

**PWYLLGOR CRONFA ELUSENNOL
CHARITABLE FUNDS COMMITTEE**

DYDDIAD Y CYFARFOD: DATE OF MEETING:	30 th June 2021
TEITL YR ADRODDIAD: TITLE OF REPORT:	Fundraising appeal for the development of a new Chemotherapy Day Unit at Bronglais General Hospital
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	Andrew Carruthers, Director of Operations Mandy Rayani, Director of Nursing, Quality & Patient Experience
SWYDDOG ADRODD: REPORTING OFFICER:	Peter Skitt, County Director Ceredigion Nicola Llewelyn, Head of Hywel Dda Health Charities

Pwrpas yr Adroddiad (dewiswch fel yn addas) Purpose of the Report (select as appropriate)
Ar gyfer penderfyniad/For Decision

**ADRODDIAD SCAA
SBAR REPORT**

<p><u>Sefyllfa / Situation</u></p> <p>A business case relating to the development of a new Chemotherapy Day Unit (CDU) at Bronglais General Hospital (BGH), Aberystwyth, was approved at the Hywel Dda University Health Board's (HDdUHB) Public Board meeting on 26th September 2019. The development of a capital fundraising appeal under the umbrella of Hywel Dda Health Charities to meet the shortfall in funding for the new CDU was also approved by the Charitable Funds Committee (CFC) in September 2019.</p> <p>As the capital development did not progress during autumn/winter 2019/20, prior to the onset of the COVID-19 pandemic, an updated proposal for the new CDU at BGH is being presented to the July 2021 HDdUHB Public Board meeting for consideration. This proposal will present revised location plans for the new CDU as well as the capital investment requirements for the development. The proposal will also recommend that the fundraising appeal approved in September 2019 is launched in order to meet the shortfall in funds required for the development.</p> <p>The purpose of this report is to present the CFC with an updated proposal for the development of a capital fundraising appeal for the new CDU at BGH as well as an overview of key considerations relating to the appeal.</p> <p><u>Cefndir / Background</u></p> <p>It has long been recognised that the physical environment of the current CDU at BGH is not fit for purpose. Whilst the excellent clinical teams deliver the very best care possible, the physical location of the current unit is unsuitable. As a result, an internal project group was formed in autumn 2017 to explore the options to develop a new CDU within BGH to ensure that a safe, local and fit for the future solution is implemented for the delivery of chemotherapy and associated medicines for our patients.</p> <p>The business case relating to the development of a new CDU at BGH approved in September 2019 was based on the new CDU being located at Y Banwy ward, BGH. Since the beginning of</p>

the pandemic, Y Banwy ward has been successfully used as an 18-bedded facility for COVID-19 patients and it is proposed that this facility is retained. Alternative plans have therefore been developed for the CDU to remain at its current location (Leri Day Unit, BGH) and instead fully refurbish this area. An updated proposal for the development is being presented at the July 2021 HDdUHB Public Board meeting for consideration.

This proposal will confirm that the development requires funding of £2,197,717 based on provisional estimated costs and will also propose that the shortfall of £500,000 in funds required for the development will be met by a capital fundraising appeal developed under the umbrella of Hywel Dda Health Charities, subject to the development being approved by Public Board.

Asesiad / Assessment

1. Governance considerations

HDdUHB was appointed as corporate trustee of its charitable funds by virtue of Statutory Instrument 2009 No. 778 (W.66), with the Board serving as its agent in the administration of the charitable funds held by HDdUHB.

In accordance with HDdUHB's Standing Orders and Scheme of Delegation, the Board has nominated the CFC to:

- i. Make and monitor arrangements for the control and management of HDdUHB's charitable funds, within the budget, priorities and spending criteria determined by the Board and consistent with the legislative framework.
- ii. Provide assurance to the Board in its role as corporate trustees of the charitable funds held and administered by HDdUHB.
- iii. Agree issues to be escalated to the Board with recommendations for action.

The role of the CFC should therefore involve consideration of whether a fundraising appeal to meet the estimated shortfall in funds required for the BGH CDU development is in the best interests of the charity.

To ensure that the CFC is discharging its duties to act in the best interests of the charity when making decisions, CFC members are asked to receive assurance on the following governance considerations in relation to the development and delivery of a capital fundraising appeal:

1.1 Public benefit requirements

In accordance with charity law, all charities must have purposes that are for the public benefit. Any charitable fundraising appeals must therefore be for charitable purposes and 'for the public benefit'.

