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Bwrdd Iechyd Prifysgol
Bae Abertawe
Swansea Bay University
Health Board



Meeting Date	29th September 2022	Agenda Item	4.1
Report Title	Corporate Governance Report		
Report Author	Georgia Pennells, Corporate Governance Officer		
Report Sponsor	Hazel Lloyd, Acting Director of Corporate Governance		
Presented by	Hazel Lloyd, Acting Director of Corporate Governance		
Freedom of Information	Open		
Purpose of the Report	To report on corporate governance matters arising since the previous meeting.		
Key Issues	<p>There are a number of corporate governance matters which have to be reported to the board as a regular item in-line with standing orders. This report encompasses all such issues as one agenda item.</p> <p>The Board is asked to receive the updates in relation to :</p> <ul style="list-style-type: none"> • Matters considered In-Committee; • Welsh Health Circulars; • Business Cycle; • Committee Terms of Reference; • Amendments to the standards of business conduct. 		
Specific Action Required <i>(please choose one only)</i>	Information	Discussion	Assurance
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Approval	<input checked="" type="checkbox"/>		
Recommendations	<p>Members are asked to:</p> <ul style="list-style-type: none"> • NOTE the Matters considered In-Committee; Welsh Health Circulars; Business Cycle and revised Committee Terms of Reference. • APPROVE the Health Board’s Charitable Funds Committee’s Terms of Reference. • APPROVE the changes to the standards of business conduct policy; • APPROVE the following changes to the standing orders: <ul style="list-style-type: none"> - the changes to the memberships and quorum of the board committees as set out in the terms of references; - the inclusion of the revised WHSSC standing orders and memorandum of understanding, NWSSP standing orders 		

	<p>and EASC standing orders and standing financial instructions into the health board's suite of documents;</p> <ul style="list-style-type: none">- the inclusion of the terms of reference for the Stakeholder Reference Group, Healthcare Professionals Forum and Health Board Partnership Forum into the health board's suite of documents;
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CORPORATE GOVERNANCE REPORT

1. INTRODUCTION

To report on corporate governance matters arising since the previous meeting.

2. BACKGROUND

There are a number of corporate governance matters, which have to be reported to the board as a regular item in-line with standing orders. This report encompasses all such issues as one agenda item.

3. GOVERNANCE AND RISK ISSUES

(i) Matters Considered In-Committee

In accordance with standing orders, the health board is required to report any decisions made in private session, to the next available public meeting of the board.

The following items were discussed during the in-committee board session in July 2022:

- **Key Issues Report from In-Committee Board Committee meetings** - a report on key issues discussed at recent committee meetings was received for assurance.
- **Decommissioning Bay Studios** - following approval taken at the Health Board meeting on 26th May 2022 to decommission the Bay Studios Field Hospital, the paper sought Health Board approval to agree the negotiated reinstatement costs with the Landlord to minimise the overall cost to the public sector.
- **Integrated Medium Term Plan** - The board received an update on the health board's integrated medium term plan.
- **Chair's Actions** – The following four separate actions were received for ratification:
 - Clinical Negligence Case 1529/414
 - Microsoft Licence
 - MRI Scanner (Morrison)
 - Theatre Development: Neath Port Talbot Orthopaedics

(ii) Welsh Health Circulars (WHCs)

Welsh Government issues WHCs around specific topics. The WHCs set out in **appendix 1** have been received since the last meeting and are available via the [Welsh Government website](#), where further details as to the risks and governance issues are available.

(iii) Board Business Cycle

At each meeting, the board receives copy of its business cycle, which outlines the business planned for each meeting. This is set out in **appendix 2**.

(iv) Charitable Funds Committee Terms of Reference

. Committee members reviewed and approved the Charitable Funds Committee Terms of Reference meeting scheduled 8th September 2022. The final version is at **appendix 3** for approval.

(v) Amendments to the Standards of Business Conduct

(i) Amendments to the Standards of Business Conduct

Following an internal audit review of compliance with declarations of interest, the Health Board had an opportunity to review and strengthen the full standards of business conduct. As such, the following changes have been recommended by audit Committee members on 15th September 2022:

Page	Section	Change(s)
7	Chair's responsibility	Removal of reference to the standards of behaviour framework as this does not exist and is provided through the standards of business conduct policy;
8	Director of Corporate Governance	More detail specified as to the groups directly asked to complete declarations of interest
11	Register of Interests	Email address for enquires updated to the main board services address
13	Gifts from Service Users or their relatives	Removed the sentence which prohibits accepting gift cards as this is a similar gift to money and in-line with other health boards.
17	Charitable Funds	Reference included to the process for accepting gifts to the charity
20	Private Practice	Requirement included at section 18.2 for all consultants to complete the general declarations interest form and for any private clinical practice to be declared
22	Distribution	Frequency of reminders changed to quarterly
33	Appendix 3i	Removal of need to decline gift vouchers

Page	Section	Change(s)
35	Appendix 3ii	Generic email address included for forms to be submitted to the corporate governance team
36	Appendix 3iii	Generic email address included for forms to be submitted to the corporate governance team
37	Appendix 3iv	Additional appendix included for the protocol to accept gifts to the health board charity
40	Appendix 4	Generic email address included for forms to be submitted to the corporate governance team
54	Appendix 10	Generic email address included for forms to be submitted to the corporate governance team
56	Appendix 11	New appendix added specifically for private clinical work to be declared

The revised policy in full is at **appendix 4**.

(vi) Review of Standing Orders

The Audit Committee supported the annual review of the health board's standing orders. There were no changes proposed to the health board's main schedules:

- Standing orders (main);
- Glossary of terms;
- Schedule one: scheme of delegation;
- Schedule two: key guidance;
- Schedule six: standing financial instructions.

These are based on the model standing orders issued by Welsh Government and were considered and approved by the board in September 2021, including any deviations from the template provided. The content remains extant therefore no amendments are required. In addition, the scheme of delegation was reviewed in January 2022 to bring the approval limits in-line with those of the partner organisations in the Regional Partnership Board. The current versions are available on request from the corporate governance team.

Schedule three is the terms of reference for the board committees. While these have recently been reviewed and agreed by the relevant committees and board, further updates have been now been made to revert memberships back to independent members only and the quorum to two members. The exception to this is the Charitable Funds Committee as independent members and executive directors have an equal role as trustees. These changes now require approval and the amended versions are available in the resources section of Admin Control.

In addition, included within the suite of documents are the standing orders for the joint committees and as revised versions are received from these organisations, the health board is asked to approve their inclusion into its own standing orders:

- Welsh Health Specialised Services Committee (WHSSC);
- Emergency Ambulance Services Committee (EASC);
- NHS Wales Shared Services Partnership (NWSSP).

Alongside these are the terms of reference for the three advisory groups which also require approval for inclusion in the suite of documents:

- Stakeholder Reference Group;
- Healthcare Professionals Forum;
- Health Board Partnership Forum

These are available in the resources section of Admin Control.

4. FINANCIAL IMPLICATIONS

There are no financial implications arising within this report.

5. RECOMMENDATIONS

Members are asked to:

- **NOTE** the Matters considered In-Committee; Welsh Health Circulars; Business Cycle and revised Committee Terms of Reference.
- **APPROVE** the Health Board's Charitable Funds Committee's Terms of Reference.

- **APPROVE** the changes to the standards of business conduct policy.
- **APPROVE** the following changes to the standing orders:
 - the changes to the memberships and quorum of the board committees as set out in the terms of references;
 - the inclusion of the revised WHSSC standing orders and memorandum of understanding, NWSSP standing orders and EASC standing orders and standing financial instructions into the health board's suite of documents;
 - the inclusion of the terms of reference for the Stakeholder Reference Group, Healthcare Professionals Forum and Health Board Partnership Forum into the health board's suite of documents;

Governance and Assurance		
Link to Enabling Objectives (please choose)	Supporting better health and wellbeing by actively promoting and empowering people to live well in resilient communities	
	Partnerships for Improving Health and Wellbeing	<input checked="" type="checkbox"/>
	Co-Production and Health Literacy	<input type="checkbox"/>
	Digitally Enabled Health and Wellbeing	<input type="checkbox"/>
	Deliver better care through excellent health and care services achieving the outcomes that matter most to people	
	Best Value Outcomes and High Quality Care	<input type="checkbox"/>
	Partnerships for Care	<input checked="" type="checkbox"/>
	Excellent Staff	<input type="checkbox"/>
	Digitally Enabled Care	<input type="checkbox"/>
	Outstanding Research, Innovation, Education and Learning	<input type="checkbox"/>
Health and Care Standards		
(please choose)	Staying Healthy	<input type="checkbox"/>
	Safe Care	<input type="checkbox"/>
	Effective Care	<input type="checkbox"/>
	Dignified Care	<input type="checkbox"/>
	Timely Care	<input type="checkbox"/>
	Individual Care	<input type="checkbox"/>
	Staff and Resources	<input checked="" type="checkbox"/>
Quality, Safety and Patient Experience		
Welsh health circulars provide advice, guidance and information relating to changes in process or services which work to enhance services.		
Financial Implications		
There are no financial implications associated with this report.		
Legal Implications (including equality and diversity assessment)		
Any legal implications relating to Welsh health circulars would be identified in the individual documents.		
Staffing Implications		
There are no staffing implications contained within this report.		
Long Term Implications (including the impact of the Well-being of Future Generations (Wales) Act 2015)		
Welsh health circulars provide advice, guidance and information relating to changes in process or services which work to enhance the way in which NHS Wales organisations function and would therefore potentially have individual long-term impacts.		
Report History	This report is a standard item on the board's business cycle.	

Appendices	Appendix 1 - Welsh Health Circulars; Appendix 2 - Board business cycle. Appendix 3 – Charitable Funds Committee Terms of Reference Appendix 4 – Standards of Business Conduct
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Appendix 1

WELSH HEALTH CIRCULARS LOG

WHC number and title	Date received	Recipients
WHC 2022/021 National Optimal Pathways for Cancer (2022 update)	28/07/2022	All local Health Boards and NHS Trusts
WHC (2022) 022 The Role of the Community Dental Service and Services for Vulnerable People	22/08/2022	All Health Boards and Chief Executives
WHC (2022) 011 Updated Guidance – Patient Testing Framework	02/09/2022	All local Health Boards and NHS Trusts

Health Board Work Programme

Topic	Lead	May	June	July	September	November	January	March
Preliminary Matters								
Patient Story	Director of Nursing and Patient Experience							
Minutes of the Previous Meeting	Director of Corporate Governance							
Action Log	Director of Corporate Governance							
Chair's Report	Chair (verbal)							
Chief Executive's Report	Director of Corporate Governance							
Quality, Safety and Performance								
Committee Key Issue Reports	Director of Corporate Governance							
HIW Annual Report	Director of Nursing and Patient Experience							
Covid nosocomial plan	Director of Nursing and Patient Experience/Medical Director							
Risk Register	Director of Corporate Governance							
Board Assurance Framework	Director of Corporate Governance							
Quality Management Framework	Director of Corporate Governance							
Annual Report and Governance Statement	Director of Corporate Governance							
Annual Accounts and ISA260	Director of Finance							
Strategic Items								
Progress Against the IMTP	Director of Strategy							
Discretionary Capital Plan	Director of Strategy							
Budget and Financial Allocations	Director of Finance							
Major Incident Plan	Director of Strategy							
Winter Plan	Chief Operating Officer							
Governance								
Corporate Governance Issues	Director of Corporate Governance							
Welsh Language Standards	Director of Corporate Governance							
Review of Standing Orders	Director of Corporate Governance							
Organisational Annual Report	Director of Corporate Governance							
Accountability Report	Director of Corporate Governance							
Advisory Group Key Issues	Director of Corporate Governance							
Structured Assessment and Audit Letter	Director of Corporate Governance							
Items Already Considered by Committees								
Financial Position	Director of Finance							
Performance Report	Director of Finance							
Nurse Staffing Levels (Wales) Act 2016	Director of Nursing and Patient Experience							
Items for Noting								
NHS Wales Partnerships	Director of Strategy							
External Partnerships	Director of Strategy							



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Charitable Funds Committee Terms of Reference

1. INTRODUCTION/CONSTITUTION

The health board's standing orders provide that "*The board may and, where directed by the Welsh Government must, appoint committees of the health board 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*".

In accordance with standing orders (and the health board's scheme of delegation), the Board shall nominate annually a committee to be known as the **Charitable Funds Committee**. The detailed terms of reference and operating arrangements set by the board in respect of this committee are set out below.

The health board was appointed as corporate trustee of the charitable funds and the serves as its agent in the administration of the charitable funds held by the organisation. The purpose of the committee is to make and monitor arrangements for the control and management of the charitable funds.

2. CONSTITUTION AND PURPOSE

Within the budget, priorities and spending criteria determined by the health board 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.

To ensure that the health board 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

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 health board's investment adviser.

To oversee and monitor the functions performed by the Director of Finance as defined in standing financial instructions.

To monitor the progress of charitable appeal funds where these are in place and considered to be material.

To monitor and review the health board'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.



3. SCOPE AND DUTIES

The Director of Finance has prime responsibility for the health board's charitable funds as defined in the 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 health board 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 health board;
- Prepare reports to the board of trustees including the annual accounts;
- Monitor the progress of the fundraising function of the health board charity;
- Oversee the management of the risks associated with charitable funds and the health board charity;
- Ensure robust financial processes are in place to deliver the required outcomes of the charity and the management of its funds;
- Facilitate the relationship between the charity and its trustees.

4. AUTHORITY

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 health board'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:
 - The scope of the power delegated is clearly set out in writing and communicated with the person or persons who will exercise it;
 - There are in place adequate internal controls and procedures which will ensure that the power is being exercised properly and prudently
 - The performance of the person or persons exercising the delegated power is regularly reviewed;
 - Where an investment manager is appointed, that the person is regulated under the Financial Services Act 2021;
 - 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 health board'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 board of trustees 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.

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 health board 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

The membership of the committee shall be determined by the board, based on the recommendation of the Chair, and subject to any specific requirements or directions made by the Welsh Government.

The committee shall comprise of three independent members of the board. It may also co-opt additional independent “external” members from outside the organisation to provide specialist skills, knowledge and expertise. The Chair and Vice Chair of the committee will be independent members.

The executive directors with responsibility for finance, strategy and communication/insights and engagement are members of the committee. Any other executives attending the committee or senior managers, are “in attendance”.

The Table below sets out the membership of the committee and the staff who are “in attendance” at the meetings.

Executive Director	Membership	Frequency of Attendance
Independent Member (1) - Chair (Trustee of the Charity)	Member	Every meeting
Independent Member (2) - Vice Chair (Trustee of the Charity)	Member	Every meeting
Independent Member (3) (Trustee of the Charity)	Member	Every meeting
Director of Finance and Performance (Trustee of the Charity)	Member	Every meeting
Director of Strategy (Trustee of the Charity)	Member	Every meeting



Director of Communications, Insight and Engagement	Member	Every meeting
Director of Corporate Governance	In attendance	Every meeting
Assistant Director of Finance	In attendance	Every meeting
Assistant Director of Communications, Insight and Engagement	In attendance	Every meeting
Head of Fundraising	In attendance	Every meeting

The Chair and Chief Executive will attend meetings at their discretion and the Director of Corporate Governance will routinely attend meetings, ensuring governance support and advice is available to the committee chair.

The committee chair may invite other executive directors or health board officials to attend all or part of a meeting to assist it with its discussions on any particular matter (except when issues relating to their personal remuneration and terms and conditions are being discussed).

7. COMMITTEE MEETINGS

Quorum

At least three members must be present to ensure the quorum of the committee, including either the committee chair or vice-chair and one other independent member and an executive director. To ensure meetings are quorate, the chair can invite other independent members to attend.

Chair

An independent member shall chair the committee.

Secretariat

The Director of Corporate Governance will determine the secretarial and support arrangements for the committee

Frequency of Meetings

Meetings shall be held on a quarterly basis.

Committee Meetings

A standard agenda must be used as the basis for discussion at each meeting. Minutes prepared following a meeting shall be circulated to members and retained by the Director of Corporate Governance as formal record of the decision making for a period of seven years.

Withdrawal of Individuals in attendance

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.

The Director of Corporate Governance, 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 health board's overall organisational development programme developed by the Director of Workforce and Organisational Development.

8. RELATIONSHIP AND ACCOUNTABILITIES WITH THE BOARD AND ITS COMMITTEES/GROUPS



The committee is directly accountable to the Trustees for its performance in exercising the functions set out in these terms of reference.

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.

The Committee shall embed the health board's corporate standards, priorities and requirements, e.g., equality, diversity and human rights through the conduct of its business.

9. REPORTING AND ASSURANCE ARRANGEMENTS

The committee chair shall agree arrangements with the chair of Trustees to report to the board in their capacity as trustees. This may include, where appropriate, a separate meeting with the board.

The Director of Corporate Governance, on behalf of the board, shall oversee a process of regular and rigorous self assessment and evaluation of the committee's performance and operation. This includes an annual report for the committee. A separate annual report for the charity is produced by the fundraising team.

The committee may, subject to the approval of the board, establish subcommittees or task and finish groups to carry out on its behalf specific aspects of committee business. Currently, the Helping Hands Bids Panel reports to the Charitable Funds Committee.

10. APPLICABILITY OF STANDING ORDERS TO COMMITTEE BUSINESS

The requirements for the conduct of business as set out in the health board's standing orders are equally applicable to the operation of the committee, except in the following areas:

- quorum
- notice of meetings
- notifying the public of meetings
- admission of the public, the press and other observers
- paper circulation.

11. REVIEW

These terms of reference and operating arrangements shall be reviewed annually by the committee with reference to the board.