



NHS Ayrshire & Arran Health Board  
Endowment Fund

# Charter and Standing Orders

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Author: Derek Lindsay / Fiona McGinnis  
Approved by: Endowment Trustees

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### Document Control Sheet

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1.0	29/01/2013	First issue	
2.0	14/11/2013	Section 7.1 – fund may not be used to cover medical or drug costs for individuals	
3.0	10/01/2015	Investment policy – risk category amended to level 6	
4.0	10/11/2016	Investment policy change – exclusion of investment in pornography, gambling or high interest rate lending or companies where over 10% of turnover came from the sale of armaments.	
5.0	25/06/2018	Section 7.1 – no retrospective awarding of funding to be permitted.	
	14/11/2019	No changes	
6.0	18/03/2021	Section 8 – addition of bullet point: ‘The ‘day to day’ administration of the endowment fund is delegated to the Assistant Director of Finance who will provide reports to the Trustees.’	
		Investment Policy, section 2.1 – revision to the income target to note that this will be reduced on a pro rata basis if the value of the fund falls below the target baseline level of £10 million.	
		Investment Policy, section 3.3 – revision of asset allocation as provided by EdenTree Investment advisor.	
		Standing Orders, section 8.5 – revision of the quorum for meetings to note that this should be 3 Trustees present at meetings	

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		of the sub Committee, in line with the Terms of Reference	
7.0	19/12/2024	Changed all references from EdenTree to Evelyn & Partners	
		Removed table within Investment Policy section 3.3 and changed to refer to Investment Manager for Guidance.	

### Approvals

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# Ayrshire and Arran Health Board Endowment Funds

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# Ayrshire and Arran Health Board Endowment Funds

## Charter

### 1. Name

- 1.1 The legally registered name of the charity is the Ayrshire and Arran Health Board Endowment Fund.

### 2. Headquarters

- 2.1 The headquarters are located at Greenan House, Ailsa Hospital, Dalmellington Road, Ayr, KA6 6AB. The charity has been registered since 1 July 1974.

### 3. Role of Scottish Ministers

- 3.1 The charity is administered under the terms of sections 82, 83 and 84A of the National Health Service (Scotland) Act 1978. Accordingly the Board holds the funds and property attributable to the charity on trust as a corporate Trustee. This Charter provides the overall terms of reference for the charity, and the Trustees shall uphold its requirements in the governance and management of the charity's business.
- 3.2 The members of the Board shall be appointed by the Scottish Ministers, or elected, in accordance with relevant legislation.
- 3.3 The members of the Board shall be the Trustees of the charity. However no individual shall hold the position of Trustee if he or she meets one of the criteria for disqualification as set out in Section 69 of the Charities and Trustee Investment (Scotland) Act 2005.
- 3.4 Scottish Ministers have the authority to remove Board members in certain circumstances (Section 77 of the 1978 Act), or may choose not to re-appoint any member of the Board at the end of the term of appointment. Consequently the issue of removal of Trustees is a matter reserved to the Scottish Ministers.
- 3.5 The Trustees shall comply with the Charities and Trustee Investment ("Scotland") Act 2005 with respect to any proposed changes to the governance or management of the charity. This may involve simply notifying the Office of the Scottish Charity Regulator (OSCR) of some matters, whilst other matters require OSCR approval. The Trustees shall approve any updates to this Charter to reflect any changes.

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## **4. Trustees**

- 4.1 The Trustees are responsible for the general control and management of the charity.
- 4.2 The Trustees shall perform general duties as described in Section 66 of the Act, and satisfy any other obligations in law required of a Trustee. The Trustees are personally accountable in law for the discharge of these duties and obligations.
- 4.3 The Trustees shall convene meetings solely to conduct the business of the charity, with distinct agendas from that of the Board.
- 4.4 In the discharge of their responsibilities, Trustees shall place the interests of the charity above all other things, including their own interests and the interests of the Board or any other organisation.

## **5. Statutory Constitution**

- 5.1 The founding document of the charity is the National Health Service (Scotland) Act 1978 ('the 1978 Act'). Section 82 of the National Health Service (Scotland) Act 1978 establishes the endowments to be held by the Health Board:
  - (1) *All endowments vested in a Health Board by virtue of section 37 of the National Health Service (Scotland) Act 1972 are so vested free of any trust existing immediately before 1st April 1974 (hereafter in this section referred to in relation to any such endowment as "the original trust"); but all such endowments shall be held by the Health Board on trust for such purposes relating to services provided under this Act in or in relation to hospitals, or to the functions of the Board with respect to research, as the Board may think fit.*
  - (2) *All property vested in a Health Board by virtue of section 39 of the said Act of 1972 is so vested free of any trust existing immediately before the said 1st April (hereafter in this section referred to in relation to any such property as "the original trust"); but all such property shall be held by the Health Board on trust for such purposes relating to services provided by them under this Act, or to the functions of the Board with respect to research, as the Board may think fit.*
  - (3) *In exercising the power conferred on them by this section in relation to any endowment or property a Health Board shall secure, so far as is reasonably practicable, that the objects of the original trust (including, in*

*the case of an endowment, the objects of the endowment) and the observance of any conditions attaching thereto, including, in particular, conditions intended to preserve the memory of any person or class of persons, are not prejudiced by the exercise of the power.*

The National Health Service (Scotland) Act 1978 ('the 1978 Act') also sets out the basis of the "purposes relating to services under this Act", which is of relevance to determining the charity's purpose.

**Section 1:** General duty of Secretary of State.

- (1) *It shall continue to be the duty of the Secretary of State to promote in Scotland a comprehensive and integrated health service designed to secure;*
- (a) *improvement in the physical and mental health of the people of Scotland, and,*
- (b) *the prevention, diagnosis and treatment of illness,*
- and for that purpose to provide or secure the effective provision of services in accordance with the provisions of this Act.*

**Section 47 (2):**

*Without prejudice to the general powers and duties conferred or imposed on the Secretary of State under the Scottish Board of Health Act 1919, the Secretary of State may conduct, or assist by grants or otherwise any person to conduct, research into any matters relating to the causation, prevention, diagnosis or treatment of illness, or into such other matters relating to the health service as he thinks fit.*

## **6. Purposes**

### **6.1 The purposes of the charity are:**

The advancement of health, through:

- improvement in the physical and mental health of the Board's population;
- the prevention, diagnosis and treatment of illness;
- the provision of services and facilities in connection to the above;
- education and development in connection to the above
- research into any matters relating to the causation, prevention, diagnosis or treatment of illness, or into such other matters relating to the health service as the Trustees see fit.

- to observe any conditions attached to a donation or legacy prescribed by a donor to the charity, so far as is reasonably practicable, and consistent with the above purpose and the law.

6.2 The charity's funds shall only be used for the purposes described above.

6.3 The Board, by virtue of Section 82 of the National Health Service (Scotland) Act 1978, holds the charity's funds on trust. The Board recognises that this places legal responsibilities on its individual members as Trustees, as described in Section 4.

6.4 The Board agrees that the Trustees shall observe the following principles whilst discharging their responsibilities under this Charter and the law. This is to reduce the risk of any conflict of interest arising between the role of a Board member, and the role of a Trustee.

## **7. Agreed principles for the use of endowment funds**

7.1 The Trustees may issue instructions or procedures, or introduce internal control measures to implement the following principles, to support the discharge of the Trustees' responsibilities:

- The grant of endowment funds should not substitute for a core provision. However, with the prior agreement of the Trustees or the Committee it may be permissible to use endowment funds to bring forward expenditure on core items which are included in spending plans for future years where it can be demonstrated that such expenditure will offer tangible benefits to patients significantly earlier than would otherwise be possible.
- There will be no retrospective awards of Endowment funding. Prior approval of all proposed expenditure in excess of £5,000 must be sought from the Endowment Trustees or their nominated sub-Committee as described in the Terms of Reference for these groups.
- Endowment funds should not be used to cover a responsibility of the NHS Board that is a direct requirement of health and safety or employment law or a ministerial policy direction.
- An employee of the Board or the Trustees may only benefit from the charity, where the grant or award conferring the benefit satisfies the "public benefit" element of the charity test, as set out in the Charities and Trustee Investment (Scotland) Act 2005, and the guidance on "Meeting the Charity Test" published by OSCR. The expenditure must be aimed at improving health, or the prevention, diagnosis or treatment of illness for the Boards residents and any benefit to the employee must be incidental to (and necessary for) that public benefit to be realised.

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- The Trustees distinguish public benefit from individuals receiving private or individual benefit, consequently endowment funds may not be used to fund drug costs or private health care costs of individuals.
- Neither the charity's funds in totality, nor any individual fund (restricted or unrestricted) shall be permitted to go into deficit at any time.
- It is solely for the Trustees to determine how the charity is to be administered, and what expenditure is permitted, providing that all decisions are consistent with this Charter. The Trustees shall discharge their responsibilities free from any external direction and will comply with the Bribery Act 2010.
- All charity expenditure must comply with this Charter, and have received the direct approval of the Trustees or be within the limits of any expressly delegated authority that the Trustees may have granted to the Endowments Committee.

## **8. Governance and administration**

- The Trustees shall approve Standing Orders for the conduct of Trustees' meetings and business.
- The Trustees shall approve the arrangements for the management and administration of the charity.
- The Trustees shall approve all policies and procedures to be applied to the administration of the charity's activities.
- The Trustees shall adopt the Boards Standing Financial Instructions, including procurement and tendering processes, for the charity's activities. However the Trustees may adapt these provisions in order to best serve the requirements of the charity.
- The Trustees shall directly approve all matters relating to the charity, unless they have expressly delegated the matter to another person or the Endowments Committee.
- The 'day to day' administration of the endowment fund is delegated to the Assistant Director of Finance who will provide reports to the Trustees.

## **Appendix 1: Terms of reference for the Trustees of the Health Board Endowment Fund**

### **1 General**

- 1.1 The regulation of the conduct and proceedings of the Health Board Endowment Fund and its sub committee is as described in the Board's ['Guidance for Committees and Meetings'](#)
- 1.2 A copy of this Charter and the Board's guidance for committees will be provided to all Trustees on appointment.

### **2 Remit**

- 2.1 The following matters may only be approved at a Trustees' meeting:
  - Governance and Control:
    - Any policy or procedure pertinent to the system of governance and control to be applied to the charity's activities including the policies relating to acceptance of donations and approach to investment. These policies are set out as appendices 3 and 4.
    - The terms of reference of any committee or sub-committee to be established by the Trustees in order to discharge their responsibilities and manage the activities of the charity.
    - Approve the appointment to any posts funded by the Endowment Fund
    - Any proposed changes to the Charter of the Board Endowment Fund.
  - Annual budget
    - Approval of annual budgets and the charities reserve policy
  - Investment Policy
    - Development and review of the Board's investment policy taking account of the capital value required to generate the required level of income.
    - The appointment of investment advisors
    - Changes to the investment arrangements for the funds; authorising investment/disinvestment decisions taking account of the advice received from the Investment Advisors.

- Review the performance of investments with the Investment Manager annually.
  - Ensure that investments comply with the ethical policies of NHS Ayrshire and Arran
  - Expenditure
    - Ensure that funds received for specific purposes are used in accordance with the expressed wishes of the donor or legator as far as is reasonably practical.
    - Approval of any proposal for expenditure on a single item over £50,000 not covered by the approved annual budget.
    - Approval of any expenditure outwith the annual budget for unrestricted funds.
    - To be aware of the legal duty for restricted funds to be applied in a reasonable time of receiving them and to encourage fundholders to spend in line with charitable purposes and donors wishes.
  - Reporting
    - The annual accounts, report, and authorisation of the Chair of the Board of Trustees and Director of Finance to sign the Annual Accounts on behalf of the Trustees.
    - Any required returns to OSCR (for example, Annual Accounts)
  - Risk
    - Address and assess major risks and evaluate actions required by operating a risk register
  - Audit
    - The appointment of external auditors, and agreement of their fees.
- 2.2 To ensure the Trustees have adequate background information to decide on the matters above, they will receive at least annually the following information in addition to documents specifically mentioned above:
- An annual report on the fund's investments and their performance;
  - A list of all funds under separate stewardship, including a full statement of the objective for any separately identified funds over £50,000.

- 2.3 The Trustees may not delegate their responsibilities; however they can delegate necessary functions for the conduct of their business (other than the duties listed above as reserved to Trustees' meetings) to the Endowment Committee or to individual officers or individual fundholders.

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- 2.4 The Trustees may delegate responsibility for certain matters to the Chair for his action. In such circumstances, the Chair's action should be homologated at the next ensuing ordinary meeting of the Trustees.
- 2.5 The Trustees may also delegate oversight of endowment fund matters between full Trustee meetings and give delegated decision making powers to the Endowments Committee. The remit and delegated authority of the endowment committee is set out in appendix 2.
- 2.6 The Trustees shall approve a document setting out the respective responsibilities and authority of individuals acting on the Trustees' behalf.
- 2.7 The Trustees may, from time to time, request reports on any matter or may decide to reserve any particular decision for a meeting of the Trustees.

