



PWYLLGOR CRONFA ELUSENNOL CHARITABLE FUNDS COMMITTEE

| | |
|--|--|
| DYDDIAD Y CYFARFOD: DATE OF MEETING: | 26 September 2022 |
| TEITL YR ADRODDIAD: TITLE OF REPORT: | Hywel Dda Health Charities Integrated Performance Report |
| CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR: | Mandy Rayani, Director of Nursing, Quality and Patient Experience |
| SWYDDOG ADRODD: REPORTING OFFICER: | Timothy John, Senior Finance Business Partner Nicola Llewelyn, Head of Hywel Dda Health Charities |

Pwrpas yr Adroddiad (dewiswch fel yn addas)

Purpose of the Report (select as appropriate)

Er Sicrwydd/For Assurance

ADRODDIAD SCAA

SBAR REPORT

Sefyllfa / Situation

This report provides the Charitable Funds Committee (CFC) with an integrated picture of Hywel Dda Health Charities' performance and position as at 31st July 2022.

Cefndir / Background

The accompanying report attached at Annex 1, provides the CFC, on behalf of the Corporate Trustee, with an integrated picture of Hywel Dda Health Charities' performance.

The report is intended to provide the CFC with key financial information, in addition to a summary of activities and key achievements in line with the objectives of the charity's approved three-year plan.

Asesiad / Assessment

Hywel Dda Health Charities' financial performance is summarised in the main body of the report. The key financial performance considerations are:

1. The **net incoming resources before transfers** of the charity have increased by **£419,536** for the period ending 31st July 2022.
2. Total **incoming resources** up to 31st July 2022 were **£603,072** of which:
 - **£530,423** related to **donations and fundraising income**, an **increase of 248%** in comparison to previous year income for the same period.
 - **£12,366** related to **legacy income**, an **increase of 147%** in comparison to previous year income for the same period.
 - **£37,500** related to **grant income**, an **increase of 100%** in comparison to previous year income for the same period.

- **£18,913** related to **investment income, an increase of 29%** in comparison to previous year income for the same period.
 - **£3,870** related to **income from other trading activities**. This was the profit generated by the lottery for the period 1st March to 31st June 2022.
3. The charity's **overall income from donations, grants and legacies** to 31st July 2022 has **increased by 268%** in comparison to previous year's income for the same period.
 4. The **value of investments** held by the charity on 31st July 2022 was **£8,085,533**. The **value of total funds** at the same date was **£10,039,077**. Our investment advisors Sarasin & Partners LLP report that our portfolios have performed above the index-based benchmark over the past quarter to 30th June 2022.
 5. **Realised and unrealised loss on investment assets** (endowment only) amount to **£154,017** as at 31st July 2022, a **decrease of 315%** in comparison to previous year gains.
 6. The **balances** of the charity **bank accounts** as at 31st July 2022 were **current account £100** and **deposit account £3,841,076.24**.
 7. Our expenditure on charitable activities for the period 1st April 2022 to 31st July 2022 was **£180,304** which represents a **140% increase** in comparison to expenditure for the previous financial year.
 8. The reported position for the total of **governance and support costs** (including finance and fundraising costs) incurred up to 31st July 2022 is **£1,817 underspend** against budget.
 9. There is a **net deficit** from **unrestricted apportionments** (after investment gains) across funds of **£249,809** for the period ending 31st July 2022. This would be offset against the surplus balance brought forward in the central fund from 2021-22.

In addition to the statement of financial activity for the period ending 31st July 2022 at Appendix 1, further considerations for the CFC to note are the updates provided within the report at Annex 1 regarding:

- Investment performance (Appendix 2).
- Material commitments to 31st July 2022 (Appendix 3).
- Expenditure over £5,000 for the period April to July 2022 (Appendix 4).

Argymhelliad / Recommendation

The Charitable Funds Committee is requested to:

NOTE the content of this report and **RECEIVE ASSURANCE** on the charity's performance.

| Amcanion: (rhaid cwblhau) Objectives: (must be completed) | |
|---|---|
| Committee ToR Reference: Cyfeirnod Cylch Gorchwyl y Pwyllgor: | 4.1 Within the budget, priorities and spending criteria determined by the UB as trustee, and consistent with the requirements of the Charities Act 2011 (or any modification of these acts), to apply the charitable funds in accordance with its respective governing documents. |
| Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score: | Risk reference: 1130 Failure to increase charitable funds income and expenditure (planning objective 2E) |
| Safon(au) Gofal ac Iechyd: Health and Care Standard(s): | Governance, Leadership and Accountability |
| Amcanion Strategol y BIP: UHB Strategic Objectives: | Not Applicable |
| Amcanion Llesiant BIP: UHB Well-being Objectives: Hyperlink to HDdUHB Well-being Objectives Annual Report 2018-2019 | 10. Not Applicable |

| Gwybodaeth Ychwanegol: Further Information: | |
|--|---|
| Ar sail tystiolaeth: Evidence Base: | Ledger reports and investment reports. |
| Rhestr Termiau: Glossary of Terms: | Included within the body of the report. |
| Partion / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Cronfa Elusennol: Parties / Committees consulted prior to Charitable Funds Committee: | Director of Finance Fundraising Team |

| Effaith: (rhaid cwblhau) Impact: (must be completed) | |
|---|---|
| Ariannol / Gwerth am Arian: Financial / Service: | The report sets out the financial position of the charity. Income generated from fundraising activities is a key source of income for Hywel Dda Health Charities. The charity is therefore duty bound to ensure that the correct controls and governance arrangements exist with regards to all aspects of fundraising. |
| Ansawdd / Gofal Claf: Quality / Patient Care: | Charity objects are in support of NHS services locally. |
| Gweithlu: Workforce: | Governance and support costs included in Section 4.2 of Annex 1. |
| Risg: Risk: | Reputational risk if associated with unethical fundraising. |

| | |
|------------------------------------|---|
| Cyfreithiol: Legal: | The charity's financial reporting is in line with charity law and guidance. |
| Enw Da: Reputational: | Reputational risk if associated with unethical fundraising. |
| Gyfrinachedd: Privacy: | No impact. |
| Cydraddoldeb: Equality: | No EqlA is considered necessary for a paper of this type. |



Integrated Performance Report

Position as at
31st July 2022



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1. Introduction

This report provides the Charitable Funds Committee (CFC), on behalf of the Corporate Trustee, with an integrated picture of performance of Hywel Dda Health Charities.

The report is intended to provide the CFC with key financial information as well as a summary of activities and key achievements in line with the objectives of the charity's approved three-year plan.

2. Summary of Key Financial Activity*

** Draft end of year figures which may be subject to change pending audit of the annual accounts.*

2.1 The **net incoming resources before transfers** of the charity have increased by **£419,536** for the period ending 31st July 2022 (see Appendix 1).

2.2 Total **incoming resources** to 31st July 2022 (See Appendix 1) were **£603,072** of which:

- **£530,423** related to **donations and fundraising income**, an **increase of 248%** in comparison to previous year income for the same period.
- **£12,366** related to **legacy income**, an **increase of 147%** in comparison to previous year income for the same period.
- **£37,500** related to **grant income**, an **increase of 100%** in comparison to previous year income for the same period.
- **£18,913** related to **investment income**, an **increase of 29%** in comparison to previous year income for the same period.
- **£3,870** related to **income from other trading activities**. This was the profit generated by the lottery for the period 1st March to 31st June 2022.

2.3 The charity's **overall income from donations, grants and legacies** to 31st July 2022 has **increased by 268%** in comparison to previous year's income for the same period.

2.4 The **value of investments** held by the charity on 31st July 2022 was **£8,085,533**. The **value of total funds** at the same date was **£10,039,077**. Our investment advisors Sarasin & Partners LLP report that our portfolios have performed above the index-based benchmark over the past quarter to 30th June 2022.

- 2.5 **Realised and unrealised loss on investment assets** (endowment only) amount to **£154,017** as at 31st July 2022, a **decrease of 315%** in comparison to previous year gains (See Appendix 1).
- 2.6 The **balances** of our charity **bank account** as at 31st July 2022 were **current account £100** and **deposit account £3,841,076.24**.
- 2.7 Our expenditure on charitable activities for the period 1st April 2022 to 31st July 2022 was **£180,304** which represents a **140% increase** in comparison to expenditure for the previous financial year. (See Appendix 1).
- 2.8 The reported position for the total of **governance and support costs** (including finance and fundraising costs) incurred to 31st July 2022 is **£1,817 underspend** against budget.
- 2.9 There is a **net deficit** from **unrestricted apportionments** (after investment gains) across funds of **£249,809** for the period ending 31st July 2022. This would be offset against the surplus balance brought forward in the central fund from 2021-22. (See section 4, figure 5).

Further information for the period ending 31st July 2022:

- The **statement of financial activity** is included at **Appendix 1**.
- A summary of our **investment performance** is included at **Appendix 2**.
- Details of material commitments (approved by the CFC) is included at **Appendix 3**.
- Details of the charity's **expenditure over £5,000** is included at **Appendix 4**.

3. Our Income

Objective: Increase our income levels by 10% on an annual basis from April 2020 to March 2023

Figure 1: Rolling annual donation figures by county from July 2019 to July 2022

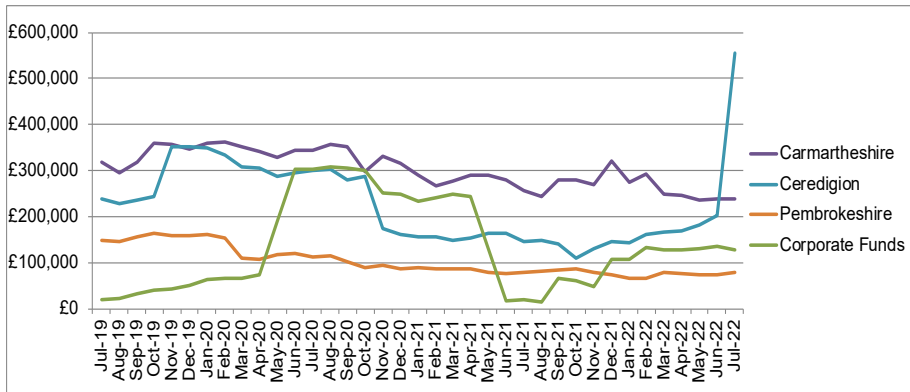
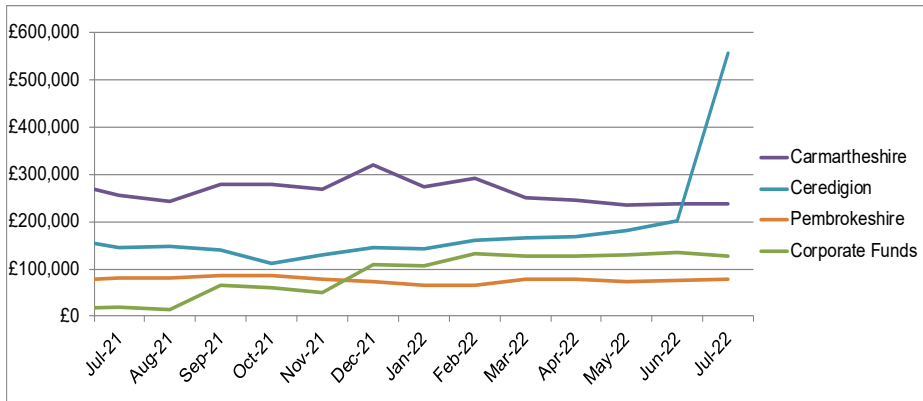


