

Northumberland Tyne and Wear NHS Foundation Trust

Board of Directors Meeting

Meeting Date: 24 October 2017

Title and Author of Paper: NTW Charity Annual Accounts and Annual Report 2016/17, Martin Cocker, Chair of the Charitable Funds Committee and Non-Executive Director

Paper for Debate, Decision or Information: Decision

Key Points to Note:

The draft charity annual accounts and annual report for 2016/17 were reviewed by the Audit Committee on 18th October 2017, along with the summary report of the findings from the independent examination carried out by Mazars.

Appendices are as follows:

- 1 Draft Annual Accounts
- 2 Draft Annual Report

Risks Highlighted to Board: None

Does this affect any Board Assurance Framework/Corporate Risks?: No

Equal Opportunities, Legal and Other Implications: N/A

Outcome required: The Board of Directors is asked to:

- Approve the annual accounts
- Approve the annual report

Link to Policies and Strategies: N/A

BOARD OF DIRECTORS

25 OCTOBER 2017

PRESENTATION OF NTW CHARITY DRAFT ANNUAL ACCOUNTS AND ANNUAL REPORT - 2016/17

This report covers the activities of the Northumberland, Tyne and Wear NHS Foundation Trust Charity (the 'Charity') for the year ended March 31, 2017.

1. Overview

Until March 31, 2016, the charitable funds of Northumberland Tyne and Wear NHS Foundation Trust (the 'Trust') were mainly administered under the umbrella of the Newcastle Healthcare Charity ('NHC').

In 2011/12, the Department of Health reviewed the future regulation and governance arrangements of NHS charities. The outcome of the review, in part, was that the NHC was no longer able to operate in its current form. Therefore, charitable funds held by NHC on behalf of other NHS trusts were to be transferred back to the respective trusts.

To facilitate the receipt of charitable funds from NHC, the Trust established the Charity on February 26, 2016. The Trust is the sole Corporate Trustee of the Charity.

The restructuring and transfer was approved by the Department of Health and resolutions passed by the Charity Commission. The official date of transfer was April 1, 2016 (the 'Effective Date').

The Charity holds funds to be used for any charitable purposes relating to the general or specific purposes of the Trust or purposes relating to the National Health Service. Typically, funds are used to support current and former service users of the Trust by providing items of comfort or therapeutic activities beyond the normal levels expected for patient welfare and amenities.

At March 31, 2017, the total value of funds was approximately £1.5 million in 81 individual funds held under one umbrella registration. There is one general fund, the Shine Fund. Other funds held are relevant to individual wards and departments and sometimes by specific purpose within those areas. Where possible, funds are rationalised and the monies transferred to the Shine fund. Incoming donations, legacies and investment income is also allocated to and held within the Shine fund unless its use is for a specific purpose.

2. Charitable Funds Committee

All members of the Board of Directors (the 'Board') of the Trust are the trustees of the Charity. As such, all Board members are required to ensure that:

- Any funds donated to the Trust for charitable purposes are used for the purposes for which they were given; and
- Those funds are managed appropriately; and
- Balances are invested wisely.

The Board has devolved responsibility for the on-going management of funds to the Charitable Funds Committee (the 'Committee'). This is a sub-committee of the Board. Therefore, its meetings are governed by the Trust's Standing Orders and its financial transactions must comply with the Trust's Standing Financial Instructions. The Committee's Terms of Reference are approved by the Board.

During the year, the Committee comprised:

Chair: Martin Cocker

Members: James Duncan
Gary O'Hare
Lisa Quinn
Alexis Cleveland
Chris Macklin

The Committee met formally three times. Additionally, the Committee considered for approval 96 individual applications for the granting of funds. All applications were approved in the year.

The Committee has made a self-assessment of its operation during the year. This is attached as Appendix 1. In summary, the Committee believes that it is meeting most of its objectives and requirements as established by its Terms of Reference.

However, there are clear enhancements that need to be addressed during the coming year. In particular, the Charity needs to recruit a fundraiser and the Committee needs to better formulate the strategy of the Charity. This could include a more complex investment strategy that might, in turn, require additional resources, such as a professional investment advisor.

3. Finance, Achievement and Performance

The Charity continues to rely on donations, legacies and investment income as the main sources of income. The total incoming resources during the year amounted to £69,528, being funds raised by staff, relatives, friends and other donations of £28,887, two legacies totalling £37,218 and investment income of £3,423.

The Charity's assets are held in short term interest-bearing deposit accounts. As noted above, in the coming year, the Committee will formulate the strategy of the Charity. This could include a more complex investment strategy to generate higher returns.

Total expenditure amounted to £176,911, comprising funds disbursed for charitable purposes of £148,576, governance costs of £27,927 and costs of generating voluntary income of £407. Governance costs include one off set up costs to procure a financial ledger system and for legal costs relating to the establishment of the Charity.

Of the funds distributed for charitable purposes, the larger spends were:

- £24,975 to provide funding for the development of the Tyneside recovery college. This application was made in collaboration with Chilli Studios which is a registered charity that delivers services to those who are, or are at risk of experiencing diagnosed mental health problems, and those who experience other forms of social exclusion within their communities.

The collaboration was required because the Recovery College felt that additional project management capacity was needed in order to increase the sustainability of the existing service offer by developing a new organisational structure including the development of charitable status, and exploring a strategy for fundraising and income generation. It was agreed that Chilli Studios had the necessary experience and expertise to provide the requisite project management and leadership for the projects' sustainability planning.

- £15,518 for the set-up of Recovery colleges in North and South Tyneside, Northumberland and Sunderland;
- £11,820 to Woodhorn ward to purchase software and IT tablets specifically designed for patients with Dementia. There was evidence that the software, which is easy to use and is all touch screen, results in better user engagement. In turn, this leads to a reduction in falls and incidents;
- £9,544 was granted to buy a digital touch screen reminiscence therapy unit for use by Castleside and Akenside inpatients. In other settings, the equipment had been shown to promote communication, patient engagement and well-being. This lead to a reduction in falls, challenging behavior and dependency;

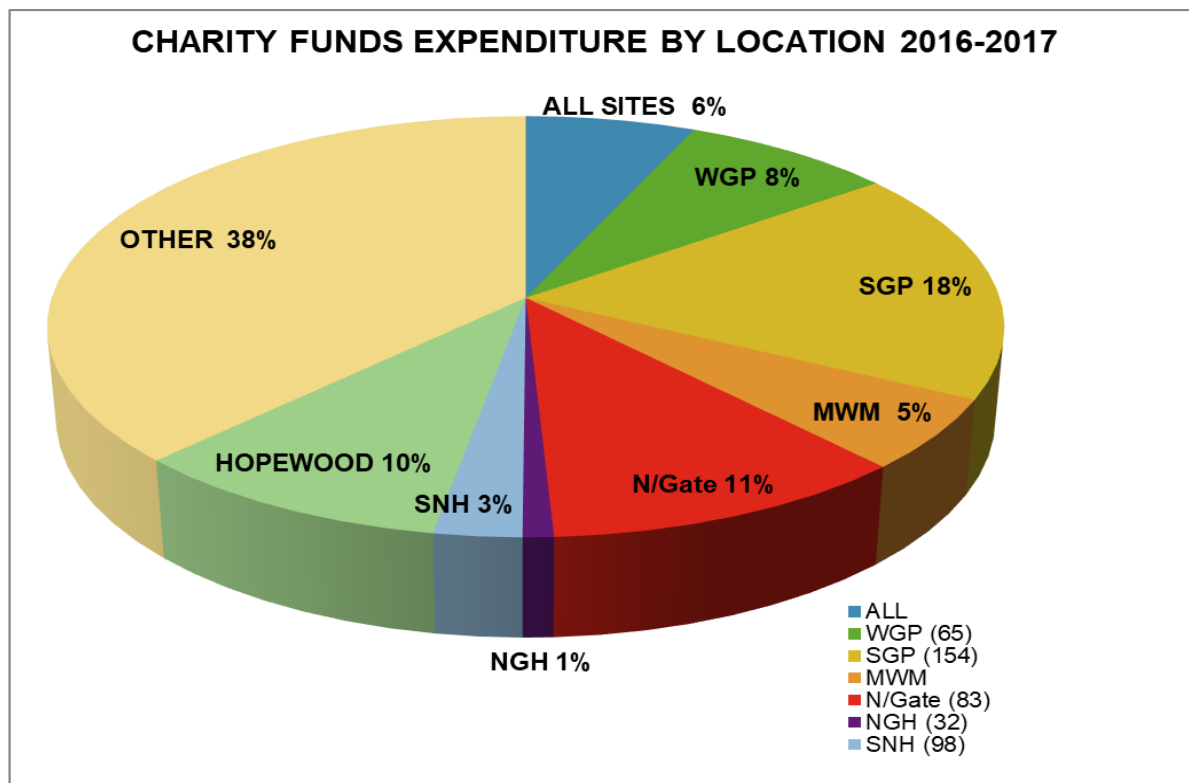
- £8,583 had been allocated to Bamburgh for the purchase of IT equipment. The equipment was to be used to provide IT skills courses to service users as part of the therapy planning sessions;
- £5,000 in total was granted over a number of different sites to support community access activities such as badminton, football and cycling.

The Committee also approved a total of £10,190 to provide decoration and festive treats for all inpatient wards over the Christmas period.

The Committee seeks to ensure that the general Shine fund is used equally across all locations and services.

The chart below shows expenditure from all charitable fund by location for the year. Of the total spent, £111,466 was allocated from the Shine fund.

It is clear from this chart that some services and locations are more aware of the existence of the charitable funds than others and so generate more requests for funding. To address this matter, the Committee has sought to better publicise the Shine fund, and the Charity funds generally, across the Trust. This will continue going forward.



4. Conclusion

Charitable funds continue to be an important source of funding for activities and facilities that benefit current and past users of the Trust's services but which would not be funded out of current operational or capital budgets.

The year ended March 31, 2017 has been the first that the Committee has had direct responsibility for the management of the funds. Whilst this has been achieved without mishap, the Committee is aware that it must increase the sophistication with which funds are invested. It must also bring more focus to the fund raising activities so that more charitable funds expenditure is possible in future without the total funds being overly reduced. Finally it will continue to work with staff and partners to raise the profile of the fund, particularly looking at opportunities to support projects which enable recovery of those who have been in contact with our services within community settings

The Committee commits this report for consideration and approval of the Board.

RECOMMENDATION

The Board is asked to:

- Approve of the annual accounts
- Approve the annual report

Martin Cocker
Chair, Charitable Funds Committee
October 2017