Sherwood Forest Hospitals
NHS Foundation Trust

Sherwood Forest Hospitals Charity
Registered Charity No. 1054086

CHARITABLE FUND INVESTMENT AND RESERVES POLICY

	Policy

Reference	Sherwood Forest Hospitals General Charitable Fund	
Approving Body	Charitable Fund Committee	
Date Approved	20 October 2026	
For publication to external SFH website	**Positive confirmation received from the approving body that the content does not risk the safety of patients or the public:**	
	YES	**NO**
	x	
Issue Date	21 October 2025	
Version	8 (Previously issued October 2024)	
Summary of Changes from Previous Version	Various relating to investment split and ethical investments.	
Supersedes	Version 8 (October 24)	
Document Category	• Finance - Charitable Funds	
Consultation Undertaken	N/A	
Date of Completion of Equality Impact Assessment	16 October 2023.	
Date of Environmental Impact Assessment (if applicable)	16 October 2023.	
Legal and/or Accreditation Implications	Compliance with Charity Commission Best Practice Guidance	
Target Audience	Charitable Fund Committee / Trustee	
Review Date	31st October 2027	
Sponsor (Position)	Chief Finance Officer	
Author (Position & Name)	Head of Financial Services	
Lead Division/ Directorate	*Corporate*	
Lead Specialty/ Service/ Department	Finance - (Charity)	
Position of Person able to provide Further Guidance/Information	Head of Financial Services	

Associated Documents/ Information	**Date Associated Documents/ Information was reviewed**
N/A	

CONTENTS

Item	Title	Page
1.0	INTRODUCTION	3
2.0	POLICY STATEMENT	3
3.0	DEFINITIONS/ ABBREVIATIONS	3
4.0	ROLES AND RESPONSIBILITIES	3
5.0	APPROVAL	3
6.0	DOCUMENT REQUIREMENTS	4
7.0	MONITORING COMPLIANCE AND EFFECTIVENESS	7
8.0	TRAINING AND IMPLEMENTATION	8
9.0	IMPACT ASSESSMENTS	8
10.0	EVIDENCE BASE (Relevant Legislation/ National Guidance) and RELATED SFHFT DOCUMENTS	8
11.0	KEYWORDS	9
12.0	APPENDICES	

APPENDICIES

Appendix 1	*Equality Impact Assessment*	9
	Environment Impact Assessment	N/A

1.0 INTRODUCTION

In line with the Charities Act 2011, and the Charity Commission publication 'Charity Governance Code' it is recommended good practice that trustees have a written investment policy. They are also required to be able to demonstrate that they review this policy, and the performance of investment advisors to ensure that charitable funds are being managed in the best interest of all connected parties.

This responsibility is included in the terms of reference of the Charitable Funds Committee.

2.0 POLICY STATEMENT

This document has been produced to detail current investment policy, and to ensure that Sherwood Forest Hospitals NHS Foundation Trust, as a corporate trustee, can demonstrate effective management of current funds, whether these are invested or held as liquid assets to meet forecast current expenditure.

3.0 DEFINITIONS/ ABBREVIATIONS

Charitable Fund Committee - Delegated sub Committee of the Corporate Trustee - Sherwood Forest Hospitals NHS Foundation Trust Body Corporate.

4.0 ROLES AND RESPONSIBILITIES

4.1 The Trustee has overall responsibility for this policy and to ensure that reasonably practicable control measures can be implemented to ensure the effective management of Charitable Fund investments and reserves.

4.2 The Charitable Fund Committee has delegated responsibility for reviewing and monitoring compliance.

4.3 The Chief Finance Officer has operational responsibility for ensuring compliance.

5.0 APPROVAL

The following committees have been consulted:

- Charitable Funds Operational Group
- Charitable Fund Committee
- The Board of Sherwood Forest Hospitals NHS Foundation Trust in its capacity as Corporate Trustee.

