

Charitable Funds Committee

Thu 10 November 2022, 15:00 - 16:30

Virtually via Microsoft Teams

Agenda

15:00 - 15:05 **1. PRELIMINARY MATTERS**

5 min

1.1. Welcome & Introductions

Information Patsy Roseblade, IM / Chair of the Committee

1.2. Apologies for Absence

Information Patsy Roseblade, IM / Chair of the Committee

- Cally Hamblyn, Assistant Director of Governance & Risk (Georgina Galletly Attending)

1.3. Declarations of Interest

Information Patsy Roseblade, IM / Chair of the Committee

15:05 - 15:15 **2. MAIN AGENDA**

10 min

2.1. Minutes of the meeting held on 25 July 2022

Decision Patsy Roseblade, IM / Chair of the Committee

 2.1 Unconfirmed Minutes of the Charitable Funds Committee 25 July 2022.pdf (4 pages)

2.2. Minutes of the In Committee meeting held on 25 July 2022

Decision Patsy Roseblade, IM / Chair of the Committee

 2.2 Unconfirmed Minutes In Committee CFC 25 July 2022 CFC 10 November 2022.pdf (2 pages)

2.3. Minutes of the Trustees Meeting held on 18 August 2022

Decision Patsy Roseblade, IM / Chair of the Committee

 2.3 Unconfirmed Minutes of the Trustees Meeting 18 August 2022 CFC 10 November 2022.pdf (2 pages)

2.4. Action Log

Discussion Patsy Roseblade, IM / Chair of the Committee

 2.4 Action Log Charitable Funds Committee CFC 10 November 2022.pdf (1 pages)

2.5. Matters Arising not Considered within the Action Log

Discussion Patsy Roseblade, IM / Chair of the Committee

2.6. Committee Annual Cycle of Business

Discussion Patsy Roseblade, IM / Chair of the Committee

 2.5a Charitable Funds Committee Cycle of Business - Cover Paper CFC 25 July 2022.pdf (2 pages)

 2.5b Appendix 1 Charitable Funds Committee Annual Cycle of Business CFC 25 July 2022.pdf (2 pages)

15:15 - 15:45 **3. SUSTAINING OUR FUTURE**

30 min

3.1. CTM Charity - Future Management

Discussion *Sally May, Executive Director of Finance*

Verbal Update

3.2. Investment Presentation from CCLA

Discussion *Antonia Cavalier/Oliver Jones-Davies, CCLA*

 3.2 2022-11-10 - Investment Presentation CCLA - Cwm Taf Morgannwg Presentation.pdf (33 pages)

3.3. General Charitable Funds Update

Discussion *Sally May, Executive Director of Finance*

 3.3a General Charitable Funds Update.pdf (5 pages)

 3.3b Appendix A - Charitable Funds Summary of Funds & Transactions 30.09.22.pdf (1 pages)

 3.3c Appendix B - CCLA Flash Performance Report - 30 Sep 2022.pdf (8 pages)

3.4. Covid 19 Charitable Funds Update

Discussion *Sally May, Executive Director of Finance*

 3.4 Covid-19 Update - CFC 10th November 2022.pdf (5 pages)

3.5. Audit Wales 2022 Audit Plan - CTMUHB Charitable Fund

Discussion *Mark Jones, Audit Wales*

 3.5 3091A2022_ctm_nhs_general_charitable_fund_2022_audit_plan_FINAL.pdf (10 pages)

15:45 - 15:50 **4. ANY OTHER BUSINESS**

5 min

Discussion *Patsy Roseblade, IM / Chair of the Committee*

4.1. Highlight Report to Board

Patsy Roseblade, IM / Chair of the Committee

4.2. How did we do in this Meeting

Discussion *Patsy Roseblade, IM / Chair of the Committee*

15:50 - 16:00 **5. DATE AND TIME OF NEXT MEETING - TO BE CONFIRMED**

10 min

Information *Patsy Roseblade, IM / Chair of the Committee*

16:00 - 16:00 **6. Close**

0 min

CWM TAF MORGANNWG UNIVERSITY HEALTH BOARD

'UNCONFIRMED' MINUTES OF THE MEETING OF THE CHARITABLE FUNDS COMMITTEE HELD ON 25 JULY 2022, AS A VIRTUAL MEETING WHICH WAS HELD VIA MICROSOFT TEAMS

PRESENT

Patsy Roseblade	-	Independent Member (Committee Chair)
Dilys Jouvenat	-	Independent Member
James Hehir	-	Independent Member

IN ATTENDANCE

Emrys Elias	-	Health Board Chair
Sally May	-	Director of Finance
Georgina Galletly	-	Director of Corporate Governance/Board Secretary
Owen James	-	Head of Corporate Finance
Emma Walters	-	Corporate Governance Manager (Committee Secretariat)

PART 1. PRELIMINARY MATTERS

1.1.0 WELCOME AND INTRODUCTIONS

The Chair **welcomed** everyone to the meeting

1.2.0 APOLOGIES FOR ABSENCE

Apologies for absence had been received from Paul Mears, Chief Executive and Nicola Milligan, Independent Member.

1.3.0 DECLARATIONS OF INTERESTS

There were no interests declared.

2 - PART 2 – MAIN AGENDA

2.1 UNCONFIRMED MINUTES OF THE MEETING HELD ON 7 APRIL

Resolution: The Minutes were **APPROVED**.

2.2 UNCONFIRMED MINUTES OF THE IN COMMITTEE MEETING HELD ON 7 APRIL 2022

Resolution: The Minutes were **APPROVED**.

2.3 ACTION LOG

The Committee **RECEIVED** and **NOTED** the Action Log.

2.4 MATTERS ARISING NOT CONTAINED WITHIN THE ACTION LOG

There were none.

2.5 CHARITABLE FUNDS COMMITTEE ANNUAL CYCLE OF BUSINESS 2022-23

G Galletly presented the report.

Resolution: The Annual Cycle of Business was **NOTED**.

3.2 SUSTAINING OUR FUTURE

3.1 CTM CHARITY – FUTURE MANAGEMENT

S. May and O. James presented the report which had also been received and discussed at the Executive Leadership Group.

In response to a question raised by D Jouvenat, O James advised that whilst the posts had not yet been submitted for Job Evaluation it was felt that the grading of the posts was appropriate in comparison to what was in place within other organisations. G Galletly advised that the posts would need to be processed via the job evaluation process once agreement had been given to proceed with the posts identified.

J Hehir advised that he was supportive of the principle and added that any funds raised would need to be targeted and streamlined in a way that would be beneficial to the Health Board as a whole. G Galletly agreed that a robust process for the management and bidding for funds needed to be in place and advised that the Head of Charity would be responsible for developing the strategy in relation to this. S May added that at present the Team did not have the capacity to reach out to organisations to seek funding opportunities and advised that this post would provide a route to secure funding for the Health Board's population.

In response to a question raised by the Committee Chair as to whether the banding for the Head of Charity was consistent with other Health Board's, O James advised that following networking and benchmarking, it was evident that there were variations in banding and added that this banding was largely consistent with the posts already in place within other areas. Members noted the post

Agenda Item 2.1

would need to be of senior level to shape the strategy and influence people within the organisation.

In response to a query raised by the Committee Chair in relation to approval of the posts, G Galletly confirmed that the Committee did not have the authority to approve the posts but would be able to agree to fund the posts.

The Committee Chair advised that the Committee would expect the post to become self-funding over a period of time which needed to be made clearer within the report. D Jouvenat added that once the Committee had agreed to fund the posts, then a periodic review would need to be undertaken by the Committee to ensure the post was working towards becoming self-funding. The Committee Chair suggested that an annual review was undertaken to ensure value for money was being provided.

In response to a query raised by E Elias, Health Board Chair, G Galletly confirmed that if the Health Board did not have the funds available to fund the post moving forwards, the Executive Leadership Team had accepted that if there was not enough funding then liability would sit with the Health Board to manage this moving forwards.

S May advised that there were opportunities that could be explored with NHS Charities together which the Team do not have the time to explore further at the present time.

Resolution: The Committee **NOTED** the report and **APPROVED** funding of the two posts identified within the report. The Committee recognised that whilst the posts were funded by the Charity, employment risks sat with the Health Board.

3.2 GENERAL CHARITABLE FUNDS UPDATE

O. James presented the report. O James suggested that the Committee may find it helpful to have a further presentation from CCLA at the next meeting in relation to investments given the current economic climate.

The Committee Chair advised that she was pleased to see the level of spending that had been undertaken.

Resolution: The Committee **NOTED** the report and **APPROVED** that there would be no further distribution of excess reserves at this stage, noting the drop in capital value since last reported.

3.3 COVID-19 CHARITABLE FUNDS UPDATE

O James presented the report.

The Committee Chair welcomed the update and advised that she was pleased to see that Stage 2 and Stage 3 funding applications had been ring-fenced and sought clarity as to whether there were any areas of concern in relation to the questions raised regarding these applications. O James confirmed that no concerns had been identified.

Resolution: The report was **NOTED**

PART 4. ANY OTHER BUSINESS

G Galletly advised that one of her colleagues within the Welsh Ambulance Services NHS Trust had suggested that it may be helpful if an All Wales Training Package could be developed on Charities. G Galletly agreed to take this forward following Members agreement that this would be helpful. In response to a question raised by E Elias, G Galletly confirmed that the Health Board was registered as a Charity with the Charities Commission and added that all Board Members had been made aware of their roles in relation to the Charity. Members were encouraged to view the Charity Commission's website which provided a breadth of information in relation Charities.

O James provided members with an update against an action contained within the action log regarding the operation of education and training funds. O James advised that he had discussed with the Learning & Development Team where it was noted that a Study Leave Policy was in place within the Health Board and it was the responsibility of managers to be responsible for employees learning and development and the funding of it. Members noted that an Apprenticeship Programme was also in place within the Health Board which was managed by the Learning & Development Team as well as a Student Awards Service. Members noted that O James was in discussion with the Learning & Development Organisational Manager in relation to the plans to put in place a new Charity Funds Manager.

PART 5. DATE AND TIME OF NEXT MEETING:

The next meeting will be held on Thursday 10 November 2022 at 3:00pm

PART 6. CLOSE OF MEETING

The Committee Chair extended her thanks to all who attended the meeting today.

CWM TAF MORGANNWG UNIVERSITY HEALTH BOARD

**'UNCONFIRMED' MINUTES OF THE IN COMMITTEE MEETING
OF THE CHARITABLE FUNDS COMMITTEE HELD ON 25 JULY
2022, AS A VIRTUAL MEETING WHICH WAS HELD VIA
MICROSOFT TEAMS**

PRESENT

Patsy Roseblade	-	Independent Member (Chair)
Dilys Jouvenat	-	Independent Member
James Hehir	-	Independent Member
Sally May	-	Executive Director of Finance

IN ATTENDANCE

E Elias	-	Health Board Chair
Georgina Galletly	-	Director of Corporate Governance/Board Secretary
Owen James	-	Head of Corporate Finance
Emma Walters	-	Corporate Governance Manager (Committee Secretariat)

PART 1. PRELIMINARY MATTERS

1.1.0 WELCOME AND INTRODUCTIONS

The Chair **welcomed** everyone to the meeting.

1.2.0 APOLOGIES FOR ABSENCE

Apologies for absence had been received from Paul Mears, Chief Executive and Nicola Milligan, Independent Member.

1.3.0 DECLARATIONS OF INTERESTS

A declaration was made by J Hehir in relation to the Request for A Deed of Variation to a Will and advised that the Solicitors that were involved in this matter had also acted for him on an unrelated personal matter.

A declaration was also made by the Health Board Chair following the meeting. The Chair of the Committee was notified of this declaration after the meeting. The Director of Governance noted that as the Committee had not been able to reach a decision at the meeting, that there was no further action/consideration required at this time. The declaration should be repeated at any subsequent meeting when the same matter is considered.

PART 2. MAIN AGENDA

2.1.0 REQUEST FOR A DEED OF A VARIATION TO A WILL

S. May and presented the report which had been received at the April meeting in which a number of questions were raised by Members regarding the details contained within the report. Further clarification had been sought from the solicitors and their response had been received and shared with Members.

Following a detailed discussion, Members felt that the response received from the solicitors raised more questions and did not provide some members of the Committee with assurance regarding the clarification they had sought.

Following discussion, it was agreed that as a consensus could not be reached by the Committee, a further discussion on this matter would be required with the whole Board of Trustees so that a consensus could be reached.

Resolution: The Committee **AGREED** to defer this matter to the whole Board of Trustees as the Committee could not reach a consensus.

PART 3. ANY OTHER BUSINESS

There was none.

4.0.0 PART 4. DATE AND TIME OF NEXT MEETING:

The next meeting will be held on Thursday 10 November 2022 at 3:00pm.

PART 5. CLOSE OF MEETING

CWM TAF MORGANNWG UNIVERSITY HEALTH BOARD

**'UNCONFIRMED' MINUTES OF THE IN COMMITTEE TRUSTEES
MEETING HELD ON 18 AUGUST 2022, AS A VIRTUAL
MEETING WHICH WAS HELD VIA MICROSOFT TEAMS**

PRESENT

Emrys Elias	-	Health Board Chair
Paul Mears	-	Chief Executive
Jayne Sadgrove	-	Vice Chair
Patsy Roseblade	-	Independent Member
Dilys Jouvenat	-	Independent Member
Nicola Milligan	-	Independent Member
Ian Wells	-	Independent Member
James Hehir	-	Independent Member (in part)
Lynda Thomas	-	Independent Member
Dom Hurford	-	Medical Director (in part)
Gethin Hughes	-	Chief Operating Officer
Hywel Daniel	-	Director for People
Kelechi Nnoaham	-	Director of Public Health
Linda Prosser	-	Director of Strategy & Transformation
Sally May	-	Director of Finance
Greg Dix	-	Director of Nursing (in part)

IN ATTENDANCE

Cally Hamblyn	-	Assistant Director of Governance & Risk
Owen James	-	Head of Corporate Finance
Emma Walters	-	Corporate Governance Manager (Committee Secretariat)

PART 1. PRELIMINARY MATTERS

1.1.0 WELCOME AND INTRODUCTIONS

The Chair **welcomed** everyone to the meeting.

1.2.0 APOLOGIES FOR ABSENCE

Apologies for absence had been received from Carolyn Donoghue, Independent Member, Mel Jehu Independent Member and Geraint Hopkins, Independent Member

1.3.0 DECLARATIONS OF INTERESTS

The Committee **NOTED** the declarations that had been made previously by the Health Board Chair and J Hehir, Independent Member.

PART 2. MAIN AGENDA

2.1 MINUTES FROM THE PREVIOUS CHARITABLE FUNDS COMMITTEE MEETINGS HELD ON 7 APRIL 2022 AND 25 JULY 2022

The minutes from the meetings held on the 7 April 2022 and 25 July 2022 were **RECEIVED** and **NOTED**.

2.3 REQUEST FOR A DEED OF A VARIATION TO A WILL

S. May presented the report and provided members with the background in relation to this matter. P Roseblade also provided an update on the discussions held at the Charitable Funds Committee meetings held on 7 April and 25 July 2022 and advised that the Committee had failed to reach a consensus.

Following detailed discussion and consideration the Board of Trustees present agreed to the proposed Deed of Variation as set out in the report

Resolution: The Full Board of Trustees **AGREED** to the Deed of Variation.

PART 3. ANY OTHER BUSINESS

There was none.

4.0.0 PART 4. DATE AND TIME OF NEXT MEETING:

The next meeting will be held on Thursday 10 November 2022 at 3.00pm.

PART 5. CLOSE OF MEETING

ACTIONS ARISING FROM PREVIOUS CHARITABLE FUNDS COMMITTEE MEETINGS

	Minute Ref.	Date	Agreed Action	Lead Director	Timescale	Status as at July 2022
3	2.2	11.08.21 07.04.22	Review of Charity Objectives Further iteration of the report to be presented to a future meeting which would need to reflect the Committee's greater need for clarification on the aims and objectives of the overall strategy over the next 12 months	Director of Finance	January 2022 Now April 2022 July 2022 November 2022	Completed and Ongoing Report presented to the July meeting. Further progress report to be presented to the November 2022 meeting
4	2.3	11.08.21	General Charitable Funds Update CCLA to be invited to a future meeting to discuss the investment process further. Wider discussion on investment to be held at the next meeting	Director of Finance	January 2022 Now April 2022 November 2022	Completed and Ongoing CCLA presented at the April 2022 meeting A further presentation to be received at the November 2022 meeting given the current economic climate
7.	3.1.2	07.04.22	Action Log More detailed update on the operation of education and training funds to be received at the next meeting.	Director of Finance	July 2022	Completed Update provided to Members under Any Other Business at the July meeting.
9.	3.2.2	07.04.22	General Charitable Funds Update Progress report on the staff lottery to be received at the next meeting with an invitation extended to the Director for People	Head of Corporate Finance/Director for People	July 2022	Completed Update included in the Charity Resources report received at the July meeting.



AGENDA ITEM
2.5

CHARITABLE FUNDS COMMITTEE

CHARITABLE FUNDS COMMITTEE CYCLE OF BUSINESS

Date of meeting	10/11/2022
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FOI Status	Open/Public
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If closed please indicate reason	Not Applicable - Public Report
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Prepared by	Emma Walters, Corporate Governance Manager
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Presented by	Georgina Galletly, Director of Corporate Governance
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Approving Executive Sponsor	Director of Corporate Governance
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Report purpose	FOR NOTING
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Engagement (internal/external) undertaken to date (including receipt/consideration at Committee/group)		
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Committee/Group/Individuals	Date	Outcome

ACRONYMS		

1. SITUATION/BACKGROUND

1.1 The Charitable Funds Committee should, on annual basis, receive a Cycle of Business which identifies the reports which will be regularly presented for consideration. The annual cycle is one of the key components in ensuring that the Committee is effectively carrying out its role.

1.2 The Cycle of Business covers the period 1 January 2022 to 31 March 2023.

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

2.1 The Cycle of Business has been developed to help plan the management of Committee matters and facilitate the management of agendas and Committee business.

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

3.1 Please refer to **Appendix 1** – Charitable Funds Committee Cycle of Business for further detail.

4. IMPACT ASSESSMENT

Quality/Safety/Patient Experience implications	Yes (Please see detail below)
	Evidence suggests there is correlation between governance behaviours in an organisation and the level of performance achieved at that same organisation. Therefore ensuring good governance within the Trust can support quality care.
Related Health and Care standard(s)	Governance, Leadership and Accountability
	If more than one Healthcare Standard applies please list below:
Equality Impact Assessment (EIA) completed - Please note EIAs are required for <u>all</u> new, changed or withdrawn policies and services.	No (Include further detail below)
	Not required.
Legal implications / impact	There are no specific legal implications related to the activity outlined in this report.
Resource (Capital/Revenue £/Workforce) implications / Impact	There is no direct impact on resources as a result of the activity outlined in this report.
Link to Strategic Goals	Improving Care

5. RECOMMENDATION

5.1 The Committee is asked to **NOTE** the Committee Cycle of Business.

Charitable Funds Committee

Cycle of Business (1st January 2022 – 31st March 2023)

The Charitable Funds Committee should, on annual basis, receive a cycle of business which identifies the reports which will be regularly presented for consideration. The annual cycle is one of the key components in ensuring that the Committee is effectively carrying out its role.

The Cycle of Business covers the period 1st January 2022 to 31st March 2023.

The Cycle of Business has been developed to help plan the management of Committee matters and facilitate the management of agendas and committee business.

The principal role of the Committee is set out in the Standing Orders 1.0.1.

Charitable Funds Committee Cycle of Business (1st January 2022 – 31st March 2023)

Item of Business	Executive Lead	Reporting period	Jan 2022 Cancelled	Feb 2022	Mar 2022	April 2022	May 2022	June 2022	July 2022	Aug 2022	Sep 2022	Oct 2022	Nov 2022	Dec 2022	Jan 2023	Feb 2023	Mar 2023
Preliminary Matters																	
Minutes of the previous meeting	Director of Corporate Governance	All regular meetings	√			√			√			√			√		
Action Log	Director of Corporate Governance	All regular meetings	√			√			√			√			√		
Committee Annual Cycle of Business																	
Committee Annual Cycle of Business	Director of Corporate Governance	Annually	√			√									√		
Committee Terms of Reference	Director of Corporate Governance	Annually	√			√									√		
Committee Annual Report	Director of Corporate Governance	Annually							√								
Committee Annual Self-Assessment	Director of Corporate Governance	Annually							√								
Charitable Funds Committee Annual Report and Accounts (to coincide with Annual Trustees meeting)	Audit Wales	Annually	√ Presented to Jan Board												√		
Annual Update from the Investment Fund Managers	Director of Finance	Annually	√			√									√		
Review of the Charity Objectives	Director of Finance	To be agreed	√			√											
General Charitable Funds Update	Director of Finance	Quarterly	√			√			√			√			√		
Covid-19 Charitable Funds Update	Director of Finance	Quarterly	√			√			√			√			√		
Audit Wales Audit of Accounts Report	Audit Wales	Quarterly	√ Presented to Jan Board			√			√			√			√		
Staff Lottery Update	Director for People	To be agreed	√			√											



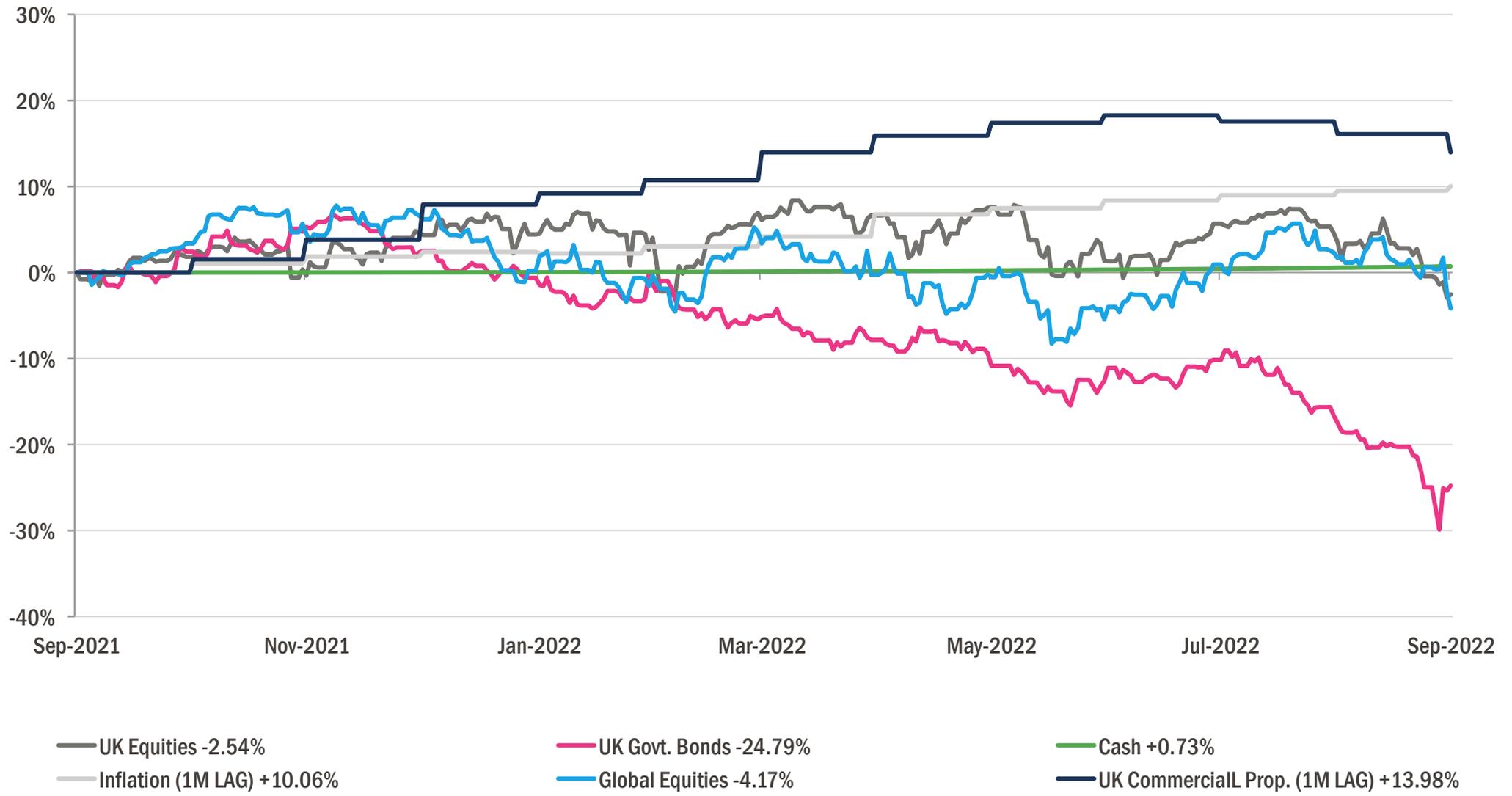
Investment Management
**Cwm Taf NHS Morgannwg
General Charitable Fund**
10th November 2022

Oliver Jones-Davies – Director, Client

Investments
CCLA

GOOD INVESTMENT

Summary



Source: Bloomberg as at 30 September 2022.
 Past performance is not a reliable indicator of future results.

Holdings	Market Value	Forecast income yield	Forecast annual income
COIF Charities Ethical Investment Fund	£2,688,136	3.14%	£84,276
Total portfolio	£2,688,136	3.14%	£84,276

Source CCLA as at 20 October 2022

Annual income figures from long-term funds are based on current fund share holdings and forecast distributions per fund unit for calendar year 2022.

Annual income figures for COIF Charities Deposit Fund balances are based on the current declared interest rate which is subject to change.

Please note that this portfolio valuation is not intended for audit purposes. Forecast yields and annual income is not guaranteed.

Please see valuation risk warning at the end of this presentation.

Net Performance as at 30 September 2022	Current Quarter (%)	Last Twelve Months (%)	Since Inception (%)
Your portfolio	+0.4	-5.7	-4.1
Consumer Price Index	+1.6	+5.6	+10.1

Source CCLA as at 30 September 2022

Total return net performance is calculated using a time-weighted rate of return based on weekly valuations with income reinvested. Therefore there may be some differences with other data in this presentation and your quarterly report which are calculated before all expenses. Any changes in your fund holdings during the quarter will also result in differences. Figures are rounded to the nearest £1 or 0.01%.

Total returns % as at 30 September 2022	1 month	3 months	6 months	1 year
COIF Charities Ethical Investment Fund (net)	-4.99	0.43	-5.70	-4.14
ARC Steady Growth Charity Index (peer group, net)	-5.80	-3.51	-10.16	-10.34
Comparator benchmark*	-5.50	-0.78	-8.57	-5.45
CPI plus 5% (target benchmark)	0.90	2.79	8.11	15.06

Source: CCLA, as at 30 September 2022 (provisional).

*Comparator benchmark: MSCI World Index (75%), Markit iBoxx £ Gilts Index (15%), MSCI UK Monthly Property Index (5%) and SONIA (5%).

The fund's objective is to provide a long-term total return comprising growth in both capital and income, with a long-term total return benchmark of inflation (Consumer Price Index) plus 5% p.a. The comparator benchmark, which is not a target or a constraining benchmark, is intended to help investors understand the effects of the Fund's active management in different market circumstances, and to see how the Fund's returns vary in the shorter term from those that might be experienced by a more passive investor. The comparator benchmark is subject to change. Please refer to detailed description in the appendix.

Total return performance is shown net of management fees and expenses on a mid price basis with gross income reinvested.

Past performance is not a reliable indicator of future returns.

Mitigating Risk

- In Q4 2021 we moved to an underweight position in equities, focusing on the most highly valued names in anticipation of a de-rating as rates rose.
- We have maintained this more cautious stance in the face of the worsening economic outlook and took advantage of market rallies in March and July to trim selected positions.
- Within equities our quality focus should protect against significant deterioration in earnings or balance sheets. We are absent many of the most sensitive areas such as retail, airlines and energy.
- We have also taken a more defensive stance, reducing areas such as consumer discretionary & industrials in favour of pharmaceuticals and professional services.
- Within alternatives we have been vigilant on valuations and have reduced exposure as the yield outlook worsened in the UK.

Taking advantage of opportunities

- We have added to a number of positions on weakness including PayPal and Disney as well as introducing new holdings on attractive valuations including Experian, Intuit, Icon and Essilor Luxottica.
- With the turmoil in September pushing bond yields above 4% we have initiated a position in 2-year UK Gilts. We would consider longer duration exposure or inflation linked instruments but do not believe valuations have fully reset.
- In cash we have introduced certificates of deposit providing a c.2% uplift on the Deposit Fund.

Source: CCLA as at October 2022. The market review, analysis, and any projections contained in this document represent the house view and should not be relied upon to form the basis of any investment decisions. The information does not constitute the provision of financial, investment or other professional advice.

- High inflation in the world's major economies is eroding real incomes and driving central bank policy tightening, damaging consumer and business confidence.
- With a tight employment market and household cash balances still elevated, the US may well avoid recession in 2022 though we expect growth to fall further, quite possibly into recession, in 2023.
- Europe is more directly challenged by the effects of war in Ukraine. Further cuts in energy supplies put the Eurozone at significant risk of a more serious recession than in the US.
- The UK's tight labour market will keep upward pressure on core inflation. Combined with higher energy and food prices, the cost-of-living squeeze can be expected to dampen demand for goods and services; industrial disputes may present additional challenges to economic activity.
- Growth in China has the potential to improve thanks to reopening of the economy and substantial fiscal and credit stimulus – but reimposed lockdowns could hamper this.
- For the global economy, much depends on how quickly inflation falls back from its expected peak in the coming months, and the amount of monetary policy tightening required to stabilise inflation expectations.
- Central banks, led by the US's Federal Reserve, are set to tighten policy aggressively over the next few months and have signalled that they will prioritise the control of inflation over support for economic activity.

Source: CCLA as at 20 September 2022. The market review, analysis, and any projections contained in this document represent the current house view and should not be relied upon to form the basis of any investment decisions.

Fund Information

Long-term investment objective

- Over the long term aims to achieve an average annual total return of inflation (CPI) plus 5%
- To provide as part of this return a reliable income stream that maintains its real value over time
- Aim for volatility of no more than 75% of that of the UK equity market (measured over a three-year period and based on actual results rather than forecasts)*
- To avoid investment in tobacco companies, alcohol producers and companies with significant involvement in coal, oil & gas, armaments, gambling and pornography.

*Actual volatility may be higher or lower than this at any time. This is an internal guideline and therefore subject to change without notice. The MSCI UK IMI Index is used a proxy for the UK market.

- Philosophically, we believe that returns flow from underlying fundamentals – so we focus on assembling a well-diversified multi-asset portfolio, taking account of valuations, sustainability and risk.



Quality



Growth



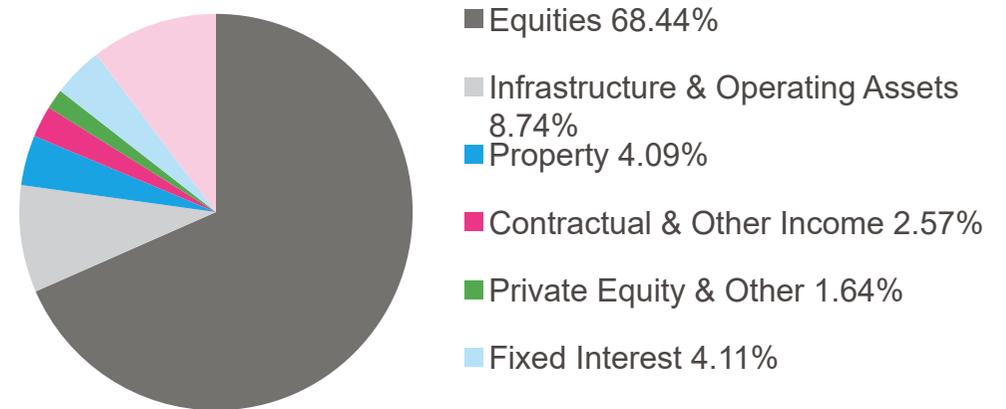
Valuation

Investing in a range of **high-quality** assets with sustainable, growing **cash returns**, at **valuations** that are attractive and will lead to significant real returns over the long-term.

- Disciplined but constantly evolving and index agnostic approach to identifying high-quality assets, with sustainable and growing free cash flow returns
- A collaborative team-based approach that marries
 - quantitative and qualitative analyses of opportunities and risks, at both the instrument and asset, and portfolio levels;
 - consideration of secular trends, fund and liquidity flows, and extra-financial risks and issues;
 - engagement to make change happen.

- A multi-asset, long-term fund suitable for eligible charity investors
- Seeks to provide highly diversified and well balanced spread of investments
- Managed to meet clear ethical and responsible investment standards
- Use of alternative asset types providing contractual cashflows
- Fund size: £1,914m

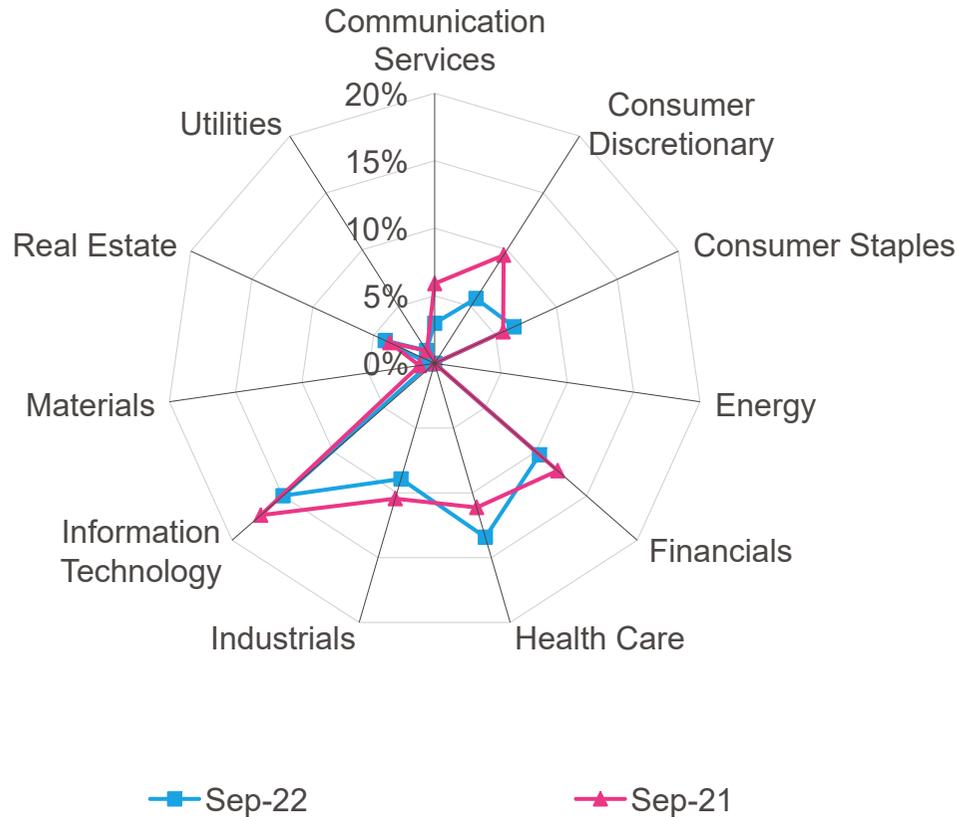
Asset allocation



Source: CCLA, as at 30 September 2022. Asset allocation is subject to change.

Infrastructure and operating assets refers to investments that facilitate the functioning of society with the potential for steady cash flows (e.g. energy-related and social). Contractual assets refers to investments that generate contracted cash flows over a specific period and are typically secured against assets.

Equity sector changes (%)

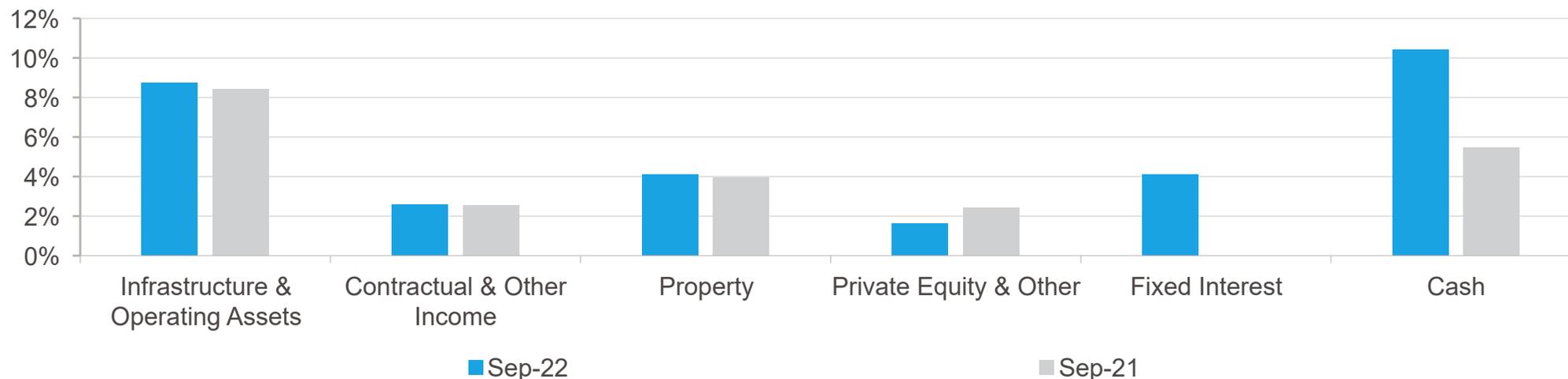


- There were very few changes to the equity portfolio in Q3.
- We sold our position in Canadian telecommunications business BCE on valuation grounds.
- The only new addition to the portfolio was Essilor Luxottica, a global leader in the design and manufacture of lenses and frames for the eyewear market.
- Over the course of the last year the portfolio had been moved into a more defensive position, reflecting valuations and concerns around the impact of inflation and rising interest rates on the economy.
- This has resulted in higher weightings to healthcare and consumer staples and lower weightings to consumer, financials, technology and industrials.

Source: CCLA as at 30 September 2022

This information does not constitute the provision of financial, investment or other professional advice. Past performance is not a reliable indicator of future results.

