

**PWYLLGOR CRONFA ELUSENNOL
CHARITABLE FUNDS COMMITTEE**

DYDDIAD Y CYFARFOD: DATE OF MEETING:	09 June 2026
TEITL YR ADRODDIAD: TITLE OF REPORT:	Charitable Funds Expenditure Plans
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	Sharon Daniel, Executive Director of Nursing, Quality & Patient Experience
SWYDDOG ADRODD: REPORTING OFFICER:	Nicola Llewelyn, Head of Hywel Dda Health Charities Tim John, Head of Accounting & Statutory Reporting

Pwrpas yr Adroddiad (dewiswch fel yn addas)

Purpose of the Report (select as appropriate)

Ar Gyfer Penderfyniad/For Decision

ADRODDIAD SCAA

SBAR REPORT

Sefyllfa / Situation

This report provides the Charitable Funds Committee (CFC) with an update on the current position regarding the development of expenditure plans for the use of charitable funds held by Hywel Dda Health Charities (HDdHC).

Cefndir / Background

At its March 2026 meeting, the CFC requested an update on the current position and future plans for the utilisation of the charitable funds held by HDdHC. This is following recent scrutiny by both the CFC and Corporate Trustee regarding the balance of funds held by the charity.

Recent discussions have highlighted:

- Concerns regarding the overall value of funds held (£9.725m at 31 March 2026).
- Recognition of the structural, administrative and governance factors that influence spend, including the wishes of donor, approval processes, and the requirement for additionality.
- An expectation that Clinical Care Groups (CCGs) should provide assurance that clear and proactive expenditure plans are in place for the appropriate use of funds.

Whilst progress has been made in recent months, it is recognised that further work is required to ensure a consistent and proactive approach to the use of funds.

Asesiad / Assessment

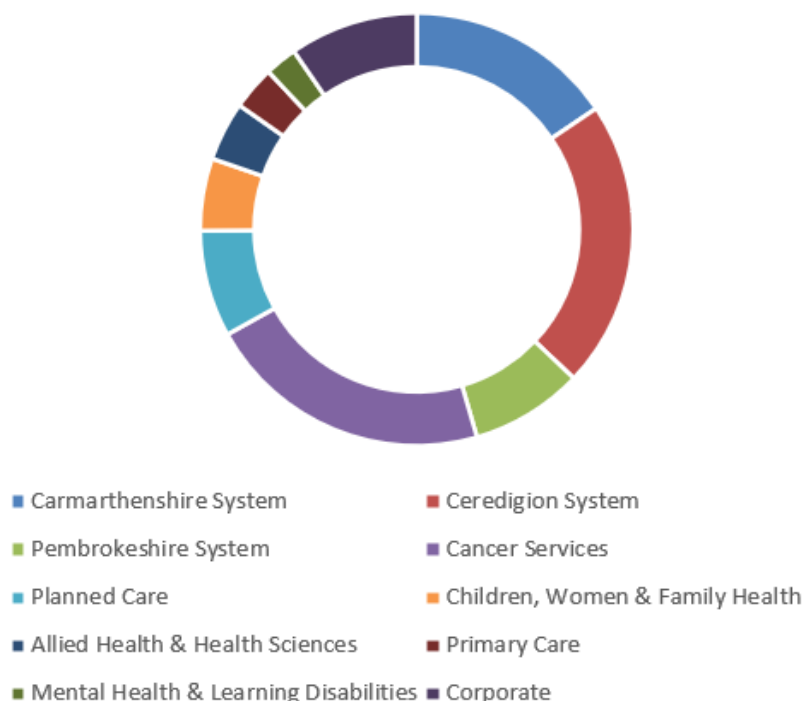
1. Current financial position

For the year ending 31 March 2026, the value of overall funds held by HDdHC was £9.725m.

£2.157m are endowment funds, where the capital must be retained and only the income generated can be used for a specified purpose. The remaining £7.568m is held within designated and restricted funds across a number of service areas. Restricted funds must be spent in line with the specific conditions set by the donor. Designated funds are unrestricted

and are held for a specific purpose or service area that reflects donor intent. Unlike restricted funds, the destination is internal and can therefore be changed provided the expenditure is in line with the charity's overall aims.

Figure 1: Breakdown of funds held by service area at 31 March 2026



2. Expenditure levels and fund utilisation

Charitable expenditure levels to the period ending 31 March 2026 have increased by 57% compared to the same period in the previous financial year.

Figure 2: Comparison of expenditure on charitable activities (prior to apportionment of investment losses)

	March 2026 £	March 2025 £	Variance £	Variance %
Allied Health & Health Sciences	(1,037)	(475)	(563)	119%
Mental Health & Learning Disabilities	(49,026)	(23,030)	(25,996)	113%
Carmarthenshire System	(259,601)	(223,110)	(36,491)	16%
Ceredigion System	(154,685)	(37,091)	(117,594)	317%
Pembrokehire System	(31,624)	(55,437)	23,813	-43%
Planned Care	(13,312)	(40,999)	27,687	-68%
Cancer Services	(148,143)	(136,028)	(12,116)	9%
Children, Women & Family Health	(76,169)	(50,133)	(26,037)	52%
Primary Care	(30,469)	(34,493)	4,024	-12%
Corporate	(476,068)	(191,541)	(284,527)	149%
Total	(1,240,135)	(792,336)		

Although these figures demonstrate an improvement in expenditure within the majority of areas, some areas continue to have limited levels of activity. We believe that this is due to a combination of factors including capacity, competing operational priorities, confidence in navigating the application process and variable awareness of available funds at a frontline level.

3. Development of expenditure plans

A template was circulated to all service areas in January 2026 requesting the development of an expenditure plan covering the next 12 to 24 months. A series of questions were included, designed to provide the CFC with a clearer, more detailed understanding of how charitable funds can best support their services.

Each service was asked to outline anticipated short-term expenditure and longer-term priorities as well as what local planning and staff engagement processes are in place to encourage the proactive use of funds. Questions were also posed on knowledge of funds and any challenges that may be preventing access to help us identify ways that we can improve the support services we provide.

Early submissions have been received from Planned and Specialist Care, Mental Health and Learning Disabilities (MHL) and Pharmacy and Medicines Management. The submissions provide a helpful insight into current planning approaches and highlight areas where further support may be required.

The Head of Hywel Dda Health Charities supported by the Deputy Director Medical Directorate (Chair of the Charitable Funds Sub-Committee) has met and engaged with clinical and operational leads in service areas where the development of detailed plans has been slower than anticipated. The discussions have reinforced a clear expectation from the CFC that proactive plans are developed to ensure funds are utilised appropriately, in a timely manner and in line with donor intent.

This is the first time a structured approach to expenditure planning has been introduced. The approach is supported by a formal governance requirement through the recent update to the charity's Financial Procedure which now requires the submission of annual expenditure plans by service areas.

Whilst progress has been made in recent months, it is recognised that there is more to do and this is the start of implementing a new approach to how charitable funds are planned and utilised across the health board. While expectations have been made clear, many areas are in the initial stages of developing deliverable plans which is understandable in the context of the significant operational pressures they are working under.

The focus during the 2026/27 financial year will be to build on these foundations, supporting each service area to ensure that by the end of the financial year clear, realistic and deliverable expenditure plans are in place.

4. Next steps and priorities for 2026/27

The work undertaken to date has established a clear framework and direction of travel for the use of charitable funds. The focus for 2026/27 is to build on this to ensure a more consistent and proactive approach across all services.

The aim is that by March 2027, all services will have identified clear priorities and developed a forward-looking plan for how their charitable funds will be utilised. To enable this to happen, charitable funds will need to become fully integrated into core health board planning processes, with clear ownership at service level and stronger alignment with existing governance and financial processes. This will require a shift from reactive spend to forward planning, with services taking greater responsibility for the funds held within their areas. It is recognised that this will take time, particularly given the current operational and financial pressures across the organisation. We are asking services to think differently about spending and that will require a shift in mindset as well as practice when managers are in the main focused on delivering savings and reducing spend.

A programme of targeted engagement will continue throughout the year, with the Head of Hywel Dda Health Charities and finance colleagues working alongside the Deputy Chief Operating Officer and CCGs to support the development of expenditure plans.

This will focus on:

- Embedding charitable funds within routine planning and governance discussions.
- Supporting services to identify clear priorities where charitable funds can add value.
- Improving visibility and understanding of fund balances and funding eligibility criteria.
- Providing practical guidance and tools to support the development of robust proposals.

A stronger focus will be placed on ensuring that expenditure plans clearly demonstrate how the proposed use of funds will improve patient experience outcomes. This will include clearer articulation of expected benefits, alignment to service priorities and consideration of how outcomes and impact will be measured and reported.

We will be clear that responsibility for the development and delivery of expenditure plans sits with the service areas that hold the funds. The role of the charity team is to support this work by providing advice and appropriate challenge to ensure plans are robust, aligned to our charitable objectives and make best use of available funds.

Progress against the development of expenditure plans will be monitored and escalated through existing governance arrangements within the Operations function.

Further work will also be undertaken to strengthen the systems that support charitable expenditure, including improving clarity around funding criteria, streamlining approval processes and increasing visibility of impact.

This approach is intended to be practical and achievable. The focus over the year will be to build on the progress made to date and move towards a more consistent position across all service areas.

Updates will be provided to the Charitable Funds Committee during 2026/27, providing assurance that clear, realistic and deliverable expenditure plans are being developed to ensure that funds are being actively managed and utilised in line with donor intent.

5. Measuring success

To support oversight by the CFC and to demonstrate progress, a set of key measures will be developed and reported on which will include:

- Percentage of service areas with plans in place.
- Value and percentage of funds covered by plans.
- Actual expenditure levels against planned levels.
- Reduction in dormant or inactive funds.
- Evidence of impact and benefit, including improvements to the patient experience.

These measures will be refined as our approach matures and will form part of routine reporting to the CFC.

6. Our approach to the designation of funds

Recent discussions have raised the question of whether a different approach is needed to increase charitable expenditure through introducing time-limits for the utilisation of designated funds.

Whilst the intention to increase fund utilisation is needed, a blanket approach of this nature is not considered appropriate at this stage. We are at the start of establishing a more structured approach to expenditure planning and as services have not previously been required to produce forward-looking plans, it is important they are given the opportunity to develop plans before further action is considered.

The charity's fund structure is strongly influenced by donor intent. As most donations are given to support specific services or departments, there is a risk that taking a different approach to the designation of funds could impact staff and public confidence if there is a perception that funds will not be used for their intended purpose. This is particularly relevant in the current context, where there is already evidence of reduced income in some areas, notably Ceredigion more recently and historically Pembrokeshire.

Charity Commission guidance is clear that funds must be used to further charitable objectives, provide public benefit and be applied within a reasonable timeframe. At the same time, the charity must ensure that funds are used in line with donor wishes and are not used for alternative purposes without due consideration.

This position will be reviewed during 2026/27 when clearer service-level priorities emerge alongside the shift towards a more proactive approach to expenditure planning across designated funds.

Any consideration of defining a level of funding that could be brought together to support a future strategic spending programme would be dependent on the robustness of service-level plans, governance requirements including a clear understanding of donor intent, and careful consideration of any potential reputational impact to the charity.

Any such approach would need to ensure that funds continue to be applied appropriately and transparently, in line with donor intent and maintaining public and staff confidence.

7. Conclusion

The charity is in a stronger position than it was 12 months ago, with improved oversight of funds, increased levels of expenditure and a clearer framework for proactive expenditure planning. Engagement with services has started to build momentum and is providing greater clarity on how charitable funds can support local priorities.

It is recognised that we are in the early stage and while the foundations are now in place, many services are still developing realistic and deliverable expenditure plans, and this will take time to embed consistently across the organisation.

A plan is in place for 2026/27, focused on strengthening engagement, improving planning and supporting services to develop appropriate proposals. This will enable a more proactive and consistent approach to the use of funds, ensuring they are utilised appropriately and in line with donor intent.

Responsibility for developing and delivering these plans sits with the service areas that hold the funds and the role of the charity team will be to support and enable this through guidance, challenge and oversight.

Updates will be provided to the Charitable Funds Committee during 2026/27 to provide assurance that clear, realistic and deliverable expenditure plans are being developed.

Argymhelliad / Recommendation

The Charitable Funds Committee is asked to:

- **NOTE** the progress made to date to develop a more structured approach to expenditure planning.
- **ENDORSE** the plans in place for all to support all service area to develop proactive expenditure plans.

Amcanion: (rhaid cwblhau)

Objectives: (must be completed)

Committee ToR Reference: Cyfeirnod Cylch Gorchwyl y Pwyllgor:	3.1 To make and monitor arrangements for the control and management of the Board's Charitable Funds, within the budget, priorities and spending criteria determined by the Board and consistent with the legislative framework.
Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score:	Not applicable
Parthau Ansawdd: Domains of Quality Quality and Engagement Act (sharepoint.com)	Not Applicable
Galluogwyr Ansawdd: Enablers of Quality: Quality and Engagement Act (sharepoint.com)	Not Applicable
Amcanion Strategol y BIP: UHB Strategic Objectives:	Not Applicable
Amcanion Cynllunio Planning Objectives	Not Applicable
Amcanion Llesiant BIP: UHB Well-being Objectives: Hyperlink to HDdUHB Well-being Objectives Annual Report 2021-2022	10. Not Applicable

Gwybodaeth Ychwanegol:

Further Information:

Ar sail tystiolaeth: Evidence Base:	NHS Charities Guidance (updated 31/10/22) Charities Statement of Recommended Practice Streamlining NHS charitable funds – Healthcare
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	Financial Management Association (HFMA) briefing December 2022
Rhestr Termiau: Glossary of Terms:	Included in document.
Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Cronfa Elusennol: Parties / Committees consulted prior to Charitable Funds Committee:	Not applicable

Effaith: (rhaid cwblhau) Impact: (must be completed)	
Ariannol / Gwerth am Arian: Financial / Service:	The intention is to make it as easy as possible to access and spend donations in a timely manner on appropriate items to improve the patient experience.
Ansawdd / Gofal Claf: Quality / Patient Care:	Charitable funds provide an opportunity to enhance patient experience beyond core NHS provision. The introduction of structured expenditure planning will ensure that funding decisions are more clearly aligned to quality priorities, with greater focus on measurable improvements in patient experience and outcomes.
Gweithlu: Workforce:	Not applicable
Risg: Risk:	Potential reputational impact and reduced donor confidence if funds are perceived to be unused or underutilised for extended periods or not delivering impact.
Cyfreithiol: Legal:	Not applicable
Enw Da: Reputational:	Potential reputational impact and reduced donor confidence if funds are perceived to be unused or underutilised for extended periods or not delivering impact.
Gyfrinachedd: Privacy:	Not applicable
Cydraddoldeb: Equality:	Not applicable