6.0 DOCUMENT REQUIREMENTS

6.1. Investment Overview

Currently the general power of investment means the power of investment, which is given to trustees by 'section 3 of the Trustees Act'. This act imposes a duty on those acting as trustees, when exercising their powers of investment, to consider the need for diversification, in order to reduce the risk of loss should an investment fail.

In addition as corporate trustee, Sherwood Forest Hospitals NHS Foundation, in line with the ethos of promoting patient care, attempts to ensure that all investments are ethically and environmentally sound, and are not opposed to the "purpose" of the charity.

6.2. Investment of Funds

To ensure that appropriate advice and guidance is available the following has been agreed:

1. The Charitable Funds committee on behalf of Sherwood Forest Hospitals Foundation Trust has the delegated authority to appoint investment advisors.

2. If an external 'advisor' is appointed, the 'advisor' will be required to submit quarterly and annual performance reports to the Finance Directorate and Charitable Fund Committee and may be requested to attend the committee on an annual basis to advise on current performance, investment trends, opportunities and possible concerns.

3. External 'advisors' performance will be reviewed annually by the trustee and will be subject to re-appointment on a 5-yearly basis. Any proposed change in provider shall be subject to formal tender procedures.

4. Investments will be made into a 'Charity Growth and Income Fund' which is a pooled fund, however, within that fund this will be subject to the following maximum division in order to minimise the risk of loss; this does not include Capital left in perpetuity, or liquid resources retained to meet forecast expenditure;

   - 75% in equities and general investments predominately UK together with selected overseas.
   - 25% in fixed interest securities, predominately UK government investments.

To allow flexibility to market changes investments will be held as follows:

Asset Class	Type	Weighting %	Ranges %
Fixed Interest	Bonds	13	0-30
Equities		75	60-80
Other	Real Estates Assets	7	0-20
	Cash	5	0 - 10

- Any working capital balance will be retained within a:
    - RBS, which will be distinct from the Sherwood Forest NHS Foundation Trust's account, to meet daily cash requirements.

This investment mix allows for a dividend return and possible gains / loss on the sale of investments due to an increase / decrease in the value of the share fund. ***Further details of the RBS account and working capital reserves are included in section 6.5.***

5. Interest and reclaimable tax on dividends will be received on investments on a quarterly basis. This will be allocated directly to the general fund.

6. Realised / Unrealised Gains and losses on investments will be apportioned as detailed in section 6.6.

7. A separate fund is maintained in respect of the "Benefit of Children's fund" since this is Capital in Perpetuity. The interest can be spent however the initial capital remains intact.

8. Interest on the Children's Charity fund is apportioned directly to this fund.

6.3 Ethical Policy

The following ethical policy and investment exclusions, agreed by Sherwood Forest Hospitals Charitable Funds Committee, is aligned with our charitable status and our ethos of promoting patient care. To this end, our Investment Manager should not invest in the shares of companies that derive a significant proportion of their income from the following activities:

- Income >10% - Tobacco/Alcoholic beverages – production, retail and related products/services.
- Income >10% - Weapons/Small Arms/Military Contracting (Armaments) – production and weapon relative products and services.
- Income >3% - Adult Entertainment – production and distribution of adult entertainment material.
- Income >10% - Cannabis products

The Investment Manager may invest in pooled funds holding equities involved in the above activities but not in any pooled funds focusing on these sectors.

Sherwood Forest Hospitals is committed to being a responsible investor across its investments. The Trust requires that the appointed Investment Manager consider environmental, social and governance risk (ESG) within their investment process. The Trust expects that its Investment Manager will explain how ESG issues are considered and incorporated into the investment strategy and report to the Committee on how their investments are aligned on ESG issues.

Active ownership (stewardship) is defined as the responsible allocation, management and oversight of capital to create long term value for clients and beneficiaries. The trust delegates stewardship activities to its appointed Investment Manager and expects the Investment Manager to engage with the businesses in which they invest, exercise their rights and responsibilities and report regularly to the Charitable Funds Committee on stewardship and voting activity.

