

Trustee and Members' Handbook

Appendix 10

Terms of Reference

For Committees and Panels (as at April 2013):

1. Audit Committee
2. Communications Committee
3. Country and Regional Committees
4. Finance, Staffing and Resources Committee
5. National Heritage Memorial Fund Panel

and

6. Terms of Reference for the joint HLF Board and BIG Parks for People England Committee

1. Audit Committee

Membership

The members of the Audit Committee shall be appointed by the Trustees of the National Heritage Memorial Fund, who will also decide upon the Chair of the Committee. The Committee shall comprise of at least two Trustees, none of whom shall be Chair of the Board. The Head of Finance is the Secretary to the Committee.

Once appointed, membership of the Committee will only end upon the member ceasing to be a Trustee or when written resignation is sent to the Secretary.

Reporting

The Audit Committee will formally report in writing to the Board after each meeting. This would normally take the form of meeting minutes.

In addition, the Committee will provide the Board and the Accounting Officer with an annual report, which is timed to support finalisation of the accounts and the Governance Statement. The purpose of the report will be summarising the Committee's conclusions from the work it has done during the preceding year.

If required by the Board, the Committee will also report to the Department for Culture, Media and Sport.

Responsibilities

On behalf of the Trustees and the Accounting Officer the Committee will:

1. Advise on the strategic processes for risk, control and governance and the Governance Statement including reviewing the annual risk register and the quarterly reviews.
2. Keep under review the effectiveness of the Fund's internal control systems.
3. Review the Fund's internal and external financial statements, including the presentation and content of the annual accounts for the Heritage Lottery Fund and National Heritage Memorial Fund, and to report that they reflect the best practice and the requirements of the Financial Memorandum, the Financial Directions and the Accounts Directions.
4. Agree in advance the nature and scope of internal and external audit work, review the findings of the work and take steps to ensure the implementation of any recommendations.
5. Review management letters and NHMF's response.
6. Investigate any matters within its Terms of Reference.
7. Make appropriate arrangements for an internal audit function for the National Heritage Memorial Fund and agree the fees of the internal auditor.
8. Review the effectiveness of internal audit arrangements and performance.
9. Consider the findings of any major internal investigations and review the Accounting Officer's response.
10. Ensure that the Accounting Officer of NHMF is fully aware of its decisions and discussions.
11. Agree the fees of the National Audit Office as statutory external auditor.
12. The Committee will review its own effectiveness on an annual basis and report the results to the Board.

13. Every three years, complete the NAO's self-assessment checklist to help ensure it continues to apply good practice.
14. Review the operation of NHMF's Code of Practice for Trustees and code of conduct for staff. This means it will:
 - help promote the highest standards of propriety in the use of public funds and encourage proper accountability for the use of those funds;
 - improve the quality of financial reporting by reviewing internal and external financial statements on behalf of the Trustees;
 - promote a climate of financial discipline and control which will help to reduce the opportunity for financial mismanagement;
 - promote the development of internal control systems which will satisfy the Trustees that the National Heritage Memorial Fund will achieve its key objectives and targets and is operating:
 - in accordance with any statutory requirements for the use of public funds;
 - within delegated authorities laid down by the Department for Culture, Media and Sport and the NHMF's own rules on what matters should be referred to Trustees;
 - in a manner which will make most economic, efficient and effective use of resources available.

Rights

The Audit Committee may:

- co-opt additional members for a period not exceeding a year to provide specialist skills, knowledge and experience;
- procure specialist ad-hoc advice at the expense of the organisation, subject to budgets agreed by the Board.

Access

The Head of Internal Audit and the representative of external audit will have free and confidential access to the Chair of the Audit Committee.

Meetings

The Committee will meet at least two times per annum. The Chair of the Committee may convene additional meetings, if they deem this necessary.

The Committee will be quorate if two members are in attendance.

The Chief Executive and the Director of Finance & Corporate Services attend the Committee's meetings. The Head of Internal Audit and a representative from the external auditors would normally be present.

The Audit Committee may ask any other officials of the organisation to attend to assist it with its discussions on any particular matter.

The Audit 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.

2. Communications Committee

The Communications Committee advises the Board on strategic advocacy, external communications and reputational issues, including public affairs. It will steer the overall direction of communications work and act as a sounding board for key initiatives.