Changes in non-equity asset allocation

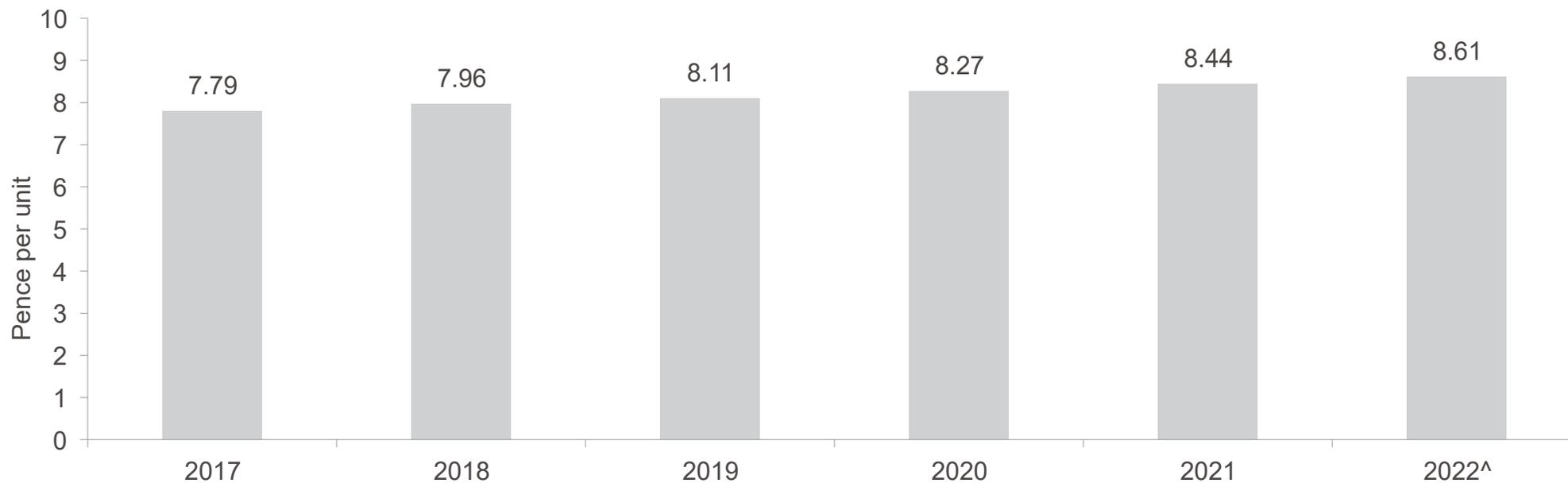


- An allocation to gilts was built during Sept 2022 in response to the increase in yields triggered by the UK government's 'mini-budget'.
- The contractual income allocation was broadly flat over the period.
- Private equity reduced reflecting a fall in the value of listed private equity funds as investors anticipate the stock market falls to feed into lower private company valuations.
- The property allocation was broadly unchanged, which reflects strength of the marks of private funds, which was partially offset by weakness across the logistic focused REITs due to concerns around a weaker end consumer and over-building.
- The increase in the infrastructure was the result of good performance across both renewable energy and general infrastructure. Renewables benefitted from higher power prices and inflation, while general infrastructure benefitted from inflation linkage. We trimmed certain UK focused renewables names in light of greater political risk for the sector, recycling the proceeds into infrastructure and renewables located in geographies that are less exposed.

Source: CCLA, as at 30 September 2022. Asset allocation is subject to change.

Infrastructure and operating assets refers to investments that facilitate the functioning of society with the potential for steady cash flows (e.g. energy-related and social). Contractual assets refers to investments that generate contracted cash flows over a specific period and are typically secured against assets.

Historical and Projected Annual Distribution



Current yield 3.12%*

Source: CCLA as at 30 September 2022.

^Projected annual distribution. Projections for annual distribution is subject to change.

*Based upon mid-market price as at 30 September 2022 and a projected annual distribution of 8.61p per unit. Forecast income yields are not guaranteed.

Past distribution is not a reliable indicator of future results.

Annualised returns % as at 30 September 2022	1 year	3 years	5 years	10 years
COIF Charities Ethical Investment Fund (net)	-4.14	5.89	7.95	9.51
ARC Steady Growth Charity Index (peer group, net)	-10.34	1.00	2.67	5.51
Comparator benchmark*	-5.45	2.98	4.93	7.58
CPI plus 5% (target benchmark)	15.06	9.47	8.51	7.51

Source: CCLA, as at 30 September 2022 (provisional).

*Comparator benchmark: MSCI World Index (75%), Markit iBoxx £ Gilts Index (15%), MSCI UK Monthly Property Index (5%) and SONIA (5%).

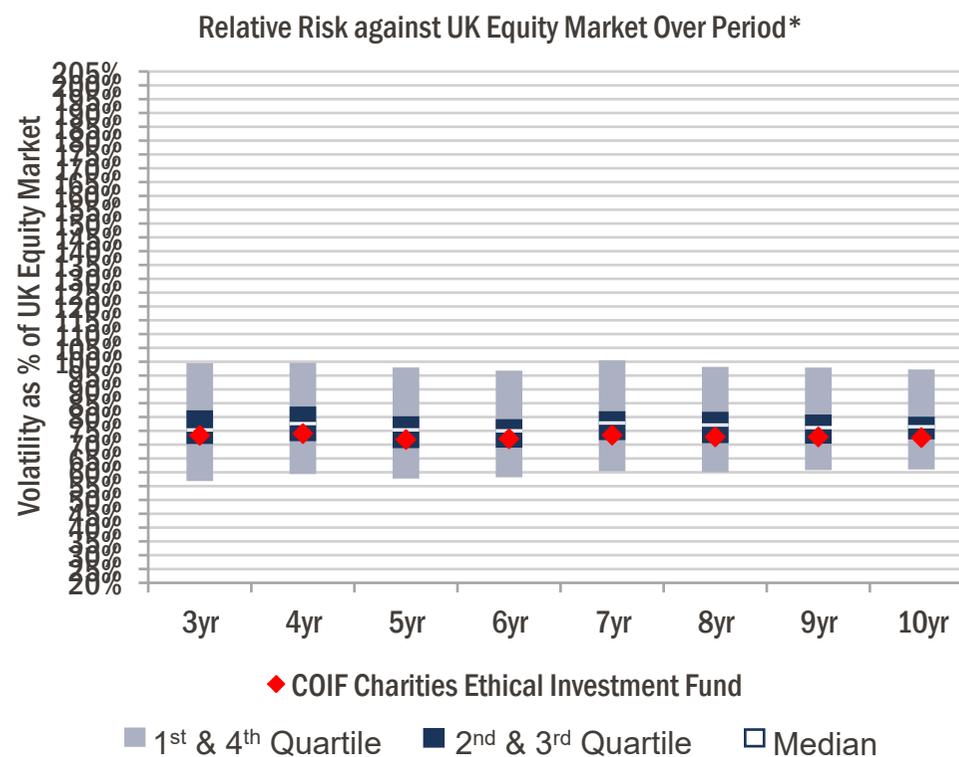
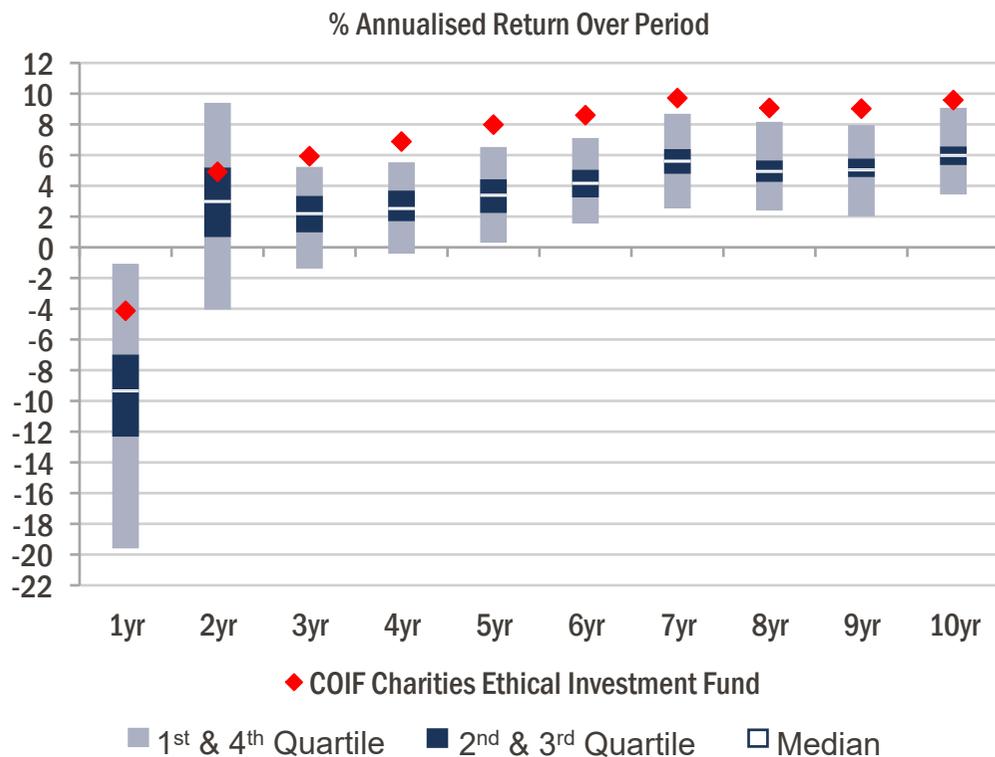
The fund's objective is to provide a long-term total return comprising growth in both capital and income, with a long-term total return benchmark of inflation (Consumer Price Index) plus 5% p.a. The comparator benchmark, which is not a target or a constraining benchmark, is intended to help investors understand the effects of the Fund's active management in different market circumstances, and to see how the Fund's returns vary in the shorter term from those that might be experienced by a more passive investor. The comparator benchmark is subject to change. Please refer to detailed description in the appendix.

Total return performance is shown net of management fees and expenses on a mid price basis with gross income reinvested.

— Past performance is not a reliable indicator of future returns.

- Consistent and competitive returns, ahead of the median fund over multiple time periods

- Volatility has been significantly below that of the UK equity market and below that of the median fund over multiple time periods.



Source: Morningstar/CCLA as at 30 September 2022.

Peer group: Investment Association 40%-85% equity funds peer group. *The MSCI UK IMI Index is used as a proxy for the UK market. At any time, the actual level of volatility may be higher or lower than shown in the chart above.

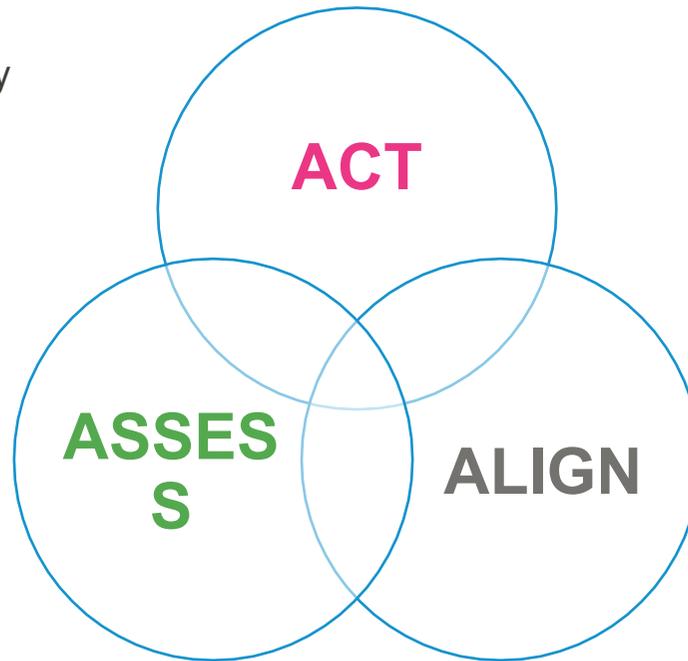
Past performance is not a reliable indicator of future results.

Pioneers of change

- Vote on every company resolution
- Engage directly with every company at least once a year
- Long-term systemic change programmes in pursuit of the common good
- Impact goes far beyond our immediate sphere of influence

ESG analysis to

- Uncover and manage extra-financial risk
- Identify sustainable companies
- Guide our stewardship activities



Restricted on a % revenue basis

- Fossil fuel extraction, production, refining
- Armaments*
- Tobacco
- Alcohol
- Adult entertainment
- Gambling
- High interest rate lending

Aspirational target to dedicate 5% of the fund's capital to investments that provide positive social or environmental objectives and meet the risk-return criteria.

