

Guys and St Thomas' Charity

Strategic Direction 2008/2013

Introduction

- 1 Following the February 2008 Trustee Board this paper sets out the Charity's approved strategic direction for the five year period 2008-13.

Strategic Context

2. The Charity's objects as laid down by the 1998 Charity Commission scheme are to hold funds for such purposes relating to hospital services (including research) or to any other part of the health service associated with any hospital, as the Trustees see fit.
3. The Charity is the largest NHS-related fund in the country with assets of circa £500m. The Charity is in the top 20 national charities by funds. The wealth of the Charity enables significant investments in healthcare and research and development. The Charity is in fourth place for NHS-related charities in terms of income from donations and legacies (after Great Ormond Street Children's Hospital, the Christie Hospital NHS Foundation Trust and the Royal Marsden NHS Foundation Trust).
4. The Charity provides funds to Guy's and St Thomas' NHS Foundation Trust as its main beneficiary, Lambeth and Southwark PCTs and South London and Maudsley NHS Foundation Trust for mental health services in Lambeth and Southwark. King's College London, London South Bank University and other organisations have access to the Charity's funds if sponsored by one or more of the beneficiary NHS Trusts.
5. Since 1998 the Charity has developed and reviewed its investment, disbursement, fundraising and arts strategies. The Charity has a diversified investment strategy to maintain its capital in real terms and provides funds for responsive grants and for a number of significant health improvement programmes, some of which have been supplemented by fundraising.
6. The Charity's strengths relate to the size of its funds which are focused on Guy's and St Thomas' NHS Foundation Trust and its health and academic partners. Its wealth, linked to its independence, flexibility and Trustee and executive skills, enables the Charity to be in a pole position for stimulating innovation and excellence in the delivery of healthcare and health services that often have national influence.
7. The Charity's strategic direction is being prepared at a time of change within the local NHS. It is likely that an Academic Health Sciences Centre, closely linking Guy's and St Thomas' Hospitals, King's College Hospital NHS Foundation Trust, King's College London and the South London and Maudsley NHS Foundation

Trust, will be created during the period of the strategy. This will have significant, but not immediate implications for the future organisation of the Charity and related local NHS charities.

Vision Statement and Purpose

8. A key part of the development of the future strategy is a statement of vision and purpose which describes the Charity's aspirations, why the Charity exists and the impact the Charity would like to have on local health and healthcare delivered by the beneficiary trusts and the wider NHS.
9. The Charity has adapted its purpose over its long history to respond to changing health needs and expectations and as the Charity moves forward it will:
 - Continue to support health improvements which enable people to live healthy lives and respond to particular health needs in ways that will influence and reflect local and national health policy;
 - Play a key role in the development of first class healthcare for Lambeth and Southwark and where appropriate further afield;
 - Ensure that wherever possible the Charity's investment in local healthcare brings benefits to the wider NHS and beyond;
 - Work in partnership with other organisations and charities to achieve the greatest impact and promote first class healthcare;
 - Use all the Charity's existing and future assets and strengths to further its priorities.
10. The Charity's vision can be described in the following statement:

"Investing in improving healthcare and well being by setting standards to which others can aspire"

Key Strategic Priorities

11. The Charity's strategy will focus on implementing its vision and purpose and look for a range of ways to achieve this by pushing the boundaries of what the Charity can achieve through appropriately combining mission related investments, fundraising, loans and grant making. The Foundation Trust's new responsibilities and powers create further opportunities for appropriate long-term joint ventures and partnership funding.
12. The Charity can only achieve its strategic priorities by working in partnership with its main beneficiary, Guys and St Thomas' NHS Foundation Trust, the Primary Care Trusts in Lambeth and Southwark, South London and Maudsley NHS Foundation Trust, their academic partners Kings College London and London South Bank University, and other health and social care organisations. This commitment will underpin all the key strategic priorities.

13. The key priorities for the next five years are:

- To invest in service improvement, innovation, research, development and education and training through grants, loans, mission related investment fundraising and appropriate joint funding;
- To complete the Founder's Place development. This will provide accommodation for 400 key health workers, a day nursery for the children of key health workers, a new Ronald McDonald House (managed by the Evelina Family Trust) for the parents of sick children, a patient's hotel and medical facilities;
- To invest in a world class cancer service through combined investment, fundraising and grant making;
- To invest in innovations that lead to continuous improvements in health and well being and to assist with the establishment of a stronger evidence base for such improvements.
- To invest in three further significant modernisation programmes, including improving End of Life Care;
- To pursue an investment and disbursement strategy to maintain the value of the endowment in real terms;
- To develop and implement fundraising programmes with key partners to reposition and raise the profile of the Charity as a fundraiser and maximise the potential for philanthropy in support of agreed service priorities;
- To invest in art and heritage to improve the healthcare experience for patients, staff and visitors;
- To create an organisation that has the capacity to deliver the strategic priorities.

Combined Investment

14. The Charity will continue to support evidence based service improvements, innovation, research, education and workforce training and improvements to the environment through a combination of grants, loans, mission related investments and fundraising. The Charity will seek to maximise its potential to support first class healthcare by seeking opportunities to use a range of investment opportunities and where appropriate by partnerships with other organisations. The Charity will fund:

- Innovations in the promotion of health and well being and delivery of the best healthcare, particularly in geographic areas of poor health and health inequality, using, for example, the opportunity of the 2012 London Olympics as a stimulant to improve health;
- Research infrastructure (facilities, equipment and people) to promote world class research and development and in particular translational research directly benefiting patients;

- Workforce opportunities to deliver excellent service improvements, innovation, and research and development, including support for the development of a clinical education and training centre at St Thomas' Hospital;
- New ideas, concepts and health ventures which may lead to patient benefit and innovation in the UK and internationally;
- Loans, equity investments and loan guarantees.
- Promote the use of the Charity's land and assets to deliver healthcare and, where appropriate, release a premium for future investment and charitable support.

Complete the Founder's Place development

15. Following Planning Approval to complete the Founder's Place development, the Charity will:
- Select a developer in April 2008 to commence development in early 2009, with completion in 2012/13;
 - Create legal agreements with the selected developer, Guy's and St Thomas' NHS Foundation Trust, the Evelina Family Trust and a chosen registered housing association;
 - Develop a strategy for the investment and/or charitable support from the released premium paid by the developer.

World Class Cancer Service

16. To promote the development of world class cancer care, the Charity will:
- Develop the Charity's land, currently accommodating the Greenwood Theatre, Wolfson building, Orchard Lisle swimming pool and the NCP car park at Guy's Hospital, in partnership with Guy's and St Thomas' NHS Foundation Trust and King's College London, for a cancer centre and other medical services, with opportunities for complementary commercial development;
 - Subject to appropriate submissions from the Foundation Trust invest in the development of a world class cancer service through combined investment, grant making and fundraising.

Modernisation Initiative Programmes

17. To complete and continue a programme of service transformation and new models of care, the Charity will:
- Invest a further £3m in the modernisation of End of Life Care services in Lambeth and Southwark for a three year period beginning in 2008;
 - Identify two additional significant modernisation programmes in 2008 for completion by 2012 at a cost of £12m. Suggestions include healthy families, obesity, alcohol, drugs , COPD and mental health.

Investment Policy

19. To continue the investment policy which is committed to maintaining the Charity's endowment fund in real terms, currently circa £500m, the Charity will:
- Maintain a diversified investment policy that maximises long-term returns to the fund;
 - Ensure that the Charity maximises any advantages to enhance returns on investment;
 - Agree an appropriate level of disinvestment from the fund to provide resources for disbursement.
20. The financial plan outlines the indicative funds for the 5 year period; the funds will be regularly reviewed by the Trustee Board to determine appropriateness and in particular the balance of funds allocated to new services and innovations, research and development, cancer and modernization programmes - Attached A.

Investment in Art and Heritage

21. To invest in art and heritage to improve healthcare, the Charity will:
- Deliver an imaginative programme of performing art for patients, staff and visitors in public places and wards and pilot a number of programmes for people with special needs;
 - Fully integrate art within Charity funded environmental improvements. This is closely aligned to the Trust estate strategies;
 - Implement an interpretation programme which describes the Charity's collections to patients, visitors and staff;
 - Review the existing collection and develop criteria for the retention and sale of art by the end of 2008 and where appropriate, reinvest funds from sales to improve the patient experience.

Develop and Implement Joint fundraising

22. To develop a joint fundraising strategy with the Guy's and St Thomas' NHS Foundation Trust and partners in the Academic Health Sciences Centre which maximises the potential for philanthropic giving to support agreed priorities. The Charity will:
- Work with the Foundation Trust and partners in the Academic Health Sciences Centre to develop new relationships that encourage close co-operation and strong, mutually beneficial, partnerships with the Charity;
 - Establish a holistic programme of fundraising which complements the communication strategies of the Academic Health Sciences Centre and Charity and encourages and facilitates donations and legacies;
 - Raise the external and internal profile of the Charity to enable it to become recognised as a top fundraising organisation while maximising awareness of the need for charitable funds;
 - Create a strategy which ensures that donors have the opportunity of appropriately complementing the Charity's existing grant giving programmes;
 - Ensure that the Charity develops appropriate complementary programmes of fundraising with partners in the Academic Health Sciences Centre. This will be essential as there is only one universe of donors.

Organisational Capacity

23. To take forward the identified strategic priorities it will be necessary to review and enhance the capacity of the Charity to deliver these demanding objectives. The Chief Executive will:
- Undertake an organisational audit of the existing executive arrangements;
 - Consider the audit and make recommendations to the Trustee Board for changes in mid 2008.

Conclusion

24. This strategy is not set in stone. It establishes the Charity's intentions and high level targets. Progress will be reviewed annually by the Trustee Board and the Chief Executive. The strategy will be fine tuned in the light of experience.

Geoffrey Shepherd
Chief Executive
February 2008

Unrestricted fund Allocations

		2008/9	2009/10	2010/11	2011/12	2012/13	Total
		£K	£K	£K	£K	£K	£K
Reserves brought forward							
Free Reserves		32,600	(400)	(1,050)	(1,750)	(550)	-
Equalisation		6,000	6,000	6,000	6,000	6,000	6,000
Mission related investments (all at 2007 values)		66,300	66,300	66,300	66,300	66,300	66,300
Endowment income (net of fees)	1	16,000	16,500	16,800	17,300	17,700	84,300
General donation/legacies	2	500	750	1,000	1,250	1,500	5,000
Income from charitable property/mission fund		900	750	750	750	750	3,900
Other investment Income (unrestricted investments and cash)		3,300	3,550	3,800	5,550	5,800	22,000
		20,700	21,550	22,350	24,850	25,750	115,200
Expenditure							
Administration etc		(1,100)	(1,100)	(1,150)	(1,150)	(1,200)	(5,700)
Fundraising and communications	3	(900)	(1,100)	(300)	(300)	(400)	(3,000)
		(2,000)	(2,200)	(1,450)	(1,450)	(1,600)	(8,700)
Net available Allocations							
Charitable Property		(450)	(350)	(300)	(100)	(100)	(1,300)
Arts and Heritage		(450)	(750)	(900)	(900)	(1,000)	(4,000)
NSI (including Environmental projects and Workforce development)		(4,600)	(4,800)	(5,500)	(5,700)	(6,100)	(26,700)
Research infrastructure		(3,000)	(3,000)	(3,300)	(3,300)	(3,400)	(16,000)
Research-responsive		(2,300)	(2,500)	(2,800)	(3,100)	(3,400)	(14,100)
Small grants		(800)	(800)	(800)	(800)	(800)	(4,000)
Transformational programmes		(2,500)	(2,800)	(3,000)	(3,300)	(3,400)	(15,000)
Cancer		(37,600)	(5,000)	(5,000)	(5,000)	(5,400)	(58,000)
		(400)	(1,050)	(1,750)	(550)	0	-
Free funds							
1	Based on return on endwment at 4% on 1.4 2007 value						
2	Estimate						
	Review after 2010 and aim to absorbtion in restricted						
3	income						
Restricted Income Net Fundraising Target		2,500	4,950	7,400	11,950	17,600	44,400