The BGH CDU fundraising appeal would seek to raise sufficient funds to meet the estimated funding shortfall required for the development. The development of the new unit would ensure that the population of Ceredigion and the neighbouring counties of Powys and Gwynedd would be treated in a modern and welcoming environment to match the outstanding care they receive from staff. It would also provide:

- A significantly improved environment for patients to offer comfort in more modern surroundings.
- Additional facilities such as counselling rooms and private spaces to ensure the ability to deliver privacy and dignity to patients and their families.
- A fit-for-the-future environment to deliver chemotherapy and haematological services,

resulting in greater clinical efficiency and effectiveness for clinical staff.

1.2 Application of funds raised

The Charity Commission recommends that careful consideration is given to the purpose(s) of a charitable appeal and to the terms and wording used in an appeal. The Charity Commission has jurisdiction over funds raised as charitable appeals and those holding these funds. The Charity Commission can intervene if necessary to ensure that funds are applied for the charitable purposes for which they have been raised. If the purpose specified in an appeal cannot for some reason be achieved, or too much or too little money is raised, it can often present challenges which can only be resolved by formal processes.

These challenges can be avoided if proper attention is paid to the wording of charitable appeals to ensure that all appeals clearly state what would happen to any surplus funds and what would happen to donations if not enough funds are raised.

In September 2019, the CFC approved the launch of a secondary purpose appeal; an appeal where the priority is to apply money to the primary purpose (development of a new CDU) and also makes provisions for what would happen to any funds left over after the primary purpose has been achieved or should not enough funds be raised to carry out the primary purpose. For example:

'To provide a new Chemotherapy Day Unit for Bronglais General Hospital. Once this aim has been achieved, or not enough money is raised to carry out this aim, any surplus or unused funds will be used to relieve the needs of those affected by cancer across Ceredigion.'

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2. Financial position

The development costs have been estimated with a project out-turn cost of £2,197,717 (provisional estimated costs) and can be broken down as follows:

Capital Cost Summary

Ref	Cost Centre	Net £	VAT @ 20% £	Gross £
5	Works Cost (DAF2)	1,136,191.88	227,238.38	1,363,430.26
6	Fees & Charitable Funding Support (DAF3)	244,336.43	48,867.29	293,203.71
7	Non-works Costs (DAF3)	162,675.13	32,535.03	195,210.16
8	Equipment Costs (DAF2) (0% of (5))	179,437.78	35,887.56	215,325.34
9	Contingency (15% of 5)	149,512.69	29,902.54	179,415.23
10	Forecast Project Out-turn Cost (Pre VAT Recovery)	1,872,153.91	374,430.78	2,246,584.69
11	LESS RECOVERABLE VAT (DAF5)		48,867.29	48,867.29
12	FORECAST PROJECT OUT-TURN COST	1,872,153.91	325,563.50	2,197,717.40

The current position in relation to the funding confirmed or pending approval for the development can be broken down as follows:

1. Capital development	Total £	Status
1.1 Provisional Cost Estimate	2,197,717.40	16 th June 2021 – V4
Total	2,197,717.40	
2. Confirmed charitable funds	Total £	Status
2.1 Ceredigion Cancer Services T865	287,496.00	CFC approval September 2019. Held in UHB charitable funds.
2.2 B.A. Jenkins Legacy Fund T322	259,977.00	CFC approval September 2019. Held in UHB charitable funds. Future interest growth also approved.
Total	547,473.00	
3. Charitable funds pending approval	Total £	Status
3.1 BGH Chemotherapy Day Unit Appeal Fund T392	97,364.29	Donation from the former trustees of the Mid Wales Scanner Appeal (November 2019). Restricted for the CDU development. Held in UHB charitable funds. <i>Pending CFC approval.</i>
3.2 Ceredigion Cancer Services T865	173,936.80	80% of fund balance as of 31 st March 2021. <i>Pending CFC approval.</i>
3.3 Bronglais Hospital General Fund T330	400,000.00	Supported by the BGH Hospital Services Committee June 2021. <i>Pending CFC approval.</i>
Total	671,301.09	
4. Funding pending from other sources	Total £	Status
4.1 Mid Wales Colo-Rectal Cancer Fund	110,000.00	Receipt of funds pending. Verbal commitment of funds provided in October 2020.
Total	110,000.00	
5. Confirmed funding from other sources	Total £	Status
5.1 UHB discretionary capital funding	364,461.00	Approved as a pre-commitment from HDdUHB's 2022/23 discretionary capital programme.
Total	364,461.00	
6. Total funds available / pending	1,693,235.09	
7. Funding shortfall	504,482.31	

It is proposed that the shortfall of £500,000 in funds required for the development will be met by a capital fundraising appeal developed under the umbrella of Hywel Dda Health Charities, subject to the development being approved by Board.

3. Fundraising appeal

As outlined above, the current provisional estimated costs for the development are £2,197,717.

The current estimated shortfall in funds required for the development is £500,000 and it is proposed that the target for the fundraising appeal is set to meet the shortfall in full.

3.1 Strategic fundraising report

In February 2020, Hywel Dda Health Charities commissioned a strategic fundraising report for the BGH CDU fundraising appeal. The report, written by Karen Edgington, Fundraising Consultancy, provided recommendations to inform the appeal’s fundraising strategy to facilitate income diversification and growth to achieve the fundraising target. This report was revised during June 2021 and provides the charity with updated considerations and recommendations for the appeal within the current fundraising climate. The report will form the basis of the fundraising strategy for the development.

Given the charity’s track record of attracting considerable charitable donations to cancer services in Ceredigion and our strong foundation of community support, the report suggests that the appeal should be successful and the £500,000 target, while ambitious, is achievable.

The current fundraising landscape and the ongoing effects of the pandemic add complexity to running a capital fundraising appeal in the current climate. However, our local communities have demonstrated their commitment to support local cancer services over a number of years and are motivated in helping us to develop a new CDU at BGH. This can be demonstrated through the considerable charitable donations made to Ceredigion cancer services in recent years in anticipation of the launch of a fundraising appeal and we are confident that support will increase even further following the launch of a formal appeal:

2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
£32,067	£59,005	£100,708	£167,207	£217,465	£84,808	£15,597
-	+ 84%	+ 71%	+ 66%	+ 30%	- 61%	to 31.05.21

Although the level of donations received during 2020/21 declined as would be expected during a global pandemic, mainly due to restrictions on community and mass participation fundraising events, it is envisaged that income levels will recover and exceed the levels seen in previous years with the launch of a long-awaited appeal which will build upon these firm foundations.

3.2 Approach to fundraising

Best practice suggests that a capital appeal should secure 50-75% of the required income before a public launch to reduce the risk of donor fatigue and increase public engagement since the likelihood of appeal success is higher when a significant proportion of funds are secured. For the BGH CDU appeal, 77% of funds have been secured or committed prior to the launch of the appeal increasing the likelihood of success.

Our approach to fundraising would adopt the standard four phase model for a capital fundraising appeal. This model has been followed by a number of NHS charities who have developed successful capital fundraising appeals:

Phase 1	Planning	
		<ul style="list-style-type: none"> • Ensuring appropriate governance arrangements are in place. • Developing a case for support. • Securing the resources required to manage a successful appeal. • Planning of fundraising activities/campaigns in line with fundraising regulations and legislation.

		<ul style="list-style-type: none"> Developing communications/marketing plans.
Phase 2	Private	<ul style="list-style-type: none"> Making private approaches to potential supporters (e.g. trusts and foundations, corporate, high net worth individuals) to create momentum for phase 3. Developing relationships with key stakeholders.
Phase 3	Public	<ul style="list-style-type: none"> Public launch of fundraising appeal. Implementation of fundraising campaigns and communications/marketing plans.
Phase 4	Post-Appeal	<ul style="list-style-type: none"> Thanking supporters. Delivery of capital project. Converting appeal donors into longer-term supporters.

A detailed fundraising strategy will be developed following approval of the appeal based on the recommendations of the strategic fundraising report to facilitate income diversification and growth to achieve the fundraising target.

3.3 Phasing of the CDU development and fundraising appeal

The expected duration of the development is 35 months from approval to completion; 18 months of planning and 17 months of construction.

Key phases	Months	Timescales
Estates preparation and brief	6	August 2021 to January 2022
Development of fundraising appeal	3	August to October 2021
Launch of fundraising appeal	-	November 2021
Delivery of fundraising appeal	15	November 2021 to January 2023
Concept design	4	February to May 2022
Detailed technical design	8	June 2022 to January 2023
Construction work including commissioning	17	February 2023 to June 2024
CDU "go live" date	35	June 2024

This timeline will be dependent upon the approval of the proposal for the development at the HDdUHB Public Board meeting in July 2021.

The timescales relating to the launch and duration of the appeal will also be dependent upon the phasing of the capital development, however it is recommended that the duration of the appeal's planning phase is for a minimum of 3 months and the delivery of the appeal is for a minimum of 15-months, or sooner, should the appeal reach its target before this time.

