

Endowment Committee Assurance Report to Grampian NHS Board

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 25th March 2022

1. Audit Plan

The Committee agreed the external audit plan and engagement letter prepared by Azets Audit Services Limited, the Funds appointed auditors. The audit started on schedule on 25 April and the Annual Report and Accounts will be presented at the AGM on 22 July.

2. Financial Update

The Committee received an update on the financial performance of the charity from the Assistant Director of Finance. Members noted that the Fund's net assets at the end of February were £2.013 million higher than the position reported at 31 March 2021. Despite significant volatility throughout the year, the investment portfolio had seen sustained underlying growth valued at £52m at 28 February 2022 compared to £50m at 31 March 2021. Although there had been some volatility in the valuation since the beginning of hostilities in Ukraine, the valuation had recovered and remained around £52 million.

Overall income levels remain well below prior years. This is mainly due to a drop in donations relating to the normal operations of the charity and our focus in the coming months will be to create an engagement and communication strategy which focuses on donor relationships and increasing the profile of the charity to NHS Grampian patients, visitors and staff and in local communities. Investment income encouragingly was forecast to recover and exceed last year's figure by the year-end.

Board Meeting 2 June 2022

Members considered the projected impact of agreed commitments over the next five years and agreed the budget for General Endowment funds for 2022/23. Members also agreed to continue with the current arrangement where all requests for funding are assessed first against the availability of specific funds prior to considering use of general endowment funds and to continue to ensure that the balance on general endowment funds should not drop below £3m in line with the agreed reserves policy.

3. Funding Applications

The following applications for endowment funding were approved:

- A research project to increase understanding of how a technique for induction of labour in NHS Grampian affects key aspects of the induction of labour process.
- An application to support the delivery of the arts and environment programme for the Baird Family Hospital and ANCHOR centre project.
- A joint research project (Exploiting the gut microbiota and its metabolites in pelvic cancer to improve patient outcomes.) involving a team of University of Aberdeen Investigators and a team of NHS Grampian consultants.
- Funding of £263,637 to support 24 projects recommended by NHS Grampian's Research and Development Unit.

4. Community Grant Fund

Members received an update on the outcome of the recent round of applications for the Community Grants Programme approved at the November 2021 meeting. Applications were invited for grants up to £10,000. 33 applications were received and 21 were recommended for funding with a total value of £171,027 from an indicative budget of £200,000.

A further 3 applications with a collective value of £30,000 were approved in May, bringing the overall Community grant spend to £201,027.

5. Staff Social Activities Programme

Members considered a paper covering the impact that the pandemic and associated restrictions had on the Social activities programme. It was agreed to restart the programme on 1 April 2022, allocating a new entitlement of £10 per member of staff for 2022/23. It was also agreed that any unclaimed allocation in 2021/22 would be carried forward to allow those staff who were not able to claim in 2021/22 to receive double the amount (£20) as a contribution towards social activities in 2022/23.

Other Matters of interest

Recruitment

Our new Lead Officer, Lisa Duthie, took up post with the Endowment Fund in January. Lisa comes from a health background with significant third sector leadership experience. Recruitment is under way for the role of Finance & Business Systems Manager and 2 further roles of Communication & Engagement Office and Supporter Engagement Officer are in the pipeline. These posts will significantly enhance the skill mix within the existing support team and have been agreed as an essential step in preparing the charity for the challenges ahead following the outcome of the national review of Governance arrangements.

Trustees Development Sessions 3 December 2021 and 29th April 2022

The development session held in December was well attended by Trustees who received informative updates from the Assistant Director of Finance on the implications to the charity following the outcome of the National review of Governance and from NHS Grampian's Head of Sustainability on the Health benefits arising from implementation of the recognised sustainability development goals. Trustees were also briefed on the proposed work plan for the charity including the plan to develop a formal strategy. The session held in April was facilitated by the lead officer with a specific focus on engagement and the approach to development of the strategy which it is hoped will be available for an early 2023 launch.

Investment Policy

The Fund's Investment managers facilitated a workshop on 18th January 2022 for Trustees to review the Investment policy. The session prompted an informative and wide ranging discussion covering a number of areas of ethical consideration and also matters such as sustainability. The outcome of this session has been incorporated in a draft revised policy that will be considered at a further meeting on 8th June, to which all trustees are invited, with a view to presenting a final version to the AGM in July for approval.

Lasting Impact Fund

Following agreement at the last AGM a lasting impact fund has been created with an initial value of £2m. Work has been ongoing to agree how this fund will be utilised and several engagement sessions have been held to consider the future approach to supporting research. The intention is to co-produce with researchers and communities a new research program focusing on population health. This approach has been well received and it is hoped to have an agreement on the approach to utilisation of the lasting impact fund later in 2022.

Luan Grugeon
Chair of Trustees

Meeting of the Endowment Committee
Friday 25 March 11:00 – 13:00 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		Item		Ref	Noting/ Decision
11.00	1	Apologies	LG	#	
11.01	2	Declarations of Interest	LG	#	
11.02	3.1	Minutes of the meeting held on 28 January 2022	LG	*	D
11.05	3.2	Matters Arising <ul style="list-style-type: none"> • Action Log • Any other matters not on action log 	LG	*	N
11.10	4.1	Lead Officer's Report <ul style="list-style-type: none"> • Clarity on Endowment Fund status • Framework for Engagement 	LD	*	D
	5	Finance			
11.15	5.1	Audit plan Guest: Jennifer Alexander, Azets.	GK	*	D
11.30	5.2	Financial Report	GK	*	D
11.45	6	Community Grants	LD	*	D
11.55		Break			
12.0	7	Staff Social Activities Programme	LD	*	D
	8	Grant Applications:			
12.10	8.1	Induction of labour research	LD	*	D
12.15	8.2	Baird and Anchor	LD	*	D
12.35	8.3	Kiltie & Ramsay research: Exploiting the gut microbiota and its metabolites in pelvic cancer to improve patient outcomes	LD	*	D
12.40	9	Hospital Homecoming Project	LD	*	D
12.50	11	AOCB	LG	#	N
	12	Future Meetings Friday 29 April- Development session 11.00-12.30			

Board Meeting 2 June 2022

Approx. Timing	Item		Ref	Noting/ Decision
	Friday 27 May 2022	10:00-12:00		
	Friday 29 July 2022*	10:00-12:00		
	Friday 22 September 2022	10:00-12:00		
	Friday 25 November 2022	10:00-12:00		
	<i>*Chair unavailable</i>			

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

Luan Grugeon
Chair
NHS Grampian Endowment Fund Trustees

March 2022