

Corporate Governance Manual

Updated July 2020

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Version control		
Versio	Date	Comments
1	November 2010	Approved by the Board of Directors
2	December 2010	Minor changes to Delegated Financial Limits (Table B)
3	November 2012	
4	July 2014	Review undertaken
5	September 2014	Amendments approved by Board of Directors
6	January 2015	Changes to tendering, e-tendering and tender waiver process due to implementation of procurement strategy
7	May 2015	Minor amendment to tender waiver form Updated delegated responsibility for approval of tender waivers Updated Terms of Reference inserted Updated Committee Structure inserted
8	July 2016	Updated Committee Structure inserted Updated Terms of Reference inserted Updated Governors Code of Conduct inserted Added information on Trust meetings structure and governance arrangements regarding Chair's action Updated Policy on Hospitality and Gifts, now inclusive of Sponsorship, Human Medicines Regulations and reflective of "Sunshine Rule" Updated SFIs in relation to procurement and tendering Removal of sections in relation prudential borrowing code and protected assets Amendments to guidance in relation to the asset register Amendments to the "off payroll" guidance Updated delegated authority table Updated delegated financial limits table Amendments to the Accounting Officers Memorandum Updated formatting and page numbering Updated job titles and regulatory titles Updated review dates Amended content page references numbering Amended signposted sections numbering

9	August	<p>Removal of sections regarding Standards for business conduct for staff</p> <p>Added new Conflicts of Interest Policy to replace Policy on Hospitality, Gifts and sponsorship.</p> <p>Update to name of Nominations and Remuneration Committee</p> <p>References to updated legislation</p> <p>2017 terms of reference inserted</p> <p>2017 Committee structure inserted</p>
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11	April 2019	
12	June 2020	

Foreword

Cheshire and Wirral Partnership NHS Foundation Trust (the Trust) is a public benefit corporation that was established in accordance with the provisions of the National Health Service Act 2006. As a body corporate the Trust has specific powers to contract in its own name and to act as a corporate trustee.

Corporate governance is the system by which an organisation is directed and controlled, at its most senior levels, in order to achieve its objectives and meet the necessary standards of accountability and probity. Effective corporate governance, along with clinical governance, is essential for a Foundation Trust to achieve its clinical, quality and financial objectives. Fundamental to effective corporate governance is having the means to verify the effectiveness of this direction and control, which is achieved through independent review and assurance. This Corporate Governance Manual sets out the regulation of the Trust's governance system.

The NHS Act 2006 and subsequent regulations set out the legal framework within which the Foundation Trust operates. The Constitution sets out who can be members of the Foundation Trust and how it should conduct its business. The Terms of Authorisation are provided by NHS Improvement (the independent regulator of Foundation Trusts) and identify the conditions of operation. The Accounting Officer Memorandum requires Foundation Trust Boards of Directors to adopt schedules of reservation and delegation of powers and to set out the financial framework within which the organisation operates.

This corporate governance manual comprises:

- Schedule of matters reserved to the Board of Directors
- Matters delegated by the Board of Directors to its Committees
- Scheme of delegation
- Standing Financial Instructions
- Standing Orders for the Board of Directors
- Code of Conduct for the Board of Directors
- Council of Governors' Code of Conduct
- Code of Conduct for NHS Managers
- Standards of Business Conduct for NHS Staff
- Standing Orders for the Council of Governors

Compliance with these documents is required of the Foundation Trust, its Executive and Non- Executive Directors, Governors, officers and employees, all of whom are also required to comply with:

- The Trust's Constitution and Licence
- The Accounting Officer Memorandum

The Trust must also have agreed its own Standing Orders as a framework for internal governance. These are included in this corporate governance manual.

All of the above-mentioned documents together provide a regulatory framework for the business conduct of the Foundation Trust.

The Foundation Trust Board of Directors also has in place Audit and Remuneration committees and an established framework for managing risk.

It is essential that all Directors, Governors, officers and employees know of the existence of these documents and are aware of their responsibilities included there within. A copy of this manual is available on the Trust's website and it has been explicitly brought to the attention of key staff within the organisation and to all staff via the internal communication routes.

Any queries relating to the contents of these documents should be directed to the Director of Business and Value, the Head of Corporate Affairs, or myself who will be pleased to provide clarification.

**Sheena
Cumiskey
Chief Executive
July 2020**

1. Definition and interpretation

Unless the contrary intention appears or the context otherwise requires, words or expressions contained in this corporate governance manual bear the same meaning as in the NHS Act 2006 and the Constitution. References to legislation include all amendments, replacements, or re-enactments made.

Headings are for ease of reference only and are not to affect interpretation. Words importing the masculine gender only shall include the feminine gender; words importing the singular shall include the plural and vice-versa.

In this corporate governance manual the following definitions apply:

Title	Definition
The 2012 Act	The Health and Social Care Act 2012
The 2006 Act	The National Health Service Act 2006
The 1977 Act	The National Health Service Act 1977
Accounting Officer	The person who from time to time discharges the functions specified in paragraph 25(5) of Schedule 7 to the 2006 Act; they shall be the Officer responsible and accountable for funds entrusted to the Foundation Trust in accordance with the NHS Foundation Trust Accounting Officer Memorandum. They are responsible for ensuring the proper stewardship of public funds and assets. The NHS Act 2006 designates the Chief Executive of the NHS Foundation Trust as the Accounting Officer.
Agenda Item	Board of Directors - an item from a Board member (notice of which has been given) about a matter over which the Board has powers or duties or which affects the services provided by the Foundation Trust Council of Governors – an item from a Governor or Governors (notice of which has been given) about a matter over which the Council has powers or duties or which affects the services provided by the Foundation Trust.
Appointing organisations	Those organisations named in the constitution who are entitled to appoint governors
Authorisation	An authorisation given by NHS Improvement under Section 35 of
The Board	The Board of Directors of the Foundation Trust
Budget	A resource, expressed in financial or workforce 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 Foundation Trust
Bribery Act	The Bribery Act 2010
Budget holder	The Director or employee with delegated authority to manage finances (income and expenditure) for a specific area of the

The Chair	Is the person appointed by the Council of Governors to lead the Board and ensure it successfully discharges its overall responsibility for the Foundation Trust as a whole. It means the Chair of the Foundation Trust, or, in relation to the function of presiding at or chairing a meeting where another person is carrying out that role as required by the Constitution, such person
Chief Executive	The chief officer of the Foundation Trust
Committee	A committee or subcommittee created and appointed by the Foundation Trust
Constitution	The constitution of the Foundation Trust as amended from time to time. Describes the type of organisation, its primary purpose, governance arrangements and membership

Title	Definition
Contracting and procuring	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	The Council of Governors of the Foundation Trust
Director	A member of the Board of Directors
Director of Business and Value	The chief finance officer of the Foundation Trust
External auditor	The person appointed to audit the accounts of the Foundation Trust, who is called the auditor in the 2006 Act
Financial year	a) the period beginning with the date on which the Foundation Trust is authorised and ending with the next 31 March; and b) each successive period of twelve months beginning with 1 April
The Foundation Trust	Cheshire and Wirral Partnership NHS Foundation Trust
Foundation Trust contract	Agreement between the Foundation Trust and Clinical Commissioning Groups and/or others for the provision and commissioning of health services
Funds held on Trust	Those trust funds which the Foundation Trust holds at its date of incorporation, receives on distribution by statutory instrument, or chooses subsequently to accept under powers derived under the 2006 Act. Such funds may or may not be charitable
Governor	An elected or appointed member of the Council of Governors
Licence	Provider Licence issued by the regulator NHS Improvement
NHS Improvement	The regulator (previously Monitor) for the purposes of the 2006 Act

Meeting	Board of Directors – a duly convened meeting of the Board of Directors Council of Governors - a duly convened meeting of the Council of Governors
Member	A member of the Foundation Trust
Motion	A formal proposition to be discussed and voted on during the course of a meeting
Nominated Officer	An officer charged with the responsibility for discharging specific tasks within Standing Orders and Standing Financial Instructions
Officer	An employee of the Foundation Trust
Partner	In relation to another person, a member of the same household living together as a family unit
Registered medical practitioner	A fully registered person within the meaning of the Medicines Act 1983 who holds a licence to practice under that Act
Registered nurse or midwife	A nurse, midwife or health visitor registered in accordance with the Nurses, Midwives and Health Visitors Act 1997
Secretary	The Secretary appointed under the Constitution, the Secretary of the Foundation Trust or any other person appointed to perform the duties of the Secretary, including a joint, assistant or deputy secretary. N.B. role currently known as the Head of Corporate Affairs
Standing Financial Instructions	(SFIs) regulate the conduct of the Trust's financial matters
Standing Orders	(SOs) incorporate the Constitution and regulate the business conduct of the Foundation Trust

2. Schedule of matters reserved to the Board of Directors

2.1 General Enabling Provision

The Board of Directors may determine any matter it wishes, for which it has authority, in full session within its statutory powers. In accordance with the Code of Conduct and Accountability adopted, the Board explicitly reserves that it shall itself approve/appraise, as appropriate, the following matters detailed in paragraph 2.3 below. All Board members share corporate responsibility for all decisions of the Board and the Board remains accountable for all of its functions, even those delegated to individual committees, sub-committees, directors or officers.

2.2 Duties

It is the Board's duty to:

- Act within statutory financial and other constraints;
- Be clear what decisions and information are appropriate to the Board of Directors and draw up Standing Orders, a schedule of decisions reserved to the Board and Standing Financial Instructions to reflect these;
- Ensure that management arrangements are in place to enable responsibility to be clearly delegated to senior executives for the main programmes of action and for performance against programmes to be monitored and senior executives held to account;
- Establish performance and quality measures that maintain the effective use of resources and provide value for money;
- Specify its requirements in organising and presenting financial and other information succinctly and efficiently to ensure the Board can fully undertake its responsibilities; Establish Audit and Remuneration Committees on the basis of formally agreed terms of reference that set out the membership of the sub-committee, the limit to their powers, and the arrangements for reporting back to the main Board.

2.3 Reserved matters

2.3.1 Standing Orders

- Approval of and changes to Board standing orders.

2.3.2 Matters of Governance

- Approval of and changes to the schedule of matters reserved to the Board of Directors.
- Approval of and changes to the standing financial instructions.
- Suspension of Board standing orders.
- Ratify or otherwise instances of failure to comply with standing orders brought to the Chief Executive's attention in accordance with Standing Orders.
- Ratification of any urgent decisions taken by the Chair and Chief Executive, in public session in accordance with the standing orders.
- Approval of and changes to codes of conduct.
- Approval of the Trust's risk assurance framework.

- Approval of the Board's scheme of reservation and delegation.
- Adoption of the organisational structures, processes and procedures to facilitate the discharge of business by the Foundation Trust and approval of any changes
- Approval of the remit and membership of Board committees including.
- Approval of terms of reference and reporting arrangements of all committees and sub- committees that are established by the Board of Directors.
- To confirm the recommendations of committees where they do not have executive powers to receive reports from committees including those which the Foundation Trust is required by the National Health Service Act 2006 or other regulation to establish and to take appropriate action thereon.
- Audit arrangements.
- Clinical audit arrangements.
- The annual audit letter.
- Annual report and statutory accounts of the Trust.
- Annual report and accounts for funds held on trust (charitable funds).
- Approval of arrangements relating to the discharge of the Foundation Trust's responsibilities as a corporate trustee for funds held on trust.
- Approval of arrangements relating to the discharge of the Foundation Trust's responsibilities as a bailer for patients' property.
- Disciplining Board members or employees who are in breach of statutory requirements or Standing Orders.

2.3.3 Regulatory matters

- Compliance with the Trust's Licence, its constitution and all statutory and regulatory obligations.
- Director and Non-Executive Director compliance with Fit and Proper Person Requirements.
- Directors' and officers' declaration of interests and determination of mitigating action if required.
- Arrangements for dealing with complaints.
- Disciplinary procedures for officers of the Trust.