A 15-month period to secure the shortfall of £500,000 is ambitious, however achievable, with a comprehensive and effective fundraising strategy. The end of a 15-month fundraising appeal will coincide with the tender return period and the aim is to secure the full £500,000 shortfall prior to the tender award stage. However, should the appeal not reach its target by the end of the 15-month appeal, consideration will be given prior to the tender award stage, following a full review of tender return costs and charitable income, to extending the duration of the appeal aligned to the initial phase of construction work. Any decision to proceed at risk with the construction work aligned to an extension to the fundraising appeal would be undertaken through the appropriate governance channels and be dependent on the balance of outstanding funds and risks to both HDdUHB and the charity with this approach.

Best practice and academic research demonstrate that fundraising income is regularly sustained in capital fundraising appeals once construction starts on site. Income peaks occur following the launch of an appeal, after construction work begins, and at the final stage of an

appeal, usually when 90% of the target has been achieved. The most notable NHS capital appeals that have followed this trend have been the Wishing Well Appeal for Great Ormond Street Hospital and more recently a £2m project to enhance a children's emergency department in Southampton General Hospital.

High intensity marketing and communications activity aligned to the commencement of construction work on site as a final push to secure the final balance of funds is highly successful in capital appeals of this nature. Fundraising retrospectively beyond the completion of construction work is highly unlikely to be successful. The full balance of funds to meet the fundraising target must therefore be secured before the completion of construction work.

3.4 Resources

As per customary practice, all fundraising appeal costs have been integrated into the provisional estimated costs of the development as 10% of the fundraising appeal's target which is considered to be a fair and reasonable level of resource to deliver the appeal and its fundraising strategy.

The charity's fundraising team will provide strategic direction as well as managerial support to the fundraising appeal and to supplement this expertise, dedicated fundraising and marketing/communications support will be recruited to support the delivery of the appeal's fundraising strategy.

4. Monitoring and reporting arrangements

The Bronglais General Hospital Chemotherapy Day Unit Project Group was established in autumn 2017 and operates in line with the 'NHS Wales Infrastructure Investment Guidance, WHC (2018) 043'.

The aim of the Project Group is to ensure a safe, local and fit for the future solution is implemented for the delivery of chemotherapy (and associated medicines) for Ceredigion patients with the following key functions:

1. To develop and agree a suitable service model for the delivery of chemotherapy for Ceredigion patients.
2. To determine and progress with the most appropriate capital funding route whether that be discretionary application, charitable funding application or accessing All Wales Capital Funding.
3. To oversee, approve and monitor the project to ensure it meets its capital investment and service objectives. To approve capital investment proposals relating to the project.
4. To ensure appropriate evaluation of the service change and address any areas of concern.

The Project Group meets on a monthly basis and will also assume the responsibility for monitoring progress of the appeal to ensure that it achieves its key milestones as well as ensuring co-ordination between all appeal fundraising and communications activities at both an operational and strategic level.

The Project Group is responsible for the development's risk register together with mitigation measures. Any risks associated with the appeal will feed into the Project Group's risk register for monitoring on a monthly basis. The Project Group will provide quarterly reports to the CFC on the progress of the fundraising appeal.

5. Risk

Risk	Mitigation
Reputational risk should the development be delayed or not approved by Public Board as significant levels of charitable funds donated for the development of a CDU will not be used for their intended purpose.	Original development approved by Public Board in September 2019. Revised proposal and a strong business case being submitted to July 2021 Public Board for consideration.
Fundraising appeal not meeting its £500,000 target within 15 months.	Comprehensive fundraising strategy to be developed based on the recommendations of the strategic fundraising report. Ensuring appropriate resources to deliver the appeal. Opportunity to extend the duration of the appeal following the initial 15-month period to align with the initial phase of construction work.
Fundraising appeal not meeting its target following an extension of the appeal following tender award and commencement of construction works.	Robust discussions prior to tender award stage and commencement of construction work dependent on the balance of outstanding funds. Tender award stage to only proceed if outstanding balance of appeal is considered achievable. Full balance of funds to be raised prior to go live date, 17 months after construction commences.
HDdUHB to assume responsibility for meeting any shortfall in funds.	Any decision to proceed at risk with tender award and construction work prior to meeting appeal target would be undertaken through the appropriate governance channels and be dependent on the balance of outstanding funds and risks to both HDdUHB and the charity. Limited discretionary capital funding available to make an additional contribution to the development, therefore BGH charitable funds would be the only available source of funding.
Tender return costs significantly higher or lower than provisional cost estimate.	Estates Team to follow the HDdUHB 'Mandatory project approval process prior to tender for construction and engineering projects' based on three key stages: Stage 1: Provisional cost estimate Stage 2: Budget cost estimate Stage 3: Pre-tender estimate. Development costs will be re-evaluated at each stage of this process and the fundraising appeal target will be reviewed and refined accordingly.
Fundraising appeal exceeding its target or tender return costs less than pre-tender estimate.	Secondary purpose appeal. Any surplus funds could be legitimately used for Ceredigion cancer services.
Not receiving the funds committed by the	Verbal commitment provided in October