### **3 Membership**

- 3.1 By virtue of appointment by Scottish Ministers, the Chair of NHS Ayrshire and Arran Board is also appointed Chair of the Board of Trustees.
- 3.2 By virtue of their appointment by Scottish Ministers, Executive and Non-executive members of NHS Ayrshire and Arran Board are "*ex officiis*". Trustees of NHS Ayrshire and Arran Board Endowment Fund.
- 3.3 The Vice Chair shall be elected by Trustees. In the absence of the Chair, the Vice Chair shall preside. In the absence of both the Chair and the Vice Chair, Trustees will nominate a Chair for the meeting.
- 3.4 The secretary to the Committee will be the Endowment Funds Programme Lead.

### **4 Resignation and removal of members**

- 4.1 A Trustee may resign office at any time during the period of appointment by giving notice in writing to the Scottish Ministers to this effect.
- 4.2 If the Scottish Ministers consider that it is not in the interests of the health service that a member of the Board should continue to hold that office they may forthwith terminate that person's appointment. Any individual whose appointment to the Board is terminated will automatically cease to be a Trustee.
- 4.3 Where any Trustee becomes disqualified in terms of Section 69 of the Charities and Trustee Investment (Scotland) Act 2005 that Trustee shall immediately cease to be a Trustee.

## **5. Frequency of meetings**

- 5.1 The Trustees will meet at least twice per year, one meeting to be held in conjunction with the Board meeting in June for review of the Endowments Annual Accounts.
- 5.2 Extraordinary meetings may be called by the Chair of the Board of Trustees

## **6. Quorum**

- 6.1 Meetings of the Board of Trustees will be quorate when at least five Trustees are present.

## **7 Special Meetings**

- 7.1 The Chair of the Trustees may call a special meeting of the Trustees at any time so long as at least 3 days notice shall be given.
- 7.2 The Chair of the Trustees shall call a special meeting of the Trustees on receipt of a requisition in writing for that purpose which specifies the business to be transacted at the meeting and is signed by one third of the whole number of Trustees.
- 7.3 In the case of a requisitioned meeting, the meeting shall be held within 14 days of receipt of the requisition and no business shall be transacted at the meeting other than that specified in the requisition.
- 7.4 If the Chair refuses to call a meeting of the Trustees after a requisition for that purpose, or if, without so refusing, does not call a meeting within 7 days after such a requisition has been presented, those Trustees who presented the requisition may forthwith call a meeting by signing the notice calling the meeting provided that no business shall be transacted at the meeting other than that specified in the requisition.

## **Appendix 2: Terms of Reference for the Board Endowment Fund Committee**

### **1. Remit:**

To review proposals and make recommendations to the Trustees with respect to:

- Expenditure policy;
- Donations policy;
- The annual budget for the general fund;
- The investment strategy including policy on investment risks;
- The opening of bank accounts;
- The appointment of auditors;
- Effective Use policy;
- Any operating policy or procedure to support good governance and internal control of the charity; and
- Any matter that may assist the Trustees in discharging their duties.

In support of the above the Committee shall:

- Receive quarterly reports from the investment managers, and review performance of the portfolio against relevant benchmarks and investment objectives.
- Receive quarterly reports on fund income and expenditure against the approved annual budget.
- Receive a report on any individual donations received in excess of £5,000.
- Consider the annual accounts and any audit findings in detail before recommending approval of the accounts to the Trustees.
- Receive, at least twice annually, a full list of all the funds.

The committee also has delegated authority to:

- Interpret the agreed policies and procedures, and decide how they are to be applied for any given issue. If the issue discussed cannot be resolved within the terms of existing policies and procedures, the issue must be referred to the Trustees.
- Approve any proposal for expenditure on a single item between £5,000 and £50,000 not specifically covered by the approved annual budget.

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- Accept on behalf of the Trustees bequests or legacies between £5,000 and £50,000.
- Monitor risks and mitigating actions
- Investigate any activity within its terms of reference. It is authorised to seek any information it requires from any Board employee, and all employees are directed to co-operate with any request made by the Committee.
- Obtain outside legal or other independent professional advice, and to secure the attendance of outsiders with relevant experience and expertise, if it considers this necessary.
- Consider any proposal to rationalise the number of separately identified ward funds and fundholders.

## **2. Membership:**

The Trustees shall appoint 7 Trustees to be members of this Committee. The members' term of office shall be established at their appointment.

All Trustees have the right to attend Committee meetings, and have access to the papers.

The Endowments Programme Lead will provide secretarial services. Other individuals, such as employees of the Board, shall be invited to attend as business requires.

## **3. Frequency of Meetings:**

Meetings of the Committee shall be held at such intervals as the Committee may determine in order to conduct its business. In any event, meetings shall normally be held four times a year.

## **4. Quorum:**

The Committee shall not be regarded to meet, and no business shall be conducted or minutes taken, unless there are 3 Trustees present

## **5. Reporting Arrangements:**

The Committee will report to the Trustees by means of submission of minutes to the next available Trustees' meeting.

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## Appendix 3: Policy on acceptance of donations

The acceptance of donations is an extremely sensitive area and it is essential that consideration is given to the charities ability to fulfil the wishes of the donor as well as any potential impact on the charity's reputation.

### Acceptable

The following donations are considered acceptable provided they are in keeping with the objectives of the Board Endowment Fund.

- From patients, relatives or visitors of patients.
- From charitable organisations
- From members of the general public.
- From employees.
- From local authorities.
- From the local business community.
- From special fundraising activities approved by the Trustees.

### Unacceptable

The following donations are considered unacceptable.

- From organisations where any association could bring the NHS into disrepute.
- From any organisation which may seek to gain publicity or use the fact of a donation in any advertising campaign *that is not consistent with the aims and values of the NHS endowment fund.*
- Any donation where it would appear that the NHS is endorsing or promoting any particular medicinal or other product.

### Guidance

The following guidance on donations is given.

- Consideration must be given to donations from existing or future suppliers to the NHS. Such donations may be acceptable but it should be made clear that any such arrangements are completely separate from normal commercial transactions.
- Special attention should be given to donations from patients or relatives. In particular nothing should be done which might appear to either put pressure on or offer inducements to patients or their relatives to contribute.
- Donations should not be accepted from a commercial organisation during any tender negotiating process.

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- Donors should be encouraged to donate funds on as general a basis as possible *in order to maximise the flexibility and the benefit that can be derived from their deployment.*
- There needs to be appropriate consideration as to whether any specific wishes of the donor are consistent with the charitable purposes of the fund or are for a purpose which the Trustees are likely to support or are for a Board service or facility which the Board is likely to be able to deliver.
- Because of the above the members of the Endowment Sub-committee are required to decide on the acceptance of bequests and legacies of between £5,000 and £50,000 in value taking into account the above guidance. Bequests and legacies in excess of £50,000 require an acceptance decision from the full Trustees.
- If the Trustees deem a donation to be unacceptable, it will be returned to the donor.

Revenue implications on donations over £5,000 must be agreed in advance with the Finance Department before the contribution is accepted.

## Appendix 4: Investment policy

### Investment Policy Statement



**Charity Registration Number:** SC007448

**Date of Investment Policy Statement:** 29 January 2013

**Date of last review:** 19 December 2024

#### 1. Introduction

- 1.1 Ayrshire and Arran Health Board Endowment Fund is an unincorporated grant making charity whose purpose is to support health care and health improvement in Ayrshire and Arran.
- 1.2 The charity has approximately £10m of investment assets. These are the bulk of the charity's assets and finance the grant making activities.
- 1.3 The charity aims to generate net investment income of £360k per annum but this can vary from year to year depending on grant making opportunities and investment returns.

#### 2. Investment objectives

- 2.1 To generate an annual net income return of £360,000 from the investments. This is in order to provide liquidity for the charity to enable it to meet its charitable objectives. The income target is based on a portfolio valuation of around £10 million, income expectation will be reduced on a pro rata basis if significant withdrawals reduce the value of the portfolio.
- 2.2 Whilst the trustees do not have a fixed capital return in mind, they would like the portfolio to generate capital growth to offset inflation over the longer term in order to maintain purchasing power of the assets to ensure that the Endowment Fund can offer the same level of support to future beneficiaries as it can to those today.

#### 3. Attitude to risk

- 3.1 The charity relies on the investment return to fund grant making. However, grants are generally one off awards and the number and value of these may vary depending on circumstances. The key risk to the long term sustainability

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of the charity is inflation, and the assets should be invested to mitigate this risk over the long term. The trustees understand that this is likely to mean that investment will be concentrated in real assets and that the capital value will fluctuate. The trustees are able to tolerate volatility of the capital value of the charity as long as the charity is able to meet its short term grant making commitments through either income or liquid capital assets.

- 3.2 The trustees' power to invest is governed by the Charities and Trustee investment (Scotland) Act 2005, with reference to the Trusts (Scotland) Act 1921. Under Part 3, Section 94, 4C;

“the trustee of a trust have and have always had the power, subject to any restriction or exclusion imposed by or under the trust deed or any enactment, to authorise an agent to exercise any of their investment management functions at the agent's discretion or in such other manner as the trustees may direct. This confers a general power of investment, and requires the trustees to invest in a diversified range of suitable instruments.”

