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Bwrdd Iechyd Prifysgol
Abertawe Bro Morgannwg
University Health Board



		Agenda Item	5.1 (iii)
Freedom of Information Status		Open	
Reporting Committee	Charitable Funds Committee		
Author	Leah Joseph, Corporate Governance Officer		
Chaired by	Martyn Waygood, Independent Member		
Lead Executive Director (s)	Darren Griffiths, Interim Director of Finance		
Date of last meeting	21 July 2020		
Summary of key matters considered by the committee and any related decisions made.			
Patient Experience COVID-19 Officer – Members considered the bid for the proposal to fund 50% of a patient experience COVID-19 officer for 1 year. The charitable fund bid was not approved as committee members viewed the role to be core.			
Terms of Reference - The charitable funds committee terms of reference reviewed and agreed the terms for onward consideration by the Board (appendix one).			
Key risks and issues/matters of concern of which the board needs to be made aware:			
None identified.			
Delegated action by the committee:			
The Committee approved: <ul style="list-style-type: none">- The extension of the investment policy and expenditure strategy 2020-21;- Decisions made virtually following the cancellation of the March 2020 meeting;			
Main sources of information received:			
<ul style="list-style-type: none">- A report which provided an update on account balances informing that the total fund balance as at the 30th June 2020 stood at £5.4m;- Fundraising reflection paper;- Patient Experience COVID-19 Officer;- Investment Policy and Expenditure Strategy 2020-21- The Investment Manager’s update;- Charitable Funds Committee Terms of Reference;- NHS Charities update including an update on the TRiM bid- A report outlining the financial position of the Charitable Funds Committee Fund for period 30th June 2020;			
Highlights from sub-groups reporting into this committee:			
None identified.			
Matters referred to other committees			
None identified.			

Date of next meeting	21 September 2020
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Charitable Funds Committee

Terms of Reference & Operating
Arrangements

1. INTRODUCTION

- 1.1 The Local Health Board (LHB)'s standing orders provide that *"The Board may and, where directed by the Assembly Government must, appoint Committees of the LHB either to undertake specific functions on the Board's behalf or to provide advice and assurance to the Board in the exercise of its functions. The Board's commitment to openness and transparency in the conduct of all its business extends equally to the work carried out on its behalf by committees"*.
- 1.2 In accordance with standing orders (and the LHB's scheme of delegation), the Board shall nominate annually a committee to be known as the **Charitable Funds Committee** "the Committee". The detailed terms of reference and operating arrangements set by the Board in respect of this committee are set out below.

2. CONSTITUTION

- 2.1 The Swansea Bay University LHB was appointed as corporate trustee of the charitable funds and its Board serves as its agent in the administration of the charitable funds held by the LHB.
- 2.2 The purpose of the Committee is to make and monitor arrangements for the control and management of the LHB's Charitable Funds.

3. SCOPE AND DUTIES

- 3.1 Within the budget, priorities and spending criteria determined by the LHB as trustee and consistent with the requirements of the Charities Act 1993, Charities Act 2006, Charities Act 2011 (or any modification of these acts) to apply the charitable funds in accordance with their respective governing documents.
- 3.2 To ensure that the LHB policies and procedures for charitable funds investments are followed. To make decisions involving the sound investment of charitable funds in a way that both preserves their value and produces a proper return consistent with prudent investment and ensuring compliance with:-
- Trustee Act 2000
 - The Charities Act 1993
 - The Charities Act 2006
 - The Charities Act 2011
 - Terms of the fund's governing documents
- 3.3 To receive at least twice a year reports for ratification from the Director of Finance and investment decisions and action taken through delegated powers upon the advice of the LHB's investment adviser.

- 3.4 To oversee and monitor the functions performed by the Director of Finance as defined in Standing Financial Instructions.
- 3.5 To monitor the progress of Charitable Appeal Funds where these are in place and considered to be material.
- 3.6 To monitor and review the LHB's scheme of delegation for Charitable Funds expenditure and to set and reflect in Financial Procedures the approved delegated limits for expenditure from Charitable Funds.

4. DELEGATED POWERS AND DUTIES OF THE DIRECTOR OF FINANCE

- 4.1 The Director of Finance has prime responsibility for the LHB's Charitable Funds as defined in the LHB's Standing Financial Instructions. The specific powers, duties and responsibilities delegated to the Director of Finance are:-
 - Administration of all existing charitable funds
 - To identify any new charity that may be created (of which the LHB is trustee) and to deal with any legal steps that may be required to formalise the trusts of any such charity
 - Provide guidelines with respect to donations, legacies and bequests, fundraising and trading income.
 - Responsibility for the management of investment of funds held on trust
 - Ensure appropriate banking services are available to the LHB
 - Prepare reports to the LHB Board including the Annual Accounts

5. AUTHORITY

- 5.1 The Committee is empowered with the responsibility for:-
 - Overseeing the day to day management of the investments of the charitable funds in accordance with the investment strategy set down from time to time by the trustees and the requirements of the LHB's Standing Financial Instructions.
 - The appointment of an investment manager (where appropriate) to advise it on investment matters and may delegate day-to-day management of some or all of the investments to that investment manager. In exercising this power the Committee must ensure that:
 - a) The scope of the power delegated is clearly set out in writing and communicated with the person or persons who will exercise it
 - b) There are in place adequate internal controls and procedures which will ensure that the power is being exercised properly and prudently
 - c) The performance of the person or persons exercising the delegated power is regularly reviewed
 - d) Where an investment manager is appointed, that the person is regulated under the Financial Services Act 1986

