are donating their money towards.</p> <p>The CEO reflected on the activity needed going forward:</p> <ol style="list-style-type: none"> 1) Reduce the team's draw on the general fund 	

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	<p>2) Redesign the shape of the team to deliver the new strategy 3) Redesign the financial model to address the deficit.</p> <p>The CC highlighted the need to agree on timeframes and next steps for these pieces of work.</p> <p>The EDF recommended that there be a pause in the approval of the strategy to concentrate on the three pieces of work highlighted by the CEO. She suggested that the objective should be to:</p> <ol style="list-style-type: none"> 1. Develop a financial plan in place by Quarter 3 of the financial year which outlines when financial balance of the General Fund could be achieved and sustained. 2. The initial step would be to halt the growth of the current deficit. <p>The CC agreed that an update at the following Board of Trustee meeting would be useful.</p> <p>The DOC noted the time horizon for the strategy would necessitate an organisational change process, as all team members were Health Board employees and would be subject to certain procedures.</p> <p>The CC noted that the Board could not accept the recommendation as it stood, and instead favoured a pause to the approval and the implementation of the strategy until an acceptable and sustainable way forward had been identified to correct the deficit position of the General Fund.</p> <p>The Trustees resolved that:</p> <ol style="list-style-type: none"> a) A pause in the approval and implementation of the Health Charity Strategy was agreed. <p>To view the minute: https://youtu.be/FU25Xx-TK6s?list=PLLVdfcKNzmAA7B9IVZC6mznqn8msCNnOV&t=1613</p>	
<p>BT 09/05/009</p> <p style="transform: rotate(-45deg); font-size: small;">Chilcott, Rachel 19/09/2024 10:14:37</p>	<p>Memorandum of Understanding – Food Sense Wales</p> <p>The EDPH provided the following summary:</p> <ul style="list-style-type: none"> - Food Sense Wales (FSW) was a fund within the Cardiff and Vale Charity which focused on sustainable food, farming, and fisheries in Wales. - FSW secured grants from various sources including the Welsh Government, third sector, National Lottery, and others. - The revised Memorandum of Understanding (MoU) was reviewed by the CFC on the 19th March, and it was set to be utilised from the 1st April 2024. <p>The IM-F confirmed that the MoU had been scrutinised at the CFC and it was recommended for approval to the Board of Trustee.</p> <p>The Trustees resolved that:</p> <ol style="list-style-type: none"> a) The revised Memorandum of Understanding (MoU) between Food Sense Wales, Cardiff & Vale Health Charity and corporate functions of the UHB was approved. <p>To view the minute: https://youtu.be/FU25Xx-TK6s?list=PLLVdfcKNzmAA7B9IVZC6mznqn8msCNnOV&t=3009</p>	