Figure 2: Rolling annual donation figures by county from July 2021 to July 2022



- The charity’s overall income from donations, grants and legacies to 31st July 2022 has increased by 268% in comparison to income received for the same period in the previous financial year. This can be attributed to:
 - Donations and fundraising: success of the Bronglais Chemo Appeal and steady or increasing income levels for other key areas.
 - Grants: grant funding from NHS Charities Together for the final year of the Black, Asian & Minority Ethnic outreach project.
 - Legacies: a bequest received for Amman Valley Hospital.
- It is pleasing to note an increase in income levels following the significant impact of the pandemic on 2021/22 income levels and the unpredictability of charitable giving with increasing pressures on households as the cost of living rises.
- The Bronglais Chemo Appeal has played a significant role in the increased levels of income during this reporting period. Further increases are predicted during the financial year due to the ongoing fundraising for the Bronglais Chemo Appeal and further investment in the marketing and promotion of the charity’s lottery.
- A loss of £154,017 related to investment income, a decrease of 315% in comparison to previous year gain for the same period. This is mainly due to high inflation combined with tight labour market dynamics.

4. Our Expenditure

Objective: Increase our charitable expenditure by 15% on an annual basis from April 2020 to March 2023

Figure 3: Charitable expenditure to 31st July 2022

| Expenditure | 2020-21 (£) | 2021-22 (£) | As at 31st July | |
|--------------------------------|------------------|------------------|-----------------|------------|
| | | | 2022-23 | 2022-23 % |
| Support costs | 99,993 | 105,993 | 36,555 | 16.9 |
| Medical and surgical equipment | 403,844 | 266,614 | 86,771 | 40.0 |
| Office and computer equipment | 183,304 | 43,816 | 13,404 | 6.2 |
| Building and refurbishment | 5,941 | 867,937 | 9,368 | 4.3 |
| Staff education/ welfare | 39,158 | 19,835 | 29,217 | 13.5 |
| Patient education/ welfare | 88,712 | 349,545 | 26,667 | 12.3 |
| Miscellaneous | 216,134 | 7,857 | 14,877 | 6.9 |
| Total (£) | 1,037,086 | 1,661,597 | 216,859 | 100 |

- Charitable expenditure to 31st July 2022 including support costs (finance and audit) was £216,859 which represents 98% increase in comparison to expenditure for the same period in the previous financial year.
- The majority of the expenditure committed or incurred is against medical and surgical equipment. This includes
 - Giraffe Omnibed Care Station, Neonatal Services (£34,630)
 - Sonosite S11 Ultrasound system, Renal Unit Glangwili Hospital (£24,742)
 - Sonosite Point of Care Visualisation Tool, Glangwili Hospital (£4,633)
 - Medical Gas Analysis Testing Kit, Withybush Hospital (£21,594)
- Finance Business Partners continue to support their client departments to deploy charitable funding effectively in areas where it can make the biggest difference.

4.1 Governance and Support Costs

Figure 4: Finance and fundraising costs to 31st July 2022

| | | Approved annual budget 2022-23 | Budget to 31/07/22 | Actual costs to 31/07/22 | (Under) / Over budget to 31/07/22 |
|--------------|---------|--------------------------------|--------------------|--------------------------|-----------------------------------|
| Finance | | 96,485 | 32,162 | 32,162 | 0 |
| Fundraising | Pay | 364,835 | 121,612 | 124,604 | 2,992 |
| | Non Pay | 46,939 | 15,646 | 10,837 | (£4,809) |
| Total | | 508,259 | 169,420 | 167,603 | (£1,817) |

Figure 5: Investment income, returns and charges to 31st July 2022

| | Restricted Funds (£) | Unrestricted Funds (£) | Endowment Funds (£) | Overall Total (£) |
|--|----------------------|------------------------|---------------------|-------------------|
| Investment Income | (16,799) | (13,007) | (18,913) | (48,719) |
| Governance & Support - Finance, Fundraising & Support Team | 94,461 | 73,142 | 0 | 167,603 |
| Investment Management Fees | 4,985 | 3,860 | 3,233 | 12,077 |
| Audit Fees | 2,476 | 1,917 | 0 | 4,394 |
| Investment Gains & Losses | 237,501 | 183,897 | 154,017 | 575,415 |
| (Surplus) / Deficit | 322,624 | 249,809 | 138,336 | 710,769 |

For clarity on the nature of dividends and interest earned by 'unrestricted', 'restricted' and 'endowment' funds, these can be defined as follows:

- Unrestricted and restricted funds – income earned from surplus cash from general restricted funds invested with Sarasin & Partners LLP. The income earned is apportioned against all unrestricted and restricted funds based on an average fund balance across the whole year.
- Endowment funds – income earned from an investment where the capital cannot be spent, and that income earned is to be used for a specific purpose and is therefore restricted and will not be generally apportioned across all funds.

- For the year to 31st July 2022, the reported position for finance and fundraising costs is an underspend of £1,817. However, included within this is approximately £10,919 of costs relating to the delivery of the Bronglais Chemo Appeal. Discussions are taking place to transfer these costs from the funding available for the capital scheme back to the finance and fundraising budget.
- In June 2018 the Committee agreed to retain a reserve in the central fund to mitigate against future investment risk and a percentage methodology of 5% was agreed. The Committee also agreed that any surplus over this amount will be kept in the central fund and the Committee would discuss and agree how it shall be used. As at 31st March 2022, the balance within the central fund was £486,995 which is sufficient to cover the current value of the deficit in the unrestricted funds of £249,809.
- The table at figure 5 depicts all investment income, returns and charges apportioned across funds for the period ending 31st July 2022. Due to investments suffering a loss in the first quarter, there is a net deficit from unrestricted apportionments of £249,809. The expectation is the market will recover resulting in an expected gain which will eradicate the loss for quarter 1.

Appendix 1: Statement of financial activity for the period ending 31st July 2022

| HYWEL DDA LOCAL HEALTH BOARD CHARITABLE FUND REPORT - SUMMARY | | | | | | | |
|--|-----------------|------------------|----------------------|----------------------|-------------------------|---------------------------------------|-------------------|
| FOR THE PERIOD ENDING 31 July 2022 | | | | | | | |
| | Corporate | Acute Services | Carmarthen Community | Ceredigion Community | Pembrokeshire Community | Mental Health & Learning Disabilities | Total |
| | £ | £ | £ | £ | | | £ |
| Incoming resources | | | | | | | |
| Donations | 1,237 | 508,290 | 7,904 | 2,955 | 4,091 | 5,948 | 530,423 |
| Legacies | 1,000 | 2,924 | 7,442 | 0 | 1,000 | 0 | 12,366 |
| Grants receivable | 37,500 | 0 | 0 | 0 | 0 | 0 | 37,500 |
| Investment income | 0 | 18,913 | 0 | 0 | 0 | 0 | 18,913 |
| Income from other trading activities | 3,870 | 0 | 0 | 0 | 0 | 0 | 3,870 |
| Other incoming resources | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 43,607 | 530,127 | 15,345 | 2,955 | 5,091 | 5,948 | 603,072 |
| Resources expended | | | | | | | |
| Expenditure on raising funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Charitable activities | (30,761) | (125,382) | (14,859) | (2,901) | 2,456 | (8,857) | (180,304) |
| Support Costs | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Governance costs | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Investment Management | 0 | (3,233) | 0 | 0 | 0 | 0 | (3,233) |
| | (30,761) | (128,614) | (14,859) | (2,901) | 2,456 | (8,857) | (183,536) |
| Net incoming/(outgoing) resources before transfers | 12,846 | 401,513 | 487 | 54 | 7,546 | (2,909) | 419,536 |
| Gross transfers between funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net incoming/(outgoing) resources | 12,846 | 401,513 | 487 | 54 | 7,546 | (2,909) | 419,536 |
| Gains/(losses) on investment assets | | | | | | | |
| Realised and Unrealised | 0 | (154,017) | 0 | 0 | 0 | 0 | (154,017) |
| Net movement in funds | 12,846 | 247,496 | 487 | 54 | 7,546 | (2,909) | 265,519 |
| Opening balance at 1 April 2022 | 882,685 | 7,794,358 | 522,895 | 225,874 | 133,284 | 214,461 | 9,773,557 |
| Closing balance at 31 July 2022 | 895,531 | 8,041,854 | 523,382 | 225,928 | 140,830 | 211,552 | 10,039,077 |

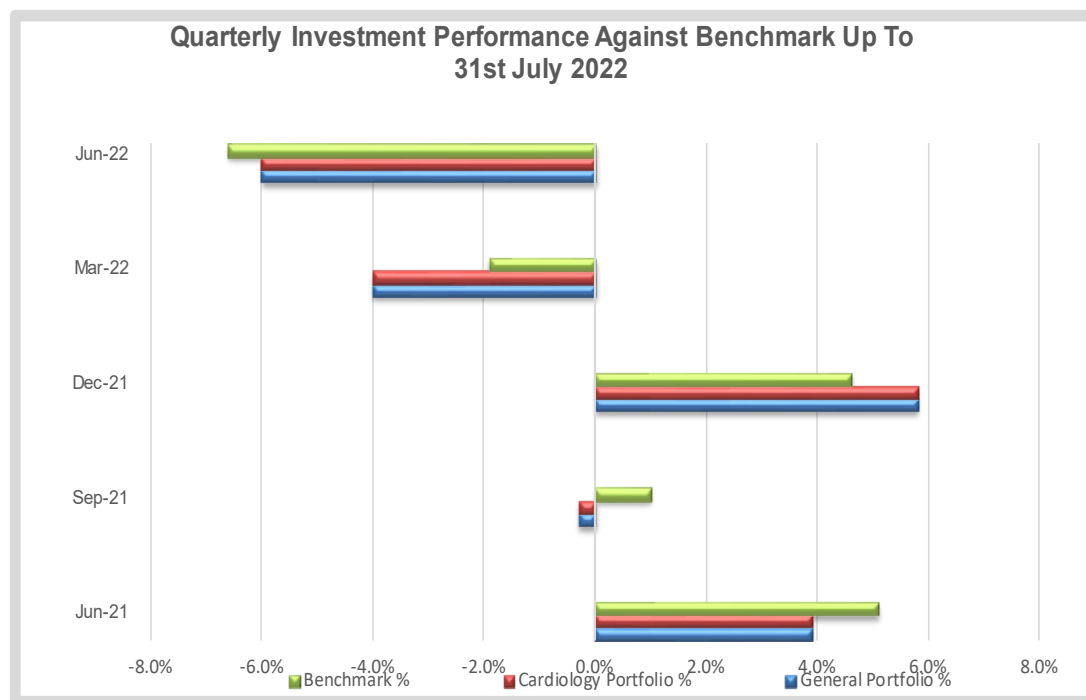
Appendix 2: Investment performance

On 31st July 2022, the value of investments held by the charity was £8,085,533. The value of total funds held at the same date was £10,039,077.

Funds are separated into two areas. Firstly, a fund tied to the permanent endowment fund for Pembrokehire Cardiology Equipment of £2,164,184 and secondly a general charity fund of £5,921,349.

Within the last quarter, the total return for our portfolios was -6.0% in comparison to a composite benchmark return of -6.6%. This is mainly due to high inflation combined with tight labour market dynamics. The expectation is that the sharp slowdown in GDP growth already underway, will take the heat out of inflation numbers over the next twelve months.

Work is currently underway to transition to the new Investment Managers CCLA and transferring our assets across from Sarasin & Partners LLP.



Portfolio benchmark (from 1-Jul-21): ICE BofAML Sterling Corporate (7.5%), ICE BofAML UK Gilts All Stocks (7.5%), MSCI AC World ex UK (Local Currency) (GBP) (10%), MSCI AC World ex UK (Net Total Return) (40%), MSCI All Balanced Property Funds - One Quarter Lagged (5%), MSCI UK IMI (Net Return) GBP (20%), 2% per annum above SONIA (alternative assets) (10%).

Performance is calculated 'net' of Sarasin's investment management fees, using Bid prices. This takes into account receipts to and withdrawals from the portfolio during the period, and their dates. Prices are sourced from Bloomberg.

The report 'looks-through' to the underlying investments within the Sarasin funds in order to show the portfolio's overall allocation.

Where a portfolio holds Sarasin Unit Trusts or OEIC Funds, we use a close of business unit price to enable more accurate performance comparison with the portfolio benchmark..

Appendix 3: Material commitments as at 31st July 2022 (approved by CFC)

| Service | £ | Description | Date Approved | Status |
|--------------------------------------|------------------|---|---------------|--|
| Cancer Service - Ceredigion | 259,977 | BGH Chemotherapy Development | 2015 | Re-committed to the development in September 2019. |
| Cancer Service - Ceredigion | 287,496 | BGH Chemotherapy Development | Sep-19 | Approved as contribution to the development in September 2019 |
| Cancer Service - Ceredigion | 97,364 | BGH Chemotherapy Development | Jun-21 | Approved additional contribution towards the BGH Chemotherapy development. |
| Cancer Service - Ceredigion | 173,937 | BGH Chemotherapy Development | Jun-21 | |
| Cancer Service - Ceredigion | 400,000 | BGH Chemotherapy Development | Jun-21 | |
| Cancer Service - Pembrokeshire | 134,416 | Ward 10 Enhanced Scheme | Sep-19 | Active Spend on roof top - approved expenditure plan. |
| Unscheduled Care - Ceredigion | 916 | Funding of Trainee Clinical Nurse Specialist Post | Sep-20 | Agreed via CFC Meeting 15th September 2020 - pandemic caused a delay in appointments. Start date for one applicant April 2022. |
| Unscheduled Care - Pembrokeshire | 1,453 | Funding of Trainee Clinical Nurse Specialist Post | Sep-20 | |
| Cancer Service - Ceredigion | 63,735 | Funding of Trainee Clinical Nurse Specialist Post | Sep-20 | |
| Cancer Service - Pembrokeshire | 27,862 | Funding of Trainee Clinical Nurse Specialist Post | Sep-20 | |
| Unscheduled Care - Prince Philip | 39,054 | Mynydd Mawr Garden Project | | Agreed via Sub Committee - Form CF1750. Project has been delayed due to the pandemic. |
| Women & Childrens Services | 44,671 | Family Counsellor Proposal for Paediatric Palliative Care (2 posts) | Sep-21 | Reducing balance - monthly recharges transacted in 2021-22 to support staff costs for one post which commenced in Jan 2022. |
| Cancer Services | 217,250 | Cancer Psychological Support Pilot Project Year 3 - 5 | Nov-21 | Approved additional contribution towards the project. Monthly recharges to be transacted in period. |
| Workforce & Organisation Development | 180,941 | Staff Welfare & Wellbeing - Grant Funding | Nov-21 | Progress and assurance reports will be submitted to the People, Organisational Development and Culture Committee and Charitable Funds Committee, via the Discovery Report Action Plan. |
| | 1,929,072 | | | |

Appendix 4: Expenditure over £5,000 (invoices paid) for the period 1st April 2022 to 31st July 2022

| Service | Fund Name | £ | Description | Claim Ref |
|------------------|---|----------|------------------------------------|------------------|
| Cancer Services | T518-PDT – WGH Ward 10 Refurbishment Scheme | 15,208 | Alteration & Refurbishment Works | CF02143 / CFC |
| Scheduled Care | T725-PPH Anaesthetics | 7,027 | Hilo Intensive Care & Trauma Chair | CF02170 |
| Pembs Community | T901-Pembrokeshire Community Services | 24,555 | Easyone Pro Lab | CF02171 |
| Women & Children | Various | 5,308 | Birthing Simulator | CF2205 |
| Unscheduled Care | T067-CAR - Dialysis Patnts' Amenities | 24,742 | Sonosite S 11 Ultrasound system | CF2208 |
| | | 76,840 | | |