

Minutes of Meeting of NHS Grampian
 Charity Committee
 on Friday 2nd June 2023 at 11.00
 by Microsoft Teams

Board Meeting Open Session 07.12.2023 Item 15.5
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Present	Mr Dennis Robertson	Chair, Trustee and Non-Executive Board Member
	Cllr Anne Bell	Trustee and Non-Executive Board Member
	Mr Steven Lindsay	Trustee and Employee Director NHSG Board
	Dr John Tomlinson	Trustee and Non-Executive Board Member
	Dr Colette Backwell	Co-opted Advisor to the Committee
	Ms Sian Mutch	Co-opted Advisor to the Committee
	Ms Helen Surgenor	Co-opted Advisor to the Committee
Attending	Ms Julie Anderson	Assistant Director of Finance
	Mr Gair Brisbane	Head of Charities Scotland, abrdn (Items 7.2 & 7.3)
	Mr Gerry Donald	Head of Property and Asset Development
	Ms Lisa Duthie	Endowment Charity Lead
	Ms Julie Hutchison	Charities Specialist, abrdn (Items 7.2 & 7.3)
	Mr Colin Loy	Finance and Business Manager, NHSG Charities
	Mr Alan Sharp	Deputy Director of Finance
	Ms Else Smaaskjaer	Senior Administrator (Minute)
Apologies	Professor Siladitya Bhattacharya,	Trustee and Non-Executive Board Member
	Mrs Alison Evison	Trustee and Non-Executive Board Member
	Prof Caroline Hiscox	Chief Executive
	Mr Alex Stephen	Director of Finance

Item	Subject	Action
1	Apologies	
	Noted above.	
2	Declarations of Interest	
	None	
3	Chairman's Welcome and Briefing	
	Mr Robertson welcomed everyone to the meeting and introductions were made to the three advisors to the Committee attending for the first time. They each outlined their backgrounds and the experience they would bring to the Committee.	
4	Minutes of Meeting on 31st March 2023	
	The minute was approved as an accurate record.	

Item	Subject	Action
5	Matters Arising	
5.1	Action Log of 31st March 2023	
	<p>Trustees reviewed the action log of items from previous meetings, noted the updates provided and the items which were either complete, on the agenda for this meeting or scheduled for future meetings of the Committee. Ms Duthie highlighted the following:</p> <p>Item 2 – An action had been agreed to take forward a comprehensive review of the charter, policies and associated operating instruction following publication of the national review of governance arrangements for NHS Scotland Charities.</p> <p>Trustees agreed that as there had been no confirmation of the outcome from the national review, or a timescale for implementation, this action could be removed from the log.</p> <p>Item 12 – Ms Duthie asked for clarification on the request for further discussion and guidance regarding the use of endowment funds to support transport provision for patients. Dr Tomlinson advised that this had been in relation to ensuring equality of access to services for patients in rural areas and whether the charity could support schemes which come forward for funding. Dr Backwell noted that her experience at CLAN would indicate a range of existing schemes are in place which charity funding could build on and enhance. Mr Donald highlighted the role of Transport to Healthcare Information Centre (THinC) which had been established in partnership with the three local authorities in Grampian, SAS and NHSG to provide advice on how to access transport for those who have difficulty getting to and from medical appointments. He will provide details to Ms Duthie.</p> <p>Trustees agreed that Ms Duthie should review the provision in place and report back on what further support could be provided.</p>	LD
5.2	Any other matters arising not on the action log	
	None	
6	Lead Officers Report	
	<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>Community Grants: Ms Duthie reported that from the 69 applications submitted 25 projects had been selected with a total value of £185,813. Trustees discussed whether community groups should be able to approach the charity for funding at any time or be restricted to the timeframes and processes in the community grants programme. It was agreed that given the substantial admin overhead associated with the programme an open-</p>	

ended approach would not be the best use of the teams time and opening it up to bids twice each year should provide sufficient opportunity for applications.