Membership

The Communications Committee is chaired by the Chair of NHMF and will comprise at least two other Trustees. The quorum for the meeting will be two. Meetings will be attended by the Chief Executive and the Directors of Communications, Policy and Operations. Other senior managers will be invited to attend the Committee to contribute to specific agenda items. Additional expertise from outside the Fund (such as from existing consultants or senior communications/media counsel on a pro bono basis) may also be sought – through regular or ad hoc attendance on relevant issues as appropriate.

Roles and responsibilities

- To advise on and ratify strategic positioning and presentation of both Funds
- To review reputational risk and advise on strategies to address potential threats
- To review and advise on proposals for any particularly high profile communications initiatives or promotions
- To receive and comment on evaluation reports, including regular media evaluation
- To receive reports on and keep under review our approach to benchmarking opinion-former, and, if appropriate, public opinion
- To help develop opportunities and links that might make HLF/NHMF communications resources go further through positive partnership working

Meeting and reporting

- The Committee should meet at least quarterly
- The Committee will formally report in writing to the Board through meeting minutes

The Committee will consider and advise on any other matters referred to them by the Board.

3. Country and Regional Committees

1. The Committee for (country or region) shall comprise seven or eight Members, who will be appointed by the Chair of NHMF. One of the Members shall be a Trustee of NHMF. The Chair of the Committee shall be appointed by the Chair of NHMF.
2. A quorum of a majority of the Members shall be required. If there is a temporary vacancy in the membership of the Committee, the quorum shall be correspondingly reduced.
3. The Committee will meet four times each year or more frequently if business dictates. Urgent decisions may exceptionally be taken between meetings.
4. The Committee will have delegated authority to make awards from the Heritage Lottery Fund within the powers allowed by Statute and subject to the Directions issued by the Secretary of State, and within the current published policies of the Board. The Committee will refer any case to a meeting of the Board if Members consider it raises issues of policy or principle, or if it is considered novel or contentious.
5. The Committee will decide:
 - Heritage Grant and Heritage Enterprise applications in (country or region) seeking a first round pass or grant award of more than £100,000 and less than £2,000,000
 - Heritage Grant applications for grant increases, provided the total grant awarded to the project remains less than £2,000,000.
 - For projects originally submitted under the first or second strategic plans: Heritage Grant applications in (country or region) for stage two awards or grant increases where the original stage one commitment was made by Committee
 - Grants for Places of Worship applications in (country or region) seeking a first round pass.
 - Landscape Partnership and Townscape Heritage Initiative applications in (country or region) seeking a grant award at second round, provided the amount requested does not exceed the first round figure.

The Committee will also consider such other cases as may be referred to the Committee by the Board.

6. The Committee will have the authority to
 - award or reject an application for a grant or loan, including an additional grant, delivery grant or development grant;
 - award or reject an application for a first round pass;
 - change the status, approved purposes, or conditions attached to an existing grant award;
 - withdraw a grant offer;
 - defer a decision in order to obtain more information; or
 - refer an application to a meeting of the Board.
7. In making grant decisions, the Committee shall restrict total grant awards to the annual budget set by the Board, and take account of the Board's priorities, as set out in the Strategic Framework.
8. The Committee shall maintain a Schedule of Decisions. Grant decisions will be reported to the Board.
9. The Committee will discuss all applications to HLF for all projects in (country or region) seeking a grant award to be decided by the Board, and will indicate to the Board through their Trustee Member, and through a summary of key points in the Head of Country or Region's presentation, their views on those applications and the priority the Committee attaches to each.
10. The Committee will provide advice to the Board on priorities for HLF in (country or region), including in relation to future development work.

11. The Committee will act as advocates for HLF within the country/region. They will attend project openings and other events, as agreed with the Head of Country/Region, in support of HLF's strategic aims, and to promote HLF's grant programmes.
12. The Committee will also engage with ongoing case business in the Country/Region, including supporting officers at meetings with applicants and grantees as needed.
13. The Committee will maintain a strategic oversight of decision making within the grants programmes delegated to staff. A committee member should be in attendance at least half of all advisory meetings each year, and all members should aim to attend at least one such meeting a year. Committee will receive an annual report on activity on the delegated programmes, and be informed of all decisions taken by staff under delegated authority.
14. The Committee will consider and provide advice on any further topics as requested by the Board or officers.
15. Members shall adopt the highest standards of propriety in the use of public funds, and shall be governed by NHMF's Code of Practice for Trustees, in particular as it affects the handling of conflicts of interest.
16. Appointments of the non-Trustee Members of the Committees shall be publicly advertised.