UN PRI Rated 5* in all equity categories

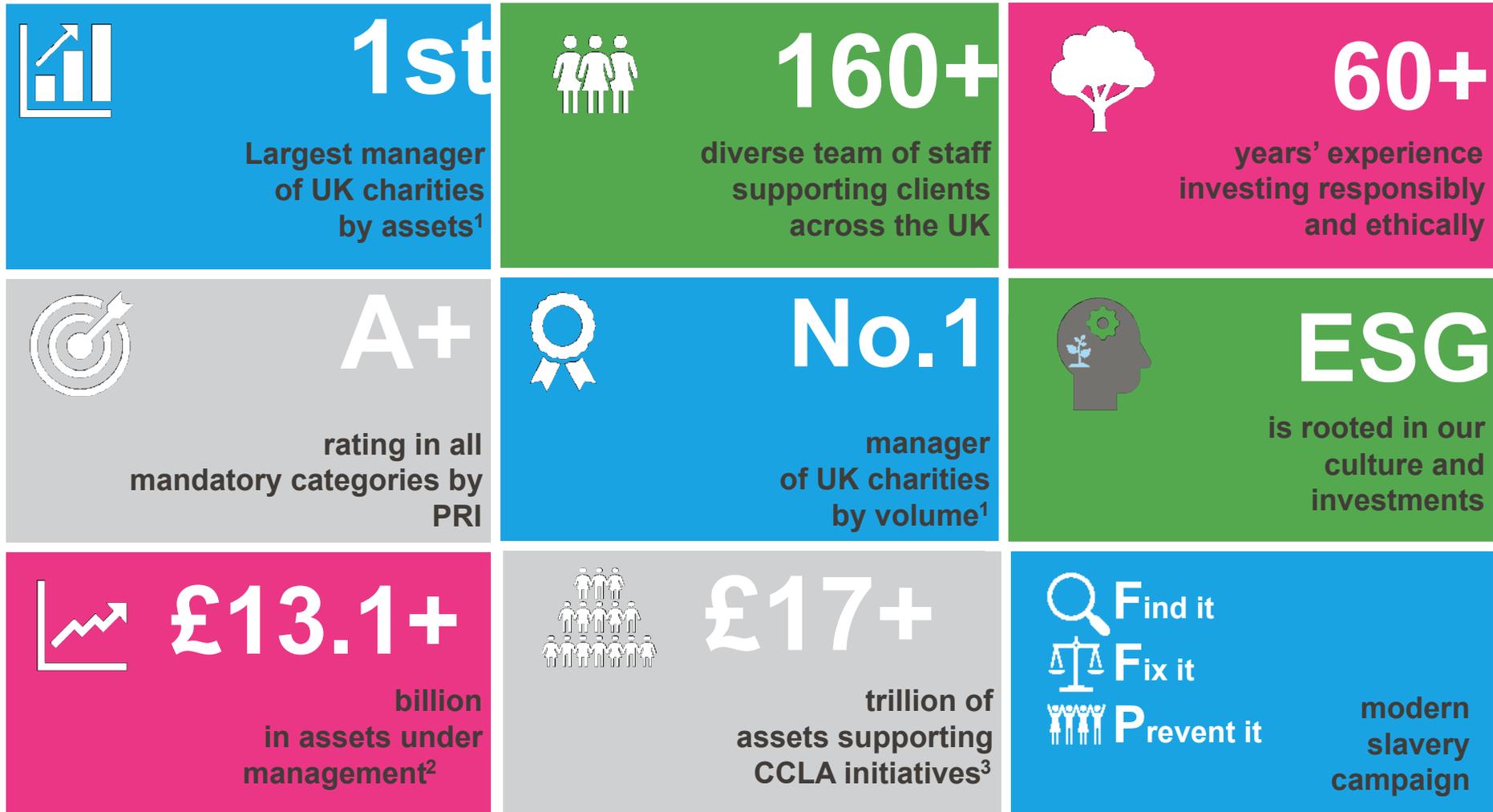


Signatory to the 2020 FRC UK Stewardship Code



Source: CCLA. *Including companies involved in the production of landmines, cluster munitions, chemical/biological weapons and/or nuclear weapons are prohibited. Revenue restrictions apply to strategic military sales and non-military weapons. For full restrictions please see the appendix.

Appendices



1. Fund Management Survey 2021 published by *Charity Finance*.

2. CCLA, 30 September 2022.

3. CCLA initiatives and investor coalitions include modern slavery, mental health and climate change.

The COIF Charities Ethical Investment Fund is managed in accordance with an ethical investment policy that is set through consultation with unitholders. This requires CCLA to dedicate capital to positive investments, engage with companies to achieve positive changes in business practice and implement the following ethical restrictions.

Theme	Further details	COIF Charities Ethical Investment Fund
Climate change	Oil sands extraction	Companies that derive more than 5% of their revenue from the extraction of these fuels are restricted
	Energy coal extraction	Companies that derive more than 5% of their revenue from the extraction of these fuels are restricted
	Other 'fossil fuel' extraction	Companies that derive more than 10% of their revenue from extracting and refining of oil or gas
	Other High carbon businesses	Minimum standards for engagement progress
	Electrical utilities	No investment in companies that cannot align with the Paris Climate Change agreement
Armaments	Strategic military sales	Restricted if derive more than 10% of revenue from strategic military sales
	Civilian firearms	10% revenue restriction
	Nuclear weapons	Investment prohibited if involved in the production of these weapons
	Landmines, cluster munitions, chemical or biological weapons	Investment prohibited if involved in the production of these weapons
Tobacco		10% revenue restriction
Alcohol		10% revenue restriction
Adult entertainment		10% revenue restriction
Gambling		10% revenue restriction
High interest rate lending		10% revenue restriction
Specific client restrictions	Sanctity of Life	Production of single-purpose abortifacients
Animal testing	Testing of cosmetics on animals	Restricted if in priority sector and chooses to conduct testing on animals
	Breast milk substitutes	Companies that do not meet the FTSE4Good criteria
ESG Minimum Standards	Companies with an MSCI ESG Rating of B or below	Comply/explain approach applies
Respecting international norms	Substantiated allegations of non-conformity with the UN Global Compact	Engagement that can lead to divestment if no progress is made
Oppressive regimes	Sovereign debt	No debt from countries identified by CCLA as being the most oppressive
Third-party funds		Screened against ethical investment criteria

Source: CCLA. The majority of ethical restrictions are applied through standard and bespoke data feeds provided by MSCI. Revenue restrictions based on total revenue from all exposures unless stated.

2007
 Early signatory to UN Principles for Responsible Investment

2010
 Start climate action pathway with carbon disclosure watch list

2012
 Launches Aiming for A shareholder advocacy campaign, which goes on to inspire Climate Action 100+

2013
 The COIF Charities Ethical Fund restricts investment in thermal coal
 CCLA becomes Cornerstone investors in the Bluefield Solar Income Fund

2015
 Aiming for A files the first successful climate-related shareholder resolutions at BP and Shell

2016
 Successful strategic resilience resolutions at Anglo American, Glencore and Rio Tinto

2017
 Aiming for A becomes Climate Action 100+ and CCLA is a founding member

2019
 The COIF Charities Ethical Fund restricts direct investment in oil and gas extraction companies.
 Following our engagement, Duke Energy commits to net-zero emissions by 2050

2020
 Seed investors of the Clean Growth Fund with the UK government
 CCLA sells remaining direct holdings in oil and gas extraction companies

2021
 CCLA pledges to achieve net zero by 2050
 CCLA is the lead investor for Unilever on behalf of Climate Action 100+.
 Following dialogue Unilever is the first FTSE100 company to introduce a 'Say on Climate' vote.

2022
 CCLA's Helen Wildsmith wins the prestigious Joan Bavaria Award for her pioneering work on responsible investment and climate action
 Founding signatory of IIGCC Net Zero Asset Managers initiative
 NextEra Energy responds to engagement by increasing climate disclosures

Since 2007, we have forged a clear climate action pathway, consistently pushing for progress by taking steps to tackle climate change.

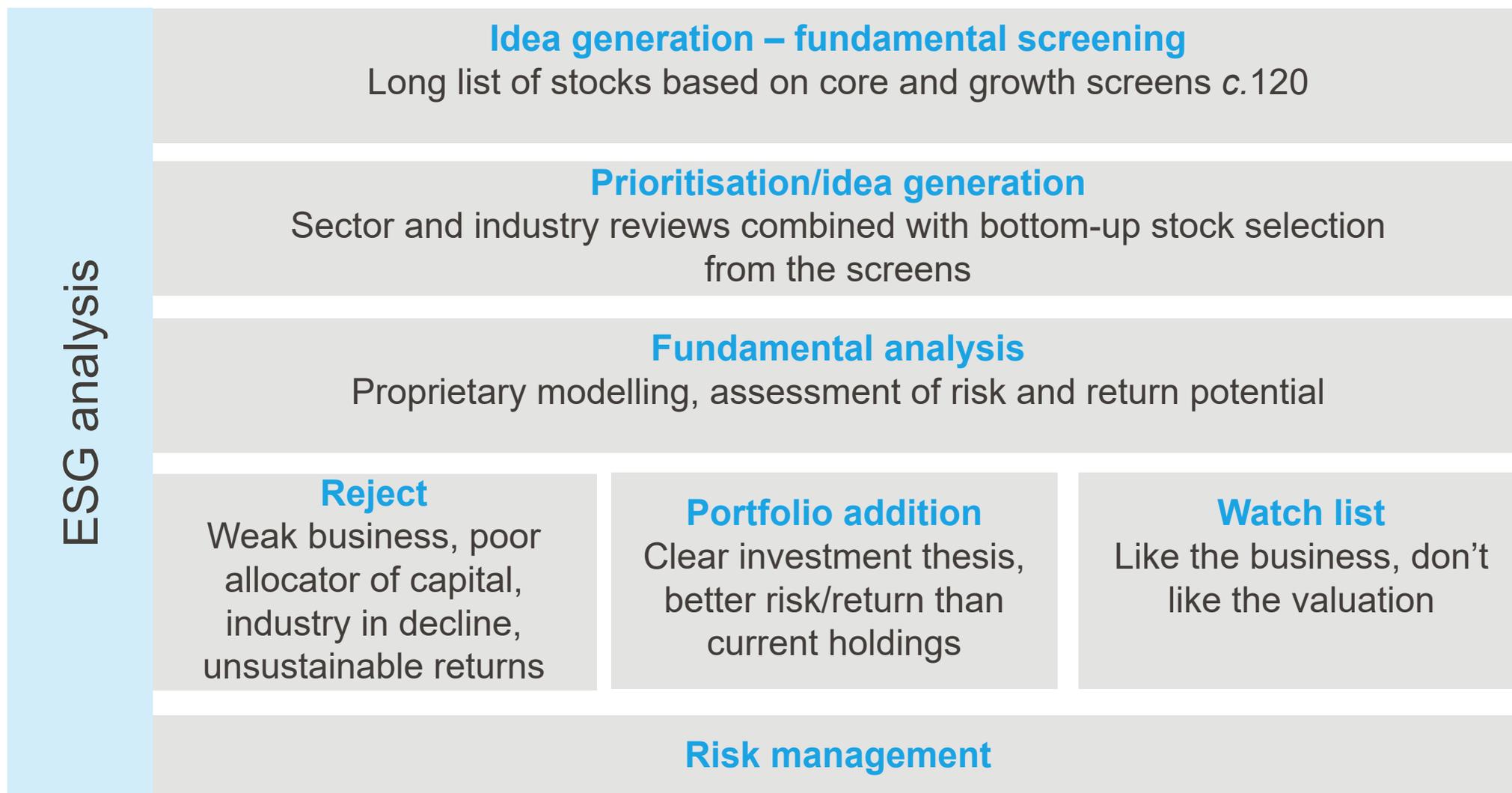
Source: CCLA as at September 2022

Investment Leadership Group		
Ben Funnell	Charlotte Ryland & James Ayre	James Corah
<p>Solutions</p> <p>Strategic asset allocation, alternatives, cash and risk management</p> <p>12 team members</p>	<p>Investments</p> <p>Core investment engine, analysing global equities</p> <p>12 team members</p>	<p>Sustainability</p> <p>ESG integration Active stewardship</p> <p>8 team members</p>

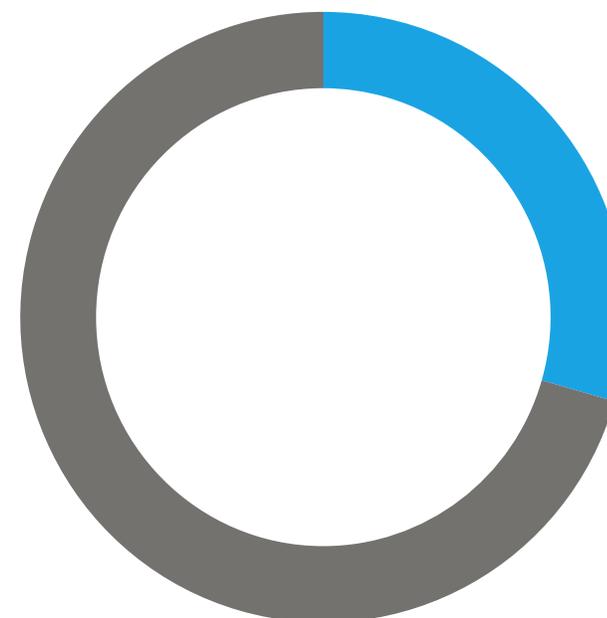
- The team has delivered an extended period of outperformance of our charity multi-asset funds.*
- Average industry experience: 18 years
- Average tenure: 8 years

Source: CCLA, investment team as at September 2022, data as at 30 June 2022.

*Refers to the COIF Charities Investment Fund and the COIF Charities Ethical Investment Fund outperforming their target and comparator benchmarks over three and five years, net of fees with gross income reinvested, as at 30 June 2022. Past performance is not a reliable indicator of future results.



Security	Portfolio weight %
COIF Charities Property Fund	3.69%
UK Treasury Gilt 1% 22/04/2024	2.50%
Microsoft	2.04%
United Kingdom Gilt 0.25% 31/01/2025	1.62%
Amazon	1.59%
Unitedhealth Group	1.56%
Danaher	1.37%
Unilever	1.31%
Greencoat UK Wind Plc Fund	1.23%
Pepsico	1.22%
Roche Holding	1.22%
IntercontinentalExchange Group	1.18%
Novo Nordisk B	1.16%
Relx PLC	1.16%
Nestle	1.14%
NextEra Energy	1.13%
HDFC Bank	1.09%
AIA Group	1.09%
London Stock Exchange Group	1.08%
Alphabet	1.08%



■ Top twenty holdings 29.44%

Source: CCLA as at 30 September 2022
 Holdings are subject to change.

Liquidity of the underlying holdings of the COIF Charities Ethical Investment Fund

Time Required To Liquidate	Fund weight %
1 Day	63.52
1 Week	16.50
1 Month	7.84
3 Months	2.88
6 Months	6.16
1 Year	2.35
Over 1 Year	0.75
Total	100

Source: CCLA as at 30 September 2022

The above table shows the assessed level of liquidity for each fund and the extent to which significant levels of client withdrawals can be accommodated, in normal market conditions.

Liquidity analysis is subject to change

- We define alternative investments as all assets excluding mainstream quoted equities, fixed interest and cash.
- Within the alternative's asset class, we focus on investments that generate stable cash flows with low sensitivity to the economic cycle and are underpinned by productive assets.
- The alternative allocation in our clients' portfolios serve three purposes:

Stable cash flows

To assist with delivery of the real returns and free cash flow, supporting the growth and distribution objectives.

Diversification

To diversify the equity-related risks so that the funds operate within their risk budgets.

Positive ESG impact

Investing in solutions to the environmental, social and governance (ESG) challenges our communities face

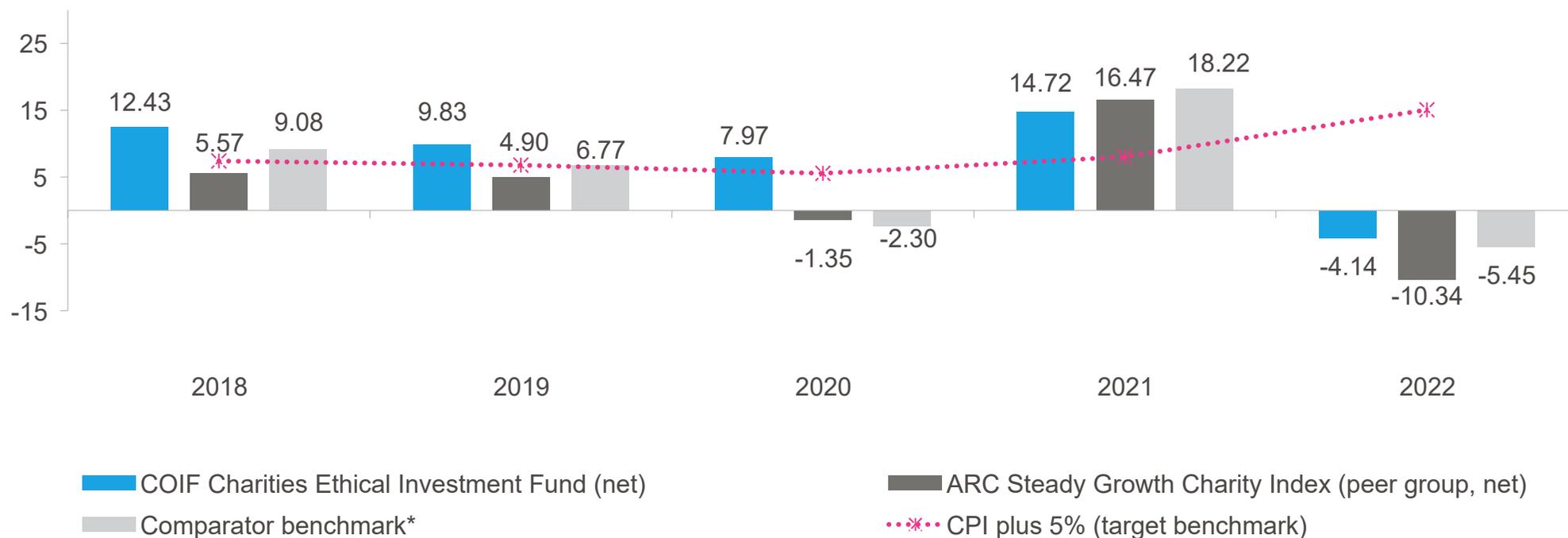
COIF Charities Ethical Investment Fund	Cost % p.a.
Annual management charge (AMC)	0.60
Other expenses	0.12
Fund management fee (FMF)	0.72
Costs of underlying investments	0.23
Total ongoing charges figure (OCF)	0.95

The ongoing charges figure (OCF) shows the total annual operating costs taken from the fund. The OCF is the sum of two components: these are the fund management fee (FMF) and the cost of underlying investments.

The FMF includes CCLA's annual management charge (AMC), VAT payable thereon where applicable (including any VAT reclaims received during the accounting period that the FMF is based on), and other costs and expenses of operating and administering the fund such as trustee/depositary, audit, custody, legal, regulatory and professional fees, and may include other charges such as Fitch Rating fees if applicable. The underlying investments' costs are the impact to the fund of costs incurred in other funds or similar investments (e.g. investment trusts, limited liability partnerships) in which the CCLA fund invests.

The OCF does not include the fund's transaction costs (i.e. the costs of buying and selling the underlying investments in a fund). For more information on costs, including transaction costs, please refer to the fund's key information document.

Discrete year total return performance %
12 months to 30 September



Source: CCLA, as at 30 September 2022 (provisional).

*Comparator benchmark: MSCI World Index (75%), Markit iBoxx £ Gilts Index (15%), MSCI UK Monthly Property Index (5%) and SONIA (5%).

The fund’s objective is to provide a long-term total return comprising growth in both capital and income, with a long-term total return benchmark of inflation (Consumer Price Index) plus 5% p.a. The comparator benchmark, which is not a target or a constraining benchmark, is intended to help investors understand the effects of the Fund’s active management in different market circumstances, and to see how the Fund’s returns vary in the shorter term from those that might be experienced by a more passive investor. The comparator benchmark is subject to change. Please refer to detailed description in the appendix.

Total return performance is shown net of management fees and expenses on a mid price basis with gross income reinvested.

— Past performance is not a reliable indicator of future returns.

There is no initial charge. Annual management expenses (accrued daily, paid monthly) due to CCLA on the COIF Charity Funds are deducted before declaration of dividends and interest. The expenses of the Investment Fund, Global Equity Income Fund and Property Fund are taken from capital. The expenses of the Fixed Income Securities Fund and the Deposit Fund are taken from income. Fund charges applied to capital may result in capital erosion.

Holdings in the Investment Fund, Global Equity Income Fund and the Fixed Interest Securities Fund are valued at the mid market price. Holdings in the Property Fund are valued based on the net asset value of a share.

Please note that income yields or forecast annual income is not guaranteed and can change over time due to changes in fund constituents, interest rates and the average maturity date of the securities held by a fund. The income yield on the Fixed Interest Fund is an indication of the expected level of income.

- CCLA's multi-asset funds are actively managed to achieve practical objectives such as protecting the real value of capital and income and controlling volatility, but success in achieving these aims can only be measured over the longer term.
- To give our clients insight into the progress of their investments over shorter periods we have created the comparator benchmark. This is not a formal target or a constraining benchmark but is intended as a reasonable guide to how the total return of the actively-managed Funds differs from that of more passive portfolios. It is based on established investment market indices, weighted in proportions which reflect the return objectives of the Fund.
- To keep the information relevant the comparator benchmark is adjusted from time to time to reflect changes in long term return expectations and any structural changes in the Fund. These alterations are reviewed and approved by the COIF Board before they are implemented.
- Comparator benchmark: MSCI World Index (75%), Markit iBoxx £ Gilts Index (15%), MSCI UK Monthly Property Index (5%) and Sterling Overnight Index Average (5%).
- Comparator benchmark detail and history are as follows:
 - From: 1.1.21:* MSCI World Index 75%; MSCI UK Monthly Property Index, 5%; Markit iBoxx £ Gilts Index, 15% and SONIA (Sterling Overnight Index Average), 5%.
 - From 1.1.18 to 31.12.20:* MSCI World ex UK Index, 45%; MSCI UK Investable Market Index, 30%; MSCI UK Monthly Property Index, 5%; Markit iBoxx £ Gilts Index, 15% and 7 day LIBID, 5%.
 - From 1.1.16 to 31.12.17:* MSCI UK Investable Market Index, 45%; MSCI Europe ex UK Index, 10%; MSCI North America Index, 10%; MSCI Pacific Index, 10%; IPD All Property Index, 5%; Markit iBoxx £ Gilts Index, 15% and 7 day LIBID, 5%.
 - From 01.01.12 to 31.12.2015* MSCI UK All Cap 45%, MSCI Europe Ex UK (50% Hedged) 10%, MSCI North America (50% Hedged) 10%, MSCI Pacific (50% Hedged) 10%, IPD All Property Index 5%, BarCap Gilt 15% & 7 Day LIBID 5%.

This document is a financial promotion and is issued for information purposes only. It does not constitute the provision of financial, investment or other professional advice.

To ensure you understand whether a CCLA product is suitable, please read the fund fact sheet document and the scheme particulars. CCLA strongly recommends you seek independent professional advice prior to investing. Investors should consider the risk factors identified in the scheme particulars.

Past performance is not a reliable indicator of future results. The value of investments and the income derived from them may fall as well as rise. Investors may not get back the amount originally invested and may lose money. Any forward-looking statements are based upon CCLA's current opinions, expectations and projections. CCLA undertakes no obligations to update or revise these. Actual results could differ materially from those anticipated.

Investment in a CCLA managed fund is only available to charities within the meaning of section 1(1) of the Charities Act 2011. The CCLA managed fund is approved by the Charity Commission as a Common Investment Fund under section 24 of the Charities Act 1993 (as has been replaced by the Charities Act 2011) and is an Unregulated Collective Investment Scheme and an unauthorised Alternative Investment Fund.

The company CCLA Fund Managers Limited (registered in England & Wales, No. 8735639, at One Angel Lane, London EC4R 3AB) is authorised and regulated by the Financial Conduct Authority and is the manager of the COIF Charity Funds (registered charity numbers 218873, 803610, 1046249, 1093084, 1121433 and 1132054).

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CCLA

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AGENDA ITEM
3.3

CHARITABLE FUNDS COMMITTEE

CWM TAF MORGANNWG NHS GENERAL CHARITABLE FUNDS UPDATE AS AT 30 September 2022
--

Date of meeting	10/11/2022
FOI Status	Open/Public
If closed please indicate reason	Not Applicable - Public Report
Prepared by	Owen James – Head of Corporate Finance
Presented by	Sally May – Executive Director of Finance
Approving Executive Sponsor	Executive Director of Finance
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

1. SITUATION/BACKGROUND

- 1.1 To advise the Charitable Funds Committee of the activity and balances on charitable funds as at 30 September 2022. This report also provides further analysis over their use by both fund type and location.
- 1.2 An update is provided on the investment performance within this report.

- 1.3 This report provides an update from 30 June 2022 to 30 September 2022.
- 1.4 This report provides details on the contract performance against the HB's Investment Strategy as noted within section 2 of this report and the distribution of the unrealised gain in excess of the 20% of the market value of the investments.

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 30 September 2022 are summarised in Appendix A analysed by fund type and location.

The balance at the end of September 2022 was £3.825m, which is a decrease of £66k from when last reported. There have been further donations of £76k, and £141k has been utilised.

2.2 Investment Update and Investment Strategy

The investment strategy for CTM NHS Charitable Fund is as follows:

"The charity will invest funds not required for immediate expenditure in suitable investments approved by the Audit Committee, in conjunction with guidance from its investment advisors. The aim of the investment strategy is to deliver a positive real return of at least CPI + 1% with a minimum of risk.

The level of risk inherent in the investment portfolio shall have volatility (maximum drawdown) of less than 20% over a 5 year period.*

The charity will strive to maximise income from investment dividends and interest, which will be used to fund administration costs and protect funds from inflation.

Increases in capital values will be used to build up a reserve to protect the funds from any subsequent fall in capital values, and therefore individual fund balances.

Should the reserve exceed 20% of the overall investment, any excess will be distributed to a general purpose reserve, subject to Charitable Fund Committee approval (distribution can be made to individual balances if otherwise agreed by the Charitable Fund Committee). Any falls in capital value will be taken to the general purpose reserve in the first instance, therefore protecting other individual fund balances from the impact of any falls in value.

The investment strategy will be reviewed on an annual basis, with particular regard to the level of risk and returns expected.

**maximum drawdown represents the largest drop in the value of an asset class from its peak to its lowest point over a period."*

Balances are held in two places, with investments being held in CCLA and remaining cash balances being held in the ring-fenced Barclays bank account.

As at 30 September 2022 the investment balances are as follows:

CCLA

The number of units held has remained the same at 978,820.98.

Attached in Appendix B is the performance update from CCLA from the 1 July to 30 September 2022. The market value at 30 September 2022 is £2.698m, this is a decrease of £10k since reported at the last Committee. The monetary value of the cash invested in CCLA is £2.1m as such a surplus of £0.598m (28%) has been achieved cumulatively.

