

Endowment Committee Assurance Report to Grampian NHS Board

Purpose of Report

This report is to provide assurance to the Grampian NHS Board regarding the effectiveness of the governance arrangements for the NHS Grampian Endowment Funds charity (the Fund) regarding:

- 1.1 The distribution and use of the funds in line with the charitable status and defined purpose of the fund;
- 1.2 Monitoring of investment performance;
- 1.3 Operational management of the charity including monitoring of income and expenditure in line with the charter and operating instructions; and
- 1.4 Timeous preparation and publication of audited Financial Statements and other regulatory returns.

Recommendation

The Board is asked to note the following key points and assurances discussed by the Endowment Committee and Trustees.

Endowment Committee Meeting 26th March 2021

1. Audit Plan

The Committee agreed the external audit plan and engagement letter prepared by Azets Audit Services Limited (formerly Scott Moncrieff), the Funds appointed auditors. The audit started on schedule on 27 April and the Annual Report and Accounts will be presented at the AGM on 23 July.

2. Funding Applications

The following applications for Endowment funding were approved :

- Research: Annual allocation for one-year research projects recommended by NHSG R & D Unit; 20 projects funded at a cost of £223,123.
- Staff Havens: £210,617 approved to convert the ARI Board Room into a staff rest area and to adapt the Orange Dining Room to make it available as a staff rest area 24/7,
- Grampian Hospitals Arts Trust: Contribution of £32,000 towards the SLA with NHS Grampian and £18,600 to deliver Art Room, £48,600 for each of the next five years.

Endowment Committee Meeting 14th May 2021

3. Investment Performance

The Committee received a briefing on performance of the investment portfolio from Aberdeen Standard Capital, the Funds investment managers. The valuation of the investment portfolio at 31 March 2021 was £50.1m compared to £41.8m at 31 March 2020. The increase is as a result of the investment markets recovering after the major downturn arising from the COVID-19 pandemic, and showing considerable growth in the second part of the year. Income from investments during the year was £1.3m compared to £1.5m in 2019/20, still in excess of the income target but down considerably, due to the COVID-19 pandemic impacting on dividend payout in certain sectors.

4. Lasting Impact Fund

Recognising the recent volatility in global markets, leading to reduced income levels and short term capital growth, the Committee agreed a proposal to realise some of the capital growth in the portfolio, above an agreed target increase each year, and to utilise this to support charitable activities in the form of a separate “Lasting Impact” Fund. Proposals for the use of the Lasting Impact Fund will be presented at the AGM in July.

5. Support for Staff Social Activities

The Committee considered the implications of the current COVID-19 related restrictions, and agreed that a decision on implementation of the reimbursement scheme should be deferred until the September Committee meeting. By this time, it is hoped, there will be clearer advice available on the safety of staff taking part in social events with colleagues.

6. Research

The Committee considered a report from Mrs Lonchay, Operational manager in relation to the use of Endowment funds to support research activity in prior years. Members were also briefed on recent discussions with Aberdeen University’s Institute for Social Inclusion and Diversity with the aim of developing firm proposals to better understand and address local inequity of health outcomes. The Committee agreed to progress a review of the processes and the strategy for the use of Endowment funds to support research involving all key stakeholders and with a particular emphasis on how this can be expanded to include qualitative and lived experience studies.

7. Grant Advisors

The Committee considered a report from Mrs Lonchay, Operational manager in relation to the potential to create a network of advisors drawn from a variety of different backgrounds including members of the public, clinicians, third sector and community based stakeholders to inform Trustees on the merits of grant applications in excess of £50,000. The Committee agreed that a proposal should be developed for consideration by all Trustees at the AGM in July.

8. Trustees Workshop on 26th March 2021

A workshop for all Trustees took place on 26th March 2021 to consider and review the strategic priorities for the charity. Trustees agreed that where appropriate, future grant making activity of the charity should focus on initiatives which have a preventative/early intervention/self-management emphasis and which demonstrably address health inequalities to achieve the following outcomes:

- Staff have increased resilience to live with personal and professional challenges,
- Staff, patients and volunteers feel cared for while carrying out their roles,
- People in Grampian have improved access to supports which improve self-management and support good physical and mental health, and
- To enable better understanding of barriers to good health and what we can do in response

It was agreed that these strategic priorities should be further developed in to a firm proposal to be presented for consideration and approval at the AGM in July.