2.3.4 Appointments and dismissals

- Appointment and dismissal of committees (and individual members) that are directly accountable to the Board of Directors excluding the Audit Committee, the Nominations and Remuneration Committee (Executive Directors) . This does not imply that individual members of all Committees can be dismissed
- Appointment, appraisal, disciplining and dismissal of Executive Directors.
- Confirm the appointment of members of any committee of the Foundation Trust as representatives on outside bodies.
- Appoint, appraise, discipline and dismiss the Head of Corporate Affairs.
- Approve proposals received from the Nominations and Remuneration Committee regarding the Chief Executive, Directors and senior employees.

2.3.5 Strategic direction

- Strategic aims, direction and objectives of the Foundation Trust.
- Financial plans and forecasts.

- Approval of the Trust's annual plan, strategic developments and associated business plans.
- Approval of annual revenue and capital budgets.
- Approval of all Trust strategies to include, but not be limited to the risk management strategy and human resources strategy.
- Approval of capital plans including:
 - Proposals for acquisition, disposal or change of use of land and/or buildings.
 - Private finance initiative (PFI) proposals.
 - Individual contracts, including purchase orders of a capital or revenue nature in accordance with Delegated Financial Limits, Table B, section 2.
- Approve proposals for action on litigation against or on behalf of the Foundation Trust where the likely financial impact is as shown in the Delegated Financial Limits, Table B, section 2 or contentious or likely to lead to extreme adverse publicity, excluding claims covered by the NHS risk pooling schemes.

2.3.6 Monitoring performance

- Operational and financial performance arrangements at intervals that it shall determine.

2.3.7 Other matters

- Appointment of bankers
- Approve the opening of bank accounts.
- Approve individual compensation payments

3 Matters delegated by the Board of Directors to its Committee

3.1 Committee Structure

Matters are delegated by the Board of Directors via the Trust meetings structure (see [section 4a](#)) each links through to the corporate assurance framework, underpinned by NHS Improvement's quality governance requirements and the Care Quality Commission's requirements for registration. This provides the Board with assurance about how the organisation is able to identify, monitor and escalate and manage concerns, which may include identifying consequences to ensure performance management where assurance is not provided, in a timely fashion at an appropriate level.

The Trust's strategic plan is implemented, monitored and assured by the Trust's meeting structure which has delegated responsibility from the Trust Board. The structure monitors compliance through performance indicators, a comprehensive audit programme, the monitoring of associated risks and through other mechanisms of assurance. Reporting and accountability mechanisms are supported by clear terms of reference for each committee. See [section 4b](#) for the terms of reference for the statutory committees of the Board.

3.2

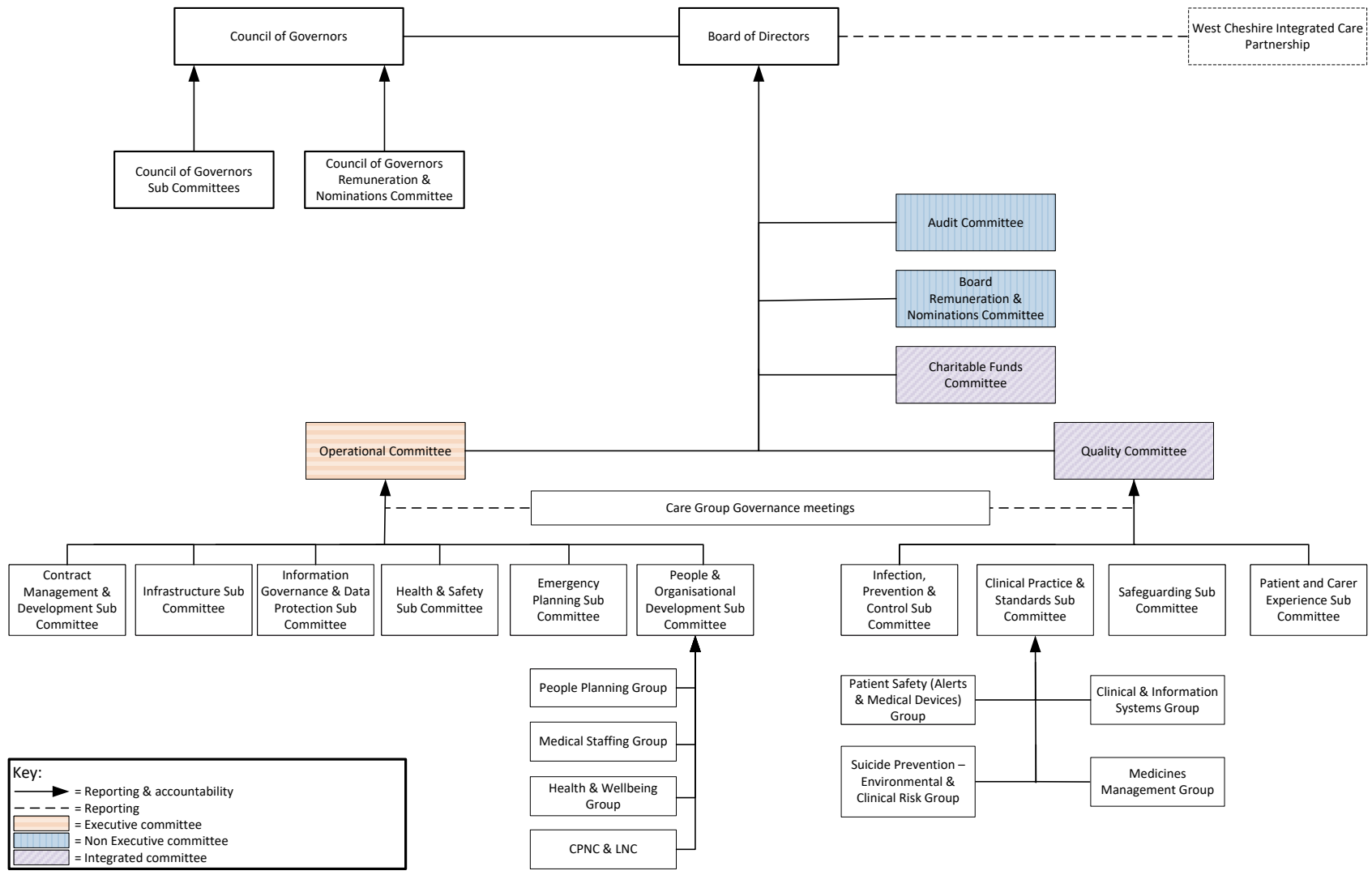
Chair's Action

It is recognised that there will be times when urgent decisions are required. These powers will only be used when an urgent decision is required and there are no alternatives (e.g. the matter will not wait until the next meeting of the committee/sub-committee and cannot safely be dealt with in any other way). Anyone putting forward an item for Chair's action should ensure that the issue has been supported by key individuals and committees in the usual way.

