



COMMITTEE UPDATE REPORT/ ADRODDIAD DIWEDDARU'R PWYLLGOR – CHARITABLE FUNDS COMMITTEE (CFC)

Date of last meeting/ Dyddiad y cyfarfod diwethaf: 08 September 2026

Quoracy/ Cworwm: Met

Report by/ Adroddiad gan: Mr Iwan Thomas, Chair

KEY DISCUSSION POINTS AND MATTERS FROM THE DISCUSSION AT THE MEETING/ PWYNTIAU TRAFOD ALLWEDDOL A MATERION I'W HUWCHGYFEIRIO O'R DRAFODAETH YN Y CYFARFOD:

Alert¹ (may require discussion)/ **Rhybuddio** (efallai y bydd angen trafodaeth)

The Charitable Funds Committee had no items of which to **alert** members of the Board.

Advise² (to monitor)/ **Cynghori** (i fonitro)

The Charitable Funds Committee wish to **advise** members of the Board that:

- Concerns were raised regarding the reduction in investment income during the previous financial year, following the presentation of the **Hywel Dda Health Charities Investment Advisor Update**. The Committee challenged the poor 2025/26 year-end performance despite strong market returns. Underperformance has been driven by stock selection, the de-rating of quality equities, market concentration in a small number of large companies, and the absence of exposure to strongly performing oil, gas and defence stocks. While the equity portfolio returned 5%, the MSCI World Index rose by around 38%. A summary of the factors contributing to the investment performance would be provided by CCLA investment Management Ltd (CCLA) to the Executive Director of Finance for inclusion in the Charity's Annual Report for 2025/26.

Assure³ (to note)/ **Sicrhau** (i nodi)

The Charitable Funds Committee wish to **assure** members of the Board that:

- Within the **Integrated Hywel Dda Health Charities Performance Report**, the income-generation key performance indicator reported that the Charity generated £2.49 for every £1 spent on fundraising activity during quarter 1 of 2026-27, below the annual target of £4.00. It was also reported that 14 active legacy cases were in the pipeline with an expected value of approximately £885,000 when realised, and there had been a 10% increase in charitable donations. The

¹ There is a lack of confidence that any action in place is sufficient to address the issue satisfactorily and/or within the scope of the operational team or executive to resolve. Engagement, action or intervention required.

² There are areas of concern where assurance has been taken on actions in place but requires close monitoring. An early warning of an emerging and potentially serious concern.

³ There is confidence that actions are robust and will be sufficient to address the issue or generally operating effectively. Routine monitoring.

Committee discussed strategic alignment, with a request for future reporting to evidence clearer links to charitable priorities alongside wider Health Board priorities.

- The Statement of Financial Activities for the year ended 31 March 2026 showed income from donations, legacies and grants had fallen by £343,000 compared with 2024/25, mainly due to lower donations and legacy income, partly offset by increased grant funding. Although total expenditure was around £1m lower than the previous year, this reflected the one-time £1.5m Pentre Awel hydrotherapy pool commitment in 2024/25; excluding this, expenditure had increased. Members noted investment losses of £758,000, a £961,000 reduction in fund values, and a decrease in unrestricted funds to £6.5m. Discussion focused on investment performance, reduced unrestricted funds, and declining donations in Ceredigion and Pembrokeshire. The draft figures would form the basis of the statutory accounts, which remain subject to Audit Wales review prior to submission to the Charity Commission by January 2027.
- The **Hywel Dda Health Charities Investment Advisor Update** report from CCLA set out the medium risk ethical long term growth investments held on behalf of the charity, which are currently valued at £11m. Assurance was provided that recent changes were now improving performance.
- Three funding applications, totalling £112,794, were approved, however approval for two of the bids was subject to the provision of further information.
- Assurance was provided by the **Charitable Funds Sub-Committee Update** report.

Review of Risks/ Adolygiad o Risgiau

- There were currently no charitable funds risks on the risk register. However, following earlier discussions regarding the potential impact of the Health Board's strategic change programme on charitable funds, advice was sought from the Assurance and Risk Team. It was recommended that the Communications and Engagement Director assess the risk and consider any mitigating actions required from a communications perspective. This work was progressing outside the Committee and an update will be provided should the assessment indicate the need for a new risk to be added to the risk register.

Sharing of learning/ Rhannu dysgu

- Not applicable.

Recommendation/ Argymhelliad

The Board is asked to:

- **Note** the items the Committee is advising them of.
- **Take assurance** from the items that the Committee is providing assurance on.

Date of next meeting/ Dyddiad y cyfarfod nesaf: 8 December 2026

Agenda, papers and minutes are available on our website/ Mae agenda, papurau a chofnodion ar gael ar ein gwefan: [Charitable Funds Committee \(CFC\) - Hywel Dda University Health Board \(nhs.wales\)](#)