



East Suffolk and
North Essex
NHS Foundation Trust

Corporate Governance Framework

Version 1.0

Purpose:	To advise and inform hospital staff of the regulatory framework for the business conduct of the Trust within which all Trust officers are expected to comply.
For use by:	All hospital staff
This document is compliant with /supports compliance with:	NHS Act 2006; Health and Social Care Act 2012; Code of Practice on Openness; NHS Trusts (Public Meetings) Regulations 1991 (SI (1991)482), FT Code of Governance (2014), Conflicts of Interest in the NHS (2017), Managing Public Money (HM Treasury 2013), NHS Foundation Trust accounting officer memorandum (2015)
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1.1	2 August 2018	Approval by Trust Board subject to Terms of Reference approval by Nomination and Remuneration Committee and EMC	Company Secretary

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Section 1:

General Overview

1.1 Introduction

1.1.1 The Trust's corporate governance framework is the regulatory framework for the business conduct of the Trust which all Trust officers are expected to comply with. The aim is not to create bureaucracy but to protect the Trust's interests and to protect staff from any accusation that they have acted less than properly. It does this by ensuring that all staff, particularly budget managers and authorised signatories are aware of their authorities and responsibilities for compliance with the relevant procedures. The key documents in this framework include the following:

- Standing Orders;
- Schedule of Matters Reserved to the Board;
- Scheme of Delegation; and
- Standing Financial Instructions

For avoidance of doubt, the Corporate Governance Framework is not the Foundation Trust Constitution, which is the overarching governing framework for East Suffolk and North Essex NHS Foundation Trust, setting out the fundamental principles and processes according to which the foundation trust is governed. The Trust Constitution requires the Trust to have in place the above key documents, but they are not part of the Constitution. This includes the Standing Orders, which although appended as an annex to the Constitution, do not form part of the Constitution for legal purposes.

1.1.2 East Suffolk and North Essex NHS Foundation Trust is a public benefit corporation which came into existence on 01 July 2018 when Colchester Hospital University NHS Foundation Trust acquired the Ipswich Hospital NHS Trust. The principal places of business of the Trust are – Colchester Hospital, Turner Road, Colchester CO4 5JL and the Ipswich Hospital, Heath Road Ipswich IP4 5PD.

1.1.3 NHS Foundation Trusts are governed by Act of Parliament, principally the National Health Service Act 2006. The functions of the Trust are conferred by this legislation. As a statutory body, the Trust has specified powers to contract in its own name and to act as a corporate trustee. In the latter role it is accountable to the Charity Commission for those funds deemed to be charitable as well as to the Secretary of State for Health.

1.1.4 The register of gifts and hospitality is available for inspection at the Trust's headquarters. Please contact the Trust Secretary.

1.2 The Code of Conduct

1.2.1 The Trust is committed to demonstrating Public service values and places these at the heart of everything we do, with high standards of corporate and personal conduct based on the recognition that patients come first. There are three values that underpin the work we do:

- We will ensure that everything we do under the powers of The Trust stand up to the test of scrutiny, public judgements on propriety and professional codes of conduct. **(Accountability)**
- We will be honest in dealing with our NHS assets, with integrity being the hallmark of all personal conduct in decisions affecting patients, staff and suppliers, and in the use of information acquired in the course of our duties. **(Probity)**
- We will have sufficient transparency about our activities to promote confidence in our staff, patients and the public. **(Openness)**

1.2.2 The success of these values depends on visible leadership from our Board members and the consequential influence we have on the behaviour of all those who work for ESNEFT.

1.2.3 It is unacceptable for any Board member, or any individual employed, to ignore public service values in achieving the objectives of the business. Our Board members commit to ensuring that the public funds entrusted to us are properly safeguarded and that at all times we conduct our business efficiently and effectively.

1.2.4 We commit to act impartially and not to be influenced by social or business relationships. Where there is potential for private interests to be material and relevant to NHS business, the relevant interests are declared and recorded in our board minutes, and entered into the register which is available to the public. When a conflict of interest is established, the board director will withdraw and play no part in the relevant discussion or decision. (See Standards of Business Conduct Policy)

1.2.5 We commit to set an example in the use of public funds, ensuring that all expenditure for hospitality is justified as reasonable in the light of challenge from auditors and is captured in the Hospitality and Gifts Register.

1.2.6 We have in place a publicised procedure for staff to raise complaints or concerns about maladministration, malpractice, breaches in the NHS Code of Conduct and other concerns. The Raising Concerns/Freedom to Speak Up Policy enables staff who have concerns to raise these reasonably and responsibly; gives a clear commitment that staff concerns will be taken seriously and investigated; and where there is an unequivocal guarantee that staff who raise concerns responsibly will be protected against victimisation.

1.3 The Code of Accountability

1.3.1 The Code of Accountability is the basis on which The Trust seeks to fulfil its duties and responsibilities conferred upon it by the Secretary of State for Health.

1.3.2 Statutes and regulations prescribe the structure, functions and responsibilities of the board.

1.3.3 The chair, non-executive directors and governors are required, as part of their appointment by the NHS Improvement to subscribe to the Code of Conduct. Breaches of this Code of Conduct will be reported to the NHS Improvement.

1.3.4 The trust managers are required to take all reasonable steps to comply with the requirements set out in the Code of Conduct for NHS Managers. The Chair and non-executive directors are responsible for taking firm, prompt and fair disciplinary action against any executive director breach.

1.3.5 The Trust is accountable to the Secretary of State for Health and to Parliament for provision of high quality and accessible services to patients. As such, the trust is required to be registered with the Care Quality Commission (CQC) and it is a condition of our registration that our services meet the national standards for quality and safety. By this we mean that patients can expect that:

- We are safe – Patients are protected from abuse and avoidable harm
- We are effective - Patients care, treatment and support achieves good outcomes, promotes a good quality of life and is based on best available evidence.
- We are caring - Staff involve and treat people with compassion, kindness, dignity and respect.
- We are responsive to people's needs - Services are organised so that meet people's needs.
- We are a well-led organisation - The leadership, management and governance of the service assures the delivery of high-quality person-centred care, supports learning and innovation, and promotes an open and fair culture.

1.3.6 The Trust is subject to external audit by external auditors appointed by the Council of Governors. As such we are committed to cooperating fully with NHS Improvement and the external auditors when required to account for our use of public funds, delivery of patient care / services and compliance with statutes, directions, guidance and policies of the Secretary of State.

1.4 Our Board

1.4.1 Our Board comprises of executive directors together with non-executive directors and a chair appointed by the Council of Governors. Together they share responsibility for all decisions of the board. The Chief Executive is directly accountable to the board for meeting the trust objectives, and as Accounting Officer, is responsible for:

- The propriety and regularity of the public finances for which he is answerable;
- The keeping of proper accounts;
- Prudent and economical administration in line with the principles set out in *Managing Public Money*¹;
- The avoidance of waste and extravagance
- The efficient and effective use of all the resources in their charge

1.4.2 The Board meets regularly to retain full and effective control of the organisation; with the chair and non-executive directors being responsible for holding to account the executive management team.

1.4.3 The role of board is to:

¹ www.gov.uk/government/publications/managing-public-money

- Be collectively responsible for adding value, for promoting the success by directing and supervising the Trust's affairs;
- Provide active leadership within a framework of prudent and effective controls which enable risk to be assessed and managed;
- Set the strategic aims, ensure that the necessary financial and human resources are in place to meet our objectives, and review management performance; and
- Set the values and standards and ensure that our obligations to patients and the local community and the Secretary of State are understood and met.

1.4.4 The Chair is responsible for leadership of the Board of Directors and Council of Governors, ensuring their effectiveness on all aspects of their role and leading on setting the agenda for meetings.

1.4.5 The Chief Executive is accountable to the Chair and Non-Executive Directors of the board for ensuring that the board is empowered to govern the organisation and that the objectives it sets are accomplished through effective and properly controlled executive action.

1.4.6 The Non-Executive Directors bring an independent judgement on issues of strategy, performance, key appointments and accountability. Our Non-Executive Directors have a key role in board committees such as the Audit & Risk Committee; Remuneration & Nomination Committee, Quality and Patient Safety Committee, People and Organisational Development Committee and the Charitable Funds Committee.

1.5 Our Council of Governors

1.5.1 The Council of Governors has a statutory duty to hold the Non-Executive Directors individually and collectively to account for the performance of the Board of Directors. This includes ensuring the Board of Directors acts so that the foundation trust does not breach the conditions of its licence.

1.5.2 The Council of Governors is responsible for representing the interests of NHS Foundation Trust members and the public in the governance of the NHS Foundation Trust. Governors must act in the best interests of the NHS Foundation Trust and should adhere to its values and code of conduct.

1.5.3 Governors are responsible for regularly feeding back information about the Trust, its vision and its performance to members and the public and the stakeholder organisations that either elected or appointed them.

1.6 Reporting and Controls

1.6.1 The board has a duty to present a balanced and readily understood assessment of our performance through publishing an annual report, annual accounts and quality report and submitting these to:

- NHS Improvement;
- Parliament and
- The Council of Governors, members and the local community.

- 1.6.2 To achieve an appropriate level of control of the organisation some functions of the board are delegated to board committees. The Standing Orders prescribe the terms on which committees of the board are delegated these functions, and the decisions reserved for the board are documented in the Schedule of Matters Reserved to the Board.
- 1.6.3 The Board's committees and respective terms of reference, decision-making powers, and membership are set out in the appendices of this document. This document does not include operational management groups or temporary arrangements such as task and finish groups (with the exception of the Executive Management Committee).

SECTION 2: STANDING ORDERS

**STANDING ORDERS FOR THE
PRACTICE AND PROCEDURE OF THE
BOARD OF DIRECTORS**

1 INTERPRETATION AND DEFINITIONS FOR STANDING ORDERS

- 1.1 Save as otherwise permitted by law, at any meeting the Chair of the Trust shall be the final authority on the interpretation of Standing Orders (on which they shall be advised by the Company Secretary or the Trust's legal advisor).
- 1.2 Unless a contrary intention is evident or the context requires otherwise, words or expressions contained in these SOs shall bear the same meaning as in the Constitution.
- 1.1 The provisions of paragraphs 1.1 to 1.7 of the Constitution apply to these SOs, save that any reference to "Constitution" shall be read as a reference to these "SOs".

2 INTRODUCTION

2.1 Statutory Framework

- 2.1.1 The East Suffolk and North Essex NHS Foundation Trust (the Trust) is a public benefit corporation which was established in accordance with the provisions of the 2006 Act (Section 30(1)). The Trust was authorised by Monitor from 1st May 2008.
- 2.1.2 The principal places of business of the Trust are Colchester General Hospital and Ipswich Hospital.
- 2.1.3 The statutory functions conferred on the Trust are mainly set out in Chapter 5 of Part 2 of the 2006 Act, in the Trust's Constitution and in its Licence.
- 2.1.4 As a public benefit corporation the Trust has specific powers to take any action which appears to be necessary or desirable for the purposes of, or in connection with, its functions. It has the power to contract in its own name and to act as a corporate trustee. In the latter role it is accountable to the Charity Commission for those funds deemed to be charitable. The Trust also has a common law duty as a bailee for patients' property held by the Trust on behalf of patients.
- 2.1.5 The Trust will also be bound by such other statutes and legal provisions which govern the conduct of its affairs.
- 2.1.6 Monitor requires the Trust to adopt Standing Orders for the regulation of its proceedings and business. The Trust must also adopt Standing Financial Instructions (SFIs) as an integral part of Standing Orders setting out the responsibilities of individuals.
- 2.1.7 In addition to the statutory requirements Monitor issues further directions and guidance.

3 THE BOARD OF DIRECTORS: COMPOSITION OF MEMBERSHIP, TENURE AND ROLE OF DIRECTORS

3.1 Composition of the Membership of the Board of Directors

- 3.1.1 In accordance with the Constitution, the composition of the Board of Directors shall be:

- (a) a Non-Executive Chair;
 - (b) up to seven (7) other Non-Executive Directors; and
 - (c) up to seven (7) Executive Directors.
- 3.1.2 For a period of up to six months from the Transaction Date, the Trust may have up to 10 non-executive directors (excluding the Chairman). If not already reduced by six months after the Transaction Date, on that date the maximum number of non-executive directors (excluding the Chairman) shall reduce to the number in paragraph 22.2 and if at that time the Trust has more non-executive directors than specified in that paragraph, by such method as the Chairman shall decide in conjunction with the Council of Governors, the Trust shall determine who shall retire.
- 3.1.3 One of the Executive Directors shall be the Chief Executive.
- 3.1.4 The Chief Executive shall be the Accounting Officer.
- 3.1.5 One of the Executive Directors shall be the Director of Finance.
- 3.1.6 One of the Executive Directors is to be a Registered Medical Practitioner or a Registered Dental Practitioner.
- 3.1.7 One of the Executive Directors is to be a Registered Nurse or a Registered Midwife.
- 3.1.8 The number of the Directors may be increased provided always that at least half of the Board, excluding the Chairman, comprises Non-Executive Directors.
- 3.1.9 The Trust may confer on senior staff the title "Director" as an indication of their corporate responsibility within the Trust but any such person will not be a Director of the Trust for the purposes of the 2006 Act ("Statutory Directors") unless they are appointed in accordance with the Constitution and their title is that of "Executive Director" or "Non-Executive Director." Persons who are not Executive Directors or Non-Executive Directors will not have the voting rights of a Statutory Director or any power to bind the Trust. These senior staff will not have any rights of attendance at meetings of the Board of Directors or its subcommittees unless expressly invited by the Board or relevant committee.
- 3.1.10 The Company Secretary will be a senior manager with status and responsibilities equivalent to senior staff. The Company Secretary will attend Board of Directors' meetings. The Company Secretary will be responsible for ensuring that Board procedures are followed and that applicable rules and regulations are complied with. The Company Secretary will advise both the Board of Directors and the Council of Governors on developments in governance issues and ensure that meetings of both committees are held in accordance with the Constitution and that Directors and Governors receive appropriate support and guidance.

3.2 Appointment and Powers of Deputy Chair

- 3.2.1 Subject to Standing Order 3.2.2 below, the Council of Governors may appoint one of the Non-Executive Directors to be Deputy Chair for such period not exceeding the remainder of their term as a member of the Board of Directors as they specify on appointing them.

- 3.2.2 Any member so appointed may at any time resign from the office of Deputy Chair by giving notice in writing to the Chair. The Council of Governors may thereupon appoint another Non-Executive Director as Deputy Chair in accordance with the provisions of Standing Order 3.2.1.
- 3.2.3 Where the Chair of the Trust has died or has ceased to hold office, or where they have been unable to perform their duties as Chair owing to illness or any other cause, the Deputy Chair shall act as Chair until a new Chair is appointed or the existing Chair resumes their duties, as the case may be; and references to the Chair in these Standing Orders shall, so long as there is no Chair able to perform those duties, be taken to include references to the Deputy Chair.

3.3 Appointment of Senior Independent Director

- 3.3.1 The Board shall appoint one of the independent Non-Executive Directors to be the Senior Independent Director in consultation with the Council of Governors. The Senior Independent Director should be available to Directors and Governors if they have concerns which contact through the normal channels of Chair, Chief Executive, and Director of Finance has failed to resolve, or for which such contact is inappropriate. The Senior Independent Director will lead the Non-Executive Directors in the appraisal of the Chair in consultation with the Council of Governors which has overall responsibility for agreement of the outcomes of the appraisal of the Chair and Non Executive Directors.

3.4 Joint Directors

- 3.4.1 Where more than one person is appointed jointly to a post in the Trust which qualifies the holder for Executive Directorship or in relation to which an Executive Director is to be appointed, those persons shall become appointed as an Executive Director jointly, and shall count for the purposes of Standing Order 3.1 as one person.
- 3.4.2 Where the office of an Executive Director of the Board of Directors is shared jointly by more than one person:
- (a) either or both of those persons may attend or take part in meetings of the Board;
 - (b) if both are present at a meeting, they should cast one vote if they agree;
 - (c) in the case of disagreements, no vote should be cast;
 - (d) the presence of either or both of those persons should count as the presence of one person for the purposes of Standing Order 4.11 (Quorum).

3.5 Role of Directors

- 3.5.1 The Board will function as a corporate decision-making body. Non-Executive Directors and Executive Directors will be full and equal members. Their role as members of the Board of Directors will be to consider the key strategic and managerial issues facing the Trust in carrying out its statutory and other functions in accordance with the Constitution.
- (a) Executive Directors:

Executive Directors of the Board of Directors shall exercise their authority within the terms of these Standing Orders and the Standing Financial Instructions and the Scheme of Delegation.

(b) Chief Executive

The Chief Executive shall be responsible for the overall performance of the executive functions of the Trust. They are the Accounting Officer for the Trust and shall be responsible for ensuring the discharge of obligations under Financial Directions and in line with the requirements of the Accounting Officer Memorandum for NHS Foundation Trust Chief Executives.

(c) Director of Finance

The Director of Finance shall be responsible for the provision of financial advice to the Trust and to its Directors and for the supervision of financial control and accounting systems. They shall be responsible along with the Chief Executive for ensuring the discharge of obligations under relevant Financial Directions.

(d) Non-Executive Directors

The Non-Executive Directors shall not be granted nor shall they seek to exercise any individual executive powers on behalf of the Trust. They may, however, exercise collective authority when acting as members of or when chairing a committee of the Trust which has delegated powers.

(e) Chair

The Chair shall be responsible for the operation of the Board and chair all Board meetings when present. The Chair has certain delegated executive powers. The Chair must comply with the Constitution and with these Standing Orders. The outcomes of the appraisal of the Chair and Non-Executive Directors shall be agreed by the Council of Governors.

The Chair shall liaise with the Council of Governors over the appointment of Non Executive Directors and, once appointed, shall take responsibility either directly or indirectly for their induction, their portfolios of interests and assignments and their performance.

The Chair shall work in close harmony with the Chief Executive and shall ensure that key and appropriate issues are discussed by the Board of Directors in a timely manner with all the necessary information and advice being made available to the Board of Directors to inform the debate and ultimate Resolutions.

3.6 Corporate Role of the Board

3.6.1 All business shall be conducted in the name of the Trust.

3.6.2 All funds received in trust shall be held in the name of the Trust as corporate trustee.

3.6.3 The powers of the Trust established under the Constitution shall be exercised by the Board of Directors in public session except as otherwise provided for in Standing Order 4.

3.6.4 The Board shall define and regularly review the functions it exercises.

3.7 Schedule of Matters Reserved to the Board and Scheme of Delegation

3.7.1 The Board has resolved that certain powers and decisions may only be exercised by the Board in formal session. These powers and decisions are set out in the “Schedule of Matters Reserved to the Board” and shall have effect as if incorporated into the Standing Orders. Those powers which it has delegated to Officers and other bodies are contained in the Scheme of Delegation.

3.8 Lead Roles for Board Directors

3.8.1 The Chair will ensure that the designation of lead roles or appointments of Board of Directors as required by the Constitution or as set out in any statutory or other guidance will be made in accordance with that guidance of statutory requirement (e.g., appointing a lead Board Director with responsibilities for Infection Control or Child Protection Services etc.).

3.9 Board of Directors – Disqualification

3.9.1 The following may not become or continue as a member of the Board of Directors:

- (a) a person who has been adjudged bankrupt or whose estate has been sequestrated and (in either case) has not been discharged;
- (b) a person who has made a composition or arrangement with or granted a trust deed for their creditors and has not been discharged in respect of it;
- (c) a person who within the preceding five (5) years has been convicted in the British Isles of any offence if a sentence of imprisonment (whether suspended or not) for a period of not less than three (3) months (without the option of a fine) was imposed on them;
- (d) in the case of a Non-Executive Director, a person who is no longer a member of the Public Constituency or, where any of the Trust’s hospitals includes a medical or dental school provided by a university, they do not exercise functions for the purpose of that university;
- (e) a person who is a member of the Council of Governors;
- (f) a person who does not meet the Fit and Proper Persons Regulations or Condition G4 of the Trust’s Licence.

3.10 Relationship between Board of Directors and Council of Governors

3.10.1 It is the responsibility of the Board of Directors to manage the business of the Trust (in accordance with the Constitution). The powers of the Council of Governors are detailed in the Constitution. The Governors will also represent the views of the members of their constituency and ensure that the needs of the local health community are taken into account when advising on the Trust’s strategic direction.

4 MEETINGS OF THE BOARD OF DIRECTORS

4.1 Calling Meetings

- 4.1.1 Ordinary meetings of the Board of Directors shall be held at regular intervals at such time and places as the Board of Directors may determine. All meetings will be open to public attendance unless the Board of Directors declares otherwise.
- 4.1.2 The Chair of the Trust may call a meeting of the Board of Directors at any time.
- 4.1.3 One third or more Directors of the Board of Directors may requisition a meeting in writing. If the Chair refuses or fails to call a meeting within seven (7) days of a requisition being presented, the Directors signing the requisition may forthwith call a meeting.

4.2 Notice of Meetings and the Business to be Transacted

- 4.2.1 Before each meeting of the Board of Directors a written notice specifying the business proposed to be transacted shall be delivered to every Director, or sent by post to the usual place of residence of each Director, so as to be available to Directors at least five (5) clear working days before the meeting. The notice shall be signed by the Chair or by an Officer authorised by the Chair to sign on their behalf. Want of service of such a notice on any Director shall not affect the validity of a meeting.
- 4.2.2 In the case of a meeting called by Directors in default of the Chair calling the meeting, the notice shall be signed by those Directors.
- 4.2.3 No business shall be transacted at the meeting other than that specified on the Agenda, or emergency Motions allowed under Standing Order 4.6.
- 4.2.4 A Director desiring a matter to be included on an Agenda shall make their request in writing to the Chair at least fifteen (15) clear working days before the meeting. The request should state whether the item of business proposed to be transacted is publicly disclosable or otherwise and should include appropriate supporting information. Requests made less than fifteen (15) clear working days before a meeting may be included on the Agenda at the discretion of the Chair.
- 4.2.5 Before any meeting of the Board of Directors to be held in public, a public notice of the time and place of the meeting and the public part of the Agenda shall be displayed at the Trust's principal offices at least three (3) clear working days before the meeting.

4.3 Agenda and Supporting Papers

- 4.3.1 The Agenda will be sent to Directors five (5) clear working days before the meeting and supporting papers, whenever possible, shall accompany the Agenda but will certainly be despatched no later than three (3) clear working days before the meeting, save in an emergency.

4.4 Petitions

- 4.4.1 Where a petition has been received by the Trust, the Chair shall include the petition as an item for the Agenda of the next meeting.

4.5 Notice of Motion

- 4.5.1 Subject to the provision of Standing Orders 4.7 “Motions: Procedure at and during a Meeting” and 4.8 “Motions to rescind a Resolution”, a Director of the Board wishing to move a Motion shall send a written notice to the Chief Executive who will ensure that it is brought to the immediate attention of the Chair.
- 4.5.2 The notice shall be delivered at least fifteen (15) clear working days before the meeting. The Chief Executive shall include in the Agenda for the meeting all notices so received that are in order and permissible under governing regulations. This Standing Order shall not prevent any Motion being withdrawn or moved without notice on any business mentioned on the Agenda for the meeting.

4.6 Emergency Motions

- 4.6.1 Subject to the agreement of the Chair, and subject also to the provision of Standing Order 4.7 “Motions: Procedure at and during a Meeting,” a Director of the Board may give written notice of an emergency Motion after the issue of the notice of meeting and Agenda, up to one hour before the time fixed for the meeting. The notice shall state the grounds of urgency. If in order, it shall be declared to the Board of Directors at the commencement of the business of the meeting as an additional item included in the Agenda. The Chair’s decision to include the item shall be final.

4.7 Motions: Procedure at and during a Meeting

- 4.7.1 **Who may propose a Motion:** A Motion may be proposed by the Chair of the meeting or any Director present. It must also be seconded by another Director.
- 4.7.2 **Contents of Motions:** The Chair may exclude from the debate at their discretion any such Motion of which notice was not given on the notice summoning the meeting other than a Motion relating to:
- (a) the reception of a report;
 - (b) consideration of any item of business before the Board of Directors;
 - (c) the accuracy of minutes;
 - (d) that the Board proceed to next business;
 - (e) that the Board adjourn;
 - (f) that the question be now put.
- 4.7.3 **Amendments to Motions:** A Motion for amendment shall not be discussed unless it has been proposed and seconded. Amendments to Motions shall be moved relevant to the Motion and shall not have the effect of negating the Motion before the Board of Directors. If there are a number of amendments, they shall be considered one at a time. When a Motion has been amended, the amended Motion shall

become the substantive Motion before the meeting, upon which any further amendment may be moved.

4.7.4 **Rights of Reply to Motions:**

- (a) **Amendments:** The mover of an amendment may reply to the debate on their amendment immediately prior to the mover of the original Motion, who shall have the right of reply at the close of debate on the amendment, but may not otherwise speak on it.
- (b) **Substantive/Original Motion:** The Director who proposed the substantive Motion shall have a right of reply at the close of any debate on the Motion.

4.7.5 **Withdrawal of a Motion or Amendments:** A Motion, or an amendment to a Motion, may be withdrawn.

4.7.6 **Motions Once Under Debate:** When a Motion is under debate, no Motion may be moved other than:

- (a) an amendment to the Motion;
- (b) the adjournment of the discussion, or the meeting;
- (c) that the meeting proceed to the next business;
- (d) that the question should be now put;
- (e) the appointment of an “ad hoc” committee to deal with a specific item of business;
- (f) that a Director be not further heard;
- (g) a Motion resolving to exclude the public, including the press (see Standing Order 4.17).

In those cases where the Motion is either that the meeting proceeds to the “next business” or “that the question be now put” in the interests of objectivity these should only be put forward by a Director of the Board who has not taken part in the debate and who is eligible to vote.

If a Motion to proceed to the next business or that the question be now put is carried, the Chair should give the mover of the substantive Motion under debate a right of reply, if not already exercised. The matter should then be put to the vote.

4.8 **Motion to Rescind a Resolution**

4.8.1 Notice of Motion to rescind any Resolution (or the general substance of any Resolution) which has been passed within the preceding six (6) calendar months shall bear the signature of the Director who gives it and also the signature of three (3) other Directors, and before considering any such Motion of which notice shall have been given, the Board of Directors may refer the matter to any appropriate Committee or the Chief Executive for recommendation.

4.8.2 When any such Motion has been dealt with by the Board of Directors, it shall not be competent for any Director other than the Chair to propose a Motion to the same

effect within six (6) months. This Standing Order shall not apply to Motions moved in pursuance of a report or recommendations of a Committee or the Chief Executive.

4.9 Chair of Meeting

4.9.1 At any meeting of the Board of Directors the Chair, if present, shall preside. If the Chair is absent from the meeting, the Deputy Chair (if the Council of Governors has appointed one), if present, shall preside.

4.9.2 If the Chair and Deputy Chair are absent, a Non-Executive Director as the Directors present shall choose shall preside.

4.10 Chair's Ruling

4.10.1 The decision of the Chair of the meeting on questions of order, relevancy and regularity (including procedure on handling Motions) and their interpretation of the Standing Orders and Standing Financial Instructions, at the meeting, shall be final.

4.11 Quorum

4.11.1 No business shall be transacted at a meeting unless at least one-third of the whole number of the Chair and Directors (including at least one Non-Executive Director and one Executive Director) is present.

4.11.2 An Officer in attendance for an Executive Director but without formal acting-up status may not count towards the quorum.

4.11.3 If the Chair or Director has been disqualified from participating in the discussion on any matter and/or from voting on any Resolution by reason of a declaration of a conflict of interest (see Standing Order 8), that person shall no longer count towards the quorum. If a quorum is then not available for the discussion and/or the passing of a Resolution on any matter, that matter may not be discussed further or voted upon at that meeting. Such a position shall be recorded in the minutes of the meeting. The meeting must then proceed to the next business.

4.12 Voting

4.12.1 Save as provided in Standing Orders 4.13 – Suspension of Standing Orders and 4.14 – Variation and Amendment of Standing Orders, every question put to a vote at a meeting shall be determined by the majority of the votes of Directors present and voting on the question. In the case of an equal vote, the person presiding (i.e., the Chair of the meeting) shall have a casting vote.

4.12.2 At the discretion of the Chair, all questions put to the vote shall be determined by oral expression or by a show of hands, unless the Chair directs otherwise or it is proposed, seconded and carried that a vote be taken by paper ballot.

4.12.3 If at least one third of the Directors present so request, the voting on any question may be recorded so as to show how each Director present voted or did not vote (except when conducted by paper ballot).

4.12.4 If a Director so requests, their vote shall be recorded by name.

4.12.5 In no circumstances may an absent Director vote by proxy. Absence is defined as being absent at the time of the vote.

4.12.6 A manager who has been formally appointed to act up for an Executive Director of the Board of Directors during a period of incapacity or temporarily to fill an Executive Director vacancy shall be entitled to exercise the voting rights of the Executive Director.

4.12.7 A manager attending the Board of Directors meeting to represent an Executive Director of the Board of Directors during a period of incapacity or temporary absence without formal acting-up status may not exercise the voting rights of the Executive Director. An Officer's status when attending a meeting shall be recorded in the minutes.

4.12.8 For the voting rules relating to joint members see Standing Order 6.

4.13 Suspension of Standing Orders

4.13.1 Except where this would contravene any provision of the Constitution or licence conditions, any statutory provision or direction given by Monitor or the rules relating to the Quorum (Standing Order 4.11), any one or more of the Standing Orders may be suspended at any meeting, provided that at least two-thirds of the whole number of the Directors of the Board are present (including at least one member who is a Non Executive Director and one Director who is not) and that at least two-thirds of those Directors present signify their agreement to such suspension. The reason for the suspension shall be recorded in the Board of Directors' minutes.

4.13.2 A separate record of matters discussed during the suspension of Standing Orders shall be made and shall be available to the Chair and Directors of the Board of Directors.

4.13.3 No formal business may be transacted while Standing Orders are suspended.

4.13.4 The Audit and Risk Assurance Committee shall review every decision to suspend Standing Orders.

4.14 Variation and Amendment of Standing Orders

4.14.1 Subject to paragraph **Error! Reference source not found.** of the Constitution, these Standing Orders shall not be varied unless:

- (a) a notice of Motion under Standing Order 4.5 has been given;
- (b) a recommendation of the Chair or Chief Executive is included on the Agenda for the meeting;
- (c) that two-thirds of the Board of Directors are present at the meeting where the variation or amendment is being discussed, and that at least half of the Trust's Non-Executive Directors present vote in favour of the amendment; and
- (d) any variation or amendment does not contravene a statutory provision or direction made by the Secretary of State or Monitor.

4.15 Record of Attendance

4.15.1 The names of the Directors present at the meeting shall be recorded in the minutes.

4.16 Minutes

4.16.1 The minutes of the proceedings of a meeting shall be drawn up and submitted for agreement at the next ensuing meeting where they shall be signed by the person presiding at it.

4.16.2 No discussion shall take place upon the minutes except upon their accuracy or where the Chair considers discussion appropriate.

4.17 Admission of Public and the Press

4.17.1 Meetings of the Board of Directors shall be held in public unless the Chair in their absolute discretion determines that any meeting of the Board of Directors shall be held in private. (Standing Orders 3.6.3 and 4.11 refer.) Where meetings are to be held in public, the following will apply:

- (a) Admission and exclusion on grounds of confidentiality of business to be transacted

The public and representatives of the press may attend meetings of the Board of Directors and shall be required to withdraw upon the Board of Directors resolving as follows:

that representatives of the press and other members of the public be excluded from the remainder of this meeting having regard to the confidential nature of the business to be transacted, publicity on which would be prejudicial to the public interest."

- (b) General Disturbances

The Chair (or Deputy Chair if one has been appointed) or the person presiding over the meeting shall give such directions as they think fit with regard to the arrangements for meetings and accommodation of the public and representatives of the press such as to ensure that the Trust's business shall be conducted without interruption and disruption and, without prejudice to the power to exclude on grounds of the confidential nature of the business to be transacted, the public will be required to withdraw upon the Board of Directors resolving as follows:

"That in the interests of public order the meeting adjourn for (the period to be specified) to enable the Board of Directors to complete its business without the presence of the public."

- (c) Business proposed to be transacted when the press and public have been excluded from a meeting

Matters to be dealt with by the Board of Directors following the exclusion of representatives of the press and other members of the public as provided in Standing Orders 4.17.1(a) and 4.17.1(b) above, shall be confidential to the members of the Board.

Members and Officers or any employee of the Trust in attendance shall not reveal or disclose the contents of papers marked "In Confidence" or minutes

headed "Items Taken in Private" outside of the Trust, without the express permission of the Trust. This prohibition shall apply equally to the content of any discussion during the Board meeting which may take place on such reports or papers.

- (d) Use of Mechanical or Electrical Equipment for Recording or Transmission of Meetings

Nothing in these Standing Orders shall be construed as permitting the introduction by the public, or press representatives, of recording, transmitting, video or similar apparatus into meetings of the Trust or Committee thereof. Such permission shall be granted only upon Resolution of the Trust.

4.18 Observers at Board of Directors' Meetings

- 4.18.1 The Board of Directors will decide what arrangements and terms and conditions it feels are appropriate to offer in extending an invitation to observers to attend and address any of the Board of Directors' meetings and may change, alter or vary these terms and conditions as it deems fit.

4.19 Confidentiality

- 4.19.1 Governors, Directors, Officers or any employee or representative of the Trust in attendance at a private meeting or private part of any meeting, shall not reveal or disclose the contents of the papers, discussions or minutes of the items taken in private, outside the Board of Directors' meetings without the express permission of the Board of Directors and any such occurrence will be treated as a potential breach of the relevant Governor / Director Code of Conduct.

5 APPOINTMENT OF COMMITTEES AND SUBCOMMITTEES

5.1 Appointment of Committees

- 5.1.1 The Board of Directors may appoint committees of the Board of Directors comprising wholly of Directors.
- 5.1.2 The Board of Directors shall determine the membership and terms of reference of committees and subcommittees and shall, if it requires to, receive and consider reports of such committees.

5.2 Applicability of Standing Orders and Standing Financial Instructions to Committees

- 5.2.1 These Standing Orders and the Standing Financial Instructions of the Trust, as far as they are applicable, shall as appropriate apply to meetings and any committees established by the Trust including the Board of Directors. In which case the term "Chair" is to be read as a reference to the Chair of other committees as the context permits, and the term "member" is to be read as a reference to a member of other committee also as the context permits. (There is no requirement to hold meetings of committees established by the Trust in public.)

5.3 Terms of Reference

5.3.1 Each such committee shall have such terms of reference and powers and be subject to such conditions (as to reporting back to the Board of Directors) as the Board of Directors shall decide and shall be in accordance with any legislation and regulation or direction issued by Monitor. Such terms of reference shall have effect as if incorporated into these Standing Orders.

5.4 Delegation of Powers by Committees to Subcommittees

5.4.1 Where committees are authorised to establish subcommittees, they may not delegate executive powers to the subcommittee unless expressly authorised by the Board of Directors.

5.5 Approval of Appointments to Committees

5.5.1 The Board of Directors shall approve the appointments to each of the committees which it has formally constituted.

5.6 Appointments for Statutory Functions

5.6.1 Where the Board of Directors is required to appoint persons to a committee and/or to undertake statutory functions as required by Monitor and where such appointments are to operate independently of the Board of Directors, such appointment shall be made in accordance with the regulations and directions laid down by Monitor.

5.7 Committees Established by the Board of Directors

5.7.1 The committees and subcommittees established by the Board of Directors are:

- (a) Remuneration and Nomination Committee;
- (b) Audit and Risk Committee;
- (c) Quality and Patient Safety Committee;
- (d) People & Organisational Development Committee;
- (e) Finance and Performance Committee; and
- (f) Charitable Funds Committee.

See terms of reference for the roles and responsibilities of committees.

5.7.2 In addition the Board of Directors will establish such other committees and subcommittees as it deems necessary to exercise its functions under Standing Order 3.6.

5.7.3 For the avoidance of doubt the terms of reference for such joint working groups of the Board of Directors and the Council of Governors will be agreed jointly by the Board of Directors and the Council of Governors.

5.7.4 The provisions of this Standing Order must be read in conjunction with Standing Order 3.6.

6 ARRANGEMENTS FOR THE EXERCISE OF TRUST FUNCTIONS BY DELEGATION

6.1 Delegation of Functions to Committees, Officers or Other Bodies

- 6.1.1 The Board of Directors may make arrangements for the exercise, on behalf of the Board of Directors, of any of its functions by a committee, or subcommittee appointed by virtue of Standing Order 5 or by an Executive Director, in each case subject to such restrictions and conditions as the Board of Directors thinks fit.

6.2 Emergency Powers and Urgent Decisions

- 6.2.1 The powers which the Board of Directors has reserved to itself within these Standing Orders (see Standing Order 3.7) may in emergency or for an urgent decision be exercised by the Chief Executive and the Chair after having consulted at least two Non-Executive Directors. The exercise of such powers by the Chief Executive and Chair shall be reported to the next formal meeting of the Board of Directors for formal ratification.

6.3 Delegation to Committees

- 6.3.1 The Board of Directors shall agree from time to time to the delegation of executive powers to be exercised by other committees, or subcommittees which it has formally constituted. The Constitution and terms of reference of these committees, or subcommittees and their specific executive powers shall be approved by the Board of Directors in respect of its subcommittees.

6.4 Delegation to Officers

- 6.4.1 Those functions of the Trust which have not been retained as reserved by the Board of Directors or delegated to other committee or subcommittee shall be exercised on behalf of the Trust by the Chief Executive. The Chief Executive shall determine which functions they will perform personally and shall nominate Officers to undertake the remaining functions for which they will still retain accountability to the Trust.
- 6.4.2 The Chief Executive shall prepare a Scheme of Delegation identifying their proposals which shall be considered and approved by the Board of Directors. The Chief Executive may periodically propose amendment to the Scheme of Delegation which shall be considered and approved by the Board of Directors.
- 6.4.3 Nothing in the Scheme of Delegation shall impair the discharge of the direct accountability to the Board of Directors of the Director of Finance to provide information and advise the Board of Directors in accordance with statutory, Secretary of State or Monitor's requirements. Outside these statutory requirements, the roles of the Director of Finance shall be accountable to the Chief Executive for operational matters.

6.5 Schedule of Matters Reserved to the Trust and Scheme of Delegation of Powers

- 6.5.1 The arrangements made by the Board of Directors as set out in the "Schedule of Matters Reserved to the Board" and "Scheme of Delegation" of powers shall have effect as if incorporated in these Standing Orders.

6.6 Duty to Report Non-Compliance with Standing Orders and Standing Financial Instructions

- 6.6.1 If for any reason these Standing Orders are not complied with, full details of the non-compliance and any justification for non-compliance and the circumstances around the non-compliance shall be reported to the next formal meeting of the Board of Directors for action or ratification. All Directors of the Board and staff have a duty to disclose any non-compliance with these Standing Orders to the Chief Executive as soon as possible.

7 OVERLAP WITH OTHER TRUST POLICY STATEMENTS/PROCEDURES, REGULATIONS AND THE STANDING FINANCIAL INSTRUCTIONS

7.1 Policy Statements: General Principles

- 7.1.1 The Board of Directors will from time to time agree and approve Policy statements/procedures which will apply to all or specific groups of staff employed by the Trust. The decision to approve such policies and procedures will be recorded in an appropriate Board of Directors' Minute and will be deemed where appropriate to be an integral part of the Trust's Standing Orders and Standing Financial Instructions.

7.2 Specific Policy Statements

- 7.2.1 Notwithstanding the application of Standing Order 7.1 above, these Standing Orders and any Standing Financial Instructions must be read in conjunction with the following Policy statements:

- (a) The Standards of Business Conduct Policy;
- (b) The Staff Disciplinary and Appeals Procedures adopted by the Trust, both of which shall have effect as if incorporated in these Standing Orders.

7.3 Standing Financial Instructions

- 7.3.1 Standing Financial Instructions adopted by the Board of Directors in accordance with the relevant financial regulations shall have effect as if incorporated in these Standing Orders.

7.4 Specific Guidance

- 7.4.1 Notwithstanding the application of Standing Order 7.1 above, these Standing Orders and Standing Financial Instructions must be read in conjunction with the following guidance and any other issued by the Secretary of State for Health or Monitor:

- (a) Standards of Business Conduct Policy;
- (b) Caldicott Guardian 2006;
- (c) Human Rights Act 1998;
- (d) Freedom of Information Act 2000.

8 DUTIES AND OBLIGATIONS OF BOARD OF DIRECTORS AND SENIOR MANAGERS UNDER THESE STANDING ORDERS

8.1 Declaration of Interests

Requirements for Declaring Interests and Applicability to Board of Directors

Board Directors shall declare interests which are pecuniary (which includes monetary) personal or family interests that they have and which are relevant to the Trust. All existing Board Directors should declare such interests. Any Board Director appointed subsequently should do so on appointment. A nil return should be submitted as such.

Interests which should be declared pursuant to 8.1.1 above include:

- (a) Directorships, including non-executive directorships held in private companies or public limited companies (with the exception of those of dormant companies).
- (b) Ownership or part-ownership of private companies, businesses or consultancies likely or possibly seeking to do business with the NHS.
- (c) Majority or controlling share holdings in organisations likely or possibly seeking to do business with the NHS.
- (d) A position of authority in a charity or Voluntary Organisation in the field of health and social care.
- (e) Any connection with a voluntary or other organisation contracting for NHS Services.
- (f) Any substantial or influential connection with an organisation, entity or company considering entering into or having entered into a financial arrangement with the Trust, including but not limited to lenders or banks.
- (g) Any other commercial interest in the decision before the meeting.
- (h) Research funding/grants that may be received by an individual or their department.
- (i) Interests in pooled funds that are under separate management

For the avoidance of doubt, any Director of the Board of Directors who comes to know that the Trust has entered into or proposes to enter into a contract in which they or any person connected with them (including those persons who are referred to in Standing Order 8.3 below and elsewhere) has any pecuniary interest, direct or indirect, the Director shall declare their interest by giving notice in writing of such fact to the Trust as soon as practicable. A nil return should be submitted as such.

8.1.3 Advice on Interests

If Directors have any doubt about the relevance of an interest, this should be discussed with the Chair of the Trust or with the Company Secretary.

Financial Reporting Standard No. 8 (issued by the Accounting Standards Board) specifies that influence rather than the immediacy of the relationship is more important in assessing the relevance of an interest. The interests of partners in professional partnerships including general practitioners should also be considered.

8.1.4 Publication of Declared Interests in Annual Report

Board of Directors' directorships of companies likely or possibly seeking to do business with the NHS should be published in the Trust's Annual Report. The information should be kept up to date for inclusion in succeeding Annual Reports.

Conflicts of Interest which arise during the course of a Meeting

During the course of a Board of Directors' meeting, if a conflict of interest is established, the Director concerned should withdraw from the meeting and play no part in the relevant discussion or decision. (See overlap with Standing Order 8.3.)

8.2 Register of Interests

8.2.1 The Chief Executive will ensure that a Register of Interests is established to formally record declarations of interests of Board or Committee Members. In particular, the Register will include details of all interests (as defined in Standing Order 8.1) which have been declared by both Executive and Non-Executive Directors.

8.2.2 These details will be kept up to date by means of an annual review of the Register in which any changes to interests declared during the preceding twelve (12) months will be incorporated.

8.2.3 The Register will be available to the public during normal office hours and the Chief Executive will take reasonable steps to bring the existence of the Register to the attention of local residents and to publicise arrangements for viewing it during normal office hours.

8.3 Exclusion of Chair and Members in proceedings on account of Pecuniary Interest

8.3.1 Definition of Terms used in interpreting "Pecuniary" Interest

For the sake of clarity, the following definition of terms is to be used in interpreting Standing Orders:

- (a) "Spouse" shall include any person who lives with another person in the same household (and any pecuniary interest of one spouse shall, if known to the other spouse, be deemed to be an interest of that other spouse);
- (b) "Contract" shall include any proposed contract or other course of dealing.
- (c) "Pecuniary Interest"

Subject to the exceptions set out in this Standing Order, a person shall be treated as having an indirect pecuniary interest in a contract if:

- (i) they, or a nominee of theirs, is a member of a company or other body (not being a public body), with which the contract is made, or to be made or which has a direct pecuniary interest in the same, or
- (ii) they are a partner, associate or employee of any person with whom the contract is made or to be made or who has a direct pecuniary interest in the same.

and in the case of family or close personal relationships the interest of one party shall, if known to the other, be deemed for the purposes of these Standing Orders to be also an interest of the other.

(d) **Exception to Pecuniary Interests**

A person shall not be regarded as having a pecuniary interest in any contract if:

- (i) neither they or any person connected with them has any beneficial interest in the securities of a company of which they or such person appears as a member, or
- (ii) any interest that they or any person connected with them may have in the contract is so remote or insignificant that it cannot reasonably be regarded as likely to influence them in relation to considering or voting on that contract, or
- (iii) those securities of any company in which they (or any person connected with them) has a beneficial interest do not exceed £5,000 in nominal value or one percent of the total issued share capital of the company or of the relevant class of such capital, whichever is the less.

Provided, however, that where Paragraph (iii) above applies, the person shall nevertheless be obliged to disclose/declare their interest in accordance with Standing Order 8.1.2.

8.3.2 Exclusion in Proceedings of the Board of Directors

- (a) Subject to the following provisions of this Standing Order, if the Chair or a Director of the Board of Directors has any pecuniary interest, direct or indirect, in any contract, proposed contract or other matter and is present at a meeting of the Board of Directors at which the contract or other matter is the subject of consideration, they shall at the meeting and as soon as is practicable after its commencement disclose the fact and shall not take part in the consideration or discussion of the contract or other matter or vote on any question with respect to it.
- (b) Monitor may, subject to such conditions as it thinks fit to impose, remove any disability imposed by this Standing Order in any case in which it appears to it in the interests of the National Health Service that the disability should be removed.
- (c) The Board of Directors may exclude the Chair or a Director of the Board from a meeting of the Board of Directors while any contract, proposed contract or other matter in which they have a pecuniary interest is under consideration.

- (d) Any remuneration, compensation or allowance payable to the Chair or a Director shall not be treated as pecuniary interest for the purpose of this Standing Order.
- (e) This Standing Order applies to a committee or subcommittee and to a joint committee or subcommittee as it applies to the Trust and applies to a member of any such committee or subcommittee (whether or not they are also a Director of the Trust) as it applies to a Director of the Trust.

8.4 Standards of Business Conduct

8.4.1 Trust Policy and National Guidance

All Trust staff and members of the Board of Directors must comply with the Trust's Standards of Business Conduct Policy (see Standing Order 7.2).

Interests of Officers in Contracts

- (a) Any Officer or employee of the Trust who comes to know that the Trust has entered into or proposes to enter into a contract in which they or any person connected with them (as defined in Standing Order 8.3) has any pecuniary interest, direct or indirect, the Officer shall declare their interest by giving notice in writing of such fact to the Chief Executive or Company Secretary as soon as practicable.
- (b) An Officer should also declare to the Chief Executive any other employment or business or other relationship of theirs, or of a cohabiting spouse, that conflicts, or might reasonably be predicted could conflict with the interests of the Trust.
- (c) The Trust will require interests, employment or relationships so declared to be entered in a register of interests of staff.

8.4.3 Canvassing of and Recommendations by Members in relation to Appointments

- (a) Canvassing of Directors of the Trust or of any committee of the Trust directly or indirectly for any appointment under the Trust shall disqualify the candidate for such appointment. The contents of this paragraph of the Standing Order shall be included in application forms or otherwise brought to the attention of candidates.
- (b) Directors of the Trust shall not solicit for any person any appointment under the Trust or recommend any person for such appointment; but this paragraph of this Standing Order shall not preclude a Director from giving written testimonial of a candidate's ability, experience or character for submission to the Trust.

8.4.4 Relatives of Directors or Officers

- (a) Candidates for any staff appointment under the Trust shall, when making an application, disclose in writing to the Trust whether they are related to or have any relationship with any Director or the holder of any office under the Trust. Failure to disclose such a relationship shall disqualify a candidate and, if appointed, render them liable to instant dismissal.

- (b) The Chair and every Director and Officer of the Trust shall disclose to the Board of Directors any relationship between themselves and a candidate of whose candidature that Director or Officer is aware. It shall be the duty of the Chief Executive to report to the Board of Directors any such disclosure made.
- (c) On appointment, Directors (and prior to acceptance of an appointment in the case of Executive Directors) should disclose to the Trust whether they are related to any other Director or holder of any office under the Trust.
- (d) Where the relationship to a Director of the Trust is disclosed, the Standing Order headed "Disability of Chair and Directors in proceedings on account of pecuniary interest" (Standing Order 8) shall apply.

9 CUSTODY OF SEAL, SEALING OF DOCUMENTS AND SIGNATURE OF DOCUMENTS

9.1 Custody of Seal

The common seal of the Trust shall be kept in a secure place by the Company Secretary.

9.2 Sealing of Documents

Where it is necessary that a document shall be sealed, the seal shall be affixed in the presence of two (2) Executive Directors or an Executive Director and the Chair duly authorised by a Resolution of the Board or of a Committee of the Board (where the Board has delegated its power) and shall be attested by them.

9.3 Register of Sealing

The Chief Executive shall keep a register in which they or another manager of the Trust authorised by them, shall enter a record of the sealing of every document.

9.4 Signature of Documents

Where any document will be a necessary step in legal proceedings on behalf of the Trust it shall, unless any enactment otherwise requires or authorises, be signed by the Chief Executive or any Executive Director.

In land transactions, the signing of certain supporting documentation will be delegated to managers and set out clearly in the Scheme of Delegation but will not include the main or principal documents effecting the transfer (e.g., sale/purchase agreement, lease, contracts for construction works and main warranty agreements or any document which is required to be executed as a deed).

10 RESOLUTION OF DISPUTES WITH THE COUNCIL OF GOVERNORS

- 10.1 Should a dispute arise between the Council of Governors and the Board of Directors, then the disputes resolution procedure set out below should be followed.
- 10.2 The Chair, or Deputy Chair or Senior Independent Director (if the dispute involves the Chair) as appropriate, shall first endeavour through discussion with Governors and Directors or appropriate representatives of them, to achieve the earliest possible conclusion to resolve the matter to the reasonable satisfaction of both parties.

- 10.3 Failing resolution under Standing Order 10.2 above, then the Board of Directors or the Council of Governors, as appropriate, shall at its next formal meeting approve the precise wording of a Disputes Statement setting out clearly and concisely the issue or issues giving rise to the dispute.
- 10.4 The Chair, or Deputy Chair or Senior Independent Director (if the dispute involves the Chair) as appropriate, shall ensure that the Disputes Statement, without amendment or abbreviation in any way, shall be an agenda item and agenda paper at the next formal meeting of the Board of Directors or the Council of Governors as appropriate. That meeting shall agree the precise wording of a Response to Disputes Statement.
- 10.5 The Chair, or Deputy Chair or Senior Independent Director (if the dispute involves the Chair) as appropriate, shall immediately, or as soon as is practical, communicate the outcome to the other party and deliver the written Response to Disputes Statement. If the matter remains unresolved or only partially resolved then the procedure outlined in Standing Order 10.2 above shall be repeated.
- 10.6 If, in the opinion of the Chair, or Deputy Chair or Senior Independent Director (if the dispute involves the Chair) as appropriate, and following the further discussions prescribed in Standing Order 10.2, there is no further prospect of a full resolution or, if at any stage in the whole process, in the opinion of the Chair, or Deputy Chair or Senior Independent Director (if the dispute involves the Chair) as appropriate, as the case may be, there is no prospect of a resolution (partial or otherwise), then they shall advise the Council of Governors and the Board of Directors accordingly.
- 10.7 On the satisfactory completion of this disputes process the Board of Directors shall implement the agreed changes.
- 10.8 On the unsatisfactory completion of this disputes process the view of the Board of Directors shall prevail.
- 10.9 Nothing in this procedure shall prevent the Council of Governors, if it so desires, from informing Monitor that, in the Council of Governors' opinion, the Board of Directors has not responded constructively to concerns of the Council of Governors and that the Trust is not meeting the conditions of its licence.



**East Suffolk and
North Essex**
NHS Foundation Trust

**SCHEDULE OF MATTERS RESERVED
FOR THE COUNCIL OF GOVERNORS
AND BOARD OF DIRECTORS**

July 2018

**Company Secretary
Colchester General
Hospital
Turner Road
Colchester
CO4 5JL**

Tel: 01206 742648

CONTENTS

Introduction

The Code of Governance requires that there should be a formal schedule of matters specifically reserved to the Board of Directors. The Schedule of Matters Reserved for the Board of Directors should include a clear statement detailing the role and responsibilities of the Council of Governors. The purpose of this document is to define those powers specifically reserved to both the Board of Directors and the Council of Governors. However, the Board of Directors remains accountable for all of its functions, including those delegated to the Chair, Chief Executive and Board members, and will therefore receive information about the exercise of delegated functions to enable it to maintain a monitoring role.

Any disagreements between the Council of Governors and Board of Directors should be dealt with following the disputes resolution process as outlined in Section 8 of the Standing Orders for the Practice and Procedure of the Council of Governors and Section 10 for the Practice and Procedure of the Board of Directors.

All powers of the Foundation Trust which have not been retained as reserved by the Board of Directors or delegated to a committee shall be exercised on behalf of the Board of Directors by the Chief Executive. The Scheme of Delegation identifies those functions to be performed by the Chief Executive and those which are delegated to other Board members and officers.

In the absence of the Chief Executive the powers delegated to him/her may be exercised by the Chair after taking appropriate advice from the Director of Finance.

Key

2006 refers to the NHS Act 2006

2012 refers to the Health and Social Care Act 2012

FT refers to the FT Code of Governance (July 2014)

Con refers to the Trust's Constitution

References to Audit, Remuneration, Quality and Patient Safety, Finance and Performance, People and Organisation Development, are to the Board of Directors' committee which will consider the item and make recommendations to the board for its final decision

Reference to the Appointment and Performance (A&P) committee refers to the Council of Governors' committee which will consider the

item and make recommendations to the Council for its final decision.

Ref	Matter reserved to the Board	Source	CoG	BoD	Committee Review
	General Enabling Provision				
	The board may determine any matter, for which it has delegated or statutory authority, it wishes in full session within its statutory powers				
1	Strategy and Management				
1.1	Responsibility for the overall leadership of the Trust within a framework of processes, procedures and controls which enable risk to be assessed and managed.	FT A1		X	
1.2	Responsibility for ensuring compliance with its provider licence, constitution, mandatory guidance issued by regulatory bodies, relevant statutory requirements and contractual obligations.	FT A1		X	
1.3	Setting the strategic aims of the Trust and ensuring that the necessary financial and human resources are in place for the Trust to meet its objectives and review management performance	FT A1		X	After consulting with Governors
1.4	Settling the Trust's vision, values and standards and ensure its obligations to members, patients and other stakeholders as understood, clearly communicated and met	FT A1, E1		X	After consulting with Governors
1.5	Approval of an annual business plan, setting out clearly its financial, quality and operating objectives for the NHS Foundation Trust	SFI 3.1 FT C1		X	After consulting with Governors
1.6	Regular review of capacity and capability of the Trust to provide the mandatory goods and services referred to in the Terms of Authorisation and related schedules	SFI 9.1		X	
1.7	Agreeing workforce plans within annual budget	SFI 10.2.1		X	

Ref	Matter reserved to the Board	Source	CoG	BoD	Committee Review
1.8	Oversight of the Trust's operations, ensuring: <ul style="list-style-type: none"> • Competent and prudent management • Sound planning • An adequate system of internal control • Adequate accounting and other records • Compliance with statutory and regulatory obligations 	FT A1 Con 6.3		X	

Schedule of Matters Reserved for the Council of Governors and Board of Directors

Ref	Matter reserved to the Board	Source	CoG	BoD	Committee Review
1.9	The exercise of financial supervision and control by: <ul style="list-style-type: none"> • Formulating the financial strategy • Requiring the submission and approval of budgets within approved allocations/overall income • Defining and approving essential features in respect of important procedures and financial systems (including the need to obtain value for money) 	SFIs 1.3.1		X	
1.10	Review of performance in the light of the Trust's strategy, objectives, business plans and budgets and ensuring that any necessary corrective action is taken	FT A1		X	
1.11	Ensuring the quality and safety of healthcare services, education, training and research delivered by the Trust and applying the principles and standards of clinical governance set out by the DH, NHS England, the CQC and other relevant NHS and regulatory bodies	FT A1		X	Quality and Patient Safety
1.12	Extension of the Trust's activities into new business or geographic areas.	2006 (45)-(47)		X	
1.13	Decision to bid for new business with a contract value >£999,999	SFI 8		X	
1.14	Any decision to cease to operate all or any material part of the Trust's business	2006 (45)-(46)		X	With NHSI approval
2	Structure and Organisation				
2.1	Changes to the Trust's Constitution (including Standing Orders for the BoD and CoG)	2006 (37) 2012 (161)	X	X	
2.2	The establishment of Board of Directors' sub-committees, their Terms of Reference and the delegation of authority to them. Monitoring reports from these committees in respect of their exercise of delegated powers	SOs		X	
2.3	The establishment of Council of Governors' Sub-committees and their Terms of Reference	Con 17.5	X		
2.4	The establishment of subsidiary companies, charities, partnerships, joint ventures or other corporate entities linked to or managed by the Trust	2006 46(5)		X	

Schedule of Matters Reserved for the Council of Governors and Board of Directors

Ref	Matter reserved to the Board	Source	CoG	BoD	Committee Review
2.5	Major changes to the Trust's corporate structure, including, but not limited to, acquisitions, mergers, separations or dissolution of the Trust and significant transactions falling within the definition agreed in the Trust's Constitution	2012 (167-171) Con 43		X	
3	Financial and Governance Reporting and Controls				
3.1	Approval of annual report and accounts	Con 40		X	Audit
3.2	Receiving the annual report and accounts, auditor reports and annual reports at a general meeting	Con 41	X		
3.3	Approval of any significant changes in accounting policies or practices	SOs		X	Audit
3.4	Approval of treasury management policies, including external funding (borrowing arrangements), banking arrangements and operating cash management policy	SOs SFI 5.1.2		X	Audit
3.5	Approval of governance and other compliance declarations to NHSI, the CQC and other relevant regulatory bodies, requiring board approval by statute, regulation or under contractual obligations			X	Audit
4	Internal Controls				
4.1	Ensuring maintenance of a sound system of internal control and risk management including <ul style="list-style-type: none"> • Receiving reports on and reviewing the effectiveness of, the Trust's risk and control processes to support its strategy and objectives • Undertaking an annual assessment of these processes • Approving an appropriate statement for inclusion in the annual report 	FT C2		X	Audit
5	Contracts				
5.1	Major capital projects (>£1m). Approval of recommended tender (>£1m)	SFI 7.6.7,7.8		X	Finance
5.2	Contracts which are material strategically or by reason of size, entered into by the Trust [or related subsidiary] in the ordinary course of business, for example, bank borrowings with a repayment period of over one year or acquisitions or disposals of fixed assets above the limits set within the Scheme of Delegation	2006 (45)-(47) SFI 7.11 & 9.4		X	Disposals require Regulator approval

Schedule of Matters Reserved for the Council of Governors and Board of Directors

Ref	Matter reserved to the Board	Source	CoG	BoD	Committee Review
5.3	Contracts of the Trust [or any subsidiary] not in the ordinary course of business, for example loans with a repayment period of over one year or major acquisitions or disposals above the limits set within the Scheme of Delegation	2006 (45)-(47) SFI 12.1		X	Finance
5.4	Major investments [including the acquisition or disposal of interests or more than 5% in the voting shares of any company or the making of any takeover offer]	2006 (45)- (47) SFI 13.3		X	Finance
5.5	Approval of revenue only business cases over £250k	SoD		X	
5.6	Approval of PFI capital procurement	SFI 7.10		X	
5.7	Determination of in-house services to be subject to competitive tendering	SFI 7.15.2		X	
5.8	Agreeing the terms of any contractual joint ventures to which the Trust is party and delegate as required to the Executive Management Committee	SFI 7.15.5		X	
5.9	Approval of applications for merger, acquisition, separation or dissolution	Con 43	X		
5.10	Approval of entering into a significant transaction.	Con 43	X		
6	Communication				
6.1	Approval of resolutions and corresponding documentation to be put forward to governors at a general meeting	SOs		X	
6.2	Ensuring appropriate consultation with members, patients and the local community	FT E1	X	X	
7	Board membership and other appointments				
7.1	Changes to the structure, size and composition of the Council of Governors and membership	2006 (37) 2012 161	X		
7.2	Appointment and removal of the Chair of the board	2006 Sch7 Con 25 FT B2	X		A&P

Ref	Matter reserved to the Board	Source	CoG	BoD	Committee Review
7.3	Appointment and removal of the Chief Executive	2006 Sch7 Con 2.7 FT B2		X	Remuneration
7.4	Approval of the appointment of the Chief Executive at a general meeting	2006 Sch 7 Con 27	X		
7.5	Appointment of Non-Executive Directors to the board	2006 Sch7 Con 25 FT B2	X		A&P
7.6	Appointment of the Senior Independent Director	FT A3.3		X	In consultation with Council of Governors
7.7	Appointment, reappointment or removal of the external auditor	2006 Sch7	X		
8	Remuneration				
8.1	Determining the remuneration and term of office of the non-executive directors	2006 (Sch 7)	X		GNR
9	Delegation of authority				
9.1	The division of responsibilities between the Chair, Chief Executive and other executive directors (SFIs and Scheme of Delegation)	SOs		X	Audit Committee
9.2	This schedule of matters reserved for board decisions	SOs		X	
9.3	Ratification of any urgent decisions taken by the Chair	SOs		X	
10	Corporate Governance matters				

Ref	Matter Reserved to the Board	Source	CoG	BoD	Committee Review
10.1	Holding the Non-Executive Directors to account for the performance of the Board of Directors, including ensuring the Board acts so that the Trust does not breach the conditions of its licence.	Con 16	X		
10.2	Undertaking a formal and rigorous review [annually] of its own performance, that of its committees and (for the Board) individual directors	FT B6	X	X	Trust Constitution
10.3	Determining the independence of directors	FT B1		X	
10.4	Considering the balance of interests between members, governors, employees, patients and public	FT E1	X	X	
10.5	Review of the Trust's overall corporate governance arrangements	FT C2		X	Audit
10.6	Establishing the values and standards of conduct for the Trust and its staff and operating a code of conduct that builds on these values	FTA1		X	Audit Committee
10.7	Establishing the visions, values and standards of conduct for the governors and members and operating a code of conduct that builds on these values	SOs	X		
11	Policies				
11.1	Approval and ratification of corporate governance documentation: <ul style="list-style-type: none"> • Standing Financial Instructions • Scheme of Delegation • Schedule of Matters Reserved • Standards of Business Conduct policy • Use of Trust Seal 	Con SOs		X	
11.2	Ratification of corporate policies where the Board has overarching responsibility for ensuring compliance with statutory and regulatory obligations (but not limited to): <ul style="list-style-type: none"> • Complaints and Concerns • Development and Management of Trust-wide Procedural Documents • Counter fraud • Communication • Overarching Health and Safety policy • Overarching Infection Prevention and Control policy • Information Governance • Risk Management • Treasury Management • Raising Concerns in the Workplace 			X	
12	Other				
12.1	Corporate Trustee for the management of funds held on Trust	SFI 18		X	
12.2	Receipt and approval of the Annual Report for funds held on Trust	SFI 18		X	Charitable

Ref	Matter reserved to the Board	Source	CoG	BoD	Committee Review
12.3	Approval of arrangements relating to the discharge of the Trust's responsibilities as a corporate Trustee for funds held on Trust, including: <ul style="list-style-type: none"> • Appeals >£300k • Expenditure requests >£250k 				Charitable Funds Committee
12.4	Agreement of action on litigation against or on behalf of the Trust with the exception that the authorization of clinical negligence payments is delegated to the Director of Finance			X	
12.5	Requiring and receiving the declaration of Directors' interests which may conflict with those of the Trust and Determine the extent to which that Director may remain involved with the matter under consideration	SOs		X	
12.6	Requiring and receiving the declaration of Governors' interests which may conflict with those of the Trust and determining the extent to which that Director may remain involved with the matter under consideration	SOs	X		

Appendix 1 - Role of the Chair and Chief Executive

Chair	Chief Executive
1. Reporting Lines	
1.1 The Chair reports to the Board of Directors and Council of Governors	1.1 The Chief Executive reports to the Chair (acting on behalf of the Board of Directors) and to the Board of Directors directly.
1.2 The Chair is not responsible for executive matters regarding the Trust's business. Other than the Chief Executive and the Trust Secretary, no executive reports to the Chair, other than through the Board of Directors	1.2 The Chief Executive is responsible for all executive management matters affecting the Trust. All members of executive management report, either directly or indirectly, to him/her.
2. Key Responsibilities	
2.1 The Chair's principal responsibility is the leadership and effective running of the Board of Directors and Council of Governors and that the Board and Council work together effectively.	2.1 The Chief Executive's principal responsibility is running the Trust's business, ensuring its financial obligations and targets are met and has overall responsibility for the Trust's system of internal control.
2.2 The Chair is responsible for ensuring that the Board of Directors and Council of Governors play a full and constructive part in the development and determination of the Trust's strategy and overall commercial objectives.	2.2 The Chief Executive is responsible for proposing and developing the Trust's strategy and overall commercial objectives, which he or she does in close consultation with the Chair and the Board of Directors.
2.3 The Chair is the guardian of Board and Council' decision-making processes.	2.3 The Chief Executive is responsible, with the executive team, for implementing the decisions of the Board of Directors and its Committees.
	2.4 The Chief Executive is accountable to the Board and to the FT's local communities, through governors and members, to Parliament and to NHSI, for ensuring that the Board meets its obligation to perform its functions within the available financial resources.
3. Other Responsibilities	
3.1 Running both the Board of Directors and Council of Governors and setting their agendas.	3.1 Providing input to the Board of Directors' agenda from him or herself and other members of the executive team.
3.2 Ensuring that the agendas of Board and Council take appropriate account of the important issues facing the Trust and the concerns of all board members. There should be an emphasis on strategic, rather than routine, issues. Ensuring that non-executive directors have an input to the Board of Directors' agendas.	3.2 Ensuring that he or she maintains a dialogue with the Chair on the important and strategic issues facing the Trust and proposing Board of Directors' agenda items to the Chair which reflect these

Chair	Chief Executive
<p>3.3 Ensuring that the board and council receive accurate, timely and clear information on:</p> <ul style="list-style-type: none"> • The Trust’s performance • The issues, challenges and opportunities facing the Trust; and • Matters reserved to either the Board or Council for decision <p>3.4 Ensuring, with the advice of the Trust Secretary where appropriate, compliance with both the Boards and Councils’ approved procedures, including the schedule of Matters Reserved for its decision and the Terms of Reference of all committees of Board and Council</p> <p>3.5 Arranging informal meetings of the members of the Board of Directors, including meetings of the non-executive directors at which the executive directors are not present, as required, to ensure sufficient time and consideration is given to complex, contentious or sensitive issues.</p> <p>3.6 Proposing to the Board of Director and/or Council of Governors, in consultation with the Chief Executive, Trust Secretary and committee chairs as appropriate:</p> <ul style="list-style-type: none"> • A schedule of matters reserved to the Board and Council for its decision • Terms of Reference for each committee of Board and Council and • Other policies and procedures of the Board and Council. 	<p>3.3 Ensuring that the executive team gives appropriate priority to providing reports to the Board and Council which contain accurate, timely and clear information.</p> <p>3.4 Ensuring, in consultation with the Chair and the Trust Secretary as appropriate, that he or she and the executive team comply with the Board of Directors’ approved procedures, including the schedule of Matters Reserved to the board for its decision and the Terms of Reference of all committees of the Board of Directors.</p> <p>3.5 Ensuring that the Chair is alerted to forthcoming complex, contentious or sensitive issues affecting the Trust of which she might not otherwise be aware.</p> <p>3.6 Providing an input to the Chair and Trust Secretary as appropriate on changes to the schedule of Matters Reserved to both the Board of Director and/or Council of Governors and the Terms of Reference for each committee of the Board of Director and/or Council of Governors.</p>
<p>3.7 Ensuring there is a properly constituted Remuneration and Nomination committee to oversee the remuneration and appointment of Executive Directors and other senior staff falling within the remit of its terms of reference, that it is chaired by an independent non-executive Chair (if not the Chair of the Trust), and that it has the role of initiating change and succession planning in appointments to the Board of Directors to retain and build an effective and complementary board, and to facilitate the appointment of effective and suitable members and chairs of board committees.</p>	<p>3.7 Providing information and advice on succession planning for the Board of Directors, to the Chair, the Remuneration and Nomination Committee, committees appointing executive directors and other members of the board, particularly in respect of executive directors</p>

Chair	Chief Executive
<p>3.8 Initiating change and succession planning in appointments of partner organisation governors to the Council of Governors.</p> <p>3.9 Proposing, in conjunction with the Governors' Nomination and Remuneration Committee and in consultation with the Board of Directors, non-executive committee and group memberships.</p>	<p>3.9 Serving on committees appointing Executive Directors</p>
<p>3.10 Ensuring that there is effective communication by the Trust with its stakeholders, including by the Chief Executive, Chief Financial Officer and other Directors, so that the members of the Board and Council develop an understanding of the views of the Trust's major stakeholders. Ensuring that constructive relations exist between the executive and non-executive directors, and between the Board of Directors and the Council of Governors.</p> <p>3.11 Taking the lead in providing a properly constructed induction programme for new directors and governors, facilitated by the Trust Secretary.</p> <p>3.12 Taking the lead in identifying and seeking to meet the development needs of individual non-executive directors, governors and Board and Council as a whole, assisted by the Trust Secretary.</p> <p>3.13 Ensuring that the performance of the Board of Directors and/or Council of Governors their committees, and individual non- executive directors are formally and rigorously evaluated at appropriate intervals.</p> <p>3.14 Promoting the highest standards of integrity, probity and corporate governance throughout the Trust and particularly at board level.</p>	<p>3.10 Leading the communication programme with stakeholders.</p> <p>3.11 Providing input to and feedback induction programmes for new directors and ensuring that appropriate management time is made available for the process.</p> <p>3.12 Ensuring that the development needs of the Executive Directors and other senior management reporting to him or her are identified and met.</p> <p>3.13 Ensuring that performance reviews are carried out at least once a year for each of the executive directors. Providing input to and feedback on the wider evaluation process for the Board of Directors.</p> <p>3.14 Promoting and conducting the affairs of the Trust with the highest standards of integrity, probity and corporate governance.</p>
4. Status of this Statement	
4.1 Any amendments to this statement are a Matter Reserved to the Board.	
4.2 This statement is to be annexed to the Chief Executive's Job Description. In the event of any conflict between this statement and the Chief Executive's Job Description in so far as they may relate to his or her role as Chief Executive, this statement shall take precedence.	

Appendix 2 - Governance Arrangements, Roles and Responsibilities of the Council of Governors and Board of Directors

Council of Governors	Board of Directors	Non-Executive Directors ²
Appointment, Removal and Remuneration		
At least 50% elected by members with some appointed directly by partner organisations (NHS Act 2006)	Executive Directors are appointed by the Chair, Chief Executive and Non-Executive Directors Chief Executive is appointed by the Non-Executive Directors and approved by Council of Governors (NHS Act 2006)	Appointed by the Council of Governors in a General Meeting (NHS Act 2006)
Elected members' period of office is three years, with eligibility for re-election at the end of that period (NHS Act 2006). Constitution extends this to all governors and also stipulates a 6 year limit for all governors	Period of office for Chief Executive and Executive Directors decided by the Remuneration and Nomination Committee (Constitution).	Period of office for Chair and non-executive directors agreed in the terms and conditions of office decided by the Council of Governors at a general meeting (Constitution) FT Code of Governance states re-appointment of NEDs should take place at intervals of no more than three years. Any term beyond six years should be subject to annual reappointment. ESNEFT limits this to one 12 month reappointment.
Restrictions on bankrupts and prisoners (NHS Act 2006) Constitution extends this restriction to staff dismissed from healthcare organisations for reasons of probity and dismissed/suspended healthcare professionals.	Must meet NHSI "Fit and Proper Persons" requirements.	Must meet NHSI "Fit and Proper Persons" requirements.

² This column shows the roles and governance arrangements which are specific to the non-executive directors (NEDs). These are additional to the duties that the NEDs share with executive directors as members of the Board of Directors, as shown under the Board of Directors column.

Council of Governors	Board of Directors	Non-Executive Directors²
<p>Trust decides rates of reimbursement for travel and expenses (NHS Act 2006)</p> <p>Governors are not to receive remuneration (NHS Act 2006)</p>	<p>Remuneration and allowances and terms and conditions of office of executive directors determined by non-executive directors in the Remuneration and Nomination committee (NHS Act 2006)</p>	<p>Remuneration and allowances and terms and conditions of office decided by Council of Governors in a general meeting (NHS Act 2006)</p> <p>The Council of Governors should consult external professional advisers to market-test the remuneration levels of the Chair and other non-executives at least once every three years and when they intend to make a large change to the remuneration of a non-executive/Chair.</p>
<p>Not so large as to be unwieldy – of sufficient size for the requirement of its duties. Roles, structure, composition and procedures should be reviewed regularly. (Code of Governance)</p>	<p>Not so large as to be unwieldy – of sufficient size that the balance of skills and experience is appropriate for the requirements of the business and with a strong presence of both executive and non-executive directors (Code of Governance)</p>	
Meetings		
<p>Constitution must provide for meetings of the Council of Governors to be open to members of the public, with exclusions for special reasons (NHS Act 2006)</p> <p>No fewer than three meetings a year and no maximum (Constitution).</p> <p>FT Code states it should meet sufficiently regularly to discharge its duties effectively and a record of attendance supplied to the members on request.</p>	<p>Constitution must provide for meetings of the Board of Directors to be open to members of the public with exclusions for special reasons.</p> <p>No minimum or maximum number of meetings stated in the NHS Act or Constitution.</p> <p>FT Code states it should be sufficiently regular to discharge its duties effectively and a record of attendance supplied to the Board of Governors on request</p>	
<p>Attendance reported in the Annual Report and Accounts</p>	<p>Attendance reported in the Annual Report and Accounts</p>	
<p>The Council of Governors may appoint committees consisting of its members but may not delegate any of its powers</p>	<p>Constitution states that there must be an Audit & Risk Committee, Remuneration and Nomination Committee, Finance and Performance Committee, Quality and Patient</p>	

Council of Governors	Board of Directors	Non-Executive Directors²
to these committees	Safety Committee, People and Organisational Development Committee and Charitable Funds Committee	
Responsibilities		
The Council of Governors is responsible for assuring the performance of the Board of Directors	The Board of Directors is responsible for the direction and performance of the Trust.	
To hold the non-executive directors, individually and collectively to account for the performance of the Board of Directors and to represent the interests of Foundation Trust members and of the public.	The powers of the Trust are to be exercisable by the Board of Directors on its behalf (Constitution), any of which may be delegated to a committee of directors or an Executive Director	
Determining remuneration, allowances and terms of office of Non-Executive Directors in a General meeting (NHS Act 2006)	Determining and declaring the independence (or otherwise) of the NEDs. (Code of Governance)	Determining remuneration, allowances and terms of office of the Chief Executive and Executive Directors (NHS Act 2006)
Approving appointment of Chief Executive(NHS Act 2006)		Appointing and removing Chief Executive (NHS Act 2006). With Chair and Chief Executive, appointing and removing EDs (Constitution)
Appointing and removing the Chair and Non-Executive Directors(NHS Act 2006)		
Appointing and removing the auditor (NHS Act 2006)		An Audit Committee of Non-Executive Directors to perform such monitoring, reviewing and other functions as are appropriate (NHS Act 2006)
To give the views of the Council of Governors to directors for the purposes of the preparation (by directors) of the Trust's annual plan (NHS Act 2006)		
To consider the annual accounts, the auditor's report and the annual report (NHS Act 2006)	Keeping and preparing accounts. Approving the annual accounts, auditors' report and annual report and presenting them to the Council of Governors at a general meeting	

Council of Governors	Board of Directors	Non-Executive Directors²
	Laying the accounts etc. before Parliament and sending copies to the Independent regulator (Constitution)	
To respond as appropriate when consulted by the directors (Constitution)		
To approve amendments to the Constitution	To approve amendments to the Constitution	
Approve an application for a merger, acquisition, separation or dissolution. Approve a board decision to enter into a significant transaction falling within the definition agreed in the Trust's Constitution	Determining any major changes to the Trust's corporate structure, including but not limited, to acquisitions, mergers, separations or dissolution of the Trust and significant transactions falling within the definition agreed in the Trust's Constitution.	
Code of Governance Provisions		
Responsible for representing the interests of NHS Foundation Trust members, partner organisations and the public in the local health economy in the governance of the NHS Foundation Trust.	Collectively responsible for the exercise of the powers and the performance of the NHS Foundation Trust	
Should hold the non-executive directors individually and collectively to account for the performance of the Trust, including ensuring the Board of Directors acts so that the Trust does not breach the conditions of its licence with the regulator	Active leadership of the Trust within a framework of prudent and effective controls	
Regularly feed back information about the Trust, its vision and performance to the constituencies and stakeholder organisations that either elected or appointed them	Compliance with the Trust's terms of authorisation, constitution, mandatory guidance, statutory requirements and contractual obligations	
Discuss and agree with the Board of Directors how they will undertake these and any other additional roles	Setting strategic aims, taking into consideration the views of the Council of Governors, ensuring the necessary financial and human resources are in place and review management performance	
Receive and consider other appropriate	Responsible for ensuring the quality and	

Council of Governors	Board of Directors	Non-Executive Directors²
information, for example clinical and operational data, required to enable it to discharge its duties	safety of healthcare services, education, training and research and applying the principles of clinical governance. Ensuring the Trust exercises its functions effectively, efficiently and economically	
	Setting the Trust's values and standards of conduct and ensuring that its obligations to members, patients and other stakeholders are met	
Must act in the best interests of the NHS Foundation Trust and adhere to its values and code of conduct	Taking decisions objectively in the interests of the Trust	
The Chair is responsible for leadership of the Board and Council but the governors have a responsibility to make the arrangements work and should take the lead in inviting the Chief Executive and other executives and non-executives as appropriate. In these meetings, they may raise questions of the Chair, vice Chair or any other director present about the affairs of the Trust	Within the Board of Directors, all directors have joint responsibility regardless of individual skills or status and all share the same liability. All directors have responsibility to constructively challenge the Decisions of the board.	Non-executive directors have a particular duty to ensure such challenge is made. NEDs should scrutinise the performance of the management in meeting agreed goals and objectives and monitor the reporting of performance. They should satisfy themselves as to the integrity of financial, clinical and other information and that financial and clinical quality controls and systems of risk management are robust and defensible
The governors should establish a policy for engaging with the directors for those circumstances where they have concerns about the performance of the Board of Directors, compliance with the terms of the provider licence or the welfare of the trust. The governors should inform NHSI if the Trust is at risk of breaching the terms of its provider licence if these concerns cannot be resolved locally	The Board of Directors must present a balanced and understandable assessment of the Trust's prospects and position in all public statements and reports to regulators and inspectors. The board must also notify NHSI and the Council of Governors without delay any developments which are likely to effect the assets, liabilities, financial position, financial well-being, healthcare delivery performance or reputation and standing	
Governors should acknowledge the responsibility of the Board of Directors for	The Board of Directors should set out clearly	

Council of Governors	Board of Directors	Non-Executive Directors²
running the Trust and should not try to use their powers to veto board decisions. The Council of Governors should only exercise its power to remove the Chair or any NEDs after exhausting all other means of engagement with the Board of Directors	its financial and operating objectives at least annually	
The Council of Governors should take the lead in agreeing with the Audit Committee the criteria for appointing, reappointing and removing auditors		The Audit Committee should make recommendations to the Council of Governors, in relation to the appointment, reappointment, removal of the external auditor and approve the remuneration of the external auditor
	The Board of Directors should appropriately consult and involve members, patients, clients and the local community. It is responsible for ensuring a satisfactory dialogue is in place with its stakeholders	The Chair (and SID and other directors as appropriate) should maintain sufficient contact with governors to understand their issues and concerns
	The Board of Directors is responsible for ensuring an effective mechanism for communication between governors and members. Contact procedures for members that wish to communicate with governors and directors should be available within the Trust web-site and annual report	The Chair should ensure that the views of governors and members are communicated to the Board of Directors as a whole. The Chair should discuss the affairs of the Trust with the governors. The Council of Governors may require one or more of the directors to attend a meeting for the purposes of obtaining information about the trust's performance of its functions or the directors' performance of their duties. The SID should attend sufficient meetings with governors to listen to their views in order to help develop a balanced understanding of the issues and concerns of governors
Conflicts of Interest		
Must disclose pecuniary interests in any contract etc which is under consideration by the board	Must disclose pecuniary interests in any contract etc which is under consideration by the board	Must disclose pecuniary interests in any contract etc which is under consideration by the board

CONTENTS

SCHEME OF DELEGATION

Delegated matters in respect of decisions which may have a far reaching effect must be reported to the Chief Executive. The delegation shown below is the lowest level to which authority is delegated. Delegation to lower levels is only permitted with written approval of the Chief Executive who will, before authorising such delegations, consulting with other Senior Officers as appropriate. All items concerning Finance must be carried out in accordance with Standing Financial Instructions and Standing Orders of the Board of Directors.

REF	DELEGATED MATTER	AUTHORITY DELEGATED TO	SFI PARA
1	BUSINESS PLANNING, BUDGETS, BUDGETARY CONTROL AND REVENUE BUSINESS CASES		
1.1	Preparation & Approval of Plans & Budgets		
1.1.1	Approval of Annual Plan and Budget	Board of Directors	3.1
1.1.2	Compilation and submission of Annual Plan to Board of Directors taking into account financial targets, forecast limits of available resources, assumptions on which plan is based and details of major changes to achieve plan	Chief Executive	3.1.1
1.1.3	Preparation and submission of budgets for approval by the Board of Directors prior to start of financial year	Director of Finance	3.1.2
1.1.4	Monitor financial performance against budget and plan, and advise Board of Directors	Director of Finance	3.1.3
1.1.5	Provision of information to enable budgets to be compiled	Budget Holders	3.1.4
1.1.6	Budget holders to sign up to their allocated budgets at commencement of each financial year	Director of Finance	3.1.5
1.1.7	Provision of adequate business planning and budget management training on an ongoing basis to budget holders to help them manage successfully	Director of Finance	3.1.6
1.2	Budgetary Delegation		
1.2.1	Responsibility for delegation of the management of revenue budget to permit the performance of a defined range of activities:	Chief Executive	3.2.1 & 11.1.1
	(a) Designation of budget holder	Chief Executive	3.2.1 & 11.1.2
	(b) Responsibility for management of revenue budget at individual budget level	Budget Holder	3.2.2 & 11.1.2
	(c) Responsibility for the totality of activities covered by each Service Division	Divisional Director or nominated Deputy or in their absence Chief Operating Officer	
	(d) Responsibility for the totality of activities covered by Corporate Division	Chief Executive or in their absence relevant Executive Director	
	(e) Responsibility for all other revenue budgetary areas, e.g. reserves, non-recurring budgets	Director of Finance	

1.2.2	Responsibility for delegation of the management of capital budget in line with the approved Capital Programme (See also Scheme of Delegation 11)	Chief Executive	3.4 & 13
	(a) Designation of Budget Holder	Chief Executive	3.2.2 & 3.4
	(b) Responsibility for management of the capital budget at individual budget level	Director of Finance	3.4
1.2.3	Authorisation of budget virement	Finance BP with approval of Director of Finance or Deputy Director of Finance	3.2.3
1.2.4	Authorisation of budget overspend	Director of Finance	
1.3	Approval of Revenue Only Business Cases (See Scheme of Delegation 11 for Capital Business Cases)		
	(a) Up to £250,000	Executive Management Group following recommendation by Director of Finance & Trust Investment Group	
	(b) Over £250,000 (excluding VAT)	Board of Directors following recommendation by the Director of Finance, Chief Executive & Trust Investment Group	
2	ANNUAL ACCOUNTS AND REPORTS		
2.1	Preparation and submission of annual financial reports to Parliament and the Independent Regulator	Director of Finance	4.1
2.2	Preparation and publication of annual report and audited accounts and presentation to Board of Directors and to the Annual Members' Meeting of the Trust	Director of Finance	4.2 & 4.3
3	BANK AND TREASURY MANAGEMENT POLICY		
3.1	Compilation and submission of Treasury Management Policy to Board of Directors	Director of Finance	5.1
3.2	Monitoring of Treasury Management Policy and provision of advice to Board of Directors	Director of Finance	5.1.1
3.3	Monitoring compliance with Independent Regulator's guidance on level of cleared	Director of Finance	5.1.1
3.4	Responsibility for bank and Government Banking Service (GBS) Accounts including preparation of detailed instructions for operation	Director of Finance	5.2 & 5.3
3.5	Review commercial banking arrangements of the Trust to reflect best practice and ensure through competitive tendering (at least every 5-years) value for money	Director of Finance	5.4
3.6	Approval of banking arrangements	Board of Directors	5.1
3.7	Opening of bank accounts	Director of Finance Countersigned by Chief Executive	5.2
3.8	Designation of authorised panel officers, by resolution of the Board of Directors for signing of cheques for cash, other cheques and authorisation of PGO and BACS payment schedules	Director of Finance or Chief Executive	5.3.3

3.8.1	Cheques or other orders drawn upon the main exchequer bank account with:		
	(a) Value below £5,000	One signature from the First Officer Panel	5.3.4
	(b) Value of £5,000 or more	Two signatures, one from the First Officer Panel and the other from the Second Officer Panel	5.3.5
3.8.2	Cheques or other orders drawn upon the main charitable fund bank account with: (See also Scheme of Delegation 16)		
	(a) Value below £5,000	Two signatures from the First Officer Panel	5.3.6
	(b) Value over £5,000	Two signatures, one from the First Officer Panel and the other from the Second Officer Panel	5.3.6
4	INCOME, FEES AND CHARGES AND SECURITY OF CASH, CHEQUES AND OTHER NEGOTIABLE INSTRUMENTS		
4.1	Design, maintain and ensure compliance with income and expenditure systems for prompt banking of all monies	Director of Finance	6.1
4.2	Approval and regular review of the level of all fees and charges, other than those determined by the Independent Regulator or statute	Director of Finance	6.2
4.3	Responsibility for debt recovery and associated procedures	Director of Finance	6.3
4.4	Security of cash, cheques and other negotiable instruments	Director of Finance	6.4
4.5	Money Laundering		
4.5.1	Monitoring of money laundering regulations	Director of Finance	6.5
4.5.2	Reporting of any cash payments in excess of €15,000 (approximately £10,000) in respect of any single transaction to the Director of Finance	All Employees	6.5
5	TENDERING AND CONTRACTING REGULATIONS		
5.1	Legislation and Guidance Covering Public Procurement		
5.1.1	Monitoring compliance with Public Contract Regulations 2015 and relevant EC Directives relating to public Procurement	Director of Finance	7.2
5.2	E-Auctions		
5.2.1	Monitoring of future expansion into e-auction activity	Director of Finance	7.3
5.3	Capital Investment (See also Scheme of Delegation 11)		
5.4	Quotation and Tendering Limits (all limits quoted include VAT):		
	(a) Obtain up to two verbal quotations for goods/services up to £2,499 at Procurement Department's discretion	Budget Holder in liaison with Procurement Department	7.7.2
	(b) Obtain minimum of two written quotations for goods/services between £2,500 and £9,999 at Procurement Department's discretion	Budget Holder in conjunction with Procurement Department	7.7.2
	(c) Obtain minimum of three written quotations for goods/services from £10,000 to £29,999	Budget Holder in conjunction with Procurement Department	7.7.2

	(d) Execute formal tender procedures and obtain minimum of four written competitive tenders (if feasible) for goods/services over £30,000 (EU Procurement Rules apply, values exclude vat: Thresholds applicable from January 2018: Goods/Services: £181,302; and Works £4,551,413)	Appropriate Divisional Director or Executive Director and Head of Contracting & Procurement	7.5.1
	(e) Where goods/services are listed on a framework agreement, the framework selection process (mini competition) should be followed, if not prescribed then quotations should be obtained from all capable suppliers	Appropriate Associate Director of Operations or Executive Director and Head of Contracting & Procurement	7.5.3
5.5	Invitation to Tender		
5.5.1	Issue of all tenders for goods, materials, services, building, engineering works and disposals with appropriate Terms and Conditions regulating the conduct of the tender and appropriate Terms and Conditions on which Contract to be awarded	Head of Contracting & Procurement in conjunction with Associate Director of Operations or Executive Director	7.6.1
5.6	Receipt and Safe Custody of Tenders		
5.6.1	Receipt and safe custody of all tenders	Head of Contracting & Procurement	7.6.2
5.7	Tender Opening/Evaluation/Acceptance/Recording		
5.7.1	Opening Tenders (£30,000 and over)	1 Executive Director and appropriate Associate Director of Operations or Nominated Deputy	7.6.3
5.7.2	Preparation and submission of formal written Tender Evaluation Report	Designated Lead for tender process as defined by Associate Director of Operations or Executive Director together with Finance Manager and other internal specialist advisor(s) (e.g. Head of Contracting & Procurement, EBME, estates, service users, as appropriate).	7.6.6
5.7.3	Acceptance of formal written Tender Evaluation Report and approval of recommended tender:		7.8
	(a) £30,000 to £999,999	Director of Finance	7.8
	(b) Over £1,000,000 (To be recorded in the Minutes of the Board of Directors)	Board of Directors	7.6.7 & 7.8
	(c) Tenders accepted that are not lowest expenditure or highest income to be reported to the Audit & Risk Committee	Director of Finance	7.6.6
5.7.4	Approval of expenditure over agreed tender/quotation budget:		
	(a) Where tender/quotation price is greater than up to 10% or £15,000, whichever is the higher	Director of Finance or, in absentia, Chief Executive	7.6.6
	(b) Where tender/quotation price is greater than 10% or £15,000 up to a maximum of £25,000	Chief Executive and Director of Finance	7.6.6
5.8	Register of Tenders		
5.8.1	Maintenance of Tender Register	Company Secretary in conjunction with Head of Contracting & Procurement	7.6.3
5.9	Quotation/Tender Waiver or Single Tender Action		
5.9.1	Documented evidence required for waiving of quotations up to £9,999	Head of Contracting & Procurement	7.5.3 & 7.7–

			7.9
5.9.2	Documented evidence required for waiving of quotations from £10,000 to £29,999	Head of Contracting & Procurement with Director of Finance or Chief Executive	7.5.3 & 7.7–7.9
5.9.3	Approval of formal written report for the waiver of tenders or requests for single tender action over £30,000 (report to Audit and Risk Committee)	Chief Executive and Director of Finance	7.5.3
5.9.4	EU Procurement Threshold Limits (see Scheme of Delegation 5.4.1 (d)) – No Waiver/Single Tender Action Permitted	No Delegated Authority	
5.10	Private Finance for Capital Procurement		
5.10.1	Approval of PFI capital procurement	Board of Directors	7.10
5.11	Compliance Requirements for All Contracts		
5.11.1	All contracts, being legally binding, shall comply with best costing practice and devised to manage contractual risk, whilst optimising the Trust's opportunity to generate income. Approval of all contracts entered into on behalf of the Trust. (See overlap with 7.2 below)	Chief Executive and Director of Finance or in their absence a nominated Board of Director	7.11 & 9.4
5.12	Procurement of In-House Services		
5.12.1	Determination of in-house services to be subject to competitive tendering	Board of Directors	7.15.2
5.12.2	Delegation of lead officer(s) to oversee and manage the process and contract on behalf of the Trust	Chief Executive	7.15.5
5.13	Contractual Joint Ventures		
5.13.1	Agree the terms of any contractual joint ventures to which the Trust is party or delegate as required to the Executive Management Committee	Trust Board including Director of Finance	
5.14	Bidding for New Business		
5.14.1	The decision on whether or not to bid will be made according to the contract value:	Up to £250,000 Chief Executive or Director of Finance or in their absence a nominated Executive Director. Over £250,000 Chief Executive and Director of Finance or in their absence two nominated Board Directors Over £999,999 Board of Directors	8
6	CONTRACTING		
6.1	Regular review of capacity and capability of the Trust to provide the mandatory goods and services referred to in the Terms of Authorisation and related schedules	Board of Directors	9.1

6.2	All contracts, being legally binding, shall comply with best costing practice and devised to manage contractual risk, whilst optimising the Trust's opportunity to generate income. Approval of all contracts entered into on behalf of the Trust, to include contracts for the provision of services (including bidding for new business)	Up to £999,000 Chief Executive or Director of Finance Over £999,999 Board of Directors	7.11 & 9.4
6.3	Reporting on actual and forecast service activity income	Director of Finance	9.6
7	TERMS OF SERVICE AND PAYMENT OF DIRECTORS AND EMPLOYEES		
7.1	Funded Establishment		
7.1.1	Agree workforce plans within annual budget	Board of Directors	10.2.1
7.1.2	Authority to fill funded post on the establishment	Trust Vacancy Panel	10.2.2
7.1.3	Authority to fill funded post on the establishment when the Trust or Division is under special measures	Trust Vacancy Panel	10.2.2
7.1.4	Authority to appoint staff to post not on the formal budgeted establishment (i.e. increasing revenue cost to Trust)	Director of Finance	10.3
7.1.5	The granting of additional increments to staff within budget and regulations	Director of Human Resources	10.3.1
7.1.6	All requests for upgrading/regrading shall be dealt with in accordance with Trust procedures	Director of Human Resources	
7.1.7	Additional staff to the agreed establishment with specifically allocated finance	Director of Finance	
7.2	Engagement of Staff not on the Establishment		
7.2.1	Authority to engage Non-medical consultancy staff	Chief Executive or Director of Finance (over £50,000 NHSI approval required)	10.3
7.2.2	Booking of Bank, Locum or Agency Staff (Medical Locums, Nursing & Clerical)	Budget holder up to NHSI approved capped rates and within budgeted establishment. Over capped rates Director of Finance or Deputy Director of Finance and out of hours Gold on Call	10.3
7.2.3	Authorise booking of bank and agency staff above the capped rate set by NHSI	Director of Finance or Managing Director	10.3
7.2.4	Authorise the use of non-framework agreements for the booking of agency staff "on exceptional patient safety grounds only".	Director of Finance	10.3

7.2.5	Authorise temporary appointment of senior officials with significant financial responsibility (Board members and senior officials) for a contract longer than 6 months	Chief Executive and NHS Improvement HR approval	10.3
7.3	Processing Payroll		
7.3.1	Authority to complete standing data forms affecting pay, new starters, variations and leavers	Director of Human Resources	10.4
7.3.2	Authority to complete and authorise negative reporting forms	Budget Holders or Associate Director of Operations or Service Managers or Directors or Chair (as appropriate)	10.4
7.3.3	Authorisation of overtime and additional sessions	Associate Director of Operations (or nominated deputy) or Executive Directors if claim over 2 months old	10.4
7.3.4	Authority to authorise travel and subsistence expenses	Budget Holders or Associate Director of Operations (or Nominated Deputy) or Executive Director if claim over 3 months old	10.4
7.3.5	Approval of performance related pay assessment:		
	(a) Performance Related Pay for Non-Board Members	Remuneration & Nomination Committee	
	(b) Performance Related Pay for Board Executive Directors	Remuneration & Nomination Committee	
	(c) Performance Related Pay for Board Non-Executive Directors	Council of Governors	
7.3.6	Authorisation of timesheets (including agency)	Budget Holders or Associate Director of Operations (or Nominated Deputy) or Executive Director if over 2 months old	
7.4	Contract of Employment		
7.4.1	Authority to issue contract of employment in a form approved by the Board of Directors	Director of Human Resources	10.5
7.4.2	Authority to vary terms and conditions of employment	Director of Human Resources	10.5
7.4.3	Renewal of fixed term Contract	Associate Director of Operations or Executive Director (or Nominated Deputy) in liaison with Vacancy Panel	10.5
7.4.4	Staff Retirement Policy – Authorisation of extension of contract beyond normal	Director of Human Resources	10.5
7.4.5	Redundancy – Authorisation	Director of Human Resources	10.5
7.4.6	Ill-Health Retirement – Decision to pursue retirement on grounds of ill health	Director of Human Resources in conjunction with Associate Director of Operations or Executive Director & Occupational Health	10.5
7.4.7	Dismissal – Authorisation	Director of Human Resources & authorised Directors/Managers or Remuneration & Terms of Service Committee (as appropriate)	10.5
7.5	Leave Authority		

7.5.1	Approval of annual leave	Line or Department Manager	
7.5.2	Annual leave – approval of carry forward (up to maximum of five days)	Line or Department Manager	
7.5.3	Annual leave – approval of carry over in excess of five days	Managing Director or Executive Director (as appropriate)	
7.5.4	Compassionate leave up to three days	Department Manager	
7.5.5	Compassionate leave up to six days	Associate Director of Operations or Executive Director (or Nominated Deputy) (as appropriate)	
7.5.6	Special leave arrangements up to five days (with pay)	Associate Director of Operations or Executive Director (as appropriate)	
7.5.7	Leave without pay	Associate Director of Operations or Executive Director (or Nominated Deputy) after liaison with Director of Human Resources	
7.5.8	Medical staff leave of absence (paid and unpaid)	Medical Director after liaison with Director of Human Resources	
7.5.9	Time off in lieu	Line Manager	
7.5.10	Maternity leave – paid and unpaid	Associate Director of Operations or Executive Director (or Nominated Deputy) and Director of Human Resources or Nominated Deputy	
7.5.11	Approval of flexi-time reimbursement	Associate Director of Operations or Executive Director (or Nominated Deputy)	
7.5.12	Sick Leave – Return to work part-time on full pay to assist recovery	Managing Director or Executive Director (as appropriate) in conjunction with Occupational Health and Director of Human Resources	
7.5.13	Sick leave – Any extension of sick leave over employee conditions of service	Director of Human Resources or Chief Executive in conjunction with Managing Director or Executive Director (as appropriate)	
7.5.14	Study Leave – All study leave within the UK or overseas, including CME/professional leave	Associate Director of Operations or Executive Director (as appropriate) in conjunction with the Multi Professional Education & Development Manager or Clinical Tutor	
7.5.15	Study Leave – All study leave involving hospitality. Divisions are required to maintain a register and forward a copy of it to the Company Secretary on a quarterly basis. Annual audit will be undertaken.	Associate Director of Operations or Executive Director (as appropriate) in conjunction with the Multi Professional Education & Development Manager or Clinical Tutor	
7.5.16	Career/Service Breaks – authorise career breaks up to 6 months	Line Manager and HR BP	

7.5.17	Career/Service Breaks – authorise career breaks over 6 months	HR BP and Managing Director or Executive Director	
7.5.18	Junior Medical Staff in Training	Director of Medical Education with support of Clinical Tutor	
7.6	Relocation Expenses		
7.6.1	Authorisation of payment of relocation expenses incurred by officers taking up new		
	(a) Up to £7,000	Director of Human Resources or Remuneration & Terms of Service Committee (as appropriate)	
	(b) Over £7,000	Director of Human Resources and Chief Executive or Remuneration & Terms of Service Committee (as appropriate)	
7.7	Grievance Procedures		
7.7.1	All grievance cases must be dealt with in accordance with the Trust's Grievance Procedure and on the advice of the Human Resource Department	Director of Human Resources	
7.8	Authorised Car and Mobile Phone Users		
7.8.1	Requests for new posts to be authorised as car users or re-designation of existing posts	Associate Director of Operations or Executive Director (as appropriate) in liaison with Director of Finance	
7.8.2	Requests for authorised mobile phone status	Associate Director of Operations or Executive Director (as appropriate) in liaison with Director of Human Resources and Director of Finance	
8	FACILITIES FOR STAFF NOT EMPLOYED BY THE TRUST TO GAIN PRACTICAL EXPERIENCE		
8.1	Professional recognition, honorary contracts and insurance of medical staff	Director of Human Resources or Nominated Deputy	
8.2	Work experience students	Director of Human Resources or Nominated Deputy	
8.3	Volunteers	Director of Human Resources or Nominated Deputy	
9	NON-PAY EXPENDITURE (See Scheme of Delegation 16 Funds Held on Trust)		
9.1	Approval of level of non-pay expenditure on an annual basis	Board of Directors	11.1
9.2	Determination of the level of delegation to budget managers	Chief Executive	3.2.2 & 11.1.1
9.3	Agree and maintain a list of managers authorised to place requisitions for the ordering and receipt of goods and services (See overlap with Scheme of Delegation 16)	Director of Finance	11.1.2 & 11.2.2
9.3.1	Requisitioning and Ordering of Goods and Services:		11.1.3
	(a) All requisitions up to £500	Budget Manager	11.2
	(b) All requisitions up to £5,000	Service Manager	11.2
	(c) All requisitions up to £20,000	General Manager	11.2
	(d) All requisitions up to £50,000	Associate Director of Operations or Divisional Director	11.2

	(e) All requisitions up to £100,000	Group Director of Operations	11.2
	(f) All requisitions up to £250,000	Executive Director	11.2
	(g) All requisitions up to £999,999	Director of Finance or Chief Executive (or Designated deputy in their absence)	11.2
	(h) All requisitions over £1,000,000	Finance and Performance Assurance Committee	11.2
9.3.2	On-Line Requisitioning or Ordering of Goods and Services:		
	(a) Inclusion of Supplies within OLR catalogue	Associate Director of Operations or Service Manager in conjunction with Head of Contracting & Procurement	11.2
	(b) All OLR catalogue requisitions up to £20,000	OLR Designated Officer within Divisions	11.2
	(c) All OLR catalogue requisitions over £20,001	OLR Designated Officer with authorisation of Associate Director of Operations	11.2
9.3.3	Pharmacy Requisitioning or Ordering of Drugs:		
	(a) Pharmacy orders up to and including £20,000	Deputy Chief Pharmacist	
	(b) Pharmacy orders between £20,001 and £100,000	Chief Pharmacist	
	(c) Pharmacy orders between £100,001 and £250,000	Chief Pharmacist	
	(d) Pharmacy orders over £250,001	Chief Pharmacist with countersignature by Director of Finance	
9.4	Designation of authorised officers to issue of verbal orders in very exceptional circumstances (confirmation order required)	Director of Finance	11.2.6
9.5	Designation of authorised officers to authorise orders outside of the normal hierarchy due to service needs	Director of Finance	
9.6	Authorisation of new drugs	Medical Director and Director of Finance	
9.5	Development and maintenance of procedures on the seeking of professional advice regarding the supply of goods and services		11.1.2
9.5.1	Responsibility for ensuring financial standing and technical competence of approved	Director of Finance	7.6.8 & 11.1.3
9.5.2	Responsibility for ensuring technical/medical competence of approved contractors for clinical governance purposes	Director of Nursing	7.6.8 & 11.1.3
9.6	System of Payment and Payment Verification		
9.6.1	Responsibility for prompt payment of accounts, contract invoices and claims and that payments are only made once the goods and services are received and been appropriately certified	Director of Finance	11.2.2 & 11.2.3

9.6.2	Maintenance of register of employees (including specimens of their signatures) authorised to certify invoices	Director of Finance	11.2.3
9.6.3	Pre-payments only permitted where exceptional circumstances apply. Authorisation of written report to permit pre-payment	Director of Finance	11.2.4
9.6.4	Creditor Payments – Authority to release cash payment for goods and services already received and authorised	Up to £5m Financial Controller, over £5m Deputy Director of Finance	
9.7	Petty Cash Disbursements		
9.7.1	Authority to define restrictions in value and by type of purchase for petty cash disbursements and maintenance of record system	Director of Finance	11.2.6
9.7.2	Petty Cash Disbursement limits:		
	(a) Expenditure up to £30 per transaction	Budget Holder and Petty Cash Holder	11.2.6
	(b) Reimbursement of patients' monies up to £100	Budget Holder	11.2.6
	(c) Reimbursement of patients' monies in excess of £100	Budget Holder and Director of Finance (or designated deputy)	
9.8	Leases, Tenancy Agreements and Licences		
9.8.1	Approval of all leases, tenancy agreements and licences, including any variation thereto:		
	(a) Below £300,000	Director of Finance in liaison with Chief Executive	11.2.6
	(b) Over £300,001	Director of Finance in liaison with Chief Executive and a Non-Executive Director	11.2.6
9.8.2	Letting of premises to outside organisations	Director of Finance	
9.8.3	Approval of rent based on professional assessment	Director of Finance	
10	EXTERNAL BORROWING AND INVESTMENTS		
10.1	External Borrowing		
10.1.1	Approval of loans		12.1
	(a) To be taken out with repayment periods over one year	Board of Directors	12.1
	(b) Loans to be taken out with repayment periods of less than one year	Director of Finance	12.1
	(c) Applications for overdraft or working capital facilities	Director of Finance	12.3
10.2	Investments		
10.2.1	Approval of Investment Policy	Board of Directors	12.2
10.2.2	Investment Decisions	Director of Finance	12.2
11	CAPITAL INVESTMENT, PRIVATE FINANCE, FIXED ASSET REGISTERS AND SECURITY OF ASSETS		
11.1	Capital Investment & Private Finance		13.1 & 13.2

11.1.1	Approval of capital programme (including reserves list) as part of budget process	Board of Directors	13.1.1
11.1.2	Approval of business cases and PFI Schemes including approval of variations: (See Scheme of Delegation 1.3 for revenue only business cases)		13.2
	(a) Less than £1,000,000	Chief Executive following recommendation by Director of Finance & Trust Investment Group	13.2
	(b) Over £1,000,001 (excluding VAT)	Board of Directors following recommendation by the Director of Finance, Chief Executive & Trust Investment Group	13.2
11.1.3	Selection of architects, quantity surveyors, consultant engineers and other professional advisors within EU Regulations and CONCODE (in accordance with Tendering Procedures)	Director of Finance, Director of Estates and Facilities or Chief Executive following professional advice	13
11.1.4	Budgetary delegation for management of capital budget in line with approved capital programme	Scheme of Delegation 1.2.2 refers	13
11.1.5	Financial monitoring and reporting on all capital scheme expenditure	Director of Finance	13
11.1.6	Monitor compliance with the requirements of guidance published on capital investment and estate and property transactions (e.g. "Supporting NHS providers: Guidance on transactions for NHS Foundation Trusts and Transactions Guidance – for Trusts undertaking transactions, including mergers and acquisitions")	Director of Finance	7.4
11.2	Asset Registers		13.3
11.2.1	Maintenance of Asset Register and responsibility for re-valuation of assets in accordance with the NHS Foundation Trust Annual Reporting Manual	Director of Finance	13.3.1 & 13.3.7
11.2.2	Approval of asset disposals (all disposals must be reported to Director of Finance to enable the Asset Register to be updated)	Director of Finance	13.3.4 & 14.2
	(a) "Protected Assets" as designated in the NHS Foundation Trust Authorisation	Board of Directors subject to Monitor's approval	13.3
	(b) Land and buildings	Board of Directors	13.3
	(c) Other – where the asset has a residual value over £2,501	Director of Finance	13.3
	(d) Other – where the asset has a residual value less than £2,500	Associate Director of Operations	13.3
11.3	Security of Assets		13.4
11.3.1	Overall control of fixed assets	Chief Executive	13.4.1
11.3.2	Asset control procedures	Director of Finance	13.4.2
12	STORES AND RECEIPT OF GOODS (Note overlap with Scheme of Delegation 9.5)		
12.1	Management and control of stores:		14.2

	(a) General	Director of Finance	
	(b) Pharmacy	Chief Pharmacist	
	(c) Fuel	Director of Finance	
12.2	Procedure and systems to regulate stores, including records for receipt of goods, issues, returns and losses	Director of Finance	14.2
12.3	Stocktaking Arrangements	Director of Finance	14.2
13	DISPOSALS AND CONDEMNATIONS, LOSSES AND SPECIAL PAYMENTS		
13.1	Disposals and Condemnations	See Scheme of Delegation 11.2.2	15.1, 13.3.4 & 14.2
13.2	Losses and Special Payments Procedure (Must follow current DH Guidance FDL(98)02 and Counter-Fraud Policy and Procedure)		15.2
13.2.1	Special Payments – compensation payments made under legal obligation (following written legal advice)		15.2
	(a) Under £100,000 + costs	Director of Finance or Chief Executive plus 1 other Board Executive Director	15.2
	(b) Over £100,000 + costs	Director of Finance or Chief Executive plus 1 other Board Executive Director and 1 Audit & Risk Committee Member	15.2
13.2.2	Special Payments within limits set by the Department of Health governing: <ul style="list-style-type: none"> • Extra contractual payments to contractors • Ex-gratia payments • Extra statutory and extra regulatory payments 		15.2
	(a) Maximum limit of £50,000	Director of Finance and Chief Executive	15.2
	(b) Over £50,000	Department of Health	15.2
13.2.3	Losses within limits set by the Department of Health governing: <ul style="list-style-type: none"> • Cash • Fruitless Payments (including abandoned capital schemes) • Bad Debts and claims abandoned • Damage to buildings, fittings, furniture, equipment, loss of equipment, property and stores 		15.2
	(a) Under £5,000	Deputy Director of Finance	
	(b) Under £25,000	Director of Finance	
	(c) £25,001 to £249,000	Director of Finance and 1 other Executive Board Director	
	(d) Over £250,000	Director of Finance, countersigned by Chief Executive and Chair	
13.2.4	Novel, contentious or repercussive losses or special payments	Director of Finance reports to Department of Health	
13.2.5	All write-offs and special payments and losses to be reviewed by the Audit & Risk Committee	Director of Finance	
14	FINANCIAL SYSTEMS (IT)		

14.1	Responsibility for accuracy and security of computerised financial data of the Trust	Director of Finance	16
14.2	Risk assessment and approval of all requirements for general applications impacting on corporate financial systems	Director of Finance	16
15	PATIENTS' PROPERTY		
15.1	Written instructions for the collection, safe custody, investment, recording and disposal of money and other personal property handed in by patients, or found in the possession of patients dying in hospital or dead on arrival	Director of Finance	17.3
15.2	Operational management of patients' property in accordance with patients' property procedures	Associate Director of Operations	17
15.3	Petty cash disbursements for patients' monies (see <i>Scheme of Delegation 9.7.2</i>)	Budget Holder and Director of Finance	17
16	FUNDS HELD ON TRUST		
16.1	Corporate Trustee for the management of funds held in Trust	Board of Directors	18
16.2	Nomination of Executive and Non-Executive Directors to discharge the Trust's corporate trustee responsibilities	Board of Directors through appointment to the Charitable Funds Committee	18
16.3	Management of trust funds:		18
	(a) Executive Fundraising Lead	Director of Finance	
	(b) Accounts Management	Director of Finance	
16.4	Reporting on income and expenditure on funds held in Trust to Charitable Funds Committee	Director of Finance	18
16.5	Approval to Fundraising/Appeal Launch:		18
	(a) Projected Fundraising up to £5,000	Associate Director of Operations and	
	(b) Projected Fundraising between £5,001 - £300,000	Charitable Funds Committee following Associate Director of Operations or Director of Finance support	
	(c) Over £300,000	Board of Directors subject to Charitable Funds Committee approval	
16.6	Authorise expenditure from funds for which Trust is the Corporate Trustee:		18
	(a) Under £500 per request	Designated Fund Manager	
	(b) £501 to £5,000 per request	Associate Director of Operations and	
	(c) £5,001 to £250,000 per request	Charitable Funds Committee following Associate Director of Operations support	
	(d) Requests over £250,000	Board of Directors approval subject to Charitable Funds Committee support	

17	ACCEPTANCE OF GIFTS BY STAFF/STANDARDS OF BUSINESS CONDUCT		
17.1	Development and maintenance of policy on standards of business conduct and acceptance of gifts and other benefits in kind by staff	Director of Finance	19
17.2	Maintenance of Gifts and Hospitality Register	Associate Director of Operations and	19
17.3	Approval of Acceptance of Gifts/Hospitality	Associate Director of Operations and Company Secretary	19
17.4	Annual Audit of Hospitality Register	Director of Finance and Audit & Risk Committee	19
17.5	Maintenance of Declaration of Interest Registers:		19
	(a) Board of Directors	Company Secretary	
	(b) Council of Governors	Company Secretary	
	(c) Trust Employees	Company Secretary	
18	AUTHORISATION OF SPONSORSHIP DEALS		
18.1	General Sponsorship (including Charitable Fund Sponsorship)	Chief Executive with Director of Strategy and Innovation, Medical Director & Director of Finance	
18.2	Research & Development Sponsorship	R&D Steering Group in liaison with Director of Strategy and Innovation	
19	RETENTION OF DOCUMENTS/DATA PROTECTION		
19.1	Compliance with Records Management – NHS Code of Practice	Chief Executive in conjunction with Director of Information, Communication and Technology	20
19.2	Compliance with Access to Health Records	Medical Director in conjunction with Director of Information, Communication and Technology	20
19.3	Compliance with the Data Protection and Freedom of Information Acts	Director of Information, Communication and Technology	20
20	RISK MANAGEMENT AND INSURANCE		
20.1	Risk Management		21
20.1.1	Management of programme of risk management, approved and monitored by the Board of Directors	Chief Executive in conjunction with Director of Governance	21.1
20.1.2	Integration and evaluation of the programme of risk management to provide a basis to make a Statement on the effectiveness of Internal Control (SIC) within the Annual Report and Accounts as required by the FT Annual Reporting Manual	Chief Executive	21.1
20.1.3	Review of Fire Precautions	Director of Estates	
20.1.4	Review of all statutory compliance legislation pertaining to Health & Safety	Director of Governance	
20.1.5	Review of compliance with environmental regulations, e.g. clean air and waste disposal	Director of Estates	
20.1.6	Incident and Serious Untoward Incident Reporting	Director of Nursing and Medical Director or Nominated Deputy (in conjunction with the CCG and Trust's Communication's Team)	
20.1.7	Infectious Diseases and Notifiable Outbreaks	Director of Nursing	

20.1.8	Senior Information Risk Officer/Senior Responsible Owner	Director of Finance	
20.1.9	Executive Responsibility for Maternity Services	Director of Nursing	
20.1.10	Security Management Director	Managing Director	
20.2	Insurance		
20.2.1	Approval of insurance policies and engagement of additional insurance over and above the NHSLA Scheme.	Director of Finance	21
21	FORMAL CONSULTATION		
21.1	Compliance with Section 242 of the NHS Act 2006 and Regulation 4A of the Local Authority (Overview & Scrutiny Committee's health scrutiny functions) Regulations 2002	Chief Executive	22
22	MEDIA LIAISON		
22.2.1	Non-emergency general enquiries:		
	(a) Within hours (Monday – Friday 9 am – 5 pm)	Designated Duty Manager or Executive Director via Director of Communications and Engagement	
	(b) Outside hours	Designated Duty Manager or Executive Director via Trust's Director of Communications and Engagement	
22.2.2	Emergency enquiries:		
	(a) Within hours (Monday – Friday 9 am – 5 pm)	Chief Executive or Executive Director via Director of Communications and Engagement	
	(b) Outside hours	Designated Duty Manager or Executive Director via Trust's Director of Communications and Engagement	
23	LEGAL ADVICE AND DOCUMENTATION		
23.1	Permission for referral of Trust Issues for Legal Opinion:		23
	(a) Corporate Law	Director of Governance	
	(b) Property, major transactions, commercial	Director of Governance	
	(c) Clinical and Risk Management Law	Director of Governance	
	(d) Contract Law	Director of Governance	
	(e) Employment Law	Director of Governance	
	(f) R&D, Intellectual Property Law	Director of Governance	
23.2	Approve and sign documents necessary either in legal proceedings or resolution of the Board	Chief Executive or any Executive Director acting on the advice of legal services or Company Secretary	
24	PATIENT SERVICES		
24.1	Patients' and relatives' complaints management, including clinical negligence complaints	Director of Nursing	

24.2	Variation of operating and clinic sessions within existing resources	Managing Director in agreement with Executive Management Committee	
24.3	Variation to changes in bed allocation:		
	(a) Temporary Variation	Managing Director in agreement with Executive Management Committee	
	(b) Permanent Change	Managing Director in agreement with Executive Management Committee	
25	EXTENDED ROLE ACTIVITIES		
25.1	Approval of staff to undertake extended professional clinical roles	Chief Executive in conjunction with Medical Director and Director of Nursing	
26	POLICIES AND PROCEDURES		
26.1	Approval of all organisational/operational policies and procedures for an on behalf of the Board of Directors	Executive Management Committee via Executive Committees	
27	ATTESTATION OF SEALINGS AND REGISTER		
27.1	Attestation of sealings in accordance with Standing Orders of the Board of Directors (Section 9)	Chair and Chief Executive or Nominated Deputies	
27.2	Maintenance of Register of Sealings	Company Secretary	
28	RESEARCH & DEVELOPMENT (See also overlap with Scheme of Delegation 18 – Authorisation of Sponsorship Deals)		
28.1	Authorisation of Research and Development	Director of Strategy and Innovation	
28.2	Authorisation of Clinical Trials	Chair of Research & Development Committee with Chief Executive, Director of Strategy and Innovation and Medical Director	
29	CLINICAL PRODUCTS		
29.1	Clinical Product Review Group will assess and approve clinical products	Clinical Products Review Group in liaison with the Executive Patient Group	
30	MEDICINES INSPECTORATE		
30.1	Review and implementation of Medicines Inspectorate Regulations	Medical Director in conjunction with Chief Pharmacist	
31	PROVISION OF ADDITIONAL SERVICES BY THE EXTERNAL AUDITOR		

31.1	Under the Audit Code for NHS Foundation Trust, the External Auditor may, with the approval of the Council of Governors, provide an NHS Foundation Trust with services which are outside the scope of the audit. Application of the Trust's "Provision of Additional Services by the External Auditor" should be applied to ensure no conflict of interest and ethical standards are applied	Audit & Risk Committee approval required before engagement following consultation with the Council of Governors through the Chair. If timing precludes this, the Chair, Audit & Risk Committee Chair and Director of Finance may take action and report to next Audit & Risk Committee meeting	2.4.3
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**STANDING
FINANCIAL
INSTRUCTIONS**

July 2018

STANDING FINANCIAL INSTRUCTIONS

1. INTRODUCTION

1.1 General

- 1.1.1 These Standing Financial Instructions (SFIs) shall have effect as if incorporated in the Board of Directors' Standing Orders (SOs) of the Trust.
- 1.1.2 These SFIs detail the financial responsibilities, policies and procedures adopted by the Trust. They are designed to ensure that the Trust's financial transactions are carried out in accordance with the law and with Government policy and the Independent Regulator's policies in order to achieve probity, accuracy, economy, efficiency and effectiveness. They should be used in conjunction with the Schedule of Matters Reserved to the Board of Directors and the Scheme of Delegation adopted by the Trust.
- 1.1.3 These SFIs identify the financial responsibilities which apply to everyone working for the Trust and its constituent organisations, including Trading Units. They do not provide detailed procedural advice and should be read in conjunction with the detailed departmental and financial procedure notes. All financial procedures must be approved by the Director of Finance.
- 1.1.4 Officers of the Trust should note that the Scheme of Delegation, SFIs and SOs do not contain every legal obligation applicable to the Trust. The Trust and each officer of the Trust must comply with all requirements of legislation (which shall mean any statute, subordinate or secondary legislation, any enforceable community right within the meaning of Section 2(1) European Community Act 1972 and any applicable judgement of a relevant court of law which is a binding precedent in England) and all guidance and directions binding on the Trust. Legislation, guidance and directions will impose requirements additional to the Scheme of Delegation, SFIs and SOs. All such legislation and binding guidance and directions shall take precedence over the Scheme of Delegation, SFIs and SOs which shall be interpreted accordingly.
- 1.1.5 Should any difficulties arise regarding the interpretation or application of any of the SFIs, then the advice of the Director of Finance must be sought before acting. The user of these SFIs should also be familiar with and comply with the provisions of the Trust's SOs. Note in particular procedures for Tendering, Quotations and Contracts and the Schedule of Matters Reserved to the Board of Directors.
- 1.1.6 **The failure to comply with the Scheme of Delegation, SFIs and SOs can, in certain circumstances, be regarded as a disciplinary matter that could result in dismissal.**
- 1.1.7 **Overriding SFIs:** If, for any reason, these SFIs are not complied with, full details of the non-compliance and any justification for non-compliance and the circumstances around the non-compliance shall be reported to the next formal meeting of the Audit & Risk Committee for referring action or ratification.
- 1.1.8 All members of the Board of Directors and staff have a duty to disclose any non-compliance with these SFIs to the Director of Finance as soon as possible.

1.2 Terminology

1.2.1 Any expression to which a meaning is given in Health Service Acts, or in Financial Directions made under the Acts, shall have the same meaning in these instructions; and

“Accounting Officer” means the Officer responsible and accountable for funds entrusted to the Trust. The Officer shall be responsible for ensuring the proper stewardship of public funds and assets. For this Trust it shall be the Chief Executive;

“Board of Directors” (the Board) means the Board of Directors as formally constituted in accordance with the Constitution and consisting of a Chair and Non-Executive Directors, appointed by the Council of Governors, and the Executive Directors, appointed by the Non-Executive Directors and (except for his own appointment) by the Chief Executive;

“Budget” means a resource, expressed in financial terms, proposed by the Board of Directors for the purpose of carrying out, for a specific period, any or all of the functions of the Trust;

“Budget Holder” means the Director or employee with delegated authority to manage finances (income and expenditure) for a specific area of the organisation;

“Chair” is the person appointed by the Council of Governors to lead the Board of Directors and to ensure that it successfully discharges its overall responsibility for the Trust as a whole;

“Chief Executive” means the chief officer/Accounting Officer of the Trust;

“Commissioning” means the process for determining the need for and for obtaining the supply of healthcare and related services by the Trust within available resources;

“Company Secretary” means a person appointed to act independently of the Board of Directors to provide advice on corporate governance issues to the Board of Directors, the Chair and the Council of Governors and to monitor the Trust’s compliance with the law, Standing Orders, the Constitution, Terms of Authorisation, statutory provisions and guidance and directions given by Monitor.

“Constitution” means the constitution of the Trust established in accordance with the 2006 Act as authorised by Monitor and any variations thereto subsequently approved by Monitor;

“Contracting and Procuring” means the systems for obtaining the supply of goods, materials, manufactured items, services, building and engineering services, works of construction and maintenance and for disposal of surplus and obsolete assets;

“Council of Governors shall mean the Council of Governors as formally constituted in accordance with the Constitution, meeting in public, and presided over by a Chair, acting as a collective body;

“Director of Finance” means the chief financial officer of the Trust;

“Director” unless attributed to a specific role or title shall mean a person appointed to the Board of Directors whether Non-Executive (including the Chair) or Executive (including the Chief Executive);

“Executive Director” means a person appointed as an Executive Director of the Trust under paragraphs 15 to 19 (inclusive) of Schedule 7 of the 2006 Act and in accordance with paragraphs 22 and 23 of the Constitution and who is an officer of the Trust;

“Funds held on trust” shall mean those funds, which the Trust holds at its date of incorporation, receives on distribution by statutory instrument or chooses subsequently to accept under powers derived under Part 11, Chapter 2 of the NHS Act 2006. Such funds may or may not be charitable;

“Governor” shall mean a member of the Council of Governors whether elected or appointed to the Council of Governors in accordance with the Constitution;

“Legal Adviser” means the properly qualified person appointed by the Trust to provide legal advice;

“Monitor” means the Independent Regulator of NHS Foundation Trusts established under Section 31 of the NHS Act 2006;

“Non-Executive Director” means a person appointed as a Non-Executive Director of the Trust under paragraphs 15 to 19 (inclusive) of Schedule 7 of the NHS Act 2006 and in accordance with paragraphs 19 and 20 of the Constitution;

“Nominated Officer” means an officer charged with the responsibility for discharging specific tasks within Standing Orders and Standing Financial Instructions;

“Officer” means employee of the Trust or any other person holding a paid appointment or office within the Trust;

“SFIs” means Standing Financial Instructions;

“SOs” means Standing Orders as constituted under Colchester Hospital University NHS Foundation Trust Terms of Authorisation, Annex 6: Standing Orders for the Practice and Procedure of the Board of Directors;

“Terms of Authorisation” means the Authorisation of the Trust issued by Monitor with any amendments for the time being in force;

“The 2006 Act” means the National Health Service Act 2006;

“Trust” means the East Suffolk and North Essex NHS Foundation Trust.

1.2.2 Wherever the title Chief Executive, Director of Finance, or other nominated officer is used in these instructions, it shall be deemed to include such other Director of employees who have been duly authorised to represent them.

1.2.3 Wherever the term “employee” is used and where the context permits, it shall be deemed to include employees of third parties contracted to the Trust when acting on behalf of the Trust.

1.3 Responsibilities and Delegation

1.3.1 *The Board of Directors*

The Board of Directors exercises financial supervision and control by:

- (a) Formulating the financial strategy;
- (b) Requiring the submission and approval of budgets within approved income;
- (c) Defining and approving essential features in respect of important procedures and financial systems (including the need to obtain value for money);
- (d) Defining specific responsibilities placed on members of the Board and employees as directed in the Scheme of Delegation document.

1.3.2 The Board of Directors has resolved that certain powers and decisions may only be exercised by the Board of Directors in formal session. These are set out in the "Reservation of Matters Reserved to the Board" document. All other powers have been delegated to such other committees as the Trust has established.

1.3.3 *The Chief Executive and Director of Finance*

The Chief Executive and Director of Finance will, as far as possible, delegate their detailed responsibilities, but they remain accountable for financial control.

Within the SFIs, it is acknowledged that the Chief Executive is ultimately accountable to the Board of Directors and, as Accounting Officer, to Monitor, for ensuring that the Board of Directors meets its obligation to perform its functions within the available financial resources. The Chief Executive has overall executive responsibility for the Trust's activities; it is responsible to the Chair and the Board of Directors for ensuring that its financial obligations and targets are met and has overall responsibility for the Trust's system of internal control.

1.3.4 It is a duty of the Chief Executive to ensure that Members of the Board of Directors, and employees and all new appointees, are notified of and put in a position to understand their responsibilities within these instructions.

1.3.5 *The Director of Finance*

The Director of Finance is responsible for:

- (a) Implementing the Trust's financial policies and for coordinating any corrective action necessary to further these policies;
- (b) Maintaining an effective system of internal financial control, including ensuring that detailed financial procedures and systems incorporating the principles of separation of duties and internal checks are prepared, documented and maintained to supplement these instructions;
- (c) Ensuring that sufficient records are maintained to show and explain the Trust's transactions, in order to disclose, with reasonable accuracy, the financial position of the Trust at any time;

and, without prejudice to any other functions of the Trust and employees of the Trust, the duties of the Director of Finance include:

- (d) The provision of financial advice to other members of the Board of Directors, employees and the Council of Governors;
- (e) The design, implementation and supervision of systems of internal financial control;
- (f) The preparation and maintenance of such accounts, certificates, estimates, records and reports as the Trust may require for the purpose of carrying out its statutory duties.

1.3.6 *Board of Directors and Employees*

All members of the Board of Directors and employees, severally and collectively, are responsible for:

- (a) The security of the property of the Trust;
- (b) Avoiding loss;
- (c) Exercising economy and efficiency in the use of resources;
- (d) Conforming to the requirements of Standing Orders, Standing Financial Instructions, Financial Procedures and the Scheme of Delegation.

1.3.7 *Contractors and their Employees*

Any contractor or employee of a contractor who is empowered by the Trust to commit the Trust to expenditure or who is authorised to obtain income shall be covered by these instructions. It is the responsibility of the Chief Executive to ensure that such persons are made aware of this.

1.3.8 For all members of the Board of Directors and any employees who carry out a financial function, the form in which financial records are kept and the manner in which members of the Board and employees discharge their duties must be to the satisfaction of the Director of Finance.

2. AUDIT

2.1 Audit & Risk Committee

2.1.1 In accordance with Standing Orders, the Board of Directors shall formally establish an Audit & Risk Committee, with clearly defined terms of reference and following guidance from the NHS Audit Committee Handbook (2014), which will provide an independent and objective view of internal control by:

- (a) Overseeing Internal and External Audit services;
- (b) Reviewing financial and information systems, monitoring the integrity of the financial statements and reviewing any significant financial reporting judgements;
- (c) Reviewing the establishment and maintenance of an effective system of integrated governance, risk management and internal control, across the whole of the organisation's activities (both clinical and non-clinical), that supports the achievement of the organisation's objectives;
- (d) Monitoring compliance with Standing Orders and Standing Financial Instructions;

- (e) Reviewing schedules of losses and compensations and making recommendations to the Board;
- (f) Reviewing, by exception, via the Finance & Resourcing Committee debtors/creditors balances over 6 months old and over £5,000 together with explanations/action plans;
- (g) Reviewing the arrangements in place to support the Assurance Framework process prepared on behalf of the Board of Directors and advising the Board of Directors accordingly.

2.1.2 Where the Audit & Risk Committee considers there is evidence of ultra vires transactions, evidence of improper acts, or if there are other important matters that the Committee wishes to raise, the Chair of the Audit & Risk Committee should raise the matter at a full meeting of the Board of Directors. Exceptionally, the matter may need to be referred to Monitor (to the Director of Finance in the first instance).

2.1.3 It is the responsibility of the Director of Finance to ensure an adequate Internal Audit service is provided and the Audit & Risk Committee shall be involved in the selection process when/if an Internal Audit service provider is changed.

2.2 Director of Finance

2.2.1 The Director of Finance is responsible for:

- (a) Ensuring there are arrangements to review, evaluate and report on the effectiveness of internal financial control, including the establishment of an effective internal audit function;
- (b) Ensuring that the internal audit function is adequate and meets the NHS mandatory audit standards as defined by Public Sector Internal Audit Standards;
- (c) Deciding at what stage to involve the Police in cases of misappropriation and other irregularities not involving fraud or corruption in accordance with the Trust's Counter Fraud Policy and Procedure;
- (d) Ensuring that an annual internal audit report is prepared for consideration of the Audit & Risk Committee (and the Board of Directors). The report must cover:
 - (i) a clear opinion on the effectiveness of internal control in accordance with current assurance framework guidance;
 - (ii) major internal financial control weaknesses discovered;
 - (iii) progress on the implementation of internal audit recommendations;
 - (iv) progress against plan over the previous year;
 - (v) strategic audit plan covering the coming three years;
 - (vi) a detailed plan for the coming year.

2.2.2 The Director of Finance or designated auditors are entitled without necessarily giving prior notice to require and receive:

- (a) Access to all records, documents and correspondence relating to any financial or other relevant transactions, including documents of a confidential nature;
- (b) Access at all reasonable times to any Trust land and premises or to members of the Board of Directors or employee of the Trust;

- (c) The production of any cash, stores or other property of the Trust under a member of the Board of Directors and an employee's control; and
- (d) Explanations concerning any matter under investigation.

2.3 Role of Internal Audit

2.3.1 Internal Audit will review, appraise and report upon:

- (a) The extent of compliance with, and the financial effect of, relevant established policies, plans and procedures;
- (b) The adequacy and application of financial and other related management controls;
- (c) The suitability of financial and other related management data.
- (d) The extent to which the Trust's assets and interests are accounted for and safeguarded from loss of any kind arising from:
 - (i) fraud and other offences;
 - (ii) waste, extravagance, inefficient administration;
 - (iii) poor value for money or other causes.
- (e) Internal Audit shall also independently verify the Annual Governance Statements (AGS) in accordance with guidance from Monitor.

2.3.2 Whenever any matter arises which involves, or is thought to involve, irregularities concerning cash, stores or other property or any suspected irregularity in the exercise of any function of a pecuniary nature, the Director of Finance must be notified immediately.

2.3.3 The Head of Internal Audit will normally attend Audit & Risk Committee meetings and has a right of access to all Audit & Risk Committee members, the Chair and Chief Executive of the Trust.

2.3.4 The NHS Foundation Trust Accounting Officer Memorandum provides that internal audit should accord with the objectives, standards and practices set out by Public Sector Internal Audit Standards which states that internal audit is an independent and objective appraisal service within an organisation:

- (a) Internal audit primarily provides an independent and objective opinion to the Accounting Officer, the Board of Directors and the Audit Committee on risk management, control and governance, by measuring and evaluating their effectiveness in achieving the organisation's agreed objectives. In addition, internal audit's findings and recommendations are beneficial to line management in the audited areas. Risk management, control and governance comprise the policies, procedures and operations established to ensure the achievement of objectives, the appropriate assessment of risk, the reliability of internal and external reporting and accountability processes, compliance with applicable laws and regulations, and compliance with the behavioural and ethical standards set for the organisation.
- (b) Internal audit also provides an independent and objective consultancy service specifically to help line management improve the organisation's risk management, control and governance. The service applies the

professional skills of internal audit through a systematic and disciplined evaluation of the policies, procedures and operations that management put in place to ensure the achievement of the organisation's objectives, and through recommendations for improvement. Such consultancy work contributes to the opinion which internal audit provides on risk management, control and governance.

- 2.3.5 The Head of Internal Audit shall be accountable to the Director of Finance. The reporting system for internal audit shall be agreed between the Director of Finance, the Audit & Risk Committee and the Head of Internal Audit. The agreement shall be in writing and shall comply with the guidance on reporting contained in the Government Internal Audit Standards. The reporting system shall be reviewed at least every three years.

2.4 External Audit

- 2.4.1 The External Auditor is appointed by the Council of Governors on the recommendation of the Audit & Risk Committee. The Audit & Risk Committee must ensure a cost efficient service. If there are any problems relating to the service provided by the External Auditor, then this should be raised with the External Auditor and referred on to the Council of Governors if the issue cannot be resolved.

- 2.4.2 In auditing the accounts the auditor must comply with any directions by the Independent Regulator as to the standards, procedures and techniques to be adopted, in particular National Audit Office – Code of Practice

- 2.4.3 Under the National Audit Office – Code of Practice the External Auditor may, with the approval of the Council of Governors, provide the NHS Foundation Trust with services which are outside the scope of the audit. Before engaging the auditor for additional services, the Trust's Provision of Additional Services by the Auditor procedure should be followed. Before engaging the auditor for additional services this will be reported to the Audit & Risk Committee for approval, or if timing precludes this, then it will be agreed jointly by the Chair of the Audit Committee and the Director of Finance and reported to the next Audit & Risk Committee meeting.

2.5 Fraud and Corruption

- 2.5.1 In line with their responsibilities, the Trust's Chief Executive and Director of Finance shall monitor and ensure compliance with Directions issued by the Counter Fraud Authority.

- 2.5.2 The Trust shall nominate a suitable person to carry out the duties of the Local Counter Fraud Specialist as specified by the Directions to NHS Trusts and Special Authorities in respect of Counter Fraud 2017 and guidance.

- 2.5.3 The Local Counter Fraud Specialist shall report to the Trust's Director of Finance or designated deputy and shall work with staff in the Counter Fraud Authority in accordance with the NHS Counter Fraud Standards for Providers

2.6 Security Management

- 2.6.1 In line with their responsibilities, the Trust Chief Executive will monitor and ensure compliance with Directions issued by the Secretary of State for Health on NHS security management.

- 2.6.2 The Trust shall nominate a suitable person to carry out the duties of the Local Security Management Specialist (LSMS) as specified by the Secretary of State for Health guidance on NHS security management. (See Trust's Security Procedures – No: 233)
- 2.6.3 The Trust shall nominate a Non-Executive Director to be responsible to the Board of Directors for NHS security management.
- 2.6.4 The Chief Executive has overall responsibility for controlling and coordinating security. However, key tasks are delegated to the Security Management Director (SMD) and the appointed Local Security Management Specialist (LSMS).

3. BUSINESS PLANNING, BUDGETS, BUDGETARY CONTROL AND MONITORING

3.1 Preparation and Approval of Plans and Budgets

- 3.1.1 The Chief Executive will compile and submit to the Board of Directors an Annual Plan which takes into account financial targets and forecast limits of available resources. The Annual Plan will contain:
- (a) A statement of the significant assumptions on which the plan is based;
 - (b) Details of major changes in workload, delivery of services or resources required to achieve the plan; and
 - (c) All requirements defined within the Single Oversight Framework and Annual Plan guidance as issued.
- 3.1.2 Prior to the start of the financial year the Director of Finance will, on behalf of the Chief Executive, prepare and submit budgets for approval by the Board of Directors. Such budgets will:
- (a) Be in accordance with the aims and objectives set out in the Annual Plan;
 - (b) Accord with workload and workforce plans;
 - (c) Be produced following discussion with appropriate budget holders;
 - (d) Be prepared within the limits of available funds;
 - (e) Identify potential risks.
- 3.1.3 The Director of Finance shall monitor financial performance against budget and plan, periodically review them, and report to the Board of Directors.
- 3.1.4 All budget holders must provide information as required by the Director of Finance to enable budgets to be compiled.
- 3.1.5 All budget holders will sign up to their allocated budgets at the commencement of each financial year.
- 3.1.6 The Director of Finance has a responsibility to ensure that adequate training is delivered on an ongoing basis to budget holders to help them manage their budgets successfully.

3.2 Budgetary Delegation

3.2.1 The Chief Executive may delegate the management of a budget to permit the performance of a defined range of activities. This delegation must be in writing and be accompanied by a clear definition of:

- (a) the amount of the budget;
- (b) the purpose(s) of each budget heading;
- (c) individual and group responsibilities;
- (d) authority to exercise virement;
- (e) achievement of planned levels of service;
- (f) the financial monitoring timetable.

3.2.2 The Chief Executive and delegated budget holders must not exceed the budgetary total or virement limits set by the Board of Directors.

3.2.3 Any budgeted funds not required for their designated purpose(s) revert to the immediate control of the Chief Executive, subject to any authorised use of virement.

3.2.4 Non-recurring budgets should not be used to finance recurring expenditure without the authority in writing of the Chief Executive, as advised by the Director of Finance.

3.3 Budgetary Control and Reporting

3.3.1 The Director of Finance will devise and maintain systems of budgetary control. These will include:

- (a) Financial reports to the Board of Directors in a form approved by the Board of Directors containing:
 - (i) income and expenditure to date showing trends and forecast year end position;
 - (ii) capital project spend and projected outturn against plan;
 - (iii) explanations of any material variances from plan; and
 - (iv) details of any corrective action where necessary and the Chief Executive's and/or Director of Finance's view of whether such actions are sufficient to correct the situation.
- (b) The issue of timely, accurate and comprehensible advice and financial reports to each budget holder, covering the areas for which they are responsible;
- (c) Investigation and reporting of variances from financial, workload and workforce budgets;
- (d) Monitoring of management action to correct variances; and
- (e) Arrangements for the authorisation of budget transfers.
- (f) Annual cash plan which is reported against monthly.

3.3.2 Each budget holder is responsible for ensuring that:

- (a) Any likely overspending or reduction of income which cannot be met by virement is not incurred without the prior consent of the Director of Finance;
- (b) The amount provided in the approved budget is not used in whole or in part for any purpose other than that specifically authorised subject to the rules of virement;
- (c) No permanent employees are appointed without the approval of the Chief Executive other than those provided for within the available resources and workforce establishment as approved by the Board of Directors.

3.3.3 The Chief Executive is responsible for identifying and implementing cost improvements and income generation initiatives in accordance with the requirements of the Annual Business Plan and a balanced budget.

3.4 Capital Expenditure

3.4.1 The general rules applying to delegation and reporting shall also apply to capital expenditure. (The particular applications relating to capital are contained in SFI 11.)

3.5 Financial Reporting to Monitor

3.5.1 The Chief Executive is responsible for ensuring that the appropriate monitoring forms are submitted to Monitor.

4. ANNUAL ACCOUNTS AND REPORTS

4.1 The Director of Finance, on behalf of the Trust, will:

- (a) Prepare financial returns in accordance with the accounting policies and guidance given by Monitor and the Treasury, the Trust's accounting policies and practice adopted within the UK;
- (b) Prepare and submit annual financial reports to Parliament certified in accordance with current guidelines via Monitor;
- (c) Submit financial returns to Monitor for each financial year in accordance with the timetable prescribed by Monitor.

4.2 The Trust's audited annual accounts must be presented to the Annual General Meeting.

4.3 The Trust will publish an annual report, in accordance with guidelines on local accountability, and present it to the Board of Directors and to the Annual General Meeting of the Trust. The document will comply with the NHS Foundation Trust Annual Reporting Manual (FT ARM) issued each year by Monitor.

5. BANK ACCOUNTS AND TREASURY MANAGEMENT POLICY

5.1 General

5.1.1 The Director of Finance is responsible for managing the Trust's banking arrangements and for advising the Trust on the provision of banking services and operation of accounts. This advice will take into account guidance/directions issued from time to time by Monitor. The Trust will operate in line with its Treasury Management Policy.

5.1.2 The Board of Directors shall approve the banking arrangements.

5.2 Bank and Paymaster Accounts

5.2.1 The Director of Finance is responsible for:

- (a) Bank accounts and Government Banking Service (GBS) accounts;
- (b) Establishing separate bank accounts for the Trust's non-exchequer funds;
- (c) Ensuring payments made from bank or Paymaster accounts do not exceed the amount credited to the account except where arrangements have been made;
- (d) Reporting to the Board of Directors all arrangements made with the Trust's bankers for accounts to be overdrawn;

5.3 Banking Procedures

5.3.1 The Director of Finance will prepare detailed instructions on the operation of bank and Paymaster accounts which must include:

- (a) The conditions under which each bank and Paymaster account is to be operated;
- (b) Those authorised to sign cheques or other orders drawn on the Trust's accounts.

5.3.2 The Director of Finance must advise the Trust's bankers in writing of the conditions under which each account will be operated. All funds shall be held in accounts in the name of the Trust. No officer other than the Director of Finance shall open any bank account in the name of the Trust.

5.3.3 The Director of Finance shall advise the bankers of any alterations in the conditions of operation of accounts that may be required by financial regulations of the Health Service, or by resolution of the Board of Directors as may be necessary from time to time.

5.3.4 Cheques or other orders drawn upon the main exchequer bank account with a value of less than £5,000 shall be signed by a panel of first officers, nominated by the Board of Directors by specific resolution;

5.3.5 Cheques or other orders drawn upon the main exchequer bank account with a value of £5,000 or more shall be signed by two people: one from the first officer panel and the second from the second officer panel, also nominated by the Board of Directors by specific resolution.

- 5.3.6 Cheques or other orders drawn upon the main charitable fund bank account with a value of less than £5,000 shall be signed by two persons from a panel of first officers, nominated by the Board of Directors by specific resolution, and over £5,000 countersigned by the Chair of the Charitable Funds Committee.
- 5.3.7 The Director of Finance shall notify the bankers in writing of any officer or officers nominated to authorise the payment of money from any subsidiary bank account. The bankers shall be notified promptly of the cancellation of any such authorisation. Payments drawn on subsidiary bank accounts shall be authorised as follows:
- (a) by the use of cheques with a handwritten signature where the security procedures have been approved by the Audit Committee;
 - (b) all cheques shall bear a second manual signature if over the value of £5,000.
 - (c) in the preparation of manual cheques, the Director of Finance may use a mechanical means of printing in figures the amount to be paid in place of the amount in words;
 - (d) the Director of Finance may, in place of his/her handwritten signature, use a facsimile signature applied to cheques by mechanical means.
- 5.3.8 All cheques will be treated as controlled stationery and securely stored in the charge of a duly designated officer controlling their issue.
- 5.3.9 The Director of Finance may enter into a formal agreement with other bodies for payments to be made on behalf of the Trust from bank accounts maintained in the name of such other bodies or by electronic funds transfer, i.e., BACS. Where such an agreement is entered into, the Director of Finance shall ensure that the security arrangements of such other bodies relating to the bank accounts in question are adequate.

5.4 Tendering and Review

- 5.4.1 The Director of Finance will review the commercial banking arrangements of the Trust at regular intervals to ensure they reflect best practice and represent best value for money by periodically seeking competitive tenders for the Trust's commercial banking business.
- 5.4.2 Competitive tenders should be sought at least every 5 years. The results of the tendering exercise should be reported to the Board of Directors.

6. INCOME, FEES AND CHARGES AND SECURITY OF CASH, CHEQUES AND OTHER NEGOTIABLE INSTRUMENTS

6.1 Income Systems

- 6.1.1 The Director of Finance is responsible for designing, maintaining and ensuring compliance with systems for the proper recording, invoicing, collection and coding of all monies due.
- 6.1.2 The Director of Finance is also responsible for the prompt banking of all monies received.

6.2 Fees and Charges

- 6.2.1 The Trust shall follow the Department of Health's guide and advice in regard to the application of Payment by Results (PbR) and the National Tariff.
- 6.2.2 The Director of Finance is responsible for approving and regularly reviewing the level of all fees and charges other than those determined by the Department of Health or by Statute. Independent professional advice on matters of valuation shall be taken as necessary.
- 6.2.3 All employees must inform the Director of Finance promptly of money due arising from transactions which they initiate/deal with, including all contracts, leases, tenancy agreements, private patient undertakings and other transactions.
- 6.2.4 The Trust must comply with the private charges cap required under the Terms of Authorisation.

6.3 Debt Recovery

- 6.3.1 The Director of Finance is responsible for the appropriate recovery action on all outstanding debts.
- 6.3.2 Income not received should be dealt with in accordance with losses procedures.
- 6.3.3 Overpayments should be detected (or preferably prevented) and recovery initiated.

6.4 Security of Cash, Cheques and Other Negotiable Instruments

- 6.4.1 The Director of Finance is responsible for:
- (a) Approving the form of all receipt books, agreement forms, or other means of officially acknowledging or recording monies received or receivable;
 - (b) Ordering and securely controlling any such stationery.
 - (c) The provision of adequate facilities and systems for employees whose duties include collecting and holding cash, including the provision of safes or lockable cash boxes, the procedures for keys and for coin operated machines;
 - (d) Prescribing systems and procedures for handling cash and negotiable securities on behalf of the Trust.
- 6.4.2 Official money shall not under any circumstances be used for the encashment of private cheques or IOUs.
- 6.4.3 All cheques, postal orders, cash etc. shall be banked intact. Disbursements shall not be made from cash received, except under arrangements approved by the Director of Finance.
- 6.4.4 The holders of safe keys shall not accept unofficial funds for depositing in their safes unless such deposits are in special sealed envelopes or locked containers. It shall be made clear to the depositors that the Trust is not to be held liable for any loss and written indemnities must be obtained from the organisation or individuals absolving the Trust from responsibility for any loss.

6.5 2003 Money Laundering Regulations

6.5.1 Under no circumstances will the Trust accept cash payments in excess of €15,000 (approximately £10,000) in respect of any single transaction. Any attempts by an individual to effect payment above this amount should be notified immediately to the Director of Finance.

7. TENDERING AND CONTRACTING REGULATIONS

7.1 Duty to Comply with Standing Orders and Standing Financial Instructions

The procedure for making all contracts by or on behalf of the Trust shall comply with Standing Orders and Standing Financial Instructions (except where Standing Order No. 4.13, Suspension of Standing Orders, is applied).

7.2 Legislation and Guidance Covering Public Procurement

The Trust shall comply with the Public Contracts Regulations 2015 and any relevant EU Directives and all requirements binding on the Trust derived from the EU Treaty relating to procurement by the Trust relating to the processes to be applied when awarding all forms of contract. Such legislation shall be incorporated into the Board of Directors Standing Orders and SFIs.

7.3 E-Auctions

The Trust does not conduct E-auction activity but may participate via a procurement partner.

7.4 Capital Investment (see overlap with SFI No. 13)

The Trust shall comply as far as is practicable with the requirements of the guidance published by Monitor on capital investment, including *“Supporting HS providers: Guidance on transactions for NHS Foundation Trusts and Transactions Guidance – for Trusts undertaking transactions, including mergers and acquisitions”* in respect of capital investment and estate and property transactions.

7.5 Formal Competitive Tendering

7.5.1 General Applicability

Subject to SFI paragraph 7.5.3, the Trust shall ensure that competitive tenders are invited for:

the supply of goods, materials and manufactured articles;

the provision of services including all forms of management consultancy services;

the design, construction and maintenance of building and engineering works (including construction and maintenance of grounds and gardens); and

disposals of any tangible or intangible property (including equipment and intellectual property).

7.5.2 *Exceptions and Instances where Formal Tendering need not be applied*

Formal tendering procedures **need not be applied** where:

- (b) The estimated expenditure or income does not, or is not reasonably expected to, exceed £30,000 (including VAT);
- (c) Where the requirement is covered by an existing contract (e.g. Crown Commercial Services or NHS Supply Chain);
- (d) Where a consortium arrangement is in place and a lead organisation has been appointed to carry out tendering activity on behalf of the consortium members, including the Trust;
- (e) Where the supply can be obtained under a framework agreement that has itself been procured in compliance with the duties set out at SFI paragraph 7.2 above, and where the Trust is entitled to access such framework agreement;
 - (ei) In this case quotations should be obtained and a full evaluation of the quoted undertaken
- (f) Regarding disposals as set out in SFI No. 14;

Subject to the duties at SFI paragraph 7.2 above (and to obtaining appropriate advice from the Trust's Procurement Department and where it considers necessary external professional advice), formal tendering procedures **may be waived** in the following circumstances:

- (a) In very exceptional circumstances where the Chief Executive decides that formal tendering procedures would not be practicable or the estimated expenditure or income would not warrant formal tendering procedures and the circumstances are detailed in the formal tender waiver report proforma;
- (b) Where the timescale genuinely precludes competitive tendering but failure to plan the work properly would not be regarded as a justification for a tender waiver;
- (c) Where specialist expertise is required and can be demonstrated to be available from only one source then single tender action approval should be requested;
- (d) When the requirement is essential to complete a project, and arises as a consequence of a recently completed assignment and engaging different consultants for the new task would be inappropriate;
- (e) Where there is a clear benefit to be gained from maintaining continuity with an earlier project. However, in such cases the benefits of such continuity must outweigh any potential financial advantage to be gained by competitive tendering;
- (f) For the provision of legal advice and services providing that any legal firm or partnership commissioned by the Trust is regulated by the Law Society for England and Wales for the conduct of their business (or by the Bar Council for England and Wales in relation to the obtaining of Counsel's opinion) and are generally recognised as having sufficient expertise in the area of work for which they are commissioned.

The Director of Finance will ensure that any fees paid are reasonable and within commonly accepted rates for the costing of such work.

The waiving of competitive tendering procedures should not be used to avoid competition or for administrative convenience or to award further work to a consultant originally appointed through a competitive procedure.

Where it is decided that competitive tendering is not applicable and should be waived, the fact of the waiver and the reasons should be documented and recorded in an appropriate Trust record and reported to the Audit Committee at each meeting.

7.5.3 *Fair, Transparent and Adequate Competition*

Where the exceptions set out in SFI paragraphs 7.1 and 7.5.2 apply, the Trust shall ensure that invitations to tender, whether regulated by the Public Contracts Regulations 2015 or not that the tender process adopted is fair and transparent and is considered in a fair and transparent manner. Where a tender process is conducted the Trust shall, in order to ensure best value is obtained, invite tenders from a sufficient number of firms/individuals to provide fair and adequate competition, and in no case less than two firms/individuals, having regard to their capacity to supply the goods or materials or to undertake the service or works required.

7.5.4 *Building and Engineering Construction Works*

Competitive tendering cannot be waived for building and engineering construction works and maintenance (other than in accordance with the Capital Investment and Property Business and Approval guidance for NHS providers).

7.5.5 *Items which subsequently breach thresholds after original approval*

Items estimated to be below the limits set in this SFIs for which formal tendering procedures are not used which subsequently prove to have a value above such limits shall be reported to the Chief Executive, and be recorded in the Trust's Tender Register. No award shall be made for breach of the OJEU limit, any such breach will require an OJEU exercise to be conducted.

7.6 Contracting/Tendering Procedure

7.6.1 *Invitation to Tender*

- (a) All invitations to tender shall state the date and time as being the latest time for the receipt of tenders.
- (b) All invitations to tender shall state that no tender will be accepted unless:

- (i) Submitted in a plain sealed package or envelope bearing a pre-printed label (or the word “tender” followed by the subject to which it relates) and the latest date and time for the receipt of such tender addressed to the Chief Executive or nominated manager;
 - (ii) Tender envelopes/packages shall not bear any names or marks indicating the sender. The use of courier/postal services must not identify the sender on the envelope or on any receipt so required by the deliverer.
- (c) Every tender for goods, materials, services or disposals shall contain and comprise appropriate terms and conditions regulating the conduct of the tender and shall contain appropriate terms and conditions on which the contract is to be awarded and shall be substantively based to regulate the provision of the goods, materials, services to be provided or in relation to the disposal.
- (d) Every tender for building or engineering works (except for maintenance work, when the Capital Investment and Property Business and Approval guidance for NHS providers guidance shall be followed) shall contain terms and conditions on which the contract to be awarded shall be substantively based and shall embody or be in the terms of the current edition of a suitable and recognised industry form of contract including but not limited to one of the Joint Contracts Tribunal Standard Forms of Building Contract or the NEC Standard Forms of Contract or Department of the Environment (GC/Wks) Standard Forms of Contract; or, when the content of the work is primarily engineering, the General Conditions of Contract recommended by the Institution of Mechanical and Electrical Engineers and the Association of Consulting Engineers (Form A), or (in the case of civil engineering work) the General Conditions of Contract recommended by the Institute of Civil Engineers, the Association of Consulting Engineers and the Federation of Civil Engineering Contractors. These documents may be modified (in minor respects only), to cover special features of individual projects.

7.6.2 *Receipt and Safe Custody of Tenders*

The Chief Executive or his nominated officer will be responsible for the receipt, endorsement and safe custody of tenders received until the time appointed for their opening.

The date and time of receipt of each tender shall be endorsed on the tender envelope/package.

7.6.3 *Opening Tenders and Register of Tenders*

- (a) As soon as practicable after the date and time stated as being the last time for the receipt of tenders, they shall be opened by one Executive Director designated by the Chief Executive and who is not from the originating department.
- (b) The “originating” department will be taken to mean the department sponsoring or commissioning the tender.
- (c) The involvement of Finance Directorate staff in the preparation of a tender proposal will not preclude the Director of Finance or any approved senior

manager from the Finance Directorate from serving as the Executive Director to open tenders.

- (d) Every tender received shall be marked with the date of opening and initialled by those present at the opening.
- (e) A register shall be maintained by the Chief Executive, or a person authorised by him, to show for each set of competitive tender invitations despatched:
 - the name of all individual firms invited;
 - the names of individual firms from which tenders have been received;
 - the date the tenders were opened;
 - the persons present at the opening;
 - the price shown on each tender;
 - a note where price alterations have been made on the tender.

This register shall be signed by those present.

A note shall be made in the register if any one tender price has had so many alterations that it cannot be easily read or understood.

- (f) Incomplete tenders, i.e., those from which information necessary for the adjudication of the tender is missing, and amended tenders, i.e., those amended by the tenderer upon his own initiative either orally or in writing after the due time for receipt, but prior to the opening of other tenders, should be dealt with in the same way as late tenders. (SFI paragraph 7.6.5 below)

7.6.4 *Admissibility of Tenders*

- (a) If, for any reason, the designated officers are of the opinion that the tenders received are not strictly competitive (for example, because their numbers are insufficient or any are amended, incomplete or qualified), no contract shall be awarded without the approval of the Chief Executive.
- (b) Where only one tender is sought and/or received, the Chief Executive and Director of Finance shall, as far as practicable, ensure that the price to be paid is fair and reasonable and will ensure value for money for the Trust.

7.6.5 *Late Tenders*

- (a) Tenders received after the due time and date, but prior to the opening of the other tenders, may be considered only if the Chief Executive or his nominated officer decides that there are exceptional circumstances, i.e., despatched in good time but delayed through no fault of the tenderer.
- (b) Only in the most exceptional circumstances will a tender be considered which is received after the opening of the other tenders and only then if the tenders that have been duly opened have not left the custody of the Chief Executive or his nominated officer or if the process of evaluation and adjudication has not started.
- (c) While decisions as to the admissibility of late, incomplete or amended tenders are under consideration, the tender documents shall be kept strictly confidential, recorded and held in safe custody by the Chief Executive or his nominated officer.

7.6.6 *Acceptance of Formal Tenders*

- (a) Any discussions with a tenderer which are deemed necessary to clarify technical aspects of his tender before the award of a contract will not disqualify the tender.
- (b) The lowest tender, if payment is to be made by the Trust, or the highest, if payment is to be received by the Trust, shall be accepted unless there are good and sufficient reasons to the contrary. Such reasons shall be set out in either the contract file or other appropriate record. Any instances should be reported to the Audit & Risk Committee.

It is accepted that for professional services such as management consultancy, the lowest price does not always represent the best value for money. Other factors affecting the success of a project include:

- (i) experience and qualifications of team members;
- (ii) understanding of client's needs;
- (iii) feasibility and credibility of proposed approach;
- (iv) ability to complete the project on time.

Where other factors are taken into account in selecting a tenderer, these must be clearly recorded and documented in the contract file, and the reason(s) for not accepting the lowest tender clearly stated.

- (c) No tender shall be accepted which will commit expenditure in excess of that which has been allocated by the Trust and which is not in accordance with these instructions, except with the authorisation of the Chief Executive.
- (d) The use of these procedures must demonstrate that the award of the contract was:
 - (i) not in excess of the going market rate/price current at the time the contract was awarded;
 - (ii) that best value for money was achieved.
- (e) All tenders should be treated as confidential and should be retained for inspection.

7.6.7 *Tender Reports to the Board of Directors*

Approval of all contracts to be awarded in excess of £1,000,000 will be reserved by the Board of Directors.

7.7 Quotations

7.7.1 General Position on Quotations

Quotations are required where formal tendering procedures are not adopted and where the intended expenditure or income exceeds, or is reasonably expected to exceed £2,500 but not exceed £30,000 (inclusive of VAT).

7.7.2 Competitive Quotations

- (a) Written quotations should be obtained from at least three [3] firms/individuals if contract value is between £10,000 - £29,999 (inclusive of VAT) based on specifications or terms of reference prepared by, or on behalf of, the Trust. Below the value of £10,000 at least two [2] written quotations should be obtained following liaison with the Procurement Department and below £2,500, two verbal quotations should be obtained.
- (b) Quotations should be in writing unless the Chief Executive or his nominated officer determines that it is impractical to do so, in which case quotations may be obtained by telephone. Confirmation of telephone quotations should be obtained as soon as possible and the reasons why the telephone quotation was obtained should be set out in a permanent record.
- (c) All quotations should be treated as confidential and should be retained for inspection.
- (d) The Chief Executive or his nominated officer should evaluate the quotation and select the quote which gives the best value for money. If this is not the lowest quotation if payment is to be made by the Trust, or the highest if payment is to be received by the Trust, then the choice made and the reasons why should be recorded in a permanent record.

7.7.3 Quotations to be within Financial Limits

No quotation shall be accepted which will commit expenditure in excess of that which has been allocated by the Trust and which is not in accordance with Standing Financial Instructions except with the authorisation of either the Chief Executive or Director of Finance.

7.8 Authorisation of Tenders and Competitive Quotations

Providing all the conditions and circumstances set out in these Standing Financial Instructions have been fully complied with, formal authorisation and awarding of a contract may be decided by the following staff to the value of the contract as follows:

2 Executive Board Directors	up to	£999,999 (inclusive of VAT)
Trust Board:	over	£1m (inclusive of VAT)

These levels of authorisation may be varied or changed and need to be read in conjunction with the Board of Director's Scheme of Delegation.

Formal authorisation must be put in writing. In the case of authorisation by the Board of Directors, this shall be recorded in its Minutes.

7.9 Instances where Formal Competitive Tendering or Competitive Quotation is not required

Where competitive tendering or a competitive quotation is not required, the Trust should adopt one of the following alternatives:

- (a) The Trust shall use Procurement Partner organisations such as NHS Supply Chain and Crown Commercial Services for procurement of all goods and services unless the Chief Executive or nominated officers deem it inappropriate.
- (b) If the Trust does not use procurement partners as in 7.9 (a) – where tenders or quotations are not required, because expenditure is below £2,500 (inclusive of VAT), the Trust shall procure goods and services in accordance with procurement procedures approved by the Director of Finance.

7.10 Private Finance for Capital Procurement (see overlap with SFI No. 13)

The Trust should consider market-test for PFI (Private Finance Initiative funding) when considering a capital procurement. When the Board of Directors proposes, or is required, to use finance provided by the private sector, the following should apply:

- (a) The Chief Executive shall demonstrate that the use of private finance represents value for money and genuinely transfers risk to the private sector.
- (b) The Trust must seek all applicable approvals and the requirements of all guidance by Monitor, including Risk Evaluation for Investment Decisions by NHS Foundation Trusts.
- (c) The proposal must be specifically agreed by the Board of Directors of the Trust.
- (d) The selection of a contractor/finance company must be on the basis of competitive tendering or quotations.

7.11 Compliance Requirements for All Contracts

The Board of Directors may only enter into contracts on behalf of the Trust within the statutory powers of the Trust:

- (a) The Trust's Terms of Authorisation, Standing Orders and Standing Financial Instructions;
- (b) EU Directives and other statutory provisions;
- (c) Any relevant directions including the Capital Investment and Property Business and Approval guidance for NHS providers guidance and guidance on the Procurement and Management of Consultants.

- (d) Such of the NHS Standard Contract Conditions as are applicable.
- (e) Contracts with NHS Foundation Trusts must be in a form compliant with appropriate NHS guidance.
- (f) Where appropriate contracts shall be in or embody the same terms and conditions of contract as was the basis on which tenders or quotations were invited.
- (g) In all contracts made by the Trust, the Board of Directors shall endeavour to obtain best value for money by use of all systems in place. The Chief Executive shall nominate an officer who shall oversee and manage each contract on behalf of the Trust.

7.12 Personnel and Agency or Temporary Staff Contracts

The Chief Executive shall nominate officers with delegated authority to enter into contracts of employment regarding staff, agency staff or temporary staff service contracts.

7.13 Disposals

Competitive tendering or quotation procedures shall not apply to the disposal of:

- (a) Any matter in respect of which a fair price can be obtained only by negotiation or sale by auction as determined (or predetermined in a reserve) by the Chief Executive or his nominated officer.
- (b) Obsolete or condemned articles and stores, which may be disposed of in accordance with the procurement policy of the Trust.
- (c) Items to be disposed of with an estimated sale value of less than £2,500, this figure to be reviewed on a periodic basis.
- (d) Items arising from works of construction, demolition or site clearance, which should be dealt with in accordance with the relevant contract.

7.14 In-house Services

7.14.1 The Chief Executive shall be responsible for ensuring that best value for money can be demonstrated for all services provided on an in-house basis. The Trust may also determine from time to time that in-house services should be market tested by competitive tendering.

7.14.2 In all cases where the Board of Directors determines that in-house services should be subject to competitive tendering, the following groups shall be set up:

- (a) Specification Group, comprising the Chief Executive or nominated officer/s and specialist;
- (b) In-house Tender Group, comprising a nominee of the Chief Executive and technical support.
- (c) Evaluation Team, comprising normally a specialist officer, a procurement officer and a Finance representative. For services having a likely annual

expenditure exceeding £100,000, a Non-Executive Director should be a member of the Evaluation Team.

- 7.14.3 All groups should work independently of each other and individual officers may be a member of more than one group, but no member of the In-house Tender Group may participate in the evaluation of tenders.
- 7.14.4 The Evaluation Team shall make recommendations to the Board of Directors following any benchmarking process or a market testing exercise carried out pursuant to SFI paragraph 7.2 above.
- 7.14.5 The Chief Executive shall nominate an officer to oversee and manage the contract on behalf of the Trust.

7.15 Applicability of SFIs on Tendering and Contracting to Funds held in Trust (see overlaps with SFI 8)

These instructions shall not only apply to expenditure from Exchequer funds, but also to works, services and goods purchased from the Trust's trust funds and private resources.

8. BIDDING FOR NEW BUSINESS

- 8.1 The New Business Register will be maintained by the Assistant Director of Finance (Commercial) and will be presented to the monthly Executive Strategy Group.

8.2 Decision to Bid

Notification of new business opportunities will be made by the Assistant Director of Finance (Commercial) to the relevant divisional Director of Operations, Clinical Director and General Manager, copying in the Managing Director and Director of Finance along with any other appropriate staff.

An assessment of the opportunity will be made using the Trust Bid / No Bid Tool. One of the key factors of consideration will be the profitability of the contracts.

9. CONTRACTING

- 9.1 The Board of Directors of the Trust shall regularly review and shall at all times maintain and ensure the capacity and capability of the Trust to provide the mandatory goods and services referred to in the terms of authorisation and related schedules.
- 9.2 The Chief Executive, as the Accounting Officer, is responsible for ensuring the Trust enters into suitable contracts with commissioners for the provision of NHS services.
- 9.3 Where the Trust enters into a relationship with another organisation for the supply or receipt of other services – clinical or non-clinical, the responsible officer e.g. Service Manager, should ensure that there is a contract in place signed by the authorised signatory.
- 9.4 All contracts shall be legally binding, shall comply with best costing practice and

shall be so devised as to manage contractual risk, insofar as is reasonably

achievable in the circumstances of each contract, whilst optimising the Trust's opportunity to generate income.

- 9.5 In carrying out these functions, the Chief Executive should take into account the advice of Directors regarding:
- (a) costing and pricing of services and/or goods;
 - (b) payment terms and conditions;
 - (c) billing systems and cash flow management;
 - (d) the contract negotiating process and timetable;
 - (e) the provision of contract data;
 - (f) contract monitoring arrangements;
 - (g) amendments to contracts; and
 - (h) any other matters relating to contracts of a legal or non-financial nature.
- 9.6 The Director of Finance shall produce regular reports detailing actual and forecast service activity income with a detailed assessment of the impact of the variable elements of income.
- 9.7 One signed, all new expenditure contracts will be recorded on the Information Asset Register by the Procurement Team. Each contract will be assigned a unique contract number using a sequential numbering system.
- 9.8 Once signed, all new income contracts will be recorded on the Information Asset Register by the Income Team. Each contract will be assigned a unique contract number using a sequential numbering system.
- 9.9 All hard copies of signed contracts will be stored securely with the Contracts Team.
- 9.10 Once recorded on the Information Asset Register, the designated asset owner (usually the general manager) will be responsible for the on-going contract management as detailed in the Contract Management Policy.

10. TERMS OF SERVICE AND PAYMENT OF DIRECTORS AND EMPLOYEES

10.1 Remuneration and Terms of Service

- 10.1.1 In accordance with Standing Orders, the Board of Directors shall establish a Remuneration and Terms of Service Committee, with clearly defined terms of reference, specifying which posts fall within its area of responsibility, its composition, and the arrangements for reporting.
- 10.1.2 The terms of reference will include advice and decisions on the remuneration and terms of service of the Chief Executive and other Executive Directors.
- 10.1.3 The Committee shall report in writing to the Board of Directors the basis for its recommendations. The Board of Directors shall use the report as the basis for their decisions, but remain accountable for taking decisions on the remuneration and terms of service of Executive Directors. Minutes of the Board of Directors' meetings should record such decisions.

10.1.4 The Board of Directors will approve proposals presented by the Chief Executive for any changes in the remuneration and conditions of service for those employees not covered by the Committee.

10.1.5 The Trust will remunerate the Trust Chair and Non-Executive Directors in accordance with the decisions of the Council of Governors, taking into account any guidance issued by Monitor.

10.2 Funded Establishment

10.2.1 The workforce plans agreed and incorporated within the annual budget will form the funded establishment of the Trust.

10.2.2 The funded establishment of any department may only be varied in accordance with the Scheme of Delegation.

10.3 Staff Appointments

10.3.1 No Director or employee may engage, re-engage or re-grade employees, either on a permanent or temporary nature, or hire agency staff, or agree to changes in any aspect of remuneration unless:

- (a) authorised to do so by the Chief Executive; and
- (b) within the limit of his approved budget and funded establishment.

10.3.2 The Board of Directors will approve procedures presented by the Chief Executive for the determination of commencing pay rates, conditions of service, etc. for employees.

10.3.3 Authority to Book Bank and Agency Staff

The authorisation of booking of bank and agency personnel above the agency cap rates set by NHS Improvement is the responsibility of the Managing Director, the Director of Finance or the relevant Group Director of Operations.

All agency staff must be procured through framework agreements approved by NHS Improvement. Procuring with an agency which is outside framework agreements may only be made on exceptional patient safety grounds only and on the authority of the Director of Finance.

10.4 Processing Payroll

10.4.1 The Director of Finance is responsible for arranging the provision of an appropriate payroll service. Together with the service provider, the Director of Finance is responsible for:

- (a) Specifying timetables for submission of properly authorised time records and other notifications;
- (b) The final determination of pay and allowances;
- (c) Making payment on agreed dates;
- (d) Agreeing method of payment.

10.4.2 Together with the service provider, the Director of Finance will issue instructions regarding:

- (a) Verification and documentation of data;
- (b) The timetable for receipt and preparation of payroll data and the payment of employees and allowances;
- (c) Maintenance of subsidiary records for superannuation, income tax, social security and other authorised deductions from pay;
- (d) Security and confidentiality of payroll information;
- (e) Checks to be applied to completed payroll before and after payment;
- (f) Authority to release payroll data under the provisions of the Data Protection Act;
- (g) Methods of payment available to various categories of employee and officers;
- (h) Procedures for payment by cheque, bank credit, or cash to employees and officers;
- (i) Procedures for the recall of cheques and bank credits;
- (j) Pay advances and their recovery;
- (k) Maintenance of regular and independent reconciliation of pay control accounts;
- (l) Separation of duties of preparing records and handling cash;
- (m) A system to ensure the recovery from those leaving the employment of the Trust of sums of money and property due by them to the Trust.

10.4.3 Managers authorised under the scheme of delegation are responsible for:

- (a) Submitting time records and other notifications in accordance with agreed timetables;
- (b) Completing time records and other notifications in accordance with the Director of Finance's instructions and in the form prescribed by the Director of Finance;
- (c) Submitting termination forms in the prescribed form immediately upon knowing the effective date of an employee's or officer's resignation, termination or retirement. Where an employee fails to report for duty or to fulfil obligations in circumstances that suggest they have left without notice, the Human Resource Department must be informed immediately.

10.4.4 Regardless of the arrangements for providing the payroll service, the Director of Finance shall ensure that the chosen method is supported by appropriate (contracted) terms and conditions, adequate internal controls and audit review procedures and that suitable arrangement are made for the collection of payroll deductions and payment of these to appropriate bodies.

10.5 **Contracts of Employment**

- 10.5.1 The Board of Directors shall delegate responsibility to an officer for:
- (a) Ensuring that all employees are issued with a Contract of Employment in a form approved by the Board of Directors and which complies with employment legislation;
 - (b) Dealing with variations to, or termination of, contracts of employment.

11. NON-PAY EXPENDITURE

11.1 Delegation of Authority

11.1.1 The Board of Directors will approve the level of non-pay expenditure on an annual basis and the Chief Executive will determine the level of delegation to budget managers.

11.1.2 The Chief Executive and Director of Finance will set out:

- (a) The list of managers who are authorised to place requisitions for the supply of goods and services;
- (b) The maximum level of each requisition and the system for authorisation above that level.

11.1.3 The Chief Executive shall set out procedures on the seeking of professional advice regarding the supply of goods and services.

11.2 Choice, Requisitioning, Ordering, Receipt and Payment for Goods and Services (See overlap with SFI 7)

11.2.1 Requisitioning

The requisitioner, in choosing the item to be supplied (or the service to be performed) shall always obtain the best value for money for the Trust. In so doing, the advice of the Trust's adviser on supply shall be sought. Where this advice is not acceptable to the requisitioner, the Director of Finance (and/or the Chief Executive) shall be consulted.

11.2.2 System of Payment and Payment Verification

The Director of Finance shall be responsible for the prompt payment of accounts and claims. Payment of contract invoices shall be in accordance with contract terms, or otherwise, in accordance with national guidance.

11.2.3 The Director of Finance will:

- (a) Advise the Board of Directors regarding the setting of thresholds above which quotations (competitive or otherwise) or formal tenders must be obtained; and, once approved, the thresholds should be incorporated in Standing Orders and Standing Financial Instructions and regularly reviewed;
- (b) Prepare procedural instructions or guidance within the Scheme of Delegation on the obtaining of goods, works and services incorporating the thresholds;

- (c) Be responsible for the prompt payment of all properly authorised accounts and claims;
- (d) Be responsible for designing and maintaining a system of verification, recording and payment of all amounts payable. The system shall provide for:
 - (i) a list of Board of Directors and employees (including specimens of their signatures) authorised to certify invoices;
 - (ii) certification that:
 - goods have been duly received, examined and are in accordance with specification and the prices are correct;
 - work done or services provided have been satisfactorily carried out in accordance with the order and, where applicable, the materials used are of the requisite standard and the charges are correct;
 - in the case of contracts based on the measurement of time, materials or expenses, the time charged is in accordance with the time sheets, the rates of labour are in accordance with the appropriate rates, the materials have been checked as regards quantity, quality and price and the charges for the use of vehicles, plant and machinery have been examined;
 - where appropriate, the expenditure is in accordance with regulations and all necessary authorisations have been obtained;
 - the account is arithmetically correct;
 - the account is in order for payment.
 - (iii) a timetable and system for submission to the Director of Finance of accounts for payment; provision shall be made for the early submission of accounts subject to cash discounts or otherwise requiring early payment.
 - (iv) instructions to employees regarding the handling and payment of accounts within the Finance Department.
- (e) Be responsible for ensuring that payment for goods and services is only made once the goods and services are received. The only exceptions are set out in SFI No. 11.2.4 below.

11.2.4 *Prepayments*

Prepayments are only permitted where exceptional circumstances apply (e.g., payments made under normal trading arrangements for booking and pre-payment of course/conference fees, leasing and maintenance contracts). In such instances:

- (a) Prepayments are only permitted where the financial advantages outweigh the disadvantages;
- (b) The appropriate Director must provide, in the form of a written report to the Director of Finance, a case setting out all relevant circumstances of the purchase. The report must set out the effects on the Trust if the supplier is at some time during the course of the prepayment agreement

unable to meet his commitments;

- (c) The Director of Finance will need to be satisfied with the proposed arrangements before contractual arrangements proceed (taking into account the EU public procurement rules where the contract is above a stipulated financial threshold);
- (d) The budget holder is responsible for ensuring that all items due under a prepayment contract are received and they must immediately inform the appropriate Director or Chief Executive if problems are encountered.

11.2.5 *Official Orders*

Official orders must:

- (a) Be consecutively numbered;
- (b) Be in a form approved by the Director of Finance;
- (c) State the Trust's terms and conditions of trade;
- (d) Only be issued to, and used by, those duly authorised by the Chief Executive.

11.2.6 *Duties of Managers and Officers*

Managers and officers must ensure that they comply fully with the guidance and limits specified by the Director of Finance and that:

- (a) All contracts, leases, tenancy agreements and other commitments which may result in a liability are reported formally to the Director of Finance in advance of any commitment being made;
- (b) Contracts above specified thresholds are advertised and awarded in accordance with European Union (EU) and General Agreements on Tariff and Trade (GATT) rules on public procurement and comply with legislation and government guidance on competitive procurement;
- (c) Where consultancy advice is being obtained, the procurement of such advice must be in accordance with guidance issued by the Department of Health. Trusts are required to seek prior approval from NHSI for any professional services consultancy contracts above £50,000;
- (d) No order shall be issued for any item or items to any firm which has made an offer of gifts, reward or benefit to Directors or employees, other than:
 - (i) isolated gifts of a trivial character or inexpensive seasonal gifts, such as calendars;
 - (ii) conventional hospitality, such as lunches in the course of working visits.

(See Trust guidance on "Standards of Business Conduct")

- (e) No requisition/order is placed for any item or items for which there is no budget provision unless authorised by the Director of Finance on behalf of the Chief Executive;
- (f) All goods, services or works are ordered on an official order except works and services executed in accordance with a contract and purchases from petty cash;

- (g) Verbal orders must only be issued very exceptionally – by an employee designated by the Chief Executive and only in cases of emergency or urgent necessity. These must be confirmed by an official order and clearly marked “Confirmation Order”;

- (h) Orders are not split or otherwise placed in a manner devised so as to avoid the financial thresholds;
- (i) Goods are not taken on trial or loan in circumstances that could commit the Trust to a future uncompetitive purchase;
- (j) Changes to the list of employees and officers authorised to certify invoices are notified to the Director of Finance;
- (k) Purchases from petty cash are restricted in value and by type of purchase in accordance with instructions issued by the Director of Finance;
- (l) Petty cash records are maintained in a form as determined by the Director of Finance.

11.2.7 The Chief Executive and Director of Finance shall ensure that the arrangements for financial control and financial audit of building and engineering contracts and property transactions comply with the guidance contained within the Capital Investment and Property Business and Approval guidance for NHS providers. The technical audit of these contracts shall be the responsibility of the relevant Director.

12. EXTERNAL BORROWING AND INVESTMENTS

12.1 External Borrowing

12.1.1 The Director of Finance will advise the Board of Directors concerning the Trust's ability to pay interest on, and repay the Public Dividend Capital (PDC) and any loans or overdrafts. The Director of Finance is also responsible for reporting periodically to the Board of Directors concerning the PDC and all loans and overdrafts.

12.1.2 Any application for a loan or overdraft, or for additional PDC, will only be made by the Director of Finance or by an employee so delegated.

12.1.3 The Director of Finance must prepare procedural instructions concerning applications for loans, overdrafts or PDC.

12.1.4 All short-term borrowings should be kept to the minimum period possible, consistent with the overall cash flow position. Any short-term borrowing requirement must be authorised by the Director of Finance.

12.1.5 All long-term borrowing must be consistent with the plans outlined in the current Annual Plan.

12.1.6 The Director of Finance must ensure compliance with all procedures, criteria, and terms and conditions when accessing loans, public dividend capital (PDC) or guarantees of payment under section 42A of the National Health Service Act 2006.

12.2 Investments

12.2.1 Temporary cash surpluses must be held only in such public or private sector investments as specified in the Trust's Treasury Management Policy.

- 12.2.2 The Director of Finance is responsible for advising the Board of Directors on investments and shall report periodically to the Board of Directors concerning the performance of investments held.
- 12.2.3 The Director of Finance will prepare detailed procedural instructions on the operation of investment accounts and on the records to be maintained.
- 12.2.4 The Trust must comply with all relevant guidance published on investments from time to time in force.

12.3 Working Capital

- 12.3.1 The Board of Directors will ensure that funds are available for short-term cash flow management. This will be arranged through Monitor as set under section 42A of the National Health Service Act 2006.

13. CAPITAL INVESTMENT, PRIVATE FINANCING, FIXED ASSET REGISTERS AND SECURITY OF ASSETS

13.1 Capital Investment

- 13.1.1 The Board of Directors shall approve a programme of building, engineering and design schemes known as the capital programme, as part of the budgetary process. In addition, further list of such schemes known as the reserves list shall be provided for situations where additional monies or slippage on existing schemes etc., enable resources to become available to provide additional works. The Chief Executive shall approve the commencement of such reserve schemes as required.
- 13.1.2 Where a requirement for a capital scheme not already in the approved programme arises during the course of the year, approval for its commencement shall be in accordance with the Scheme of Delegation and a report shall be made to the next meeting of the Board of Directors, showing the impact of the new scheme on the capital programme and the revenue consequences.
- 13.1.3 The Chief Executive:
- (a) Shall ensure that there is an adequate appraisal and approval process in place for determining capital expenditure priorities and the effect of each proposal upon business plans;
 - (b) Is responsible for the management of all stages of capital schemes and for ensuring that schemes are delivered on time and to cost;
 - (c) Is responsible for reporting to the Board of Directors any significant variation to planned capital schemes.
- 13.1.4 For every capital expenditure proposal the Chief Executive shall ensure:
- (a) That a business case is produced, in the format approved by the Trust, taking into account guidance contained within Monitor's "Capital regime, investment and Property Business and Approval guidance for NHS Providers", and any other relevant guidance, in a level of detail appropriate to the value of the project, setting out:

- (i) an option appraisal of potential benefits compared with known costs to determine the option with the highest ratio of benefits to costs;
 - (ii) the involvement of appropriate Trust personnel and external agencies;
 - (iii) appropriate project management and control arrangements.
- (b) That the Director of Finance has certified the costs and revenue consequences detailed in the business case.

13.1.5 The Director of Finance shall issue procedures governing the financial management, including variations to contract, of capital investment projects and valuation for accounting purposes; and shall issue procedures for the regular reporting of expenditure and commitment against authorised expenditure.

13.1.6 For capital schemes where the contracts stipulate staged payments, the Director of Finance will issue instructions for their management.

13.1.7 The approval of a capital programme shall not constitute approval for expenditure on any scheme.

The Chief Executive shall issue to the manager responsible for the scheme:

- (a) Specific authority to commit expenditure;
- (b) Authority to proceed to tender;
- (c) Approval to accept a successful tender in accordance with Trust's Tendering and Contracting Procedures.

(Officers must comply with SFI No. 5 – Tendering and Contracting Regulations)

The Chief Executive will issue a scheme of delegation for capital investment management in accordance with the Capital Investment and Property Business and Approval guidance for NHS providers guidance and the Trust's Standing Orders.

13.2 Private Finance

13.2.1 When the Trust proposes to use finance which is to be provided by the private sector and therefore other than its own funds and/or borrowing, the following shall apply:

- (a) The Trust must seek all applicable approvals and comply with the requirements for the approval of NHS Foundation Trust PFI Schemes issued by Monitor and the Department of Health;
- (b) The Director of Finance shall demonstrate that the use of private finance represents value for money and genuinely transfers significant risk to the private sector;
- (c) The proposal must be specifically agreed by the Board of Directors.

13.3 Asset Registers

13.3.1 The Chief Executive is responsible for the maintenance of registers of assets, taking account of the advice of the Director of Finance concerning the form of any register and the method of updating, and arranging for a physical check of assets

against the asset register to be conducted once a year.

- 13.3.2 The Trust shall maintain an asset register recording fixed assets.
- 13.3.3 Additions to the fixed asset register must be clearly identified to an appropriate budget holder and be validated by reference to:
- (a) Properly authorised and approved agreements, architect's certificates, supplier's invoices and other documentary evidence in respect of purchases from third parties;
 - (b) Stores, requisitions and wages records for own materials and labour including appropriate overheads;
 - (c) Lease agreements in respect of assets held under a finance lease and capitalised.
- 13.3.4 Where capital assets are sold, scrapped, lost or otherwise disposed of, their value must be removed from the accounting records and each disposal must be validated by reference to authorisation documents and invoices (where appropriate).
- 13.3.5 The Director of Finance shall approve procedures for reconciling balances on fixed assets accounts in ledgers against balances on fixed asset registers.
- 13.3.6 The process for revoking assets periodically must be approved by the Audit & Risk Committee and by the Board of Directors and must comply with the NHS Foundation Trust Financial Reporting Manual.
- 13.3.7 The value of each asset shall be re-valued at appropriate periodic intervals and in accordance with the requirements of the NHS Foundation Trust Financial Reporting Manual issued by Monitor.

13.4 Security of Assets

- 13.4.1 The overall control of fixed assets is the responsibility of the Chief Executive.
- 13.4.2 Asset control procedures (including fixed assets, cash, cheques and negotiable instruments, and also including donated assets) must be approved by the Director of Finance. This procedure shall make provision for:
- (a) recording managerial responsibility for each asset;
 - (b) identification of additions and disposals;
 - (c) identification of all repairs and maintenance expenses;
 - (d) physical security of assets;
 - (e) periodic verification of the existence of, condition of and title to assets recorded;
 - (f) identification and reporting of all costs associated with the retention of an asset; and
 - (g) reporting, recording and safekeeping of cash, cheques and negotiable instruments.
- 13.4.3 All discrepancies revealed by verification of physical assets to fixed asset register shall be notified to the Director of Finance.

- 13.4.4 Whilst each employee has a responsibility for the security of property of the Trust, it is the responsibility of Directors and senior employees in all disciplines to apply such appropriate routine security practices in relation to NHS property as may be determined by the Board of Directors. Any breach of agreed security practices must be reported in accordance with agreed procedures.
- 13.4.5 Any damage to the Trust's premises, vehicles and equipment, or any loss of equipment, stores or supplies must be reported by Board members and employees in accordance with the procedure for reporting losses.
- 13.4.6 Where practical, assets should be marked as Trust property.

14. STORES AND RECEIPT OF GOODS

14.1 General Position

- 14.1.1 Stores, defined in terms of controlled stores and departmental stores (for immediate use) should be:
- (a) kept to a minimum;
 - (b) subjected to annual stock take;
 - (c) valued at the lower of cost and net realisable value;
 - (d) obsolete or excess stock shall be valued at net realisable value.

14.2 Control of Stores, Stocktaking, Condemnations and Disposal

- 14.2.1 Subject to the responsibility of the Director of Finance for the systems of control, overall responsibility for the control of stores shall be delegated to an employee by the Chief Executive. The day-to-day responsibility may be delegated by him to departmental employees and stores managers/keepers, subject to such delegation being entered in a record available to the Director of Finance. The control of any pharmaceutical stocks shall be the responsibility of a designated Pharmaceutical Officer; the control of any fuel oil and coal of a designated estates manager.
- 14.2.2 The responsibility for security arrangements and the custody of keys for any stores and locations shall be clearly defined in writing by the designated manager/Pharmaceutical Officer. Wherever practicable, stocks should be marked as health service property.
- 14.2.3 The Director of Finance shall set out procedures and systems to regulate the stores including records for receipt of goods, issues, and returns to stores, and losses.
- 14.2.4 Stocktaking arrangements shall be agreed with the Director of Finance and there shall be a physical check covering all items in store at least once a year.
- 14.2.5 Where a complete system of stores control is not justified, alternative arrangements shall require the approval of the Director of Finance.
- 14.2.6 The designated Manager/Pharmaceutical Officer shall be responsible for a system approved by the Director of Finance for a review of slow moving and obsolete items and for condemnation, disposal and replacement of all unserviceable articles. The designed officer shall report to the Director of Finance any evidence of significant overstocking and of any negligence or

malpractice (see also overlap with SFI No. 13, Disposals and Condemnations, Losses and Special Payments). Procedures for the disposal of obsolete stock shall follow the procedures set out for disposal of all surplus and obsolete goods.

15. DISPOSALS AND CONDEMNATIONS, LOSSES AND SPECIAL PAYMENTS

15.1 Disposals and Condemnations

15.1.1 Procedures

The Director of Finance must prepare detailed procedures for the disposal of assets including condemnations, and ensure that these are notified to managers.

15.1.2 When it is decided to dispose of a Trust asset, the head of department or authorised deputy will determine and advise the Director of Finance of the estimated market value of the item, taking account of professional advice where appropriate.

15.1.3 All unserviceable articles shall be:

- (a) condemned or otherwise disposed of by an employee authorised for that purpose by the Director of Finance;
- (b) recorded by the Condemning Officer in a form approved by the Director of Finance which will indicate whether the articles are to be converted, destroyed or otherwise disposed of. All entries shall be confirmed by the countersignature of a second employee authorised for the purpose by the Director of Finance.

15.1.4 The Condemning Officer shall satisfy himself as to whether or not there is evidence of negligence in use and shall report any such evidence to the Director of Finance who will take the appropriate action.

15.2 Losses and Special Payments

15.2.1 Procedures

The Director of Finance must prepare procedural instructions on the recording of and accounting for condemnations, losses and special payments. These procedures shall follow Department of Health guidance. The Director of Finance must also prepare a "Counter Fraud Policy and Procedure" (Policy No: 128) to be approved by the Board of Directors, which sets out the action to be taken both by persons detecting a suspected fraud and by those persons responsible for investigating it.

15.2.2 Any employee or officer discovering or suspecting a loss of any kind must either immediately inform their head of department, who must immediately inform the Chief Executive and Director of Finance or inform an officer charged with responsibility for responding to concerns involving loss. This officer will then appropriately inform the Director of Finance and/or Chief Executive. Where a criminal offence is suspected, the Director of Finance must immediately inform the police if theft or arson is involved. In cases of fraud or corruption, the Director of Finance must inform the relevant LCFS and CFSMS regional team in accordance with Secretary of State for Health's Directions.

The Director of Finance must notify the Counter Fraud and Security Management Services and the External Auditor of all frauds.

- 15.2.3 For losses apparently caused by theft, arson, neglect of duty or gross carelessness, except if trivial, the Director of Finance must immediately notify:
- (a) the Board of Directors;
 - (b) the External Auditor.
- 15.2.4 Within limits delegated to it by the Secretary of State, the Board of Directors shall approve the writing-off of losses.
- 15.2.5 The Director of Finance shall be authorised to take any necessary steps to safeguard the Trust's interests in bankruptcies and company liquidations.
- 15.2.6 For any loss, the Director of Finance should consider whether any insurance claim can be made.
- 15.2.7 The Director of Finance shall maintain a Losses and Special Payments Register in which write-off action is recorded.
- 15.2.8 No special payments exceeding delegated limits shall be made without the prior approval of the Secretary of State.
- 15.2.9 All losses and special payments must be reported to the Audit & Risk Committee at every meeting.

16. FINANCIAL SYSTEMS (IT)

16.1 Responsibilities and Duties of the Director of Finance

- 16.1.1 The Director of Finance, who is responsible for the accuracy and security of the computerised financial data of the Trust, shall:
- (a) Devise and implement any necessary procedures to ensure adequate (reasonable) protection of the Trust's data, programme and computer hardware for which the Director is responsible from accidental or intentional disclosure to unauthorised persons, deletion or modification, theft or damage, having due regard for the General Data Protection Regulation (GDPR).
 - (b) Ensure that adequate (reasonable) controls exist over data entry, processing, storage, transmission and output to ensure security, privacy, accuracy, completeness and timeliness of the data, as well as the efficient and effective operation of the system;
 - (c) Ensure that adequate controls exist such that the computer operation is separated from development, maintenance and amendment;
 - (d) Ensure that an adequate management (audit) trail exists through the computerised system and that such computer audit reviews as the Director may consider necessary are being carried out.
- 16.1.2 The Director of Finance shall need to ensure that new financial systems and amendments to current financial systems are developed in a controlled manner and thoroughly tested prior to implementation. Where this is undertaken by another organisation, assurances of adequacy must be obtained from them prior to implementation.

16.1.3 The Director of Information, Communications & Technology shall publish and maintain a Freedom of Information (FOI) Publication Scheme, or adopt a model Publication Scheme approved by the Information Commissioner. A Publication Scheme is a complete guide to the information routinely published by a public authority. It describes the classes or types of information about the Trust that is made publicly available.

16.2 Responsibilities and Duties of other Directors and Officers in relation to Computer Systems of a General Application

16.2.1 In the case of computer systems which are proposed General Applications (i.e., normally those applications which the majority of Trusts in the Region wish to sponsor jointly) all responsible directors and employees will send to the Director of Finance:

- (a) details of the outline design of the system;
- (b) in the case of packages acquired either from a commercial organisation, from the NHS, or from another public sector organisation, the operational requirement.

16.3 Contracts for Computer Services with other Health Bodies or Outside Agencies

16.3.1 The Director of Finance shall ensure that contracts for computer services for financial applications with another health organisation or any other agency shall clearly define the responsibility of all parties for the security, privacy, accuracy, completeness and timeliness of data during processing, transmission and storage. The contract should also ensure rights of access for audit purposes.

Where another health organisation or any other agency provides a computer service for financial applications, the Director of Finance shall periodically seek assurances that adequate controls are in operation.

16.4 Risk Assessment

16.4.1 The Director of Finance shall ensure that risks to the Trust arising from the use of IT are effectively identified and considered and appropriate action taken to mitigate or control risk. This shall include the preparation and testing of appropriate disaster recovery plans.

16.5 Requirements for Computer Systems which have an impact on Corporate Financial Systems

16.5.1 Where computer systems have an impact on corporate financial systems the Director of Finance shall need to be satisfied that:

- (a) Systems acquisition, development and maintenance are in line with corporate policies such as an Information Technology Strategy;
- (b) Data produced for use with financial systems is adequate, accurate, complete and timely and that a management (audit) trail exists;
- (c) Director of Finance staff have access to such data;
- (d) Such computer audit reviews as are considered necessary are being carried out.

17. PATIENTS' PROPERTY

- 17.1 The Trust has a responsibility to provide safe custody for money and other personal property (hereafter referred to as "property") handed in by patients, in the possession of unconscious or confused patients, or found in the possession of patients dying in hospital or dead on arrival.
- 17.2 The Chief Executive is responsible for ensuring that patients or their guardians, as appropriate, are informed before or at admission by:
- notices and information booklets; (notices are subject to sensitivity guidance);
 - hospital admission documentation and property records;
 - the oral advice of administrative and nursing staff responsible for admissions
- that the Trust will not accept responsibility or liability for patients' property brought into Health Service premises, unless it is handed in for safe custody and a copy of an official patients' property record is obtained as a receipt.
- 17.3 The Director of Finance must provide detailed written instructions on the collection, custody, investment, recording, safekeeping and disposal of patients' property (including instructions on the disposal of the property of deceased patients and of patients transferred to other premises) for all staff whose duty is to administer, in any way, the property of patients. Due care should be exercised in the management of patients' money in order to maximise the benefits to the patient.
- 17.4 Where Secretary of State instructions require the opening of separate accounts for patients' monies, these shall be opened and operated under arrangements agreed by the Director of Finance.
- 17.5 In all cases where property of a deceased patient is of a total value in excess of £5,000 (or such other amount as may be prescribed by any amendment to the Administration of Estates, Small Payments, Act 1965), the production of Probate or Letters of Administration shall be required before any of the property is released. Where the total value of the property is £5,000 or less, forms of indemnity shall be obtained.
- 17.6 Staff should be informed, on appointment, by the appropriate departmental or senior manager, of their responsibilities and duties for the administration of the property of patients.
- 17.7 Where patients' property or income is received for specific purposes and held for safekeeping, the property or income shall be used only for that purpose, unless any variation is approved by the donor or patient in writing.

18. FUNDS HELD ON TRUST

18.1 Corporate Trustee

- 18.1.1 Standing Order No. 2 outlines the Trust's responsibilities as a corporate trustee for the management of funds it holds on trust, along with SFI 18.2 that defines the need for compliance with Charities Commission latest guidance and best practice.

18.1.2 The discharge of the Trust's corporate trustee responsibilities for exchequer funds and may not necessarily be discharged in the same manner, but there must still be adherence to the overriding general principles of financial regularity, prudence and propriety. Trustee responsibilities cover both charitable and non-charitable purposes.

18.1.3 The Director of Finance shall ensure that each trust fund which the Trust is responsible for managing is managed appropriately with regard to its purpose and to its requirements.

18.2 Accountability to Charity Commission and Secretary of State for Health

18.2.1 The trustee responsibilities must be discharged separately and full recognition given to the Trust's dual accountabilities to the Charity Commission for charitable funds held on trust.

18.2.2 The Schedule of Matters Reserved to the Board and the Scheme of Delegation make clear where decisions regarding the exercise of discretion regarding the disposal and use of the funds are to be taken and by whom. All Board of Directors and Trust officers must take account of that guidance before taking action.

18.3 Applicability of Standing Financial Instructions to Funds held on Trust

18.3.1 Insofar as it is possible to do so, most of the sections of these Standing Financial Instructions will apply to the management of funds held on trust.

18.3.2 The overriding principle is that the integrity of each Trust must be maintained and statutory and Trust obligations met. Materiality must be assessed separately from Exchequer activities and funds.

19. ACCEPTANCE OF GIFTS BY STAFF AND LINK TO STANDARDS OF BUSINESS CONDUCT (See overlap with SO No. 8.4)

19.1 The Director of Finance shall ensure that all staff are made aware of the Trust's policy on acceptance of gifts and other benefits in kind by staff.

20. RETENTION OF DOCUMENTS

20.1 The Chief Executive shall be responsible for maintaining archives for all records required to be retained in accordance with Department of Health guidelines.

20.2 The records held in archives shall be capable of retrieval by authorised persons.

20.3 Records held in accordance with latest Department of Health guidance shall only be destroyed at the express instigation of the Chief Executive. Detail shall be maintained of records so destroyed.

21. RISK MANAGEMENT AND INSURANCE

21.1 Programme of Risk Management

The Chief Executive shall ensure that the Trust has a programme of risk management, which will be approved and monitored by the Board of Directors.

The programme of risk management shall include:

- (a) A process for identifying and quantifying risks and potential liabilities;
- (b) Engendering among all levels of staff a positive attitude towards the control of risk;
- (c) Management processes to ensure all significant risks and potential liabilities are addressed including effective systems of internal control, cost effective insurance cover and decisions on the acceptable level of retained risk;
- (d) Contingency plans to offset the impact of adverse events;
- (e) Audit arrangements including: internal audit, clinical audit, health and safety review;
- (f) Arrangements to review the Risk Management programme.

The existence, integration and evaluation of the above elements will assist in providing a basis to make an Annual Governance Statement (AGS) within the Annual Report and Accounts as required by the NHS Group Accounting Manual (GAM).

21.2 Insurance: Risk Pooling Schemes Administered by NHS Resolution

The Board of Directors shall decide if the Trust will insure through the risk pooling schemes administered by the NHS Resolution or self-insure for some or all of the risks covered by the risk pooling schemes. If the Board of Directors decides not to use the risk pooling schemes for any of the risk areas (clinical, property and employers/third party liability) covered by the scheme, this decision shall be reviewed annually.

22. CONSULTATION

22.1 The Trust should take into account the legal duties of consultation that are applicable to the Trust when considering any changes to service provision at an early stage and seek advice where necessary.

22.2 Section 242 of the National Health Service Act 2006 sets out the Trust's duty as respects health services for which it is responsible, that persons to whom those services are being or may be provided or, directly or through representatives, included in and consulted on:

- (a) the planning of the provision of those services;
- (b) the development and consideration of proposals for changes in the way those services are provided; and

(c) decisions to be made by that body affecting the operation of those services.

22.3 Regulation 4A of the Local Authority (Overview and Scrutiny Committee's Health Scrutiny functions) Regulations 2002 sets out that the Trust needs to consult with the Overview and Scrutiny Committee of a Local Authority where:

- (a) The Trust proposes to make an application to the Regulator to vary the terms of its authorisation; and
- (b) That application, if successful, would result in a substantial variation of the provision by the Trust of protected goods or services in the area of that local authority.

23. ENGAGEMENT OF LEGAL ADVICE

Any member of staff wishing to access legal advice, must do so via the legal services framework. Advice should not be sought until permission has been given from the Director of Governance.

Audit & Risk Assurance Committee

Terms of Reference

1. Constitution

The Trust Board hereby resolves to establish an Assurance Committee to be known as the Audit & Risk Committee (The Committee). The Committee is a Non-Executive Committee of the Trust Board and has no executive powers, other than those specifically delegated in these terms of reference.

2. Authority

The Committee is authorised by the Trust Board to investigate any activity within its terms of reference. It is authorised to request any information from any employee and all employees are directed to cooperate with any request made by the Committee. The Committee is authorised by the Trust Board to obtain legal advice and to secure the attendance of experts and external representatives or persons with relevant experience / expertise if it considers it necessary.

The Committee has ultimate responsibility for receiving assurance on the systems and processes in place to manage risk on behalf of the Board of Directors and will assure itself on the work being carried out on risk by the other committees.

3. Membership

3 Non-Executive Directors (one of whom will Chair the Committee). The Chair of the Trust shall not be a member of the committee.

The Chair of the Committee will not be the Chair of any other Trust Board assurance committee.

4. Attendance

Regular attendees at this Committee will include the:

- Chief Executive (as Accounting Officer for the Annual Report and Accounts attending the meeting to approve the Annual Report and Accounts)
- Managing Director
- Director of Finance
- Company Secretary
- Director of Governance (Chief Risk Officer)
- Director of ICT

In addition, the Committee may ask any other executive directors or 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.

Representatives of the Internal Audit function, Counter Fraud and the External Auditors will attend meetings.

The Head of Internal Audit, the representative of External Audit and the Counter Fraud Specialist have a right of direct access to the Chair of the Committee.

Attendance at meetings is essential. In exceptional circumstances when an Executive member cannot attend they must arrange for a fully briefed deputy of sufficient seniority to attend on their behalf. Members will be required to attend as a minimum 50% of the meetings per year.

5. Quorum

The quorum necessary for the transaction of business shall be two Non-Executive members. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions invested in, or exercised, by the Committee.

6. Frequency and conduct

The Committee shall operate as follows:

- The Committee will meet at least five times a year, timed in accordance with the discharge of its key responsibilities.
- At least once a year, the committee should meet privately with the external and internal auditors.
- Items for the agenda should be submitted to the Corporate Office a minimum of 8 working days prior to the meeting. Papers will be sent out by the Corporate Office at least 3 working days before each meeting
- Membership and terms of reference can only be changed by the Committee, and approved by the Trust Board
- The terms of reference of the Committee will be reviewed and agreed annually

7. Duties

(i) Integrated Governance, Risk Management and Internal Control

The Committee shall review the establishment and maintenance of effective systems of integrated governance, risk management and internal control, across the whole of the Trust's activities (both clinical and non-clinical) that support the achievement of the corporate objectives.

In particular the Committee will review the adequacy of:

- All risk and control related disclosure statements, in particular the Annual Governance Statement and declarations of compliance with regulatory requirements, together with any accompanying Head of Internal Audit statement, external audit opinion or other appropriate independent assurances, prior to endorsement by the Board.
- The underlying assurance processes that indicate the degree of the achievement of corporate objectives, the effectiveness of the management of principal risks and the appropriateness of the above disclosure statements, specifically:
 - The assessment of Strategic Risks affecting the ability of the Trust to deliver the corporate objectives of the Board Assurance Framework;
 - The Risk Management strategy and policy (and associated policies) and their application through risk reporting and management systems supported by the Risk Register;
- The policies for ensuring compliance with relevant regulatory, legal and code of conduct requirements.

- The policies and procedures for all work related to fraud and corruption as set out in Secretary of State Directions and as required by the NHS Counter Fraud Authority.
- The Corporate Governance Framework (incorporating the Trust's Standing Financial Instructions, Standing Orders, Schedules of Matters Reserved to the Board and Scheme of Delegation).
- Management corrective actions where significant weaknesses are identified. Material or continued failure to take effective action should be brought to the Board's attention.

In carrying out this work the Committee will primarily utilise the work of Internal Audit, External Audit and other assurance functions, but will not be limited to these audit functions. It will also seek reports and assurances from directors and managers as appropriate, concentrating on the over-arching systems of integrated governance, risk management and internal control, together with indicators of their effectiveness.

This will be evidenced through the Committee's use of an effective Board Assurance Framework to guide its work and that of the audit and assurance functions that report to it.

The Committee will also:

- Review Standing Orders and Standing Financial Instructions on an annual basis;
- Review any suspension, variation or amendment of Standing Orders and SFIs;
- Oversee the maintenance of an effective system of internal financial control and management reporting.

As part of the integrated approach, the Committee will have effective relationships with other key committees so that it understands processes and linkages. However, these committees must not usurp the Committee's role

(ii) Internal Audit

The Committee shall ensure that there is an effective internal audit function established by management that meets the Public Sector Internal Audit Standards and provides appropriate independent assurance to the Committee, Chief Executive and Board. This will be achieved by:

- Consideration of the provision of the Internal Audit service, the cost of the audit and any questions of resignation and dismissal.
- Review and approval of the Internal Audit strategy, operational plan and more detailed programme of work, ensuring that this is consistent with the audit needs of the organisation as identified in the Board Assurance Framework.
- Consideration of the major findings of internal audit work (and management's response), and ensure co-ordination between the Internal and External Auditors to optimise audit resources.
- Ensuring that the Internal Audit function is adequately resourced and has appropriate standing within the organisation.
- Annual review of the effectiveness of internal audit.

(iii) External Audit

The Committee shall review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process. In particular, it will review the work and findings of the External Auditor appointed by the Council of Governors and consider the implications and management's responses to their work. This will be achieved by:

- Consideration of the appointment, re-appointment, removal and performance management of the External Auditor, working alongside the Council of Governors and making a recommendation for the council to approve
- Discussion and agreement with the External Auditor, before the audit commences, of the nature and scope of the audit as set out in the Annual Plan, and ensure coordination, as appropriate, with other External Auditors in the local health economy
- Discussion with the External Auditors of their local evaluation of audit risks and assessment of the Trust and associated impact on the audit fee
- Review of all External Audit reports, including agreement of the annual audit letter before submission to the Board and Council of Governors and any work carried outside the annual audit plan, together with the appropriateness of management responses.
- Ensure that there is in place a clear policy for the engagement of external auditors to supply non-audit work, including the pre-approval by the committee of any non-audit work to be provided by the Trust's external auditors.

(iv) Security & Counter Fraud

The Audit Committee shall satisfy itself that the organisation has adequate arrangements in place for counter fraud and security that meets the NHS Counter Fraud Authority's standards and shall review the outcomes of work in this area.

Specifically, it will:

- Approve the Trust's Counter Fraud Strategy and Local Counter Fraud Specialist (LCFS) annual work plan, including the resources allocated for the delivery of the strategy and work plan.
- Receive and review progress reports of the LCFS against the four principles of the overall NHS Counter Fraud Strategy.
- Monitor the implementation of management actions arising from counter fraud reports
- Receive and discuss reports arising from quality inspections by the counter fraud service
- Make recommendations to the Board as appropriate in respect of counter fraud at the Trust.
- Receive, review and approve the annual report of the LCFS.

(v) Other Assurance Functions

The Committee will review the findings of other significant assurance functions, both internal and external to the organisation, and consider the implications to the governance of the organisation.

These will include, but will not be limited to, any reviews by Department of Health Arms Length Bodies or Regulators/Inspectors (e.g. NHS Improvement, Care Quality Commission, NHS Litigation Authority, etc.), professional bodies with responsibility for the performance of staff or

functions (e.g. Royal Colleges, accreditation bodies, etc.). Where the remit of those assurance functions falls within the Terms of Reference of other Board Assurance Committees, the Committee's oversight will be as per the following two paragraphs.

The Committee will review the work of other committees within the organisation, whose work can provide relevant assurance to the Committee's own scope of work. In particular, this will include the three other assurance committees of the Board (Finance, People and OD, Quality and Patient Safety).

In reviewing the work of the Quality and Patient Safety Committee and issues around clinical risk management, the Committee will wish to satisfy itself on the assurance that can be gained from the clinical audit function.

(vi) IM&T

The Committee shall oversee and monitor IT Governance and ensure that the systems and controls in place over risks to IT operations, information security, cyber-security and IT projects are subject to regular review

(vii) Management

The Committee will request and review reports and positive assurances from directors and managers on the overall arrangements for governance, risk management and internal control.

It may also request specific reports from individual functions within the organisation (e.g. clinical audit), as they may be appropriate to the overall arrangements.

(viii) Financial Reporting

The Committee shall monitor the integrity of the financial statements of the organisation and any formal announcements relating to its financial performance.

The Committee will ensure that the systems for financial reporting to the Board, including those of budgetary control, are subject to review as to completeness and accuracy of the information provided to the Board.

The Committee will review the Annual Report, Quality Report and Financial Statements before submission to the Board, focusing particularly on:

- The wording in the Annual Governance Statement and other disclosures relevant to the Terms of Reference of the Committee
- Changes in, and compliance with, accounting policies and practices
- Unadjusted mis-statements in the financial statements
- Significant judgements in the preparation of the financial statements
- Significant adjustments resulting from the audit
- Letters of representation
- Explanations for significant variances; and
- Qualitative aspects of financial reporting

(ix) General

The Committee will consider other topics as delegated by the Board;
Advise the Board on appointment of outside contractors for financial services, e.g. Internal Audit, Banking, Payroll Services, etc.

Review, at least annually, the Losses and Special Payments Register and otherwise consider reports on specific losses as referred to in Standing Financial Instructions and make recommendations thereon to the Board.

8. Reporting and Monitoring Responsibilities

- Minutes will be prepared after each meeting of this Committee and circulated to members of the Committee and others as necessary. The minutes will be circulated to the Chair for confirmation within 5 working days of the meeting and communicated to members as soon as the Chair has confirmed that he is content with them.
- The Chair of the Committee shall prepare a schedule of Chair's Key Issues following every meeting and ensure that it draws to the attention of the Trust Board any issues that require disclosure to the Board or require executive action. The speed of communication should be proportionate to the seriousness and likely impact of the issue.

The committee shall make a report to the Council of Governors in relation to the performance of the external auditor, including details such as the quality and value of the work and the timeliness of reporting and fees, to enable the council to consider whether or not to re-appoint them.

The key issues of the Committee will be included in the Board of Directors agenda and papers. Once the Committee has approved the full minutes, a copy will be available, for information, to the Board at its next meeting.

The Committee is also required to provide the Board and Accounting Officer with an Annual Report, timed to support finalisation of the accounts and the Annual Governance Statement, summarising its conclusions from the work it has done during the year and including the following:

- The fitness for purpose of the assurance framework
- The completeness and "embeddedness" of risk management in the organisation
- The integration of governance arrangements
- The appropriateness of the evidence that shows the organisation is fulfilling regulatory requirements
- The significant issues that the committee considered in relation to financial statements, operations and compliance, and how these issues were addressed;
- The robustness of the processes behind the quality accounts;
- An explanation of how it has assessed the effectiveness of the external audit process and the approach taken to the appointment or re-appointment of the external auditor, the value of the external audit services and information on the length of tenure of the current audit firm and when a tender was last conducted; and
- If the external auditor provides non-audit services, the value of the non-audit services provided and an explanation of how auditor objectivity and independence are safeguarded

The annual report should also describe how the Committee has fulfilled its terms of reference and give details of any significant issues that the Committee considered in relation to the financial statements and how they were addressed.

9. Monitoring and effectiveness

In order to support the continual improvement of governance standards, this committee is required to complete a self-assessment of effectiveness at least annually and identifying any matters in respect of which it considers that action on improvement is needed and making recommendations as to the steps to be taken. .

10. Administrative Support

The Committee shall be supported administratively by the Corporate Office, whose duties in this respect will include:

- Agreement of agendas with the Chair
- Preparation, collation and circulation of papers in good time
- Ensuring that those invited to each meeting attend
- Taking the minutes and helping the Chair to prepare Board reports
- Keeping a record of matters arising and issues to be carried forward
- Advising the Committee on pertinent issues/areas of interest/policy developments
- Ensuring that action points are taken forward between meetings
- Ensuring that Committee members receive the development and training they need.

11. Approval

These terms of reference were approved by the Committee on 24 July 2018 and approved by Trust Board on [tbc].

The Terms of Reference will be reviewed no later than July 2019.

REMUNERATION AND NOMINATION COMMITTEE

Terms of Reference

1. CONSTITUTION

- 1.1 The Board of Directors approved the establishment of the Remuneration & Nomination Committee (known as “the Committee” in these terms of reference) for the purpose of:
- a. The nomination of the Chief Executive and other Executive Directors for the Trust; and
 - b. The determination of the remuneration, terms of service and allowances for the Chief Executive and other Executive Directors.
 - c. The appointment and removal of the Company Secretary does not fall within the scope of this committee but is a matter for the Chief Executive and Chairman jointly.³
- 1.2 The committee is accountable to the Board of Directors and any changes to these terms of reference must be approved by the Board of Directors.
- 1.3 When appointing the Chief Executive, the committee shall be the committee described in Schedule 7,17(3) of the National Health Service Act 2006 (the Act). When appointing other executive directors the committee shall be the committee described in Schedule 7,17(4) of the Act⁴.

2. DUTIES

APPOINTMENTS

The committee shall:

- 2.1 Regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board, making use of the output of the board evaluation process as appropriate and make recommendations to the Board, with regard to any changes;
- 2.2 Give full consideration to succession planning for executive board directors in the course of its work, taking into account the challenges and opportunities facing the Trust, and the skills and expertise needed on the Board in the future, making recommendations to the Board as required;
- 2.3 Keep under review the leadership needs of the Trust, with a view of ensuring the continued ability of the Trust to undertake its obligations under the terms of its licence;
- 2.4 Be responsible for identifying and appointing candidates to fill executive Board vacancies as and when they arise;
- 2.5 Before any new appointment is made by the Board, evaluate the balance of skills, knowledge, experience and diversity on the Board, and, in the light of this evaluation, make appropriate recommendations for consideration by the appointments panel.
- 2.6 Ensure there is a process in place that proposed appointees disclose any business interests that may result in a conflict of interest prior to appointment and that any future business interests that could result in a conflict are reported;

³ *The NHS Foundation Trust Code of Governance Monitor July 2014* p 58

⁴ NHS Act 2006 Schedule 7 17(3) It is for the non-executive directors to appoint or remove the Chief Executive.

(4) It is for a committee consisting of the chairman, the chief executive and the other non-executive directors to appoint or remove the executive directors.

- 2.7 Take decisions on any matters relating to the continuation in office of any executive director at any time including the suspension or termination of service of an executive director as an employee of the Trust subject to the provisions of the law and their service contract.
- 2.8 Select members of the committee to form an appointments panel which will be responsible for making recommendations on the appointment of Executive Directors.

REMUNERATION

The committee shall:

- 2.9 Have responsibility for setting the remuneration policy for all executive directors and senior managers not on agenda for change or clinical contracts, including pension rights and any compensation payments. No director shall be involved in any decisions as to their own remuneration;
- 2.10 When setting remuneration policy for executive directors, review and have regard to pay and employment conditions across the Trust and the NHS, especially when determining annual salary increases;
- 2.11 Review the ongoing appropriateness and relevance of the remuneration policy;
- 2.12 Within the terms of the agreed policy and in consultation with the Chair or Chief Executive, as appropriate, determine the total individual remuneration package of each executive director and the CEO;
- 2.13 Obtain reliable, up-to-date information about remuneration in other Trusts of comparable scale and complexity. To help it fulfil its obligations, the committee shall have full authority to appoint remuneration consultants and to commission or purchase any reports, surveys or information which it deems necessary;
- 2.14 Monitor, and assess the output of the evaluation of the performance of individual executive directors, and consider this output when reviewing changes to remuneration levels;
- 2.15 Advise upon and oversee contractual arrangements for executive directors, including but not limited to termination payments to avoid rewarding poor performance. Review and agree the policy for authorising claims for expenses from the directors;
- 2.16 Where appropriate, to authorise any redundancy payments, settlements and compromise agreements as determined within current NHS rules on severance payments, including such payments which require final approval by HM Treasury/NHS Improvement;
- 2.17 In accordance with all relevant laws, regulations and national policy, consider and keep under review the Trust's application of the Consultants' clinical excellence awards.
- 2.19 To oversee compliance with national NHS guidance when appointing board members at salaries above the upper limit as specified by them, and when appointing interim board members and senior officials filling roles with significant responsibility.

3. MEMBERSHIP

- 3.1 The committee shall comprise the Chair and all Non-Executive Directors. The committee will be chaired by the Trust Chair.
- 3.2 The Chief Executive shall be a member of the committee for the appointments or removal of executive directors only as described in Schedule 7,17 (4) of the Act (see also paragraph 1.3 above).
- 3.3 The Chief Executive, Director of Human Resources and Company Secretary will be in attendance at its meetings, as and when appropriate and necessary.
- 3.4 The committee can request the attendance of any other Director or senior manager if an agenda item requires it.

- 3.5 The quorum necessary for the transaction of business shall be three non-executive directors, including the Chair. For matters relating to executive board appointments (other than the appointment of the Chief Executive), the quorum shall include the Chief Executive.

4. REPORTING RESPONSIBILITIES

- 4.1 The committee chair shall report to the Board on its proceedings, as appropriate, after each meeting on all matters within its duties and responsibilities;
- 4.2 The committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed;
- 4.3 When appointing a Chief Executive, the committee shall report their decision to appoint to the Council of Governors for approval prior to reporting to the Board⁵.
- 4.4 The committee shall produce a report to be included in the Trust's annual report about its activities, the process used to make appointments and explain if external advice or open advertising has not been used. Where an external search agency has been used, it shall be identified in the annual report and a statement made as to whether it has any connection with the Trust;
- 4.5 The report referred to in 4.4 above should include a statement of the Board's policy on diversity, including gender, any measurable objectives that it has set for implementing the policy, and progress on achieving the objectives.

5. OTHER MATTERS

- 5.1 The committee shall have access to sufficient resources to carry out its duties, including access to the company secretariat for assistance as required;
- 5.2 It shall be provided with appropriate and timely training, both in the form of an induction programme for new members and on an on-going basis for all members;
- 5.3 It will give due consideration to laws and regulations, the provisions of the FT Code of Governance and any other applicable rules, as appropriate;
- 5.4 It will periodically review its own performance and, at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

6. ADMINISTRATION

- 6.1 The Company Secretary shall minute the proceedings and resolutions of all committee meetings, including the names of those present and in attendance.
- 6.2 Draft minutes of the committee meetings shall be circulated promptly to all members of the committee.
- 6.3 The committee will provide an annual report to the Board.

⁵ NHS Act 2006 Schedule 7 17(5) The appointment of a chief executive requires the approval of the council of governors

7. AUTHORITY

The committee is authorised by the Board to obtain, at the Trust's expense, outside legal or other professional advice on any matter within its terms of reference.

Finance and Performance Assurance Committee Terms of Reference

1. Constitution

The Trust Board hereby resolves to establish an Assurance Committee to be known as the Finance and Performance Assurance Committee (The Committee). The Committee is a Non-Executive Committee of the Trust Board and has no executive powers, other than those specifically delegated in these terms of reference.

2. Authority

The Committee is authorised by the Trust Board to investigate any activity within its terms of reference. It is authorised to request any information from any employee and all employees are directed to cooperate with any request made by the Committee. The Committee is authorised by the Trust Board to obtain legal advice and to secure the attendance of experts and external representatives or persons with relevant experience / expertise if it considers it necessary.

3. Membership

- Three Non-Executive Directors (one of whom will Chair the committee)
- Director of Finance
- Managing Director
- Chief Nurse
- Chief Medical Officer

The following officers are required to attend all meetings but are not members:

- Directors of Operations
- Director of Logistics and Patient Services
- Deputy Director of Finance

4. Attendance

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.

Attendance at meetings is essential. In exceptional circumstances when an Executive member cannot attend they must arrange for a fully briefed deputy of sufficient seniority to attend on their behalf. Members will be required to attend as a minimum 50% of the meetings per year.

5. Quorum

The quorum necessary for the transaction of business shall be three members of whom at least two must be Non-Executive Directors and one Executive Director. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions invested in, or exercised, by the Committee.

6. Frequency and Conduct

The Committee shall operate as follows:

- The Committee will meet monthly until agreed otherwise
- Items for the agenda should be submitted to the Committee Secretary a minimum of 6 working days prior to the meeting. Papers on other matters will be put on the agenda only with the prior agreement of the Chair.
- Papers will be sent out by the Committee Secretary at least 4 days before each meeting
- Membership and terms of reference will only be changed with the approval of the Committee, and ultimately the Trust Board
- The terms of reference of the Committee will be reviewed and agreed annually

7. Main Duties

The Committee is authorised to ensure that the Trust's financial and performance strategies and underpinning policies, leadership and behaviours are aligned with the Trust's strategy and vision, with the aim of ensuring that effective governance, risk management and internal control systems are in place to ensure the achievement of sustainable financial performance.

The committee will consider all relevant risks within the Board Assurance Framework and corporate risk register as they relate to the remit of the committee, as part of the reporting requirements, and to report any areas of significant concern to the audit and risk assurance committee or the board as appropriate. The committee will also recommend changes to the BAF relating to emerging risks and existing entries within its remit for the executive to consider.

8. Key responsibilities

The key responsibilities of the Committee shall be to provide assurance to the board that the financial and operational performance is delivered in accordance with the agreed strategy, plans and trajectories, by:

- Overseeing the development and implementation of the Foundation Trust's financial and performance strategy, ensuring that it delivers the service objectives as set out in the Forward Plan and to ensure delivery of financial and performance targets
- Monitoring delivery of the Trust's cost improvement and transformation programmes and the development of efficiency and productivity processes
- Overseeing the investment and borrowing strategy and policy, reviewing performance against treasury management benchmarks and targets and ensuring compliance with Trust policies and procedures in respect of limits, approved counterparties and types of investment
- Receiving and monitoring monthly reports on financial performance, including cost improvement programmes and use of resources, noting any trends, exceptions and variances against plans on a Trust-wide and divisional basis and reviewing in detail any major performance variations as appropriate
- Receiving and monitoring monthly reports on operational performance, noting any trends, exceptions and variances against plans on a Trust-wide and divisional basis and reviewing in detail any major performance variations, providing constructive challenge as appropriate
- Overseeing arrangements for key contracts that are fundamental to business, plus overview and assurance on the best use of resources
- Under direction from the Board, overseeing and scrutinising the investment appraisal of business cases and wider business development opportunities

- Overseeing the contracting and planning mechanisms in place with commissioners of healthcare to agree annual or longer term contracts as may be appropriate, seeking to ensure that any financial or operational risks arising from those contracts are identified and mitigated as appropriate
- Overseeing the rolling capital programme, including scrutiny of the prioritisation process and monitor its delivery
- Advising the board of key strategic risks relating to financial and operational performance and consider plans for mitigation, providing constructive challenge as appropriate
- Reviewing and approving the Trust Procurement Strategy
- Advising the Board on the Trust's disclosure statement confirming compliance with national guidance relating to reference costs and the underlying process
- Overseeing arrangements for coding and ensuring coding quality

9. Reporting and Monitoring Responsibilities

Minutes will be prepared after each meeting of this Committee within 5 working days and circulated to members of the Committee and others as necessary once confirmed by the Chair of the Committee.

There should be a formal report of Chair's Key Issues [CKIs] from the committee to the next meeting of the Board of Directors. The Chair of the Committee shall draw to the attention of the Trust Board, in private or public as appropriate, any issues that require disclosure to the Board or require executive action. The speed of communication should be proportionate to the seriousness and likely impact of the issue.

The key issues of the Committee will be included in the Board of Directors' agenda and papers. Once the Committee has approved the full minutes, a copy will be available, for information, to the Board at its next meeting.

The Committee shall submit an Annual Report to the Trust Board within the first three months of the new financial year.

10. Monitoring effectiveness

In order to support the continual improvement of governance standards, this committee is required to complete a self-assessment of effectiveness at least annually and advise the Trust Board of any suggested amendments to these terms of reference which would improve the trust governance arrangements.

11. Approval

These terms of reference were reviewed by the Committee on 26 July 2018 and approved by Trust Board on 2 August 2018.

The Terms of Reference will be reviewed in July 2019.

Quality & Patient Safety Assurance Committee Terms of Reference

1. Constitution

The Trust Board hereby resolves to establish an Assurance Committee to be known as the Quality & Patient Safety (QPS) Assurance Committee (The Committee). The Committee is an assurance committee of the Trust Board and has no executive powers, other than those specifically delegated in these terms of reference.

2. Authority

The Committee is authorised by the Trust Board to investigate any activity within its terms of reference. It is authorised to request any information from any employee and all employees are directed to cooperate with any request made by the Committee. The Committee is authorised by the Trust Board to obtain legal advice and to secure the attendance of experts and external representatives or persons with relevant experience / expertise if it considers it necessary.

3. Membership

- Three Non-Executive Directors (one of whom will Chair the committee)
- Chief Medical Officer
- Managing Director/Deputy Chief Executive
- Chief Nurse
- Director of Finance

In Attendance

- Director of Governance
- Director of Estates and Facilities
- Director of Logistics and Patient Services
- Medical Director (Quality)
- Director of Midwifery
- Associate Director of Clinical Governance
- Chief Pharmacist

4. Attendance

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.

Attendance at meetings is essential. In exceptional circumstances when an Executive member cannot attend they must arrange for a fully briefed deputy of sufficient seniority to attend on their behalf. Members will be required to attend as a minimum 50% of the meetings per year.

5. Quorum

The quorum necessary for the transaction of business shall be three members of whom at least two must be Non-Executive Directors and one Executive Director. A duly convened meeting of the Committee at

which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions invested in, or exercised, by the Committee.

