

## **Endowment Committee Assurance Report to Grampian NHS Board**

AGM of Trustees held on 22 July 2022 and Endowment Committee Meetings held on 27 May 2022 and 22 July 2022

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### **Purpose of Report**

This report is to provide assurance to the Grampian NHS Board regarding the effectiveness of the governance arrangements for the NHS Grampian Endowment Funds charity (the Fund) regarding:

- 1.1 The distribution and use of the funds in line with the charitable status and defined purpose of the fund;
- 1.2 Monitoring of investment performance;
- 1.3 Operational management of the charity including monitoring of income and expenditure in line with the charter and operating instructions; and
- 1.4 Timeous preparation and publication of audited Financial Statements and other regulatory returns.

### **Recommendation**

The Board is asked to note the following key points and assurances discussed by the Endowment Committee and Trustees.

### **Endowment Committee 27<sup>th</sup> May 2022**

#### **1. Investment update**

Mr Brisbane from 'abrdn' attended to provide an update on financial markets and the impact on the investment Portfolio. He reported on uncertainties regarding recession risks and the impact on the global economy forecast which had been revised downward. He also highlighted challenges relating to inflation, the spike in energy costs, supply chain costs, workforce availability across many sectors and the number of people who are removing themselves from the workplace following on from their experience during the pandemic. Mr Brisbane reported that the overall value of the portfolio in May was £49.3M which was less than it had been at the end of March 2022, reflecting the downturn in financial markets.

Mr Brisbane's conclusions indicated a challenging 12 month period ahead but he noted that the portfolio had stood up well during a global pandemic and remained confident that the current strategy in managing investments did not need to significantly change.

#### **2. Funding Applications**

The following application for endowment funding was approved:

- A research project to focus on the impact of a new approach to the treatment of acromegaly (tumour within the pituitary gland in the brain).

## **Annual General Meeting 22<sup>nd</sup> July 2022**

### **1. Annual Report and Accounts**

Trustees approved the Annual Report and Accounts for 2021/22, following an unqualified audit opinion from the appointed auditors, AZETS.

### **2. Investment Portfolio**

Mr Brisbane from 'abrdn' briefed Trustees on investment performance during 2021/22 also providing some insight in to the current market forces and potential future outlook for the portfolio.

### **3. Revised Charter and Policies**

Trustees approved the following charter and policy changes:

#### **3.1 Trustee Meetings**

For Trustees to hold the right to co-opt external parties to participate in meetings as appropriate and on a voluntary basis. This will allow, for example, persons who may have an interest in becoming a future Trustee to engage fully with the charity as part of a transitional process pending implementation of the recommendations of the National Review of Endowment Funds.

#### **3.2 Role and Remit of the Endowment Committee**

Clarification that membership of the Committee will be selected jointly by the NHS Grampian Board Chair and the Chair of Trustees.

#### **3.3 Investment Policy**

The revised investment policy, which was informed by two workshops earlier in the year, facilitated by 'abrdn'. A number of exclusions are incorporated based on public health criteria and also a gradual shift in emphasis in investment activity in line with the UN's sustainable development goals.

#### **3.4 Reserves Policy**

Amendments were agreed to reflect the current balance on general endowment funds and the number of restricted funds.

### **4 Auditors 2022/23 and 2023/24**

Trustees approved the appointment of AZETS as the external auditors of the NHS Grampian Endowment Funds for a further year covering the audit of the annual report and accounts for 2022/23 and to retain an option to extend for one more year covering 2023/24

### **5 Investment Management**

Trustees considered a paper by the Assistant Director of Finance summarising investment performance in recent years and approved the continued engagement of 'abrdn' as the Funds Investment Managers.

## **6 Endowment Committee Membership**

Trustees have proposed the following Endowment Committee Membership for approval by NHS Grampian's chair:

Dennis Robertson – **Chair**  
Stephen Lindsey  
Ann Bell  
Siladitya Bhattacharya  
John Tomlinson  
Alex Stephen

### **Endowment Committee 22<sup>nd</sup> July 2022**

#### **1. Financial Update**

Members reviewed the regular financial performance report from the Assistant Director of Finance. Points of note included the apparent levelling off of income from donations, although this remains very low compared to prior years and the depressed value of the investment portfolio due to current market forces driven by a number of geo-political factors. Members noted the plans to increase staffing resource in support of income generation in the coming months and that although the value of investments had dropped significantly, this was in the context of an all-time high earlier in 2021/22. The drop in valuation remains well within the parameters outlined in the Fund's reserves policy. Although there is no current cause for concern the finance team are continuing to monitor the position with regard to investment performance.

#### **2. Co-opting of Committee Membership**

Following the agreement by Trustees to amend the charter to allow co-opting, on a voluntary basis, of external parties with supplementary skills, the Committee discussed how this might be progressed and requested that a paper with recommendations on implementation should be available for consideration at the next meeting of the Committee in September.

#### **3. Endowment Staff Recruitment**

Trustees approved the recruitment of 2 new full time Engagement and Fund Raising posts.

