



## Committee/Group 'Triple A' Chair's Report

Name of Committee/Group	Charitable Funds Committee	Reporting to:	Trust Board
Date of the meeting:	19 November 2019	Parent Committee:	Trust Board
Chair:	Alison Hastings	Quorate (Y/N)	Yes

Agenda Item:	RAG	Key Points	Actions Required	Action Lead	Expected Date for Completion
Fundraising and Finance Report – Income and Expenditure	Red	Discussion took place in relation to the need for a reforecast due to an income deficit of £320K. This is due to a shortfall in both Trust and Corporate income. The expected net fundraising contribution to the Capital Appeal was re-forecast last year to £10.7m.	1.KB and JA to review the existing pledges in relation to whether these are fixed to the building/equipment. 2.Detailed position paper to Trust Board in January 2020	KB/JA	January 2020
Investment Policy and Process	Yellow	Discussion took place in relation to a revised approach to managing the Charity's investment policy relating to donations and legacy proceeds. There was a recognition and agreement that the Investment Committee should be re-established (it last met in 2017) and a refreshed Terms of Reference drafted.	1.Commence Investment Manager procurement 2.Draft Terms of Reference for re-convened Investment Committee. 3.Formal Investment Committee to meet	JA JT/AW JT	January 2020 January 2020 January 2020
Business Case to Recruit	Yellow	The Committee discussed the need for additional investment to deliver the required income. The Committee recommended a full business case be presented to the Trustees (Trust Board).	Full business case detailing resource required and return on investment to be presented to the Trustees (Trust Board) with a recommendation from the Committee to support the additional investment. Business case attached to the Chair's report.	KB	November 2020
Serious Incident Report	Red	A Serious Incident had occurred relating to the textile recycling scheme.	Report the matter to the Charity Commission and the Police	KB	21 November 2019

Agenda Item:	RAG	Key Points	Actions Required	Action Lead	Expected Date for Completion
External Audit Findings		Grant Thornton attended the Committee and presented and confirmed an 'unmodified' audit report.	Formal notification to the Trust Audit Committee	JA	January 2020
Annual Report		The Charity Annual Report was received and approved	Formal notification to the Trust Audit Committee	JA	January 2020
Policy Approval		The Acceptance and Refusal of Charitable Donations – Ethical Policy was approved.  The Processing Charitable Donations Policy requires additional work	For approval at the next Committee	KB	January 2020
Long-term Strategy		Further discussion took place following the Charity's presentation at the Trust Board Development day in October.  Further exploratory work required on the status of the Charity going forward.	Options appraisal to be presented to the next Committee	KB	January 2020

	<b>ALERT</b> the Committee on areas of non-compliance or matters that need addressing urgently
	<b>ADVISE</b> the Committee on any on-going monitoring where an update has been provided to the sub-committee and any new developments that will need to be communicated or included in operational delivery
	<b>ASSURE</b> the Committee on any areas of assurance that the Committee/Group has received

## CHARITABLE FUNDS COMMITTEE

<b>Agenda Item</b>	P1/215/19	<b>Date: 19.11.19</b>
<b>Subject /title</b>	Business case request for investment	
<b>Author</b>	Katrina Bury – Head of Charity	
<b>Responsible Director</b>	Liz Bishop, Chief Executive	
<b>Executive summary and key issues for discussion</b>		
<p>As outlined at the recent Board Away Day, the Charity now requires investment to make the step change to raise income over the £3m per annum threshold.</p> <p>It was proposed that with significant investment in additional resource the Charity would be able to double its income to £6m over a 3 to 5 year period. The detailed business case to support this major investment along with the 5 year Fundraising Strategy will be presented at CFC in January.</p> <p>However, in light of the current additional income shortfall, it is proposed an initial investment is made to allow the Charity to increase its income generation above the £3m threshold..</p> <p>In order to achieve the 2020/21 income target of £3.6m allowing for recruitment and lead in time, it is proposed 2 new fundraisers with the potential to raise income quickly be recruited as soon as possible;</p> <p>The two posts proposed are a Challenge Events Fundraiser (Band 4)and a Community Fundraiser. ( Band 5)</p> <p>It is proposed that the efficacy of both posts is reviewed six months after the start date.</p>		
<b>Strategic context and background papers (if relevant)</b>		
Linked to Trust Strategy, Fundraising Strategy and Appeal Strategy.		
<b>Recommended Resolution</b>		
The Trustee to approve the recruitment of two additional posts		
<b>Risk and assurance</b>		
Any relevant risks are updated with the organisation’s risk register and TCC risk register e.g. any under performance in income target for the TCC project.		
<b>Link to CQC Regulations</b>		
Not directly relevant.		
<b>Resource Implications</b>		
NA		
<b>Key communication points (internal and external)</b>		
Extracts from this report are reported to the Council of Governors, TCC Project Steering Group, Team Brief and externally.		
<b>Freedom of Information Status</b>		
FOI exemptions must be applied to specific information within documents, rather than documents as a whole. Only if	Please tick the appropriate box below:	