6. Frequency and Conduct

The Committee shall operate as follows:

- The Committee will meet monthly until agreed otherwise
- Items for the agenda should be submitted to the committee secretary a minimum of 6 days prior to the meeting.
- Papers will be sent out by the committee secretary at least 4 days before each meeting
- Membership and terms of reference will only be changed with the approval of the Committee, and ultimately by the Trust Board
- The terms of reference of the Committee will be reviewed and agreed annually

7. Main duties

The QPS is authorised to ensure that the Trust's quality and patient safety strategies and underpinning policies, leadership and behaviours are aligned with the Trust's strategy and vision, with the aim of ensuring that effective governance, risk management and internal control systems are in place to ensure the delivery of safe, high quality, patient-centred care.

The committee will consider all relevant risks within the Board Assurance Framework and corporate risk register as they relate to the remit of the committee, as part of the reporting requirements, and to report any areas of significant concern to the audit and risk assurance committee or the board as appropriate. The committee will also recommend changes to the BAF relating to emerging risks and existing entries within its remit for the executive to consider.

8. Key responsibilities

The key responsibilities of the committee shall be to provide assurance to the Board over the quality of care by :

- Ensuring that the Trust's Quality Strategy has a clear focus on improvement, drawing on and benchmarking against ideas and best practice from external organisations.
- Monitoring the effectiveness and robustness of the Trust's systems and processes for ensuring clinical governance, quality governance and patient safety is embedded from Ward to Board.
- Reviewing the Trust's compliance with statutory and regulatory standards, particularly in relation to the Care Quality Commission, Clinical Negligence Scheme for Trusts and the Well-Led Framework.
- Monitoring Trust performance in relation to patient safety, experience and outcomes (effectiveness), with particular focus on providing assurance to the Board on performance against quality KPIs, monitoring trends, reviewing in detail any major performance variations and providing constructive challenge as appropriate.
- Reviewing reports on significant concerns or adverse findings highlighted by external bodies in relation to clinical quality and safety and the actions being taken by management to address them. This should include mortality outlier alerts.
- Monitoring the development and implementation of action plans arising from both in-patient and other care related surveys with recommendations to the Board as appropriate.
- Monitoring the systems and processes in place in the Trust in relation to Infection Control and reviewing progress against identified risks to reducing hospital acquired infections.

- Monitoring aggregated analyses of adverse events (including serious incidents), complaints, claims and litigation to gain assurance that appropriate actions are being taken to address them.
- Reviewing the Trust's QualityReport and providing assurance on its declarations of compliance prior to its presentation to the Trust Board.
- Reviewing compliance with health and safety requirements to protect patients, staff and visitors to the Trust site.
- Advising the board on key strategic risks relating to quality and patient safety and considering plans for mitigation as appropriate.
- Promotion of clinical leadership and wider stakeholder engagement in the development and delivery of the Trust's clinical strategy, quality strategy and research strategy.
- Ensuring that lessons are learnt and implemented across the Trust from patient feedback, including patient safety data and trends, compliments, complaints, patient surveys, national audits/confidential enquiries and learning from the wider NHS community.
- Reviewing systems within the Trust for obtaining and maintaining licences and accreditations relevant to clinical activity (eg. Licences granted by the HTA), receiving such reports as required.

9. Reporting and Monitoring Responsibilities

Minutes will be prepared after each meeting of this Committee within 5 working days and circulated to members of the Committee and others as necessary once confirmed by the Chair of the Committee.

There should be a formal report from the committee to the next meeting of the Board of Directors. The Chair of the Committee shall draw to the attention of the Trust Board, in the Chair's Key Issues report any issues that require disclosure to the Board or require executive action. The speed of communication should be proportionate to the seriousness and likely impact of the issue.

The key issues of the Committee will be included in the Board of Directors agenda and papers. Once the Committee has approved the full minutes, a copy will be available, for information, to the Board at its next meeting.

10. Monitoring effectiveness

In order to support the continual improvement of governance standards, this committee is required to complete a self-assessment of effectiveness at least annually and advise the Trust Board of any suggested amendments to these terms of reference which would improve the trust governance arrangements.

11. Approval

These terms of reference were reviewed by the Committee on 26 July 2018 and approved by Trust Board on 2 August 2018.

The Terms of Reference will be reviewed in July 2019.

People and Organisational Development Assurance Committee Terms of Reference

1. Constitution

The Trust Board hereby resolves to establish an Assurance Committee to be known as the People and Organisational Development (POD) Assurance Committee (The Committee). The Committee is a Non-Executive Committee of the Trust Board and has no executive powers, other than those specifically delegated in these terms of reference.

2. Authority

The POD Committee is authorised by the Trust Board to investigate any activity within its terms of reference. It is authorised to request any information from any employee and all employees are directed to cooperate with any request made by the Committee. The Committee is authorised by the Trust Board to obtain legal advice and to secure the attendance of experts and external representatives or persons with relevant experience / expertise if it considers it necessary.

• 3. Membership

- Three Non-Executive Directors (one of whom will Chair the committee)
-
- Chief Nurse
- Director of Finance
- Director of Strategy, Research & Innovation

Attendance

- Director of Human Resources
- Director of Communications
- Medical Director (Education)
- Deputy Director of HR
- OD Lead

4. Attendance

The POD Assurance 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.

Attendance at meetings is essential. In exceptional circumstances when an Executive member cannot attend they must arrange for a fully briefed deputy of sufficient seniority to attend on their behalf. Members will be required to attend as a minimum 50% of the meetings per year.

5. Quorum

The quorum necessary for the transaction of business shall be three members of whom at least two must be Non-Executive Directors and one executive board member. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions invested in, or exercised, by the Committee.

6. Frequency and Conduct

The Committee shall operate as follows:

- The Committee will meet monthly until agreed otherwise
- Items for the agenda should be submitted to the Committee Secretary a minimum of 6 working days prior to the meeting. Papers on other matters will be put on the agenda only with the prior agreement of the Chair.
- Papers will be sent out by the Committee Secretary at least 4 days before each meeting
- Membership and terms of reference will only be changed with the approval of the Committee, and ultimately the Trust Board
- The terms of reference of the Committee will be reviewed and agreed annually

7. Main Duties

The POD committee is authorised to ensure that the Trust's workforce and organisational development strategies and underpinning policies, leadership and behaviours are aligned with the Trust's strategy and vision, with the aim of ensuring that effective governance, risk management and internal control systems are in place to ensure the achievement of corporate objectives.

The committee will consider all relevant risks within the Board Assurance Framework and corporate risk register as they relate to the remit of the committee, as part of the reporting requirements, and to report any areas of significant concern to the audit and risk assurance committee or the board as appropriate.

8. Key responsibilities

The key responsibilities of the committee shall be to provide assurance to the board that the Trust's workforce and organisational development performance delivers to the agreed strategy and plans by:

- Overseeing the Trust's strategy and plans on workforce issues including the efficient deployment of staffing to meet service requirements, including advising the board on strategic and operational risks and opportunities relating to workforce, staff engagement and employment practice;
- Overseeing the Trust's strategy and plans for workforce education, learning and development, and providing assurance to the board that individual training and development approaches are fit for purpose;
- Receiving and reviewing details of workforce planning priorities that arise from the annual business planning process and exception reports on any significant issues/risks;
- Reviewing performance indicators relevant to the remit of the committee
- Monitoring and evaluating the Trust compliance with the Public Sector Equality Duty
- Receiving and reviewing regular reports on Organisational Development including leadership capability, workforce planning, cost management, regulation of the workforce and their health and wellbeing
- Receiving and reviewing reports on the staff survey and other staff engagement data and ensuring that action plans support improvement in staff experience and services to patients
- Receiving and reviewing the findings of other independent assurance functions relevant to the remit of the committee and considering the implications to the governance of the organisation. This will include, but will not be limited to, the annual monitoring visits of the BMA, Health Education England, GMC etc.
- Reviewing any disclosure statements relevant to the remit of the committee to assure the board that statements made on its behalf can be supported by evidence that the Trust is compliant with regulatory requirements, that gaps in compliance are reported and that any remedial actions to address non-compliance are implemented as planned.
- Advising the board of key strategic risks relating to workforce and employment practice and consider plans for mitigation as appropriate.
- Ensuring that the Trust has adequate arrangements in place by which employees of the Trust may, in confidence, raise concerns about possible improprieties of financial reporting and control, clinical quality, patient safety or other matters (whistleblowing).

- Reviewing the report of the Guardian of Safe Working and providing assurance to the board that exceptions and key issues are followed up and actioned where appropriate.
- Approving and ratifying Trust-wide policies and guidelines that fall within its remit.

9. Reporting and Monitoring Responsibilities

Minutes will be prepared after each meeting of this Committee and circulated to members of the Committee and others as necessary

The Chair of the Committee shall draw to the attention of the Trust Board in a Chair's Key Issues report, any issues that require disclosure to the Board or require executive action. The speed of communication should be proportionate to the seriousness and likely impact of the issue.

The key issues of the Committee will be included in the Board of Directors agenda and papers. Once the Committee has approved the full minutes, a copy will be available, for information, to the Board at its next meeting.

The committee shall submit an Annual Report to the Trust Board no later than three calendar months after the end of the financial year.

10. Monitoring effectiveness

In order to support the continual improvement of governance standards, this committee is required to complete a self-assessment of effectiveness at least annually and advise the Trust Board of any suggested amendments to these terms of reference which would improve the trust governance arrangements.

11. Approval

These terms of reference were reviewed by the Committee on 24 July 2018 and approved by Trust Board on 2 August 2018.

The Terms of Reference will be reviewed in July 2019.

Charitable Funds Committee Terms of Reference

1 Constitution

The Trust Board hereby resolves to establish a committee to be known as the Charitable Funds Committee, with delegated responsibility to make and monitor arrangements for the control and management of the Trust's Charitable Funds in accordance with any statutory or other legal requirements or best practice required by the Charity Commission and Fundraising Regulator.

2 Authority

The Charitable Funds Committee will act on behalf of the Trust in satisfying the duties and responsibilities of the Corporate Trustee (The Board of Directors) in managing the charitable and other funds held on trust.

The Committee has no executive powers, other than those specified in these terms of reference or otherwise by the Corporate Trustee.

The Committee is authorised by the Corporate Trustee to obtain outside legal or other independent professional advice to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

The Committee is authorised to seek any information it requires from any employee, and all employees are directed to co-operate with any request made by the Committee.

The Committee must act in accordance with the Trust Standing Orders, Scheme of delegation and Standing Financial Instructions.

3 Membership

Three Non-Executive Directors (one of whom will chair the committee)

Director of Finance

Chief Medical Officer

4 Attendance

Regular attendees to the committee shall include:

The Head of Charity

Director of Human Resources

Director of Communications

Charitable Funds Accountant

Company Secretary.

There will be two Governors, nominated by the Council of Governors, in attendance.

The committee may invite representatives of other charitable organisations operating on Trust premises to attend meetings from time to time to ensure co-operation and collaborative working.

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.

All Directors shall also have the right of attendance, subject to invitation by the Committee Chair, particularly when the Committee is discussing areas of risk or operation that are the responsibility of that Director.

The expectation is that all meetings will be attended by all members. When attendance falls below 75% over a sustained period the issue will be raised with the individual by the committee chair and any steps taken to improve attendance.

5 Quorum

The quorum necessary for the transaction of business shall be three members, of which at least one must be a Non-executive Director and one must be an Executive Director. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions invested in, or exercised, by the Committee.

6 Frequency and Conduct

The Committee shall operate as follows:

- The committee will meet as necessary but not less than six times per annum.
- Items for the agenda should be submitted to the committee secretary a minimum of 6 working days prior to the meeting. Papers on other matters will be put on the agenda only with the prior agreement of the Chair.
- Papers will be sent out by the committee secretary at least 4 working days before each meeting.
- Although decisions are normally reached by consensus, in the event of a disagreement, decisions on any matter are made by the majority of the members present at the meeting; the Committee Chair will have a second casting vote in the event of a tie. Any committee member who remains opposed after a vote can ask for his or her dissent to be recorded in the minutes.
- Membership and terms of reference will only be changed with the approval of the Committee and ultimately by the Trust Board.
- The terms of reference of the Committee will be reviewed and agreed annually.

The Chair has the authority to exercise an emergency or urgent decision where a particular issue requires a response that cannot be deferred to the next meeting. When this occurs, the committee may take one of three actions:

1. Convene an urgent meeting, ensuring that the committee has a quorum
2. Email committee members requesting their input/view by a given date
3. Take Chair's action for urgent decisions

When option 3 is taken, the decision must be taken by the Chair in consultation and agreement with at least two other committee members, one of which must include the Director of Finance or a nominated representative. Decisions taken by Chair's action will be reported to and ratified at the next meeting of the committee.

7 Main Duties

The Charitable Funds Committee is authorised to ensure that the Charity's fundraising strategies and underpinning policies, leadership and behaviours are aligned with those of the Trust, with the aim of ensuring that the Board is discharging its responsibilities as corporate trustee of the funds held on trust. It must ensure that there is effective governance, risk management and internal control systems in place to ensure that duty is undertaken properly and prudently and to ensure compliance with the Trustee Act 2000, the Charities Act 2011 and 2016 and any other regulations or standards issued by the Charity Commission and Fundraising Regulator.

8 Key Responsibilities

The Committee oversees the management, investment and disbursement of the charitable funds held on trust, specifically:

Governance

- Review and approve all policies and procedures pertaining to the management of charitable funds.
- Consider any internal or external audit reports of charitable funds, (including the adequacy of any management response) in liaison with the Audit & Risk Committee.
- Adhere to the principles and responsibilities of trusteeship as defined by the Charity Commission.
- Ensure that the Trust's charitable and other funds held on trust are managed in line with rules and guidance provided by the Charity Commission (CC3 'Responsibilities of Charity trustees').
- Review the relationship with other charities and other bodies.

Income and Expenditure

- Ensure all donations and legacies are appropriately accounted for and that any terms and conditions attached to them are complied with.
- Approve the establishment of all new restricted charity funds.
- Review and approve expenditure plans (where required under The Trust's policy for the management of charitable funds and other funds held on trust).
- Approve expenditure requests for charitable funds over £5,001 and make recommendation to the Corporate Trustee on all requests over £250,000.
- Ensure that expenditure requests for charitable funds are of a charitable nature and do not constitute exchequer expenditure.

Investments

- Establish an investment strategy and monitor the performance of investments.
- Appoint and monitor the performance of any investment advisors.

Financial Reporting

- Receive and review regular financial monitoring reports.
- Receive and consider the annual report and accounts prior to submission to the Audit Committee and Trust Board.
- To consider any other return required by the Charity Commission or other Statutory Body.

Fundraising

- Establish and oversee the implementation of a fundraising strategy.
- Review regular fundraising reports.
- Review policies and procedures for fundraising, acceptance and expenditure of funds, including the internal control arrangements operating within the Trust for charitable funds.
- Approve fundraising appeals between £5001 and £300,000.
- Review fundraising appeals over £300,000 making recommendations to the board as corporate trustee for approval as appropriate

9 Reporting and Monitoring Procedures

Minutes will be prepared after each meeting of this Committee and circulated to members of the Committee and others as necessary.

The Committee Chair shall draw to the attention of the Corporate Trustee any issues that require disclosure to the full Corporate Trustee, or require executive action. The speed of communication should be proportionate to the seriousness and likely impact of the issue.

10 Monitoring Effectiveness

At least once a year the Committee will review its own performance and terms of reference to ensure that it is operating at maximum effectiveness and completes a self-assessment of effectiveness. Any amendments to its terms of reference that it considers necessary will be recommended to the Corporate Trustee for approval.

11 Approval

These terms of reference were reviewed by the Committee on 24 July 2018 and approved by the Trust Board (Corporate Trustee) on 2 August 2018.

Sources of further information supporting the committee in the exercise of its responsibilities

The following guidance is available from the Charity Commission:

- NHS Charities Guidance
- Board Members' role in managing funds held by their NHS body
- Consultation on draft guidance on NHS charities: Glossary
- Guidance for corporate Trustees and trustee bodies on managing NHS charitable Funds
- NHS charities and independence indicators and evidence
- Trusts and trusteeship under NHS acts 1946-2006
- Consultation on draft guidance on NHS charities: power to compromise
- Consultation on draft guidance on NHS charities:

www.gov.uk/government/publications/nhs-charities-guidance

[The following guidance is available from the Fundraising Regulator](#)

- Code of Fundraising Practice

<https://www.fundraisingregulator.org.uk/code-of-fundraising-practice/code-of-fundraising-practice/>

Executive Management Committee Terms of Reference

1 Purpose

- 1.1 The Executive Management Committee (hereafter referred to as the Committee) is the senior management decision making group of the hospital. Its purpose is to oversee the Trust's overall performance and delivery, including patient safety, patient experience, operational standards, financial performance and staff engagement.
- 1.2 The Committee provides strategic leadership and is responsible for the implementation and delivery of the Hospital's strategic direction, business plan and associated objectives, standards and policies to ensure the delivery of safe, high quality, patient-centred services.
- 1.3 The Committee will ensure that a cohesive decision making process and a co-operative approach is applied to issues which have an impact across the organisation.

2 Level of Authority

- 2.1 The Committee is not a formal committee of the Board but is an executive group that remains accountable to the Trust Board.
- 2.2 The Committee has delegated authority from the Trust Board to deliver its key duties and responsibilities.
- 2.3 The Committee may establish groups reporting to it. It shall remain accountable to the Board for the work of any group reporting to it.

3. Specific Duties and Responsibilities

3.1 Strategy, planning and allocation of resources

- 3.1.1 To oversee the implementation of enabling strategies and organisational and performance objectives for the delivery of the Trust's Strategic Plan, including the Annual Plan.
- 3.1.2 To approve policies and plans, and allocation of management, financial and physical resources to support the implementation of the Trust's Strategic Plan.

3.2 Delivery and Performance

- 3.2.1 To monitor compliance and ensure delivery of statutory duties, national and local standards and targets and other obligations, and agree actions and responsibilities to address shortcomings.
- 3.2.2 To oversee and be responsible for the effective implementation of the Accountability Framework policy and performance management.
- 3.2.3 To agree new Transformation schemes.
- 3.2.4 To ensure the selection, prioritisation and resourcing of projects, business cases and other activities is appropriate in the context of available resource, strategic priority and relative risk.

3.3 Risk Management and Internal Control

- 3.3.1 To ensure the Trust takes action in response to controls assurance. Specifically to review on a bi-monthly basis the schedule of outstanding internal and external audit recommendations in advance of review by the Audit Committee.
- 3.3.2 To ensure that the principal strategic risks in the Board Assurance Framework and identified high risk entries in the risk register are appropriately articulated, assessed and mitigated to minimise their impact on the Trust's strategy and operations.
- 3.3.3 To ensure the Trust has an adequate plan for the production and strong process of review and approval for the Annual Report and Quality Account.

3.4 Policy

- 3.4.1 To approve and ratify Trust-wide policy and guidelines as set out in the Trust's Scheme of Delegation.

3.5 People and Organisational Development

- 3.5.1 To provide a focus on staffing issues, including organisational culture and the development and talent management of Trust staff.
- 3.5.2 To oversee the implementation and delivery of the priorities, strategic objectives and key performance indicators in the People and Organisational Development plan.

3.6 Quality Improvement

- 3.6.1 To drive forward the delivery of the Trust's commitment to deliver continuous development and quality improvement.
- 3.6.2 To oversee the implementation and delivery of the priorities, strategic objectives and key performance indicators in the Quality Improvement plan.

3.7 Information Management and Technology

- 3.7.1 To oversee the implementation and delivery of the priorities, strategic objectives and key performance indicators in the IM&T enabling strategy and plan.

4. Membership and Quorum

- 4.1 Membership of the Committee will comprise:

Chief Executive (Chair)
 Managing Director
 Director of Finance & Performance
 Chief Nurse
 Chief Medical Officer
 Director of Strategy, Research and Innovation
 Site Medical Director x 2
 Director of Human Resources
 Director of Governance
 Directors of Operations x 3
 Director of IM&T
 Company Secretary
 Divisional Clinical Directors x 5
 Director of Estates & Facilities
 Director of Logistics and Patient Services

Director of Communications

- 4.2 The Chief Executive will chair meetings and in his absence the Managing Director will act as Chair. If the Chief Executive and the Managing Director are absent the Chief Executive will nominate one of the other members of the Board to chair the meeting.
- 4.3 The Committee may invite members of staff, other key stakeholders and advisors to attend meetings as appropriate.
- 4.4 The number of members required for a quorum shall be five and must include at least one Divisional Clinical Director and one Executive Director.
- 4.5 Members are requested to send a deputy with the appropriate skills and knowledge to represent them if they are unable to attend a meeting.

5 Frequency of Meetings

- 5.1 Meetings will normally be held monthly.
- 5.2 Meetings may be held more frequently, as convened by the Chair.
- 5.3 The Chair has the authority to exercise an emergency or urgent decision where a particular issue requires a response that cannot be deferred to the next meeting. When this occurs, one of three actions may be taken:
 - Convene an urgent meeting, ensuring that the Committee has a quorum.
 - Email Members requesting their opinion or decision by a given date. The result will be determined by a majority of the votes of members.
 - Take Chair's urgent action. When this option is taken, any decision made must be taken by the Chair in consultation and agreement with at least three other Members including at least one Divisional Clinical Director and one Executive Director. The exercise of such a decision shall be reported to the Committee at its next meeting for formal ratification.

6. Arrangements for meetings and circulation of minutes

- 6.1 The Executive Assistant to the Chief Executive will be the secretary for the committee and the agenda for meetings will be prepared by the Chair of the Committee.
- 6.2 Agendas and supporting papers will be circulated through MinutePad by the end of the week prior to the meeting date.
- 6.3 Items for discussion will be in accordance with an annual cycle of business that will take account of key activities and deadlines set internally by the Trust's business cycle and externally by regulators. These will be presented in the committee's forward plan.
- 6.4 Any member can request an item be included on the agenda, which should be submitted in writing to the Chair at least 15 days before the meeting date. Any agenda item received after this date will be considered at the discretion of the Chair.
- 6.5 Draft minutes will be circulated to Committee members within one week of the meeting.

7. Reporting arrangements

- 7.1 Action notes will be distributed to Members once completed following the meeting.
- 7.2 A highlight report of the key issues discussed and decisions made will be submitted to the next Board Meeting following the Committee Meeting.
- 7.3 All groups reporting to the committee will submit a chair's key issues report of matters covered at their meetings, with appropriate escalation as required of those items representing an elevated risk to the delivery of the Trust's strategic objectives and key performance indicators and/or which fall outside delegated authority thresholds.
- 7.4 There will be a report to the Board at least quarterly on the implementation of the Trust's strategic objectives, KPIs and programme milestones.

8 Monitoring Compliance and Effectiveness

- 8.1 The Committee will review its performance and effectiveness to demonstrate that it is meeting its terms of reference.
- 8.1 Committee members will complete an Annual Self-Assessment of the Committee's performance, the results of which will be collated and reported to the Committee by the Company Secretary. The Committee will agree actions to make improvements which will be incorporated into the Annual Report.
- 8.2 These terms of reference will be reviewed no less frequently than annually by the Committee members.

9. Ratification of These Terms of Reference and Review Arrangements

- 9.1 Reviewed at the Executive Management Meeting June 2018
 - 9.1.1 To be reviewed annually: next review no later than July 2018

APPENDIX 8 OVERVIEW OF STATUTORY DISCLOSURE STATEMENTS

Publication/Framework for Disclosure	Disclosure Statement	Scope/Regulatory Requirements for the disclosure	Reference/Source	Board and Committee Oversight	Sources of Assurance	Executive/Operational responsibility	
Annual Report	Statement of Accountable Officer's Responsibilities		NHSI accounts directions DH Group Accounting Manual Standards	Audit & Risk Committee	External Audit	Chief Executive Director of Finance	
	Directors Statement of Disclosure to Auditors		NHSI accounts directions DH Group Accounting Manual standards	Audit & Risk Committee	External Audit	Chief Executive Director of Finance	
	Statement of Directors' responsibilities in respect of the accounts		NHSI accounts directions DH Group Accounting Manual standards	Audit & Risk Committee	External Audit	Chief Executive Director of Finance	
	Remuneration Report	Equality & Diversity	Equality Act 2010	Equality Act 2010	People and OD committee		Director of HR
		Modern Slavery Act 2015	Modern Slavery Act 2015	Modern Slavery Act 2015	People and OD committee		Director of HR
		Exit Packages and Severance Reports	HM Treasury directive	HM Treasury directive	People and OD committee		Director of HR
		Off-Payroll Engagements	HM Treasury directive	HM Treasury directive	People and OD committee		Director of HR

Publication/Framework for Disclosure	Disclosure Statement	Scope/Regulatory Requirements for the disclosure	Reference/Source	Board and Committee Oversight	Sources of Assurance	Executive/Operational responsibility
		Fit and Proper Persons	2008 Regulations 5, 19 ⁶	Remuneration Committee People and OD Committee	CQC	Director of HR
Annual Report (cont)	Annual Governance Statement	Governance Framework	2008 Regulation 17	Audit Committee	Internal audit, External audit, CQC	Director of Governance
		Serious Incidents	2008 Regulations 12, 17, Civil Contingencies Act 2004 Corporate Manslaughter and Homicide Act Fraud Act Corporate Bribery Act Blood and Safety Quality regulations 2005	Quality Committee [SIs relating to Fraud and Information Governance covered by the Audit Committee]		Director of Governance
		Duty of Candour	2008 Regulation 20	Quality Committee		Director of Governance
		Board Effectiveness/ Leadership & Improvement capability (Well-led framework)	2008 Regulation 17	Board Remuneration Committee	Mandatory external review	Company Secretary
		Risk and Control	2008 Regulation 17	Audit Committee		Director of

⁶ All references to 2008 Regulations refer to the Health and Social Care Act 2008 (Regulated Activities Regulations 2014)

Publication/Framework for Disclosure	Disclosure Statement	Scope/Regulatory Requirements for the disclosure	Reference/Source	Board and Committee Oversight	Sources of Assurance	Executive/ Operational responsibility
		Framework				Governance
		Freedom to Speak Up/Whistleblowing	Public disclosure Act 1998 2008 Regulations 12,16	People & OD Committee		Freedom to Speak Up Guardian
		Review of Economy, Efficiency and Effectiveness of Resources	Single Oversight Framework 2009 Regulation 13 ⁷	Audit & Risk Committee		Director of Finance
		Data Security/Information Governance	Data Protection Act 1998 Computer Misuse Act Freedom of Information Act 2000	Audit & Risk Committee		Director of Governance
		NHS Constitution	NHS Constitution	Audit & Risk Committee		Chief Executive
		Review of Effectiveness of Risk Management and Internal Control	2008 Regulation 17	Audit & Risk Committee		Director of Governance
Quality Report	Statement of Assurance from the Board	Quality Care Registration & Contract Information	NHSI Quality Accounts manual	Quality Committee		Chief Nurse/ Director of Governance
		Clinical Audit & Effectiveness	NHSI Quality Accounts manual	Quality & Patient Safety Committee		Director of Governance/ Chief Nurse

⁷ All references to 2009 Regulation refers to CQC (Registration) Regulations 2009

Publication/Framework for Disclosure	Disclosure Statement	Scope/Regulatory Requirements for the disclosure	Reference/Source	Board and Committee Oversight	Sources of Assurance	Executive/Operational responsibility
		R&D	NHSI Quality Accounts manual	Quality & Patient Safety Committee		Director of Strategy, Research and Innovation
		CQUINs	NHSI Quality Accounts manual	Quality & Patient Safety Committee		Director of Finance
		Information Governance	NHSI Quality Accounts manual DP Act 2018 (GDPR) Computer Misuse Act Freedom of Information Act 2000	Audit & Risk Committee		Director of Governance/ Director of IM&T
		Coding	NHSI Quality Accounts manual	Audit & Risk Committee		Director of Finance/Director of IM&T
		Data Quality	NHSI Quality Accounts manual	Audit & Risk Committee		Director of Finance/ Director of IM&T
		Complaints Report	Local Authority & Social Services & NHS Complaints Regulations 2009 2008 Regulation 16	Quality & Patient Safety Committee		Chief Nurse
		Core Indicators – Quality [See also NHSI Single Oversight Framework – Quality of Care]		Quality & Patient Safety Committee	Integrated Performance Report	Chief Medical Officer
		Core Indicators –		F&P Committee	Integrated	Managing

Publication/Framework for Disclosure	Disclosure Statement	Scope/Regulatory Requirements for the disclosure	Reference/Source	Board and Committee Oversight	Sources of Assurance	Executive/Operational responsibility
		Performance [See also NHSI Single Oversight Framework – Operational Performance]			Performance Report	Director/ Director of Operations
		Patient Survey		Quality & Patient Safety Committee		Chief Nurse
		Staff Survey		People and OD Committee		Director of HR
NHSI Single Oversight Framework	Quality of Care	Organisational Health indicators – Clinical Effectiveness [See also Quality Report Core Indicators]	NHSI Single Oversight Framework	Quality & Patient Safety Committee	Integrated Performance Report	Chief Medical Officer
		Organisational Health indicators – Patient Experience	NHSI Single Oversight Framework	Quality & Patient Safety Committee	Integrated Performance Report	Chief Nurse
		Organisational Health indicators - Safety	NHSI Single Oversight Framework	Quality & Patient Safety Committee	Integrated Performance Report	Director of Governance
		Organisational Health indicators - staffing	NHSI Single Oversight Framework	People and OD Committee	Integrated Performance Report	Director of HR
	Finance & Use of Resources	[See also Annual Report & Accounts disclosures]	NHSI Single Oversight Framework	F&P Committee	Internal & External Audit Integrated	Director of Finance

Publication/Framework for Disclosure	Disclosure Statement	Scope/Regulatory Requirements for the disclosure	Reference/Source	Board and Committee Oversight	Sources of Assurance	Executive/Operational responsibility
					Performance Report	
	Operational Performance	[See also Quality Report Core Indicators]	NHSI Single Oversight Framework	F&P Committee	Integrated Performance Report	Managing Director/Director of Operations
	Strategic Change		NHSI Single Oversight Framework	Board		Director of Strategy, Innovation and Research
	Leadership and Improvement Capacity (Well-led)		NHSI Single Oversight Framework	Board Remuneration Committee		Chair/Chief Executive
CQC Regulations not referenced above	Regulation 9 - Person Centred Care		Autism Act 2009 Children Act 1989, 2004	Quality & Patient Safety Committee		Chief Nurse
	Regulation 10- Dignity and Respect		Equality Act 2009 Human Rights Act 2009	Quality & Patient Safety Committee		Chief Nurse
	Regulation 11 - Consent		Mental Capacity Act 2005 Mental Health Act 1983, 2007 Misuse of Drugs Act Human Tissue Act 2004 Medicines Act 1968 Human Medicines Regulations 2012	Quality & Patient Safety Committee		Chief Nurse
	Regulation 13-		Autism Act 2009	Quality	Annual	Chief Nurse

Publication/Framework for Disclosure	Disclosure Statement	Scope/Regulatory Requirements for the disclosure	Reference/Source	Board and Committee Oversight	Sources of Assurance	Executive/Operational responsibility
	Safeguarding		Children Act 1989, 2004 Equality Act 2009 Human Rights Act 2009 Mental Capacity Act 2005 Mental Health Act 1983, 2007 Misuse of Drugs Act	Committee	Safeguarding Reports	
	Regulation 14 Nutrition and Hydration		Food Safety Act 1990 Food Safety and Hygiene (England) Regulations	Quality & Patient Safety Committee		Chief Nurse
	Regulation 15 Premises and Equipment		Corporate Manslaughter and Corporate Homicide Act 2007 Control of Substances hazardous to Health Electricity at work regulations 1989 Gas Safety regulations 1996 Hazardous Waste Regulations Health & Safety at Work Act 1974	Quality & Patient Safety Committee		Director of Estates and Facilities Chief Medical Officer

Publication/Framework for Disclosure	Disclosure Statement	Scope/Regulatory Requirements for the disclosure	Reference/Source	Board and Committee Oversight	Sources of Assurance	Executive/Operational responsibility
			Ionising Radiations Regulations 1999 Ionising Radiation (Medical Exposure) Regulations Manual Handling Regulations Medical Devices Regulations 2002 Carriage of Dangerous Goods RIDDOR Regulatory Reform (Fire Safety) order			
	Regulation 18 Staffing		Employment Rights Act 1996	People and OD Committee	Integrated Performance Report Staff Survey	Director of HR

