

Oxford Health Charity
Trustee's Annual Report for the Year Ended 31 March 2016

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Introduction

The Oxford Health Charity ('the Charity') exists to benefit the patients and service users of the Oxford Health NHS Foundation Trust (and, in the case of a small number of funds, patients and others receiving the services of other parts of the National Health Service and related services).

The bulk of the clinical services provided by the Oxford Health NHS Foundation Trust are funded, of course, from the NHS. In comparison to NHS funding the amounts of money available through the Charity are small, but often a relatively small amount of funding allows activities which NHS funding would not provide. Such funding may help to innovate or to ensure that patients and service users have a wider range of opportunities.

Objectives and Activities

The Charity's governing document is a trust deed dated 31 July 1996, as amended by supplemental deeds dated 6 October 2008 and 29 June 2011.

The objects of the Charity are to apply income for any charitable purposes relating to the NHS wholly or mainly for the services provided by the Oxford Health NHS Foundation Trust.

The main activities of the Charity are to provide public benefit by supporting the good health and welfare of patients and service users, carers and staff.

Achievements and Financial Review

The Charity Committee (a formal committee of the Board of Directors) reviews on a regular basis the expenditure within the Charity and the rules for these. The Expenditure Rules of the Charity were revised during the year.

The Charity's total funds in management were £1,335,000 as at 31 March 2016, similar to the previous year (2015: £1,479,000).

Overall income remained at similar levels, 2016: £324,000 (2015: £323,000). During the year the Charity benefited from a significant increase in income from legacies to £90,000 (2015: £10,000). All other voluntary income saw a fall from £313,000 in 2015 to £234,000 in 2016.

The Charity Committee continues to review ways in which more fundraising activities can take place within the limited resources available. During the year, a new fundraising strategy was developed, fundamental to which is a commitment to follow a best practice approach to fundraising and to provide the culture in which fundraising and philanthropic activities are encouraged, supported and recognised. The aim of this proactive fundraising strategy is to develop a sustainable stream of charitable funds to improve and enhance care for patients.

In driving forward fundraising activity, the Trustee intends to support the broader community involvement activity for Oxford Health NHS Foundation Trust. It is anticipated that future developments will involve all stakeholders locally and regionally in a positive and rewarding, mutually beneficial relationship with both the Charity and the Trust. In order to support the Trust, the charity is committed to the development of health services, which are responsive and sensitive to the needs of its local populous and the wider public. Essential to this aim is working effectively in partnership with patients, carers, foundation trust governors and members, volunteers and the public. In the fundraising context, this means working together to deliver real, positive impact on the healthcare of the people using the Trust's services.

The voluntary fund-raisers who supported the Respite nursing for Oxfordshire's Sick Youngsters fund (ROSY) continued to raise significant sums for services to sick children in Oxfordshire. During the year ROSY raised £173,000 (2015: £229,000). This fall was mainly due to a fall in income from fundraising events which is expected to increase in 16/17. ROSY contributed £204,000 (2015: £193,000) to the Oxford Health NHS Foundation Trust to fund the equivalent of 5.2 full-time nurses providing children's respite nursing. This provides a level of respite nursing care which would not be available through NHS funding.

The year saw a handful of material projects successfully completed such as the Trust wide pilot project to provide rapid access to musculoskeletal care for staff (£48,000) and the circle of support scheme in partnership with Oxfordshire Age UK which helps people in Oxfordshire to live independently, reduce isolation, and signpost those at

risk of hospital admission to their entitlements and opportunities to maintain physical and mental health at home (£83,000).

Feedback from these projects was very positive. Here is a flavour of what staff have said about the rapid access to musculoskeletal care pilot project:

"I took advantage of the fast track service for staff. It was brilliant. I expected to have to travel as I live in Henley but Wallingford was ok. Without this service I would have to go to my GP and be referred to physio with a waiting list i.e. potential more time off work for same (better) service."

From users of the circles of support project: "It [circles of support] stops people from going into a home"

The Trustee is delighted to report both projects have been successful in delivering its aims and their evaluation and success have been communicated to the relevant stakeholders.

Overall expenditure for the Charity fell to £453,000 (2015: £580,000). This fall was due to fewer new large projects being funded during the year.

The investments continued to be managed by Cazenove Capital Management Ltd on a discretionary basis. During the year there were losses on revaluation and disposals of the portfolio of £15,000 (2015: gains of £109,000).

The principal financial challenge facing the Charity continues to be the low level of general funds available. This issue is discussed in more detail in the Reserves Policy section of this report.

Future Plans

It continues to be a priority for the Charity to find ways of promoting fundraising activity. A key focus for the Charity in the year ahead is on developing further our fundraising strategy to provide a framework that facilitates the process of generating, receiving and spending donations. The aim of a proactive fundraising strategy will be to develop a sustainable stream of charitable funds to improve and enhance care for patients.

Work also continues on rationalising funds in related areas, where legal restrictions over the purpose of particular donations allow. This will facilitate a more focused approach to the spending of charitable monies and better coordination with the strategy of the NHS Foundation Trust.

Investment Policy

Other than small amounts of cash at bank and funds related to the ROSY Fund (discussed below) the Charity's funds are invested on a discretionary basis with Cazenove Capital Management Ltd (part of Schroder & Co Ltd). The Charitable Funds Committee regularly reviews the Charity's investment strategy, including the spread of asset allocation, appropriate benchmarks and issues of social responsibility.

The Charity's investment objective is to maximise long-term returns (rather than short-term income), but with an emphasis upon capital preservation. The portfolio is operated on a discretionary management basis with Cazenove, allowing the investment manager more flexibility in responding to the investment market.

The Charity aims as far as possible to avoid investments in alcohol and tobacco. The investment policy allows Cazenove to invest in general funds, provided that these are reviewed quarterly to ensure no more than minimal exposure to alcohol and tobacco, and that investments are changed where necessary to ensure this. With property investments the Charity seeks to avoid investments which are predominantly related to alcohol and tobacco, and this is reviewed on an annual basis.

The Charity aims to maintain the allocation of the portfolio within allocated ranges.

	Range used to 31 May 2015	Range as at 31/03/2016
Equities	35%-55%	25%-65%
Fixed Interest Bonds	20%-40%	10%-40%
Property	10%-30%	10%-30%
Cash	5%-15%	5%-20%
Absolute Return Funds		< = 10%

During 15/16 the Charity Committee agreed to change the allocation of ranges effective from 1 June 2015 as detailed above designed to allow the investment manager to adopt a more flexible approach and in particular to provide better management of risk. The ranges have since remained unchanged.

The performance of the investment portfolio is monitored on a quarterly basis against appropriate indices for the class of investment concerned. In addition the performance of the portfolio as a whole is measured against an overall benchmark based on a weighted average of the individual indices.

Funds related to ROSY ('Respite nursing for Oxfordshire's Sick Youngsters') are now mainly held in cash in order to ensure that ongoing costs of nursing staff can be met as they arise. These short-term deposits are recognised as current asset investments in the accounts of the Charity. The total investment cash holdings related to the ROSY Fund (which amounted to £350,000 at the year-end) are excluded from the target allocation ranges set out above.

Governance

About the Charity

Oxford Health Charity is registered with the Charity Commission (charity number: 1057285) in accordance with the Charities Act 2011. The Charity has a corporate trustee: the Oxford Health NHS Foundation Trust.

The members of the Oxford Health NHS Foundation Trust Board of Directors serve as agents for the Corporate Trustee. The Trust Board members who served in this way during the year and up to the date of this report were:

Non-executive Directors

Martin Howell, Chair
Sir Jonathan Asbridge
Mike Bellamy
Alyson Coates
Professor Sue Dopson
Sir John Allison (appointed 1 April 2015)
Dr Anne Grocock
Lyn Williams

Executive Directors

Stuart Bell, Chief Executive
Dr Clive Meux, Medical Director (resigned 31 March 2016)
Ros Alstead, Director of Nursing and Clinical Standards
Yvonne Taylor, Chief Operating Officer (resigned 3 January 2016)
Pauline Scully, Acting Chief Operating Officer (1 January 2016 to 1 March 2016)
Dominic Hardisty (appointed 22 February 2016)
Mike McEnaney, Director of Finance
Kerry Rogers, Director of Corporate Affairs & Company Secretary (appointed 1 September 2015)

Martin Howell is Chair of the Oxford Health NHS Foundation Trust. Anne Grocock serves as Chair of the Charity Committee of the Oxford Health NHS Foundation Trust.

The Board of Directors has delegated day to day management of the Charity to the Charity Committee. This meets on a quarterly basis.

Charity Registered Number

1057285

Principal Office

The principal office of the Charity is:

Charitable Funds Department
Manor House
Headley Way
Headington
Oxford
OX3 9DZ

Bankers

Lloyds Bank Plc
87 London Road
Oxford
OX3 9AB

Solicitors

Engaged as and when required, none during 15/16

Independent Examiner

Deloitte LLP
2 New Street Square
London
EC4A 3BZ

Investment Fund Manager

Cazenove Capital Management Limited
12 Moorgate
London
EC2R 6DA

Structure and Management

At 31 March 2016 the Charity was constituted of 79 funds (2015: 84). None of the funds in the year or at year-end were endowment funds. The material funds (other than control funds) at 31 March 2016 were:

	£000
Respite nursing for Oxfordshire's Sick Youngsters (ROSY) (restricted)	390
Abingdon Hospital Fund (designated)	106
Wallingford Community Hospital Fund (designated)	97
Buckinghamshire Mental Health General Fund (general)	45
Community Nursing Fund (designated)	41

The Corporate Trustee, in fulfilling its legal duties, ensures that funds are spent in accordance with the purposes of each fund and designates funds in accordance with the wishes of donors.

Non-Executive members of the Oxford Health NHS Foundation Trust's Board of Directors ('the Board') are appointed by the Oxford Health NHS Foundation Trust's Council of Governors. Executive members of the Board are appointed by Oxford Health NHS Foundation Trust under normal staff recruitment procedures. Neither they nor the non-executive members of the Trust Board are individual trustees under charity law. All Directors and Non-Executive Directors are provided with appropriate background information in relation to their management of the Charity.

Acting for the Corporate Trustee, the Charity Committee is responsible for the overall management of the Charity. The Charity Committee is required to:

- Apply the charitable funds in accordance with the Charity's governing documents and the Charities Act 2011.
- Prepare and communicate a statement of policy for all fundraising activities, their approval, monitoring and administration to ensure that such activities, including disbursements, adhere to statutory and other relevant guidelines.
- Supervise the proper investment and administration of the charitable funds. This is done in conjunction with the Director of Finance and the Audit Committee of the Oxford Health NHS Foundation Trust, and with the support of an administrative and accounting service from the Charitable Funds Department of the Oxford University Hospitals NHS Foundation Trust.

The Trustee (the Oxford Health NHS Foundation Trust) delegates the day-to-day management of the Charity to its Charity Committee. The Charity Committee consists of 3 Non-executive directors and 2 Executive Directors of the NHS Foundation Trust, the Director of Corporate Affairs & Company Secretary, a representative of the Trust's Finance Department, along with an external member. The external member during the year was Mr Geoff Shepherd. Mr Geoff Shepherd resigned 13 May 2016.

The Charity Committee meets quarterly. At each meeting items of expenditure of amounts of £500 and above are reviewed and consideration is given to investment performance, management accounts and the stewardship of the funds.

Public Benefit

In exercising its duties and powers with regard to the Charity, the Corporate Trustee has complied with its duty under s17 of the Charities Act 2011 to have due regard to the guidance on public benefit issued by the Charity Commission. The Charity aims to serve the public benefit by promoting the welfare of the patients and service users of Oxford Health NHS Foundation Trust (and where appropriate patients served by other parts of the NHS or related services). This is carried out by: promoting improvements in care over and above that which would ordinarily be provided by the National Health Service; the purchase of equipment; improvements to the care environment; and by promoting activities that assist reintegration into the community. In addition, the Charity funds activities related to the education and welfare of staff of the Oxford Health NHS Foundation Trust where this leads to better standards of care and hence benefits patients and service users.

Consolidation of Accounts

HM Treasury has concluded that in compliance with International Accounting Standard 27, the financial position and results of NHS charities should be consolidated into the accounts of the related NHS body wherever that NHS body is the corporate trustee of the charity and therefore has the power to control and benefit from the charity which it administers as corporate trustee. NHS Charities remain independent, and charity law requires that trustees act in accordance with the charity's purposes and in the best interests of the charity and its beneficiaries and do not act on the policies or directions of any other body. Therefore when the Corporate Trustee considers the affairs of the Charity, although it does have control over those affairs, it is required to make decisions solely in the interest of the Charity and its beneficiaries and not in the interests of the NHS Foundation Trust.

Consolidation is only required where the figures are material to the accounts of the NHS body. In the case of Oxford Health NHS Foundation Trust, the NHS body is the corporate trustee of the Charity, but the figures related to the

Charity are not considered to be material to the accounts of the NHS body, and therefore the charity figures are not consolidated within the accounts of that body.

It remains the case that the funds of the Charity can only be used for charitable purposes.

Partnership Working

Patients and service users of the Oxford Health NHS Foundation Trust are the main beneficiaries of the Charity. The Oxford Health NHS Foundation Trust is a related party by virtue of being Corporate Trustee of the Charity. By working in partnership with the Oxford Health NHS Foundation Trust, the charitable funds are used to best effect. When deciding on the most beneficial way to use charitable funds, the Charity Committee of the Oxford Health NHS Foundation Trust, acting as agent of the Corporate Trustee, has regard to the main activities, objectives and plans of the Oxford Health NHS Foundation Trust.

Reserves Policy

Under the Charities SORP 2015, charitable reserves are defined as income which becomes available to the Charity and is to be spent at the Trustee's discretion in furtherance of any of the Charity's objects, but which is not yet spent, committed or designated. The definition of reserves therefore excludes:

- Restricted funds
- Designated funds

Restricted Funds would be established where monies have been bequeathed or donated to the Charity which are subject to specific trusts, which limit their use to particular purposes, arising for example from restrictions imposed by the donor. Such funds would be held and used only when a purpose for which they are available arises.

Unrestricted Funds comprise donations and other charitable income received for general purpose charitable use which are credited to general funds whenever possible or where donors have expressed wishes as to how the funds might be used they are allocated to the relevant designated fund held for the intended

purpose. Funds are often derived from unsolicited donations and/or from legacies and are therefore unpredictable.

Designated funds are administered by Fund Advisers in accordance with policies and procedures set by the Trustee. The funds are monitored in terms of expenditure plans, ensuring they are spent within a reasonable period of time. In line with the Charity Commission's guidance, a separate reserves policy is not required for designated funds.

Within unrestricted funds, the Charity also holds net undistributed investment gains on unrestricted funds. The purpose of holding these monies is to protect the activities supported, by providing a buffer against future adverse market conditions. The Trustee aims for the balance held in this way to be not less than 25% of the market value of non-cash investments. At 31 March 2016 this balance amounted to £272,276 which was equivalent to 31% (2015: 25% £300,797) of the market value of non-cash investments. The level of the buffer will fluctuate from year to year depending upon movements in the market. The Trustee will endeavour to continue to maintain the buffer within the target set.

General Funds are those elements of the Unrestricted Funds which have not been designated for specific purposes and which are not being held as a buffer against future adverse market conditions. General Funds are included under unrestricted funds in the Charity's accounts.

General Funds	Reserves at 31 March 2016	Expenditure 2015/16
	£	£
Oxon and Bucks General	276	3,882
Buckinghamshire Mental Health General	44,907	1,057
CHO General	3,041	14,062
Oxon CCG General	2,377	35
Marjorie Henderson Fund	22,295	5,892
Total	72,896	24,928

The general funds are derived primarily from donations which have been received over the years with no limitation of purpose, other than that the donors wished to support the work of the Foundation Trust or its predecessor bodies. The existence of such funds is of importance, both because it allows the Charity to react flexibly to new needs and current priorities, but also because they can be used to provide support where problems arise with projects that would normally be paid from designated (or restricted) funds.

The general funds at 31 March 2016 amounted to £72,896 which is 31% of the total charitable expenditure in the year (excluding that on restricted funds). At first glance this appears a comfortable level of reserves. However, that picture has to be qualified in that the history of the Charity reflects that of its associated NHS Foundation Trust, that is a series of mergers between different organisations dealing with different NHS services and different geographical areas. The result is that although the existing general funds have no specific restrictions and they are freely interchangeable between counties and between mental health and other community services, the Charity has chosen to follow the non-binding wishes of the donors, albeit no formal designation has taken place. In particular, £44,907 of the reserves consisted of the Buckinghamshire Mental Health General Fund, and therefore only £27,989 was available to support activities in other areas of the Charity's work. This amounts to only 12% of the Charity's expenditure in the year (excluding expenditure on restricted funds).

The Charitable Funds Committee reviews the position on reserves on a quarterly basis and reviews the Reserves Policy on an annual basis. The Committee is concerned that, although the overall level of reserves is satisfactory, the historic limitations on where they can be used mean that the ability of the Charity to react flexibly to either opportunities or challenges is limited.

The Committee has therefore agreed to continue to allocate income (including legacies) to the general funds where the terms of the gift allows it and to encourage fundraising where possible for the general purposes of the Charity and to continue to fund high priority projects only from general funds.

Going Concern

The Trustee considers that the Charity has adequate financial resources and is well placed to manage the business risks that it faces. The Trustee’s assessment of the Charity’s position takes into consideration the current economic climate and its potential impact on the Charity’s sources of income and planned expenditure. The Trustee has a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. The Trustee believes that there are no material uncertainties that call into doubt the Charity’s ability to continue in operation. Accordingly the accounts have been prepared on the basis that the Charity is a going concern.

Risk Management

The Charity maintains a risk register containing all its principal risks and has during the year reviewed risks and the systems and procedures established to manage them.

The Charity has detailed Expenditure Rules which set out how funds can and should be used. These are subject to regular review.

The Charity’s investments are regularly reviewed by the Charity Committee, including the comparison of returns against suitable benchmarks.

Signed on behalf of the Corporate Trustee (Oxford Health NHS Foundation Trust)

Signed by.....

Date.....

Stuart Bell