

**Name and date of meeting:**

Trust Board meeting 30<sup>th</sup> January 2014

**Document Title:**

Proposal for the transfer of Wandsworth PCT Charitable Funds from St George's Healthcare NHS Trust to St George's Hospital Charity

**Action for the Trust Board:**

To approve the request to the Department of Health to transfer the Wandsworth PCT Charity (Funds Held On Trust) from St George's Healthcare NHS Trust to St George's Hospital Charity.

**Key Issues for the Trust Board**

- The Wandsworth PCT Charity was transferred to the Trust on 1st April 2013 following the dissolution of Wandsworth PCT
- These funds comprise charitable monies relating mainly to the community healthcare services integrated with the Trust on 1<sup>st</sup> October 2010.
- The management of charitable funds is not core business for the NHS Trust
- It is proposed the funds are transferred to St George's Hospital Charity to ensure a single charitable entity manages all charitable monies related to the Trust's services.
- St George's Hospital Charity agree with this proposal and have confirmed the Objects of the Wandsworth PCT Charity are compatible with the existing funds they manage
- The attached paper proposes that the Trust asks the Department of Health to prepare on its behalf a Statutory Order requesting that Parliament approve the transfer of these charitable funds to St George's Hospital Charity with effect from early March 2013.
- The enclosed papers include the documents submitted to the Department of Health signed by the Trust and St George's Hospital Charity.

The report will be presented by Steve Bolam, Director of Finance, Performance and Informatics

**Author and Date:**

Dominic Sharp  
Deputy Finance Director

23rd January 2014

Contact details:	
Tel: 020 8725 1345	E-mail: Dominic.Sharp@stgeorges.nhs.uk
<b>Corporate Objectives to which this report relates:</b>	
Governance and value for money	

**Submission of transfer request to Department of Health**

The Department of Health informed the Trust week ending 10<sup>th</sup> January that the Trust's request to prepare the Statutory Order to transfer the Charity had to be made by week ending 17<sup>th</sup> January in order to meet the parliamentary timetable necessary to secure an effective date of transfer of the Charity for March 2014.

Accordingly the Director of Finance, Performance and Informatics sought confirmation of Board members by e-mail in the week ending 17<sup>th</sup> January that they had no objection to the submission of the request to the Department of Health to prepare the Statutory Order prior to consideration of this paper by the Board on the basis that if the Board was to decide at the Board meeting that the transfer should not take place then the Trust would then be able to withdraw the request. No objections to this course of action were received.

*[Therefore submission of the request to Department of Health by 17<sup>th</sup> January would enable the transfer of the Charity to take place in the current financial year – should the Board approve formally the transfer at the Board meeting].*

**Background**

Wandsworth PCT was the corporate trustee of charitable funds held on trust under paragraph 16c of Schedule 2 of the NHS and Community Care Act 1990. The charity is constituted by a Trust Deed and registered with the Charity Commissioners under charity number 1052327. Wandsworth NHS Primary Care Trust Charity is registered as an "Umbrella" charity. It was created with funds transferred from ex South West London Community NHS Trust Charity and Merton and Sutton Health Authority Charitable Funds on 1 April 2002.

The primary object of the charity, as stated in its governing document, is to apply income for any charitable purpose relating to the National Health Service or mainly for the services provided by the Wandsworth NHS PCT.

All activities that the Charity undertakes are for the public benefit. These funds comprise mainly charitable monies relating to the community healthcare services that were integrated with St George's Healthcare NHS Trust on 1st October 2010.

Following the dissolution of Wandsworth PCT on 31<sup>st</sup> March 2013, the Wandsworth PCT charity (registered charity number 1052327) was transferred to St George's Healthcare NHS Trust on 1<sup>st</sup> April 2013.

**Value of funds**

The net value of the funds as at 31 March 2012 (audited accounts) was approx £0.9m – held mainly as investments managed by Investec. As an interim measure the Trust requested in April 2013 that the investment funds of the charity are managed by the investment managers of St George's Hospital Charity.

The funds comprise the following:

1. Permanent endowed funds approx £0.2m
2. Restricted funds approx £0.5m
3. Unrestricted/designated funds approx £0.2m

The biggest single fund is the Queen Mary Hospital Fund (restricted fund) with a value of £0.2m as at 31 March 2012.

Appendix 1 provides a summary of the Wandsworth PCT charitable funds.

Please note all figures quoted are from the **2011/12** unaudited accounts.

*The existing external auditors, Pricewaterhouse Coopers have now completed their audit of the draft 2012/13 accounts and the approval of the 2012/13 accounts is a separate agenda item.*

### **Proposed transfer to St George's Hospital Charity**

It is proposed that the Wandsworth PCT charity is transferred to the St George's Hospital Charity because:

- (i) the St George's Hospital Charity has the necessary expertise and regulatory experience of managing charitable monies
- (ii) the management and administration of charitable funds represents non-core activity for the NHS Trust

The Trustees of St George's Hospital Charity have approved in principle the transfer and welcome the opportunity to increase the charitable monies that they manage and apply for the benefit of the Trust's patients and staff.

The Charity has confirmed that on the basis of the information they have reviewed the Objects of the general fund, unrestricted and restricted funds within Wandsworth PCT charitable funds are compatible with those of the existing funds they manage. They have expressed confidence that applying their existing systems to managing the funds will improve the efficiency and effectiveness with which this is done.

A summary of the existing funds managed by St George's Hospital Charity is shown in Appendix 2 for information. The Hospital Charity would either set up new fund accounts for the individual WPCT charitable funds or combine them with its existing fund accounts as depending on their Objects and their status as permanent endowed, restricted or unrestricted funds as appropriate.

The transfer should be effected before the 31<sup>st</sup> March 2014 so the Trust does not have to consolidate the WPCT charitable accounts within the NHS Trust's 2013/14 accounts. The Department of Health has advised that the transfer may be included in the next 'batch' of charitable transfer orders under a statutory instrument planned for early March 2014.

The key benefits of the proposed transfer are as follows:

- combine the charitable monies relating to the services provided by the Trust within one charitable entity with the express purpose of managing such funds under a single set of trustees.
- use the existing resources and expertise of the Hospital Charity to administer the funds

### 8.3 TB (14) 6 (a)

- provide a single point of contact for individuals/organisations to make donations and for trust departments to access charitable monies
- avoid the need to consolidate the Wandsworth PCT charity accounts within the NHS Trust's accounts

#### **Recommendation**

It is recommended that the Trust Board approves the request made by the Director of Finance, Performance and Informatics in the week ending 17<sup>th</sup> January 2014 to the Department of Health to action by means of a Transfer Order under Statutory Instrument the transfer of the Wandsworth PCT Charity to St George's Hospital Charity effective in early March 2014 (exact date would be confirmed by the Department of Health in due course).

Dominic Sharp  
Deputy Finance Director  
23<sup>rd</sup> January 2014

# ST GEO

# Finance

**Please note the above figures are taken from the 2011/12 audited accounts.  
The approval of the draft 2012/13 accounts is a separate agenda item.**

## ST GEORGE'S HEALTHCARE NHS TRUST

Finance Department

Summary of St George's Hospital Charity funds (per 2012/13 a/c)

	£000	
<b>Restricted Funds</b>		
<b>Departmental funds</b>		
Cardiac dept staff education and welfare	35.0	
Cardiac transplant fund	23.3	
George Cordiner Radiological fund	35.9	
Paediatric Intensive Care Unit - eqpt & associate research	28.3	
Wolfs on Therapies fund	15.7	
Other departmental funds - various	<u>1,094</u>	
Departmental funds - total		2
Education and training funds - various		
Patient welfare funds - various		
<b>Research and education funds</b>		
Melanoma foundation - teaching & research	22.7	
Ophthalmic education and research fund	11.5	
GI Oncology fund	15.4	
Other research and education funds - various	<u>17.4</u>	
Research and education funds - total		
Research funds	1,686	
Staff welfare funds	10.0	
Ward funds	<u>38.3</u>	
		<u>2</u>
<b>Total - Restricted Funds</b>		
<b>Unrestricted funds</b>		
Departmental funds	15.2	
Education and training funds	2.3	
Patient welfare funds	14.0	
Research and education funds	3	
Research funds	9	
Staff welfare funds	1	
Art collection fund	84.2	
Designated funds		<u>1</u>
General funds		<u>6</u>
<b>Total - Unrestricted Funds</b>		
<b>Total - Restricted and Unrestricted Funds</b>		