

**Minute of the Endowment Committee Meeting
31st March 2023
Microsoft Teams**

Present:

Mr Dennis Robertson, Trustee, NHS Grampian Endowment Funds (Chair)
Professor Siladitya Bhattacharya, Trustee, NHS Grampian Endowment Funds
Mrs Alison Evison, Trustee, NHS Grampian Endowment Funds
Mr Steven Lindsay, Trustee, NHS Grampian Endowment Funds
Mr Alex Stephen, Trustee, NHS Grampian Endowment Funds
Dr John Tomlinson, Trustee, NHS Grampian Endowment Funds (Vice-Chair)

In Attendance:

Ms Julie Anderson, Assistant Director of Finance, NHS Grampian
Ms Lisa Duthie, Endowment Charity Lead, NHS Grampian
Mr Colin Loy, Finance and Business Manager, NHSG Charities
Ms Else Smaaskjaer, Minutes

Item	Subject	Action
1.	<p>Welcome and Apologies Mr Robertson welcomed everyone to the meeting.</p> <p>Apologies from Committee Members: Cllr Anne Bell, Trustee, NHS Grampian Endowment Funds</p> <p>Apologies from Other Attendees: Ms Sarah Duncan, Board Secretary, NHS Grampian Mr Gerry Donald, Head of Property and Asset Development, NHS Grampian</p>	
2.	<p>Declarations of Interest</p> <p>None.</p>	
3.	<p>Minute of Previous Meeting 27.01.23</p>	
	<p>3.1 The minute of 27th January 2023 was agreed as an accurate record of the meeting.</p> <p>Dr Tomlinson highlighted the action at Item 5.1 where trustees agreed there should be further discussion and guidance regarding the use of endowment funds to support transport provision for patients. Dr Tomlinson asked that this should be included on the action log to ensure it is kept under review.</p>	LD

		No other matters raised which were not included on the agenda.	
	3.2	<p>Action Log</p> <p>An updated action log had been distributed with papers for the meeting.</p> <p>Ms Evison noted that two actions were overdue due to lack of capacity and asked if new appointments would allow work against those actions to progress. Ms Duthie advised that the paper at Item 10 on the agenda would address the staffing resource for the charity.</p> <p>Trustees noted that all other items on the action log were complete, included on the agenda or scheduled for future meetings of the Endowment Committee.</p>	
4.		<p>Lead Officers Report</p> <p>A report from the Endowment Charity Lead Officer highlighted recent activities and provided updates regarding ongoing pieces of work. The following items were discussed:</p> <p><i>Endowment Team Recruitment</i> – Ms Duthie provided an update on the interviews to appoint a Supporter Engagement Officer. These had concluded and a preferred candidate had been informed. However, it had since emerged that the salary offered does not meet the candidates expectations and there is no scope to accelerate up the salary scale until all references and pre-employment check are complete.</p> <p>The following suggestions were made if this cannot be resolved:</p> <ul style="list-style-type: none"> • Explore options to engage with someone on a freelance basis. • Buy in expertise from other endowment teams/local charities. • Review the post offered and consider if there is scope to repackage and consider alternatives such as job-share and flexible employment. <p>Agreed that any options explored should be within the resources identified for the substantive post.</p> <p>Action: Ms Duthie and Ms Anderson to consider options which are within HR policies.</p> <p><i>Re-brand Launch Event</i> – this well attended event had taken place on 29th March 2023 at ARI and feedback had been very positive. The next steps will be to visit other sites and raise awareness of the charity and its plans.</p>	LD/JA

	Trustees noted the report.		
5.	Finance		
	5.1	<p>Financial Report</p> <p>A report detailing the financial position of the Charity at 28 February 2023 had been circulated. Mr Loy noted:</p> <ul style="list-style-type: none"> • There had been an increase in income from general donations and from legacies. • Investment income now exceeds the amount targeted and it is estimated that this will be in the region of £1.7 million at the end of March 2023 against a target of £1.25 million. • The main items of expenditure had related to research costs and staff welfare and amenities. • The overall value of the investment portfolio had increased by £869k since previously reported at the end of October 2022. • There had been an increase in the provision of commitments for a number of larger projects which had not yet paid out. • Applications approved in excess of £2,000 for the year to date amounted to £2 million. <p>Mr Stephen asked if the £2.8 million recorded at Cash and Bank on the balance sheet would be for spend or investment. Mr Loy confirmed that he would review original applications to reach a wider understanding around the timing of individual commitments and cashflow requirements. Following this he would discuss with Abrdn if some of this should be moved to the liquidity fund or whether it should remain available for spend.</p> <p>The report outlined the combined holding of products in the name of Abrdn Capital. These had exceeded the 6% of the total portfolio value allowed for in the charity's investment policy and Mr Loy explained that this had been an oversight and adjustments had been made to put this right. Trustees asked if future reporting could include information on how funds are spent as the year progresses, details of the operating amount agreed for the year, provide assurance that expenditure is within that amount and that the overall value of the portfolio is as expected. Mr Loy advised that he is reasonably content with the flow of funds but highlighted the gap generated by the lack of clear spending plans.</p> <p>Trustees noted the financial position of the Charity.</p> <p>Actions:</p>	