There continues to be significant market volatility, with a partial recovery in the month of July and early days of August, however the more optimistic tone evaporated as world's leading banks signalled firmly there was more work to be done in fight against inflation and that monetary policy would continue to tighten.

The latest full investment report received is up to 30 September 2022, and provides commentary on the performance of the fund and future expectations of the fund. This report is not published, however, it is available to members in the document section of AdminControl.

CCLA will provide an update at the Charitable Fund Committee given the political and economic changes in recent months.

As per the investment strategy, should the reserve exceed 20% of the overall investment, any excess will be distributed to fund balances, subject to Charitable Fund Committee approval.

Barclays Bank

The current balance as at 30 September 2022 is £1.244m. As part of the new charity management arrangements an assessment will be made on the level of cash that is required over the next two to three years and what could be invested over the longer term.

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

3.1 Excess reserves (unrealised gains) over 20%

As per the investment strategy, any gains that exceed over 20% are distributed to the general purpose reserve, unless otherwise agreed by the Charitable Fund Committee.

As at 30 September 2022 £497k of the £598k surplus has been realised, meaning £101k remains unrealised. This is below the 20% value needed to release any further gains. If the unrealised gains falls below that of the realised gains, we may need to look at ring-fencing a proportion of the general purpose reserve back to mitigate any further falls in the capital value.

Monetary value invested (£'000)	Capital value (£'000)	Surplus (£'000)	Realised Gains (£'000)	Unrealised Gains (£'000)	Gains @ 20% of monetary value (£'000)	Excess reserves (£'000)
2,100	2,698	598	497	101	420	N/A

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	Governance, Leadership and Accountability



standard(s)	If more than one Healthcare Standard applies please list below:
Equality Impact Assessment (EIA) completed - Please note EIAs are required for <u>all</u> new, changed or withdrawn policies and services.	No (Include further detail below)
	No change or withdrawal of policy or services.
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 Charitable Funds Committee of the activity and balances on charitable funds as at 30 June 2022.
Link to Strategic Goal	Improving Care

5. RECOMMENDATION

5.1 The Charitable Funds Committee are requested to:

- **NOTE** the current balances and investment performance of Cwm Taf Morgannwg NHS General Charitable Funds.
- **APPROVE** that there is no further distribution of excess reserves at this stage. Noting the drop in capital value since last reported.

APPENDIX A

Summary of Funds and Transactions 01.04.22 - 30.09.22

				Previous Period(s)							
No of Funds	No of Funds	No of Funds		Balance 01.04.22	Income Mar	Expend. Mar	Transfers Mar	Balance 30.06.22	Income Apr-May	Expend Apr-May	Balance 30.09.22
31.03.20	31.03.21	31.03.22		£	£	£	£	£	£	£	£
A											
				By TYPE							
10	10	77	General Purposes	2,156,168.50	31,674.71	(26,126.84)	0.00	2,161,716.37	58,346.44	(68,718.21)	2,151,344.60
65	62	62	Specific Purposes	1,565,359.02	25,481.80	(80,537.55)	0.00	1,510,303.27	16,632.33	(66,310.84)	1,460,624.76
5	5	5	Post Graduate Education	18,525.56	0.00	0.00	0.00	18,525.56	0.00	0.00	18,525.56
13	13	12	Research	204,759.76	300.00	(5,290.00)	0.00	199,769.76	603.00	(6,200.00)	194,172.76
93	90	156	Total	3,944,812.84	57,456.51	(111,954.39)	0.00	3,890,314.96	75,581.77	(141,229.05)	3,824,667.68
B											
				By Location							
33	32	30	RGH	355,198.92	12,278.83	(11,499.93)	0.00	355,977.82	2,500.00	(1,983.78)	356,494.04
17	15	13	PCH	421,650.67	1,350.00	(5,501.63)	0.00	417,499.04	1,909.97	(6,326.00)	413,083.01
0	0	70	POW	1,204,163.44	27,993.94	(17,687.84)	0.00	1,214,469.54	35,959.25	(38,619.68)	1,211,809.11
9	11	11	RGH/PCH Combined	616,796.17	3,549.71	0.00	0.00	620,345.88	2,253.39	(2,391.18)	620,208.09
7	6	6	YCR	26,027.77	6,323.37	(936.03)	0.00	31,415.11	300.00	(275.00)	31,440.11
6	6	6	YCC	316,069.18	2,427.12	(3,110.16)	0.00	315,386.14	896.63	(16,316.28)	299,966.49
1	1	1	Dewi Sant	594.73	0.00	0.00	0.00	594.73	0.00	0.00	594.73
1	1	1	Y Bwthyn	18,132.48	75.16	(75.00)	0.00	18,132.64	10.00	0.00	18,142.64
4	3	1	YGT	6,450.44	0.00	0.00	0.00	6,450.44	0.00	0.00	6,450.44
5	5	5	Mental Health Unit	16,180.77	255.00	(131.70)	0.00	16,304.07	0.00	(233.84)	16,070.23
1	1	1	CAMHS	10,837.64	0.00	0.00	0.00	10,837.64	0.00	0.00	10,837.64
4	4	3	Community	9,271.62	0.00	0.00	0.00	9,271.62	0.00	0.00	9,271.62
3	4	7	LHB Wide	943,439.01	3,203.38	(73,012.10)	0.00	873,630.29	31,752.53	(75,083.29)	830,299.53
1	1	1	Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
92	90	156		3,944,812.84	57,456.51	(111,954.39)	0.00	3,890,314.96	75,581.77	(141,229.05)	3,824,667.68

CWM TAF NHS GENERAL
CHARITABLE FUND

PERFORMANCE UPDATE

01 July to 30 September 2022

CCLA

Capital summary

	Value (£)
Opening value as at 30 June 2022	2,707,517
Cash introduced/(withdrawn)	-
Income reinvested	-
Income paid to Deposit Fund**	-
Capital returns	(9,592)
Closing value as at 30 September 2022	2,697,924

The capital returns number is net of the income declared in the quarter, which is to be paid in the next calendar quarter. Where accounts pay/(receive) income into/(from) deposit accounts which have not been chosen for inclusion in the report, tables may not sum.

Income summary

	Value (£)
Interest reinvested*	-
Dividends reinvested**	-
Income reinvested	-
Interest paid to Deposit Fund**	-
Dividends paid to Deposit Fund**	-
Income paid to Deposit Fund**	-
Interest paid to bank**	-
Dividends paid to bank**	20,751
Income paid to bank	20,751
Total income received	20,751

*Earned during the current quarter

**Earned during the prior quarter

Portfolio summary

	Opening value (£)	Purchases (£)	Sales (£)	Income retained (£)	Capital returns (£)	Closing value (£)
Long-term portfolio						
Ethical Investment	2,707,517	-	-	-	(9,592)	2,697,924
Total Long-term portfolio	2,707,517	-	-	-	(9,592)	2,697,924
Total portfolio	2,707,517	-	-	-	(9,592)	2,697,924

Total return performance

Performance (after fees and expenses)	Current quarter (%)	Last six months (%)	Last twelve months (%)
Your portfolio	+0.4	-5.7	-4.1
Consumer Price Index	+1.6	+5.6	+10.1

‡ CPI is estimated for the most recent month.

Total return net performance is calculated using a time-weighted rate of return, based on weekly valuations with income reinvested. Net performance is calculated after the deduction of the spread incurred on purchases and sales. Past performance is not a reliable indicator of future results.

The value of investments and the income derived from them may fall as well as rise. Investors may not get back the amount originally invested and may lose money. Capital allocations are based on fund asset allocations at the end of the current period. Future distribution payments are not guaranteed.

Allocation figures are rounded to the nearest 0.01%, net performance figures are rounded to the nearest 0.1%.

Fund total return performance

Performance **	Current quarter (%)	Last twelve months (%)	Last three years annualised (%)	Last five years annualised (%)
COIF Charity Fund holdings within portfolio				
Ethical Investment	+0.43	-4.14	+5.89	+7.95
Fund comparator *	-0.78	-5.45	+2.98	+4.93
Market indices				
MSCI UK Investable Markets Index (equities)	-3.86	-2.54	+0.43	+1.86
MSCI World ex UK Index (equities)	+2.29	-3.22	+8.41	+9.63
MSCI World Index (equities)	+2.06	-2.93	+8.06	+9.25
AREF/MSCI™ All Prop Monthly (property) ‡	-3.63	+13.98	+7.93	+7.28
Markit iBoxx £ Gilts Index (fixed interest)	-13.95	-24.79	-10.16	-3.60
Markit iBoxx £ Non Gilts Index (fixed interest)	-11.01	-21.92	-6.88	-2.28
SONIA (cash) §	+0.39	+0.73	+0.31	+0.38

* Fund comparator/benchmark information is contained in the individual fund information section of this report.

** Fund performance is shown after the deduction of all fees and expenses with income reinvested. Comparator returns are based on market indices which are not adjusted for management fees or expenses.

§ From 1/1/21: Sterling Overnight Index Average (SONIA). Initial BM: 7-Day London Interbank Sterling Bid Rate (7-Day LIBID).

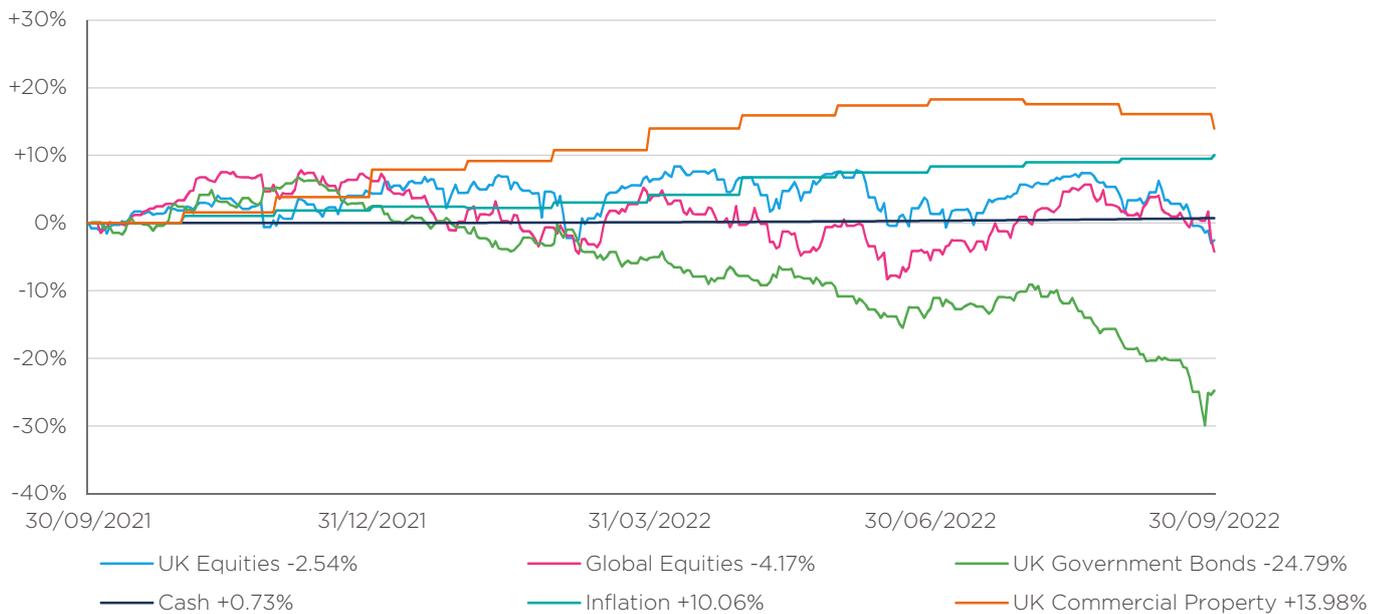
‡ MSCI UK Monthly Property is estimated for the most recent month.

Performance returns for periods over 1 year have been annualised. Past performance is not a reliable indicator of future results. Figures are rounded to the nearest 0.01%

Income earned during the quarter

COIF Charity Funds	Distribution per income unit	Payment date	Income payable (£)	
Ethical Investment	2.18p	30/11/2022	21,338.30	The payment is 2.8% more than the equivalent payment in 2021.
Total payable			21,338.30	

Quarterly market review and outlook



Source: CCLA

Equities had another volatile quarter as the unfamiliar conditions experienced since the early days of 2022 continued to challenge markets. The month of July and the early days of August brought a partial recovery from the lows seen in the first half of the year, as investors reacted positively to better-than-expected corporate earnings announcements and to consumer price data from the US that suggested the peak of inflation could be approaching. However, the more optimistic tone evaporated as the world's leading central banks, led by the US Federal Reserve, signalled firmly that there was more work to be done in the fight against inflation and that monetary policy would continue to tighten.

Elevated inflation and the expectation of further interest rate rises are generally damaging to asset prices, as investors discount more steeply the value of anticipated future cash returns. The same conditions can also be difficult for the corporate earnings which underlay returns at the individual asset level, both because revenues may be difficult to maintain at times of reduced consumer and business demand and also because higher input prices put pressure on company profit margins.

Returns from the global equity index were +1.37% in sterling terms over the period. Sterling-based portfolios were cushioned by the weakening of the domestic currency: in US dollar terms, global equity returns were -6.82% over the quarter. For the first nine months of 2022, global equity returns have been -9.76% to a sterling-based investor, and a dismal -25.63% in dollar terms.