Action:

- **Ms Duthie to ensure the website is updated with information on how to apply to the community grants programme, including timeframes for submission of applications.**

LD

Greenspace Opportunity: Funding of £87,000 had been secured and a location on the Foresterhill Campus identified to develop a space which will contribute to improving mental health and wellbeing of staff and patients.

The following points were noted:

- There is scope to develop similar projects to improve greenspace and enhance biodiversity which will align with the Board’s commitment to the climate agenda. This includes projects at community hospitals.
- This approach had been included during the planning stages for the new Integrated Mortuary which will be located on the Foresterhill Campus.
- There is a substantial amount of construction works across the Foresterhill Campus and efforts will be made to develop more greenspace and ‘pocket parks’ as those works progress.

Mr Donald noted the great deal of knowledge and experience around this topic in NHS Grampian but highlighted that the main barrier remains availability of funding.

Constitution/Terminology: Mr Robertson suggested it would be useful to have some clarity around the naming of the Committee and how it, and its members, are referenced. He noted confusing use of Endowment Sub-Committee and Charity Endowment Committee, and between members of the Committee and Trustees.

Action:

- **Ms Anderson to discuss with the Board Secretary the possibility of developing a proposal to the AGM on 27th June 2023. This will have to comply with the governance framework for the Board and NHS Grampian’s Standing Financial Instructions.**

JA

The Endowment Committee noted:

- **Community Grants Programme:** A total of 25 projects were selected for support, valuing £185,813.
- **NHS Charities Together:** A funding application to support Greenspace for £87,400, submitted at the end of February, had been successful.
- **Dr Angus Cooper’s offer of support in relation to applications for training equipment.**
- **NHS Grampian Charity’s marketing and communications update.**

7 Finance

7.1 Draft Annual Accounts and Report

Item Subject

Action

Mr Loy presented the draft Annual Accounts and Report for the financial year ended 31st March 2023 and highlighted the following:

- Income from donations had increased. Noted that this had mainly resulted from income received from partnership organisations in relation to major capital fundraising activities.
- Income from investments had increased reflecting the underlying strength of the portfolio.
- Expenditure had also increased reflecting the re-opening of health and social care services and an increase in post-Covid activity.
- The redistribution of investment income had resulted in an increase in the balance of unrestricted funds.

Mr Loy concluded that the financial position at the end of the 2022/23 remains healthy.

Ms Duthie advised that the Annual Report follows a similar format to that for 2021/22 and asked that Trustees feedback if there are any omissions or items they would like to see included. The report will be forwarded to Corporate Graphics to finalise formatting and illustrations.

Ms Anderson asked Trustees to note that the annual accounts and report remain subject to audit opinion but at this stage there is no indication that any substantive changes will be required.

Trustees approved the content of the Trustees' Report, pages 6 to 36 of the Annual Report and Accounts for the year ended 31st March 2023/

Trustees noted the content of the draft Financial statement for the year ended 31st March 2023, subject to final audit opinion.

Trustees noted the financial performance and results of NHS Grampian Charity for the financial year ended 31st March 2023.

Ms Anderson advised that items on the agenda for the Annual General Meeting will include:

- Annual Accounts and Report.
- Investment Policy.
- Amendments to Charter.
- Review of the Year.
- Welcome to new Trustees and Co-opted Advisors to the Committee.
- An Update on Re-Branding from the Community Engagement Officer

7.2 Investment Update

Before reporting on the performance of the investment portfolio Mr Brisbane provided a brief update on the transfer of abrdn Capital to

LGT Wealth Management. In February 2023 abrdn plc the parent company of abrdn Capital announced that it had entered into an agreement to sell abrdn Capital to LGT Wealth Management. Mr Brisbane was pleased to note the opportunity for abrdn Capital to be owned by a private family company which adopts a multi-generational approach and takes a broad view of investment strategy. He highlighted the record of LGT Wealth Management in addressing environmental and sustainability issues through its investment strategy, and its commitment to invest in companies that have a strong focus on the environment, society and good corporate governance. Mr Brisbane confirmed that abrdn Capital will move as a complete team which will support continuity of service and the provision of the wide range of expertise which NHS Grampian is accustomed to. Other than a change of name Mr Brisbane does not anticipate any other substantial change.