<p>BT 09/05/010</p>	<p>New Customer Relationship Manager (CRM) Provider & Operating License Update</p> <p>The DOC provided the following summary:</p> <ul style="list-style-type: none"> - Initially registered as a small society lottery with a threshold of £250,000, the lottery's success had led to an annual income of around £280,000, which surpassed the threshold and necessitated a new approach. - The CFC and Board of Trustee agreed to implement a new Customer Relationship Management (CRM), with Donor Flex being the chosen provider after a tender process and benchmarking. - The costs for the CRM had increased to a total of £92,397 over a five-year period, which would be covered by the lottery fund itself. - The previous CFC meeting considered the options outlined and they chose Option 3 which involved a pause on all lottery income activity from June 1st 2024 until the new CRM system was operational, or the local authority registration was renewed in September. - The pause was communicated to staff on May 1st, which resulted in a loss of 10 participants but a gain of 20 new ones. - The paper also outlined efforts towards obtaining a Gambling Commission regulation and operating license. Ethical concerns around gambling were addressed by limiting each member to a maximum of 6 numbers per draw, and promoting gambling awareness. - The income from the lottery covered operational costs and supported numerous projects. <p>The IM-F confirmed that Option 3 had been agreed by the CFC, and that the success of the lottery had inadvertently led to this situation. He asked for an update on the progress and timescales for the CRM implementation and the Gambling Commission application.</p> <p>The DOC responded that:</p> <ul style="list-style-type: none"> - The need for a new server was identified by Donor Flex and the IT department, which led to additional costs and Information Governance issues that required legal scrutiny. - The application process for the Gambling Commission had proven to be more complex than anticipated, and required specific legal advice from a Charity law perspective. - Despite these hurdles, there was optimism that the timeline for resolving these issues would be met by September. <p>The IM-CE asked what the likely increase in revenue would be as a result of moving to the new platform, and what were the mitigations if the September target was not met. Finally, the IM-CE asked whether they had undertaken any due diligence on the supplier's suitability to the Health Charity.</p> <p>The DOC responded that:</p> <ul style="list-style-type: none"> - Due diligence on Donor Flex was conducted in line with their procurement processes, and reassurance had been received from other organisations using their services. The new CRM system was expected to offer additional functionalities and growth opportunities for the staff lottery. - The Gambling Commission license application had been a complex process and required detailed personal disclosures and legal expertise. - The confidence in meeting the September deadline was contingent on the application submission, with a mitigation plan to continue operating under the small society license if necessary until the license was obtained. 	
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	<p>- Analytics on the staff lottery showed a year-on-year growth, particularly when staff were reminded of significant draws. It was seen as a low-risk investment, and its success was attributed to the small bids system.</p> <p>The CC suggested that the recommendations for the Board of Trustee be amended to reflect the approval of the additional IM&T costings and the progress of Option 3 to pause all lottery income activity.</p> <p>The Trustees resolved that:</p> <ol style="list-style-type: none"> The progress of the changeover of the replacement CRM provider and operational licence application was noted; The additional IM&T costings, including indicative costs over a five-year period, were approved; The progress of option 3 was approved. <p>To view the minute: https://youtu.be/FU25Xx-TK6s?list=PLLVdfcKNzmAA7B9IVZC6mznqn8msCNnOV&t=3176</p>	
BT 09/05/011	<p>Over £25k Endowment Expenditure: Cardiology Refurbishment Project</p> <p>The DOC explained that this was a resubmission of a previous bid due to an increase in costs. The costs had increased from £70,000 to £170,000 for the refurbishment of the cardiac catheterization theatre changing facilities, which would benefit 150 specialised staff across the Cardiology Directorate. The increased cost was over the threshold of £125,000 in the scheme of delegation, and therefore it was required to go through the Board of Trustee (BoT).</p> <p>The IM-F confirmed that the paper was previously brought to the CFC.</p> <p>The CC highlighted that the CFC was unable to approve the project and it could only recommend to the BoT for approval.</p> <p>The Trustees resolved that:</p> <ol style="list-style-type: none"> The proposed expenditure of £170,000 from Cardiac Services Endowment Fund 9541 was considered and approved. <p>To view the minute: https://youtu.be/FU25Xx-TK6s?list=PLLVdfcKNzmAA7B9IVZC6mznqn8msCNnOV&t=4087</p>	
BT 09/05/012	<p>Events Planner Update 2024/2025</p> <p>The Trustees resolved that:</p> <ol style="list-style-type: none"> The Health Charity and Arts Programme Calendar and Planner 2024/25 was noted for information. <p>To view the minute: https://youtu.be/FU25Xx-TK6s?list=PLLVdfcKNzmAA7B9IVZC6mznqn8msCNnOV&t=4252</p>	
BT 09/05/013	<p>Any Other Business</p> <p>No other business was raised.</p>	
BT 09/05/014	<p>Review of the Meeting & Confirmation of Any Actions</p> <p>No items were raised.</p>	
BT 09/05/015	<p>Date & Time of Next Meeting</p>	

	Tuesday 24 September 2024 Time 10am MS Teams	
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Action Log
Following Board of Trustee Meeting held on
9th May 2024
(Updated for September 2024 Meeting).

MINUTE REF	SUBJECT	AGREED ACTION	LEAD	DATE	STATUS/COMMENT
Actions Completed					
BT 09/05/008	Health Charity Strategy	For an updated position in regards to the Health Charity Strategy to be presented to the BoT meeting in September.	Catherine Phillips / Joanne Brandon	24.09.2024	COMPLETED <i>On Forward Plan for September's Board of Trustee Meeting.</i>
BT 09/05/008	Health Charity Strategy	To amend the recommendation to the Board to reflect the pausing of approval and implementation of the new strategy.	Corporate Governance Officer	24.09.2024	COMPLETED <i>The minutes and Boardbook have been updated to reflect the amendments made to the recommendations.</i>
BT 09/05/010	New Customer Relationship Manager (CRM) Provider & Operating License Update	To amend the recommendations to the Board to reflect the approval of: <ul style="list-style-type: none"> - The additional IM&T costings - Option 3 to pause all lottery income activity. 	Corporate Governance Officer	24.09.2024	COMPLETED <i>The minutes and Boardbook have been updated to reflect the amendments made to the recommendations.</i>
Actions referred <u>to/from</u> Committees of the Board/Board Development					

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-Report Title:	Charitable Funds Financial Position Report for the Period Ended 31st July 2024			Agenda Item no.	7.1
Meeting:	Board of Trustee Meeting	Public	X	Meeting Date:	24.09.24
		Private			
Status <i>(please tick one only):</i>	Assurance	x	Approval	Information	
Lead Executive:	Executive Director of Finance				
Report Author (Title):	Deputy Director of Finance				

Main Report

Background and current situation:

The financial update report aims to:

- Provide information on the year to date financial performance of the Charity for the period 1st April 2023 to the period 31st July 2024.
- Assess the forecast financial position of the Charity including commitments already made.

Executive Director Opinion and Key Issues to bring to the attention of the Board/Committee:

There are two key issues to bring to the attention of the Trustees:-

- The value of the Charitable Funds has decreased by £0.004m from 1st April 2024 to 31st July 2024. This incorporates net expenditure of £0.078m over income offset by an increase in the Investment Portfolio value of £0.074m.
- The General Reserve is currently in deficit, which with remaining commitments, is forecast to be in deficit by £0.715m at 31st March 2025.

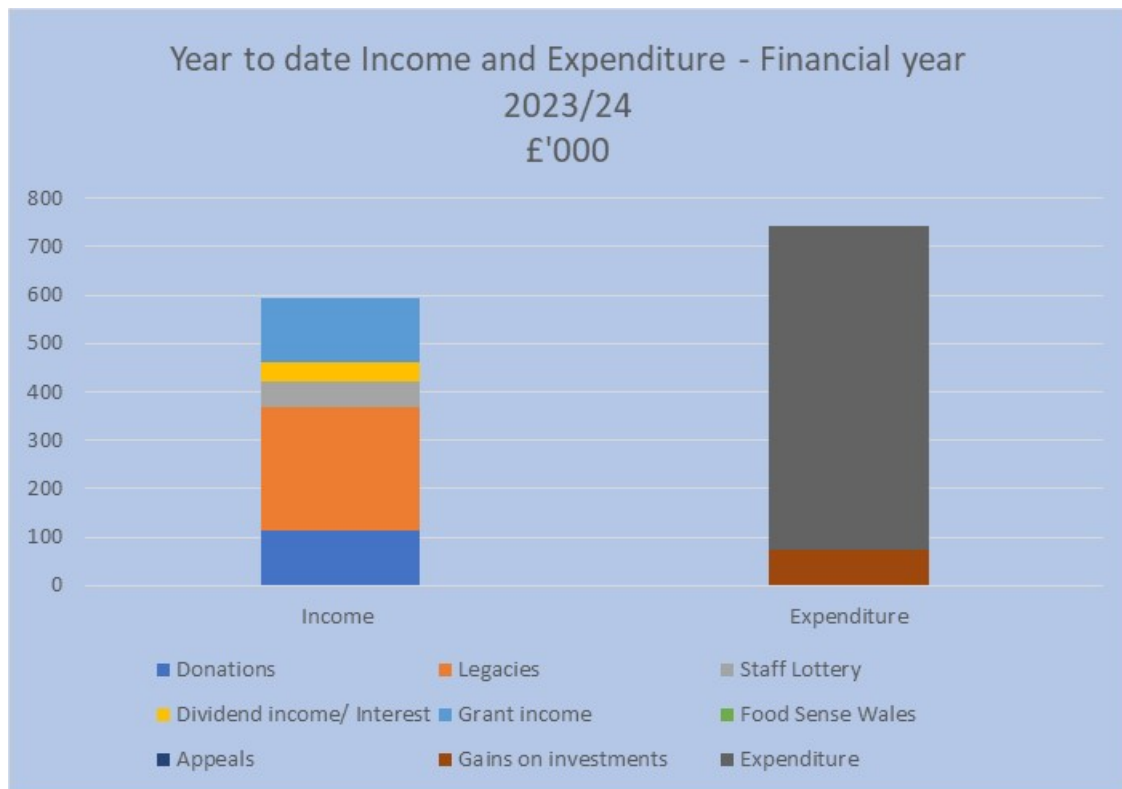
Financial Performance to 31st July 2024

The year to date financial position of the charity is summarised in the following table.

Table 1: Financial position of the Charity for the period to 31st July 2024.

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total Funds £'000
Fund Balances brought forward April 2024	2,952	2,163	4,222	9,337
Total Income Resources	97	497	0	594
Total Resources Expended	-447	-225	0	-672
Net Incoming/(Outgoing) Resources	-350	272		-78
Gains / (Losses) on Investment Assets	72	2		74
Fund Balances carried forward to 31st July 2024	2,674	2,437	4,222	9,333
Net Movement in Funds	-278	274	0	-4

Table 1 shows the Charity has generated £0.594m of income and spent £0.672m for the financial year to date. This has resulted in net expenditure of £0.078m. In addition, the charity has seen market value gains on its investments of £0.074m for the period to 31st July 2024. The combined effect of this is a net decrease in fund balances for the period ending 31st July of £0.004m.



An analysis of the income received by the charity for the year, is contained in Table 2. This also shows the comparison of income received for the same period over the previous 2 years.

Table 2: Schedule of Income for the period to 31st July 2024

Income	Unrestricted £000	Restricted £000	Total 24/25 £000	23/24 To July £000	22/23 To July £000
Legacies	0	255	255	0	45
Grants (FR)	0	12	12	104	0
Food Sense Wales	0	141	141	47	0
Donations	73	19	92	103	164
Staff Lottery	0	54	54	73	70
Appeals	0	0	0	77	46
Dividend Income / Interest	24	16	40	44	42
Total Income	97	497	594	448	367

The closing balance sheet for the period to date is shown in Table 3.

	Balance £000 01.04.24	Balance £000 31.07.24	Financial Year £000
Fixed Assets			
Investment Portfolio	5,789	5,463	(326)
Rookwood Hospital	4,181	4,181	0
Net Current Assets / Liabilities			

Cash	226	430	204
Debtors	262	2	(260)
Liabilities	(1,121)	(743)	378
Total Net Assets	9,337	9,333	(4)
Unrestricted Funds	2,952	2,674	(278)
Restricted Funds	2,163	2,437	274
Endowment Funds	4,222	4,222	0
Total Funds	9,337	9,333	(4)

Table 3: Summary Balance Sheet as at 31st March 2024

The balance sheet has decreased by £0.004m in the period, as per the table, due to £0.078m excess expenditure offset by £0.074m investment gain.