<p>the redaction renders the rest of the document non-sensical should the document itself be redacted.</p> <p><b>Application Exemptions:</b></p> <ul style="list-style-type: none"> <li>• <b>Prejudice to effective conduct of public affairs</b></li> <li>• <b>Personal Information</b></li> <li>• <b>Info provided in confidence</b></li> <li>• <b>Commercial interests</b></li> <li>• <b>Info intended for future publication</b></li> </ul>	<input checked="" type="checkbox"/>  <input type="checkbox"/>  <input type="checkbox"/>	<p><b>A. This document is for full publication</b></p> <p><b>B. This document includes FOI exempt information</b></p> <p><b>C. This whole document is exempt under FOI</b></p> <p>IMPORTANT:</p> <p>If you have chosen B above, highlight the information that is to be redacted within the document, for subsequent removal.</p> <p>Confirm to the Trust Secretary, which applicable exemption(s) apply to the whole document or highlighted sections.</p>
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Equality & Diversity impact assessment		
	<b>Yes</b>	<b>No</b>
Are there concerns that the policy/service could have an adverse impact because of:		
Age		<b>X</b>
Disability		<b>X</b>
Sex (gender)		<b>X</b>
Race		<b>X</b>
Sexual Orientation		<b>X</b>
Gender reassignment		<b>X</b>
Religion / Belief		<b>X</b>
Pregnancy and maternity		<b>X</b>
Civil Partnership & Marriage		<b>X</b>
If YES to one or more of the above please add further detail and identify if full impact assessment is required.		
Next steps		
NA		
Appendices		

**Corporate Objectives supported by this report**

Improving Quality	<b>X</b>	Maintaining financial sustainability	<b>X</b>
Transforming how cancer care is provided across the Network	<b>X</b>	Continuous improvement and innovation	<b>X</b>
Research	<b>X</b>	Generating Intelligence	<b>X</b>

**Link to the NHS Constitution**

Patients		Staff	
Access to health care	<b>X</b>	<i>Working environment</i> Flexible opportunities, healthy and safe working conditions, staff support	<b>X</b>
Quality of care and environment	<b>X</b>	<i>Being heard:</i>	

Nationally approved treatments, drugs and programmes	<b>X</b>	<ul style="list-style-type: none"><li>• Involved and represented</li><li>• Able to raise grievances</li><li>• Able to make suggestions</li><li>• Able to raise concerns and complaints</li></ul>	
Respect, consent and confidentiality			
Informed choice		Fair pay and contracts, clear roles and responsibilities	
Involvement in your healthcare and in the NHS	<b>X</b>	Personal and professional development	<b>X</b>
Complaint and redress		Treated fairly and equally	<b>X</b>



## The Clatterbridge Cancer Charity Charitable Funds Committee – 19 November 2019

**TITLE:** Request for investment.

**AUTHOR:** Katrina Bury, Head of Charity

**RESPONSIBLE DIRECTOR:** Liz Bishop, Chief Executive

**FOR:** Information and approval

### 1. Introduction

The New Hospital Capital Appeal commenced in 2013 with the aim of raising £15m net income over an 8 year period from 2013 to 2021. At that time a fundraising strategy was developed, which determined that income would be raised across all fundraising income streams with the major proportion being derived from larger gifts from Trusts/Foundation and High Net Worth Donors.

Considerable growth was expected across all income streams with maximum growth coming from Trusts/Foundation and Major Donor income. In 2013 the Charity appointed a Capital Appeals Manager to drive forward the Appeal.

Over the last 5 years charitable income has grown by 73% from £1.45m to £2.7m p.a. This growth has been primarily through Legacy and Trust income, with increases also apparent in events, community and individual giving income streams. Corporate giving has seen a decline, mainly attributed to the high turnover in staff over the past 5 years resulting in a lack of continuity and experience.

Major Donor income has more than doubled in this time from £44K to £90K p.a. but has remained at this level for the past 3 years, except for a single donation of £500K received in 2018. The initial fundraising strategy prepared in 2013, proposed that Major Donor income would rise to £1.5m p.a. by 2014/15 and grow to £2.1m p.a. by 2015/16 therefore contributing substantially to the Appeal target.

Unfortunately, income from Major Donors has not seen the significant growth required to support the Charity's commitment to deliver a £15m net contribution to the Trust for the Capital Appeal and continues to be an area of concern.

In 2015/16 it was determined that the Charity would be unable to meet the £15m net target and it was agreed that the target would be reduced to £11.7m net to the Capital Appeal, with the £3m shortfall being generated by an Appeal Board, which was set up in July 2016.

### The current situation

As Major donor income performance showed little improvement and the shortfall increasing, it was agreed at CFC on 5 February 2019, that two new posts should be recruited to alleviate this shortfall in the major donor income line and also to boost corporate income.

Finance agreed that recruitment could go ahead on 30 April and the first of these posts, a Major Donor Manager with 7 years major gift experience was appointed on 9 September. The second post a Corporate Manager was appointed on 18 November. It is too early to comment on the impact these two positions have in the immediate future as both roles require significant lead times to deliver income. However, both

appointees bring considerable expertise to the team and are expected to make a substantial contribution to the corporate and major donor income lines.

Now in its sixth year, the fundraising Appeal is forecast to contribute a total of £8.2m to the Appeal by the end of 2019/20. This leaves a further £3.5m to be contributed by the Fundraising Team over the next year to achieve the £11.7m target.

However, based on the current establishment of the team, it is estimated with the additional shortfall of £320K expected at the end of FY 2019/20; the Charity will only be able to achieve the £11.7m target with significant additional resource as this will require the Charity to raise £5m gross next year in order to contribute sufficient funds to realise this target. (Currently the Charity raises <£3m gross p.a.)

As outlined at the recent Board Away Day, the Charity now requires investment to make the step change to raise income over the £3m per annum threshold.

It was proposed that with significant investment in additional resource the Charity would be able to double its income to £6m over a 3 to 5 year period. The detailed business case to support this major investment along with the 5 year Fundraising Strategy will be presented at CFC in January.

However, in light of the current additional income shortfall, it is proposed an initial investment is made to allow the Charity to increase its income generation above the £3m threshold in order to achieve the appeal income target of £3.6m proposed for 2020/21.

Recruitment of fundraisers is difficult as there is a high demand and shortage of good people on the market. Positions in the Charity are confined within the NHS band structure and are not competitive in the marketplace. The last four roles recruited have necessitated special business cases to offer salary higher on the band.

## **Proposal**

Due to recruitment and retention issues over the last year, the Charity has been operating with an establishment of 11.1 WTE, of which 7.6 WTE are direct fundraising roles and 3.5 WTE are supportive administrative positions. The 7.6 fundraising roles therefore equate to the generation of > £300K income each, which is an accepted normal income risk level for fundraising.

In order to achieve the 2020/21 income target of £3.6m allowing for recruitment and lead in time, it is proposed 2 new fundraisers with the potential to raise income quickly be recruited as soon as possible;

The posts proposed are a Challenge Events Fundraiser and a Community Fundraiser.

It is proposed that the efficacy of both posts is reviewed six months after the start date.

### **1 .Challenge Events Fundraiser:** We do not have this role at present. Band 4 (£21,089 to £23,761)

With the current trend towards individuals increasing their fitness levels; sporting challenge events are on the increase and they are becoming an important means of fundraising.

Most in-house event fundraising requires considerable costs to deliver income; however third party challenge events e.g. runs and marathons, skydives, abseils, overseas challenges etc. are an important income source because they require minimum cost to realise a substantial income.

However, this process requires intensive stewardship and marketing to identify and cultivate eventers and the Charity currently does not have the resource to maximise this income source.

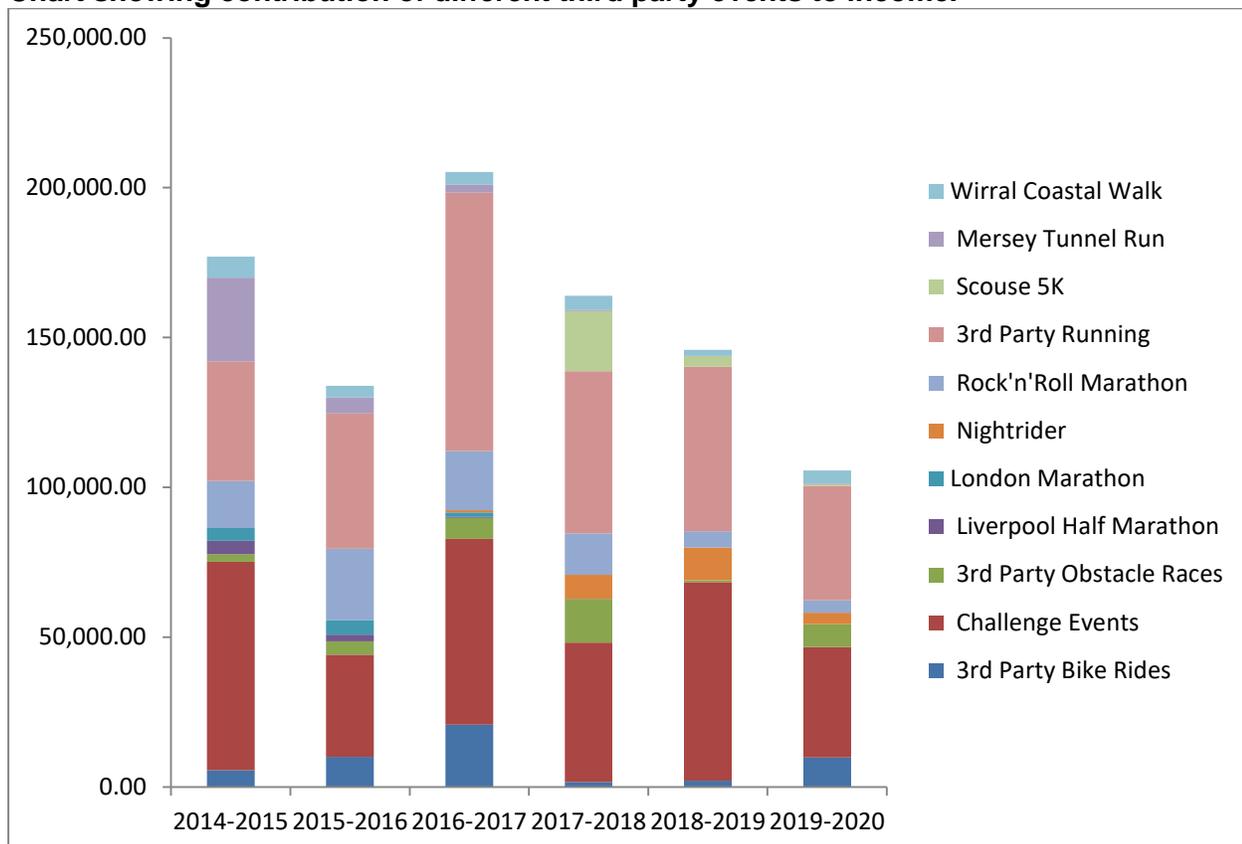
**Table 1** below shows the challenge event income over the last 5 years. As with all fundraising the more effort that is put into marketing and stewardship of participants; the greater the income achieved.

The table below reflects income achieved utilising 0.25 WTE, without a dedicated fundraiser.

**Table 1; Income from challenge events April 2014 to November 2019.**

	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	Totals
<b>3rd Party Bike Rides</b>	5,649.47	10,111.74	20,777.02	1,696.25	2,175.00	9,915.75	<b>50,325.23</b>
<b>Challenge Events</b>	69,558.66	34,040.97	62,071.07	46,552.65	66,161.71	36,836.38	<b>315,221.44</b>
<b>3rd Party Obstacle Races</b>	2,564.43	4,436.01	6,990.84	14,498.09	660.00	7,654.65	<b>36,804.02</b>
<b>Liverpool Half Marathon</b>	4,439.09	2,283.89	351.00	0.00	0.00	0.00	<b>7,073.98</b>
<b>London Marathon</b>	4,209.33	4,798.56	1,474.47	1.25	0.00	0.00	<b>10,483.61</b>
<b>Nightrider</b>	0.00	0.00	712.00	8,123.39	10,923.83	3,814.39	<b>23,573.61</b>
<b>Rock'n'Roll Marathon</b>	15,770.54	23,880.21	19,769.25	13,770.99	5,498.12	4,096.99	<b>82,786.10</b>
<b>3rd Party Running</b>	39,831.46	45,065.33	86,206.19	54,162.28	54,864.55	38,202.38	<b>318,332.19</b>
<b>Scouse 5K</b>	0.00	0.00	0.00	20,073.50	3,637.69	516.25	<b>24,227.44</b>
<b>Mersey Tunnel Run</b>	27,937.38	5,468.92	2,741.48	313.00	0.00	220.50	<b>36,681.28</b>
<b>Wirral Coastal Walk</b>	7,026.37	3,798.91	4,207.47	4,783.46	1,948.05	4,345.04	<b>26,109.30</b>
<b>Totals</b>	<b>176,986.73</b>	<b>133,884.54</b>	<b>205,300.79</b>	<b>163,974.86</b>	<b>145,868.95</b>	<b>105,602.33</b>	<b>931,618.20</b>

