



PWYLLGOR CRONFA ELUSENNOL CHARITABLE FUNDS COMMITTEE

DYDDIAD Y CYFARFOD: DATE OF MEETING:	30 November 2021
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:	Jennifer Thomas, 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)

Ar Gyfer Trafodaeth/For Discussion

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 30th September 2021.

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 assets** of the charity have decreased by **£379,790** for the period ending 30th September.
2. Total **incoming resources** up to 30th September 2021 were **£400,609** of which:
 - **£312,462** related to **donations and fundraising income**, a **decrease of 37.8%** in comparison to income received for the same period in the previous financial year.
 - **£47,079** related to **legacy income**, a **decrease of 39.6%** in comparison to previous year income for the same period.
 - **£2,000** related to **grant income**, a **decrease of 98.8%** in comparison to previous year income for the same period.

- **£39,068** related to **investment income** (endowment only), a **decrease of 3.1%** in comparison to previous year income for the same period.
3. The charity's **overall income from donations, grants and legacies** to 30th September 2021 has **decreased by 51.3%** in comparison to previous year income for the same period.
 4. The **value of investments** held by the charity as at 30th September 2021 was **£8,644,425**. The **value of total funds** held at the same date was **£10,127,010**. The charity's investment advisors, Sarasin & Partners LLP, report that the portfolios have performed below the index based benchmark over the past quarter.
 5. **Realised and unrealised gains** on **investment assets** (endowment only) amount to **£47,411** as at 30th September 2021; a **decrease of 82.8%** in comparison to previous year gains.
 6. The **balances** of the charity **bank accounts** as at 30th September 2021 were: **current account £4,608** and **deposit account £3,444,937**.
 7. **Charitable expenditure** excluding support costs for the period 1st April 2021 to 30th September 2021 was **£773,941**, which represents a **74.1% 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 30th September is **£195,050**; an **underspend of £17,873** against budget.
 9. There is a **net surplus** from **unrestricted apportionments** across funds of **£20,223** for the period ending 30th September 2021, which is **sufficient to cover the governance and support costs** and audit fees incurred by the charity.

In addition to the statement of financial activity for the period ending 30th September 2021 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 30th September 2021 (Appendix 3).
- Expenditure over £10,000 for the period April to July 2021 (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) Risk score: 9
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 Termau: 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 EqIA is considered necessary for a paper of this type.



Integrated Performance Report

Position as at
30th September 2021



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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*

** 2020/21 end of year figures may be subject to change pending audit of the annual accounts.*

2.1 The **net assets** of the charity have decreased by **£379,790** for the period ending 30th September 2021 (see Appendix 1).

2.2 Total **incoming resources** to 30th September 2021 (See Appendix 1) were **£400,609** of which:

- **£312,462** related to **donations and fundraising income**, a **decrease of 37.8%** in comparison to previous year income for the same period.
- **£47,079** related to **legacy income**, a **decrease of 39.6%** in comparison to previous year income for the same period.
- **£2,000** related to **grant income**, a **decrease of 98.8%** in comparison to previous year income for the same period.
- **£39,068** related to **investment income** (endowment only), a **decrease of 3.1%** in comparison to previous year income for the same period.

2.3 The charity's **overall income from donations, grants and legacies** to 30th September 2021 has **decreased by 51.3%** in comparison to previous year income for the same period.

2.4 The **value of investments** held by the charity as at 30th September 2021 was **£8,644,425**. The **value of total funds** held at the same date was **£10,127,010**. Our investment advisors Sarasin & Partners LLP report that our portfolios have performed below the index based benchmark over the past quarter.

