

15 March 2023

Dear Member

## INTRODUCTION

We would like to thank the many members, office holders and staff who have offered constructive feedback about the recent increase in the capitation fee, membership fee, and on other aspects of the NHS Retirement Fellowship.

All members (branch and postal) pay an annual membership fee. This is decided by the Board of Trustees. Each branch adds a local fee to cover the running costs of the branch.

Feedback has come from written correspondence, Facebook posts, phone calls and face to face meetings. As Chair of the Board of Trustees and as CEO we recognise the challenge this increase may have placed on individuals and branches during what is already a very difficult time for all of us and apologise for adding to that burden.

## BOARD OF TRUSTEES VACANCIES

The Board of Trustees comprises the Chair (George Kempton) and Vice Chair (Chris Kitchin), Honorary Treasurer (Gareth Oakland), six trustees appointed from the membership and five external trustees; so the Board will always have a majority of member trustees. All Trustees are volunteers and are unpaid.

Currently there are vacancies for two membership trustees and two external trustees. Please give these opportunities careful consideration and encourage anyone you know to apply. The closing date for this round of appointments is 24 March 2023 with further information available from Central Office.

## FINANCIAL BACKGROUND

Our Honorary Treasurer was appointed 12 months ago. He was previously a partner in a public sector practice of PricewaterhouseCoopers (PwC) accountancy firm where he worked with many NHS organisations.

Shortly after his appointment, he drew the Board's attention to how the annual accounts were presented. Although they complied with the rules for charity accounts, they gave a much more favourable impression of the Fellowship's solvency than was actually the case, because cash balances in the accounts included both Central Office and branch balances. The accounts for 2021-22 included more information about this issue, those for 2022-23, which will be publicly available after the 2023 Annual General Meeting, will include more simplified information as well as that required by the charity accounting rules.

The Treasurer also highlighted that the current arrangement for collecting the capitation fee in January each year resulted in the Fellowship not receiving its income for any financial year until the final quarter. This placed the Fellowship at severe financial risk without either an accessible reserve or the cash to meet its financial obligations. The Fellowship faced exactly this issue in the latter half of 2022, and it needed to liquidate its entire reserves due to cash flow problems through complications with the NHS England grant payments and the cost of the P60 project. It was only through the generosity of our payroll provider who paid our salaries for a period of several months whilst the reserves were released, that the Fellowship was able to continue. We are also fortunate that our central office premises in Weymouth are provided free of charge though there is no guarantee how long this may continue. Our financial position has been made still more precarious by the loss of £90,000 worth of annual grants from the NHS.

## P60 CAMPAIGN

The Board of Trustees recognised that membership had consistently dropped to under 6,000 and drastic action was needed to attract more members. That action resulted in the P60 Campaign which to date has increased our membership by over 3,000. This result should be celebrated – and new members are arriving day by day.

## BOARD OF TRUSTEES LEGAL RESPONSIBILITIES

The Board has control over, and legal responsibility for, the charity's management, administration, and funds. It is required to create and operate a balanced budget every year and maintain a minimum level of reserves (currently set at £70,000) sufficient to cover its financial commitments if, in the worst case, the charity were to close.

## AGREED SAVINGS TO DATE

The Trustees and previous CEO expended a significant amount of time and energy to ensure the Fellowship could continue. The decisions already taken include the cessation of the quarterly Fellowship magazine, the deferment of the staff salary increase, and adoption of virtual meetings wherever possible and practical. Previously the Fellowship has sought additional funding from Charitable Trusts and Foundations. However, the inclusion of branch funds in the accounts, as explained above, may have led some grants assessors to assume that the Fellowship was in a better financial position than was the case.