9. Trustees meeting to discuss succession arrangements on 14th May 2021

An ad hoc meeting of Trustees took place on 14th May 2021 to consider proposals to improve resilience and support succession planning within the support team. Those present were briefed on the key challenges facing the charity support function, specifically loss of skills and experience through the retirement of key personnel, to progress the Trustees strategic ambitions for the Charity and to prepare the charity for the likely changes in the governance of NHS Charities following the recent national review (publication of recommendations pending). It was agreed to progress three new roles within the charity, a lead officer, a Finance and Business Systems manager and a Communications and Engagement manager. Work is ongoing to finalise these Job Profiles and it is anticipated that recruitment for all three posts will be completed by the end of 2021.

Matters referred to other Board sub-Committees

There were no matters referred to other Board sub committees.

Conclusion

The matters considered by the Endowment Committee provide assurance to the Board of the effectiveness of the management and administration arrangements for the charity.

Luan Grugeon

Chair of Trustees

Endowment Committee

Attachments: Agenda of meeting of Endowment Committee held on 26th March 2021

Agenda of meeting of Endowment Committee held on 14th May 2021.

**Meeting of the Endowment Committee
Friday 26 March at 10.00-11.30am via TEAMS**

Members should be aware that their names will be listed in the Minutes which will be publicised on the NHSG website

Agenda

Approx Timing		Item		Ref	Noting/ Decision
10:00	1	Apologies	LG	#	N
10:05	2	Declarations of Interest	LG	#	N
10:10	3.1	Minutes of the meeting held on 11 December 2020	LG	*	N
10:15	3.2	Action Log	SL	*	N
10:20	4	Operational Manager's Report <ul style="list-style-type: none"> • <i>NHS CT Stage 2</i> • <i>NHS CT Stage 3</i> • <i>Grants Programme Updates</i> 	SL	*	D
10:25	5	Finance <ul style="list-style-type: none"> • <i>Financial Report</i> • <i>Audit Plan</i> 	GK	*	N
		Grant Applications			
10:40	6.1	R & D Research Allocation	SL	*	D
10:45	6.2	Grampian Hospitals Arts Trust	SL	*	D
10:50	6.3	Staff Havens <ul style="list-style-type: none"> • <i>ARI Board Room</i> • <i>ARI Orange Dining Room</i> 	SL	*	D
10:55	7	The Way Forward	SL/L G	*	N
11:25	8	Update to NHSG Board	LG	*	N
11:30	9	Future Meetings <ul style="list-style-type: none"> • <i>23 July: AGM and Business Meeting</i> • <i>24 September 2021</i> • <i>19 November 2021</i> 	LG	*	N

* Paper attached; # Oral/verbal; ~To follow

Luan Grugeon
Chair
NHS Grampian Endowment Fund Trustees

26 March 2021

**Meeting of the Endowment Committee
Friday 14 May 14.00-15.30pm via TEAMS**

Members should be aware that their names will be listed in the Minutes which will be publicised on the NHSG website

Agenda

Approx x Timing		Item		Ref	Noting/ Decision
14:00	1	Apologies	LG	#	N
14:05	2	Declarations of Interest	LG	#	N
14:10	3.1a 3.1b	Minutes of the meeting held on 26 March 2021 Notes from Way Forward Workshop	LG	*	N
14:20	3.2	Action Log	SL	*	N
14:25	4.1	Operational Manager's Report	SL	*	D
14:35	4.2	Endowment Committee Advisors	SL	*	D
14:45	4.3	Review of Endowment Funded Research	SL	*	D
14:55	5	Finance <ul style="list-style-type: none"> • Aberdeen Standard Capital • Finance Report 	GK	*	N
15:20	6	Update to NHSG Board	LG	*	N
15:25	7	Future Meetings <ul style="list-style-type: none"> • <i>23 July: AGM and Business Meeting</i> • <i>24 September 2021</i> • <i>19 November 2021</i> 	LG	*	N

* Paper attached; # Oral/verbal; ~To follow

**Luan Grugeon
Chair
NHS Grampian Endowment Fund Trustees**

7 May 2021