

Bundle Charitable Funds Committee 15 September 2020

2.1.2 Review of Scheme of Delegation including the role of the Charitable Funds Operations Sub-Committee

Presenter: Mandy Rayani

2.1.2 A Review of Scheme of Delegation

2.1.2 B Terms of Ref CF Sub-Committee



PWYLLGOR CRONFA ELUSENNOL CHARITABLE FUNDS COMMITTEE

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| DYDDIAD Y CYFARFOD: DATE OF MEETING: | 15 September 2020 |
| TEITL YR ADRODDIAD: TITLE OF REPORT: | Review of the Charitable Funds Scheme of Delegation including the role of the Charitable Funds Sub-Committee |
| CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR: | Mandy Rayani, Director of Nursing, Quality and Patient Experience |
| SWYDDOG ADRODD: REPORTING OFFICER: | Nicola Llewelyn, Head of Hywel Dda Health Charities & Jennifer Thomas, Senior Finance Business Partner |

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 purpose of this report is to propose amendments to the scheme of delegation for Hywel Dda University Health Board's (HDdUHB) charitable funds as well as the role of the Charitable Funds Sub-Committee (CFSC).

The Charitable Funds Committee (CFC) is asked to approve the proposed new arrangements outlined within this report.

Cefndir / Background

An objective of the Hywel Dda Health Charities three-year plan (2020/23), approved by the Charitable Funds Committee and ratified by the Corporate Trustee, is to 'review and refine the charity's expenditure thresholds, scheme of delegation and the function of the Charitable Funds Sub-Committee to ensure that funds can be accessed in a timely manner for appropriate purposes in furtherance of our charitable objectives'.

The overall object of Hywel Dda Health Charities is to apply its income 'for all or any charitable purpose or purposes relating to the National Health Service.'

This report presents recommendations on how governance arrangements could be refined to meet this objective whilst providing assurance to the CFC that all charitable expenditure is appropriate and within the charity's approved scheme of delegation.

Asesiad / Assessment

1. Charitable funds scheme of delegation

The scheme of delegation for HDdUHB's charitable funds delegates responsibilities to individual fund approvers and the CFSC. The following amendments to the scheme of delegation are proposed:

| Proposed approval limit (inclusive of VAT) | Approver | Change |
|---|--|--|
| Over £100,000 <i>1st level</i> | Corporate Trustee | No change |
| £50,001 - £100,000 <i>2nd level</i> | Charitable Funds Committee | No change |
| £10,001 - £50,000 <i>3rd level</i> | Charitable Funds Sub-Committee | Approval limit to increase from £25,000 to £50,000 Charitable Funds Sub-Committee currently considers and approves requests up to £25,000 Removal of Executive Director approval for expenditure between £25,001 and £50,000 Requests between £25,000 and £50,000 currently considered by the Sub-Committee and recommended for Executive Director approval |
| £1,001 - £10,000 <i>4th level</i> | Clinical, Hospital or Service Director Hospital or Service General Manager Head of Nursing or managers at equivalent level | Approval limit to increase from £5,000 to £10,000 Charitable Funds Sub-Committee currently considers all requests between £5,000 and £10,000 |
| Up to £1,000 <i>5th level</i> | Senior Nurse Manager Service Delivery Manager Head of service or managers at equivalent level | No change |

The following measures are intended to provide assurance to the CFC that appropriate controls are in place in respect of the proposed delegated responsibilities and authorisation of charitable funds expenditure outlined above:

1. Quarterly reports provided to the CFC will continue to summarise all charitable expenditure approved by the CFSC, within its delegated limit of approval.
2. The quarterly reports will also summarise the decisions made and matters considered by the CFSC and highlight any areas of concern to the CFC.
3. There is no change to the fund approvers. Those with an increased level of approval from £5,000 to £10,000 are current fund approvers as well as revenue budget holders within the HDdUHB (to a higher value) and familiar with the HDdUHB's financial policies and procedures.
4. Improved guidance will be provided to our fund approvers to ensure that they understand their roles and responsibilities as custodians of our charitable funds.

