

**Minute of the Endowment Committee Meeting
7th September 2018
Conference Room, Summerfield House**

Present:

Dame Anne Begg (Chair), Non-Executive Board Member
Ms Rachael Little, Employee Director
Mr Alan Gray, Director of Finance
Prof Steven Heys, Non-Executive Board Member

In Attendance:

Prof Stephen Logan, Chairman, NHS Grampian
Mr Gair Brisbane, Senior Portfolio Manager, Standard Life Wealth (Item 5.1)
Ms Carol Clark, Senior Portfolio Manager, Standard Life Wealth (Item 5.1)
Mr Gerry Donald, Head of Property and Asset Development
Mrs Sheena Lonchay, Operational Manager for NHSG Charities
Mr Stuart Walker, Financial Accountant, NHS Grampian
MsElse Smaaskjaer, Minuting Secretary

Item	Subject	Action
1.	Apologies Cllr Frank Brown, Non-Executive Board Member Mrs Laura Gray, Director of Corporate Communications Mr Garry Kidd, Assistant Director of Finance	
	Welcome and Introductions Dame Anne welcomed everyone to the meeting.	
2.	Declaration of Interest No pecuniary interests were declared.	
3.	Minute of meeting held on 8th June 2018. The minute of the above meeting was approved as an accurate record.	
4.	Matters arising from meeting held on 8th June 2018 4.1 Action Log 8 June 2018 The Committee reviewed the action log from the previous meeting and highlighted the following items: Grampian Sexual Health Service Mrs Lonchay reported that the Finance Manager had confirmed savings will be realised and that there were no plans to introduce this appointment system if Endowment funding is not available	

	<p>Wayfinding No further proposal forthcoming.</p> <p>Ward 7 at Dr Gray's Hospital Mrs Lonchay informed members that accurate costings are still outstanding. She will be visiting the hospital on 21st September and will encourage staff to progress this.</p>	<p>SL</p> <p>SL</p>
	<p>4.2 Physician Associates (PAs)/Advanced Nurse Practitioners (ANPs)</p> <p>Mr Gray reported that he had discussed this at the Senior Leadership Team meeting and had suggested that the current funding from Endowment Funds continue for the 2018/19 academic year and then responsibility for the programme should transfer to the Board. Professor Heys noted that this had been a very successful initiative and bursary funding, which will be recovered if the recipient leaves the area, is an important element in encouraging staff to remain with NHS Grampian following qualification, despite offers of employment from other Boards. Dame Anne advised that there should be a more strategic overview regarding the deployment and integration of PAs and ANPs into the workforce, particularly in the context of the recently agreed contract for General Medical Services. Professor Logan suggested that Endowment Funds should remain in place for the current two-year cohort and Mr Gray should progress discussions with Senior Leadership Team to assimilate these employees into the overall workforce planning process.</p> <p>The Committee agreed to continue funding for the current cohort of students i.e. £141,000 to pay 50% bursaries of £4,700 for year 1 and year 2 of the Physician Associate course, for 15 students, a total cost of £141,000. Funding to come from NEUR3001 Committee Fund.</p> <p>Alan Gray to ensure that PAs and ANPs are assimilated into the workforce planning process.</p>	<p>AG</p>
5.	<p>Investments</p> <p>5.1 Update on Investment Performance - Standard Life Wealth (SLW) (Ms Carol Clark and Mr Gair Brisbane attended for this item.)</p> <p>Ms Clark provided an update on performance during the reporting period ending 30 June 2018. She explained that during the 12 month period from June 2017 to June 2018 the adoption of a medium risk approach had resulted in a positive performance. During the second quarter of 2018 there had not been much movement but there had been good returns from selected stock</p>	

	<p>market areas and good performance within the UK with particular benefits generated from an increase in the oil price. Fluctuations in local currencies and the strength of the dollar over sterling had also contributed to positive results.</p> <p>Mr Brisbane informed members that the value of the fund at the end of August had increased to £45m, and the estimated annual income remains above target at £1.63m. He advised that although bonds had been below the benchmark weightings this had been balanced by an overall increase in investment equities. The amount of cash held was above the benchmark weighting but this was mainly due to some timing issues with regard to sales. Mr Brisbane asked members to note that an overall good performance had been demonstrated by an actual yield of 3.5% against a benchmark of 2.7%.</p> <p>Mr Brisbane highlighted areas of positive and negative performance. He advised that the general 'buy and hold' strategy is working across the portfolio and although there are periods of volatility and some exposure to risk, a positive return had been achieved.</p> <p>Professor Logan asked if SLW had taken Brexit into consideration and Mr Brisbane confirmed that all scenarios are regularly evaluated when reviewing forward projections and the ability to respond to any changes as they emerge.</p> <p>The Committee thanked Mr Brisbane and Ms Clark for their comprehensive overview, noted the report and agreed to continue to monitor activity across the portfolio.</p>	
6.	<p>6.1 Operational Manager's Report</p> <p>The Operational Manager's Report, including an update on activities since June 2018, had been circulated for information.</p> <p>Mrs Lonchay highlighted the following:</p> <ul style="list-style-type: none"> • There is evidence that people are more aware of Endowment Funds and active fundraising is taking place, including eight participants at the 2018 Kiltwalk raising almost £9,000 and fundraising for the RACH medical ward at a local charity football match. • Mrs Lonchay circulated a presentation given by OSCR at a recent meeting of the Endowment Managers Network. This had focused on the recent governance review of NHS Charities, with particular reference to compliance with their own charters and the guidance issued by OSCR. The feedback was generally positive and OSCR will write directly 	

	<p>to each Health Board with its findings. Dame Anne highlighted a concern that the review could conclude that there should be a clear separation between Trustees and Board Members. Professor Logan noted that, although he understood the imperative behind this recommendation, he would be concerned that the connection between applications for funding and the wider understanding of provision and services across the region will be lost. It was agreed that Corporate Communications should be informed that a consultation exercise is likely and it would be important for NHS Grampian to feedback and submit a response.</p> <ul style="list-style-type: none"> • Mrs Lonchay had visited a number of community hospitals with representatives from Grampian Hospital Arts Trust (GHAT) and staff had noted their appreciation for the improvements made through Endowment Funds. She will continue to liaise with GHAT in taking forward future joint working in enhancing the environment at these locations. <p>The Committee noted the report.</p>	SL
7.	<p>Donations</p> <p>A paper was tabled on all donations and legacies greater than £1,000 received from 1 May to 31 July 2018.</p> <p>During this period £104,005 had been received in donations and £376,334 in the form of legacies.</p> <p>The Committee noted the report.</p>	
8.	<p>8.1 Summary Financial Report (at 31st July 2018)</p> <p>Mr Walker noted that the increase in net assets was mainly due to an increase in investment income. He also highlighted that although expenditure appeared to be less than expected, this is understated as the figure does not reflect the amount of funds committed but not yet paid out at this stage.</p> <p>The report itemised the commitments for the current and future years. Mr Walker explained that some projects had completed but final bills had not been received and a number of projects are not expected to materialise until the next financial year. He confirmed that the amount held in cash and at the bank would be enough to fund current commitments without a need to draw down any additional funds.</p> <p>The Committee noted the report.</p>	

