

Charitable Funds Committee Terms of Reference

Document Owner: Joint Director of Corporate Affairs and Communications
Related Documents: Scheme of Reservation and Delegation Standing Financial Instructions Trust Constitution Charities Acts Trustee Acts Charity Treasury Management Policy

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1. Constitution

The Committee is established as an Assurance Committee of the Board of Directors in order to ensure that the Trust's duty as Corporate Trustee of its Charitable Funds has been discharged. Its purpose is to oversee management, investment, and use of charitable funds within regulations provided by the Charity Commission and ensures compliance with charity law, including responsibility for the charity's fundraising activities. It does not remove from the Board the overall responsibility and legal obligation for this area but provides a forum for a more detailed consideration of charitable matters.

The Charitable Funds Committee has delegated responsibility, from the Corporate Trustee, within the limits set out in these Terms of Reference, the charitable funds sections of the Scheme of Reservation and Delegations and Standing Financial Instructions for the efficient governance and running of the Wirral University Teaching Hospital (WUTH) Charity.

2. Authority

The Charitable Funds Committee has delegated authority from the Corporate Trustee to investigate any activity within its terms of reference. It is authorised to seek information it requires of any employee (or contractor working on behalf of the Trust) and all employees (or contractor working on behalf of the Trust) are directed to cooperate with any request made by the Committee. The Committee is authorised to obtain legal advice or other professional advice from internal or external sources. The Committee has delegated authority from the Board to:

- i) Maintain the Charity's governing document and registration with the Charity Commission.

- ii) Review and advise on those aspects of Standing Orders and Standing Financial Instructions that appertain to the charity and its operation.
- iii) Apply all charitable funds in accordance with the NHS Acts, Charities Acts and good practice (including but not limited to WUTH Charity Expenditure Policy) and ensure that decisions on the use of investments of such funds are restricted to the explicit conditions or purpose of each donation, bequest, or grant.
- iv) Make decisions involving the use of charitable funds for investments subject to the powers laid down in the “Declaration of Trust” and with regard to the Trustee Acts and any subsequent legislation.
- v) Consider the appointment of investment advisors and monitor the performance of the charitable fund portfolio and consider changes when deemed necessary.
- vi) To oversee the Investment Policy of the Charitable Funds as required by the Trustee Acts and the NHS Acts.
- vii) Act as the control mechanism for any approved fundraising appeals which may be initiated and to be aligned to the Charity Income and Fundraising Guidance Policy. Appointment and control of fundraisers will be in line with the Charities Acts.
- viii) Oversee and monitor the functions with regards to the investment, accounting and reporting on the use of charitable funds.
- ix) Receive Annual Accounts and Annual Reports of the Trust’s charitable funds for consideration and recommendation for final approval to the Board of Directors.
- x) To develop the strategy, policies, and objectives for the Charity for consideration and approval by the Corporate Trustee.

3. Objectives

Act as the Committee that discharges the Board’s responsibilities (as sole Corporate Trustee) as they relate to Charitable Funds under the Trust’s custodianship.

3.1 Risk

- 3.1.1 To ensure that unacceptable risks and inadequate levels of assurance related to financial performance of the Charitable Fund or associated investments are reported to the Board for consideration.

3.2 Statutory duties

- 3.2.1 Ensure the approval and submission of statutory returns, annual accounts, and Trustee’s Report in accordance with the Charity Commissions Statement of Recommended Practice.
- 3.2.2 Invest and apply the income, funds, and property of the Charity in accordance with the governing document and complies with all legal relevant requirements including the Charities Acts and agreed expenditure policy.
- 3.2.3 Maintain the solvency and continuing effectiveness of the Charity.
- 3.2.4 Safeguard permanent endowments.

3.3 Strategy

- 3.3.1 To review the Charity Strategy, recommending it to the Board of Directors for final approval, and to seek assurance that the associated areas of the annual operational plan actions are being implemented.

3.4 Other Duties

- 3.4.1 Invest and review the investment funds not needed for immediate applications, in accordance with the Charity’s investment objectives and the principles outlined in the Treasury Management Policy.

- 3.4.2 Monitor the performance of fundraising and marketing activity, ensuring that the return on investment is satisfactory and that income targets are met.
- 3.4.3 Review and monitor the effectiveness derived from grants of money and property to the Trust.
- 3.4.4 Operate a visible and transparent decision making process for grants of money and property.

3.5 Governance

- 3.5.1 Ratify and review policies and procedures required for effective management of the Charity. This will incorporate oversight of associated compliance arrangements such as those required by the Charity Commission.
- 3.5.2 Ensure the Charity Treasury Management Policy including any other applicable policies are adhered to when considering related actions.
- 3.5.3 Give the Board assurance on an annual basis that the systems, policies, and procedures they have put in place to deliver Charitable Funds plans are operating in compliance with appropriate standards, are effective, are focused on key risks and are driving the delivery of the Trust's objectives.
- 3.5.4 Consider, interpret, and disseminate guidance from relevant bodies including the Charity Commission and other regulatory/advisory bodies relating to the Charitable Funds agenda.
- 3.5.5 Approve the establishment, work plans, duration and effectiveness of sub-committees and working groups.
- 3.5.6 To review and respond to any areas escalated from the Trust Board or its Committees.

4. Equality and Diversity

The Committee will seek to promote and enhance equality, diversity, and inclusion across the Trust, both in the discharge of its duties and decision making processes, and in representing these values in its areas of activity.

The Committee will also have regard for the NHS Constitution and ensure that it complies with relevant legislation and best practice in the conduct of its duties.

5. Membership

The Committee shall consist of:

- Nominated Non-Executive Director (Chair)
- Two additional Non-Executive Directors
- Joint Chief Finance Officer Joint Director of Corporate Affairs and Communications

6. Attendance

Meetings of the Committee may be attended by:

- Assistant Director of Finance (Financial Services)
- Deputy Chief People Officers
- Head of People Experience
- Joint Chief Medical Officer or Joint Chief Nursing Officer, or their deputy
- Governor Representative

A nominated lay person, with appropriate experience, may attend upon invitation by the Chair.

Other officers of the Trust will be invited to attend on an ad-hoc basis to present papers or to advise the committee. Professional advisors regarding investments may be invited to attend, when deemed necessary.

The Trust Chair and all Non-Executive Directors have a right to attend the Committee.

All members should aim to attend all scheduled meetings with attendance being reviewed annually. Attendance below 80% may result in discussions with the Chair.

Where members are unable to attend, they should consider sending a designated nominated deputy.

7. Conflicts of Interest

It will be for the Chair of the Committee to determine whether or not it is appropriate for a member to be in attendance to advise on these matters. In such circumstances where that person is in attendance, he/she will not have a vote or participate in the decision of the Committee.

8. Quorum and Frequency

The quorum shall be three members, to include the Chair (or nominated deputy) and one Executive Lead/member of the Senior Management Team.

The Committee will meet at least four times a year. Meetings may be added, stood down, or rescheduled with the approval of the Chair.

9. Reporting

The Committee will report to the Board following each meeting via a Chair's report and will present a comprehensive annual report to the Corporate Trustee.

The Committee will also update the Council of Governors on recent Committee activity via the appropriate template.

There are no groups reporting to this Committee.

10. Conduct of Meetings

The agenda and supporting papers will be sent out four working days prior to the Committee, unless there are exceptional circumstances authorised by the Chair.

Authors of papers should use the standard template.

Presenters of papers can expect all committee members to have read the papers and should keep to a verbal summary outlining the purpose of the report and its recommendations. Committee members may question the presenter.

11. Performance Evaluation

As part of the Board's annual performance review process, the Committee shall review its collective performance each year.

12. Review

The terms of reference of the Committee shall be reviewed as required and at least annually.