4. Finance & Resources Committee

Membership

The members of the Finance, Staffing & Resources Committee shall be appointed by the Chair of the Trustees of the National Heritage Memorial Fund, who will also decide upon the Chair of the Committee. Any appointment will be notified to the Board. The Committee shall comprise four Trustees, one of which shall be Chair of the Board. The Accounting Officer is a member ex-officio and will not participate in any discussion of Chief Executive pay.

Administration for the Committee is carried out by the Secretariat team.

Once appointed, membership of the Committee will only end upon the member ceasing to be a Trustee or when written resignation is sent to Secretariat.

Reporting

The Finance, Staffing & Resources Committee will formally report in writing to the Board after each meeting. This would normally take the form of meeting minutes.

In addition, the Committee will provide the Board with a report twice a year, summarising its conclusions from the work it has done during the period.

Responsibilities

To advise and, where required, to act for the Board of Trustees in relation to the following:

- 1 To review and recommend to the Board the annual Business Plan (prepared by the Executive team), including both the grant awards' and administrative budgets.
- 2 To monitor performance against the service delivery targets set out in the annual Business Plan and report to the Board any matter with which the Committee has concerns.
- 3 To monitor administrative spending against budgets and forecasts, and keep value for money under review. The Committee must report to the Board any significant concerns at the earliest opportunity.
- 4 To review and recommend for the Board's approval any revisions to the grant awards' and administrative budgets during a financial year.
- 5 To review, at least annually, Lottery income projections and the management of forward grant commitments in the light of those Lottery income projections. To report to the Board any movement in those income projections or changes in commitment management that might have significance for the grant award budgets.
- 6 To seek assurance from the Executive team in respect of relevant legislation and administrative requirements on the use of public funds (including through regular and timely financial reporting). To offer guidance to the Chief Executive and staff, as necessary, on negotiations with the Department for Culture, Media and Sport over changes to the administrative control framework applied by Government. To report to the Board any concerns the Committee has with that control framework.
- 7 To recommend to the Board the framework of strategic control within which management matters are delegated to staff, including changes in delegations and limits. Any significant proposed changes to the framework to be reported to the Board

- 8 To consider management proposals for any significant changes to the structure of the organisation including the re-organisation of teams. Any significant proposed changes to the structure to be reported to the Board
- 9 To provide strategic oversight of staffing matters, including reviewing and recommending to the Board the complement of permanent staff. (The Chief Executive to hold delegated authority to change complement up to a maximum of five full time equivalents in between committee meetings).
- 10 To approve (in its capacity as the Fund's Remuneration Committee):
 - The pay strategy for NHMF and any changes to the pay structure, including agreeing the pay remit for submission to the Department for Culture, Media and Sport;
 - The remuneration and bonuses of senior staff (i.e. the Chief Executive and the Heads of Departments) and,
 - Any individual settlements or compensation for loss of office agreements before these are sent for approval to HM Treasury.
- 11 To approve major decisions on accommodation and IT. These decisions to be reported to the Board.
- 12 To set the terms of reference of the Memorial Fund endowment Investment Panel, to monitor its activities and appoint its external members. To report any significant changes to the Board.
- 13 To provide two Trustee members to the Investment Panel.

Rights

The Committee may:

- Co-opt an additional member(s) for a period not exceeding a year to provide specialist skills, knowledge and experience on an advisory basis and,
- Procure specialist ad-hoc advice at the expense of the organisation, subject to budgets agreed by the Board.

Meetings

The Committee will meet at least three times per annum. The Chair of the Committee may convene additional meetings, if they deem this necessary.

The Committee will be quorate if two trustee members are in attendance.

The Director of Finance & Corporate Services, the Director of Operations and the Head of Finance attend the Committee's meetings.

The Committee may ask any other officials of the organisation to attend to assist it with its discussions on any particular matter.