Cashflow Forecast

A cashflow forecast for 2024/25 is included as attachment 1 to this report, which has been updated for actual period ending 31st July 2024. The committee will note that £400k was realised from the investment portfolio to May 2024. Based on current spending plans and trajectory, it is projected that a further cash release from investments of £250k may be required to further support the cash position to the end of the financial year. It is anticipated that the Charity will request £125k in October 2024 with the possibility of a further £125k later in the financial year. The Finance Team will continue to monitor the situation and liaise with the investment advisors accordingly.

Forecast Financial Position of the Charity's General Fund Reserve

I&E Outlook analysis of the General Reserve Fund

The Funds Held on Trust are structured over a range of Restricted and Unrestricted (Designated Funds) funds according to the nature of how funds are established and the income that has supported the creation and ongoing activity of each fund.

The General Fund incorporates income that is not specified to a particular fund, alongside increases, and decreases in the Charity's investment portfolio valuation. Expenditure that is not specific to a particular fund, is also attributed to the General Fund. This includes the staff costs of the Charity that cannot be recharged to specific funds. At present, this currently incorporates 70% of the cost of the Charitable Funds team.

Attachment 2 provides an assessment of the movement in the General Reserve Fund from 2020-21 to 2023-24, a current year projection, and a forward projection for the financial years 2024-25 to 2026-2027.

The analysis highlights that prior funding commitments, combined with staff recharges and a reduction in investment values led to a brought forward deficit on the General Fund of £0.605m at the beginning of the 2024-25 financial year.

The General Fund has been closed to new applications for funding since the middle of the 2022-23 financial year. However there were outstanding commitments still to be funded as detailed in Table 5 below.

Table 5: Outstanding commitments against General Reserves

Commitments	Approved £ £'000	Outstanding £ £'000	Detail
Welsh Transplant Team	40	8	9 years remaining
Neurological Gardens - On - Going Maintenance Cost	94	84	
Total	134	92	

The draft out-turn valuation of the General Fund is projected to be £0.715m at 31st March 2025.

Based upon the current income and expenditure trends the predicted General Fund values for 2024/25 to 2026-27 are summarised below:

CUMULATIVE IMPACT	31/03/2024	31/03/2025	31/03/2026	31/03/2027
Change in fund value arising from operations	(914,148)	(1,154,148)	(1,394,148)	(1,634,148)
Change in fund value arising from movement in Investments & Commitments	309,020	424,077	557,329	690,581
Balance of General Reserve	(605,128)	(730,071)	(836,819)	(943,567)

In light of the increasing deficit in the General Fund, the Head of the Charity was asked to develop a plan to return the General Fund to a recurrent surplus position. A Task and Finish group has developed options to address the financial stability of the Funds Held on Trust.

The group looked at:

- Right-sizing the team
- Appropriate skill mix across the team
- Balance of fund raising and stewardship focus
- The challenge of multiple restricted funds
- Appropriate level of team recharge to funds

In addition the group has commissioned external consultants, Moore Partnership.

A separate option appraisal paper will be presented to the CFC outlining broad options to return the General Purpose Fund to financial balance.

Key points for the attention of Trustees:

The key financial risks are :-

- The performance of the investment portfolio which currently supports the General Fund balance.
- The staff recharges to the General Fund
- The impact on the Funds Held on Trust cashflow arising from the investment portfolio and the staff recharges.

The General Fund is forecast to be **£0.715m** in deficit by year end.