6.4. Administration Charges

Fees are payable for external advice and management of investment funds. This will be allocated directly at year end to the general fund.

6.5. Working Capital Reserves

1. At all times it must be ensured that sufficient liquid resources are maintained to meet routine payment requirements.

2. Reserve, bank / cash balances will be subject to the following in order to maximise income;

   - Based on income and payments for 2025/26 a working cash reserve balance of £150k should be maintained, in the RBS account. This is the level the Trustee considers necessary to meet normal requirements for a three-month period and to cover any potential unforeseen requirements.

   - Any material balance above this will be reviewed by finance and the Charitable Fund Committee to ensure that an acceptable return is being achieved.

3. Where it becomes apparent that the balances held in the RBS and building society accounts are continually above the planned working cash reserve, an analysis will be undertaken to identify whether it would be more prudent depending on the level of stock market volatility for the excess funds to be transferred to our investment advisors or retained in the RBS account.

   Should transferred funds subsequently be required a written request should be made to the investment advisors. Funds will then be transferred back to Sherwood Forest Charitable Funds in 4 working days.

4. On an annual basis the Trustee will review working capital balances, and as appropriate transfer excess balances into our investment portfolio.

6.6. Realised / Unrealised gains and losses Reserve

Realised and unrealised gains occur due to either the sale of stock market investments, or movements in the carrying value of stock market investments. On an annual basis these movements shall be transferred to the general fund.

6.7. Reporting

1. A summary statement of the value of funds invested and returns will be presented to the Charitable Fund committee on a quarterly basis. This will detail any movements in and out of Investments.

2. All relevant details on fixed asset investments will be included in the ‘Annual Charitable Funds Accounts and Report’.

7.0 MONITORING COMPLIANCE AND EFFECTIVENESS

Minimum Requirement to be Monitored (WHAT – element of compliance or effectiveness within the document will be monitored)	Responsible Individual (WHO – is going to monitor this element)	Process for Monitoring e.g. Audit (HOW – will this element be monitored (method used))	Frequency of Monitoring (WHEN – will this element be monitored (frequency/ how often))	Responsible Individual or Committee/ Group for Review of Results (WHERE – Which individual/ committee or group will this be reported to, in what format (eg verbal, formal report etc) and by who)
Quarterly Reporting	Head of Financial Services / Finance Directorate	Review	Quarterly	Charitable Fund Committee Charitable Fund Operational Group Chief Financial Officer Finance Directorate
Annual Reporting	Head of Financial Services / Finance Directorate	Review	Annually	Charitable Fund Committee Chief Financial Officer Finance Directorate
Investment / Reserves Balance	Head of Financial Services / Finance Directorate	Review	Quarterly	Charitable Fund Committee Charitable Fund Operational Group Chief Financial Officer Finance Directorate

8.0 TRAINING AND IMPLEMENTATION

Charitable Fund Committee and External Investment advisors to ensure compliance with agree portfolio ranges.

9.0 IMPACT ASSESSMENTS

- This document has been subject to an Equality Impact Assessment, see completed form at Appendix 1.
- This document is not subject to an Environmental Impact Assessment.

10.0 EVIDENCE BASE (Relevant Legislation/ National Guidance) AND RELATED SFHFT DOCUMENTS

Evidence Base:
Charities Act 2011, and the Charity Commission publication 'Charity Governance Code' (July 17)

11.0 KEYWORDS

N/A

12.0 APPENDICES

- Appendix 1 Equality Impact Assessment

APPENDIX XX (number as appropriate) - EQUALITY IMPACT ASSESSMENT FORM (EQIA)

EIA Form Stage One:

Name EIA Assessor: Michael Powell		**Date of EIA completion: 15 October 2026**
Department: Finance		**Division: Corporate**
Name of service/policy/procedure being reviewed or created: Charitable Fund Investment and Reserves Policy		
Name of person responsible for service/policy/procedure: Michael Powell		
Brief summary of policy, procedure or service being assessed: **Policy for the management of Charitable fund investments**		
Please state who this policy will affect: N/A		
Protected Characteristic	**Considering data and supporting information, could protected characteristic groups' face negative impact, barriers, or discrimination? For example, are there any known health inequality or access issues to consider? (Yes or No)**	**Please describe what is contained within the policy or its implementation to address any inequalities or barriers to access including under representation at clinics, screening.** **Please also provide a brief summary of what data or supporting information was considered to measure/decipher any impact.**
Race and Ethnicity	N/A	N/A
Sex	N/A	
Age	N/A	
Religion and Belief	N/A	
Disability	N/A	
Sexuality	N/A	
Pregnancy and Maternity	N/A	
Gender Reassignment	N/A	

Marriage and Civil Partnership	N/A	
Socio-Economic Factors (i.e. living in a poorer neighbour hood / social deprivation)	N/A	

If you have answered 'yes' to any of the above, please complete Stage 2 of the EIA.

What consultation with protected characteristic groups including patient groups have you carried out?

N/A

As far as you are aware are there any Human Rights issues be taken into account such as arising from surveys, questionnaires, comments, concerns, complaints or compliments?
N/A

On the basis of the information/evidence/consideration so far, do you believe that the policy / practice / service / other will have a positive or negative adverse impact on equality? (delete as appropriate)

Positive			Negative			
High	**Medium**	**Low**	**Nil**	**Low**	**Medium**	**High**

If you identified positive impact, please outline the details here:

EIA Form Stage Two:

Protected Characteristic	Please explain, using examples of evidence and data, what the impact of the Policy, Procedure or Service/Clinical Guideline will be on the protected characteristic group.	Please outline any further actions to be taken to address and mitigate or remove any in barriers that have been identified.
Race and Ethnicity		
Gender		
Age		
Religion		
Disability		
Sexuality		
Pregnancy and Maternity		
Gender Reassignment		
Marriage and Civil Partnership		
Socio-Economic Factors (i.e. living in a poorer neighbourhood / social deprivation)		

Signature: *I can confirm I have read the Trust's Guidance document on Equality Impact Assessments prior to completing this form*
Date:
Please send the complete EIA form to the People EDI Team for review. **Please send the form to: sfh-tr.edisupport@nhs.net**

APPENDIX XX (number as appropriate) – ENVIRONMENTAL IMPACT ASSESSMENT

Use this appendix if it is applicable by completing all rows of the last two columns or delete
The purpose of an environmental impact assessment is to identify the environmental impact, assess the significance of the consequences and, if required, reduce and mitigate the effect by either, a) amend the policy b) implement mitigating actions.

Area of impact	Environmental Risk/Impacts to consider	Yes/No	Action Taken (where necessary)
Waste and materials	• Is the policy encouraging using more materials/supplies? • Is the policy likely to increase the waste produced? • Does the policy fail to utilise opportunities for introduction/replacement of materials that can be recycled?	No	
Soil/Land	• Is the policy likely to promote the use of substances dangerous to the land if released? (e.g. lubricants, liquid chemicals) • Does the policy fail to consider the need to provide adequate containment for these substances? (For example bunded containers, etc.)	No	
Water	• Is the policy likely to result in an increase of water usage? (estimate quantities) • Is the policy likely to result in water being polluted? (e.g. dangerous chemicals being introduced in the water) • Does the policy fail to include a mitigating procedure? (e.g. modify procedure to prevent water from being polluted; polluted water containment for adequate disposal)	No	
Air	• Is the policy likely to result in the introduction of procedures and equipment with resulting emissions to air? (For example use of a furnaces; combustion of fuels, emission or particles to the atmosphere, etc.) • Does the policy fail to include a procedure to mitigate the effects? • Does the policy fail to require compliance with the limits of emission imposed by the relevant regulations?	No	
Energy	• Does the policy result in an increase in energy consumption levels in the Trust? (estimate quantities)	No	
Nuisances	• Would the policy result in the creation of nuisances such as noise or odour (for staff, patients, visitors, neighbours and other relevant stakeholders)?	No	