


<p style="text-align: center;">HIGHLAND HEALTH BOARD ENDOWMENT FUND</p>	<p>Assynt House Beechwood Park Inverness IV2 3BW Tel: 01463 717123 Fax: 01463 235189 Textphone users can contact us via Typetalk: Tel 0800 959598 www.nhshighland.scot.nhs.uk</p>	
<p style="text-align: center;">MINUTE of MEETING of the ENDOWMENT FUNDS COMMITTEE Microsoft Teams</p>	<p style="text-align: right;">5th June 2023, 10.00am</p>	

Present

Philip Macrae, Chair of Trustees
Jean Boardman, Trustee
Dr Gaener Rodger, Trustee
Elspeth Caithness, Trustee
Heledd Cooper, Director of Finance, Trustee
Louise Bussell, Nurse Director, Trustee
Pam Dudek, Chief Executive, Trustee
Catriona Sinclair, Head of Area Partnership, Trustee
Boyd Peters, Medical Director, Trustee
Mike Hayward, Deputy Director of Acute Services (Item 4.1)
Mark Ivory, Investment Director, Adam & Co. (Item 2)
Liz Porter, Assistant Director Financial Services

In Attendance

Mike Hayward, Deputy Director Acute Services (Item 4.1)
Mark Ivory, Investment Director, Adam & Co. (Item 2)
Donald Mackenzie, Assistant Financial Services Accountant
Liz Porter, Assistant Director Financial Services
Stephen Chase, Committee Administrator

1.1 WELCOME/APOLOGIES

The Chair welcomed everyone to the committee and introduced Mark Ivory who would speak to item 2 and Mike Hayward who would speak to item 4.1. Liz Porter was introduced by the Director of Finance as the recently appointed Assistant Director of Financial Services reporting to the Committee.

The meeting was quorate.

1.2 DECLARATIONS OF INTEREST

Members were asked to consider whether they had an interest to declare in relation to any Item on the Agenda for this meeting. No declarations were made.

1.3 DRAFT MINUTE OF MEETING HELD ON 06 MARCH 2023

The draft minute was approved and the actions were noted,

The Internal Audit updates had gone to the Audit Committee and were circulated to the meeting. L Porter would be picking up some of the actions with the team and had been putting a plan in place to support the work towards the new Endowment arrangements.

- The Director of Finance commented that she would provide an update as part of item 8 which would close off some of the actions.

The Committee

- **approved** the circulated draft minute of the meeting held on 6th March 2023.

1.4 MATTERS ARISING NOT ON THE AGENDA

- Regarding the Endowment Fund Charity Manager role, it was noted that a job description had been assembled and that this was due to go next to the job matching process and then through the full HR process to be turned around in the next two months or so. Additionally, it was noted that an application to a Development Fund had been submitted for £30,000 as funding towards the Charity Lead Manager role. The Job Description was circulated in the Teams channel with the papers for the meeting.
- The Director of Finance commented that she had been in discussion with the Charities Manager at NHS Fife to consider how the Fund team should operate once the new model is in place and if the team should be separate or if there was potential for collaboration with NHS Grampian should the recruitment process prove unsuccessful.
- The Charity Lead Manager would be responsible for building a team and would bring a business case to the Committee to support any such plans.
- The Director of Finance noted that the Internal Audit action plan for the audit of the Endowment Fund had gone to the Audit Committee, and updates would be shared as this progresses. Some of the actions were dependent on the appointment of the new Charity Lead.
- The action of streamlining funding pots would be closed off as this was part of the improvement plan arising from the Internal Audit to be undertaken by the Charity Lead when appointed.
- Regarding previous discussion around an uplift from £5 per head in contributions to team functions it was commented that options would be explored based upon internal catering costs and that information would come to the September meeting.

The Committee

- **Noted** the action log would be updated outwith the meeting.

2 INVESTMENT PORTFOLIO REPORT

The Investment Manager gave a presentation circulated to the Committee ahead of the meeting which gave an overview of the quarterly status report of the portfolio for the period up to 25 May 2023 and included a copy of the full portfolio report from Adam & Co. for information.

- It was commented that 2022 had been a poor year for investment in most areas and that the inflationary environment and rising interest rates had shaken investors in the wake central bank uncertainty in the latter part of 2021 and the invasion of Ukraine in February 2022 which had given rise to further insecurity around energy supplies, and the rising cost of living was reflected in bargaining around pay rises for workers. However, company earnings had not suffered as much as had been expected.
- It was felt that infrastructure would do well during this inflationary period due to inflation protection built into most contracts and the move of most governments to address the requirements of areas such as renewable energy. Healthcare and medical technology was an area of increased investment, and Bond markets had good potential in spite of some falls in the last year.

- The portfolio dropped by just over 8% in the past year but it was felt that a longer term view gave a more confident picture in relation to the bond market and that the start of the year had been more encouraging.
- It was noted that the amount of cash in the portfolio had recently been lowered a little bit and that UK government bonds had been bought with this cash, which guaranteed a good return (as long as the UK government does not default).
- The Investment Manager noted that the portfolio was listed as having a risk profile of 6 and invited discussion as to if this was appropriate.