- 3.3 The endowment trustees have agreed a suitable asset allocation strategy with the investment manager which is set with the aim to achieve the overall charity's investment objectives. This strategy is bespoke in design and delivered by responsible investment experts, Evelyn & Partners. The investment manager will adjust the portfolio in response to market conditions and the charity's needs. Please refer to the Investment Manager for guidance.
- 3.4 Currency: the base currency of the investment portfolio is Sterling. Investment may be made in non-Sterling assets, but should not exceed 40% of the total investment portfolio value. Hedging is permitted.
- 3.5 Cash: the charity's cash balances should be deposited with institutions with a minimum credit rating of A- or invested in a diversified money market fund.

#### **4. Liquidity requirements**

- 4.1 The Trustees do not wish to invest in any assets that are not readily realisable.

#### **5. Time horizon**

- 5.1 The charity expects to exist in perpetuity and investments should be managed to meet the investment objective and ensure this sustainability.
- 5.2 The charity can adopt a long term investment time horizon.

## **5. Ethical investment policy**

- 6.1 The charity has adopted an ethical investment policy to ensure that its investments do not conflict with its aims. There is a proven link between disease and the consumption of alcohol and tobacco.
- 6.2 The charity's ethical investment policy precludes investing directly in alcohol or tobacco manufacturers and also in gambling, pornography and high interest rate lending.
- 6.3 The charity's ethical investment policy precludes investing in companies where over 10% of turnover comes from the sale of tobacco or alcohol products or armaments.
- 6.4 The Trustees also wish to ensure that the companies in which the assets are invested are socially responsible.

## **6. Management, Reporting and Monitoring**

- 7.1 The charity has appointed a professional investment management firm to manage the assets on a discretionary basis in line with this policy. Investment managers provide custody of assets and are required to produce a valuation and investment performance report quarterly. The charity has nominated a list of authorised signatories, two of which are required to sign instructions to the investment manager.
- 7.2 The investment manager is to report formally to the full trustee board on at least an annual basis. This report should include a review of asset allocation strategy, performance, risk profile and consistency with long term investment objective. Written quarterly performance reports will be submitted to the Endowment Committee.

## **7. Approval and review**

- 8.1 This Investment Policy Statement was prepared to provide a framework for the management of its investment assets. It will be reviewed on at least an annual basis to ensure continuing appropriateness.

## Appendix 5: Standing Orders

### 1. Conduct of Meetings

- 1.1 A meeting of the Trustees shall be deemed to have been held when a quorum of at least five of the Trustees are present, of whom at least 2 of those present are non-executive members of the Health Board. In the event of this quorum not being reached, it shall be deemed that the meeting has not taken place, and consequently no Trustees business shall be transacted or minuted. The Chair may set a time limit to permit the required number of Trustees to be present before formally abandoning the proceedings. If a Trustee leaves during a meeting, with no intention of returning, and this has the effect of removing the quorum, the meeting shall be brought to an end.
- 1.2 In the event of a Trustees' meeting not proceeding due to quorum not being reached, the Chair shall record the circumstances and report them to the next meeting of the Trustees.
- 1.3 No business shall be transacted at any meeting of the Trustees other than that specified in the agenda except on grounds of urgency and with the consent of the majority of the Trustees present. Any request for the consideration of an additional item of business shall be raised at the start of the meeting and the consent of the majority of Trustees for the inclusion must be obtained at that time.
- 1.4 With prior agreement the Chair may propose that certain minor items of business may be conducted electronically. This may include the distribution of reports purely for noting (not for approval) and the approval of an uncontentious item of expenditure over £50,000. The Trustees must be afforded the same access to papers as they would for an ordinary meeting, electronic comments and approvals may be received any time during the notice period ( which should not be less than 5 days) and must be shared with all Trustees. Quorum will be the same as for an ordinary meeting and the Chair shall judge the final outcome of the decision based on comments received. The decision will be minuted and reported to the next full meeting of the Trustees.
- 1.5 All acts of, and all questions coming and arising before, the Trustees shall be done and decided by a majority of the Trustees present and voting at a meeting of the Trustees. Majority agreement may be reached by consensus without a formal vote. Where there is doubt, the Trustees shall formally vote by a show of hands, or by ballot, or any other method determined by the person presiding at the meeting.
- 1.6 In the case of an equality of votes, the person presiding at the meeting shall have a second or casting vote.

- 1.7 A motion, which contradicts a previous decision of the Trustees, shall not be competent within six months of the date of such decision, unless at the time the original motion was passed it was noted as provisional and subject to amendment within six months or the need for the change comes from a new legal requirement, a newly introduced, or a clarification of a, legal point that was not available at the time of the original decision. Where a decision is rescinded, it shall not affect or prejudice any action, proceeding or liability that may have been competently done or undertaken before such decision was rescinded.