**Chart showing contribution of different third party events to income.**



**Table 2: No. of participants in third party challenges**

	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	Totals
3rd Party Bike Rides	18	17	33	11	4	13	96
Challenge Events	127	33	23	37	55	33	308
3rd Party Obstacle Races	13	8	8	10	1	6	46
Liverpool Half Marathon	25	3	2	0	0	0	30
London Marathon	3	1	1	0	0	0	5
Nightrider	0	0	2	8	14	2	26
Rock'n'Roll Marathon	38	44	17	24	6	2	131
Third Party Running	131	59	158	76	79	49	552
Scouse 5K	0	0	0	73	9	2	84
Mersey Tunnel Run	18	5	5	0	0	0	28
Wirral Coastal Walk	97	15	15	10	5	9	151
<b>Totals</b>	<b>470</b>	<b>185</b>	<b>264</b>	<b>249</b>	<b>173</b>	<b>116</b>	<b>1457</b>

## Income

The average participant raises sponsorship of anywhere between £500 and £850 for their challenge event.

Taking the lower level – 300 additional participants would need to be recruited in order to raise additional income of £150,000. With the input of a Challenge Event fundraiser this is readily achievable through active marketing through traditional methods and through social media and by working in collaboration with corporate and community partnerships.

The additional benefit is that these individuals will be invited to join the Charity database and therefore grow the donor base for direct marketing campaigns and invitations to in- house events.

Please see Table 3 for breakdown of costs and return on investment.

**Table 3 Costs and Return on investment 2020/ 2023 for recruitment of Challenge Events Fundraiser**

	2020-21	2021-22	2022-23
<b>Additional Income</b>	150,000	170,000	200,000
<b>Salary incl on costs</b>	28,500	28,500	28,500
<b>Marketing costs</b>	8,000	9,000	10,000
<b>Total cost</b>	<b>36,500</b>	<b>37,500</b>	<b>38,500</b>
<b>Return on Investment (ROI) net</b>	3.1	3.5	4.2
<b>Additional participants recruited</b>	300	340	400

The Challenge Events Fundraiser will be tasked with recruiting and stewarding new participants to challenge events.

**The role is extremely proactive and has the potential to realise income in the short term. A Challenge Events Fundraiser has the potential to raise an additional £150 to £200K p.a.; therefore it is proposed the Charity invest in recruiting to this post.**

## **2. Community Fundraiser: Band 5 ( £24,214 to £30,112)**

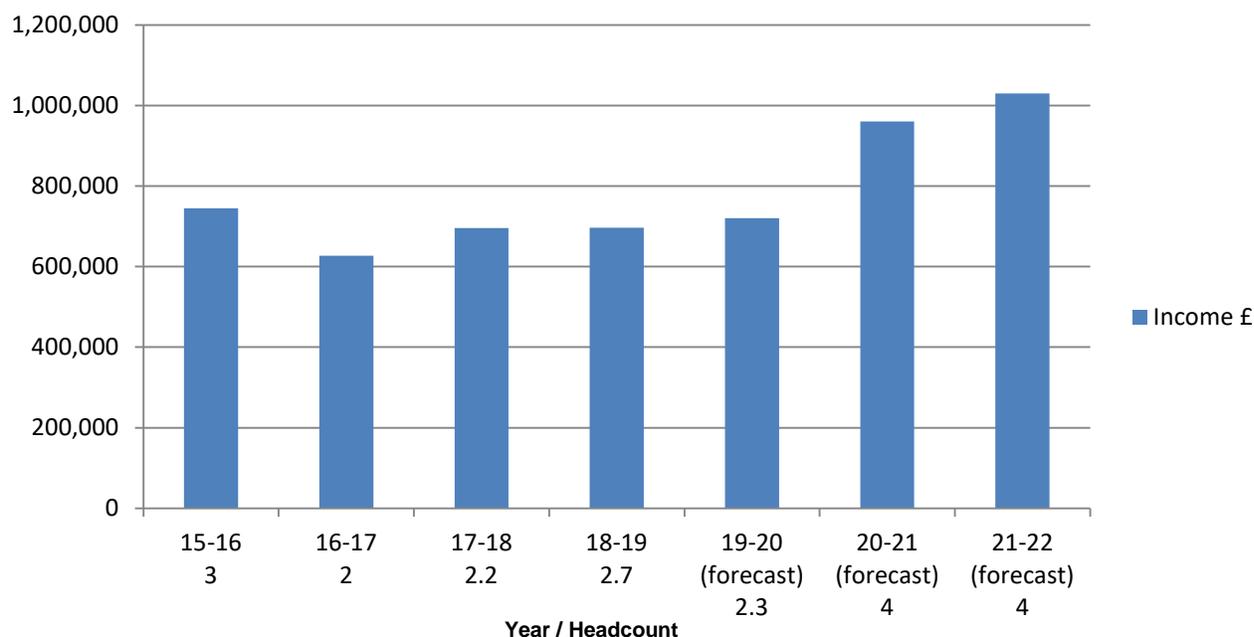
The Charity currently has 2 field based Community Fundraisers working with all individuals, groups and associations, schools and high street businesses in Merseyside & Cheshire. A third Community fundraiser has recently been appointed and will start in position on 26 November.