- 2.5 **Realised and unrealised gains on investment assets** (endowment only) amount to **£47,411** as at 30th September 2021, a **decrease of 82.8%** in comparison to previous year gains (See Appendix 1).
- 2.6 The **balances** of our charity **bank accounts** as at 30th September 2021 were: **current account £4,608** and **deposit account £3,444,937**
- 2.7 Our **charitable expenditure** excluding support costs for the period 1st April 2021 to 30th September 2021 was **£773,941** which represents a **74.1% 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 30th September is **£195,050**; an **underspend of £17,873** against budget.
- 2.9 There is a **net surplus** from **unrestricted apportionments** across funds of **£20,223** for the period ending 30th September 2021, which is **sufficient to cover the governance and support costs** and audit fees incurred by the charity.

Further information:

- The **statement of financial activity** for the period ending 30th September 2021 is included at **Appendix 1**.
- A summary of our **investment performance** for the period ending 30th September 2021 is included at **Appendix 2**.
- Details of material commitments (approved by the CFC) as at period ending 30th September 2021 is included at **Appendix 3**.
- Details of the charity's **expenditure over £5,000** to 30th September 2021 is included at **Appendix 4**.

3. Our Income

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

Figure 1: Rolling annual donation figures by county from September 2020 to September 2021

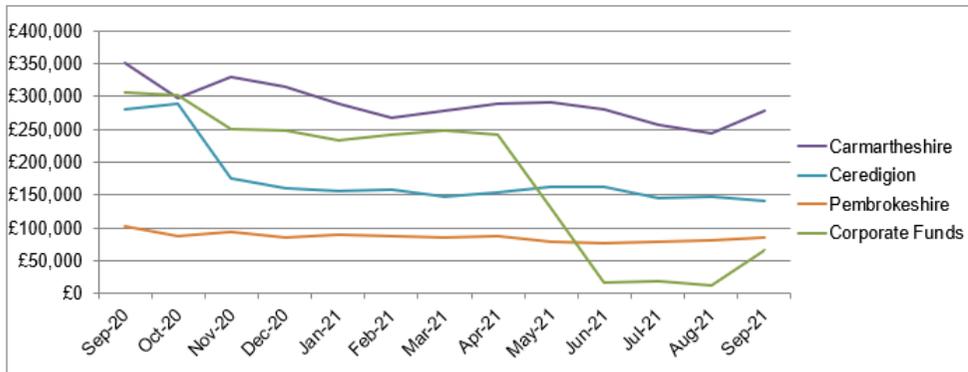
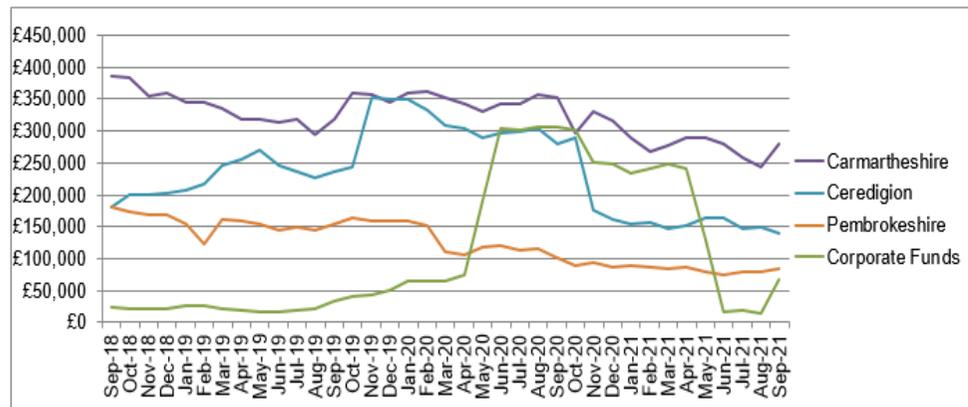


Figure 2: Rolling annual donation figures by county from September 2018 to September 2021