- e) Acquisitions or disposal of a material nature must always have written authority of the Committee or the Chair of the Committee in conjunction with the Director of Finance

- Ensuring that the banking arrangements for the charitable funds should be kept entirely distinct from the LHB's NHS funds.
- Ensuring that arrangements are in place to maintain current account balances at minimum operational levels consistent with meeting expenditure obligations, the balance of funds being invested in interest bearing deposit accounts
- The amount to be invested or redeemed from the sale of investments shall have regard to the requirements for immediate and future expenditure commitments
- The operation of an investment pool when this is considered appropriate to the charity in accordance with charity law and the directions and guidance of the Charity Commission. The Committee shall propose the basis to the LHB Board for applying accrued income to individual funds in line with charity law and Charity Commissioner guidance
- Obtaining appropriate professional advice to support its investment activities
- Regularly reviewing investments to see if other opportunities or investment services offer a better return.

5.2 The Committee is authorised by the Board to:

- investigate or have investigated any activity within its Terms of Reference and in performing these duties shall have the right, at all reasonable times, to inspect any books, records or documents of the LHB relevant to the Committee's remit. It can seek any relevant information it requires from any employee and all employees are directed to co-operate with any reasonable request made by the Committee;
- obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary, subject to the Board's budgetary and other requirements; and by giving reasonable notice, require the attendance of any of the officers or employees and auditors of the Board at any meeting of the Committee.

6. MEMBERSHIP

Members

6.1

Chair: Independent member of the Board

Vice Chair: Independent member of the Board

Members: A minimum of 1 other Independent member of the Board and the Director of Strategy and Director of Finance.

Attendees

- 6.2 In attendance The Committee may require the attendance for advice, support and information routinely at meetings from:

E.g., Charitable Funds Accountant *[or equivalent]*
LHB Investment Advisor

Secretariat

- 6.3 Secretary As determined by the Director of Corporate Governance (Board Secretary)

Member Appointments

- 6.4 The membership of the Committee shall be determined by the Board, based on the recommendation of the LHB Chair – but should always include the Chairman of the Audit Committee . The LHB chair shall also appoint any other independent members of the Board taking account of the balance of skills and expertise necessary to deliver the committee’s remit and subject to any specific requirements or directions made by the Assembly Government.

- 6.5 The Chairman of the Audit Committee should be a permanent member of the Committee with any other Independent members appointed to hold office for a up to a maximum of 3 consecutive years. During this time a member may resign or be removed by the Board.

- 6.6 Terms and conditions of appointment, (including any remuneration and reimbursement) in respect of co-opted independent external members are determined by the Board, based upon the recommendation of the LHB Chair {and, where appropriate, on the basis of advice from the LHB’s Remuneration and Terms of Service Committee}.

Support to Committee Members

- 6.7 The Director of Corporate Governance (Board Secretary) on behalf of the Committee Chair, shall:
- Arrange the provision of advice and support to committee members on any aspect related to the conduct of their role; and
 - ensure the provision of a programme of organisational development for committee members as part of the LHB’s overall OD programme developed by the Director of Workforce & Organisational Development.

7. COMMITTEE MEETINGS

Quorum

- 7.1 At least three members must be present to ensure the quorum of the Committee. Of these three, two must be independent members (one of whom is the Chair or Vice Chair) and one must be either the Director of Finance or the Director of Strategy.

Frequency of meetings

- 7.2 Meetings shall be held no less than twice a year and otherwise as the Committee Chairs deems necessary - consistent with the LHB’s annual plan of Board Business.

Withdrawal of individuals in attendance

- 7.3 The Committee may ask any or all of those who normally attend but who are not members to withdraw to facilitate open and frank discussion of particular matters.

8. RELATIONSHIP & ACCOUNTABILITIES WITH THE BOARD AND ITS COMMITTEES/GROUPS
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- 8.1 The Committee is directly accountable to the Board for its performance in exercising the functions set out in these terms of reference.
- 8.2 The Committee, through its Chair and members, shall work closely with the Board and, [*where appropriate, its committees and groups*], through the:
- joint planning and co-ordination of Board and Committee business; and
 - appropriate sharing of information and in doing so, contributing to the integration of good governance across the organisation, ensuring that all sources of assurance are incorporated into the Board's overall risk and assurance framework.
- 8.3 The Committee shall embed the LHB's corporate standards, priorities and requirements, e.g., equality, diversity and human rights through the conduct of its business.

9. REPORTING AND ASSURANCE ARRANGEMENTS
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- 9.1 The Committee Chair shall agree arrangements with the LHB's Chair to report to the board in their capacity as trustees. This may include, where appropriate, a separate meeting with the Board.
- 9.2 The Director of Corporate Governance (Board Secretary), on behalf of the Board, shall oversee a process of regular and rigorous self assessment and evaluation of the Committee's performance and operation.

10. APPLICABILITY OF STANDING ORDERS TO COMMITTEE BUSINESS

- 10.1 The requirements for the conduct of business as set out in the LHB's Standing Orders are equally applicable to the operation of the Committee, except in the following areas :
- Quorum
 - Distribution of papers
 - Notice of meetings
 - Notifying the public of Meetings
 - Admission of the public, the press and other observers

11. REVIEW

- 11.1 These terms of reference and operating arrangements shall be reviewed annually by the Committee with reference to the Board.

Approved by CFC