Community fundraising has always been one of the biggest income generators for the Charity. This financial year, the income stream has delivered over £400,000 into the Charity in the first 8 months. Higher than any other income line.

Grass root fundraising and peer recommendations are important, now more than ever to charities and many national charities are re-focussing on their Community fundraising schemes. There is a real need to ensure we have a strong presence in our centres and our communities. We know we do it well, but with resources currently limited, now is the time to maximize on our strengths in a way that will (depending on recruiting the right person) impact immediately on charity income.

A good community fundraiser will raise between £150,000-£200,000 in their first financial year with the Charity, therefore it is proposed that the Charity invest in a further Band 5 Community Fundraising Manager role.

As we move into Liverpool, it is important that our presence in North Merseyside is increased. It is a large geographical area currently looked after by a single Community Fundraiser and if divided between two Community Fundraising Managers, there is enough scope to make this forecast income feasible.

**Table 4 Community Income 2015-2019 v team headcount (incl. proposed growth based on further recruitment)**

As reported at previous CFC meetings; 2016-2019 was a particularly unsettled period for Community Fundraising in the Charity, due to a number of staffing changes and retention and recruitment difficulties. It was identified that due to a competitive employment market, salaries in the sector had been driven higher and CCC was not attracting experienced, strong candidates.

In April 2018, an experienced Community Fundraising Manager was appointed at a higher salary point within Band 5. **Table 5** below shows the immediate impact on income of this experienced, Band 5 Community Fundraising Manager.

**Table 5: Demonstration of Income v costs of experienced Community Fundraiser already in post.**

	2018/19				TOTAL 2018/19
	Q1	Q2	Q3	Q4	
<b>Income</b>	19,500	22,300	24,000	63,000	128,800
<b>Salary incl. on costs</b>	8,500	8,500	8,500	8,500	34,000
<b>Net income</b>	<b>11,000</b>	<b>13,800</b>	<b>15,500</b>	<b>54,500</b>	<b>94,800</b>
<b>ROI</b>	1.3	1.6	1.8	6.4	2.8

While a third team member (with a solid background and experience in Community Fundraising) has now been appointed to the vacant post, it is clear that there is scope to recruit a fourth, to further increase Community income. The rationale being, that this additional post holder, could bring in additional income of circa £150,000 in year 1 improve coverage of the large geographical area.

**Table 6: Costs and Return on investment of additional Community Fundraiser.**

	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>
<b>Additional income</b>	150,000	165,000	181,500
<b>Salary incl. on costs</b>	34,000	36,000	36,000
<b>Net income</b>	<b>116,000</b>	<b>129,000</b>	<b>145,500</b>
<b>ROI</b>	3.4	3.6	4.0

Whilst difficult to quantify, it is regarded in the sector that Community Fundraising is grass roots level fundraising. As 'the face' of the Charity, these are the people who will represent us in the community and passionately communicate the Charity message to those groups who traditionally give support, inspiring people through storytelling and making proactive approaches is the key to success. The potential reach is vast and it is important that the Charity is speaking to our stakeholders and members of the community who have a propensity to give.

**Recommendation:**

**Trustee approve investment to recruit two posts: Community Fundraiser and Challenge Event fundraiser.**