

Trustees of the Endowment Funds

Minutes of the meeting on 28 June 2022 via Microsoft Teams

Present: Lesley Bowie (Chair) Derek Lindsay
 Claire Burden Bob Martin
 Adrian Carragher Marc Mazzucco
 Sheila Cowan Brian McGinley
 Sukhomoy Das Douglas Reid
 Jean Ford Linda Semple
 Ewing Hope

In attendance: Bob Brown
 Fiona McGinnis
 Shirley Taylor (Minutes)

1. Apologies for absence

Apologies were noted from Michael Breen, Marie Burns, Margaret Anderson and Jennifer Wilson

The chair welcomed the new councillors to the meeting along with Fiona McGinnis who will be replacing Bob Brown at future meetings.

2. Declaration of interests

None noted.

3. Draft minutes of the Trustees meeting held on 09 December 2022

3.1 The minute was approved as an accurate record of the meeting.

4. Action Log and Matters Arising

All actions were noted as complete.

5. Bid 1084 – Leadership Academy

The bid submitted by the Chief Executive for about 12 NHS employees to participate in the leadership academy was considered at the Endowment Committee meeting on 7 June 2022 with agreement made that due to the value of the bid it should be considered by the Endowment Trustees.

The Chief Executive provided some background into the programme and confirmed that the ask of the Trustees was for £25,000 to invest in around 150 staff across 10 cohorts of the programme. Discussion has taken place with all council Chief Executives who

are committed to investment in this project. The Chief Executive was thanked for her presentation of the bid.

Detailed discussion took place and all Trustees could see the value and benefits although some trustees felt that costs could be split with others in order to alleviate some of the financial burden of the programme and other concerns were raised around setting a precedent for similar bids in the future.

After discussion it was agreed that due to the uniqueness of the opportunity, two thirds being externally funded and given that we would be one of the first Health Boards in the country to undertake this programme agreement was made to fund the programme for the first year on a pilot basis. A report would be required after six months to detail the benefits of the programme and setting the way forward for funding further cohorts.

The Chief Executive agreed to meet with the chairs of the IJB's to explain the programme and discuss the possibility of future collaborative funding if the programme is successful in the first year.

Action: Claire Burden

Outcome: *The Trustees agreed funding of the bid*

6. Minute of Endowment Committee meeting held on 07 June 2022

There were no queries raised in relation to the last minute of the Endowment Committee meeting.

Outcome: *The Trustees received the draft minute*

7. 2021/22 Financial Position

7.1 General Fund Expenditure

The Assistant Director of Finance reported on general fund expenditure for the 2021/22 financial year. An underspend was noted against patient amenities which is a common occurrence each year. Work is ongoing to look at the allocation split against patient numbers to ensure allocations are accurate.

There has been no spend against Ayrshire Achieves however it is hoped this will recommence in 2022/23. The budget was fully allocated by the committee last year however some timing issues were noted with payments around the end of March.

The Chair raised a query with regard to Heartstart and the possibility of plans for this to be funded differently in the future. It is presumed there will be another bid for future funding however due to reduced services caused by covid, a reimbursement was made from furlough funding. It was agreed this would be split across the two remaining years to reduce the cost to endowments.

Outcome: *The Trustees received the report*

7.2 Portfolio Performance

The Assistant Director of Finance presented the report from the Investment Manager, Eden Tree, to the end March 2022. A key point to note is that the fund has been quite volatile due to the current global and economic situation. The Investment Manager will be in attendance at the next meeting to answer any questions that Trustees may have.

One of the Trustees advised that they were very impressed with performance of fund given the current world status and the quality of reporting from the Investment Manager is very good. It was felt it may be helpful to ask if they would be willing to be involved in the organisations new Sustainability of Climate Change group.

Action: Bob Brown

Outcome: *The Trustees received the report*

7.3 Restricted Funds Summary

The Assistant Director of Finance shared the regular update report on performance of all restricted funds. The report shows that activity has been a bit lower over the past two years due to the pandemic however it is hoped this position will improve. The Endowment Committee will meet big fundholders to look at spending plans for larger funds and ensuring fundholders and managers are administering them appropriately.

The Director of Finance noted a £1 million balance on one of the funds and explained this was Scottish Government funding for staff wellbeing hubs that is being held to pay for building of the staff wellbeing hubs.

Outcome: *The Trustees received the report*

7.4 Donations and Expenditure

The Assistant Director of Finance provided an update on donations and expenditure over £10,000 since the last meeting. A donation of £80,000 was noted from the Crosshouse Volunteers. It was agreed this was a fantastic achievement considering the shops had not been open for the full year due to Covid.

A question was raised as to how the hospital volunteers are commended for the work they do. It was noted that the Board Chair attends the Hospital Volunteers Annual General Meeting to give thanks for their hard work and efforts throughout the year. This is then followed up with a press release.

Outcome: *The Trustees received the report*

8. Annual Accounts

8.1 ISA 260 – Communication of matters relative to Corporate Governance

The Director of Finance presented the management letter from external auditors which was received by the Endowment committee at the last meeting attended by the auditor. A clean audit was given with no issues raised.

A question was raised with regard to section 7 on the internal controls where it notes that the auditor is required to report in writing any significant deficiencies which are identified in the internal controls. The letter was presented to the Endowment Committee by Azets on 7th June 2022 and no issues were identified at that point. The Endowment committee were content with the letter as received.

Outcome: *The Trustees received the letter*

8.2 Assurance Statement

The endowment accounts are consolidated into the board accounts, therefore the statement is to provide assurance that the auditors have not found any issues within the accounts. The statement had been approved by the Endowment Committee and the Trustees were also happy to approve the statement for the accountable officers' signature.

Outcome: *The Trustees approved the assurance statement for signature by the accountable officer.*

8.3 Annual Accounts for Endowment Funds 2021/22

The Director of Finance presented the annual accounts and touched upon the fluctuation with the investments due to covid and other global factors. The overall balance sheet shows £8.8 million of investments which is comparable to last year. There is also about £1 million of cash balance. An overall £10 million is noted on the balance sheet this is split between restricted (£4.5 million) and unrestricted (£5.5 million) funds. Other than the staff wellbeing capital contribution, the legacy for Arran is the biggest restricted fund held due to the specification that the fund is used for Arran only. The accounts have been audited for consolidation with the Board accounts.

Outcome: *The Trustees received the annual accounts for 2021/22*

8.4 Letter of representation

The Director of Finance asked the Trustees for their approval of the letter of representation. No specific issues were highlighted and the letter was approved for signature.

Outcome: *The Trustees approved the letter of representation for signature*

9. Any other competent business

The Trustees were advised that this would be Bob Brown's last meeting due to his upcoming retirement. The Trustees thanked Bob for his support and contribution over the years and wished him well for the future.

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Date of next meeting

The next meeting will take place on Thursday 15th December 2022 at 0930 hours via Microsoft Teams/Meeting Room 1, Eglinton House

Approved:

Date: