



## Trustees of the Endowment Funds

### Minutes of the meeting on 28 March 2024 via Microsoft Teams

Present:	Lesley Bowie (Chair)	Marie Burns
	Sheila Cowan	Sukhomoy Das
	Linda Semple	Tom Hopkins
	Lee Lyons	Liam Gallacher
	Derek Lindsay	Joyce White
	Neil McAleese	Marc Mazzucco
	Jean Ford	

In attendance: Fiona McGinnis  
Shirley Taylor (Minutes)

## 1. Apologies for absence

The chair welcomed everyone to the meeting. Apologies were received from Claire Burden, Ewing Hope, Douglas Reid, Jenny Wilson and Lynne McNiven.

## 2. Declaration of interests

None noted.

**3. Draft minutes of the Trustees meeting held on 15 December 2023**

The minute was approved as an accurate record of the meeting with the following amendment, “Item 5.2 A committee member raised a query with regard to comparisons with other boards in regard to the sustainability route of investment. It was confirmed that as all Boards are managed by different investment managers it would be difficult to make this comparison”.

#### 4. Action Log and Matters Arising

All actions have been completed with the exception of the discussions with Life Savings Society regarding the recruitment of volunteers. It was confirmed that contact has been made on a couple of occasions however no response has been received.

## 5. Investment Update

## 5.1 Approval of Proposed Investment Advisors

The Assistant Director of Finance updated Trustees that the current contract with EdenTree will cease in June 2024. A process was commenced in January 2024 to recruit a new Investment Advisor which was guided by Procurement. Invitations were requested from companies to tender with a four week turnaround to submit bids,. It was noted that the confidential contacts within the Tender Paperwork is inaccurate and

discussions have taken place with Procurement for this to be amended. In total 13 bids were received, two of these were rejected due to submission beyond the closing date.

The tenders were scored on 70% quality and 30% price. The top three tenders from the review process were then invited to attend for interview. These were Adams & Co, Evelyn & Partners and LGT Wealth Management. Each company presented to the committee on their philosophy for investing and how the fund would be managed. All companies advised the fund would be a segregated mandate. The committee were impressed by all three presentations however Evelyn and Partners produced the highest overall score and on that based were recommended to Trustees for appointment for three years with the option to extend for two years.

The Chair of the Endowment Committee commended the work undertaken by the Assistant Director of Finance throughout the process which has been very detailed and thorough. All three companies interviewed were investment advisors to other NHS Boards endowment trusts, all with similar returns on investment. The company chosen is a Scottish based company and the decision of the Endowment Committee was unanimous.

Discussion took place on the weighting process and how this was carried out and concerns were raised with regard to constraints of the fund in terms of ethical investment. It was agreed that the contract would be examined to ensure we would not be tied into a contract if the Investment Manager then invested in areas that would not be classed as ethical within the Endowment Charter and a discussion would take place with the Investment Manager following the 10 day stand still period. It was agreed that the ethical restrictions may require some review.

ACTION – Fiona McGinnis

A committee member raised a query with regard to consideration being given to financial inclusion within communities and whether this is something that the Investment Manager may consider undertaking such as support within schools and the community to understand finance. It was agreed that a discussion would take place with the Head of Procurement in relation to this.

ACTION – Fiona McGinnis

**Outcome:** *The trustees approved the proposed Investment Advisors*

## 5.2 Portfolio Valuation

The Assistant Director of Finance advised that we are now in a transition phase from the segregated fund to the EdenTree pooled fund, due to this the report provided is much less detailed than usual however the valuation of £8.2m could be seen.

**Outcome:** *The Trustees received the portfolio valuation*

## 6. Minutes of Endowment Committee Meetings

### 6.1 05 December 2023

The Chair of the Endowment Committee shared the approved minute from the meeting on 05 December 2023. A restricted fund update was provided to the committee by the

Medical Director with assurance provided that future plans were in place to utilise the funding which is approximately £272k.

An underspend was noted within the general fund. The risk register was reviewed with assurance given that risks are being managed appropriately and bids were received and considered for funding.

**Outcome:** *The trustees received the approved minute*

## 6.2 14 March 2024

As noted above presentations were received from the shortlisted Investment Advisors..

It was highlighted that William Duncan & Co has been recruited as the new Endowment Auditors. A conflict of interest was highlighted by Azets who were unable to undertake the Endowment audit due to also being the Boards Internal Auditor. Thanks were given to Azets for their work to date.

Discussion took place on the process for recruiting William Duncan & Co. It was noted that Golden Jubilee Hospital were in the same position and unfortunately received no tenders for procurement of a new Auditor. William Duncan & Co were recommended by Ayrshire Hospice and had availability to carry out the Endowment Audit for both NHS Ayrshire and Arran and Golden Jubilee Hospital. It was highlighted that the annual audit fee quoted did not exceed the amount required for a tender process to be undertaken. The committee supported the appointment of William Duncan & Co.

Discussions have taken place with the external auditor regarding the requirement to consolidate the accounts. Audit Scotland have confirmed they would prefer the accounts to be consolidated however they do not need these to be audited in advance of the Annual Accounts being published. It was therefore agreed that Golden Jubilee would be audited in the first instance with NHS Ayrshire and Arran endowment accounts planned for audit in July/August. As such the next Trustee meeting will be delayed until September to allow for approval of the accounts.

**Outcome:** *The Trustees received the draft minute*

## 7. General Fund

### 7.1 Draft Budget 2024/25

The Director of Finance presented the draft budget for 2024/25 highlighting spend within the current year which is considered at each committee meeting. Consideration was given to patient amenities which is used for longer stay wards with the majority of this funding being utilised around Christmas. Specific projects were also examined which contains funding for retiral teas of £50 per person and the Performing Rights Society which allows music to be played in hospitals. The budget for the Committee remains the same to consider bids across the Board. It was also noted that at the last meeting Trustees approved spend for Hearstart to be continued.

Discussion took place on the funding set aside for the Leadership Academy. To date this has been slow to commence resulting in very little expenditure. The Endowment Committee have recommended that funding be carried forward for a one year period however no longer than this.

The total budget proposed for 2024/25 is £311k which was approved by Trustees.

**Outcome:** *The Trustees approved the draft budget for 2024/25*

7.2 General Fund Spend in 2023/24

The Assistant Director of Finance gave an update on the general fund expenditure for 2023/24. £327k was approved for the year. £75k has now been paid to Ayrshire Cancer Support for a previously approved bid. The invoice for the Performing Rights Society has not yet been received for the year. The budget set aside for Heartstart has been paid in full. It was noted that some of the bids approved may be shown within next year's spend. It is anticipated that there will be spend of approximately £218k by the end of the year resulting in an underspend of around £100k.

**Outcome:** *The trustees noted the budget position as at 31 January 2024*

8. **Restricted Funds**

8.1 Funds Summary

The Assistant Director of Finance shared the routine report noting all endowment funds held and in particular those with a value of over £50k. There are 212 restricted funds in total with a total value of £3.4m. Of these, 16 funds have a balance of over £50k totalling £2.2m.

The Trustees found the report to be very clear however a query was raised with regard to the planned expenditure of the Covid Staff fund. It was clarified that this is being used on an ongoing basis to assist with hospitality for the three Wellbeing Suites. Funding is moved to each of those funds at the beginning of the year to be used throughout the year.

**Outcome:** *The trustees received the fund summary*

9. **Any other competent business**

No other business was discussed.

10 **Date of next meeting**

The next meeting will take place on Monday 16<sup>th</sup> September at 9.30am in Eglinton Room 1.

Approved:

Date: