



AGENDA ITEM

2.1.8

CTM BOARD

**CWM TAF MORGANNWG NHS GENERAL CHARITABLE FUNDS UPDATE
AS AT 31 DECEMBER 2020**

Date of meeting	28/01/2021
FOI Status	Open/Public
If closed please indicate reason	Not Applicable - Public Report
Prepared by	Daxa Varsani – Financial Accountant
Presented by	Steve Webster – Director of Finance
Approving Executive Sponsor	Executive Director of Finance & Procurement
Report purpose	FOR APPROVAL

Engagement (internal/external) undertaken to date (including receipt/consideration at Committee/group)

Committee/Group/Individuals	Date	Outcome
(Insert Name)	(DD/MM/YYYY)	Choose an item.

ACRONYMS

UHB	University Health Board
ILG	Integrated Locality Group

1. SITUATION/BACKGROUND

To advise the Board of the activity and balances on charitable funds as at 31 December 2020.

This report also provides further analysis over their use by both fund type and location. An update is provided on the investment performance within this report.



2. SPECIFIC MATTERS FOR CONSIDERATION BY THIS MEETING (ASSESSMENT)

2.1 BALANCES HELD BY THE CHARITABLE FUND

Balances held by the Charitable Fund as at 31 December 2020 are summarised in **Appendix A** analysed by fund type and location. Income received and expenditure incurred during the period 1 April to 31 December 2020 are also shown.

The balance at the end of December was £3.118m which excludes the unrealised gain on investments referred to below.

2.2 COVID-19

During the year the charity received £124k in donations and £168k of grant income from NHS Charities Together for Covid-19 related purposes as summarised in **Appendix B**.

NHS Charities National COVID-19 Grants:

NHS Charities Together is the national umbrella organisation for the NHS charities, working closely with the Charity Commission, Department of Health and Social Care, and NHS England, Scotland and Wales to represent, champion, and support the NHS' official charities. It is the official charity partner of the NHS nationally.

In April 2020, a national Covid 19 Urgent Appeal campaign was launched by the NHS Charities Together and to date over £140m has been raised for this purpose.

This funding is being distributed to the NHS charities via three stages of grants as summarised below:

- **Stage 1: COVID-19 Urgent response Grants**
 - This grant is focussed on enhancing the well-being of NHS Staff, volunteers and patients impacted by Covid 19.
 - In total £168k has been received for this stage as detailed in Appendix B, and plans to utilise it are being made.

- **Stage 2: Strategic integrated community and social care pathway Grants**
 - The application process is underway to apply for this stage and in total £198k is available to the Health Board charity.
- **Stage 3: COVID-19 Recovery and Post pandemic grants**
 - Plans are underway to apply for this funding and in total £268k is available for this stage.

2.3 INVESTMENT

The total units held remain at 783,307.83.

The market value at 31 December 2020 was £2.16m compared to £1.785m as at 31 March 2020. The monetary value of the cash invested in the investments is £1.5m as such a surplus of £0.66m (44%) has been achieved cumulatively.

The Investment Strategy for Cwm Taf Morgannwg NHS Charitable Funds states that: *Should the reserve exceed 20% of the overall investment, any excess will be distributed to individual fund balances, subject to Audit Committee approval.*

Due to the current volatility of the market and the UK political environment, Audit Committee decided not to distribute any surplus to individual funds in October 2019. Any surpluses therefore have been retained centrally as a buffer in the event of any future falls in investment values for the time-being.

An assessment will be made of whether and when to release some or all of the excess over 20% and an appropriate recommendation made. The value of the excess over 20% based on current market values is around £360k, which equates to over 16% of fund values.

Forecast income for 2020-21 is currently £65k – an income yield of 4.33%. Actual income received for 2019-20 was £64k.

A graphical presentation of the investment performance by week, along with a FTSE100 comparator, is shown in **Appendix C**.

2.4 CCLA Investment Management Agent contract

Following a tender process, the contract to manage the UHB's Charitable Funds investments was awarded to CCLA in July 2014 for the initial 5 years

with the option to extend the contract for further 2 + 2 years (maximum of 9 years). The initial 5 year period ended in July 2019.

It was intended that a paper will be submitted to the Charitable Funds Committee in March 2020, however, due to the current circumstances this did not take place.

As noted in section 2.3 of this report, the investment performance is very good. The investment management commission of 0.6% is comparable to the other similar firms in the market and we are happy with the service provided by the company.

Therefore, it is recommended that the existing contract with CCLA is extended until 31 July 2021.

We plan to carry out an additional review of the market and a paper will be presented to the next Board/Charitable Funds Committee meeting with the findings and recommendations for the future period.

In addition to the above a review of the working capital requirement for the charitable funds will be carried out and any proposals to invest any additional cash will be presented to the forthcoming Board/Charitable Funds Committee for further discussion and recommendations.

3. KEY RISKS/MATTERS FOR ESCALATION TO BOARD/COMMITTEE

None noted

4. IMPACT ASSESSMENT

Quality/Safety/Patient Experience implications	There are no specific quality and safety implications related to the activity outlined in this report.
Related Health and Care standard(s)	Governance, Leadership and Accountability If more than one Healthcare Standard applies please list below:
Equality impact assessment completed	Yes
Legal implications / impact	Yes (Include further detail below) Charitable funds are required to be managed in accordance with charity



	legislation and requirements of the Charity Commissioner.
Resource (Capital/Revenue £/Workforce) implications / Impact	Yes (Include further detail below)
	To advise the Board of the activity and balances on charitable funds as at 31 st December 2020.
Link to Strategic Well-being Objectives	Provide high quality, evidence based, and accessible care

5. RECOMMENDATION

5.1 The Board members are requested to:

- **NOTE** the current balances and investment performance of Cwm Taf Morgannwg NHS General Charitable Funds.
- **NOTE** Covid 19 related donations and grant funding.
- **APPROVE** the proposal to extend the CCLA investment management agent contract until 31 July 2021.