Recommendation

The Trustees are requested to:

- **NOTE** the financial position of the charity;
- **NOTE** the performance of the investment portfolio;
- **NOTE** the over commitment of the General Reserve:

- **NOTE** the development of a longer term plan to reduce the deficit on the General Fund Reserve

1. Reduce health inequalities	X	6. Have a planned care system where demand and capacity are in balance	
2. Deliver outcomes that matter to people	X	7. Be a great place to work and learn	X
3. All take responsibility for improving our health and wellbeing	X	8. Work better together with partners to deliver care and support across care sectors, making best use of our people and technology	
4. Offer services that deliver the population health our citizens are entitled to expect	X	9. Reduce harm, waste and variation sustainably making best use of the resources available to us	X
5. Have an unplanned (emergency) care system that provides the right care, in the right place, first time		10. Excel at teaching, research, innovation and improvement and provide an environment where innovation thrives	X

Five Ways of Working (Sustainable Development Principles) considered

Please tick as relevant

Prevention		Long term	X	Integration		Collaboration		Involvement	
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Impact Assessment:

Please state yes or no for each category. If yes please provide further details.

Risk: n/a

Safety: n/a

Financial: **Yes**

Workforce: n/a

Legal: n/a

Reputational: n/a

Socio Economic: n/a

Equality and Health: n/a

Decarbonisation: n/a

Approval/Scrutiny Route:

Committee/Group/Exec

Date:

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Cardiff and Vale Charity General Reserve Profile

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Balance Brought Forward	0	687,858	429,016	(497,498)	(605,128)	(730,071)	(836,819)
Income (Legacies, Donations - Not Restricted)	0	0	0	21,478	0	0	0
Transfers (From Dormant Funds)	371,712	28,563	0	7,200	15,000	15,000	15,000
Total Income	371,712	28,563	0	28,678	15,000	15,000	15,000
Net Cost of Fundraising Team	(276,206)	(356,084)	(346,906)	(363,905)	(255,000)	(255,000)	(255,000)
Net Income / Expenditure - Fundraising in Year - (Change in fund value arising from operations)	95,506	(327,521)	(346,906)	(335,227)	(240,000)	(240,000)	(240,000)
Balance Brought Forward	456,583						
Unrealised change in Investment Values - Increase / (Decrease)	864,333	448,284	(323,000)	246,000	128,475	146,670	146,670
Expenditure - General Reserve Commitments	(728,564)	(379,606)	(256,608)	(18,403)	(13,418)	(13,418)	(13,418)
Change in fund value arising from movement in Investments & Commitments	592,353	68,678	(579,608)	227,597	115,057	133,252	133,252
Balance of General Reserve	687,858	429,016	(497,498)	(605,128)	(730,071)	(836,819)	(943,567)
CUMULATIVE IMPACT							
Change in fund value arising from operations	95,506	(232,015)	(578,921)	(914,148)	(1,154,148)	(1,394,148)	(1,634,148)
Change in fund value arising from movement in Investments & Commitments	592,353	661,031	81,422	309,020	424,077	557,329	690,581
Balance of General Reserve	687,858	429,016	(497,498)	(605,128)	(730,071)	(836,819)	(943,567)

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Report Title:	Independent Review of the Health Charity			Agenda Item no.	7.2
Meeting:	Public Board of Trustee Meeting	Public	√	Meeting Date:	24th September 2024
		Private			
Status:	Assurance	√	Approval	Information	
Lead Executive:	Catherine Phillips, Executive Director of Finance				
Report Author (Title):	Joanne Brandon, Director of Communication, Arts, Health Charity and Engagement Team				

Main Report

Background and current situation:

This paper provides an update to the Board of Trustees on one of the actions arising from the Charitable Funds Committee and Task & Finish Group proposals for its short and long-term plans to address the deficit position of the General Reserves Fund and the Health Charity sustainability.

Action agreed: To engage the services of an external independent consultant with specialist knowledge of healthcare charities, to conduct a full review of the Health Charity, Finance and Governance functions, and current financial operational model.

The EDoG and DoC have worked with finance and procurement colleagues on the commissioning of an external consultant, with an anticipated timescale for the review to be undertaken from September 2024 – December.