To ensure transparency, any urgent decisions will be submitted, along with relevant supporting papers, to the next regular meeting for ratification and recording in the minutes. If decisions have an immediate impact on the wider membership of the committee/sub-committee, the members will be informed at the earliest convenience.

4a Committee Structure

Trust meetings are also supported in their work through various clinical, professional, and multi-disciplinary networks and fora



4b. Statutory Committees of the Board

Audit Committee

Terms of Reference

1. Constitution

The Board of Directors hereby resolves to establish a Committee to be known as the Audit Committee. The Committee is a non-executive Committee of the Board and has no executive powers other than those specifically delegated in these Terms of Reference.

2. Duties

The Committee is responsible for:

a. Governance, risk management and internal control

The Committee shall have primary responsibility and review the establishment and maintenance of an effective system of integrated governance, risk management and internal control across the whole of the Trust's activities (both clinical and non-clinical) that supports the achievements of the Trust's objectives. It will provide an independent and objective view on internal control and probity. In addition, the Committee will monitor any formal announcements relating to its financial performance, reviewing significant financial reports and the judgements contained in them.

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 to external bodies), 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.
- The policies for ensuring compliance with relevant regulatory, legal and code of conduct requirements, licence requirements and related reporting and self-certification.
- Finance-related policies and procedures including Standing Orders, Standing Financial Instructions, Scheme of Delegation.
- The policies and procedures for all work related to fraud and corruption as required by the NHS Counter Fraud Authority.
- The arrangements by which Trust staff may raise, in confidence, concerns about possible improprieties in matters of financial reporting and control, clinical quality, patient safety or other matters. In so doing the Committee's objective should be to ensure that arrangements are in place for the proportionate and independent investigation of such matters and for appropriate follow-up action.

In carrying out this work the Committee will utilise the work of internal audit, external audit and other assurance functions but will not be limited to these sources. It will also seek reports and assurances from directors and managers as appropriate, concentrating on the overarching 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 Assurance Framework to guide its work and that of the audit and assurance functions that report to it.

b. Internal audit

The Committee will ensure that there is an effective internal audit function established by management that meets public sector internal audit standards and NHS internal audit standards and provides appropriate independent assurance to the Audit 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 Trust as identified in the Assurance Framework.
- Consideration of the major findings of internal audit work (and management's response) and ensuring coordination between internal and external auditors to optimise audit resources.
- Ensuring that the internal audit function is adequately resourced and has appropriate standing within the Trust.
- Annual review of the effectiveness of internal audit.
- Annual self-assessment of the Committee, facilitated by Internal Audit.

c. External audit

The Committee shall review the independence, objectivity and work 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 and performance of the external auditor, including liaising with and making recommendations to the Council of Governors regarding the former.
- The duration of each term will be three years with an option for an additional two years. Once the term has expired, the appointment must be subject to open tender.
- 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 with internal auditors and 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 all external audit reports, including the report to those charged with governance, agreement of the annual audit letter before submission to the Board and any audit work performed outside the annual audit plan, together with the appropriateness of management responses.
- Approval of the engagement of the external auditor in respect of non-audit work where the cost is over £5,000, taking into account relevant ethical guidance regarding the provision of such services. The Director of Business and Value will inform the Committee of any non-audit engagements below this figure and in all cases the Committee will report them to the Council of Governors.
- Annual review of the effectiveness of external audit.

d. Other assurance functions

The Audit Committee shall review the findings of other significant assurance functions, both internal and external to the Trust, and consider the implications to the governance of the Trust. It will review, appraise and report in accordance with Public Sector Internal Audit Standards (PSIAS) and best practice. These will include, but will not be limited to, reviews and reports by Department of Health and Social Care's arm's length bodies or regulators/inspectors e.g. Care Quality Commission, NHS Resolution, etc, professional bodies with responsibility for the performance of staff or functions (e.g. Royal Colleges, accreditation bodies, etc), the Local Counter-Fraud Specialist (LCFS).

In addition the Committee will review the work of other committees within the Trust, whose work can provide relevant assurance to the Audit Committee's own scope of work. This will particularly include the Quality Committee and Operational Committee. With

regard to the former and issues around clinical risk management the Audit Committee will wish to satisfy itself on the assurance that can be gained from the clinical audit function.

The Committee will also review all suspensions of Standing Orders and variation or amendment to Standing Orders.

At each meeting, the Committee may wish to review any "red" rated risk from the Risk Register and may request it receives a presentation in person from the senior clinical / other professional responsible for addressing this particular risk.

The Audit Committee will report to the Board and to the Council of Governors any matters in respect of which it considers action or improvement is needed.

e. Counter- fraud

The Audit Committee shall satisfy itself that the Trust has adequate arrangements in place for countering fraud and will approve the appointment of the Local Counter-Fraud Specialist. The Committee will review the outcomes of counter-fraud work.

f. Management

The Committee shall request and review reports and positive assurances from directors and managers on the overall arrangements for governance, risk management and internal control. They may also request specific reports from individual functions within the Trust (e.g. clinical audit) as they may be appropriate to the overall arrangements.

g. Statutory reporting (Financial & Quality Accounts)

The Audit Committee shall review the Trust's annual report and associated accounting 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, practices and estimation techniques
- Unadjusted misstatements in the financial statements
- Major judgemental areas
- Significant adjustments resulting from the audit
- Letter of representation
- Qualitative aspects of statutory reporting

The Committee shall monitor the integrity of the accounting statements of the Trust and any formal announcements relating to the Trust's reported performance. The Committee should also ensure that the systems for both financial and qualitative reporting to the Board are subject to review as to completeness and accuracy of the information provided to the Board.

3. Membership

Membership will be appointed by the Board of Directors from amongst its Non-Executive members and will consist of not less than three members, at least one of whom should have recent and relevant financial experience. The Chair of the Quality Committee shall be a member of the Audit Committee.

Members can participate in meetings by two-way audio link including telephone, video or computer link (excepting email communication). Participation in this way shall be deemed to constitute presence in person at the meeting and count towards the quorum.

The Board will appoint one of the members to be Chair and another Vice Chair from the outset. The Vice Chair will automatically assume the authority of the Chair should the latter be absent. The Chair of the Trust shall not be a member of the Committee.

a. Quorum

A quorum shall be two members.

b. Voting

Each member will have one vote with the Chair having a second and casting vote, if required. Should a vote be necessary a decision will be determined by a simple majority.

c. Attendance by members

Members will be required to attend a minimum of 50% of all meetings. The Committee shall be able to co-opt further members to the Committee for special purposes.

d. Attendance by officers or others

Either the Director of Business and Value or the Deputy Director of Business and Value and appropriate internal and external audit representatives shall normally attend meetings. At least once a year the Committee will meet privately with the external and internal auditors.

The Chief Executive and other executive directors will be invited to attend, particularly when the Committee is discussing areas of risk or operation that are the responsibility of that director.

The Chief Executive will also be required to attend when the Audit Committee discussed the process for assurance that supports the Annual Governance Statement.

The Trust's Head of Corporate Affairs will be Secretary to the Committee and will attend to take minutes of the meeting and provide appropriate support to the Chair and the Committee members.

Officers of the Trust will be invited to attend the meeting as appropriate when an issue relating to their area of operation or responsibility is being discussed.

Governors may be invited to observe meetings of the Audit Committee.

4. Accountability and reporting arrangements

The Audit Committee will be accountable to the Board of Directors.

The minutes of the Audit Committee will be formally recorded and submitted to the Board of Directors. The Chair of the Audit Committee shall draw to the attention of the Board of Directors any issues that require disclosure to it, or require executive action.

The Audit Committee will refer to the other two Board governance Committees (the Quality Committee and the Operational Committee) matters considered by the Committee deemed relevant for their attention. The Committee will consider matters referred to it by those two governance Committees.

The Audit Committee will receive reports from the Quality Committee regarding assurances relating to the effective operation of controls and in the event of a significant risk arising, the risk will be reported as per the Trust's integrated governance framework and risk management processes.

The Committee will report to the Board annually on its work and performance in the preceding year and, as part of this report, will provide commentary in support of the Annual Governance Statement, specifically dealing with the fitness for purpose of the Assurance Framework, the completeness and embeddedness of risk management in the Trust, the

integration of governance arrangements and the appropriateness of the evidence compiled to demonstrate fitness to register with the Care Quality Commission and the robustness of the processes behind the quality accounts.

Trust Standing Orders and Standing Financial Instructions apply to the operation of the Audit Committee.

5. Frequency

Meetings will normally be held bi-monthly.

The external auditor or Head of Internal Audit may request a meeting if they consider that one is necessary.

6. Authority

The Audit Committee is authorised by the Board of Directors to investigate any activity within its Terms of Reference. The Committee is authorised to seek any information it requires from any employee and all employees are directed to cooperate with any request made by the Committee.

The Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise, subject always to compliance with Trust delegated authorities.

7. Monitoring effectiveness

The Committee will undertake an annual review of its performance against its duties in order to evaluate its achievements.

8. Administration

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

- Agreement of the agenda with the Chair
- Collation and review of reports
- Distribution of agenda and reports to members in accordance with the Trust's corporate governance standards
- Taking the minutes of the meeting
- Preparing a record of actions
- Advising the Committee on pertinent areas.

9. Review

These terms of reference will be reviewed at least annually by the Committee.

4.b.2 Nominations and Remuneration Committee (of the Board of Directors) Terms of Reference

1. Constitution

The Board hereby resolves to establish a Committee of the Board to be known as the Remuneration and Nominations Committee (the Committee).

2. Duties

To be responsible for identifying and appointing candidates to fill all the executive director position on the board and for determining their remuneration and other conditions of service.

(Where the Committee is appointing the Chief Executive, the Committee shall be the Committee described in Schedule 7, 17(3) of the National Health Service Act (The Act). When appointing the other executive directors, the Committee shall be the Committee described in Schedule 7,17(4) of the Act.

2.a Remuneration Role

The Committee will:

- Determine the remuneration and terms of service of the Chief Executive
- With the Chief Executive, to determine the remuneration and terms of service (including pension rights and any compensation payments) of the Executive Management Team and other Senior Managers as agreed*
- Establish and keep under review a policy in respect of Executive Board Directors (and Senior Managers on local-determined pay)
- To approve proposals presented by the Chief Executive for determining the remuneration levels and conditions of service for those employees and officers not otherwise covered by the scope of this Committee, prior to any submission to Trust Board
- Seeks assurance to evaluate and monitor the performance of the Chief Executive and Executive Management Team, at least annually, against their objectives
- To oversee appropriate contractual arrangements relating to the Chief Executive and Executive Management Team
- To scrutinise any termination payments relating to the Chief Executive or members of the Executive Management Team, ensuring that they have been properly calculated and take account of any relevant guidance
- To be responsible for any disciplinary issues relating to the Chief Executive or members of the Executive Management team, ensuring that they have been properly calculated and take account of any relevant guidance
- To be responsible for any disciplinary issues relating to the Chief Executive or member of the Executive Management Team which may result in their dismissal. The Committee will not be responsible for any disciplinary issue which is short of dismissal.

- Such other duties as the Trust Board may delegate.