## **2. Minutes**

- 2.1 The names of Trustees and other persons present at a meeting of the Trustees, or of a Committee of the Trustees, shall be recorded in the minutes of the meeting.
- 2.2 Minutes of the proceedings of meetings of the Trustees and its Committees and decisions thereof shall be drawn up by the nominated secretary and be submitted to the next ensuing meeting of the Trustees or relevant Committee for approval as to their accuracy.

## **3. Order of Debate**

The following principles will be at the discretion of the Chair:

- 3.1 Any motion or amendment shall, if required by the Chair, be reduced to writing, and after being seconded, shall not be withdrawn without the leave of the Trustees. No motion or amendment shall be spoken upon, except by the mover, until it has been seconded.
- 3.2 After debate, the mover of any original motion shall have the right to reply. In replying he shall not introduce any new matter, but shall confine himself strictly to answering previous observations and, immediately after his reply, the question shall be put by the Chair without further debate.
- 3.3 Any Trustee in seconding a motion or an amendment may reserve his speech for a later period of the debate.
- 3.4 When more than one amendment is proposed, the Chair of the meeting shall decide the order in which amendments are put to the vote. All amendments carried shall be incorporated in the original motion which shall be put to the meeting as a substantive motion.

- 3.5 A motion to adjourn any debate on any question or for the closure of a debate shall be moved and seconded and put to the meeting without discussion. Unless otherwise specified in the motion, an adjournment of any debate shall be to the next meeting.

#### **4. Adjournment of Meetings**

- 4.1 A meeting of the Trustees, or of a Committee of the Trustees, may be adjourned by a motion, which shall be moved and seconded and be put to the meeting without discussion. If such a motion is carried, the meeting shall be adjourned until the next scheduled meeting or to such day, time and place as may be specified in the motion.

#### **5. Declaration of Interests and Register of Interests**

- 5.1 Trustees shall observe all their obligations under the Charities and Trustee Investment (Scotland) Act 2005. All Trustees must put the interests of the charity before their own personal interests or other duty they may have, or any other person or organisation.
- 5.2 The Trustees shall follow the processes established for members of the Board, for compliance with the Ethical Standards in Public Life Act (Scotland) 2000. Any interests registered or declared as a consequence of observing the associated Code of Conduct, shall be used for the application of these Standing Orders. It will be clearly recorded on the Register of Interests maintained for Board members that this also applies to Endowment Trustees. Declaration of 'ad hoc' interests will be recorded at the commencement of each Trustee's meeting.
- 5.3 Any Trustee who has a clear and substantial interest in a matter under consideration by the Trustees or a Committee should declare that interest at any meeting where the matter is to be discussed, whether or not that interest is already recorded in the Trustees' register of interests. Such declarations should make clear the interest and whether it is of an either direct or indirect financial nature.
- 5.4 Where such an interest is of a direct or indirect financial nature, the member involved should withdraw from any meeting and not speak, participate in or otherwise seek to influence any decision taken by the Trustees or Committee relating to the matter under discussion.
- 5.5 Trustees who are also principals or other employees of bodies which receive funds from the charity ( other than the NHS Board) may participate in general discussions and decisions regarding such bodies, but should withdraw and not participate in any discussion or decision which relates principally to the

particular institution with which they are associated. The Chair should take particular care to ensure that no possible conflict of interest in this area is allowed to arise.

- 5.6 Where a Trustee has an interest that is not financial but which is relevant to the Trustees' business, that interest should be declared. Where the interest is substantial, the member involved should withdraw from discussions and decisions relating to that interest. Where an interest arises from membership of a public body and is not of a financial nature, full participation in the discussion and decision is permitted.
- 5.7 In all cases, 'Trustees' interests' covers also the interests of any related parties, including family members or members of the same household who may be expected to influence, or be influenced by, Trustees.
- 5.8 In all circumstances, Trustees should ask themselves whether members of the public, knowing the facts of the situation, could reasonably conclude that the interest involved might influence the approach taken to the actions of the Trustees. If so, the interest is sufficient to oblige the Trustee to withdraw.
- 5.9 In case of doubt as to whether any interest or matter should be the subject of a notice or declaration under the Code, Trustees should err on the side of caution and submit a notice/make a declaration or seek guidance from the nominated secretary as to whether a notice/declaration should be made.
- 5.10 Where the Code requires an interest to be registered, or an amendment to be made to an existing interest, this shall be notified to the nominated secretary by giving notice in writing using the standard form available from the nominated secretary within one month of the interest or change arising. The nominated secretary will write to Trustees every year to request them to formally review their declaration.
- 5.11 Persons appointed as Trustees shall have one month to give notice of any registerable interests under the Code, or to make a declaration that they have no registerable interest in each relevant category as specified in the standard form to be supplied by the nominated secretary.
- 5.12 The Corporate Department shall be responsible for maintaining the Register of Interests and for ensuring it is available for public inspection at the principal offices of the charity at all reasonable times.
- 5.13 The Register shall include information on:-
  - the date of receipt of every notice;
  - the name of the person who gave the notice which forms the entry in the Register; and;