In the discussion that followed,

- The Chair asked the Committee how a risk profile might be set in light of the information from the presentation.
- The Investment Manager suggested that he discuss the issues around setting a risk profile for the Fund with the Assistant Head of Financial Services outwith the meeting and that this could be reported back to the next meeting.
- The Investment Manager felt that the Fund was where the Committee wanted it to be taking into account the financial climate he had described.
- Restrictions around the fund and its areas of investment were discussed with reference to the disease profile of Scotland with a continued need to avoid tobacco or alcohol investments and an increasing need to consider environment and sustainability.
- The ethics of investing in fossil fuels and drug companies were discussed with regard to Scottish Government policy on moving towards renewables with respect to the first and with respect to the second, the need to keep any investment in drug companies free of conflicts of interest with the health board. It was agreed that further discussion is necessary in terms of longer term thinking around these issues.
- It was noted that the Fund cannot provide emergency funding to NHS Highland.
- It was noted that if it was required by the organisation that 30% of the portfolio be liquidated that this would have an impact, however most movement was slower and long term with the portfolio supporting its stability.
- It was noted that once the Charity Lead posts are recruited to that a coherent Endowment Fund strategy could be given proper attention and that this would be the time to have a conversation about the longer-term strategy around the portfolio and future investments.
- The Chief Executive suggested that a development session for the Trustees be held to consider the portfolio in relation to the wider organisational strategy and in helping to determine a risk profile for the portfolio.

The Committee

- **Noted** the portfolio valuation report.
- That a portfolio risk profile be discussed initially between the Investment Manager and the Assistant Head of Financial Services.

3 BUDGET SETTING 2023-24

The Assistant Head of Financial Services noted that the paper had been produced by the Head of Financial Services before going on maternity leave and that further work to repurpose the budget would be undertaken to address in part the unspent areas of allocated to operational fund units for 2022-23 and the overspend for the same period on training. This work would be carried out in conjunction with implementation of the proposals for the Non-Core Learning Fund, if approved (see item 5, below).

It was proposed that service budgets be left relatively unchanged with a reserve fund for applications additional to the allocated budgets.

The Director of Finance noted that an updated paper would be circulated.

In discussion,

- The process for applications to specific funds such as those for areas which do not have specific charitable funds unlike, for example, Cancer Services, was outlined which ensures there are funds available for lower spend areas for managers to sign off on where appropriate without having to come to the Committee for approval.
- It was noted that the aim of the budget setting was to streamline the process and provide transparency which had previously been an area of concern raised by the Committee with regard to Research and Development applications.
- The new process would show in real time the amounts available and clarify the rules for what was admissible and what would require formal approval by the Committee.
- It was confirmed that there would be flexibility in the process to allow for changes as approved by the Committee in light of feedback from managers.
- The Committee suggested that there be a regular update on spending within allocations, with particular regard to Research and Development.

The Committee

- **Noted** the update and would consider the updated report as circulated after the meeting.

4 APPLICATIONS

4.1 Staff Welfare: Raigmore Canteen upgrade

The Deputy Chief Officer of Acute Services spoke to the application which noted the need for an upgrade to the Raigmore Canteen facilities. The aim of the application was to make for a more attractive and welcoming facility beyond the core lunchtime period, especially in terms of making a mixed seating arrangement conducive to staff wanting to get away from the pressures of the wards, team debriefing, in addition to those who want their lunch. In addition, the potential wider staff wellbeing and recruitment and retention benefits were noted. The proposal was for an investment of around £80,000 with a view to the improvement work lasting at least 20 years and learning from recent improvement work carried across regional hospitals in Highland.

During discussion, it was noted that

- There would be some estate work needed as part of the project, but that the project would most likely be carried out in tranches over the next few years in order to focus the costs.
- It was noted that there would need to be clarity between funding for Estate work such as replacing lighting which would come under core budgets, and that for the furniture and more moveable items which could be supported by the Endowment Fund. Discussion would be had between the Director of Estates and the Deputy Chief Officer for Acute Services to clarify the budget areas.
- It was asked if support for this project should be more properly given as a loan instead of a grant due to the income generating aspect of the site, however as the application was not for investment in the catering team this was not felt to be appropriate. If the team saw a significant increase in profits then this might become the basis for further discussion around contributions back into the Endowment Fund.
- The Director of Finance suggested that the majority of the fund to support the application, if approved, would be suitable for Charities Together support and that she would investigate this possibility after the meeting (the response time was noted as around two months).
- It was noted that this project had been under discussion for some time and the wider discussion ought to also include colleagues from Community Services.

- It was suggested that these proposals might be considered in conjunction with corporate investment from external organisations.
- General support for the proposal was noted

The Committee

- **Approved** the application in principle pending exploration of its eligibility for Charities Together support.

4.2 ProctoMobile

Staff were unavailable to speak to the application.

The Chair noted the ask of £44,000 towards the Colorectal Unit.

