

NHS GRAMPIAN CHARITY

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# CHARTER



Enhancing healthcare together

## **Charitable Purposes**

Improvement of the physical and mental health of the people of Scotland, and the prevention, diagnosis and treatment of illness.

## **Our Mission**

To use the generosity of our supporters to enhance the health of the people of Grampian.

## **Our Vision**

Improved health and wellbeing for all in Grampian.

## **Strategic Aims**

To provide targeted investment in Staff Health, Wellbeing & Development; Research & Development; Enabling Wellbeing; Patient Experience; Transition & Innovation; and Environment.

## **Grampian Health Board Endowment Funds (NHS Grampian)**

**(Operating as NHS Grampian Charity)**

**July 2023**

**Registered Charity Number SC017296**

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## **1. Name**

The legally registered name of the charity is Grampian Health Board Endowment Funds (NHS Grampian). The charity's operating name is NHS Grampian Charity.

## **2. Headquarters**

The headquarters of the charity shall be located in the area covered by Grampian Health Board. The current principal address of the charity is Westholme, Woodend Hospital, Queens Road, Aberdeen, AB15 6LS.

### **3. Grampian Health Board as Trustees & Role of Scottish Ministers**

#### **3.1.**

The charity is administered under the terms of Sections 82, 83 and 84A of the National Health Service (Scotland) Act 1978. Accordingly the Grampian Health Board holds the funds and property attributable to the charity on trust as a Corporate Trustee and the members of the Grampian Health Board, as those charged with Governance, shall be the Trustees of the charity.

#### **3.2.**

This Charter provides the overall terms of reference for the charity, and the Trustees shall uphold its requirements in the governance and management of the charity's business.

#### **3.3.**

The members of the Grampian Health Board are appointed by the Scottish Ministers, or elected, in accordance with relevant legislation. The co-option of Trustees to the charity by Grampian Health Board is prohibited under the terms of Sections 82, 83 and 84A of the National Health Service (Scotland) Act 1978.

#### **3.4.**

No individuals shall hold the position of Trustee if he or she meets one of the criteria for disqualification as set out in Section 69 of the Charities and Trustee Investment ("Scotland") Act 2005.

#### **3.5.**

Scottish Ministers have the authority to remove Board members in certain circumstances (Section 77 of the 1978 Act), or may choose not to re-appoint any member of the Grampian Health Board at the end of the term of appointment. Consequently the issue of removal of Trustees is a matter reserved to the Scottish Ministers.

#### **3.6.**

A Trustee may resign office at any time during the period of appointment by giving notice in writing to the Scottish Ministers of their resignation from the Health Board. The appointment as Trustee to the charity would terminate at the date the trustee leaves office.

**3.7.**

The charity shall register with the Office of the Scottish Charity Regulator (OSCR) and accordingly the Trustees must comply with the requirements of the Charities and Trustee Investment (“Scotland”) Act 2005 with respect to any proposed changes to the governance or management of the charity.

**3.8.**

The Trustees shall approve any amendments to this charter.

## **4. Duties of Trustees**

### **4.1.**

The Trustees are responsible for the governance and management administration of the charity.

### **4.2.**

The Trustees are accountable in law for the discharge of the key duties of a charity Trustee as described in Section 66 of the Charities and Trustee Investment (“Scotland”) Act 2005, and are required to satisfy any other obligations in law required of a Trustee.

Specifically the Trustees must individually and collectively:

- Act in the best interests of the charity,
- Seek to ensure that the charity acts consistently with its purposes,
- Manage the affairs of the charity with the same care and diligence that it is reasonable to expect someone managing the affairs of another person, and
- In circumstances capable of giving rise to a conflict of interest put the interests of the charity first or, where this is not possible, disclose the interest and not take part in any discussion or decision on the matter.

### **4.3.**

The Trustees shall convene meetings solely to conduct the business of the charity.

## 5. Statutory Constitution

### 5.1.

The founding document of the charity is the National Health Service (Scotland) Act 1978 ('the 1978 Act').

### 5.2.

Section 82 of the 1978 Act establishes the endowments to be held by the Health Board.

### 5.3.

The 1978 Act also sets out the basis of the “purposes relating to services under this Act”, which is of relevance in determining the charity’s purpose.

#### **Section 1:** General duty of Secretary of State.

It shall continue to be the duty of the Secretary of State to promote in Scotland a comprehensive and integrated health service designed to secure:

- (a) Improvement in the physical and mental health of the people of Scotland, and
- (b) The prevention, diagnosis and treatment of illness.

And for that purpose to secure the effective provision of services in accordance with the provisions of this Act.

#### **Section 47 (2):**

Without prejudice to the general powers and duties conferred or imposed on the Secretary of State under the Scottish Board of Health Act 1919, the Secretary of State may conduct, or assist by grants or otherwise any person to conduct, research into any matters relating to the causation, prevention, diagnosis or treatment of illness, or into such other matters relating to the health service as he thinks fit.

These duties have now been assumed by the Scottish Ministers.



## **6. Purposes**

### **6.1**

The purposes of the charity are:

The improvement in the physical and mental health of the people of Scotland, and the prevention, diagnosis and treatment of illness.

### **6.2.**

The charity's funds shall only be used for the purposes described at 6.1.

## **7. Agreed Principles for the use of Endowment Funds**

### **7.1.**

The Trustees shall observe the following principles whilst discharging their responsibilities under this Charter and the law.

### **7.2.**

The grant of Endowment Funds should not substitute for a core provision within Grampian Health Board's local delivery plan. Nor should Endowment Funds be used to cover a core responsibility of the Grampian Health Board that is a direct requirement of health and safety or employment law or a ministerial policy direction. Evaluation of this principle is formally evidenced on each endowment application prior to approval to commit funds.

### **7.3.**

An employee of Grampian Health Board or the Trustees may only benefit from the charity where the grant or award conferring the benefit satisfies the "public benefit" element of the charity test, as set out in the Charities and Trustee Investment ("Scotland") Act 2005, and the guidance on "Meeting the Charity Test" published by OSCR. The expenditure must be aimed at improving health, welfare, or the prevention, diagnosis or treatment of illness for the Grampian Health Board's residents, and any benefit to the employee must be incidental to (and necessary for) the public benefit to be realised.

### **7.4.**

Neither the charity's funds in totality, nor any individual fund (restricted or unrestricted) shall be permitted to go into deficit at any time.

### **7.5.**

It is solely for the Trustees to determine how the charity is to be administered, and what expenditure is permitted, providing that all decisions are consistent with this Charter. The Trustees shall discharge their responsibilities free from any external direction.

### **7.6.**

All charity expenditure must comply with this Charter, and have received the direct approval of the Trustees or be within the limits of any expressly delegated authority that the Trustees may have granted to an individual or a Committee.

## **8. Governance & Administration**

### **8.1. Chair and Vice Chair of Trustees**

#### **8.1.1.**

The Chair and Vice Chair of the Trustees shall be elected from within the body of the Trustees. Any Trustee may be nominated. In the event of more than one nomination, the Trustees will decide the issue by use of a majority vote.

### **8.2. Trustee Meetings**

#### **8.2.1.**

The Trustees shall hold an Annual General Meeting to be held at a date, time and venue determined by the Trustees and specified in the notice calling the meeting. Any Trustee may request a matter to be discussed at a meeting of the Charity Committee. Any such request should be raised and agreed with the Chair of the Charity Committee.

#### **8.2.2.**

The Chair of the Trustees may call an extraordinary meeting of the Trustees if requested by 1/3 of the Trustees. A notice inviting members to an extraordinary meeting shall be provided not less than 21 days before the meeting, together with copies of all relevant papers.

#### **8.2.3.**

The provisions of the NHS Grampian Standing Orders for Board meetings shall apply to Trustee meetings as far as practicable and appropriate.

#### **8.2.4.**

A quorum will consist of a minimum of 3 Trustees present, 2 of which must be Non-Executive members of the Grampian Health Board.

#### **8.2.5.**

Meetings of the Trustees shall not be open to the public unless the Trustees decide otherwise in respect of a particular meeting.

### **8.2.6.**

Trustees hold the right, by a simple majority, to co-opt external parties with supplementary skills to participate in Trustee meetings and also to attend Charity Committee meetings as appropriate, on a voluntary basis. These external parties will not hold voting rights and will be invited to contribute in an advisory capacity only.

## **8.3. Decisions Reserved to Trustees**

The following matters may only be approved by the Trustees:

- Any strategy or policy matters relevant to the charity including any proposed changes to the Charter.
- The arrangements for governance and management administration of the charity's activities, including terms of reference of any committee or sub-committee to be established by the Trustees.
- The investment strategy.
- The reserves policy.
- The annual accounts and report.
- The appointment of external auditors.
- The appointment of investment advisors.
- Membership and constitution of sub-committees.

## **8.4 Delegated Authority**

### **8.4.1.**

The Trustees shall delegate functions to a Charity Committee to carry out the day to day business of the charity, and shall appoint other sub-committees as they think fit to uphold the charter and discharge their responsibilities.

### **8.4.2.**

The Charter and associated Fund Guidance as agreed by the Trustees constitute the framework for financial governance of the charity.

### **8.4.3.**

The authority and responsibility of staff supporting the charity who are also employees of Grampian Health Board is detailed in NHS Grampian's Standing Financial Instructions, Schedule of Reserved Decisions, and Operational Scheme of Delegation.

#### **8.4.4.**

Individual Fund Stewards have delegated authority to commit expenditure up to £5,000. Thereafter, the Director of Finance approves expenditure up to £15,000 and the Director of Finance and the Chair of the Charity Committee approve all expenditure requests up to £50,000. During periods of absence, the Deputy Director of Finance or the Assistant Director of Finance have delegated authority to act on behalf of the Director of Finance, and any other Trustee who is also a member of the Charity Committee can act on behalf of the Chair of the Charity Committee. For sums above £50,000, approval from the Charity Committee is required.

### **8.5. Role and Remit of the Charity Committee**

#### **8.5.1.**

The Trustees delegate the following functions to the Charity Committee:

- To make recommendations to the Trustees on investment strategy and policy.
- To approve the General Charity income and expenditure budgets annually.
- To agree appropriate distribution and uses of general charity endowment funds.
- Monitor financial performance against individual charity endowment funds, and ensure that adequate control arrangements exist to provide assurances to Trustees that:
  - Expenditure is consistent with the defined purpose of the fund.
  - Expenditure is legally permitted and consistent with the charitable status of the fund.
  - The expenditure is consistent with Board policy.
- To authorise charity expenditure in accordance with the NHS Grampian Scheme of delegation
- The Committee will consider regular investment reports from the Investment Managers and meet with them as a minimum quarterly. The investment reports should enable the Trustees to monitor investment performance against agreed benchmarks, ensure that the investment portfolio is being managed consistent with the investment policy and strategy, and understand any risks to achievement of the objectives of the Trustees in relation to investment performance. The Director of Finance as an Executive Member of the Committee will act as contact with Investment Managers to review investment decisions as required. A list of investment decisions made since the last Committee will be presented to the next Committee for review.
- To monitor, at each meeting, a statement of accounts which includes a balance sheet, an income and expenditure account and a Summary of Fund Performance. A supporting commentary will accompany the financial papers at each meeting.
- To make recommendations to the Trustees for the appointment of External Auditors and Investment Advisors.

- To review and recommend the Annual Report and Audited Annual Accounts to the Trustees for approval.

### **8.5.2. Membership**

The Charity Committee shall comprise of six Non-Executive Directors, one of whom shall be the Chair, and the Director of Finance. The Committee shall also appoint a Vice Chair from the non-executive membership of the Committee.

Membership of the Committee will be selected jointly by the NHS Grampian Board Chair and the Chair of Trustees.

### **8.5.3. Attendance**

The Assistant Director of Finance and Investment Advisors will be invited to attend the Committee in an advisory capacity.

All Trustees have a right to attend as observers.

Other members of NHS staff in Grampian may also attend by prior arrangement, also as observers. Other staff may be invited to attend Committee meetings to inform and/or report on specific matters.

### **8.5.4. Quorum**

At least three members of the Committee, including at least two Non-Executive Members of Grampian Health Board, must be present in order to form a quorum.

### **8.5.5. Meetings**

There will be a minimum of four meetings per annum with provision for additional meetings as required.

### **8.5.6. Minutes & Reports**

The minutes of all meetings will be sent to all Trustees on approval by the Committee. In addition, the Chair of the Committee will send a letter to each Trustee following each Committee meeting covering the key and significant points raised. All minutes will be publicly available.

### **8.5.7. Standing Orders**

The provisions of the NHS Grampian Standing Orders for Board meetings shall apply to the Committee as far as practicable and appropriate.