- The charity’s overall income from donations, grants and legacies to 30th September 2021 has decreased by 51.3% in comparison to income received for the same period in the previous financial year.
- As the charity’s income increased by 20.75% during 2020/21 and remained above the national UK levels of average charitable giving, a decrease in income during 2021/22 was to be expected.
- The decrease in income can be attributed to the unprecedented support the charity received in 2020/21, the significant level of grant funding received from NHS Charities Together during this period, and the significant impact of the pandemic on UK charitable giving, community fundraising and mass participation events.
- It is envisaged that the charity may experience further reductions in income due to the ongoing impact on community fundraising and mass participation events for the foreseeable future.
- However, every effort is being made to stabilise income levels with a variety of initiatives discussed in agenda item 3.3. It is envisaged that the launch of the Hywel Dda Health Charities lottery and the Bronglais General Hospital (BGH) Chemotherapy Day Unit capital fundraising appeal will help to stabilise income levels during the remainder of 2021/22.
- Latest legacy predictions for 2021/22 forecast an increase in income by between 18% and 23% as legacies start recovering from both the pandemic and administrative delays at the probate service.
- £47,411 related to investment income (endowment only), a decrease of 82.8% in comparison to previous year income for the same period.

4. Our Expenditure

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

Figure 3: Charitable expenditure to 30th September 2021

Expenditure	As at 30th September 2021			
	2019-20 (£)	2020-21 (£)	2021-22 (£)	2021-22 %
Support costs	97,372	99,993	50,906	6.17
Medical and surgical equipment	480,453	403,844	65,961	8.00
Office and computer equipment	290,121	183,304	9,916	1.20
Building and refurbishment	1,390,282	5,941	689,199	83.55
Staff education/ welfare	90,187	39,158	2,594	0.31
Patient education/ welfare	85,313	88,712	3,837	0.47
Miscellaneous	151,189	216,134	2,434	0.30
Total (£)	2,584,917	1,037,086	824,847	100.00

- Charitable expenditure to 30th September 2021 including support costs was £824,847, which represents a 66.9% increase in comparison to expenditure for the previous financial year.
- This can be attributed to the higher level of spend committed against building and refurbishment works during 2021/22, largely due to the development of the BGH Chemotherapy Day Unit (£671,000).
- The Digital Improvement Team continues to support the development of the online charitable funds application process. Discussions have taken place with Internal Audit to agree an acceptable authorisation process however further work is required on the workflow for expenditure authorisations. A 'test' electronic application form will be piloted prior to launch during quarter 3.

- A review of Christmas 2021 charitable funds has been undertaken and the initiative launched on 11th November (see agenda item 4.1).
- Close working relationships continue to be established with Finance Business Partners to encourage appropriate expenditure and support their client departments to deploy charitable funding effectively in areas where it can make the biggest difference.
- The remaining balance of £36,585 NHS Charities Together stage 1 'COVID-19 urgent response' grants will be committed during quarters 3 and 4. This will support new and emerging staff and patient welfare and wellbeing needs, in line with the terms and conditions of funding, which will allow us to submit an end of grant report to NHS Charities Together.
- Two proposals for further NHS Charities Together Stage 2 Community Partnership grant funding submitted in October 2021 were successful. We will now submit full applications for the Safeguarding team's proposal for an independent domestic violence advocate for WGH and BGH Accident and Emergency departments and the Nutrition and Dietetics team's proposal to develop a pilot to support the Dyfed Drug and Alcohol Service by providing training, ensuring they can support service users with nutrition and eating habits.

4.1 Governance and Support Costs

Figure 4: Finance and fundraising costs to 30th September 2021

	Approved annual budget 2021-22 £	Budget to 30/09/21 £	Actual Costs to 30/09/21 £	(Under) / Over budget to 31/09/21 £
Finance	92,813	46,407	46,407	0
Fundraising	333,032	166,516	148,643	(17,873)
Total	425,845	212,923	195,050	(17,873)