## BUDGET 2023- 2024

The Board agreed an annual budget of £240,000 for 2023 -24. This includes:

|   |          |
|---|----------|
| Central Office functions for insurance, accountancy, postage, telephone, web support and stationery | £41,000  |
| Central Office salaries for 4 part-time members of staff, including the CEO                         | £105,000 |
| Development Officers salaries for 6 part-time members of staff                                      | £40,000  |
| Travel, meetings, and Annual General Meeting  | £12,000  |
| Communication – for the CEO bi-monthly news-letter  | £18,000  |
| Communications Officer salary for 1 part-time member of staff                                       | £8,000   |
| Fundraising/Project Officer salary for 1 part-time member of staff                                  | £16,000  |

We will work to identify further cost savings, investigating whether other ways of working can or should be adopted.

## EXTERNAL FUNDING

A further key area will be to review external fundraising opportunities, whether through applications to Charitable Trusts and Foundations or through potential sponsorship. This is with the caution that both can involve a lengthy process, with no guarantee of success.

We will also continue our dialogue with health bodies in England, Scotland and Wales, reminding them of the aspirations contained in their People Plans. This is particularly pertinent as we prepare to celebrate the 75th anniversary of the NHS and the 45th anniversary of the NHSRF.

## FINANCIAL EFFECT ON SMALL BRANCHES

The Board understands that the increase in the capitation fee may place an additional burden on some branches and could jeopardise their existence. It is particularly keen to respond to requests for help wherever possible, particularly during this transitional year.

## NHSRF BENEVOLENT FUND

There is still the very real risk that some people will not be able to afford the increases in fees. Rather than lose these valuable members we would like to highlight the Benevolent Fund and would encourage any member to consider applying for funding. In the past 12 months very few applications were made to the Fund and the Board believes that these monies should be used to support our most vulnerable members.

The Board is also of the view that if we were able to complete the financial year 2023 – 24 with a surplus, a proportion of this should be put towards enhancing the Benevolent Fund. If in the long-term applications are not forthcoming, then it may be necessary to review if the monies could be used in a different way and do not just sit in a bank account from one year to the next.

## COMMUNICATION

We are aware that some of you have been frustrated over the lack of information provided since the CEO's letter in February, and many feel the detail of the financial challenges facing the Fellowship should have been shared earlier, with opportunity for members to discuss, and offer suggestions. We are sorry that this did not happen but are grateful for your patience and support. We are in a consultation period about ensuring the successful growth of our Fellowship. We can assure you that the constructive feedback offered has been shared with members of the Board of Trustees and we will continue to do so.

We ask that you bear with us as we build relationships across the UK and branches and continue these conversations. Some suggestions we are keen to pursue initially are bi-yearly zoom 'coffee drop ins' for Branch Officers, to build these relationships and ensure good and effective communication between staff and members. Another suggestion we are keen to progress is a regular zoom meeting for postal members and those who are struggling to join local branch activities due to access to meetings, ill-health, or finances. We are also keen to explore development of the website and Facebook page as an initial step towards sharing the poignant and moving obituaries that were a key feature of the quarterly magazine.

## THREE-YEAR STRATEGIC PLAN

The Board has asked the CEO to present a three-year strategic plan with linked annual business plans and performance targets to measure progress. These documents will eventually be shared with the membership through the Members Council. The Board meets on 9 May 2023 to consider adopting the three-year plan so that work can start on shaping the future.

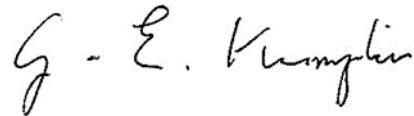
The staff team will have a collective responsibility to deliver these plans and be held to account to the Board of Trustees.

In conclusion, we hope that we will continue to work and grow together so that your wisdom, knowledge, skills, experiences and passion ensures our Fellowship thrives in the future for the benefit of all members. Our CEO looks forward very much to meeting and talking with you over the coming months.

With warm wishes



Mike Seaton  
Chief Executive Officer



George Kempton  
Chair, Board of Trustees

### Distribution list:

All members  
Vice-President  
Board of Trustees  
Elected officers and representatives to Members Council  
All staff members  
NHSRF Website