2b. Nominations Role

The Committee will:

- Regularly review the structure, size and composition (including 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 and Remuneration and Nominations Committee of the Council of Governors as applicable with regard to any changes.
- Give full consideration and make plans for succession planning for the Chief Executive and other Executive Board members taking into account the challenges and opportunities facing the Trust and the skills and expertise needed on the Board in the future
- Be responsible for identifying and appointing candidates to fill posts within its remit as and when they arise taking into consideration at the outset of each appointment the balance of skills, knowledge and experience of the Board and the role and capabilities required in the position.
- Consider any matter relating to the continuing in office of any Board Executive Director (including the suspension or termination of service of an individual as an employee of the Trust, subject to the provisions of the law and their service contract.
- Ensure that a proposed executive director is a 'fit and proper' person as defined in law and regulation.

3. Membership

The Committee will be appointed by the Board and consist of the Chair and all Non-Executive Directors of the Trust.

Members can participate in meetings by two-way audio link including telephone, video or computer link (excepting email communication). Participation in this way shall be deemed to constitute presence in person at the meeting and count towards the quorum.

The Board will appoint one of the Committee members to be Chair and another Vice Chair from the outset. The Vice Chair will automatically assume the authority of the Chair should the latter be absent.

4. Quorum

A quorum will be three members.

5. Voting

Each member will have one vote with the Chair having a second and casting vote, if required. Should a vote be necessary a decision will be determined by a simple majority.

6. Attendance by members

Committee members will be required to attend a minimum of 50% of all meetings

7. Attendance by officers

The Chief Executive will be invited to attend meetings in an ex-officio capacity, except when the Chief Executive's remuneration and terms of service are being considered. The Head of Corporate Affairs will act as Secretary to the Committee. The Director of Human Resources and Organisational Development will act as adviser to the Committee. The

Committee may invite other managers to attend in an advisory capacity or seek information from an external independent source if necessary.

8. Accountability and reporting arrangements

The Committee will be accountable to the Board of Directors.

The minutes of the Committee shall be formally recorded by the Head of Corporate Affairs and submitted to the Board of Directors. The Chair of the Committee shall draw to the attention of the Board of Directors any issues that require disclosure to the full Board, or require executive action.

Trust Standing Orders and Standing Financial Instructions apply to the operation of the Committee.

9. Frequency

There will be at least one meeting per year with additional meetings being arranged as required.

10. Authority

The Committee will be authorised by the Board of Directors to determine the remuneration and terms of service of the Chief Executive, members of the Executive Management Team and other Senior Managers as agreed. The Committee also has delegated authority to deal with disciplinary issues relating to the Chief Executive and Executive Management Team.

The Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise, subject always to compliance with Trust delegated authorities.

11. Monitoring effectiveness

The Committee will undertake an annual review of its performance in order to evaluate the achievement of its duties.

12. Administration

The Committee shall be supported administratively by the Head of Corporate Affairs whose duties in this respect will include:

- Agreement of the agenda with the Chair
- Collation and review of reports
- Distribution of agenda and reports to members in accordance with the
- Trust's corporate governance standards Taking the minutes of the meeting Preparing a record of actions
- Advising the Committee on pertinent areas.

13. Review

These terms of reference will be reviewed at least annually by the Committee

* The definition of "senior managers" is "those persons in senior positions having authority or responsibility for directing or controlling the major activities of the NHS Foundation Trust". The Chief Executive should confirm whether this covers more than the Chair, the Executive and Non-Executive Directors of the NHS foundation trust (who should be treated as senior managers as a matter of course). (*NHS Foundation Trust Annual Reporting Manual 2014/15*)

4.b.3

Council of Governors

Nominations and Remuneration Committee

Terms of Reference

1. Constitution

The Council of Governors hereby resolves to establish a Committee to be known as the Remuneration and Nominations Committee.

2. Duties

The Committee will be responsible for:

Nominations Role

- a. Identifying appropriate candidates for the positions of Chair and Non-Executive Directors of the Board of Directors. For each appointment of a Non-Executive Director/ Chair, preparing a description of the role and the skills and experiences required and appointing appropriate external support to lead the appointment process when required.
- b. Make recommendations to the Council of Governors for the appointment of Chair and Non-Executive Directors having regard to the views of the Board of Directors.
- c. Periodically reviewing the balance of skills, knowledge, experience and diversity of Non-Executive Directors, having regard to the views of the Board of Directors.
- d. Give consideration to succession planning for the Non-Executive Directors taking into account the challenges and opportunities facing the Trust and the skills and expertise needed on the Board of Directors in the future.
- e. Making recommendations to the Council of Governors concerning plans for succession, particularly for the key role of Chair.
- f. Advising the Council of Governors in respect of the re-appointment of any Non-Executive Director, ensuring that any term beyond six years is subject to a particularly rigorous review.

Remuneration Role

- g. Reviewing and recommending the remuneration and terms of service of the Non-Executive Directors to the Council of Governors taking into account appropriate benchmarking and market testing.
- h. Agree the process and receive and evaluate reports about the performance of individual non-executive directors and consider this evaluation output when reviewing remuneration levels.
- i. Monitor procedures to ensure that existing directors remain 'fit and proper' persons as defined in law and regulation.

3. Membership

The standing membership of the Committee will be in accordance with the Trust's constitution and will comprise at least:

- The Chairman of the Trust (or, when a Chairman is being appointed, the Deputy

Chairman unless s/he is standing for appointment, in which case another Non-Executive Director)

- Two elected governors
- One appointed governor
- Lead governor

Each member will have one vote with the Chair having the casting vote, if required. Should a vote be necessary, a decision will be determined by a simple majority.

The Trust Chairman will be appointed as Chair of the Committee. The Chairman or any Non-Executive Director present at committee meetings will withdraw from discussions concerning their own re-appointment, remuneration or terms of service. In this instance, the Lead Governor will be appointed as Chair of the Committee.

The Chairman of another Foundation Trust will be invited to act as an independent assessor to the Committee during the interview process for Non-Executive Director appointments.

Members can participate in meetings by two-way audio link including telephone, video or computer link (excepting email communication). Participation in this way shall be deemed to constitute presence in person at the meeting and count towards the quorum.

a. Quorum

A quorum will be a minimum of four members including the Chair.

b. Attendance by Members

Committee members will be required to attend a minimum of 50% of all meetings held per annum.

c. Attendance by Officers

The Trust Chief Executive and Head of Corporate Affairs will attend meetings to provide advice as appropriate.

The Head of Corporate Affairs will attend to take notes of the meeting and provide appropriate support to the Chair and Committee members.

4. Accountability and Reporting Arrangements

The Committee will be accountable to the Council of Governors.

The notes of Committee meetings shall be formally recorded and submitted to the Council of Governors, unless a conflict of interest or a matter of confidentiality exists.

5. Frequency

The Committee will meet at minimum once per annum.

Additional meetings may be called by the Chair if members consider one to be necessary.

6. Authority

The Committee will have authority to address the issues outlined in these terms of reference and in accordance with the function of the Council of Governors.

The Committee will be allowed to make emergency decisions between meetings i.e. via e-mail or tele/video conferencing in order to progress implementation of policies and work programmes already approved by the Council of Governors.

7. **Monitoring Effectiveness**

The Committee will undertake a review of its performance against these terms of reference after one year, in order to evaluate the achievement of its duties.

8. **Review**

These Terms of Reference will be reviewed annually.

4.b.4

Quality Committee

Terms of Reference

1. **Constitution**

The Board of Directors hereby resolves to establish a committee to be known as the Quality Committee.

2. **Duties**

The Quality Committee is responsible for:

Assurance

Receiving assurance on organisational quality governance, current performance regarding quality of care, and quality performance against the quality framework as detailed in the Trust's quality improvement strategy.

Improvement

Ensuring that that the strategic priorities for quality improvement are identified, implemented and monitored, to support the ambition of the Trust's quality improvement strategy.

The Quality Committee has delegated responsibility from the Board of Directors for oversight of the integrated governance framework, has overarching responsibility for risk, and therefore for monitoring strategic risks within the organisation.

The Quality Committee's duties can be categorised as:

Assurance

- a) Monitoring and reporting on the Trust's delivery of integrated governance, exercising oversight of the systems and escalating any matters of concern as appropriate. Specifically:
 - Receiving and reviewing the corporate strategic risks (including those referred from other committees which are concerned with quality matters) allocated to the Quality Committee, monitoring progress made in mitigating those risks, identifying any areas where additional assurance is required and escalating to the Board of Directors as agreed by Quality Committee members.
- b) Receiving assurance, via assurance reports and via a quality assurance dashboard, on organisational quality of care, aligned to the national "Single Oversight Framework", across the domains of safe, effective, caring and responsive services and the Trust's quality framework.
- c) Seeking assurances that the Trust complies with external regulations and standards of quality and governance, including Care Quality Commission registration requirements.

- d) Receiving assurance on the clinical and quality impact of the delivery of:
 - the key priority projects identified as part of the CWP Forward View/ Trust strategy (routine reporting of activity);
 - all current services (exception reporting of real/ near-real time issues);
 - CQUIN schemes (exception reporting care and quality impacts relating to any shortfalls in compliance); and
 - programmes identified to deliver better outcomes at lower cost (overseeing the accountability framework, as part of the Trust's quality and equality impact assessment process, for the operating principle of delivering better value as defined as a principle in the Trust's quality improvement strategy).
- e) Review of the draft of the Trust's Quality Account and recommending its approval to the Board of Directors.
- f) Receiving reports from the Board of Directors and Operational Committee for information, context, assurance and/ or action as appropriate.
- g) Approving the terms of reference and membership of its reporting sub committees and overseeing the work of those sub committees, receiving reports from them for consideration and action as necessary and routinely receiving the Chair's reports of their meetings. These meetings are:
 - Infection Prevention & Control Sub Committee
 - Clinical Practice & Standards Sub Committee
 - Safeguarding Sub Committee
 - Patient and Carer Experience Sub Committee.

Improvement

- h) Identifying the strategic priorities in relation to quality improvement as per the Trust's Quality Improvement strategy, including:
 - Quality improvement priorities required on an annual basis as part of the regulatory Quality Account, and oversight of the implementation of these.
 - Oversight of future planning, in conjunction with Care Group representatives, ensuring capacity to respond proactively to new models of care delivery.
- i) Receiving and monitoring service-level quality performance improvement plans as identified as exceptions from the quality assurance dashboard.
- j) Ensuring that the Trust is responding and improving to learning identified in implementing the patient safety agenda throughout the Trust. This includes:
 - Updates from patient safety initiatives, including thematic reports, quality improvement initiatives, and patient safety cultural work identified as an output of implementing the Trust's safety management system.
 - Oversight of serious incident management processes, including the learning from deaths agenda, response to Regulation 28 reports and oversight of identified quality improvement initiatives.
 - Learning from complaints and claims processes.
 - Receipt of assurance in relation to whether the Trust is learning from internal experience (including from complaints and claims) and learning from external experience and recommendations, past harm and integrating best practice, through receipt of the Learning from Experience report and Quality Improvement report.
- k) Ensuring that the Trust is responding to and improving from learning identified in implementing the clinical effectiveness agenda throughout the Trust. This includes:
 - Updates from clinical effectiveness initiatives, including quality improvement initiatives identified as an output of implementing the Trust's transformation, change, and effectiveness work programme.
 - Through service-level outcome reporting, identification of priority NICE/ evidence based guidelines and standards incorporated into improvement work.
 - Oversight of priority quality improvement projects, identified as part of the implementation of the Quality Improvement strategy, to tackle unwarranted variations in clinical care.
- l) Ensuring that the Trust is responding and improving to learning identified in implementing the patient and carer experience agenda throughout the Trust. This includes:

- Updates from improvement work co-ordinated by the Lived Experience, Volunteering and Engagement Network.
- Receipt of assurance in relation to whether the Trust is learning from patient and carer experience initiatives, through receipt of the Learning from Experience report and Quality Improvement report.
- Receipt of the annual CQC community mental health survey (and, by exception, any quality of care issues from analysis of the NHS Staff Survey via Operational Committee) to inform themes and quality improvement work for endorsement by the Board of Directors.