The proposed scope of the review will cover the following areas of work:

- Foundations for a robust Fundraising Strategy
- Prioritised fundraising activities
- Unrestricted income growth opportunities
- Resource allocation
- Governance Review
- Review of the current operating model in line with the requirement for long-term sustainability

The professional relationship and ownership of the review is with the Director of Communications, Health Charity and Engagement, however there will be regular reporting to the Task and Finish group, the Charitable Funds Committee and the Board of Trustees.

Executive Director Opinion and Key Issues to bring to the attention of the Board/Committee:

This paper provides a brief progress report to the Board of Trustees on the actions taken by the CFC to engage the services of an independent specialist consultant to conduct a comprehensive review of the Health Charity including operational, governance and financial processes.

Recommendation:

The Board of Trustees is asked to:

- Receive the progress report for information and assurance.

Link to Strategic Objectives of Shaping our Future Wellbeing:

1. Reduce health inequalities	√	6. Have a planned care system where demand and capacity are in balance	
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2. Deliver outcomes that matter to people	√	7. Be a great place to work and learn	√
3. All take responsibility for improving our health and wellbeing	√	8. Work better together with partners to deliver care and support across care sectors, making best use of our people and technology	√
4. Offer services that deliver the population health our citizens are entitled to expect		9. Reduce harm, waste and variation sustainably making best use of the resources available to us	√
5. Have an unplanned (emergency) care system that provides the right care, in the right place, first time		10. Excel at teaching, research, innovation and improvement and provide an environment where innovation thrives	√

Five Ways of Working (Sustainable Development Principles) considered:

Prevention	√	Long term		Integration	√	Collaboration	√	Involvement	√
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Impact Assessment:

Please state yes or no for each category. If yes please provide further details.

Risk: Impact Assessment being undertaken, and plan being developed to mitigate against any potential legal, contractual or organisational risks

Safety: No

Financial: Yes, as identified in report

Workforce: Yes – it is anticipated that staff members will be displaced from existing roles as a result of this restructure, therefore action has already been taken to commence an Operational Change Process (OCP), to be led by Workforce, People and Culture. Team members will receive open support from the Health Charity Director and Senior Team, and provided with advice on other support services, e.g. staff association.

Legal: No

Reputational: Yes – there is the potential for significant reputational risk and loss of goodwill both internally and externally caused by the closure of the Arts Programme and reduction in available support to fundraisers and/or Clinical Boards from the Health Charity. An exit plan including standard letter of correspondence and guidance documents will be developed to support this. Team members will receive advice on how to deal with difficult calls/contacts and methods of escalation to senior team members as appropriate.

Socio Economic: No

Equality and Health: No

Decarbonisation: No

Approval/Scrutiny Route:

Committee/Group/Exec	Date:

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Report Title:	NEW CRM PROVIDER AND OPERATING LICENCE UPDATE		Agenda Item no.	7.3
Meeting:	Board of Trustees	Public	√	Meeting Date: 24th September 2024
		Private		
Status:	Assurance	X	Approval	Information
Lead Executive:	Catherine Phillips, Executive Director of Finance			
Report Author:	Joanne Brandon, Director of Communications, Arts, Health Charity and Engagement			

Main Report

Background and current situation:

Since its launch in 2005, the staff lottery has been registered with the local authority as a Small Society Lottery. As the lottery's projected income is likely to increase and exceeded the threshold of £250,000 per annum, it is necessary to obtain an operating licence via the Gambling Commission.

In addition, the need for a new Customer Relationship Management platform (CRM) was also recently identified. The lottery module is critical for the ongoing operation of the scheme as well as its planned growth in membership and fundraising income into the Charity.

On the basis of the above, agreement was sought and approved by the CFC at their meeting held September 2023 for a replacement CRM provider to be procured.

As the income into the lottery exceeded the threshold of £250,000 for the registration held with the local authority, the CFC also agreed to pause the lottery scheme from June 1st - August 31st, 2024.

A Health Board wide and Payroll communication message, regarding the pause, did not generate any negative feedback. Staff members continued to submit membership applications to sign up to the scheme, once the pause ended.