#### **4. Endowments Funds Merger**

A paper was presented to Trustees outlining a process framework to be adopted following previous agreement to target the reduction in the number of individual funds by merging those with a like purpose and where no legal restrictions exist. Members approved the direction of travel for this work and the next step for consultation is progressed to ensure full engagement with key stakeholders, including existing Fund Stewards. Firm proposals to be available for consideration and approval at a future meeting.

#### **5. Endowment Name Change**

Trustees discussed and approved consultation on the proposal for a name change for the Charity as part of the new strategic direction.

#### **6. Applications Approved**

The following application for endowment funding was approved:

Funding was approved to provide enhancements to the Complementary Therapy Room for the new Anchor Centre. These funds have been raised by Friends of Anchor as part of the Delivering the Difference campaign.

**Luan Grugeon**  
**Chair of Trustees**

**Meeting of the Endowment Committee - Agenda**  
**09:00 – 11:00 via TEAMS**  
**27<sup>th</sup> May 2022**

Members should be aware that their names will be listed in the Minutes which will be publicised on the NHSG website

<b>Approx. Timing</b>	<b>Item</b>			<b>Ref</b>	<b>Noting/ Decision</b>
<b>11.00</b>	<b>1</b>	<b>Apologies</b>	<b>LG</b>	<b>#</b>	
<b>11.01</b>	<b>2</b>	<b>Declarations of Interest</b>	<b>LG</b>	<b>#</b>	
<b>11.02</b>	<b>3.1</b>	<b>Minutes of the meeting held on 25 March 2022</b>	<b>LG</b>	<b>*</b>	<b>D</b>
<b>11.05</b>	<b>3.2</b>	<b>Matters Arising</b> <ul style="list-style-type: none"> <li>• Action Log</li> <li>• Any other matters not on action log</li> </ul>	<b>LG</b>	<b>*</b>	<b>N</b>
<b>11.10</b>	<b>4</b>	<b>Lead Officer's Report</b>	<b>LD</b>	<b>*</b>	<b>D</b>
<b>11.20</b>	<b>5</b>	<b>Finance</b>			
	<b>5.1</b>	<b>Investment Update from Gair Brisbane (abrdn)</b>	<b>GB</b>		<b>D</b>
<b>11.35</b>	<b>5.2</b>	<b>Financial Report</b>	<b>SW</b>	<b>*</b>	<b>D</b>
<b>11.45</b>	<b>6</b>	<b>Grant Applications:</b>			
	<b>6.1</b>	<b>Research of the role and application of functional imaging in endocrine disorders.</b>			
<b>11.50</b>	<b>7</b>	<b>AOCB</b>	<b>LG</b>	<b>#</b>	<b>N</b>
	<b>8</b>	<b>Future Meetings</b> 8 <sup>th</sup> June – Investment Policy session      10:30-12:00 Friday 22 July 2022                              10:00-12:00 (please note change of AGM date) Friday 22 September 2022                      10:00-12:00			

Approx. Timing	Item		Ref	Noting/ Decision
	Friday 14 <sup>th</sup> October (strategy Development session) Friday 25 November 2022	09:00-12:30  10:00-12:00		

\*Paper attached; # Oral/verbal; ~to follow

**Luan Grugeon**  
**Chair NHS Grampian Endowment Fund Trustees**

**Annual General Meeting of the Trustees of  
NHS Grampian Endowment Funds  
Friday 22 July 2022  
9:00-10.30am via TEAMS**

Members should be aware that their names will be listed in the Minutes which will be publicised on the NHSG website

**Agenda**

Approx Timing	No	Item	Lead	Ref	Noting/ Decision
9:00	1	<b>Apologies</b>	LG	#	N
9:02	2	<b>Declarations of Interest</b>	LG	#	N
9:04	3	<b>Minutes of the meeting held on 23 July 2021</b>	LG	*	D
9.10	4	<b>2021/22 Annual Report and Accounts</b>			
		4.1 Overview of the Charity	LD	+	N
		4.2 Annual Report and Accounts	GK	*	D
		4.3 Annual Audit Report	Azets	*	N
9.35	5	<b>Investment Update</b>	Abrdn	*	N
9.50	6	<b>Review of Charter including Reserves and Investment Policies</b>	GK/LD	*	D
10.10	7	<b>Appointment of auditors</b>	GK	*	D
10.15	8	<b>Review of investment performance</b>	GK	*	D
10.20	9	<b>Chair of Endowment Trustees and Endowment Sub-Committee membership</b>	LG	#	D
10.25	10	<b>AOCB</b>	LG	#	N
	11	<b>Date of Next Annual General Meeting</b> To be advised.	LG	#	N

\* Paper attached; # Oral/verbal; ~ To follow; + Presentation

**Luan Grugeon**



\*Paper attached; # Oral/verbal; ~To follow

**Luan Grugeon**  
**Chair**  
**NHS Grampian Endowment Fund Trustees**  
**March 2022**

**Papers included for information:**

1. GAPF report
2. GHAT report
3. Sports Committee report
4. Staff Physio service report
5. Covid-19 grants 2020 report
6. Wellbeing and Enablement Practitioners Training Programme