

EXECUTIVE SUMMARY REPORT
BOARD OF DIRECTORS – 15TH FEBRUARY 2017

Subject:	New governance arrangements – Sheffield Hospitals Charity
Supporting Director:	Prof Hilary Chapman
Author:	David Reynolds, Charity Director
Status¹:	Formal approval and signing of the Deed and MoU required

PURPOSE OF THE REPORT:

The report updates the Board of Directors as to the transition of governance arrangements pertaining to Sheffield Hospitals Charity, makes explicit the safeguards in place and provides final draft documentation for final approval and signing.

KEY POINTS:

1. The DH has made it possible for NHS Charities to transfer assets to an independent charitable company.
2. The objects of the New Charity replicate current NHS objects
3. Safeguards are in place under Charity Law to ensure that charitable funds transferred to the new charitable company continue to be used solely towards the purposes for which they have been originally received.
4. The purpose of the Deed is to provide STHFT consent to Sheffield Hospitals Charity's transfer to the new charitable company. The Deed is legally binding.
5. The Memorandum of Understanding is a non-binding overview of the 'guiding principles' which will inform the relationship between the new charitable company and the three Foundation Trusts after completion of the restructuring on 1 April 2017.

RECOMMENDATION(S):

The Trustees of Sheffield Hospitals Charity request that the Board of STHFT formally approve and sign these documents, which will allow the Trustees to formally conclude these changes leading into the new financial year.

IMPLICATIONS²

AIM OF THE STHFT CORPORATE STRATEGY 2012-2017		TICK AS APPROPRIATE
1	Deliver the Best Clinical Outcomes	Yes
2	Provide Patient Centred Services	Yes
3	Employ Caring and Cared for Staff	
4	Spend Public Money Wisely	Yes
5	Deliver Excellent Research, Education & Innovation	Yes

APPROVAL PROCESS

Meeting	Date	Approved Y/N

¹ Status: A = Approval
D = Debate
N = Note

² Against the five aims of the STHFT Corporate Strategy 2012-2017

Changes to the governance arrangements of Sheffield Hospitals Charity

1.0 Background

As you may recall from a report to the July 2016 Board of Directors meeting, the Department of Health (DH) undertook a review of the regulation and governance of NHS charities during 2011/12. In November 2012 it published a consultation on proposals for change, seeking responses from interested parties. This was as a response to the concerns of a number of NHS charities about the NHS legislative framework and its inherent inflexibilities for NHS charities.

The consultation closed on 31 January 2013 and 83% of respondents were supportive of the proposals for change. The preferred option was to remove most NHS legislation, including the powers of the Secretary of State (SofS) to appoint trustees and for the Department of Health to support a voluntary transition to a linked but independent charity.

Following the conclusion of this review, NHS charities were given permission to transfer their charitable property to another specifically established charity, subject to a range of agreements.

Sheffield Hospitals Charity has therefore established a new Company Limited by Guarantee (CLG) in the same name, registered with the Charity Commission as a Charitable Company and this new legal entity was incorporated on the 12th October 2016 and entered on the Register of Charities on the 18th October 2016.

The Board of Directors of Sheffield Teaching Hospitals NHS Foundation Trust (STHFT) can be assured that following safeguards exist:

1. The objects of the New Charity replicate current NHS objects.
2. STHFT will need to continue to provide support and patronage including rights to utilise its name and premises where appropriate. Such agreements have been formalised in the form of a Memorandum of Understanding (MoU) and a Deed.
3. Under Charity law, any funds transferred to the new charity must continue to be used solely towards the purposes for which they have been originally received.

Withers LLP have been advising both Sheffield Hospitals Charity and Sheffield Teaching Hospitals NHS Foundation Trust about the contents and process and all documentation was agreed in principle at the July 2016 STHFT Board of Directors meeting.

2.0 Deed

The purpose of the Deed at appended is to provide the Foundation Trusts' consent to Sheffield Hospitals Charity's transfer to the New Charity. It contains the binding commitment by the Foundation Trusts to transfer Gifts to the New Charity and is legally binding upon the parties.

3.0 Memorandum of Understanding

The Memorandum of Understanding appended is a non-binding overview of the 'guiding principles' which will inform the relationship between the New Charity and the three Foundation Trusts after completion of the restructuring on 1 April 2017. The purpose of the MoU is to focus the parties' attention on how we will work together going forward and to provide continuity in the relationship, even when the personnel of the Foundation Trusts and the New Charity change.

The MoU is intended to be a flexible, living document, which will be reviewed by the Foundation Trusts and the New Charity and adapted as necessary to meet changing needs in the future.

4.0 STHFT final approval and signing

The Trustees of Sheffield Hospitals Charity request that the Board of STHFT formally approve and sign these documents, which will allow the Trustees to formally conclude these changes leading into the new financial year.

David Reynolds
Director
Sheffield Hospitals Charity
23rd January 2016