The UK listed market fared better than most global peers, with returns of -3.86% for the quarter and -6.62% year to

date. The difference between the UK and the global market is again partly to do with currency effects (as many large UK-listed businesses derive much of their revenue in other currencies). In addition, the UK market includes a disproportionate weighting in commodities businesses including the oil and gas majors. Despite recent falls in commodity prices, over the year to date these have benefited from supply constraints which are due in part to the war in Ukraine.

Bond markets, which move inversely to yields, retreated even faster than in the previous two quarters. The UK government bonds index was down -13.57% over the quarter, bringing losses for the year to date to -26.36%.

We expect volatility to continue in all the major asset markets as investors digest data releases and policy announcements over the course of a sometimes-painful transition to an economic and monetary environment which is unfamiliar to most participants. The marked decline in sterling – a pattern common to almost all currencies relative to the strengthening US dollar, but exacerbated in the UK by fiscal announcements in late September – has worsened the domestic inflation outlook.

The same fiscal moves have also raised investor concerns about prospects for the UK's debt burden. This led late in the quarter to a further rise in UK government bond yields, which in addition to the directly-resulting losses already experienced by the fixed interest markets also presents more challenging conditions for commercial property and other alternative assets such as infrastructure. Markets can be expected to react swiftly to further policy announcements from government and from the Bank of England.

The market review, analysis and any projections contained in the document are the opinion of the owner only and should not be relied upon to form the basis of any investment decision.

Disclosures

This document is issued for information purposes only. It does not constitute the provision of financial, investment or other professional advice. Past performance is not a reliable indicator of future results. The value of investments and the income derived from them may fall as well as rise. Investors may not get back the amount originally invested and may lose money. Any forward looking statements are based upon CCLA's current opinions, expectations and projections. Such opinions, expectations or projections may be subject to change at any time. CCLA undertakes no obligations to update or revise these. Actual results could differ materially from those anticipated.

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CCLA

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AGENDA ITEM

3.4

CHARITABLE FUNDS COMMITTEE

COVID-19 CHARITABLE FUNDS UPDATE

Date of meeting	10/11/2022
FOI Status	Open/Public
If closed please indicate reason	Not Applicable - Public Report
Prepared by	Owen James – Head of Corporate Finance
Presented by	Sally May – Executive Director of Finance
Approving Executive Sponsor	Executive Director of Finance
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

NHSCT	NHS CHARITIES TOGETHER
CTMUHB	CWM TAFF MORGANNWG UNIVERSITY HEALTH BOARD
CFC	Charitable Funds Committee

1. SITUATION/BACKGROUND

- 1.1 This report is to provide the Charitable Funds Committee with an update of the various sources of donations and funding that have been received in relation to Covid-19 and how these are being managed.

- 1.2 Since the start of the pandemic, the Charitable Funds have received a large number of donations in various forms including those direct from members of the public, businesses and organisations and grants from the NHS Charities Together (NHSCT) charity.
- 1.3 The majority of funding received can be used Health Board wide, but there have been a number of donations received which have been requested to be used at specific sites, these have been ring-fenced accordingly.
- 1.4 Whilst all the grants from NHSCT haven't been received to date, the following fund holders have been agreed:
- Stage 1 Urgent Response Grants – Assistant Director of Employee Experience and Wellbeing & Strategic Lead for Wellbeing and Employee Experience
 - Stage 2 Community Partnerships Grant – Director of Primary, Community & Mental Health
 - Stage 3 Recovery grants – Executive Director of Therapies and Health Science & Executive Director of People
 - Other “general” donations – CEO
- 1.5 To note the governance and control procedures for expenditure from the Covid-19 fund is the same as any other Charitable Fund.

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

2.1 Covid-19 Funding received and expenditure

As at the 30 September 2022 the following Covid-19 donations have been received, utilised, or committed for use:

	PCH £	POW £	RGH £	HB Wide £	NHSCT Stage 1 £	Total £
Received to date	26,763.17	6,301.73	1,814.60	124,376.54	168,100.00	327,356.04
Spent / Committed	(3,830.14)	(5,355.62)	(1,489.87)	(58,115.51)	(167,267.18)	(236,058.32)
Remaining balance	22,933.03	946.11	324.73	66,261.03	832.82	91,297.72

The above table shows that the Health Board continues to utilise or commit expenditure of the Covid-19 donations received to date. The NHSCT Stage 1 funding has now been substantially utilised and

a return has been provided to NHSCT highlighting the positive use of the funding, which includes:

- Funding the Vivup Counselling service
- Funding Murals/Art and Picnic benches to aid wellbeing of patients, staff and visitors.
- Wellbeing activities, including gift bags, fruit stalls and wellbeing days.

Other Health Board Wide Covid-19 donations have continued to be utilised and we continue to receive donations into this fund. Expenditure from this fund includes spend on fruit & veg stalls and memorial gardens.

There continues to be £23k of Covid-19 donations left unspent on PCH, we will engage with appropriate officers to put plans in place to utilise this funding.

2.2 **Future NHSCT funding**

As shown above, to date the Charitable Fund has only received the Stage 1 grant funding of £168,100 from NHSCT and there are a further 2 stages to be received:

Stage 2 – £198,347 – an initial application had been submitted and is being reviewed by NHSCT and responded. However, the initial application was completed by officers who are no longer with the organisation and this hasn't proceeded further. Senior officers have been contacted to review the initial application and will submit a revised final application before the next deadline date in January 2023.

Stage 3 – £286,000 – the initial submission for psychology posts (already approved at by the Exec Team and CFC) £205k has been agreed in principle by NHSCT, with comments made on the application for update. This has been re-submitted for final confirmation.

The submission by Workforce & Organisational Development was rejected at the first review as they didn't feel it met the criteria of the fund. However a new application has been submitted for £53k for the "Wellbeing support for staff giving evidence at the Covid-19 Public Inquiry".

As this is over £50k, the Charitable Fund Committee are required to approve the expenditure.

A relatively small remaining balance for £28k remains on the Stage 2 grant, we will await the outcome of the above reviews from NHSCT before deciding what to do with the remaining value.

Once the Stage 2 & 3 grants have been received, total funding from NHSCT in relation to Covid-19 will total £652,447.

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

- 3.1 The main risk on the Covid-19 funding is that the projects put forward for funding out of the Stage 2 and 3 NHSCT grants are deemed not applicable and are refused. There are further chances to adapt and change the applications, and there are many application dates to hit, so this risk is largely mitigated.
- 3.2 The Charity should also look to spend the money in a timely manner, and communication will be made across the Health Board to ensure that applicable applications are made for use of the Covid funding in line with the Charities objectives.
- 3.3 The Committee is asked to approve the use of Stage 2 grant funding (if approved by NHSCT) for the appointment of a 12 month fixed-term Staff Wellbeing Counsellor (Band 6), to provide support during the Covid-19 Public Inquiry - £52,507 including on-costs.

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
Equality Impact Assessment (EIA) completed - Please note EIAs are required for <u>all</u> new, changed or withdrawn policies and services.	No (Include further detail below) Not required. No change or withdrawal of policy or services.
Legal implications / impact	There are no specific legal implications related to the activity outlined in this report.
Resource (Capital/Revenue £/Workforce) implications / Impact	Yes (Include further detail below) The report provides detail of the funding and expenditure relating to Covid-19.
Link to Strategic Goal	Sustaining our Future

5. RECOMMENDATION

5.1 The Charitable Funds Committee is recommended to:

- **NOTE** the Covid funding received to date and the allocations received by NHS Charities Together
- **NOTE** the increased level of use of the funds and expectations of the receipt and use of the NHSCT grant funding.
- **APPROVE** the use of NHSCT Stage 2 grant funding for Staff Wellbeing Counsellor

2022 Audit Plan – Cwm Taf Morgannwg Local Health Board Charitable Fund

Audit year: 2021-22

Date issued: August 2022

Document reference: 3089A2022

This document has been prepared as part of work performed in accordance with statutory functions. Further information can be found in our [Statement of Responsibilities](#).

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We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

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2022 Audit Plan

About this document

- 1 This document sets out the work I plan to undertake during 2022 to discharge my statutory responsibilities as your external auditor and to fulfil my obligations under the Code of Audit Practice.

Impact of COVID-19

- 2 The COVID-19 pandemic has had an unprecedented impact on the United Kingdom and the work of public sector organisations. While Wales is currently at Coronavirus Alert Level 0, Audit Wales will continue to monitor the position and will discuss the implications of any changes in the position with your officers.

Audit of financial statements

- 3 I am required to issue a report on Cwm taf Morgannwg University Local Health Board Charity's (the Charitable Fund's) financial statements which includes an opinion on their truth and fairness, providing assurance that they:
 - are free from material misstatement, whether caused by fraud or error;
 - comply with the statutory and other applicable requirements;
 - comply with all relevant requirements for accounting presentation and disclosure; and
 - the consistency of information in the Trustee's Annual Report with the financial statements.
- 4 I will also report by exception on a number of matters which are set out in more detail in my [Statement of Responsibilities](#), along with further information about my work.
- 5 I do not seek to obtain absolute assurance on the truth and fairness of the financial statements and related notes but adopt a concept of materiality. My aim is to identify material misstatements, that is, those misstatements that might result in a reader of the accounts being misled. The quantitative level at which I judge such misstatements to be material is two per cent of total expenditure¹. I review materiality throughout an audit, for example a significant audit adjustment(s) can affect it.
- 6 Prior to the completion of my audit, I will report to trustee members (deemed to be 'those charged with governance') the financial levels at which I judge misstatements to be material. I judge any misstatements below a trivial level (set at

¹ For last year's 2020-21 accounts, this basis set materiality at £8,000. We will set this year's materiality once we know the 2021-22 total expenditure. We are also likely to set a lower materiality for related parties, at £5,000.

5% of materiality) as not requiring consideration by those charged with governance, and therefore I will not report them.

7 There have been no limitations imposed on me in planning the scope of this audit.

Audit of financial statement risks

8 Most of my audit planning is scheduled for the autumn. The following table therefore sets out the significant risks that I have currently identified.

Exhibit 1: audit of financial statement risks

Financial audit risks	Proposed audit response
Significant risks	
The risk of management override of controls is present in all entities. Due to the unpredictable way in which such override could occur, it is viewed as a significant risk [ISA 240.31-33].	<p>I will:</p> <ul style="list-style-type: none"> • test the appropriateness of journal entries and other adjustments made in preparing the financial statements; • review accounting estimates for biases; and • evaluate the rationale for any significant transactions outside the normal course of business.
Financial audit risks	Proposed audit response
Other areas of audit attention	
There is a risk that related party disclosures may be incomplete.	<p>I will:</p> <ul style="list-style-type: none"> • make enquiries of management to understand the process in place for identifying related party transactions; and • review completed related party declaration forms for evidence of any potential related parties.

Fee, audit team and timetable

- 9 My audit fee and the planned timescales for completion of the audit are based on the following assumptions:
- the financial statements are provided to the agreed timescales, to the quality expected and have been subject to a sound quality-assurance review;
 - all the information provided to support the financial statements is relevant, clearly referenced to the ledger and financial statements in accordance, and good quality;
 - timely and appropriate access to documents are provided to enable my team to deliver my audit in an efficient manner;
 - all appropriate officials will be available during the audit;
 - you have all the necessary controls and checks in place to enable the Accounting Officer and Trustee Chair to provide all the assurances that I require in the Letter of Representation addressed to me; and
 - Internal Audit's planned programme of work is complete, and management has responded to issues that may have affected the financial statements.

Fee

- 10 As set out in my Fee Scheme 2022-23, my fee rates for 2022-23 have increased by 3.7%, as a result of the need to continually invest in audit quality and in response to increasing cost pressures. The previous increase to my fee rates was in 2016. However, based on last year's positive experience and the assumptions at paragraph 9, I have held my fee estimate at £25,000². I will bill any additional audit costs that exceed my estimate. Rebates are also processed if the audit cost is lower than the estimate.

² This is an estimate because we are required to charge for the actual cost of the audit. The final audit cost could equate to the estimate, or result in a financial rebate or additional cost.

Audit team

11 The main members of the audit team, together with their contact details, are summarised in **Exhibit 2**.

Exhibit 2: my local audit team

Name	Role	Contact number	E-mail address
Richard Harries	Engagement Lead	02920 320585	richard.harries@audit.wales
Mark Jones	Audit Manager	02920 320631	mark.jones@audit.wales
Steve Stark	Audit Lead	02920 320500	steve.stark@audit.wales

12 I can confirm that team members are all independent of you and your officers.

Timetable

13 The key milestones for the work set out in this plan are shown in **Exhibit 3**.

Exhibit 3: Audit timetable

Planned output	Work undertaken	Report finalised
2022 Audit Plan	August 2022	August 2022
Audit of Financial Statements work: <ul style="list-style-type: none">Audit of Financial Statements Report	To be confirmed	January 2023

Planned output	Work undertaken	Report finalised
<ul style="list-style-type: none">Opinion on the Financial Statements		



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We welcome correspondence and telephone calls in Welsh and English.
Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.