In the current phase of the project, the Health Charity continues to work with the Digital & Health Intelligence Team and third-party provider. All Information Governance, Server, and Firewall requirements have been met.

At the time of writing this report (August 2024) we are pleased to report the new CRM is scheduled to be installed and training delivered week commencing 2nd September. Lottery deductions will recommence as anticipated from September 2024 with the first weekly draw on the new system, 4th October 2024.

All relevant team members will be fully trained in the use of the new CRM by mid-October 2024.

Due to the complexity of the operating licence application via the Gambling Commission, independent legal advice was sought with the agreement of the Director of Corporate Governance. A meeting was held with Withers Worldwide Law Firm, who provided advice on some aspects of the application.

The operating licence is still to be completed and submitted to the Gambling Commission. Several delays have contributed to the delay, such as installing the new database, completing the contract, and implementing the procurement. In addition, a great deal of documentation is required when applying. Obtaining some information has had an impact on the timescale. We anticipate the final completed version will be submitted to the Gambling Commission over the next eight weeks. For assurance, the Health Charity has renewed the Small Society Lottery registration with the local authority to ensure we are compliant with operating the staff lottery up to value of £250,000.

The estimated timescale for full implementation of a fully licensed lottery for income exceeding £250,000 is the end of January 2024. This is a conservative estimate and is highly dependent on

Gambling Commission timescales for processing applications and any potential queries arising. A further update on timescales will be provided to the CFC meeting in December 2024.

Risk Management

Although not anticipated to be a requirement, to minimise any future risk due to potential further delays in the completion and issuing of a licence from the Gambling Commission, the timescale will be closely monitored and if required, the Small Society Lottery Registration will be renewed in 2024.

Procurement Update Due to the lengthy work involved to progress the contract award between CAVUHB, including the Health Charity, Information Technology, Information Governance and Procurement, and Donorflex, this has resulted in a variation of estimated timescales. As a result, the billing three-year cycle with Donorflex will now move forwards, and is reflected in the contractual agreement, with the retention of an 18-month break clause for the five-year period.

Executive Director Opinion and Key Issues to bring to the attention of the Board/Committee:

The CFC agreed, it was encouraging to see that the new CRM is scheduled to be installed and that training will be provided. In an effort to acknowledge the challenges that were faced during the transition of the database, the CFC thanked all the teams involved.

Recommendation:

The recommendation for consideration by the Board of Trustees is to:

- **NOTE** the progress of the procurement of a replacement CRM provider and operational licence application.

Link to Strategic Objectives of Shaping our Future Wellbeing:

1. Reduce health inequalities		6. Have a planned care system where demand and capacity are in balance	
2. Deliver outcomes that matter to people	ü	7. Be a great place to work and learn	ü
3. All take responsibility for improving our health and wellbeing	ü	8. Work better together with partners to deliver care and support across care sectors, making best use of our people and technology	
4. Offer services that deliver the population health our citizens are entitled to expect	ü	9. Reduce harm, waste and variation sustainably making best use of the resources available to us	
5. Have an unplanned (emergency) care system that provides the right care, in the right place, first time		10. Excel at teaching, research, innovation and improvement and provide an environment where innovation thrives	

Five Ways of Working (Sustainable Development Principles) considered:

Prevention	ü	Long term	ü	Integration	ü	Collaboration	ü	Involvement	ü
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Impact Assessment:

Please state yes or no for each category. If yes please provide further details.

Risk: Yes

If the gambling license is not issued by the Gambling Commission by the end date of the Small Society Lottery Registration, this will need to be renewed with the local authority, to ensure we are compliant with operating the Staff Lottery, up to the value of £250,000.

Safety: No

Financial: No

Workforce: No

Legal: No

Reputational: No	
Socio Economic: No	
Equality and Health: n/a	
Decarbonisation: n/a	
Approval/Scrutiny Route:	
Committee/Group/Exec	Date:

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