	<ul style="list-style-type: none"> • Arrange a future development session to include an overview of financial reporting, development of fund utilisation profiles and an overview of ethical investments for new Trustees and new members of the Committee. • Fund managers to be provided with guidance regarding the provision of clear spending plans. • Future reporting to quantify the fees paid to investment managers. 	<p>LD/CL</p> <p>CL</p> <p>CL</p>
5.2	<p>2023/24 Budget</p> <p>Mr Loy presented a paper asking Trustees to approve the annual budget for the charity for 2023/24. This had been based on £1.5M income and expenditure of £1.69M, including the standing programme of commitments amounting to £977K, resulting in a net potential overall reduction across all funds of £192K. The following points were discussed:</p> <ul style="list-style-type: none"> • The allocation of income across restricted, unrestricted and designated funds follows standard practice and technically correct. • There are increases in expenditure due to increased staffing costs and pay settlements. Dr Tomlinson asked that Trustees be provided with more information regarding how much is because of pay settlements and how much is in increased staffing. • It was noted that every £1 disbursed incurs 50p in governance and staffing costs and Trustees agreed that some benchmarking should be carried out with other endowment and fundraising charities. Agreed that operating the programme of activities, processing applications and grant management are big tasks but Dr Tomlinson asked that Trustees are provided with all the information required to evidence accountability. <p>Actions:</p> <ul style="list-style-type: none"> • Benchmarking should be carried out with other endowment and fundraising charities in relation to governance and staffing costs. • Appendix 1 should be recirculated with comparative costs for 2022/23. • The paper to approve the budget for 2024/25 should clarify alignment between the strategic intent and the proposed budget. <p>Trustees approved the recommendations:</p> <ul style="list-style-type: none"> • to note and approve the income assumptions outlined for the 2023-24 financial year together with the 	<p>LD/CL</p> <p>CL</p> <p>CL</p>

		<p>proposed top-slicing and redistribution of investment income across restricted, designated and permanent endowment funds;</p> <ul style="list-style-type: none"> • to note and approve charity governance costs of £505,276 detailed in Appendix 1 for the 2023-24 financial year including the step-increase in staffing costs arising from the 2022-23 and 2023-24 national pay settlements • to note and approve investment in strategic programmed activities totalling £977,000 for the year outlined in the report; and • to approve the Annual Budget for the charity on the basis of a potential reduction in unrestricted funds of (£492,276) for the year and a net potential overall reduction across all funds of (£192,276) for the year as outlined in the report. 	
6.		<p>Operating Instructions</p> <p>Ms Duthie presented a report asking Trustees to approve the revised edition of the Endowments Operating Instructions. Accompanying papers were also distributed:</p> <ol style="list-style-type: none"> 1. New proposed guidance. 2. Current operating instructions agreed by Trustees in April 2022. 3. A table providing detail of the changes and movement between 1 and 2. <p>The following points were discussed:</p> <ul style="list-style-type: none"> • The proposed guidance reflects the name change of the charity and the strategic aims, activities and outcomes agreed by Trustees at recent workshops and development sessions. • It would be helpful to further clarify the four types of charity funds and provide examples of how each can be used. • It is important that information is available across the system regarding what funding is available, for what purposes and how it can be accessed. • Important to ensure that Procurement colleagues had been consulted and were content with the information provided to applicants regarding procurement processes. • The roles, responsibilities and levels of authority for fund stewards, Director of Finance and Trustees need to be explicit, with clarification that Trustees have the final say and can overturn decisions made by others when required. <p>Trustees supported, in principle, the proposed guidance asking that it is reviewed to take into account the discussion at the meeting. Work to be completed in finalising all supporting</p>	

	documents and the guidance will be used to inform the induction of new Fund Stewards.	
7.	<p>Community Grants Programme Update</p> <p>Ms Duthie updated Trustees on progress with application to the Community Grants Programme for 2022/23.</p> <p>69 applications had been submitted and issued to assessors for review and scoring. Not all assessors had completed this work within the timeframe set out and some responses remain outstanding. During the process it had emerged that not all applicants share the same level of experience in preparing applications for funding and there are variations in how assessors view the applications and interpret the guidance. Ms Duthie asked that further time is allowed to analyse the submissions and, in discussion with the Chair of Trustees, reach a view on the final applications for approval. Applicants to be informed by the end of April.</p> <p>Trustees agreed the recommendations to:</p> <ul style="list-style-type: none"> • Approve the revised proposals, inclusive of time frame, for the community grants programme awards as outlined in the report; and • To delegate approval for the final decisions to the Chair of Endowment Trustees and the Charity Lead. 	
8.	<p>End of Year Reports</p> <p>End of year reports had been received from:</p> <ol style="list-style-type: none"> 1. Grampian Hospital Arts Trust 2. Grampian Area Partnership Forum 3. NHSG Staff Physiotherapy Service 4. NHSG Staff Sports Committee <p>The reports detailed:</p> <ul style="list-style-type: none"> ~ Activities which were supported by endowment funds. ~ The number of staff and/or patients who benefited. ~ The impact of the activities – outcomes achieved and benefits to staff and/or patients. ~ Evaluation and how the impact was measured. ~ Notable highlights and what worked well. ~ Challenges which slowed progress and how changes were adapted to. ~ Learning for the future – key learning points, unintended outcomes and things which would be done differently. ~ Views on engagement with the endowment fund – what worked well and what could be done better. ~ Future vision for the services. 	

