



TERMS OF REFERENCE

CHARITABLE FUNDS INVESTMENT SUB-COMMITTEE

Version	Issued to:	Date	Comments
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	Charitable Funds Committee		

CHARITABLE FUNDS INVESTMENT SUB-COMMITTEE

1. Constitution

- 1.1 The Charitable Funds Investment Sub-Committee (the Sub-Committee) has been established as a Sub-Committee of the Charitable Funds Committee and constituted from XXX.

2. Principal Duties

- 2.1 The purpose of the Charitable Funds Investment Sub-Committee is to provide advice to the Charitable Funds Committee around the appropriate investment strategy for Hywel Dda Health Charities' (the Charity)¹ Investment Portfolio, whilst recognising that Hywel Dda University Health Board as the Corporate Trustee remains ultimately accountable for control and management of the Health Board's charitable funds.
- 2.2 The Sub-Committee will:
 - 2.2.1 Update and periodically review the investment strategy and policy
 - 2.2.2 Set appropriate benchmarks for investment performance
 - 2.2.3 Monitor performance against benchmarks
 - 2.2.4 Hold regular meetings with the Charity's Investment Advisor
 - 2.2.5 Provide assurance to the Charitable Funds Committee over the performance of the investment portfolio.

3. Operational Responsibilities

- 3.1 The Sub-Committee will, in respect of its provision of assurance/advice to the Charitable Funds Committee, ensure that the following tasks are undertaken:
 - 3.1.1 Develop an investment strategy, taking due regard to the Charity's objectives, that produces a return that meets the requirements to provide an income in the short term and increases the value of funds invested to enable the Charity to carry out its role in the longer term.
 - 3.1.2 Oversee the day to day management of the investments of the charitable funds in accordance with the investment strategy, as agreed by the Corporate Trustee, and in accordance with the requirements of the
 - 3.1.2.1 UHB's Standing Financial Instructions.
 - 3.1.2.2 Terms of the funds' governing documents
 - 3.1.2.3 Charities Act 2011
 - 3.1.2.3 Trustee Act 2000 (or any modification of these acts)

¹ Hywel Dda Health Charities, registered charity number 1148763 is the official name of Hywel Dda University Health Board's Charity

- 3.1.3 Recommend to the Trustee the appropriate Investment Manager to appoint to advise it on investment matters and the delegation of day-to-day management of some or all of the investments to that Investment Manager. The Investment Manager, if appointed, must actively manage the charitable fund on behalf of the Trustee. In exercising this power, the Sub Committee must ensure that:
- 3.1.3.1 The scope of the power delegated is clearly set out in writing and communicated with the person or persons who will exercise it.
 - 3.1.3.2 There are in place adequate internal controls and procedures which will ensure that the power is being exercised properly and prudently.
 - 3.1.3.3 The performance of the person or persons exercising the delegated power is regularly reviewed.
 - 3.1.3.4 Where an investment manager is appointed, that the person is regulated under the Financial Services Act 1986.
 - 3.1.3.5 Acquisitions or disposal of a material nature outside the terms of agreement must always have the written authority of the Committee or the Chair of the Committee in conjunction with the Director of Finance.
- 3.1.4 Regularly reviewing investments in conjunction with the Investment Advisor where appropriate to see if other opportunities or investment services offer a better return. In doing this, the Sub Committee will take account of its ability to consider responsible/ethical investment. Responsible investment considers the Charity's purpose and values and not only purely a financial return on investment. When considering responsible investment, any decision must be based on what is best for the Charity and in line with current legislation.
- 3.1.5 Social investment opportunities may also be considered whereby the Charity could invest with a view to both directly furthering the Charity's purpose and achieving a financial return for the Charity. The Charities (Protection and Social Investment) Act 2016 ('the 2016 Act') introduces a new statutory power for charities to make social investments. This could be either:
- an application or use of funds or other property by the charity; or
 - taking on a commitment in relation to a liability of another person which puts the Charity's funds or other property at risk of being applied or used, such as a guarantee.
- The new legislation does not alter or override the Trustee's general duties, and these duties apply to any decision regarding social investments.
- 3.1.6 When making any recommendation for investment, the Sub Committee will act in accordance with the general duties required which include to:
- act in the Charity's best interests
 - manage the Charity's resources responsibly
 - act with reasonable care and skill

4. Membership

4.1 The membership of the Sub-Committee shall comprise:

Title
Director of Finance - (Chair)
Director of Nursing, Quality and Patient Experience - (Vice Chair)
Independent Member

2 x Strategic Advisors*
*The Strategic Advisors have been specifically appointed to provide advice to the Trustees given their expertise in investment management. Their term of office is for a period of 3 years and is subject to agreement by the Remuneration and Terms of Service Committee.
In attendance
Head of Hywel Dda Health Charities'
Assistant Director of Finance (Financial Planning & Statutory Reporting)

The Health Board's Charity Investment Advisor will be invited to attend the Sub-Committee meeting.

4.2 The membership of the Sub-Committee will be reviewed on an annual basis.

5. Quorum and Attendance

- 5.1 A quorum shall consist of no less than half (three) and must include as a minimum the Chair or Vice Chair of the Sub-Committee and the Finance Trustee (ie the Director of Finance).
- 5.2 Additional members may be co-opted to contribute to specialised areas of discussion.
- 5.3 Any senior officer of the University Health Board, or from a partner organisation may, where appropriate, be invited to attend.
- 5.4 Should any member be unavailable to attend, they may nominate a deputy to attend in their place, subject to the agreement of the Chair.
- 5.5 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.

6. Agenda and Papers

- 6.1 The Sub-Committee Secretary is to hold an agenda setting meeting with the Chair and the Sub-Committee Lead at least 6 weeks before the meeting date.
- 6.2 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.
- 6.3 All papers should have relevant sign off before being submitted to the Sub-Committee Secretary.
- 6.4 The agenda and papers for meetings will be distributed seven calendar days in advance of the meeting.

- 6.5 The draft minutes and table of actions will be circulated to Members within fourteen calendar days to check the accuracy.
- 6.6 Members must forward amendments to the Sub-Committee Secretary within the next seven calendar days. The Sub-Committee Secretary will then forward the final version to the Sub-Committee Chair for approval.

7 Frequency of Meetings

- 7.1 The Sub-Committee will meet bi-annually 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.
- 7.2 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. Accountability, Responsibility and Authority

- 8.1 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.
- 8.2 The Sub-Committee shall embed the Charity's vision, corporate standards, priorities and requirements, e.g. equality and human rights, through the conduct of its business.
- 8.3 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.

9. Reporting

- 9.1 The Sub-Committee, through its Chair and Members, shall work closely with the Charitable Funds Committee's other committees, including joint /sub committees and groups to provide advice and assurance to the Board in its role as Corporate Trustee through the:
 - 9.1.1 Joint planning and co-ordination of Board and Committee business.
 - 9.1.2 Sharing of information.
- 9.2 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.
- 9.3 The Sub-Committee, may, subject to the approval of the Charitable Funds Committee, establish groups or task and finish groups to carry out on its behalf specific aspects of Sub-Committee business. The Sub-Committee will receive updates following each meeting, detailing the business undertaken on its behalf.

- 9.4 The Sub-Committee Chair, supported by the Sub-Committee Secretary, shall:
- 9.4.1 Report formally, regularly and on a timely basis to the Charitable Funds Committee on the Sub-Committee's activities. This includes written updates on activity, as well as the presentation of an Annual Report within 6 weeks of the financial year.
 - 9.4.2 Bring to the Charitable Funds Committee's specific attention any significant matter under consideration by the Sub-Committee.

10. Secretarial Support

- 10.1 The Sub-Committee Secretary shall be determined by the Sub-Committee Lead.

11. Review Date

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