In discussion, it was noted that,

- The application had not provided details of having considered ongoing costs and maintenance.
- It was unclear if Exchequer support had been sought.

The Committee

- **Requested further clarification** regarding questions of ongoing costs and consumable usage, and if Exchequer funding had been sought.

4.3 Research Development & Innovation: Trainee Clinical Scientist

Staff were unavailable to speak to the application.

Following discussion, the Committee was comfortable to support the application but noted that discussion was needed with RD&I to clarify the process for using the budget that had been set aside for its projects.

The Committee

- **Approved** the application in principle pending discussion between RD&I and the Finance team.

4.4 Research Development & Innovation: Updates and Follow On Requests

Staff were unavailable to speak to the application.

The Chair noted the considerable amount requested and the mix of detail.

In discussion, the Committee noted that,

- The Committee was encouraged by the detail of previous Endowment supported work but that the ask of the application was not clear due to the mix of reporting on previous projects and the combination of follow up funding requests. It was also unclear if some of the amounts indicated were to be supported by external funds or if the Committee could support foreign travel.
- It was requested that the RD&I Fund Manager speak to the Committee at the September meeting to clarify the ask of its applications.
- The Director of Finance noted that she would meet with the RD&I Fund Manager to assist with clarifying the application process.

The Committee

- **Could not approve** the requests in their current form
- **Requested** that the Fund Manager attend the September meeting to better explain the requests to the Committee

4.5 Project Wingman

The Chair noted that the application had been agreed outwith the Schedule of Committee meetings and that positive feedback had been noted during discussion of item 3.1 and more widely among colleagues.

The Committee

- **Noted** the application, which had been approved outwith the schedule of Committee meetings.

5 Proposal for Application to and Management of Non-Core Training Fund

The Assistant Director of Financial Services drew the Committee's attention to the proposal which had been circulated.

- A three-person approval process for applications was proposed with representation from Finance, Medical and Clinical sectors to check applications. If an application was rejected by one of the three then a meeting would be held to discuss the case.
- The proposal also recommended an increase in the budget to £85,000 a year.
- Applicants would be required to have completed Statutory Mandatory Training before any requests for further training would be considered.

The Committee

- **Approved** the recommendations.

6 FINANCIAL REPORTS as at 31 March 2023

6.1 Fund Balances

6.2 Donations

6.3 Expenditure

The Assistant Director of Financial Services drew the Committees attention to the report spreadsheets and highlighted the donations received since the last meeting which were above £5,000.

- £100,000 had been donated to the general Cancer and Cardiac Rehab funds with a preference noted by the benefactor that it contribute towards equipment, however this was not a restriction.
- The fund for Campbelltown Hospital had received £10,000.
- Expenditure was noted, which had included support for personal and leadership development for 30 midwives, and support for complementary therapy sessions at Wade Centre was noted.

The Committee

- **Noted** the financial report.

7 NATIONAL CHARITIES (NHSCT) MONIES – ACCESS AND USE

The Director of Finance noted that,

- The first tranche of monies had been received from NHSCT (contributing towards areas such as staff leaving gifts and staff away days) and was due to be reported back on for completeness.
- The Development Fund of £30,000 had been confirmed as been approved and would be received soon to contribute towards supporting the Fund Manager role. There was a need to report back on KPIs and the expectations around the role and this would be joined up with strategy engagement internally and with partner organisations and Highland's communities.
- £142,500 for community project funding had been put out to the Public Health team who had returned with two joint applications covering both Argyll and Bute and the Highland Council area. The Argyll and Bute application will focus on wellbeing coaching building on work in progress, and the Highland Council area will look to invest more within ongoing social prescribing work. These applications had been submitted in draft form and had received feedback ahead of the final submission.
- It had been proposed that the COVID Recovery Fund would be applied for to support the two volunteer posts agreed by the Committee previously as this work had not started and was therefore eligible for support. The Fund had agreed these applications in principle ahead of the formal application.
- The Director of Finance was due to contact NHSCT to ask if the remainder of the fund could contribute towards the Raigmore Canteen upgrade or if not then a project such as a follow up to Project Wingman.

The Committee

- **Noted** the update.

8 NHS Highland Endowment Fund Charter

The Director of Finance noted that the job description for the Charity Manager had been through the job matching process and was due to be promoted via a recruitment agency with a view to head hunt or find someone to apply for the role. Details were circulated with the papers in the Committee Teams channel.

The Committee

- **Noted** the update.

9 ANY OTHER COMPETENT BUSINESS

The Chair noted that an extra half hour may need to be scheduled for the next meeting to aid discussion and that this would be agreed with the Director of Finance and the Committee Administrator.

The Committee

- **Approved** the overspend of the Non-Core budget to be covered by the Endowment Fund.
- **Noted** the need for an assessment around the allocation for Non-Core training.
- **Agreed** that a report come to a future meeting from the HR team about guidance on future use of the Non-Core Training budget

10 DATE OF NEXT MEETING

The next scheduled meeting of the Committee will be held on **5 September 2023** at **10.00am**, in virtual meeting format.

The meeting closed at **12.04am**.