- a statement of the information contained in the notice, or a copy of, that notice.

5.14 Trustees shall make a declaration of any gifts or hospitality received in their capacity as a Trustee. Such declarations shall be made to the nominated secretary, and they shall be made available for public inspection at all reasonable times at the Principal Offices of the Board

## **6. Suspension of Trustees**

6.1 Any Trustee who disregards the authority of the Chair, obstructs the meeting, or conducts himself offensively shall be suspended for the remainder of the meeting, if a motion (which shall be determined without discussion) for his suspension is carried. Any person so suspended shall leave the meeting immediately and shall not return without the consent of the meeting. If a person so suspended refuses, when required by the Chair, to leave the meeting, he may immediately be removed from the meeting by any person authorised by the Chair so to do.

## **7. Admission of public and press admission**

7.1 Meetings of the Trustees shall not be open to the public and press unless the Trustees decide otherwise in respect of a particular meeting.

## **8. Committees**

8.1 The Trustees shall appoint such Committees and Sub-Committees as they think fit to uphold the Charter and discharge their responsibilities. The Trustees shall approve the terms of reference of any such Committee or Sub-Committee.

8.2 Any Trustee may deputise for another Trustee at any meeting.

8.3 Committee Chairs and Vice-Chairs shall be appointed by the Trustees on the recommendation of the Chair of the Trustees.

8.4 The Chair of a Committee may call a meeting of that Committee any time and shall call a meeting when requested to do so by the Trustees.

8.5 The foregoing Standing Orders, so far as applicable, and so far as not hereby modified, shall be the rules and regulations for the proceedings of formally constituted Committees and Sub-Committees, subject always to the following additional provisions:-

- The requirement for a quorum of three Trustees to be present, as specified in the Terms of Reference, shall apply to Committee and Sub-Committee meetings, except that the Chair shall wait no longer than 30 minutes from the announced starting time for a quorum to be reached.

In the event of a Committee meeting not proceeding due to its quorum not being reached, the Committee Chair shall record the circumstances and formally report this to the next meeting of the Trustees. In the case of a Sub-Committee, the report shall be provided to its parent Committee.

- If the absence of the Chair of the Committee or Sub-Committee has contributed to quorum not being achieved, then another non-executive member of the Committee or Sub-Committee (who was present) should prepare the report. The relevant Executive Director of the Board should prepare the report if there were no non-executive members present.
- 8.6 All Trustees shall have the right to attend all Committees except where the terms of reference of such Committees do not permit this.
- 8.7 Meetings of Committees and Sub-Committees shall not be open to the public and press unless the Trustees decide otherwise in respect of a particular Committee or a particular meeting of a Committee. However, all papers and minutes should be drafted on the presumption that they will become immediately accessible to the public under the Freedom of Information (Scotland) Act 2002 and the designation as “Reserved Business” of any reports or minutes that are felt by the responsible Director to be confidential must be justified in respect of a specific exemption under the Act.
- 8.8 Committees of the Trustees and their Chairs can be appointed at any meeting of the Trustees. Vacancies in the membership of Committees shall be filled, so far as practicable, by the Trustees at the next scheduled meeting following a vacancy occurring.
- 8.9 Committees of the Trustees may appoint Sub-Committees and Chairs thereof as may be considered necessary.
- 8.10 Minutes of the proceedings of Committees shall be drawn up by the nominated secretary and submitted to the Trustees at the first scheduled meeting held not less than seven days after the meeting of the Committee for the purpose of advising the Trustees of decisions taken.
- 8.11 Minutes of meetings of Sub-Committees shall be submitted to their parent Committee at the first scheduled meeting of the parent Committee held not less than seven days after the meeting of the Sub-Committee for the purpose of advising the Committee of decisions taken.

- 8.12 A Committee, or Sub-Committee may, notwithstanding that a matter is delegated to it, direct that a decision shall be submitted by way of recommendation to the Trustees or parent Committee for approval.