

Trustees of the Endowment Funds

Minutes of the meeting on 23 March 2023 via Microsoft Teams

Present: Lesley Bowie (Chair) Ewing Hope
 Adrian Carragher Lynne McNiven
 Bob Martin Marie Burns
 Linda Semple Sukhomoy Das
 Lee Lyons Christie Fisher
 Marc Mazzucco Douglas Reid
 Derek Lindsay

In attendance: Fiona McGinnis
 Shirley Taylor (Minutes)

1. Apologies for absence

The chair welcomed everyone to the meeting. Apologies were noted from Claire Burden, Crawford McGuffie, Jean Ford, Sheila Cowan and Jenny Wilson.

2. Declaration of interests

None noted.

3. Draft minutes of the Trustees meeting held on 15 December 2022

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

4. Action Log and Matters Arising

All actions were noted as complete with the exception of the leadership academy. The Director of Finance updated that a process is currently being developed across the Health Board and three Ayrshire Councils and requested that the funding be carried forward to next years budget. This was agreed.

5. Portfolio Valuation

The Assistant Director of Finance shared the quarterly investment report to the end of December 2022. There has not been much movement since the position presented at the last meeting. There has been a £600k improvement however a dip was seen in quarter two due to the volatility of the markets and the mini budget. It is expected that there will be an uncertain position over the coming year. It was noted that the dividends are still in a positive position in order to release our quarterly income.

Outcome: *The trustees received the report*

6. Minute of Endowment Committee Meetings

6.1 01 December 2022

The approved minute from 1st December 2022 was shared with Trustees for information.

Outcome: The trustees received the approved minute

6.2 09 March 2023

The Chair of the Endowment Committee provided some background on the content of the meeting which took place on 09 March 2023.

The staff wellbeing funds were discussed and it was expected that the remaining budget would not require to be utilised for the creation of the wellbeing suites. It was therefore suggested that the funding is utilised to provide refreshments within all three hubs for a number of years. This request was supported by the Endowment Committee.

Discussion took place in relation to the investment portfolio and the risk level associated with this. It was proposed that a workshop take place to discuss and agree an appropriate level of risk in order to provide the investment managers a little more freedom when making investments. The workshop will take place before the next Endowment Committee in June 2023.

The Director of Finance drew attention to item 5.4 with regard to the Investment Management contract. Originally the contract was for a three year period with the option to extend for a further two, one year periods. The contract has been extended for one year and endorsement was sought from the Endowment Committee to extend the contract for a final one year period. Discussion took place around the process for recruiting a new investment managers and it was felt that ethical investments should be set as a high criteria.

A trustee raised a question with regard to the bid for funding over £5k from Mental Health Services. It was noted this bid was to use money from their own restricted fund and the bid had been agreed. The minute will be updated to reflect this.

Action: Shirley Taylor

Outcome: *The trustees received the draft minute*

7. General Fund

7.1 Draft Budget 2023/24

The Director of Finance advised that the draft budget for the coming year should be set before the start of the new financial year.

Dividend and investment income is show as £330k with expenditure set to match this. It was noted that the figures include the £25k for the leadership academy due to this not being spent within the current year. The Trustees approved an increase in the budget provided for Ayrshire Achieves. Over and above the general fund budget set for 2023/24, there will be additional spending within the restricted funds. Any spend over

£5k from a restricted fund should be approved by the Endowment Committee and anything over £50k would require approval from Endowment Trustees.

A question was raised regarding the budget for patient amenities and what this funding is used for. It was confirmed that this would largely be for longer stay patients and may be utilised more over the Christmas period due to the purchase of gifts. Areas who have longer stay patients residing with them will have larger amenities budgets.

A question was raised as to how the amenities budget can be relatively the same as last year given the 10% inflationary increase. It was noted that most areas of the budget have been underspent within the current year and as such the same budget has been set for the coming year.

The Trustees were content to approve the proposed budget.

Outcome: *The Trustees approved the draft budget set for 2023/24*

7.2 General Fund

The Assistant Director of Finance provided the general fund position up to the end of January 2023. At the last meeting agreement was made to increase the general fund by £65k resulting in a budget of £285k. The current spend is £217k. The spend for January is slightly higher due to the cost of the Christmas amenities. The invoice has been received for the MRI Software and Heartstart has been paid in full for the year. There was funding granted for the library last year which has been included in this years spend due to when the invoice was received. Audit and investment fees will remain as standard. There is a slight increase to the Performing Rights Society fee, this will be reflected within the new budget. It was predicted that there could be around an £80k underspend on the general fund by year end.

Outcome: *The committee received the report*

8. Restricted Funds

8.1 Fund Summary

The Assistant Director of Finance presented the routine report detailing funds with balances over £50k. Funds with balances over £10k are reported to the Endowment Committee. There are currently over 16 funds with a balance of over £50k with a total value of £2 million. In total there are 212 funds with a balance of £3.25 million. Signatories are reviewed for all funds on a yearly basis. Discussion took place around specific funds with regard to appropriate signatories and ensuring that spend is detailed within the forecast for the year.

A Trustee raised a question with regard to how we find out what the restricted funds are spent on. The Director of Finance confirmed that the annual accounts show spend on a fund by fund basis and through the scheme of delegation fundholders can approved spend up to the value of £5k. Anything over £5k would be detailed on either the Endowment Committee or Endowment Trustee minute depending on the value of the request.

The Endowment Committee ensure that fundholders of the larger restricted funds attend the Endowment Committee to provide updated spending plans for their funds to ensure the funds are being utilised.

Discussion took place with regard to income generation for endowments. It was confirmed that we do not proactively fundraise and the majority of the funding received is either from small general donations by members of the public or via legacies.

The Trustees discussed the funding received from NHS Charities Together. The Director of Finance advised that we have recently been notified that the second tranche of the Stage 2 Community grant funding has been approved. A query was raised as to whether NHS endowment funds could be utilised for the mens sheds to assist with the promotion of good mental health. It was agreed that the Assistant Director of Finance would discuss this at the next Endowment Network meeting with colleagues from cross Scotland.

Action: Fiona McGinnis

Outcome: *The committee received the report.*

9. Any other competent business

The Chair advised that this would be Bob Martin's last Endowment Trustees meeting due to his impending retirement from the NHS Board. Bob was thanked for his work and contribution to the Endowment Fund and the Trustees wished him well for future.

10 Date of next meeting

The next meeting will take place on Tuesday 27th June 2023 at 0930 hours via Microsoft Teams/Meeting Room 1, Eglinton House

Approved:

Date: