


<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: center;">3rd June 2024, 10.00 am</p>	

Present Philip Macrae, Chair of Trustees and Non-Executive
Dr Gaener Rodger, Trustee and Non-Executive
Alasdair Christie, Trustee and Non-Executive
Joanne McCoy, Trustee and Non-Executive

Trustees Graham Bell, Non-Executive
Louise Bussell, Nurse Director
Fiona Davies, Chief Executive
Steve Walsh, Non-Executive

In Attendance Stephanie Innes, Assistant Financial Accountant
Lorna MacKenzie, Smoking Cessation Midwife (item 2.2)
Catherine Myles, Charity Manager
Liz Porter, Assistant Director Financial Services
Mairead Thin, Consultant (item 2.1)
Stephen Chase, Committee Administrator

1.1 WELCOME/APOLOGIES

Apologies were received from Elspeth Caithness and Gareth Adkins.

The meeting was quorate.

1.2 DECLARATIONS OF INTEREST

None were made.

1.3 DRAFT MINUTE OF MEETING HELD ON 26 MARCH 2024

A review of the actions log will be held outwith the meeting by the Chair and the Charity Manager and will be reported to the next meeting.

The Committee

- **approved** the circulated draft minute of the meeting held on 26th March 2024.

1.4 MATTERS ARISING NOT ON THE AGENDA

None.

2 POLICY UPDATE

2.1 ENDOWMENT FUND LEAD OFFICER REPORT

The Charity Lead Manager introduced the report which had been circulated ahead of the meeting. The first section of the report was for noting and the second part required a decision from the Committee.

The Chair noted the significant work undertaken and thanked the Charity Manager and members of the Finance team involved in this work. The Director of Finance commented on the background to the report and the decision to be made by the Committee regarding the Theresa Burrall Legacy Fund. It was noted that OSCR had been contacted to see if it was possible to change the application to focus solely on Badenoch but that OSCR had confirmed this was not possible. This had been communicated to the community group who had been asked for their preference from the two options, 1.) to proceed with the current OSCR application or 2.) to withdraw the current application to OSCR and submit a new application which further restricts the funds to Badenoch only. It was noted that the latter is the preferred option of some of the community members at present, however the ultimate decision would rest with the Trustees.

The discussion noted that the process had significantly delayed the spending of the funds and that restricting the fund to the immediate Badenoch area would limit the potential impact the money could have for supporting projects to benefit a larger amount of the population in the wider surrounding area. It was also noted that several of the suggestions received from the community regarding how to spend the fund fell within core budget spend for NHS Highland and would be ineligible for Endowment Fund support.

- It was commented that the ringfencing of the original fund for St Vincent's Hospital and the closure of the hospital in 2021 had meant that there was at present no mechanism by which to administer spending of the funds and that therefore spend for the community had to be conducted via NHS Highland as the lead agency. It was added that there was also no current mechanism for grant making to organisations outside the NHS and that work to address this would need significant work and consultation with the Trustees, all of which was planned.

The Chair put the decision to a vote from the Trustees present and it was recorded that by 6 to 1 the favoured option was the first, to proceed with the current application.

The Committee

- **Agreed** to proceed with the current application, and acknowledged the necessary community engagement work to support the process.

2.2 CORPORATE FUND BRIEFING NOTE

The Associate Director Financial Services noted the background to the paper which requested the transfer of funds to support the overspend in the Corporate Fund of £6,000 which had arisen over the Christmas period. It was noted that all applications approved during the period were correctly fulfilled and compliant with previous guidelines. On assessment, it was commented that the matter should have come to the committee in September 2023 to note the potential for an overspend.

The Committee approved the transfer of funds.

The Committee

- **approved** the transfer of £6,000 to cover the overspend in the Corporate Fund.

3 APPLICATIONS

3.1 Mentoring for Medical Staff

M Thin spoke to the application as one of the Co-leads of the Mentoring for Medics scheme. It was noted that the success of the scheme had required more time to be effective in supporting the requests for mentoring support. The reasons medics had approached the scheme for support included, returning to work after sickness absence, changing roles, finding a better work-life balance, career choices and burn out.

During the discussion,

- There was general approval expressed around the ethos of the project.
- It was felt consideration of the financial sustainability of the project was required given the current success of the pilot scheme. The project leads had been conducting work to explore the resilience of the scheme in areas such as minimisation of administration.
- The need was noted by members for the Committee to present a clear expectation for applicants of for how long a project could or would be supported by the Endowment Fund and that applications ought to evidence a clear exit strategy towards other sources of funding once a pilot scheme had ended. The Chairity Manager commented that a paper was planned for a future meeting to address these issues.
- The Director of Finance noted that applicants would need to build a case for core funding support beyond that of initial Endowment Funding and that the Endowment Fund Committee would not play a part in making recommendations for core budget support.
- It was confirmed that the additional support requested was for £10,000.

The Committee approved the additional support requested.

The Committee

- **Approved** the application for additional funding for 1 year.

3.2 Smoking Cessation Scheme

The project representative, L MacKenzie spoke to the background to the application.

During discussion, a number of contrasting views concerning the effectiveness and ethics of direct payments to volunteers were raised, which included: discomfort around the use of payments as an inducement to participation in a scheme that was in the subject's own best interest; that financial incentives were likely to counteract peer pressure and amongst a group who could be difficult to fully engage; a concern that the use of Endowment Funds was not the right route for a project such as this which had outcomes more closely aligned with core NHS business; that there were questions about the sustainability of a project like this which would require a substantial review of evidence; concern was expressed about equity and the longevity of the project; and concern was also expressed about participants who returned to smoking once the project had ended. The use of social prescribing as an increasing area of response was noted as of relevance to the discussions.

- L MacKenzie, noted that the project had a small focus with the specific aim of addressing smoking cessation around younger mothers and that issues such as vaping were outwith the project's specific aims.
- The Director of Finance commented that she was not aware of projects within the Scottish health boards where incentive payments were paid out of core budgets and that the NHS did not have the functionality to make such payments.
- The Director of Finance noted that the project did not appear to have gone through executive level approval and that there was a danger of setting a precedent around incentive payments without higher level consideration.

- The Chief Executive commented that NICE (referred to in the application) make recommendations for England and Wales but that Scotland had its own approach to health recommendations which did not transfer in a linear way from organisations such as NICE into Scottish health board routes of governance.
- The Charity Manager noted the need for a review of the route to the Committee for applications to the Endowment Fund which ought to include clear deadlines and guidelines for internal due diligence.
- The Chairity Manager commented that she had made attempts to contact Greater Glasgow and Clyde's lead for its Endowment fund in order to understand how they had been managing its incentive projects but had not received a response.
- The Charity leads for NHS Tayside and NHS Lothian had been contacted, the former of whom stated that it would not fund a smoking cessation scheme because it was viewed as a core responsibility of the health board, and the latter raised concern about the use of payment in vouchers due to their anti-fraud policy.
- The Chief Executive noted that she would discuss the issues raised around the project application with the Director of Public Health with a view to seeing what could be done to address the aims of the project and wider interest in social prescribing as a longer term approach to health and wellbeing of the region.

The Chair raised the need for the Committee to further discuss the ethical dimension of applications it receives at a future time.

The Committee agreed that it was not in a position to support the application.

The Committee

- **Agreed** that it was not in a position to support the application.

4 FINANCIAL REPORTS as at 2024

4.1 Fund Balances

4.2 Donations

4.3 Expenditure

The Assistant Director Financial Services noted in addition to the reports circulated that some of the legacy funds were still to receive their funding and were therefore not included in the reports as yet.

It was noted that an exercise would be carried out on the Fund Balances by the Charity Manager and Assistant Director to reduce the number of funds in order to make the system more practical and to address regulations to ensure meetings with the fund managers.

The Chair expressed approval of the direction described and noted the need to avoid the issues discussed in item 2.1 when amalgamating funds.

The Committee

- **Noted** the financial reports.

4.4 Budget Fund Allocations

The Charity Manager spoke to the paper and noted that the paper was usually put forward around June each year to ask the Trustees what they would like to designate from the General Fund into the individual budget fund allocations.

- The Manager commented that having reviewed the expenditure over the past year that there were only two that would need to be topped up: the Research and Development Fund, with a recommended further allocation of £25,000, and the Corporate Facilities and eHealth Fund by £15,000. All other funds had proportionately, in comparison to their spend over the last year, a relatively healthy balance. It was noted that if the Committee wished to review the allocations at any point in the year, for example, if it was known that there were any potential larger applications against any of these budget funds that this could be arranged as required.
- The Charity Manager noted that a 'tidying up' project would commence shortly in order to identify areas for attention. For example, a number of funds that were listed as budget funds, were effectively 'restricted funds'. It was suggested that these funds be reallocated as restricted funds instead of budget funds.
- It was noted that some years ago, £3,000 was allocated to a budget fund called Staff Recognition Awards, which was for an afternoon tea event for staff. £400 was spent for a speaker's fee but the remainder was unspent. It was proposed that this fund be closed and the remaining balance be transferred back into the general fund.

In discussion, it was noted that previously this area had been a matter of some confusion for committee members due to a lack of visibility of what had been spent and where money was coming from. The Director of Finance explained that the purpose of the allocations was to ensure an equitability of access for people across the whole organisation and to ensure that areas of the organisation without specific funds or receive direct donations due to their public presence are not overlooked.

- The specific support of the Endowment Fund for Research, Development and Innovation was discussed in relation to the large amount of external funding received, however it was noted that the funding from the Endowment Fund covered particular areas which fell outwith the specifications of other sources of funding received.
- Concern was expressed about the relatively low use of allocations within operational units. It was noted that the Charity Manager's work plan would address strategic issues around raising awareness among staff groups and fund managers of the funds which were available to them in order to encourage better use of the funds. This work would also include providing SOPs and a tightening up of processes to help make the application process smoother.

The Committee

- **Approved** the recommendations for the redistribution of fund allocations as set out in the report.

5 Draft Annual Accounts 2023-24

The Assistant Director Financial Services provided a verbal update noting that the auditors had been delayed in completing their audit. The clearance meeting between the Endowment Fund team and the auditors had passed off well the previous Friday and there were no issues raised with the accounts.

- It was noted that the accounts would be ready for the Committee to review later in the week and that these would be circulated with the auditor's recommendations.
- It was agreed that the Committee would meet ahead of the forthcoming Audit Committee and Board Annual Accounts meetings in June to consider and recommend the Endowment Fund accounts in a single-item meeting. The meeting would be arranged in short order.

The Committee

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| <ul style="list-style-type: none">- Agreed to hold an additional that the Committee would meet ahead of the forthcoming Audit Committee and Board Annual Accounts meetings in June to consider and recommend the Endowment Fund accounts in a single-item meeting. |
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6 NATIONAL CHARITIES MONIES – ACCESS AND USE

The Charity Manager noted that she and the Assistant Director Financial Services had met with the Grants Officer from NHS Charities in May to provide an update on progress on the four live NHS Charities Together grants. A fifth development grant was still in train and was progressing well.

- There was an opportunity to bid for some funding from Charities Together around workforce well-being which would be discussed at the next Scottish Network of Endowment Charities with the suggestion that Highland could put in a joint bid for a Scotland-wide piece of work. An updated would be provided on the progress of this item.
- Following the last committee meeting there had been an action to renew membership with NHS Charities Together for another year and this action was now completed.

The Committee

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| <ul style="list-style-type: none">- Noted the update. |
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7 ANY OTHER COMPETENT BUSINESS

7.1 Music Licence for NHS Highland

The Assistant Director Financial Services drew the Committee's attention to NHS Highland's music licence which had previously been funded via the Endowment Fund and was due for renewal. The licence supported the use of music radio across the organisation. It was noted that it had been supported by the Endowment Fund previously from at least 2017 and that it was not seen as an area for core funding support. Without the licence there was the potential for incurring significant fines.

- It was proposed that support for renewal of the licence is approved this year and that a paper is brought to the committee at a future meeting to address if the Endowment Fund should be supporting the licence payment on an ongoing basis.
- It was commented that the renewal was overdue and that it had taken some time to assess how many parts of the organisation were using radios in public/patient spaces.

The discussion noted that this was a legacy issue which left the committee with little choice but to approve support for the renewal of the licence for the next year. It was commented that other health boards had encountered similar issues where Endowment Funds were pulled up for supporting areas of core funding. It was felt that supporting the use of radios in spaces for the public/patients was a broadly positive thing but raised other issues such as the use of streaming services and wi-fi.

- The Chief Executive suggested that the timetable for areas such as licence renewal be examined to avoid decisions having to be taken at a late stage and to increase committee assurance. The Director of Finance noted that work to address longer term issues and the related policies was underway and that a paper would be brought to the committee within the next six months addressing the issue. Assurance was also given that licensing for radio/streaming would not be considered part of core funding.
- It was noted that S Innes was conducting work to identify all areas of radio usage and a communications plan for the organisation to encourage staff to come forward to assist with this. The Assistant Director Financial Services commented that a paper taking a

holistic view of radio, streaming services and related areas such as a review of wi-fi would be brought to the committee.

- It was suggested that talk radio and some classical music stations were outwith the requirement for royalty collection and may therefore be a partial solution to the issue.

The Chair requested an amendment to the ask of the issue that:

- Owing to the potential detriment to patients, that the licence for radio is approved by the Committee for the current year, and that,
- The Committee make a firm commitment that if there was no paper provided to address the issue by this time next year then the committee will not approve this request or similarly for issues such as wi-fi, in this manner again.

The Committee

- **Approved** the licence renewal for a further year.

7.2 Request for Information from the Investment Fund Manager

The Chair noted that a request that was received by Trustees from the investment company Adam and Co. for some personal information. The Chair noted that some disquiet about two aspects of the request: the first aspect was the initial request which was thought to be misleading in terms of the reasons as to why it had to be made, and secondly there was concern over the tone of the response having asked for a rationale. The Charity Manager noted that this was a new requirement from the Investment Fund Manager that reflected changes in financial regulation. Adam & Co. had indicated that they would need to draw the matter to a close soon in order to consider next steps if the Trustees were not all able to supply the information requested. The Charity Manager noted that she would report back to the Trustees on progress with Adam & Co.

The discussion noted the various views of the Trustees, some of whom commented that the request was fairly standard around charity legislation concerning fraud and bribery measures, but others had raised concerns about the manner in which the information was stated which it was felt was heavy-handed.

- The Chair noted that there were at least five Trustees who had expressed some level of concern.
- The Chief Executive noted the importance of providing clear explanations in requests for information of a sensitive nature in order to build confidence and avoid concern or confusion.
- The Director of Finance noted that in previous year the request from the Investment Fund Manger had been for the details of two Trustees, normally the Chief Executive and the Director of Finance or similar, however the company now felt this was inadequate in order to meet requirements. The Director of Finance noted that she would request some further information for the purpose of giving assurance to the Trustees on the matter.
- The Chair requested that he and the Chief Executive discuss a communication to the Trustees in conjunction with the Finance Team in order to resolve the matter and provide assurance.

7 DATE OF NEXT MEETING

The next scheduled meeting of the Committee will be held on **2nd September 2024** at **10.00am**, in virtual meeting format.

The meeting closed at **11.57 am**.