

Borders NHS Board



Meeting Date: 3 December 2020

Approved by:	Iris Bishop, Board Secretary
Author:	Iris Bishop, Board Secretary
ENDOWMENT FUND BOARD OF TRUSTEES MINUTES 10.09.2020	
Purpose of Report:	
The purpose of this report is to share the approved minutes of the Endowment Fund Board of Trustees with the Board.	
Recommendations:	
The Board is asked to note the minutes.	
Approval Pathways:	
This report has been prepared specifically for the Board.	
Executive Summary:	
The minutes are presented to the Board for mutual awareness.	
Impact of item/issues on:	
Strategic Context	As per the Endowment Fund Board of Trustees Terms of Reference, the Board of Trustees report to OSCR and ensure that there is mutual awareness with Borders NHS Board.
Patient Safety/Clinical Impact	As may be identified within the minutes.
Staffing/Workforce	As may be identified within the minutes.
Finance/Resources	As may be identified within the minutes.
Risk Implications	As may be identified within the minutes.
Equality and Diversity	Compliant.
Consultation	Not Applicable.
Glossary	-

Minutes of a Meeting of **Borders NHS Board Endowment Fund Board of Trustees** held on Thursday, 10th September 2020 @ 2 p.m. via MS Teams.

Present: Mr A Bone, Director of Finance
Mr B Brackenridge, Non Executive Director Elect
Mr M Dickson, Non Executive Director
Mrs K Hamilton, Chair
Ms S Lam, Non Executive Director
Dr L McCallum, Medical Director
Mr J McLaren, Employee Director (Joined at 2.30 p.m.)

In Attendance: Mrs B Everitt, PA to Director of Finance (Minutes)
Ms S Swan, Deputy Director of Finance
Mrs K Wilson, Fundraising Manager

1. **Introduction, Apologies and Welcome**

Karen Hamilton welcomed those present to the meeting. Apologies had been received from Mr R Roberts, Chief Executive, Mrs A Wilson, Non Executive Director, Cllr D Parker, Non Executive Director, Mrs F Sandford, Non Executive Director, Dr T Patterson, Director of Public Health and Mr T Taylor, Non Executive Director.

2. **Declaration of Interests**

There were no declarations of interests.

3. **Minutes of Previous Meeting – 24th May 2020**

Sonya Lam advised that her surname had been spelt incorrectly.

Karen Hamilton referred to item 7.2 (Fundraising Update) and her suggestion that it might be advisable to revise the deadlines/target dates within the Fundraising Plan but noted this was not noted as an action on the tracker. Karen Wilson confirmed that this had been undertaken and an update would be coming to the next meeting on the 28th September.

It was also noted that under item 8.1 (Capital Spend – Macmillan Centre Extension) it stated that an update would come forward to Trustees in due course. Andrew Bone advised that there was a meeting scheduled for later in the month to discuss the Capital Programme in totality and an update would be provided after this has taken place.

The minutes were approved as an accurate record with the proviso that the change discussed is made.

4. **Matters Arising**

Action Tracker

Karen Hamilton confirmed that she had written to June Smyth to request an update on the status of the Children's Centre and a response was awaited. Karen agreed to share the letter with Trustees for information. Andrew Bone also agreed to pick up with June to ensure a timely response is provided as this would be incorporated within the Capital Programme meeting.

The action tracker was noted.

5. Endowment Fund Annual Accounts 2019/20

5.1 *Draft 2019/20 Report from Trustees and Annual Accounts*

Susan Swan introduced this item and advised that the draft Trustees report and annual accounts were being presented today for discussion and an opportunity for Trustees to make any comments. The final accounts would come forward to the meeting on the 28th September for formal approval. Susan was pleased to confirm that an unqualified opinion had been received. It was noted that as per previous years the report from Geoghegans, the External Auditor, would come forward to Trustees with their recommendations along with an action plan detailing how these will be incorporated in future. Susan also confirmed that she would provide a report on all amendments agreed at today's meeting to ensure Trustees could see at a glance all the changes made against the next version received at the meeting on the 28th September.

Susan went on to take Trustees through the report and accounts. Karen Hamilton referred to page 11 and highlighted the medium risk rating of the portfolio and asked, due to the lost income in light of the Covid19 pandemic, if this would be reconsidered. Susan advised that as part of the work plan this would come forward to the January meeting for review to ensure Trustees are still comfortable with this risk rating. Malcolm Dickson referred to page 13 and the "Designated Fund – Unrestricted Fund" which stated that during 2015/16 Trustees had agreed to designate £1.5m of unrestricted funds to the Children's Centre. Malcolm highlighted that within the minutes of the last meeting on the 14th May 2020, Trustees had been reminded that they had previously agreed to a £1m underwrite to this fund should fundraising efforts not receive the level of project costs required. Susan agreed that clarification was required around the wording of the split of the £1.5m and gave an update on the proposed wording to provide clarity that it was £0.5m which would be held in a designated fund to contribute to the overall costs of the project and the £1m would be held as an underwrite if required. Lynn McCallum, as a new Trustee, enquired what was being proposed around the Children's Centre. Andrew Bone agreed to update Lynn on this outwith the meeting and advised that he would ensure that when the response to the letter from Karen Hamilton was prepared, it would also provide background and context, which would be especially helpful to the new Trustees.

Karen Hamilton referred to page 15 which intimated that Tris Taylor had been a Trustee until 1st March 2020. Susan Swan agreed to check if this was consistent with the Board's Annual Report and agreed it may not be relevant to include the date. On page 15 Sonya Lam asked that her title be changed to Ms. Bill Brackenridge highlighted the Endowment Advisory Group (EAG) membership on page 17 and suggested that the names of the Non Executive Directors who are on this group are listed so this is formally recorded. Susan agreed to add against the names of those Non Executive Directors who are a member of the EAG on page 17.

Susan took Trustees over the income and expenditure statement detailed on page 23 and highlighted that the total funds carried forward in 2019/20 was £4.8m, in comparison to £5.3m in 2018/19. It was noted that £4.1m was held within the investment portfolio. Susan went on to provide an update on the investment portfolio where it was noted that the valuation has now recovered to a level of £4.8m which is an increase in almost £700k since the last report received from the Investment Advisor. Susan stressed that although the market is recovering there are still risks. Andrew added that he planned to prepare an Endowment Strategy for discussion at the January meeting and the risk profile would inform part of this discussion.

Susan referred to the notes to the accounts which provided an explanation against the figures and took Trustees through these.

Karen Hamilton referred to the funds held over £10k and highlighted that there were more individual restricted funds this year compared to last year and asked if there was a reason for this as she thought it was the intention to try and reduce the number of these funds. Susan explained that if a donation is for a specific purpose and there is not a suitable fund available for this then a new fund requires to be created. Susan offered to provide Trustees with a list of the new funds created if this would be helpful. This was agreed. Karen asked if it should be intimated within the narrative that we are reviewing the restricted funds with the intention of reducing the number of these. Susan highlighted that this was included within the Fundraising section but would discuss with Karen Wilson to ensure that it had been completely captured.

Karen Hamilton also referred to the staff recharges and enquired if the funding for these posts was time limited. Susan confirmed that they are time limited and explained that if a Fund Manager wished to continue a post and they did not have delegated authority then a further application for endowment funding would have to be put forward for consideration. Susan suggested adding a sentence to provide clarity that there is a designated end date for these posts which could be incorporated within the narrative for future years. Andrew did not not feel that those reading the accounts required to know this level of information as it involved individual members of staff, however if Trustees required this information then this could be made available. Karen felt that it would be helpful for Trustees to be kept abreast of the timescales and commitments, particularly in light of any future applications for funding that may come forward. Sonya Lam asked about the impact to the staff in these posts if they do not continue and whether they had any rights. Susan confirmed that there is an underwrite which is approved by the Fund Manager and ensures that the person in post is put on the redeployment register for a period of three years.

Lynn noted that there was a fund for Cauldshiels and queried why there was one if there was no longer a ward. Susan explained that this is part of the fund reorganisation exercise being taken forward by Karen Wilson. Lynn enquired about the timeline for this exercise. It was noted that this had been delayed due to the Covid19 pandemic as it had been intended to do this during 2020, however it was now likely it would be pushed back to 2021. Karen Wilson added that an update paper was due to come to the meeting on the 28th September, however she would be happy to share the paper received at the January meeting with the new Trustees if this would be helpful. This was agreed.

Susan confirmed that she would make the amendments noted at today's meeting and would bring forward the final pack for approval at the meeting on the 28th September.

Karen Hamilton asked Trustees to provide Susan with any further comments/updates by close of play on the 11th September.

The Board of Trustees noted the draft report and Annual Accounts for 2019/20.

6. **Any Other Business**

None.

7. **Date and Time of Next Meeting**

Monday, 28th September 2020 @ 2 p.m. via MS Teams.

BE
14.09.20