5. Closer working relationships will be established with Finance Business Partners to enable them to provide assistance with proactive planning of charitable expenditure and the completion of charitable funds applications thus providing an enhanced level of support to our fund approvers.
6. The functions and duties of the CFSC will be refined, as outlined below, with the expansion of the CFSC's membership and a greater focus on the scrutiny of expenditure requests.
7. The Head of Hywel Dda Health Charities is currently the final approver for all charitable funds Oracle requisitions. This arrangement will remain to provide an additional level of assurance.

2. Charitable Funds Sub-Committee

The attached CFSC Terms of Reference have been reviewed and the following amendments are proposed:

2.1 Purpose and operational responsibilities

It is proposed that the overall purpose of the CFSC is refined to be focused on the consideration and approval of requests for charitable expenditure, within the CFSC's delegated limits of authority.

The closer working relationships being established with Finance Business Partners will provide an enhanced level of support to our fund advisors around the proactive planning of charitable funds expenditure. The development and implementation of annual expenditure plans for the use of our named charitable funds will be reported to the CFC rather than the CFSC through the quarterly Integrated Performance Report.

2.2 Sub-Committee Membership

It is proposed that the CFSC's membership is reviewed to draw on nominations of colleagues from across the HDdUHB with both operational and clinical backgrounds from within the portfolios of members of the Executive Team.

Training and support will be provided to the CFSC members to ensure that the charity's grant-making policies and procedures are understood and adhered to.

In determining whether an application for charitable funding should be approved, CFSC members will be asked to consider the following guiding principles:

1. Expenditure must be in line with the charity's overall object which is 'for all or any charitable purpose or purposes relating to the National Health Service.'
2. Expenditure requests must demonstrate an enhanced service provision, over and above statutory or core NHS responsibilities.
3. Expenditure requests must also demonstrate a case to support the use of charitable funds and rule out why other sources of funding such as departmental revenue or capital funding are not suitable.
4. There must be demonstrable public benefit to staff, volunteers, patients or service users.
5. Expenditure must represent value for money and an effective use of resources.
6. Expenditure must be non-recurrent with no associated revenue implications to the charity.
7. All purchases must be made in line with the HDdUHB's Standing Financial Instructions and financial policies and procedures.

8. Expenditure must be in line with the eligibility criteria approved by the CFC in June 2018.
9. All requests for the purchase of medical devices must be supported by the Clinical Engineering Department.
10. All requests involving any building or groundworks must be supported by the relevant estates site operations management team.
11. All requests involving the purchase of any IT equipment must be supported by the ICT Department.
12. Approval of requests for staff learning and development opportunities will be made subject to the approval of the relevant study leave application.

2.3 Frequency and format of meetings

The CFSC will meet on a bi-monthly basis with the dates of the meetings and deadlines for submission of funding requests published on the HDdUHB's internal intranet pages. It is envisaged that bi-monthly meetings will be sufficient based on the number of requests for funding received within the CFSC's scheme of delegation and the increased level of funding which can be approved locally.

Secretariat support will be drawn from the Operations Directorate's Business team as well as the Finance and Fundraising teams. This support will include:

- Arranging meetings.
- Preparation and circulation of meeting agendas and papers.
- Collation of applications submitted for consideration.
- Recording of the CFSC's decisions.
- Informing applications of the CFSC's decisions.
- Preparation of the quarterly report for the CFC.

3. Scheme of delegation - Support for Life Response Fund T600

Over the past few months, the charity has received a significant increase in unrestricted donations to our general fund and the uncommitted balance of this fund as of 31st July 2020 is £280,237 in comparison to £26,101 as at 31st July 2019.

The following amendments to the scheme of delegation are proposed for the Support for Life Response Fund:

| Approval limit (inclusive of VAT) | Approver | Change |
|---|--------------------------------|--|
| Over £100,000 <i>1st level</i> | Corporate Trustee | No change |
| £50,001 - £100,000 <i>2nd level</i> | Charitable Funds Committee | No change |
| £10,001 - £50,000 <i>3rd level</i> | Charitable Funds Sub-Committee | Charitable Funds Sub-Committee to replace the Chief Executive as fund advisor who is currently able to consider and approve requests up to £50,000 Sub-Committee approval limit to increase from £25,000 to £50,000 |
| Up to £10,000 | Chief Executive | No change |

The availability of general funds for eligible items of expenditure and the process for submitting applications to this fund will be promoted widely to ensure fair and equitable access for services across the whole of the HDdUHB.

In relation to the Support for Life Response Fund, the CFC is asked to consider:

1. Whether the principle of a maximum limit of funding should be applied to the value of individual requests for funding approved from the fund. For example, a percentage of the available uncommitted balance of the fund.
2. Whether applications to the fund should be prioritised for services that do not have access to their own charitable funds or have sufficient levels of funds.

Argymhelliad / Recommendation

The Charitable Funds Committee is asked to:

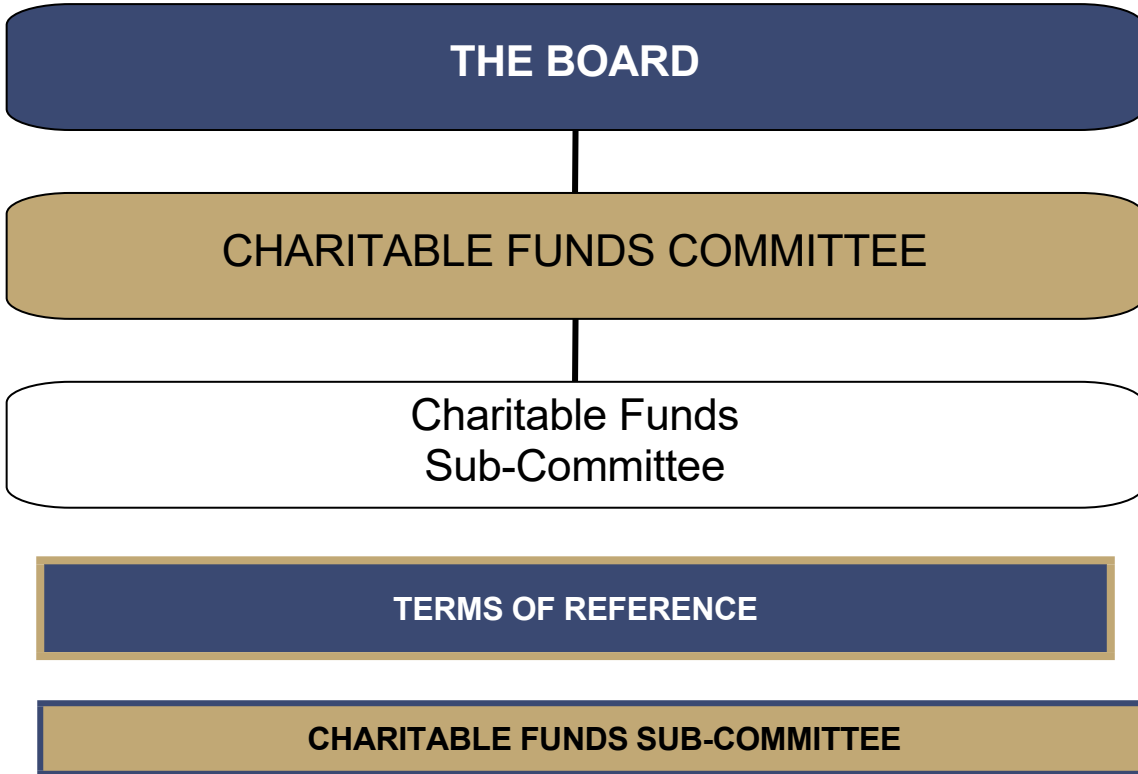
- **APPROVE** the proposed amendments to the scheme of delegation for Hywel Dda University Health Board's charitable funds.
- **APPROVE** the proposed amendments to the Charitable Funds Sub-Committee Terms of Reference.
- **CONSIDER** whether a maximum limit of funding should be applied to the value of individual requests for funding approved from the Support for Life Response Fund.
- **CONSIDER** whether applications to the Support for Life Response Fund should be prioritised for areas that do not have access to their own charitable funds or have sufficient levels of funds.

| Amcanion: (rhaid cwblhau) Objectives: (must be completed) | |
|---|--|
| Committee ToR Reference: Cyfeirnod Cylch Gorchwyl y Pwyllgor: | 6.8 Monitor and review the UHB'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. |
| Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score: | Not applicable for this paper. |
| Safon(au) Gofal ac Iechyd: Health and Care Standard(s): | Governance, Leadership and Accountability |
| Amcanion Strategol y BIP: UHB Strategic Objectives: | 4. Improve the productivity and quality of our services using the principles of prudent health care and the opportunities to innovate and work with partners. |

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| Amcanion Llesiant BIP: UHB Well-being Objectives: Hyperlink to HDdUHB Well-being Objectives Annual Report 2018-2019 | 10. Not Applicable |
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| Gwybodaeth Ychwanegol: Further Information: | |
|---|--|
| Ar sail tystiolaeth: Evidence Base: | HDdUHB Standing Orders Charitable Funds Committee Terms of Reference Charitable Funds Sub-Committee Terms of Reference |
| Rhestr Termau: Glossary of Terms: | Included within the main body of the report |
| Partion / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Cronfa Elusennol: Parties / Committees consulted prior to Charitable Funds Committee: | Assistant Director of Finance (Financial Planning & Statutory Reporting) Deputy Director of Operations Charitable Funds Sub-Committee |

| Effaith: (rhaid cwblhau) Impact: (must be completed) | |
|---|--|
| Ariannol / Gwerth am Arian: Financial / Service: | The recommendations within this report should lead to more effective processes around the approval and expenditure of HDdUHB's charitable funds |
| Ansawdd / Gofal Claf: Quality / Patient Care: | The recommendations within this report should lead to more effective processes around the approval and expenditure of HDdUHB's charitable funds which in turn should have a positive impact on the experience of our patients, service users and staff |
| Gweithlu: Workforce: | There should be no workforce impacts from the implementation of the recommendations within this report |
| Risg: Risk: | The recommendations within this report should lead to any risks being identified and escalated on a monthly basis to the most relevant operational manager |
| Cyfreithiol: Legal: | The recommendations within the report are in compliance with HDdUHB's Standing Orders |
| Enw Da: Reputational: | Not applicable |
| Gyfrinachedd: Privacy: | Not applicable |
| Cydraddoldeb: Equality: | No EqIA is considered necessary for a paper of this type |



| Version | Issued to: | Date | Comments |
|---------|--------------------------------|----------|----------|
| V1 | Charitable Funds Committee | 09.03.17 | Approved |
| V2 | Charitable Funds Committee | 15.03.18 | Approved |
| V3 | Charitable Funds Sub-Committee | 02.09.19 | Approved |
| V4 | Charitable Funds Committee | 15.09.20 | |
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CHARITABLE FUNDS SUB-COMMITTEE

1. Constitution

- 1.1 The Charitable Funds Sub-Committee (the Sub-Committee) has been established as a Sub-Committee of the Charitable Funds Committee and constituted from 9th March 2017
- 1.2 The Charitable Funds Sub-Committee consolidates the previous sub-committee functions held by:
- Acute Services Charitable Funds Sub-Committee
 - Carmarthenshire Community Charitable Funds Sub-Committee
 - Ceredigion Community Charitable Funds Sub-Committee
 - Pembrokeshire Community Charitable Funds Sub-Committee
 - Mental Health & LD Charitable Funds Sub-Committee

2. Membership

- 2.1 The membership of the Charitable Funds Sub-Committee shall comprise:

| Title |
|--|
| Director of Nursing, Quality & Patient Experience |
| Director of Operations |
| Director of Finance |
| Medical Director/Assistant Chief Executive |
| Director of Therapies and Health Science |
| Director of Workforce and Organisational Development |
| Director of Planning, Performance and Commissioning |
| Director of Primary Care, Community and Long-term Care |
| Director of Public Health |
| Staff-side representative |
| Deputy Director of Operations (Chair) |
| County Director & Commissioner Ceredigion (Vice-Chair) |
| General Manager Scheduled Care |
| General Manager Cancer & Women and Children's Services |
| General Manager Withybush General Hospital |
| General Manager Glangwili General Hospital |
| General Manager Bronglais General Hospital |
| General Manager Prince Philip General Hospital |
| County Director & Commissioner Carmarthenshire |
| County Director & Commissioner Pembrokeshire |
| Director of Mental Health & Learning Disabilities |
| Assistant Director (Operational Nursing & Quality) |

In attendance:

Head of Hywel Dda Health Charities

Assistant Head of Financial Accounting **Senior Finance Business Partner**

2.2. Membership of the Sub-Committee shall be reviewed on an annual basis.

3. Quorum and Attendance

- 3.1 A quorum shall consist of no less than one third of the membership and must include as a minimum the Chair or Vice-Chair of the Sub-Committee.
- 3.2 The membership of the Sub-Committee must take into account the balance of skills and expertise necessary to deliver the Sub-Committee's remit and subject to any specific requirements or directions made by the University Health Board or Welsh Government.
- 3.3 Any senior officer of the University Health Board or from a partner organisation may, where appropriate, be invited to attend, for either all or part of a meeting, to assist with discussions on a particular matter.
- 3.4 The Sub-Committee may also co-opt additional independent external 'experts' from outside the organisation to contribute to specialised areas of discussion.
- 3.5 Should any member be unavailable to attend, they may nominate a deputy, with full voting rights, to attend in their place subject to the agreement of the Chair.
- 3.6 The Chair of the Charitable Funds Sub-Committee shall have reasonable access to Executive Directors and other relevant senior staff.
- 3.7 The Sub-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.

4. Purpose

- 4.1 The purpose of the Charitable Funds Sub-Committee is to ensure that the UHB's policies and procedures are followed in relation to the ~~control and management~~ **expenditure** of our named charitable funds.
- 4.2 In particular to:
 - 4.2.1 Apply the UHB's charitable funds within the budget, priorities and spending criteria determined by the UHB as **corporate** trustee, **in line with the charity's scheme of delegation**, and consistent with the requirements of the Charities Act 2011 (or any modification of these acts).
 - 4.2.2 Implement appropriate policies and procedures to ensure that all expenditure is reasonable, clinically and ethically appropriate.

- 4.2.3 Agree issues to be escalated to the Charitable Funds Committee with recommendations for action.

5. Operational Responsibilities

- 5.1 The Sub-Committee will, in respect of its provision of assurance to the Charitable Funds Committee, also be responsible for:
- 5.1.1 ~~Considering and approving all requests for expenditure over £5,000 and under £25,000~~ **Providing scrutiny with a view to approving or rejecting all requests for expenditure over £10,000 and under £50,000** against named charitable funds, within the scheme of delegation for authorisation of charitable funds expenditure.
 - 5.1.2 Considering and recommending for approval all requests for expenditure over ~~£25,000~~ **£50,000** against named charitable funds, within the scheme of delegation for authorisation of charitable funds expenditure.
 - 5.1.3 Providing scrutiny and onward assurance to the Charitable Funds Committee on charitable ~~income and~~ expenditure.
 - 5.1.4 ~~Receiving assurance from fund managers on activity relating to their designated charitable funds.~~
 - 5.1.5 Providing scrutiny **with a view to approving or rejecting** to all unusual or novel expenditure requests of any value, and **any** expenditure requests resulting in ongoing charitable funds commitment, prior to Charitable Funds Committee consideration.
 - 5.1.6 ~~Developing and overseeing the implementation of annual expenditure plans for the use of the named charitable funds.~~
 - 5.1.7 Considering and **with a view to approving or rejecting** all requests for the establishment of new charitable funds.
 - 5.1.6 Providing quarterly written updates to the Charitable Funds Committee.
- 5.2 The Chair of the Sub-Committee (or a suitably briefed deputy) will attend the quarterly Charitable Funds Committee meetings and provide written reports on the following items:
- 5.2.1 ~~Notable items of expenditure.~~ **Expenditure approved within the Sub-Committee's delegated limits of approval**
 - 5.2.2 Key decisions.
 - 5.2.3 ~~Progress on expenditure plans for use of named UHB charitable funds.~~
 - 5.2.4 Chair's actions undertaken outside of the cycle of Sub-Committee

meetings.

5.2.5 Key risks and issues/matters of concern.

5.2.6 Matters requiring Charitable Funds Committee consideration or approval

5.2.7 Any revisions to the Sub-Committee's Terms of Reference.

6. Agenda and Papers

- 7.1 The Sub-Committee Secretary will agree the agenda with the Chair at least three weeks before the meeting date.
- 7.2 The agenda will be based around the Sub-Committee work plan, identified risks matters arising from previous meetings, issues emerging throughout the year and requests from Sub-Committee members. Following approval, the agenda and timetable for papers will be circulated to all Sub-Committee members.
- 7.3 All papers should have relevant sign off before being submitted to the Sub-Committee Secretary.
- 7.4 The agenda and papers for meetings will be distributed seven days in advance of the meeting.
- 7.5 The minutes and action log will be circulated to members within ten days to check the accuracy.
- 7.6 Members must forward amendments to the Sub-Committee secretary within the next seven days. The Sub-Committee secretary will then forward the final version to the Sub-Committee Chair for approval.

7. Frequency of Meetings

- 8.1 The Sub-Committee will meet on a bi-monthly basis and shall agree an annual schedule of meetings. Additional meetings will be arranged as determined by the Chair of the Sub-Committee in discussion with the Sub-Committee Lead.
- 8.2 The Chair of the Sub-Committee, in discussion with the Sub-Committee Secretary, shall determine the time and the place of meetings of the Sub-Committee and procedures of such meetings.

8. Chair's Actions

- 9.1 There may be circumstances where decisions which would normally be made by the Sub-Committee need to be taken between scheduled meetings, and it is not practicable to call a meeting of the Sub-Committee. In these circumstances the Sub-Committee Chair may deal with these matters on behalf of the Sub-Committee as an exception rather than the norm.

- 9.2 The Sub-Committee Chair must ensure that any such action is formally recorded and reported to the next meeting of the Sub-Committee for consideration and ratification.
- 9.3 Chair's actions may not be taken where the Sub-Committee Chair has a personal or business interest in an urgent matter requiring decision.

9. Accountability, Responsibility and Authority

- 10.1 The Sub-Committee will be accountable to the Charitable Funds Committee for its performance in exercising the functions set out in these terms of reference.
- 10.2 The Sub-Committee shall embed the University Health Board and Hywel Dda Health Charities' vision, corporate standards, priorities and requirements, e.g. equality and human rights, through the conduct of its business.
- 10.3 The requirements for the conduct of business as set out in the University Health Board's Standing Orders are equally applicable to the operation of the Sub-Committee.

10. Reporting

- 11.1 The Sub-Committee, through its Chair and members, shall work closely with the Board's other Committees, including joint /sub committees and groups to provide advice and assurance to the Board through the:
- 11.1.1 joint planning and co-ordination of Board and Committee business;
 - 11.1.2 sharing of information.
- 11.2 In doing so, the Sub-Committee shall contribute 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.
- 11.3 The Sub-Committee may establish groups or task and finish groups to carry out on its behalf specific aspects of Sub-Committee business. The Sub-Committee will receive written update reports following each meeting which details the business undertaken on its behalf.
- 11.4. The Sub-Committee Chair, supported by the Sub-Committee Secretary, shall:
- 11.4.1 Report formally, regularly and on a timely basis to the Charitable Funds Committee on the Sub-Committee's activities. This includes the submission of a Sub-Committee update report as well as the presentation of an Annual Report within 6 weeks of the financial year.
 - 11.4.2 Bring to the Charitable Funds Committee's specific attention any significant matter under consideration by the Sub-Committee.

11.4.3 Ensure appropriate escalation arrangements are in place to alert the University Health Board Chair, Chief Executive or Chairs of other relevant Committees/Sub Committees of any urgent/critical matters that may compromise patient care and affect the operation and/or reputation of the University Health Board.

11. Secretarial Support

12.1 The Sub-Committee secretary shall be determined by the Sub-Committee lead.

12. Review Date

13.1 These terms of reference and operating arrangements shall be reviewed on at least an annual basis by the Sub-Committee for approval by the Charitable Funds Committee.