Trustees noted the position.

Investment Update

Mr Brisbane provided an update on the NHSG Endowment Fund Investment Portfolio. He provided an overview of movement across world markets from March 2022 to March 2023 and a comparison with the first three months of 2023. Mr Brisbane advised that the main concerns for fund managers includes uncertainties around inflation and higher interest rates and the challenges for policy makers in getting inflation under control without causing a recession. He also highlighted the top five best and top five worst performers during the three months to end March 2023.

Mr Brisbane confirmed the value of the portfolio at 23rd May 2023 as £48 million with an expected annual income of £1.6 million, which exceeds the target of £1.25 million. He concluded that, although there are stressors in the banking sector, the current investment strategy is working well and did not need to change at this time.

Trustees thanked Mr Brisbane for the update.

7.3 Investment Policy

A revised Responsible Investment Policy, with all changes highlighted, had been distributed with papers for the meeting. Ms Duthie reported on the robust discussions regarding investment restrictions during recent Trustee workshops. Those restrictions which aligned with the public health priorities of NHS Grampian Board had been included in the revised policy. Ms Duthie asked for feedback from the Committee before this is presented to the Annual General Meeting of Trustees on 27th June 2023.

The Committee considered proposed arrangements for two categories of funds. Funds required for the day to day operation of the charity and funds identified for longer term investment. The policy outlined the minimum and maximum balances which should

Item Subject

Action

be held in relation to day to day operations. Ms Anderson explained that this would provide potential to move funds and maximise the interest available.

The revised policy detailed triggers which would indicate the need to review investment and operating arrangements. The intention would be to provide a formal review process, with input from abrdn, to inform Trustee decisions on whether any action is required and what that should be. Mr Brisbane advised that triggers need to be clearly stated and noted it would be important to ensure that the overall management of the portfolio remains in line with the policy.

The Committee agreed that the next review of the policy should take place in 2025.

Action:

- **Trustees asked that Ms Duthie, Ms Hutchison, Mr Brisbane and Mr Loy should agree appropriate wording in relation to triggers before the revised policy is presented to the Annual General Meeting of Trustees on 27th June 2023.**

**LD/JH
GB/CL**

7.4 Due Diligence

Mr Loy presented a report which provided the background to the sale of abrdn Capital and detailed the due diligence undertaken in relation to LGT Wealth Management. This included a summary of LGT Wealth Management’s investment approach, investment philosophy and investment performance.

Ms Hutchison clarified Discretionary Fund Management as an agreed arrangement where a charity decides and sets its policy framework and investment decisions are then made by investment managers within that framework.

Mr Loy concluded that there was nothing to indicate concern around the transfer and the expectation is that under LGT Wealth Management it will be ‘business as usual’.

Trustees agreed:

- To review and consider the information provided in this paper and confirm that it provides assurance that LGT Wealth Management are a suitable and robust company to assume the role of investment fund managers of the charity;**
- To note the anticipated timescale of September 2023 for this transfer to take place and the planned novation of our existing Investment Management Agreement with Abrdn Capital to LGT Wealth Management; and**
- To endorse the proposal to formulate a project proposal to develop a framework and process for the review and evaluation of investment management services and performance, commencing Spring 2024.**

8 Charitable Purposes

Ms Duthie presented a report and explained that it proposed some wording changes to ensure alignment with the recently agreed Strategic Plan. The report clarified the charitable purposes, and the mission, vision and strategic aims of the charity.