Figure 5: Investment income, returns and charges to 30th September 2021

	Restricted Funds (£)	Unrestricted Funds (£)	Endowment Funds (£)	Overall Total (£)
Investment Income	(54,537)	(54,795)	(43,784)	(153,116)
Governance & Support - Finance, Fundraising & Support Team	87,065	86,411	5,539	179,016
Investment Management Fees	8,537	8,514	7,077	24,128
Audit Fees	2,401	1,971	128	4,500
Investment Gains & Losses	(62,031)	(62,324)	(52,776)	(177,130)
(Surplus) / Deficit	(18,564)	(20,223)	(83,815)	(122,602)

- In March 2021, the CFC approved a governance and support costs budget of £425,845 for 2020/21, in line with the resources required to deliver the charity's three-year plan.
- For the year to 30th September 2021, the reported position for the total of finance and fundraising costs is an underspend of £17,873 against budget. This is mainly as a result of recruitment delays within the fundraising team.
- The table at figure 5 depicts all investment income, returns and charges apportioned across funds for the period ending 30th September 2021.
- There is a net surplus from unrestricted apportionments of £20,223. The unrestricted funds surplus is sufficient to cover the governance and support costs and audit fees incurred by the charity.

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 and 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.

Appendix 1: Statement of Financial Activity for the Period Ending 30th September 2021

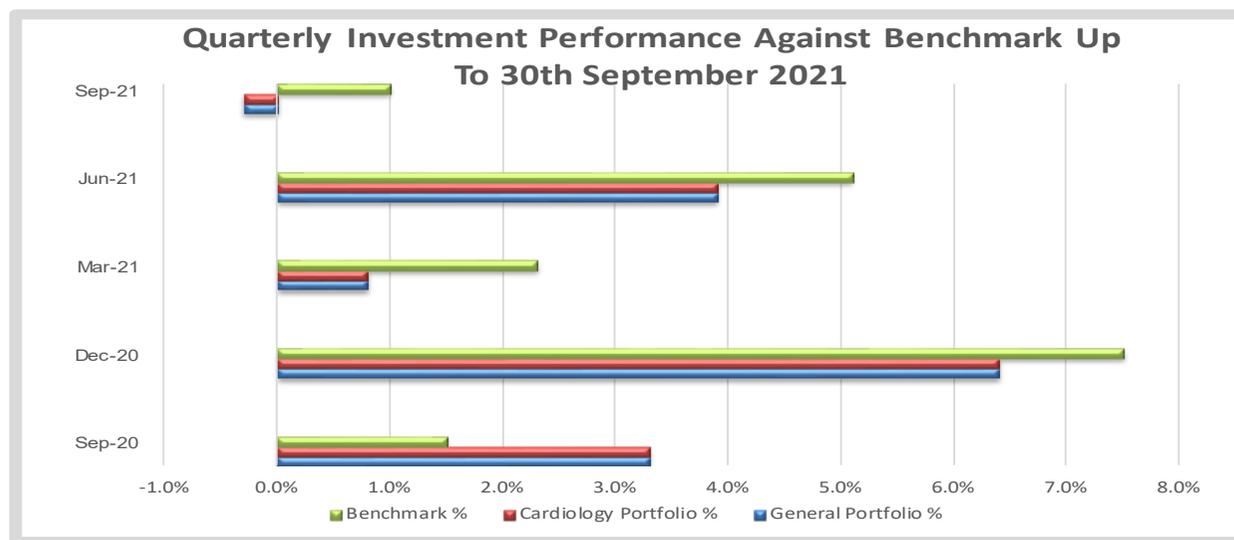
HYWEL DDA LOCAL HEALTH BOARD CHARITABLE FUND REPORT - SUMMARY FOR THE PERIOD ENDING 30 SEPTEMBER 2021							
	Corporate	Acute Services	Carmarthen Community	Ceredigion Community	Pembrokeshire Community	Mental Health & Learning Disabilities	Total
	£	£	£	£	£	£	£
Incoming resources							
Donations	77,155	210,566	13,490	4,479	1,063	5,710	312,462
Legacies	0	47,078	1	0	0	0	47,079
Grants receivable	0	0	0	0	0	2,000	2,000
Investment income	0	39,068	0	0	0	0	39,068
Activities for generating funds	0	0	0	0	0	0	0
Other incoming resources	0	0	0	0	0	0	0
	77,155	296,712	13,491	4,479	1,063	7,710	400,609
Resources expended							
Costs of generating funds	0	0	0	0	0	0	0
Charitable activities	(3,898)	(764,882)	(2,291)	299	(1,748)	(1,419)	(773,941)
Governance costs	0	0	0	0	0	0	0
Support costs	0	0	0	0	0	0	0
Investment Management	0	(6,458)	0	0	0	0	(6,458)
	(3,898)	(771,341)	(2,291)	299	(1,748)	(1,419)	(780,399)
Net incoming/(outgoing) resources before transfers	73,257	(474,629)	11,200	4,777	(685)	6,290	(379,790)
Gross transfers between funds	0	0	0	0	0	0	0
Net incoming/(outgoing) resources	73,257	(474,629)	11,200	4,777	(685)	6,290	(379,790)
Gains/(losses) on investment assets							
Realised and Unrealised	0	47,411	0	0	0	0	47,411
Net movement in funds	73,257	(427,218)	11,200	4,777	(685)	6,290	(332,379)
Opening balance at 1 April 2021	1,167,498	8,231,524	496,527	207,646	148,328	207,868	10,459,390
Closing balance at 30 September 2021	1,240,754	7,804,305	507,727	212,423	147,643	214,158	10,127,010

Appendix 2: Investment Performance

As at 30th September 2021, the value of investments held by the charity was £8,644,425. The value of total funds held at the same date was £ 10,127,010.

Funds are separated into two areas. Firstly, a fund tied to the permanent endowment fund for Pembrokehire Cardiology Equipment of £2,313,778 and secondly a general charity fund of £6,330,647.

Higher inflation and issues within global supply chain has led to a challenging market over the autumn period. As a result of this, there has been a decline in our portfolio's performance against index-based benchmarking however, the results remain strong in absolute terms. Sarasin & Partners LLP advise there may be further short-term volatility however; markets should settle down and long-term investors will once again be rewarded with sustained profits growth.



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) (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 30th September 2021 (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 - Pembrokeshire	169,155	Ward 10 Enhanced Scheme	Sep-19	Active Spend - Finance are working with Fundraising Team to ensure spend has complied with approved expenditure plan.
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 - Ceredigion	7,168	Cancer Psychological Support Pilot Project 2 years	Mar-18	Reducing balance - monthly recharges transacted in 2021-22 to support staff costs.
Cancer Service - Pembrokeshire	13,298	Cancer Psychological Support Pilot Project 2 years	Mar-18	
Cancer Service - Glangwili	16,726	Cancer Psychological Support Pilot Project 2 years	Mar-18	
Cancer Service - Prince Philip	14,752	Cancer Psychological Support Pilot Project 2 years	Mar-18	
Unscheduled Care - Ceredigion	5,000	Funding of Trainee Clinical Nurse Specialist Post	Sep-20	Agreed via CFC Meeting 15th September 2020 - due to the pandemic appointed into these posts have been delayed until 2021. Closing dates of advert 30th July 2021.
Unscheduled Care - Pembrokeshire	5,000	Funding of Trainee Clinical Nurse Specialist Post	Sep-20	
Cancer Service - Ceredigion	67,819	Funding of Trainee Clinical Nurse Specialist Post	Sep-20	
Cancer Service - Pembrokeshire	31,409	Funding of Trainee Clinical Nurse Specialist Post	Sep-20	

Appendix 4: Expenditure Over £5,000 for the Period August to September 2021

Service	Fund Name	£	Description	Claim Ref
Unscheduled Care	T707-GGH General Medicine	7,000.00	Bladderscanner	CF02053