	Trustees thanked Ms Duthie for the opportunity to read the reports and no queries or concerns were raised.	
9.	<p>Funds Merger Update</p> <p>Ms Duthie presented a report which outlined the final proposal to reduce the number of endowment funds. Work had been progressed and discussions had taken place with fund stewards and service managers. These had been reasonably amicable and generally supportive of the reasons to merge funds. However, there had been resistance from a few clinicians who wished to keep some funds separate. It had not been possible to reach agreement with fund stewards in three areas and Trustees were asked to reach a decision from the recommendations in the report.</p> <p>Trustees agreed the recommendations:</p> <ul style="list-style-type: none"> • To have only one Gynaecology Fund and one Gynaecology Research Fund. • To include NER11152 and NER11158 in the Cardiothoracic General Purposes Fund. • To merge NER11992 Therapeutic Garden Fund and NER12022 Foresterhill Staff Garden <p>Ms Duthie confirmed the intention to conclude fund mergers by the end of the 2022/23 financial year and the next steps will be to distribute the role profile, recruit two fund stewards for each fund and arrange fund steward induction sessions.</p>	LD
10.	<p>Staffing Resources</p> <p>Ms Duthie updated Trustees on the review of staffing resources to progress service improvements and meet the objectives identified in the strategic plan recently agreed for the Charity.</p> <p>Trustees agreed to approve the recommendation:</p> <ul style="list-style-type: none"> • To progress a review and consultation of the Charity team staffing and structure. <p>It was noted that this should link back to the benchmarking exercise referenced at Item 5.2</p> <p>Action:</p> <ul style="list-style-type: none"> • Ms Duthie to bring a report to the next meeting of the Endowment Committee on 2nd June 2023 with an outline proposal, including cost implications. 	LD

11.	Grant Applications		
	11.1	<p>Staff Physiotherapy Service</p> <p>An application had been received to increase the annual allocation to the Staff Physiotherapy Service to increase staffing capacity to develop the service by establishing links with GO health services and developing preventative and self-management educational resources to be used within departments.</p> <p>Trustees approved funding of £30,071 from NEUR3001 General Endowment Funds.</p> <p>Trustees noted that rather than present a separate application this could have been included in the Budget Report for 2023/24 at Item 5.2</p>	
	11.2	<p>ANCHOR Unit Clinical Research Fellow</p> <p>An application had been received to support a 12 month, short term clinical research fellow position within the ANCHOR research team to enable the progression of oncology clinical trials that were stopped or slowed as a result of the pandemic.</p> <p>The detailed application form had been circulated to Trustees prior to the meeting. Professor Bhattacharya reflected on some concerns regarding the application and asked for further information to confirm that this would be supervised research activity within a structured programme rather than supporting the work of others in progressing the clinical trials. He noted that before supporting the application Trustees would require assurance that this short-term position will not have an adverse impact on a junior doctor's career.</p> <p>Trustees agreed to defer support for the application until further information and assurance is provided.</p> <p>Ms Duthie to contact the applicant and feedback her response to Trustees who will then indicate whether they would be content to support the application. The £51,184 requested will be funded from NER11571 Oncology Discretionary Fund.</p> <p>Note: Following the meeting Trustees at the Endowment Committee indicated they were content with the response and the assurance provided by the applicant and confirmed support for the application.</p>	

	11.3	<p>Trickle App</p> <p>An application had been received from the System Connect Hub Team to continue a test of change project and extend access to the Trickle App to all staff. This digital communication tool is designed to improve staff communications and involve staff in contributing to improvements in culture and staff experience.</p> <p>Trustees agreed with the overall principles of the project to keep staff informed and involved but noted that as the current test of change from August 2022 to March 2023 had been supported from a core NHS Grampian budget, establishing the project as an NHSG responsibility, it could not be moved across to endowment funds. There was also some concern that the application did not evidence sustainability beyond the two years or outline a planned exit strategy.</p> <p>Trustees agreed that the application could not be supported.</p>	
10.	<p>AOCB None</p> <p>Future Meeting Dates</p> <p>Meetings of Endowment Sub-Committee</p> <p>Friday 2nd June 2023 11:00-13:00 Tues 27th June AGM 14.00–15.00 Friday 28th July 2023 11:00-13:00 Friday 29th September 2023 11:00-13:00 Friday 24th November 2023 11:00-13:00</p>		