

TRUSTEE'S ANNUAL REPORT FOR
NORTHUMBERLAND TYNE AND WEAR NHS FOUNDATION TRUST
CHARITY
REGISTERED CHARITY NUMBER - 1165788

FOR THE YEAR ENDING
31 MARCH 2017

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Foreword

The Board of Directors of Northumberland Tyne and Wear NHS Foundation Trust as Corporate Trustee presents the Charitable Funds Annual Report together with the Financial Statements for the year ended 31 March 2017.

The Charity's annual report and accounts for the year ended 31 March 2017 have been prepared by the Corporate Trustee in accordance with Part 8 of the Charities Act 2011 and the Charities (Accounts & Reports) Regulations 2008. The Charity's report and accounts include all the separately established funds for which the Northumberland Tyne and Wear NHS Foundation Trust is the sole beneficiary.

The Charity has a Corporate Trustee: the Northumberland Tyne and Wear NHS Foundation Trust. The members of the NHS Board of Directors who served during the financial year were as follows:

Hugh Morgan Williams	-	Chair
John Lawlor	-	Chief Executive
James Duncan	-	Executive Director of Finance and Deputy Chief Executive
Dr Rajesh Nadkarni	-	Executive Medical Director
Gary O'Hare	-	Executive Director of Nursing and Operations
Lisa Crichton-Jones	-	Executive Director of Workforce and Organisational Development
Lisa Quinn	-	Executive Director of Commissioning and Quality Assurance
Alexis Cleveland	-	Non-Executive Director
Dr Les Boobis	-	Non-Executive Director
Martin Cocker	-	Non-Executive Director
Paul McEldon	-	Non-Executive Director
Peter Studd	-	Non-Executive Director
Ruth Thompson	-	Non-Executive Director
Neil Hemming	-	Non-Executive Director (up to 31.12.16)
Miriam Harte	-	Non-Executive Director (from 01.01.17)

The Charitable Funds are registered with the Charity Commission (no. 1165788) in accordance with the Charities Act 2011.

Reference and Administrative details

The main charity Northumberland Tyne and Wear NHS Foundation Trust Charity, registered Charity Number 1165788, is constituted of 81 individual funds as at 31 March 2017. The notes to the accounts distinguish the types of fund held and disclose separately all material funds.

Charitable funds received by the charity are accepted, held and administered as funds and property held on trust for purposes relating to the health service in accordance with the National Health Service Act 2006, and these funds are held on Trust by the corporate body.

Trustee

Northumberland Tyne and Wear NHS Foundation Trust is constituted as the sole Corporate Trustee of the Charity and its charitable funds governed by the law applicable to Trusts, principally the Trustee Act 2000 and the Charities Act 2011.

All members of the Board of Directors of Northumberland Tyne and Wear NHS Foundation Trust are the Trustee within charitable law and as such are required to ensure that any funds donated to the Trust for charitable purposes are used for the purposes for which they were given, that funds are managed appropriately and that balances are invested wisely.

The Board of Directors has devolved responsibility for the on-going management of funds to a sub-committee of the Board of Directors whose meetings are governed by the Trust's Standing Orders and whose financial transactions must comply with the Trust's Standing Financial Instructions. A Non-Executive director chairs the Charitable Funds Sub Committee and its other members comprise the Executive Directors of the Trust.

Trustees and members of the Charitable Funds Sub-Committee during 2016/17 were as follows:

Chair	Martin Cocker	Non-Executive Director
Members	James Duncan	Executive Director of Finance and Deputy Chief Executive
	Gary O'Hare	Executive Director of Nursing and Operations
	Lisa Quinn	Executive Director of Commissioning and Quality Assurance
	Alexis Cleveland	Non-Executive Director
	Chris Macklin	Governor

Principal Office

The principal office for the charity is:

Northumberland Tyne and Wear NHS Foundation Trust Charity
C/O Northumberland Tyne and Wear NHS Foundation Trust
St Nicholas Hospital
Jubilee Road
Gosforth
NE3 3XT

Principal Professional Advisers

Bankers:

Lloyds Banking Group
4th Floor
102 Grey Street
Newcastle upon Tyne
NE1 6AG

Independent Examiners

Mazars LLP
Salvus House
Ayckley Heads
Durham
DH1 5TS

Solicitors

Withers LLP
16 Old Bailey
London
EC4M 7EG

Structure, Governance and Management

The Northumberland, Tyne and wear NHS Foundation Trust Charity was established by Trust deed and is registered with the Charity Commission (charity number 1165788). The charity's funds were established using the model declaration of trust.

As a body we are a member of the Association of NHS Charities.

All trust funds are registered with the Charity Commission. The Charitable Funds (the Charity) of Northumberland Tyne and Wear NHS Foundation Trust (the Trust) comprise a range of funds under one umbrella registration. Funds are held relevant to individual wards and departments and by specific purpose within those areas. These funds are, within certain delegated limits, available for the staff to expend on items appropriate to the fund concerned in line with the financial procedures laid down from time to time.

In 2015/16 the charitable funds of the Northumberland Tyne and Wear NHS Foundation Trust were mainly administered under the umbrella of the Newcastle Healthcare Charity. South Tyneside NHS Foundation Trust Charity also administered a small level of funds specific to the Northumberland Tyne and Wear NHS Foundation Trust services which were based in their locality. Due to the outcome of the 2011/12 Department of Health review of the future regulation and governance arrangements of NHS charities the Newcastle Healthcare Charity was no longer able to operate in its form and it was necessary for the funds held to transfer into the stewardship of the respective Trusts for which it held charitable funds for. The restructuring and transfer was approved by the Department of Health and resolutions were passed by the Charity Commission and the transfer took place on the official date of transfer of 1st April 2016. The Charity was established on 26th February 2016 but there were no activities which took place in the Northumberland Tyne and Wear NHS Foundation Trust Charity until after the effective date of 1st April 2016.

Larger donations, often received by virtue of a legacy, are managed directly by the Charitable Funds Sub Committee which ensures that the wishes of the donor are met and that expenditures are not at variance to the Trust's own activities and that, where relevant, investment in new equipment or services is sustainable and supported in future years.

Non-Executive Members of the Board of Directors are appointed by the Council of Governors and Executive members of the Board are subject to recruitment by the Board of Directors. Members of the Board of Directors and the Charitable Funds Sub-Committee are not individual Trustees under Charity Law but act as agents on behalf of the corporate Trustee.

All members of the Board of Directors have a responsibility to adhere to the NHS Foundation Trust Code of Governance.

The Executive Director of Finance and Deputy Chief Executive has a responsibility to highlight to members of the Charitable Funds Committee any changes to charity law and updates from the Charity Commission. These items are circulated to all members and included as an agenda item for the next meeting as they occur.

Acting for the Corporate Trustee the Charitable Funds Committee is responsible for the overall management of the Charitable Funds. Details of the Trustee's responsibilities are provided in the statement accompanying the attached accounts for the year.

The Trustee is responsible for preparing the Trustee's Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period.

In preparing these financial statements, the Trustee is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice (SORP);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustee is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008. The Trustee is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustee is responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Trustee confirms that it has met the responsibilities set out above and complied with the requirements for preparing the accounts. The financial statements set out on pages X to XX attached have been compiled from and are in accordance with the financial records maintained by the Trustee.

By Order of the Trustee, and those with delegated responsibility

Chairman..... Date.....

Executive Director..... Date.....

The accounting records and the day to day administration of the funds are dealt with by the Finance Department located at Northumberland Tyne and Wear NHS Foundation Trust, St Nicholas Hospital, Jubilee Road, Gosforth, NE3 3XT.

Consolidation of Accounts with Northumberland Tyne and Wear NHS Foundation Trust

In accordance with NHS Improvement's Annual Reporting Manual 2016-17 and the Department of Health Group Accounting Manual (DH GAM), where an NHS Foundation Trust is the corporate Trustee to an NHS Charitable Fund, the NHS Foundation Trust was required to consider whether the accounts of that charitable fund represent a subsidiary. This is likely to be the case where the NHS Foundation Trust both:

- has control over the NHS Charitable Fund, i.e.
 - controls the majority of the voting rights in the entity;
 - has the power to govern the financial and operating policies of the entity; and
 - has the power to appoint or remove directors at meetings of the board.
- and;
- benefits from the NHS Charitable Fund.

Based upon the above it was considered Northumberland Tyne and Wear NHS Foundation Trust Charitable Funds represented a subsidiary of Northumberland Tyne and Wear NHS Foundation Trust, however the Trust has opted not to consolidate the charitable fund in its statements on the grounds of the fund not being material.

Risk Management

The Trustee, in reviewing risks appropriate to the charitable activities, places reliance upon the risk management review carried out by Northumberland Tyne and Wear NHS Foundation Trust and the overall internal control arrangements within the Trust.

The Trust's internal auditors include Charitable Funds in their annual plans and their findings, which include an assessment of risk, are reported to the Trustee via the Trust's Audit Committee.

Partnership Working and Networks

Northumberland Tyne and Wear NHS Foundation Trust is the main beneficiary of the charity and is a related party by virtue of being Corporate Trustee of the charity. By working in partnership with the Trust the charitable funds are used to best effect. When deciding upon the most beneficial way to use charitable funds the Corporate Trustee has regard to the main activities, objectives, strategies and plans of the Trust.

Public Benefit Statement

Public benefit, as defined by the Charities Act 2011 The Trustees can report that the two key principles that underpin 'public benefit' have been met:

- there is always an identifiable benefit or benefits and these are apparent from the contents of the Annual Report and are all related to the aims of the charities; and
- there is a benefit to the public or a section of the public. The beneficiaries are appropriate as laid down by the aims of the various charities and there are no unreasonable restrictions. It is recognised that the Trustee exercises a discretion in deciding upon who will benefit from the charities but that this is permissible under the aims and objects of the charities concerned and the beneficiaries constitute a 'section of the public' and therefore this is a reasonable exercise of that discretion. The aims and objects of the Charity are contained in the charity's Scheme. The Trustee confirms that they:
 - ensure that they pursue the aims and objects of the various charities for the public benefit, as defined by the Charities Act 2011;
 - have proper regard to the guidance published by the Charity Commission in respect of the subject of public benefit; and
 - confirm that this Annual Report provides sufficient information as to the ways in which the public benefit is achieved.

Independent Examination

The Charity's Trustee considers that an audit is not required for this year under section 144(2) of the Charities Act 2011 and that an independent examination is required as a lower-income charity. An independent examination has been carried out by Mazars LLP for the financial statements for 2016/17.

Objectives and Activities

The Charity's purpose is as follows:

“The funds held can be used for any charitable purposes relating to the general or specific purposes of Northumberland Tyne and Wear NHS Foundation Trust or purposes relating to the National Health Service.”

Typically the purpose of the funds is to benefit the public through its support for current and former service users of the Northumberland Tyne and Wear NHS Foundation Trust. The funds provide items of comfort for patients or therapeutic activities beyond the normal levels expected for patient welfare and amenities. The funds held relevant to individual wards and departments are often raised by the staff and friends or are from small donations given by patients and relatives in gratitude for the care they have received. These funds are available for the staff to expend on items appropriate to the fund concerned in line with the financial procedures laid down from time to time.

The largest spend in the year of £24,975 was to provide funding for the provision of a unified, person centred, recovery service in collaboration with Chilli Studios. Other large spends during the year included £15,518 for the set-up of Recovery colleges in North and South Tyneside, Northumberland and Sunderland. Woodhorn ward received £11,820 to purchase software and tablets specifically designed for patients with Dementia.

There were four new funds opened in the year, two related to bequests. The Charitable Funds Sub Committee continued with its policy of rationalisation of the funds held on Trust to promote clarity of purpose and a more active use of the monies available by publicising the availability of all legacies to ensure expenditure to date was appropriate and ultimately requests for funding are considered in line with the original bequest.

A Review of our Finance, Achievements and Performance

Total incoming resources amounted to £69,528. There were two legacies included in incoming resources within the year amounting to £37,218. The charity continues to rely on donations, legacies and investment income as the main sources of income. Income comprised: funds raised by staff, relatives, friends and other donations £28,887, legacies £37,218 and investment income £3,423.

Of the total expenditure of £176,911, charitable expenditure for patient welfare and amenities was £148,576, costs of generating voluntary income was £407 and governance costs were £27,927. 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.

The net assets of the Charitable Funds as at 31 March 2017 were £1,481,356. Further details are provided in the annual accounts and notes.

Reserves Policy

The policy of the Trustee is to spend charitable funds and not allow funds to accumulate. The policy states that fund holders need to balance the interests of present and future beneficiaries of the fund. Expenditure plans should ideally aim to spend a minimum target of 10% of the fund per annum and raise funds equal to 10% of income per annum.

The Trustee considers that it should be the aim to hold sufficient reserves to be able to provide funds to meet charitable expenditure as it is incurred and to review the position on an annual basis. Access to the funds is encouraged so that cash is used often to provide benefits to the current and former service users of the Northumberland Tyne and Wear NHS Foundation Trust. It has not yet been considered necessary to hold a set amount in reserves as in many instances the minimum spend targets are not yet being met.

Investments

The charity's assets are short term investments held in interest-bearing deposit accounts. The Charity is in the process of developing an investment policy and in 2017/18 will be making some longer term investments.

Plans for Future Periods

The Trustee reviews the spending priorities for each fund quarterly at the Charitable Funds Sub-Committee meetings and fund holders are regularly notified of balances.

Charitable fund activity will be consistent with the Trust's business plan and be set against identified corporate objectives.

Plans developed for 2017/18 include providing summer therapeutic activity programme for the Ferndene unit over the summer holidays.

A Big Thank You

On behalf of the staff and patients who have benefited from improved services due to donations and legacies, the Corporate Trustee would like to thank all patients, relatives and staff who have made charitable donations.

Annual Accounts 2016-17

The annual accounts for the Charitable Funds are published on the Trust's Intranet site. Further copies can be obtained from Mr James Duncan at the Principal Office

Martin Cocker
Chair

Charitable Funds Sub-Committee

Date:

James Duncan
Executive Director of Finance and Deputy
Chief Executive
Charitable Funds Sub-Committee

Date: