

West Herts Hospitals Charity
Where your generosity makes all the difference

Trust Board
4 May 2017

Title of the paper:	Development Strategy	
Agenda item:	20a/48	
Lead Executive:	Louise Halfpenny, Director of Communications (and exec lead for the charity)	
Authors:	Louise Halfpenny, Director of Communications (and exec lead for the charity) Bridget Orchard, Head of Fundraising	
Charity objectives met:	<input checked="" type="checkbox"/> 1. Increase WHHC income <input checked="" type="checkbox"/> 2. Improve the charity's effectiveness <input checked="" type="checkbox"/> 3. Enable WHHC to become a proactive charity of choice <input checked="" type="checkbox"/> 4. Comply with best practice, guidelines and be ready and able to adapt to changes	
Purpose:	<p>To provide an updated development strategy which will lead the next stage of the charity's development following a review of its current position, ways of working and potential.</p> <p>This paper supports the need to change the way that discretionary funds are managed – a matter that is addressed more fully in a separate paper for approval by the Corporate Trustee at this Board meeting.</p>	
Benefits to patients and patient safety implications		
<p>The charity's function is to raise funds for the causes deemed appropriate by the corporate trustee who are acting in the interests of the charity (not the Trust). The charity's mission and vision is aligned to the Trust's mission and vision which means that a thriving charity will deliver benefits to patients, particularly around patient experience.</p>		
Risk implications for the Trust:	Mitigating actions (controls)	
There are some reputational and financial risks related to current policies and procedures and gaps in governance.	Adoption of strategy, increased clarity over roles of those who support the charity and continued development of appropriate policies and procedures.	
Links to Board Assurance Framework, CQC outcomes, statutory requirements		
<p>The presence and outputs of a successful charity could support (not provide) mitigation related to these BAF risks:</p> <ul style="list-style-type: none"> • PR3 - Current estate and infrastructure compromises ability to deliver safe, responsive and efficient patient care • PR8 - Failure to engage effectively with our patients, their families, local residents and partner organisations compromises the organisation's strategic position and reputation • PR9 - Failure to develop a sustainable long term clinical, financial and estates strategy compromises the organisations' strategic position and reputation • PR10 - System pressures adversely impact on the delivery of the Trust's aims and objectives 		

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In addition to the BAF risks, it is possible, depending on which projects are selected, that products/services and activities funded through charitable funds would support the emerging quality plan as well as CQUINs.

Legal implications

The legal framework around charities is increasingly complex and robust. The corporate trustee needs to be aware of its role and responsibilities and also of the liabilities resulting from charitable activities.

Financial implications

There is more than £1m tied up in various charitable funds. This money could be spent more effectively in order to benefit patient experience whilst alleviating pressure on exchequer funds. The corporate trustee should also consider the rapidly diminishing general (unrestricted) fund which may impact on the ability to support itself.

Recommendations

The Corporate Trustee is asked to approve the development strategy which includes recommendations to:-

1. Amend current delegated financial authority arrangements
2. Update the management of discretionary resources
3. Change of job title from Head of Fundraising to Head of Charities (remit and banding remain as agreed during recruitment process)
4. Establishment of Charities Steering Group (CSG) with delegated management responsibility
5. Use of 'critical success factors' and themes to aid decision-making for fundraising asks
6. Change to the role of fund holders to fund advisors
7. Charity Office location (in principle)
8. Branding work to continue

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1. Summary

The purpose of this paper is to outline a draft strategy for West Hertfordshire Hospitals Charity (WHHC). The strategy has previously been circulated and discussed at the Charitable Funds Committee CFC meeting in February and March 2017. It has been revised accordingly.

The way forward for the charity was also discussed at the board development session in early March.

At the board development session it was agreed that a list of themes for potential development and investment would be circulated to allow CFC members to rank them, using a draft list of critical success factors. The list and the critical success factors are attached.

2. Introduction

The rationale for any charity is that it needs to act for the public benefit and to have a positive impact. In order to achieve their objectives, charities need to successfully manage (raise and disburse) discretionary resources¹. For WHHC, these opportunities are boundless. There is a very real need for the benefits which could be delivered via successful projects and campaigns.

With some adaptations and with support and advice from the Association of NHS Charities, WHHC has the opportunity to be as successful as other NHS charities and to increase the benefit it can provide to its community (which is the same as the community served by the Trust and includes staff).

As well as the 'public good', there are two other key drivers which make now the right time for a strategic change to the way the charity works.

The first is that the charity now has the services and skills of an experienced head of fundraising (HoF) whose potential can be exploited, should the conditions for success be established.

The second key driver is that the legal framework around charities has become increasingly complex and robust. The charity is currently not aligned to best practice as set out by the Charities Commission and the Association of NHS Charities and is not fully compliant with its own policies and procedures.

3. The opportunity

The public is motivated to donate to NHS charities and corporate organisations are increasingly interested in giving support, either through donations or gifts in kind. WHHC has received a continual (albeit diminishing) stream of donations. In times of competition among charities and economic uncertainty, NHS charities retain an appeal, partly related to trust in the NHS brand and an understanding of the current financial constraints.

¹ Discretionary resources are those which are available for use as needed or desired.

Discretionary resources can include

- donated cash or grants held in hospital funds
- donations through third parties
- gifts in kind (including services offered pro bono, corporate gifts, hospitality)
- proceeds from the sale of donated goods
- proceeds from the sale of donated expertise

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Research into the psychology of giving suggests that people are most ready to give when they are: feeling compassion for those in need (90%); wanting to help a cause in which the donor personally believes (86%); and wanting to make a contribution to the community (80%). These trigger points are likely to occur in a healthcare setting.

WHHC would appear to be well-placed to trigger these motivations in its donors. Further research into donor retention indicates that loyal donors have three key drivers – they will continue to support a charity so long as they:

- Trust the charity
- Are satisfied with the way they are treated
- Are committed to what it is doing

WHHC does not have a track record of thanking donors or a culture of feeding back to them on how their money has been spent. Anonymous giving has been allowed and there are insufficient donor details to know who past donors are so we cannot know if they are satisfied with how they have been treated.

Added to this is the fact that the charity does not yet have an 'identity' and has not articulated agreed commitments.

So, although there is an opportunity to raise discretionary resources, WHHC is not building on it or doing enough to encourage 'repeat business'.

This paper sets out how structures and processes which generate trust, satisfaction and commitment among current **and** potential donors could be developed.

This paper also sets out how the charity wishes to harness existing discretionary resources to support this process.

The priority is to explain and secure support for the journey, it is about future ability rather than future activity. Without good foundations, the most promising fundraising appeals will founder.

4. Scope

WHHC is in a unique position to generate discretionary resources which will make a real difference to the communities the Trust serves. Discretionary resources can be used for activities for which exchequer funding cannot be identified or justified. Discretionary resources can provide immediate solutions when exchequer processes are slow and can also be used to as pump-priming and/or attract matched funding.

The strategy will sets out the need to move to a new way of managing discretionary income including existing designated and restricted funds, funds raised, gifts-in-kind and corporate support. This will enable a smooth transition from a reactive to proactive charity.

The strategy complements WHHT's vision, mission and values whilst remaining its own entity. WHHC is a separate organisation, answerable to the Corporate Trustee (CT) and can fund activities outside of the Trust if they will enhance the quality of the patient experience or provide necessary support to staff.

The strategy aims to achieve a balance between donors' interests and motivations and those of WHHC using agreed critical success factors (see Appendix 2) against which projects for funding will be assessed.

Partnership working, supporting care closer to home and a focus on health and wellbeing are key features of Your Care, Your Future and the STP (sustainability and transformation partnership). The charity's outputs can be tailored to support these aims.

The strategy has been drafted in full cognisance of fundraising standards legislation.

5. Our present position

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- Income has been declining year on year for five years
- In the absence of a proactive fundraising process, the focus has been on managing a process to record funds that relates entirely to their designation or restriction, rather than on generating new funds (or gifts in kind)
- The Association of NHS Charities defines the qualities of reactive and proactive charities and, using these criteria, WHHC is reactive (Appendix 3)
- Discretionary resources received through third parties (eg League of Friends), gifts in kind (including services offered pro bono, corporate gifts, hospitality) have not been managed by WHHC
- There is no process for the active management of fund holders
- Fundraising for the charity happens on an ad hoc basis and is done by WHHT staff, patients, relatives and third parties
- The HoF and the CFC have very limited oversight of fundraising activity, creating significant risk of unregulated practices
- There is no bespoke process for inducting fundraising volunteers and no guidance given on receiving charitable donations (particularly on managing donors who wish to be anonymous)
- The charity is not part of the trust induction process for new starters and has a low/no profile in the organisation
- Income is held in 140 small funds – this fragmentation prevents money being used strategically and having a significant impact.
- The delegation of financial authority drives fragmented and small spending and inhibits strategic decision making
- Funds lie dormant for years, against the implicit (or explicit) wishes of donors
- The dormancy is against the charitable funds policy which states that all unrestricted funds (and restricted funds where applicable) should be spent within 12 months of receipt
- Responsibility for developing plans for timely expenditure lies with the fund holders but there has been no process to manage this and subsequently limited success
- Processes for appointing/designating fund holders and fund managers have been ad hoc which sometimes leads to confusion about the role
- Some fund holders are not aware that they have this role whilst others don't understand its responsibilities
- Training is not provided consistently for fundholders and when it does occur it is transactional – focusing on how to manage purchases rather taking decisions about the appropriate expenditure of charitable funds
- We are lagging behind other NHS charities who are being proactive and growing income by investing in fundraising and robust governance
- Our neighbouring trusts are outpacing us and we are at risk of losing our market share
- External pressures include; competition from local organisations with well-established fundraising reputations; the proliferation and profile of single cause medical charities
- Negative connotations linked to the parent trust, such as delays with strategic projects, poor estate and financial and operational challenges can reduce the appeal of donating to capital projects
- The management of details of past donations and administration around banking and thanking have been insufficient to create a donor database and this impacts on the ability to return to 'warm' donors
- Changes in legislation mandate compliance with new Charities Commission guidance (CC20) and forewarn of the increasing priority attached to impact reporting which requires a shift in approach to a culture of donor compliance
- There are different line management arrangements and competing priorities for the staff employed by the charity
- Impact reporting is not routinely carried out.

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6. The charitable remit

The Charity was established 20 years ago with the following remit:

MEMORANDUM AND ARTICLES

The Trustees shall hold the Trust fund upon Trust to apply the income and at their discretion, so far as may be permissible, the capital for any charitable purpose or purposes relating to the National Health Service wholly or mainly for the services provided by West Hertfordshire Hospitals NHS Trust (Model Declaration of Trust 28.05.96)

Appendix 4 details the specific clauses in the model declaration which define what our current remit permits. The Corporate Trustee can change regulations for the management of WHHC subject to the agreement of the Charity Commission.

This remit provides a great deal of scope and does not tie us to 'additionality' (only fundraising for things that the NHS does not fund).

7. Strategic direction

MISSION STATEMENT

West Herts Hospitals Charity will improve the health and wellbeing of communities in the area served by West Hertfordshire Hospitals NHS Trust by raising resources for strategic causes.

(Charity Commission guidance on mission statements can be found in Appendix 5)

This mission ensures that all activities will be evaluated against how they will improve the health and wellbeing of the communities we seek to serve; patients, staff and the wider community.

Strategic objectives

1. Increase WHHC **income** by identifying and developing projects and campaigns that draw support from WHHT staff, attract funds and support strategic objectives. Projects and campaigns will relate directly to themes which are of strategic importance – improving the health and wellbeing of communities (patients, staff and the wider community)
2. Improve the charity's **effectiveness** by managing existing and potential discretionary resources through the Charities Steering Group (CSG) (not yet established – draft terms of reference attached at Appendix 6). Decisions about how resources are raised (an annual programme of projects and campaigns) and how resources are expended (in line with the discretionary funding policy) will be co-ordinated through the CSG with recommendations made to the CFC. In addition, we will bring together the charities governance, finance management and fundraising functions to help ensure delivery of the necessary support and information to the CSG.
3. Enable WHHC to become a proactive **charity of choice** by changing its approach, raising its profile and improving its ability to manage competition and donor development.
4. **Comply** with best practice, guidelines and be ready and able to adapt to changes.

• Strategic objective 1 - increase income

WHHC needs to raise funds to deliver its mission. It also needs to raise funds to cover its own costs. The current situation is not sustainable. Running costs are either drawn from limited unrestricted funds or by top-slicing funds for administration costs. Given current rates of consumption, unrestricted resources will run out within the next 18 months unless we are able

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to raise funds which can be used for unrestricted purposes. A prime focus therefore needs to be growing unrestricted income.

Many NHS charities (and non NHS charities) have developed specific fundraising programmes to increase unrestricted income. This strategy proposes that WHHC increases unrestricted income by developing a range of cross-cutting campaigns so that the funds can be spent across a broad theme.

These campaigns will be regularly reviewed by the CSG. The campaigns will help to unify existing fundholders and allow them to understand the potential and impact that could be gained from coalescing around a common theme.

This will create an impetus for them to develop spending plans, to work with the Charities Team (see below) to suggest and support additional activity and to use existing funds to pump prime new campaigns. Potential campaign themes and a case study of how this could work can be found at Appendix 7.

Involving staff in the CSG will enable them to engage with the charity during the early stages of project and campaign identification and shape developments, building on local expertise and understanding of what is needed. Campaigns and projects may lend themselves to single or multiple fundraising streams. Funding budgets will be set for each campaign and project and gift tables will be developed where appropriate.

We will also heavily promote the general fund to donors with the premise that 'if you trust us with your health, you can also trust us to use your donation wisely'. This is routine practice in most other charities. Encouraging donations to the general fund will require a new approach from frontline staff who have face-to-face contact with donors. They will need a greater understanding of how the charity works (general fund in particular) and some coaching in how to liaise with managing patients/families who are offering money. Educating staff on this is vital if we are to move towards sharing and away from restriction and anonymous donations which put staff at risk.

While increasing unrestricted income will deliver much-needed sustainability, restricted income is easier to raise. WHHC will increase restricted income by developing a rolling programme of projects for which we are seeking funding. Projects, which can be for capital, revenue or a combination of both, should be of strategic importance to WHHT and should be 'good fundraising asks' - attractive to donors and delivering something different, extra or sooner than can be purchased with exchequer funds.

When adding projects to the pipeline, an underpinning project development process will ensure:

- sign off - to confirm and reiterate strategic importance
- WHHT staff are nominated to support project development process
- Governance processes are followed around procurement and fund allocation
- Impact reporting and evaluation.

Fundraising timelines and risk will be incorporated into decision making about the project pipeline. The list of critical success factors will support this process.

If WHHC follows successful NHS Charities, there is a possibility that restricted income grows faster than unrestricted. Under these circumstances the CT may need to decide whether WHHC's contribution to WHHT merits subsidy.

The third element is to improve sustainability by introducing a range of income streams. There are costs, resource implications and timelines associated with each stream which need to be factored into decisions about implementation. Targets for fundraising will be established through aggregate forecast returns for projects, campaigns and the general fund, offset by the costs of each funding stream. It may be sensible to buy in additional fundraising support for those projects/campaigns which could deliver a good return on investment. Current fundraising and

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administration costs will be attributed to each stream, with budgets will be set for each funding stream. This is industry standard practice.

Funding streams are detailed in Appendix 8

- **Strategic objective 2 - Improve effectiveness**

Improving effectiveness is key to ensuring alignment with new CC20 standards. Currently, there is no matrix against which to measure WHHC's effectiveness and while it might be one of the factors driving funding decisions, no processes exist to ensure that it is always considered.

In order to improve effectiveness, WHHC needs to manage both existing and potential discretionary resources through the charity. This requires changes to the current delegated financial authority and moving decision-making about expenditure from fund holders and fund managers to the CSG with advice from newly created fund advisors.

In particular, all decisions above £5,000 and less than £25k will pass to the CFC with recommendation from the CSG. Decisions between £25k – 100k will be taken by the CFC. Decisions above £100k will be taken by the CT. These levels will apply to both expenditure and fundraising.

The charitable funds accountant (CFA) will provide a financial administration function for the charity to the head of fundraising (HoF).

The role of fund holders and manager will be revised to ensure a more open and collaborative approach to the expenditure of charitable funds and to improve understanding of the responsibility for charitable funds. New systems and ways of working are required to ensure that HoF is the primary point of contact for them.

Introducing a 'bigger picture' approach will be done with care and with good communication, ensuring that best use is made of the support and guidance of the CSG. It is envisaged that chair and CEO will champion the need to 'make our million count' and that there will be individual and group sessions with fundholders to explain the rationale.

By the time we reach this point, there will be guidance which will drive people towards impactful investments and away from frittering or dormancy. Opportunities will be created for fund holders and fund managers to allocate discretionary resources for projects which benefit them but which they may not have developed. Plus, through the work of the CFC and CSG on refining a range of projects, there will be attractive options for people to support if they are short of ideas!

Care will be taken to decide how to manage the 'spend out' process and whether or not accounts can be closed once the balance has been spent. A process will be agreed for funds to revert following staff turnover amongst fund holders and fund managers.

Recognising the role that the HoF has and that governance is part of that remit as well as liaison with linked charities, it is suggested that the post is renamed to **Head of Charities**.

- **Strategic objective 3 - becoming the charity of choice**

There is some awareness of 'charitable funds' but not so much the charity. Improving the impact of charitable funds and raising the profile of the charity will underpin plans to grow income. WHHC can't launch a general fund which is based on public trust if the public don't know WHHC exists. Equally we can't work with staff to develop a campaign or project if they don't understand what WHHC can do.

This proposes improving recognition through the following:

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Developing **new branding** which clearly differentiates WHHC from WHHT and clearly identifies WHHC as a charity across the whole Trust. The brand should convey a 'tone' for the charity which will help when working with external organisations as well as with our staff. Responsibility for working with brand advisors will be delegated to a time-limited **Charities Branding** subcommittee. The CSG will act as advisors through the process.

The new brand will be rolled out across all the charitable functions, providing a standard format for all fundraising stationery, publications and online. This will be accompanied by bespoke plans for donor and supporter communications and development for each funding stream to include hospital staff, trustees, the Corporate Trustee, chair and CEO.

Many NHS charities have a strong presence on their hospital site(s). A prominent location, with branding, in the main WGH entrance is an essential part of brand promotion and income generation. Walk-in donations; advice in person on fundraising; advertising of challenge events, Hospital Lottery and key campaigns will all benefit from having a charity presence in an area of high footfall. As well as a prominent location at Watford General Hospital, pop-up facilities at HH and SACH could have a significant impact.

Many NHS charities have their own website or micro site which guides donors of all sorts (corporate, major, individuals, legacies) to a range of campaigns and projects. WHHC needs its own website, which should carry the new brand.

- **Strategic objective 4 - legal framework**

NHS charities either have an NHS Trust or Foundation Trust as sole corporate trustee or individual trustees appointed for that purpose by the Secretary of State for Health. NHS charities are registered with the Charity Commission, but, as they are trusts, they do not have their own legal personality; their NHS body or NHS-appointed trustees are responsible for them. The corporate trustee must operate and demonstrate independent decision making and take actions in the interests of the charity, and in that sense operate independently of the Trust.

The purpose of this strategic objective is to ensure appropriate independence so that when decisions are taken by the Corporate Trustee, they are made for WHHC. WHHC also needs to maintain alignment with the overarching legal frameworks by monitoring and adapting to ongoing changes, this includes impact reporting, evaluation and assessment, reporting protocols, relations with the Charity Commission, the Fundraising Regulator and the Association of NHS charities.

Appendix 9 sets out the roles and responsibilities for the corporate trustee as presented at the Board Development Session on 8 March 2017

Critically, processes and procedures must be in place for the CFC to oversee fundraising and the appropriate expenditure of charitable funds before it takes place. Currently, most expenditure is completed without the prior knowledge of the CFC or the CT, including high value items procured through trust processes. More clarity is required on approvals processes and the systems used must demonstrate greater adherence. Changing the guidance will not automatically change the practice. The involvement of the CSG would be vital in revising the approvals policy.

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Appendix 1.

Priority operational actions

Action	lead	date
1. Approval of the development strategy	CFC	May 2017
2. Establishment of charities steering group (CSG)	Reps from CFC/CT	May 2017
3. Develop detailed operational plan for transforming WHHC from “reactive to proactive”	Reps from CFC/CT	For CFC meeting 08.06.17
4. Develop revised roles for frontline fundraisers and associated communication	HoC, chair of CFC, exec lead with reps from CT	For CFC meeting 08.06.17
5. Develop revised roles for fund holders/fund managers together with revised management processes	HoC, chair of CFC, exec lead with reps from CT	For CFC meeting 08.06.17
6. Establish financial and other reporting requirements for CFC and CSG and develop process to deliver to required standard and schedule (including arrangements for transition from current to revised systems)	CFC/CSG and CT	For CFC meeting 14.09.17
7. Establishment of processes to ensure compliance with new fundraising standards (Fundraising Standards Board, Charities Commission)	CFC	For CFC meeting 14.09.17
8. Review, revise and develop policies and standard operating procedures including complaints policy and donor charter	CT	Most by 14.09.2017, remainder by end of year
9. Develop communications strategies for the charity	CT/ communications	Summer 2017
10. Establish the Charities Branding subcommittee (branding and marketing)	CFC/CT	Summer 2017
11. Develop publicity materials, including separate website	CT/ communications	Late 2017/early 2018
12. Support the development of local policies for volunteering and fundraising (for all charities) by staff and visitors on the hospital sites, a bespoke process for inducting fundraising volunteers and impact reporting	CT/volunteer team	For CFC meeting 14.09.17
13. Recruit a patron	Corporate Trustee	Late 2018

Appendix 2 Critical Success Factors (CSF)

CSFs against which projects for funding will be assessed.

1. Fundraisable

Will the product/project/service appeal to current or potential donors sufficiently in order to raise enough funds?

2. Deliverability

Will the product/project/service be delivered on time and are there existing funds available to get started, to pump prime or to offer as matched funding?

3. Fit with Trust vision and strategy

Will the product/project/service help us; deliver best quality care; be a great place to work and learn; progress strategic aims – STP, RFH model; improve our finances; and deliver our vision – the best care for every patient, every day?

4. Impact

Will the product/project/service reach large numbers or will it have a significant positive affect on a particular section of our community?

5. Sustainability

Will the product/project/service last and remain impactful for a number of years?

6. Associated costs

Is a training, subsistence, staff or maintenance cost required now or in the future (if yes, please score low, if no additional costs, score high). Can the project attract income to pay backfill costs – thus relieving exchequer funds? (in which case score high)

7. Partnership opportunity

Given stated aims re STP and RFH buddying programme, does this product/project/service present good opportunities to work in partnership for the benefit of patients

8. Is there an exit strategy?

Does the need for this product/project/service end once it is delivered or will the need outlast the funding – ie, is this a pump-primed project that can be funded from other sources or will it need continual charitable funding (projects with an end point score high, those with a continued demand for charitable funds and little prospect of other income streams score low).

9. Staff engagement

Is this a highly visible product/project/service that will galvanise our staff in their fundraising efforts and draw in support from existing fundholders and managers?

10. Community engagement

Is this a highly visible product/project/service that will galvanise (sections of) our local community in their fundraising efforts whilst raising the profile of the charity?

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Appendix 3.

The Association of NHS Charities defines the qualities of reactive and proactive charities using these criteria

Reactive	Proactive
Donations through Finance	All donations through charity
No acknowledgment for donors	Modern donor management
No legacy promotion	Active legacy promotion
Only assist third party events	Extensive events diary
Limited fundraising resources	Professional FR team
No/low profile in the community/hospitals	Locally recognised, high profile
Weak or no branding	Strong brand – advertised
Poor database systems	Modern integrated systems
Limited presence on site	Strong presence in all public areas
NHS admin systems	Independent admin systems
No active community contact	Actively working in the community
No website or profile on the NHS Trust website	Own website with on-line giving
No PR activity	Extensive PR activity

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Appendix 4 Charitable Remit

1. We may raise funds and receive contributions (may not trade)
2. We can buy/lease property and equip or maintain it to enable us to meet our objects
3. Subject to consents we can dispose of any part of the property within the Trust fund
4. We can borrow money
5. We must co-operate with other organisations with similar objects and exchange information and advise
6. We can establish/support trusts with aligned objects
7. We can employ necessary staff
8. We can apply a proportional cross charge for administration
9. We must invest (cautiously) through the stock exchange
10. Trustees may designate or restrict funds
11. We may acquire improve or maintain property subject to donors wishes
12. We may insure property owned by the Trust
13. We can change regulations for the management of the charity

Appendix 5. Charity commission guidance on constructing a mission statement

Charity Commission says charities must clarify	WHHC response
What outcomes are your charity set up to achieve?	WHHC is set up to improve health and wellbeing
How it will achieve these outcomes?	WHHC will raise money and make grants for strategic causes
Who will benefit from these outcomes?	Communities* (to include staff, patients and the wider community) will benefit from these outcomes
Where will the benefits extend to?	the geographical area supported by West Hertfordshire Hospitals NHS Trust will benefit from these outcomes

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Appendix 6.

Draft terms of reference for the charities steering group (CSG)

Background

- The discretionary resources policy outlines a process through which all requests for discretionary resources will go through a single portal, thus ensuring that ~~meaning~~ ~~that~~ all discretionary resources are spent on the most appropriate activity and all requests for resources can be met in the most appropriate way.
- Following the changes in charities regulation the CFC needs foreknowledge of how funds are spent and raised (CC20)
- If existing reserves and new fundraised income are to be spent strategically, the charities function needs to improve engagement with, and its offer to fundholders and fund managers to get their support for campaigns
- The level of awareness of the charity is very low – even some fundholders are unaware of the charity and their role – a cross organisational group would involve fundholders and help to raise the profile of the charity
- There is a risk that good ideas are not being generated or heard and that weaker ideas that are being championed – a group approach would bring a more democratic approach to the development and selection of ideas
- A wider involvement of staff would help to maximise the opportunities for appropriately regulated fundraising across the Trust

The Charities Steering Group (CSG)

The CSG will include key stakeholders; PPI colleagues, patient representatives, staff fundraisers and active fundholders, fund managers, funding partners (League of Friends, Michael Green Foundation), representatives from the medical devices and capital funds committees.

Monthly (tbc) Quarterly meetings will be timed to feed into the CFC and to receive month end reports on charity finance and budgets. Meetings will be rotated to enable people to attend.

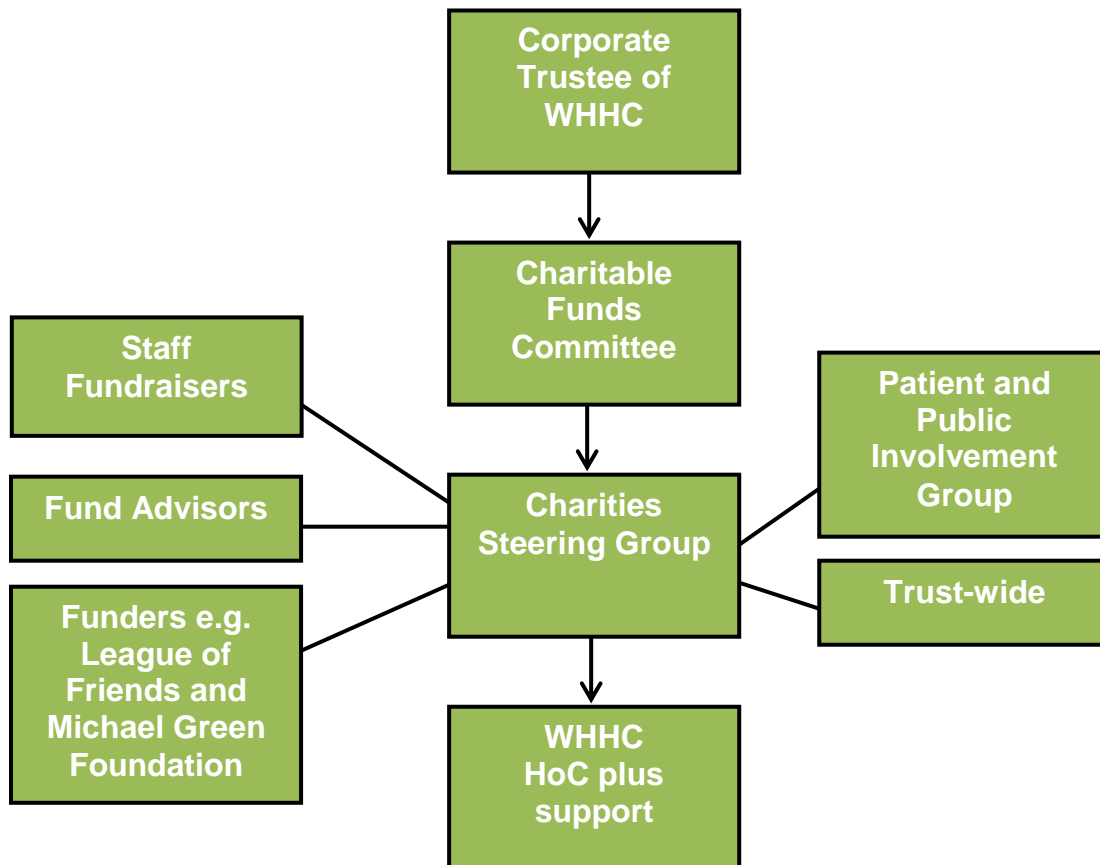
Within agreed delegated financial limits the CSG will have responsibility for:

- Evaluating all requests and making recommendations as to the most appropriate source of discretionary funding whilst ensuring the best use of funds
- Making recommendations to the CFC on the use of existing unrestricted (and designated) funds, to improve alignment with strategic plans or campaigns
- Making recommendations to the CFC on requests for expenditure
- Monitoring progress on the expenditure of those restricted funds which cannot be amalgamated
- Overseeing how all discretionary resources are raised (including fundraising, gifts in kind and recruiting corporate support) on the hospital sites to guard against risks to reputation and income
- Managing all fundraising by external charities in line with the agreed policy
- Making recommendations (using critical success factors) on proposals for pipeline projects, requests for funding and campaigns, and making recommendations for grant making to the CFC
- Managing calls for campaign projects
- Managing the development of policies and standard operating procedures

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- Providing a forum where pitches for grant funding (from any discretionary source including the League of Friends, the Doctors or organ donation funds) can be heard and recommendations made for support within delegated financial levels.
- Overseeing the project pipeline and project sign off (for fundraised projects) including nominated staff, handover procedures and monitoring impact

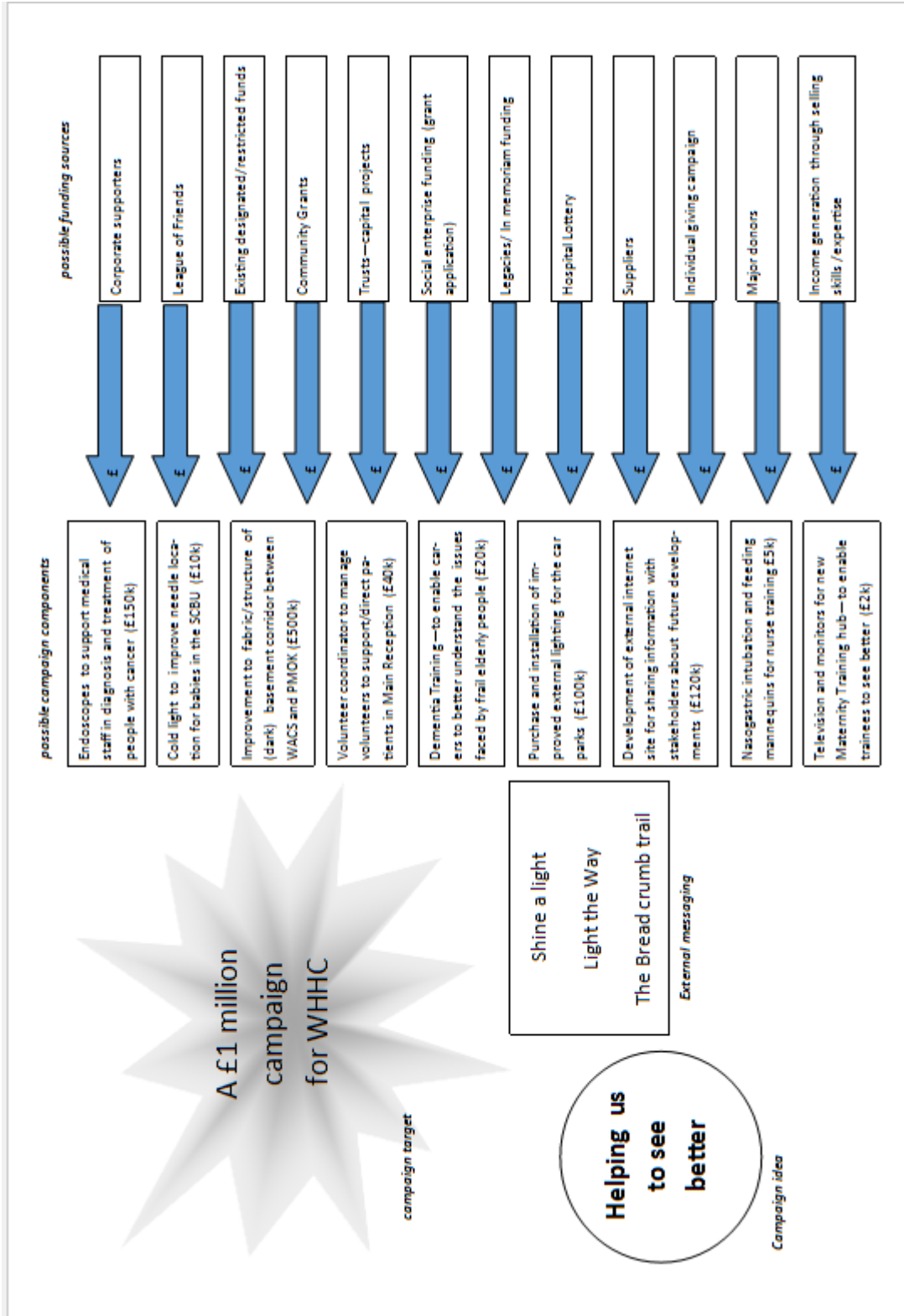


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Appendix 7.

Case study of how cross cutting campaigns will facilitate fundraising



Appendix 8.

Fundraising streams and draft budget

Trusts, foundations and grant giving bodies

- Potentially high ROI (up to 12.1 average 8.1) but tendency to feed into restricted funds rather than the general fund
- Typically, the larger the amount from this source, the more restrictions there are on how it is spent
- These asks are expensive to articulate and each carries a different probability of success – which can be factored into forecasting. Brexit uncertainties (falling investment values) have had a negative impact on the funding available as will the removal/reduction of European funding pots
- The IDOX Grantfinder database enables us to access a useful list of opportunities which can be filtered for relevance to campaigns or project
- Relationships need to be cultivated carefully with T&Fs as the best prospects are those that have already given and with whom you have developed a relationship
- T, F & Gs expect a very high standard of reporting and finance management
- They are more open to complex asks than other funding channels as the application process allows detailed explanations and they tend to be well informed about the sector

Wealthy/Major donors

- Successful major donor campaign depends absolutely on a strong campaigns and a high level of credibility and track record
- Some donors can be secured through cultivation events and by lifting the philanthropic profile of donor whilst others avoid publicity
- Many successful campaigns are supported through social media
- The ROI on major donor fundraising can be very high but it requires very careful planning and a commitment (usually over a lengthy period) at the highest level of the organisation
- Wealthy individuals want to deal with the chair, chief executive, medical director or chief nurse – depending on the nature of the gift

Community/ Events/ Static Collections/ Street Fundraising

- There is good potential for community fundraising which involves local groups, patients and visitors, local media, volunteers who are running small scale events
- ROI tends to be low at i.r.o 2:1 so care needs to be taken to ensure there is a reasonable surplus from events
- Fundraisers may need support in establishing realistic budgets for their endeavours and with help organising events etc which can be a drain on the time of the charity team
- Community fundraising requires a great deal of support, but it does also offer huge collateral benefits and importantly is a great way to raise the charity's profile
- Team events can have added benefits that are fun to take part in and can be health related, such as 10k teams, the three peaks challenged etc (but can also include bake sales!)
- Challenge events benefit from having supporters present (cheering en route, at the finish line, sharing social media blogs and donation requests etc) – this can be a drain on the time of the charity team depending on how equipped and able the fundraisers are at this element
- A budget mechanism is required to test the idea and the CT needs to establish what it can provide by way of support which may include seeking support from volunteers

West Herts Hospitals Charity

Where your generosity makes all the difference

Corporate support/gifts in kind

- Corporate engagement has generally been at a ward level - with staff seeking raffle prizes individually, often unknowingly asking the same organisation
- The above approach complicates and diminishes relationship building as corporates may feel that giving a raffle prize is enough when the charity may actually want to seek a longer-lasting relationship and to pursue a more significant (and strategic) ask
- A corporate fundraising channel would seek to develop local partnerships, involve corporate staff in fundraising events and adoption of the charity as its 'Charity of the Year'
- Sponsorship for fundraising events, as well as key projects can be achieved so long as the charity can accommodate (and value) various forms of giving - including gifts in kind and volunteering
- ROI can be higher at 3:1 - 4:1
- The key to success is thinking around how it will look for them, where do interests coincide and particularly creating opportunities for local employers to get engaged

Payroll Giving – corporates and staff

- Could provide an alternative to the Pennies from Heaven scheme
- Mechanisms could include salary sacrifice or payroll giving by WHHT staff
- Also relevant for corporate supporters
- Could be pump-primed through Drs fund
- Needs responsive financial management (donors need to be able to drop out easily)

Regular committed supporters/Individual donors/Lotteries/Direct marketing

- Direct marketing (DM) (sending requests for funding to peoples' homes) to secure donors details for conversion from a one off cash donor to a direct debit donor. Potential for a very strong and sustained return from past patients
- DM is one of the hardest areas for WHHC, because there is no track record and no mailable list of past supporters
- DM can be very expensive (post) but can also produce good results when used to get in touch with 'warm contacts' – ie past patients
- Door to door collections - to secure donors details for conversion from a one off cash donor to a direct debit donor, held in very bad repute and not likely to be favoured for WHHC
- Chugging (charity mugging) - to secure donors details for conversion from a one off cash donor to a direct debit donor, held in very bad repute and not likely to be favoured for WHHC
- These activities (DM, door to door, and chugging) is on the cusp of much more intense regulation and the risks of engagement in the short term are very great. The telephone and mail preference services are to be launched in summer 2017
- Hospital lottery could offer a faster return and enable WHHC to build relationships with a range of committed local individuals – it could enable stream of sustained funding into the general (unrestricted) pot
- Great care will be needed in managing donor information and in financial management.

Legacies/ in memoriam

- NHS charities often build very successful legacy campaigns with traditionally very high ROI
- Planning, and investment in campaign materials is required
- Early registration with Smeed and Ford for notifications would be advisable
- Tributes or In Memoriam gifts are received through Just Giving

West Herts Hospitals Charity

Where your generosity makes all the difference

- Legacy strategy needs to include processes and offer for tributes and in memoriam gifts

Social networking

- Needs relatable, charismatic and easily understood needs causes
- WHHC can benefit from alignment with communications team

Crowd sourcing

- Crowd-funding can harness social media to drive support to the charitable causes
- Needs expertise in managing social media

Recycling

- Cartridges, phones, foreign currency can generate income but requires dedicated space
- Ebay, shwopping and other routes to market for selling donated goods and gifts in kind

Staff fundraising

We have some really good staff fundraisers, the bulk of the income that has come in this year results from staff activity. Staff have been able to offer a potential donors the chance to dictate exactly how their money is spent. This is probably the easiest way to raise funds, in that we are only taking small amounts of money but still restricting them to the donor's wishes.

This practice has led to the fragmentation of 141 funds. It reflects the lack of trust that staff have for central functions generally – they do not believe that they will benefit from a centrally managed funding pot. This may relate to a sense that these are independent practitioners who feel that they know best what the money should be used for – it will be hard but essential to create a central Charity which they all trust as having an overarching understanding of the areas of greatest need. Some staff raise money for alternative causes– Help for Heroes, Macmillan, etc.

Partnerships

- Working with the local community, third sector (including local hospices) and statutory agencies to develop fundraisable projects
- Larger/statutory funders often seek collaborations/functional partnerships
- Follows Big Society themes of patient benefit by creating seamless support to journey/pathway, despite change of service provider, ie supporting D2A programme working with hospices

Investment income

There is already a process in place for managing investment income - going forward, as reserves are spent through restricted and designated funds, investment income is likely to come only from legacies and possibly capital pledged for an ongoing campaign. The investment policy will need to be reviewed in line with changes.

Appendix 9

The roles and responsibilities for the corporate trustee



CC20: CHARITY FUNDRAISING – A GUIDE TO TRUSTEE DUTIES



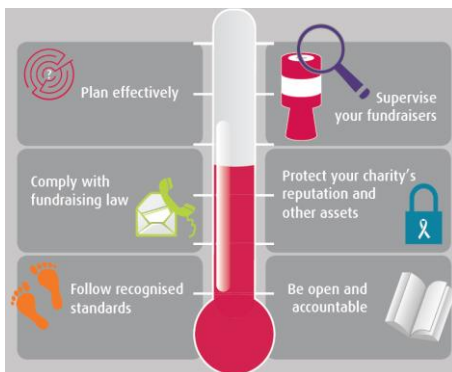
Overview



- Three trustee activities
 - Set the right approach
 - Monitor compliance with that approach
 - Maintain your charity's values in all things
- Three legal duties
 - Act in the best interests of your charity
 - Manage charity's resources responsibly
 - Act with reasonable care and skill



The CC20 Six Principles

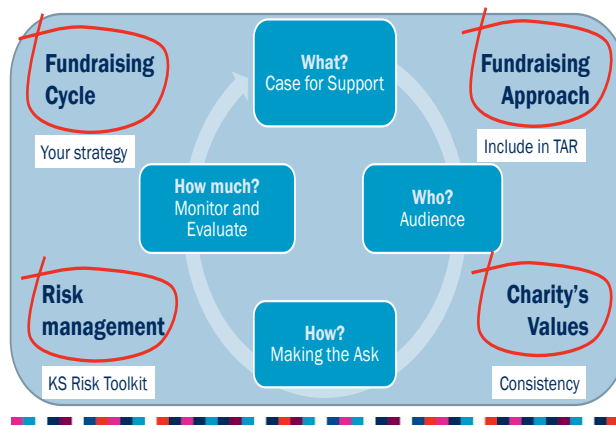


West Herts Hospitals Charity

Where your generosity makes all the difference



1. Plan effectively



2. Supervise your fundraising

Consider your:

- Employees
- Volunteers
- Commercial partners
- Own trading subsidiaries



3. Protect your reputation/assets

- Fundraising can build reputations
- Fundraising costs money
- Maximise resources for beneficiaries
- Who is fundraising in your charity's name?
- Avoiding fraud and other problems

4. Comply with the law

CC20 has particular emphasis on:

- Written agreements with commercial participators and professional fundraisers
- Solicitation statements
- Reporting requirements for larger charities



5. Follow recognised standards

- Understand the Code of Fundraising Practice managed by the Fundraising Regulator – see <http://bit.ly/FRCodes>
- Remember other relevant standards
 - e.g. Gambling Commission, Information Commissioner's Office, Advertising Standards Authority, Action Fraud



6. Be open and accountable

- Keep full accounts
- Have a complaints process
- Use clearly worded appeals