external charity Mid Wales Colo-Rectal Cancer Fund (£110,000).	2020. Regular communication with trustees who are awaiting formal approval of development before making a donation.
Reputational risks if the appeal is associated with unethical fundraising.	Fundraising Manager to oversee appeal activities ensuring all fundraising is ethical and in line with fundraising regulations.
Public opposition to an NHS charity launching an appeal of this nature.	Case for support, key messaging and marketing/communications strategy to emphasise public benefits and above and beyond nature of development and improvements to the patient and staff experience.

Argymhelliad / Recommendation

The Charitable Funds Committee is requested to:

- **APPROVE** the development of a fundraising appeal under the umbrella of Hywel Dda Health Charities for a new CDU at BGH, subject to the development being approved at the July 2021 HDdUHB Public Board meeting.
- **ENDORSE** and **RECOMMEND** for approval by the Corporate Trustee an additional contribution of **£671,301.09** from HDdUHB charitable funds for the development:

BGH Chemotherapy Day Unit Appeal Fund T392	£97,364.29	Donation from the former trustees of the Mid Wales Scanner Appeal, restricted for the CDU development. Held in UHB charitable funds.
Ceredigion Cancer Services T865	173,936.80	80% of fund balance as of 31 st March 2021.
Bronglais Hospital General Fund T330	400,000.00	Supported by the BGH Hospital Services Committee June 2021.

Amcanion: (rhaid cwblhau)

Objectives: (must be completed)

Committee ToR Reference: Cyfeirnod Cylch Gorchwyl y Pwyllgor:	6.1 Within the budget, priorities and spending criteria determined by the UHB 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. 6.3 To ensure that the UHB policies and procedures for charitable funds investments are followed. 6.19 Expenditure in excess of £50,000 will require the approval of the Charitable Funds Committee. Expenditure over £100,000 will require the approval of the Corporate Trustee.
Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score:	Risks are summarised under the assessment section of this SBAR. A project risk register is under development and will be managed by the project team. This will include risks associated with the fundraising appeal.
Safon(au) Gofal ac Iechyd: Health and Care Standard(s):	1.1 Health Promotion, Protection and Improvement 3.1 Safe and Clinically Effective Care

	3.3 Quality Improvement, Research and Innovation
Amcanion Strategol y BIP: UHB Strategic Objectives:	4. Improve the productivity and quality of our services using the principles of prudent health care and the opportunities to innovate and work with partners.
Amcanion Llesiant BIP: UHB Well-being Objectives: Hyperlink to HDdUHB Well-being Statement	Support people to live active, happy and healthy lives Improve efficiency and quality of services through collaboration with people, communities and partners

Gwybodaeth Ychwanegol: Further Information:	
Ar sail tystiolaeth: Evidence Base:	Not Applicable
Rhestr Termau: Glossary of Terms:	Included within the body of the report.
Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Cronfa Elusennol: Parties / Committees consulted prior to Charitable Funds Committee:	Executive Team Bronglais General Hospital Chemotherapy Day Unit Project Group Director of Operations Assistant Director of Strategy and Planning Discretionary Capital Projects Manager Lead Cancer Nurse Associate Specialist Oncology Assistant Head of Capital and Service Modernisation

Effaith: (rhaid cwblhau) Impact: (must be completed)	
Ariannol / Gwerth am Ariannol: Financial / Service:	Included within the body of this report.
Ansawdd / Gofal Claf: Quality / Patient Care:	The refurbishment and upgrade of facilities is intended to improve patient facilities. The fundraising appeal seeks to provide a significantly improved environment for patients to offer comfort in more modern surroundings.
Gweithlu: Workforce:	Costs associated with the delivery of the fundraising appeal are included within the body of this report.
Risg: Risk:	Included within the body of the report.
Cyfreithiol: Legal:	The fundraising appeal would be developed in line with Charity Commission guidance and fundraising regulations.
Enw Da: Reputational:	Should the scheme be delayed or not be approved there is a reputational risk to HDdUHB if the funds donated for the development could not be used for the purpose they were intended for.
Gyfrinachedd: Privacy:	Privacy Impact Assessment screening will be undertaken and managed by the BGH CDU Project Group in relation to the capital development rather than the fundraising appeal.
Cydraddoldeb: Equality:	No EqIA is considered necessary for the development of the fundraising appeal.

