

Endowment Committee Report to Grampian NHS Board Committee Meeting held on 8 March 2019

This report updates the Grampian NHS Board on key issues arising from the Endowment Committee meeting held on Friday 8 March 2019.

The Board is asked to note the following key points:

1. Office of the Scottish Charity Regulator (OSCR) Report on NHS Tayside Endowment Fund

The Committee considered the wider recommendations for the charitable sector contained in the report of the outcome of the recent inquiry, by the Office of the Scottish Charity Regulator (OSCR), into the Tayside NHS Board Endowment Funds. The Committee agreed that it would be appropriate to review the NHS Grampian Endowment Fund's Conflict of Interest Policy and to consider a definition of what are considered non-core items at the AGM of Trustees on 26th June 2019.

2. Investment Performance

The value of the investment portfolio at the end of February 2019 was £42.9m, compared to £41.5m at the end of March 2018. This increase is partly due to the impact of the low pound sterling (many of the equities in the portfolio are quoted in other currencies) and partly due to the strategic approach of our fund managers, Aberdeen Standard Capital, targeting particular stocks with prospects of long term growth. The estimated income for the year remains above target at £1.6m compared to £1.25m. The global macroeconomic environment continues to be uncertain and this has also had an impact on the portfolio throughout the year with the value having dipped to £41.3m at the end of December from £44.5 in September. Factors include Brexit and trade tariffs, notable between China and the USA. However, there is a view that the expected deterioration in the outlook now appears to be almost fully priced into most equity markets.

3. Financial Plan

The Committee considered the financial forecast for the next 5 years and noted that current spending commitments will reduce the available balance on the unrestricted general endowment funds to circa £4m. The Committee recognised the reserves policy which mandates that the balance of General Endowment Funds should not fall below a floor of £3m and agreed that no further commitments against General Endowment Funds should be approved until the funds have recovered sufficiently. Meantime all requests for the use of endowment funds should only be considered against any suitable restricted funds. The position will be reviewed again at the next meeting in June 2019.

4. Research

23 research projects across a range of subject areas, on the recommendation of the Research and Development Department were approved for funding, at a cost of £285k.

5. Staff Physiotherapy Service

The Service was approved for a further year with a presumption of continued funding, subject to an annual assessment of the effectiveness of the service.

6. Applications

Applications were approved from specific funds i.e. those whose use is restricted to particular locations or activities for the following:

- Huntington's Disease Research Nurses
- Patient Surgery IT Solution – development of a website as a resource for patients pre and post surgery.

A presentation to update Trustees about the Greenspace project highlighted changes to the original application and Trustees requested assurances on a number of issues.

An application from the Scottish Charity Air Ambulance was deferred due to decisions taken on the Financial Plan and the sums involved.

Luan Grugeon
Chair of Trustees
20 March 2019