

**PWYLLGOR ARCHWILIO A SICRWYDD RISG
AUDIT AND RISK ASSURANCE COMMITTEE**

DYDDIAD Y CYFARFOD: DATE OF MEETING:	08 May 2025
TEITL YR ADRODDIAD: TITLE OF REPORT:	Banking Arrangements
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	Huw Thomas, Director of Finance
SWYDDOG ADRODD: REPORTING OFFICER:	Rhian Davies, Assistant Director of Finance

**Pwrpas yr Adroddiad (dewiswch fel yn addas)
Purpose of the Report (select as appropriate)**

Ar Gyfer Penderfyniad/For Decision

**ADRODDIAD SCAA
SBAR REPORT**

Sefyllfa / Situation

The Director of Finance is responsible for managing the Health Board's banking arrangements as set out in the Standing Financial Instructions¹. Local Health Boards are required to use the Government Banking Service (GBS) but may also use commercial accounts. The Health Board uses Barclays as its commercial provider.

Historically, charges levied in respect of the service via Barclays were at a favourable rate. However, Barclays has notified the Health Board that it proposes to increase transactional charges from 1 July 2025. It is, therefore, proposed to close the Health Board Charity's Current Account and the main and general accounts currently with Barclays (retaining only the Patients Monies accounts with Barclays) and use the GBS (provided by NatWest) for all exchequer funds and the Charity's current account.

The Audit and Assurance Committee is asked to support and recommend for approval by the Board the decision to close the main and general Barclays accounts and move all exchequer transactions to GBS. A separate Charity current account will also be set up in GBS.

Cefndir / Background

Barclays has been used to operate the Health Board's main and general accounts, meaning it is where the majority of payments including BACS runs are made from. Until the investment management of the Health Board's Charity funds moved to CCLA, the Charity's deposit account was also with Barclays. Although accounted for completely separately from Barclays point of view, the fact that there were several millions held on the deposit account essentially meant they were making money from the Health Board banking with them. Since the Charity's cash deposits have been moved to the CCLA deposit account, this is no longer the case.

Barclays has informed the Health Board that providing the current service is actually costing the bank money and therefore it intends to increase our transaction fees from 1 July 2025 to cover its losses.

Asesiad / Assessment

The Health Board has two main options available; it either tenders for an alternative commercial provider or moves its main and general accounts to GBS. There is no reason to believe that other commercial providers will offer better terms than GBS and, whilst the Standing Financial Instructions (SFIs) allow for the use of commercial accounts, this should only be where there is a clear rationale for not utilising the GBS. With the proposed increase in fees and the movement of Charity's deposits to CCLA, this is no longer the case.

Other non-financial benefits include reduced staff time required to fund the main account from the GBS account, which is a daily task to ensure accounts are not overdrawn.

There are individual accounts for patients held with Barclays as well for long stay patients. For the present, it is proposed to leave these with Barclays.

Consultation with NHS Wales Shared Services Partnership (NWSSP) has confirmed that there should be no issue to transfer, and test runs can be performed in advance to ensure that any problems are resolved before go-live.

Subject to agreement from the Committee, it is proposed to move all exchequer banking and the Charity's Current Account to GBS prior to 1 July 2025.

Details of actual costs are not included in this report as they are commercially sensitive, but will be made available to Committee members separately.

Argymhelliad / Recommendation

The Audit and Assurance Committee is asked to support and recommend for approval by the Board the decision to close the main and general Barclays accounts and move all exchequer transactions to GBS. A separate Charity current account will also be set up in GBS.

Amcanion: (rhaid cwblhau)

Objectives: (must be completed)

Committee ToR Reference: Cyfeirnod Cylch Gorchwyl y Pwyllgor:	3.22 The Committee shall request and review reports and positive assurances from directors and managers on the overall arrangements for governance, risk management and internal control.
Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score:	Not applicable
Parthau Ansawdd: Domains of Quality Quality and Engagement Act (sharepoint.com)	Not Applicable
Galluogwyr Ansawdd: Enablers of Quality: Quality and Engagement Act (sharepoint.com)	Not Applicable

Amcanion Strategol y BIP: UHB Strategic Objectives:	Not Applicable
Amcanion Cynllunio Planning Objectives	2 Financial recovery and route map
Amcanion Llesiant BIP: UHB Well-being Objectives: Hyperlink to HDdUHB Well-being Objectives Annual Report 2021-2022	10. Not Applicable

Gwybodaeth Ychwanegol: Further Information:	
Ar sail tystiolaeth: Evidence Base:	Review of proposed fees from current supplier and GBS
Rhestr Termiau: Glossary of Terms:	Included within the main body of the report
Partion / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Archwilio a Sicrwydd Risg Parties / Committees consulted prior to Audit and Risk Assurance Committee:	Not applicable

Effaith: (rhaid cwblhau) Impact: (must be completed)	
Ariannol / Gwerth am Arian: Financial / Service:	Moving banking services to GBS will reduce costs
Ansawdd / Gofal Claf: Quality / Patient Care:	Not applicable
Gweithlu: Workforce:	Not applicable
Risg: Risk:	Not applicable
Cyfreithiol: Legal:	Not applicable
Enw Da: Reputational:	Not applicable
Gyfrinachedd: Privacy:	Not applicable
Cydraddoldeb: Equality:	Not applicable

ⁱ The relevant extracts of the Standing Financial Instructions (SFIs) state

7. BANKING ARRANGEMENTS

7.1 General

7.1.1 The Director of Finance is responsible for managing the LHB's banking arrangements and for advising the Board on the provision of banking services and operation of accounts. This advice will take into account guidance/Directions issued from time to time by the Welsh Ministers.

LHBs are required to use the Government Banking Service (GBS) for its banking services.

7.1.2 The Board shall approve the banking arrangements.

7.2 Bank Accounts

7.2.1 The Director of Finance is responsible for:

- a) Establishing bank accounts and ensuring that the Government Banking Service is utilised for main Health Board business transactions;
 - b) Establishing additional commercial accounts only exceptionally and where there is a clear rationale for not utilising the Government Banking Service;
- etc.

7.4 Review

7.4.1 The Director of Finance will review banking arrangements of the LHB at regular intervals to ensure they reflect best practice, that they are efficient and effective and represent best value for money. The results of the review should be reported to the Audit Committee.