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 Board may ask the Finance, Staffing & Resources Committee to convene further meetings to discuss particular issues on which they want the Committee's advice.

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5. National Heritage Memorial Fund Panel

TERMS OF REFERENCE

The National Heritage Memorial Fund (NHMF) was established in 1980 to save the most outstanding parts of our national heritage at risk of loss to the nation, as a memorial to those who have given their lives for the UK.

The National Heritage Memorial Fund Panel will advise NHMF Trustees and staff on Memorial Fund business. More specifically the Panel's role will be to:

1. Advise the Board on how to deploy memorial funds to deliver the greatest benefit to the heritage
2. Advise the Board on a range of Memorial Fund applications and potential applications including level of priority for funding and advising on the opinions and formal advice from experts and other agencies
3. Advise on sectoral issues particularly potential threats and consequent loss of the UK's heritage to which the NHMF might be best placed to respond
4. Consider annually risks to the Memorial Fund in order to inform the corporate risk register
5. Consider Memorial Fund policy issues identified by staff or Trustees and advice on any other issues affecting Memorial Fund business as required
6. Receive update reports on current Memorial Fund business including decisions taken by the Board, the current financial position of the fund, forthcoming cases and approaches, export stopped items.
7. Panel members are expected to:
8. adopt the highest standards of propriety in the use of public funds and adhere to the standards in public life described by the seven Nolan principles
9. be governed by NHMF's Codes of Practice on Declarations of Interest relating to specific applications which come before the Panel for consideration. Panel members should declare any personal or business interests which may conflict with their responsibilities as early as possible and observe the need to maintain strict confidentiality.
10. attend a substantial proportion of the meetings.

Chair

The Panel will be chaired by the Chief Executive of the NHMF

Membership

The Panel will comprise up to 7 Members.

Appointments will be by invitation based on expertise in one or more of the following areas:

- Archives and documentary heritage
- Ceramics

- Fine art and old masters including historical portraits
- Art market / auctions
- Archaeological expertise
- Buildings and Land
- Acceptance in lieu

Appointments will be confirmed by the NHMF Chair.

Appointments will normally be for a maximum of six years: an initial term of three years with, subject to satisfactory review, a second term of three years. Exceptions will be considered on a case by case basis subject to the need to have appropriate expertise on the Panel and confirmation by the Chair.

Other Attendees

The Chair of the NHMF. Other Trustees are welcome to attend meetings as observers.

Quorum

The quorum shall be a majority of the Members. If there is a temporary vacancy in the membership of the Panel, the quorum shall be correspondingly reduced.

Meetings and Visits

The Panel will normally meet up to four times a year in London.

When necessary, staff may seek urgent advice about memorial fund applications between meetings using a between meeting recommendation form. All such recommendations will be formally minuted at the next meeting.

Members may be asked to participate in visits to view material or objects which are the subject of a bid or expected bid to the NHMF, and may also result in the provision of specific written reports offering advice.

Staff in Attendance

Chief Executive of the NHMF

A member of the Secretariat Team

NHMF Team

Senior staff as necessary

May 2011

6. Terms of Reference for the joint HLF Board and BIG Parks for People England Committee

1. The HLF Board and BIG Parks for People England Committee (“Big Committee”) shall jointly determine Parks for People first and second round grant applications in England. Decisions shall be made by up to fifteen HLF Trustees and four BIG Committee members. The HLF Chair will chair the meeting.
2. A quorum of a majority of the members for each of the HLF Board and the BIG Committee shall be required. HLF and BIG will have an equal vote in determining decisions.
3. Joint meetings shall normally take place twice a year in June and December and will form part of HLF Board meetings. Some decisions may be taken between meetings. On these occasions the BIG Committee will meet first to consider the recommendations.
4. Both the HLF Board and the BIG Committee will consider and make awards of grants for the Programme.
5. In pursuance of these powers, the HLF Board and the BIG Committee will consider grant applications submitted to them for decision and will have the authority for those applications submitted under the Programme to:
 - award or reject an application for a grant, including additional grant, delivery grant of development grant;
 - award or reject an application for a first round pass;
 - change the status, approved purposes, or conditions attached to an existing grant award and/or
 - withdraw a grant offer.
6. The joint HLF/BIG meeting shall produce a Schedule of Decisions