	<p>8.2 Audit Review</p> <p>Following a request from Trustees at the Annual General Meeting in June the previous auditor, Deloitte LLP, had been approached and asked to provide assurance that no retrospective awards had been made during the years 2013-2018. The Scottish Government definition “<i>relates specifically to any situation where a decision has been taken to charge expenditure to exchequer funds and that decision is later reversed by deciding to retrospectively apply for endowment funding</i>”. Mr Kidd had prepared an update to inform members that Deloitte will carry out a review based on sampling and report back to Trustees. As this had not been included in their previous audit work there will be a small additional cost.</p> <p>Mrs Lonchay reminded the Committee that the recent amendments agreed to the Operating Instructions for NHS Grampian Endowment Funds ensures that if pre-approval processes are not followed then applications for funding will be invalidated.</p> <p>Member agreed that Deloitte LLP be contracted to carry out a review at a cost of £3,000 plus reasonable expenses plus VAT.</p>	
9.	<p>Funding Requests</p>	
	<p>9.1 Expenditure requests over £2,000 approved from 1 May 2018 to 31 July 2018</p> <p>A paper was tabled listing approval expenditure of over £2,000. During the period, applications amounting to £392,020.68 had been approved.</p> <p>The Committee noted the report.</p>	
	<p>General Endowment Funds</p>	
	<p>9.2 Fundraising for Baird Family Hospital and ANCHOR Centre.</p> <p>Mrs Lonchay reminded the Committee of its approval of the Fundraising Strategy for the Baird Family Hospital and ANCHOR Centre. The role of the Endowment Committee is in ensuring that all strands in the fundraising campaign are coordinated and the Operational Manager attends meeting of the Project Fundraising Coordinating Committee. There is an agreement that two of the fundraising partners will each raise £2m and the University of Aberdeen Development Trust will focus on fundraising to support research related to the purposes of the new facilities.</p>	

	<p>An application to support the appeal launch had been received. The application asked for £5,000 towards an invitation only event at the Chester Hotel on 31st October to launch and raise awareness of the campaign. The application also requested a further £39,000 to commission a digital 3D Fly Through video to illustrate the main features of each facility.</p> <p>Members of the Committee agreed that the Chester Hotel would provide a good venue and attract those who will be in a position to donate and promote further fundraising. It was also agreed that supporting a launch event would demonstrate goodwill and commitment from the Committee to the overall fundraising strategy.</p> <p>There was some discussion regarding whether the 3D Fly Through would add value to the fundraising campaign and Dame Anne expressed concern that presentations from architects can lead to false impressions. Mr Gray also advised that the Committee should consider the principle of whether this is how Endowment Funds should be used and how it connects to provision of healthcare and benefit to patients. Professor Logan suggested that there should be an extended discussion with the Fundraising Committee regarding how the Endowment Committee can support its strategy and also raise awareness of the restriction on the use of Endowment Funds. Mr Gray agreed that there needs to be more clarity across the organisation regarding the role of the Endowment Committee.</p> <p>The Committee agreed funding of £5,000 from NEUR3001, the Committee Fund to support the appeal launch but was unable to support the production of 3D Fly Throughs.</p>	
	<p>9.3Leadership</p> <p>An application had been received to support the development of senior leaders across the health and care system in Grampian.</p> <p>The Committee considered whether this should be regarded as core activity but agreed that as this programme is not available through the national and local leadership programmes currently run by NHS Education for Scotland (NES) or NHS Grampian, it could be supported by Endowment Funds. Members also agreed that the application had demonstrated benefit to staff and patients by developing whole system leadership across Grampian, including Health and Social Care Partnerships. This will support the implementation of the Health and Social Care Delivery Plan and the NHS Grampian Clinical Strategy.</p> <p>The Committee agreed funding of £23,700 (including VAT) from NEUR3001 Committee Fund.</p>	

	<p>9.4 Kessock Clinic</p> <p>Mrs Lonchay reminded the Committee that they had agreed in September 2016 to meet the cost of relocating the Kessock Clinic to Fraserburgh Hospital. This would be subject to appropriate consultation with staff, hospital users and the local community. At that time costs were anticipated to be in the region of £200k and would be funded from NEUR3001 Endowment Committee Fund.</p> <p>During the interim period, work had been ongoing to progress the relocation and an application had been received to take this forward at a revised cost of £310k. Mr Donald advised that there were still some concerns regarding accommodation for the Child Development Team and suggested that approval of funding should be subject to agreement by all services regarding proposed accommodation.</p> <p>The Committee agreed funding of £310,250 (an estimated VAT reclaim will reduce this to £299,963) from NEUR3001 Endowment Committee Fund. This is subject to the Child Development Team being relocated into appropriate accommodation and agreement from all services to the proposed changes.</p>	
	<p>Restricted Endowment Funds</p>	
	<p>9.5 Soft Tissue Diagnostic and Monitoring System</p> <p>An application had been received for funding to assist in the clinical testing of a real-time soft tissue diagnostic and monitoring system. Members discussed whether the Endowment Committee could fund a research project which, if successful, would result in income for an external company. It was agreed that, whilst applauding the technology and science outlined in the application, members could not support a clinical trial which would result in income for a commercial enterprise.</p> <p>The Committee did not approve the application.</p>	
	<p>9.6 Royal Voluntary Service (RVS)</p> <p>The Endowment Committee meeting in June considered an application from RVS seeking the retention of profits generated by its cafes and shops within NHS Grampian premises. The request was refused and the Committee requested that Mrs Gray, Mrs Lonchay and Mr Gavin Payne, Deputy General Manager Facilities and Estates meet with RVS to consider the proposal in the context of its future plans and to discuss future use of premises at Woodend Hospital.</p>	

	<p>The anticipated donation for 2017/18 through the gifting arrangement between RVS and NHS Grampian Endowment Funds would be in the region of £81,000 and RVS had asked to retain up to £73,000 of this to enable continuation of its work supporting mainly older patients. Mrs Gray reported that the meeting had established that RVS through its Ward to Home Service carries out more work than had been indicated in their application, particularly in supporting patients on discharge from hospital and resettlement into their communities.</p> <p>The Committee agreed that RVS could retain £57,000 and split the remaining £16,000 between Endowment Funds at the locations where the profits were raised.</p>	
	<p>9.7 Renal Research</p> <p>An application had been received to research the 'role of siglecs in anti-neutrophil cytoplasmic antibody associated vasculitis'. The applicant had provided all the information required for the Endowment Committee and members agreed it met the criteria for research into matters relating to the causation, prevention, diagnosis or treatment of illness.</p> <p>The Committee agreed funding of £30,332 from Renal Research Fund NER11521.</p>	
	<p>9.8 Department of Scheduled Admissions</p> <p>Mrs Lonchay explained that the Department of Scheduled Admissions had been located in a temporary base at Aberdeen Royal Infirmary since it opened in July 2017. It will be moving to a permanent location in November and patient feedback had indicated a number of items which would improve the patient experience. The fund steward had indicated support for the application. Members agreed that this was a good application demonstrating the appropriate use of Endowment Funds.</p> <p>The Committee agreed funding of £38,390 from NER11222 Alexander Sim Executry.</p>	
10.	<p>Review of Risk Control Plan</p> <p>The Endowments Committee Risk Control Plan was tabled. There are currently 13 items on the register – four amber and nine green.</p> <p>The Committee agreed that all items on the Endowments Risk Control Plan should remain at their current level and it will be reviewed again in December 2018.</p>	

11.	<p>Update to NHSG Board</p> <p>It was agreed that the following information should go to the next Board Meeting.</p> <ul style="list-style-type: none"> • Funding for Department of Scheduled Admission. • Investment Performance. • Support for PAs and ANPs. • Leadership. • Increased donating and fundraising. 	
12	AOCB	
	<p>a. Mr Donald wanted to make the Committee aware that he had been approached by the charity Daft as a Brush. The charity is based in Northumberland and NE England providing staffed vehicles to transport outpatients undergoing cancer treatments to and from hospital free of charge. Mr Donald reported that Brian Burnie, the charity founder, had been in contact locally with CLAN which had indicated it would be keen to engage. Mr Gray advised that any procurement issues should be considered and at its meeting in June the Committee had questioned whether Endowment Funds should absorb responsibility or the cost of providing transport across the region and had agreed that transport provision should remain excluded from the Community Small Grants Scheme.</p> <p>b. Ms Little asked the Committee to note the emergence of a number of staff recognition schemes and the possibility of application for funding to support these. Some concern had been raised regarding possible inequities and Ms Little suggested this should be raised at Senior Leadership Team to agree a consistent approach across all employee groups. It was agreed that there should be a coherent strategy across the organisation.</p>	
13	<p>Date of next meeting Endowment Committee Meeting</p> <p>Friday 7thDecember 2018 at 10.00 Conference Room, Summerfield House.</p>	