Trustees agreed:

- **To retain the legal definition of purpose, as defined by the 1978 Act for inclusion in the Charter:**
 - improvement in the physical and mental health of the people of Scotland, and, the prevention, diagnosis and treatment of illness**
- **The re-categorisation of the recently agreed purpose statement to a mission statement**

9 Updated NHS Grampian Endowment Fund Charter

Ms Duthie presented the updated NHS Grampian Endowment Fund Charter. She reported that there had been no significant changes and noted that a comprehensive review of the charter, policies and associated operating instructions will be commissioned following publication of the outcome of the national review of governance arrangements for NHS Scotland Charities.

Trustees agreed the following for onward recommendation to the AGM on 27th June 2023

- a. The revised charter and policies included at appendix 1.**
- b. The adoption of the investment policy as per Item 5.3 approval.**
- c. The separation of policies from the Charter document.**

10 Staffing Resources

Ms Duthie presented a report which detailed staffing resources to meet current and future requirements. The following points were raised:

- The grades and costings at this stage are indicative until job descriptions had been through the grading process.
- It would be useful to start thinking about how to measure performance and review benchmarking going forward.
- The new business system (CRM) will enable collection of data to support performance measurement and inform performance indicators.
- It was noted that the charity currently supports a comparatively small team to take forward a wide agenda.
- Although the paper lays out the case for increased staffing resources there will be an additional costs in the region of £47,000 per annum, depending on the grading of new posts.
- The job title Supporter Engagement had been applied rather than Fundraiser as engagement will mainly be with staff in support of their communication with donors.

Trustees agreed, in principle, to support the proposed staffing resources.

Item	Subject	Action								
	<p>Action:</p> <ul style="list-style-type: none"> Ms Duthie to continue benchmarking our staff resource against other like charities. 	LD								
11	<p>AOCB</p> <p>Provision of Gym Facilities for Staff</p> <p>Ms Duthie and Mr Donald drew the Committees attention to the annual support provided to the NHSG Sports Committee to deliver a range of sporting activities and make arrangements for the maintenance and upkeep of staff gyms. Post-Covid no staff gyms had reopened, mainly due to IPC concerns around ventilation and the general condition of the gyms following a prolonged period of lying unused. There had been pressures from staff groups to reintroduce gym facilities. At this time it is very unlikely that space or funding can be identified to provide gym facilities on the Foresterhill Campus. There are also ongoing discussions regarding closure of Summerfield House and Westholme if corporate functions are relocated to Woodhill House.</p> <p>Mr Donald had discussed discounting arrangements for Health and Social Care staff with the three local authorities and reported that this will provide some solution but it is unlikely it will resolve all the issues raised by staff. Each local authority has its own pricing structure and it may not be possible to guarantee equity for all staff.</p> <p>Actions:</p> <ul style="list-style-type: none"> Ms Duthie and Mr Donald to liaise with NHS Grampian We Care Team, explore any options available at Aberdeen Sports Village and bring a report back to the Committee at its next meeting on 28th July 2023. Dr Tomlinson and Ms Duthie to meet with the Director of Public Health and discuss where this would sit within the remit of the Population Health Committee. 	LD/GD LD/JT								
14	<p>Date of Next Meeting/Dates of Future Meetings</p> <p>Date of Annual General Meeting Tuesday 27th June 2023 14.00 – 15.30</p> <p>Future Meetings 2023</p> <table border="0"> <tr> <td>Friday 28th July</td> <td>11.00 – 13.00</td> </tr> <tr> <td>Friday 24th August</td> <td>10.00 – 12.00 Trustee Development Session</td> </tr> <tr> <td>Friday 29th September</td> <td>11.00 – 13.00</td> </tr> <tr> <td>Friday 24th November</td> <td>11.00 – 13.00</td> </tr> </table>	Friday 28 th July	11.00 – 13.00	Friday 24 th August	10.00 – 12.00 Trustee Development Session	Friday 29 th September	11.00 – 13.00	Friday 24 th November	11.00 – 13.00	
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