3. Membership

Membership will be appointed by the Board of Directors and will consist of the following:

- Non-Executive Director (Chair)
- Two additional Non-Executive Directors (one of whom shall be Vice Chair)
- Chief Executive (Accountable Officer)
- Medical Director (Quality)
- Medical Director (Effectiveness and Medical Staffing)
- Director of Business and Value
- Director of Nursing, Therapies & Patient Partnership
- *Director of Operations
- *Director of People & Organisational Development
- +Associate Director of Nursing & Therapies (Mental Health)
- +Associate Director of Nursing & Therapies (Physical Health)/ Director of Infection Prevention and Control (DIPC)
- ** Strategic Clinical Directors
- ** Associate Directors of Operations
- Associate Director of Safe Services
- Associate Director of Effective Services
- Associate Director of Patient & Carer Experience
- xvii. +Head of Clinical Governance
- xviii. +Head of Quality Assurance & Improvement

*or their nominated representative who will be sufficiently senior and have the authority to make decisions

** or their nominated representative who will be sufficiently senior and have the authority to make decisions – quoracy requires at least one representative of each Care Group from the membership listed at xii or xiii (sufficient seniority for xii includes Speciality or Place Based Clinical Directors; sufficient seniority for xiii includes Head of Operations).

+responsive attendance based on agenda

(otherwise, core members)

If core members cannot attend meetings, they must ensure that a nominated deputy attends.

The following individuals may be in attendance at meetings: Committee Secretary
Governors

Members can participate in meetings by two-way audio link including telephone, video or computer link (excepting email communication). Participation in this way shall be deemed to constitute presence in person at the meeting and count towards the quorum.

The Board of Directors will appoint one of the members to be Chair and another Vice Chair from the outset. The Vice Chair will automatically assume the authority of the Chair should the former be absent.

a. Quorum

A quorum shall be 50% of core membership including the Chair or Vice Chair, two Executive Directors, two Non-Executive Directors (which can include the Chair) and a representative from each CWP Care Group.

b. Voting

Each member will have one vote with the Chair having a second and casting vote, if required. Should a vote be necessary, a decision will be determined by a simple majority.

c. Attendance by members

Core members identified above will be required to attend a minimum of 50% of all meetings in-year, this is in addition to the requirement to ensure that a nominated deputy attends.

d. Attendance by officers

Officers and staff of the Trust will be invited to attend the meeting as appropriate when an issue relating to their area of operation or responsibility is being discussed.

4. Accountability and reporting arrangements

The Quality Committee will be accountable to the Board of Directors.

The minutes of the Quality Committee will be formally recorded and submitted to the Board of Directors. The Chair of the Quality Committee shall draw to the attention of the Board of Directors any issues that require disclosure to it, or require executive action, via a Chair's report.

The Chair's report will also be circulated to the meeting of the Board in public, Audit Committee and Operational Board for information.

Members of the Quality Committee will provide reports to the Audit Committee on assurances relating to the effective operation of controls and in the event of a significant risk arising, the risk will be reported as per the Trust's integrated governance framework and risk management processes.

5. Frequency

Meetings shall be held every two months, with at least 5 meetings per year, and additional meetings may be arranged from time to time, if required, to support the effective functioning of the Trust.

6. Authority

The Quality Committee is authorised by the Board of Directors to investigate any activity within its terms of reference. It 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 Quality Committee.

The Quality Committee is authorised to obtain legal or other independent professional advice and to secure the attendance of other parties with relevant experience and expertise to facilitate its understanding of the issues if it considers necessary.

7. Monitoring effectiveness

The Committee will undertake an annual review of its performance against its duties in order to evaluate its achievements.

8. Administration

The Committee shall be supported administratively by a member of the corporate affairs/board support team, whose duties in this respect will include:

- Agreement of the agenda with the Chair
- Collation and review of reports
- Distribution of agenda and reports to members in accordance with the Trust's corporate governance standards
- Taking the minutes of the meeting
- Preparing a record of actions
- Advising the Committee on pertinent areas

9. Review

These terms of reference will be reviewed at least annually by the Committee.

4.b.5 Operational Committee – Terms of Reference

1. Constitution

The Board of Directors hereby resolves to establish a committee to be known as the Operational Committee.

2. Duties

The Operational Committee is responsible for ensuring that governance, assurance and improvement systems operate effectively and thereby underpin clinical care:

Assurance

Receiving assurance on performance through the lens of:

- People
- Clinical services
- Clinical support services
- Finance

Improvement

Overseeing delivery of strategic priorities as described in the CWP Forward View, in order to assure the Board of Directors that there is sustainable leadership, governance and improvement capability to deliver better outcomes for populations the Trust serves.

Operational Committee is the formal route to support the Chief Executive in effectively discharging their responsibilities as Accountable Officer.

The agenda for Operational Committee meetings will be structured to allow time for strategic debate and discussion of current and future issues affecting the Trust and the wider health care system.

The Operational Committee's duties can be categorised as:

Assurance

- a) Oversight of the development of Trust strategy and delivery of strategic change through the development, completion, and delivery of the Operational Plan and Strategic Plan, in accordance with regulatory requirements and to respond to the external context. This includes:
 - Ensuring that staff are kept up to date on Trustwide issues.
 - Advice on the early development of strategy and business case proposals.
 - Development of risk mitigation plans to strategic delivery
- b) Receiving assurance on:
 - organisational strategic change
 - finance and use of resources
 - operational performance, and
 - leadership and improvement capability (well-led) – aligned to the national “Single Oversight Framework”. This will include monitoring of the Trust's performance against key targets, business plans, Care Quality Commission and other corporate objectives.
- c) Oversight of Care Group operational (including clinical and financial) risks in line with the integrated governance framework. Receiving recommendations from Care Groups for Operational Committee approval regarding investment decisions.
- d) Reviewing financial plans (including the capital plan) and to monitor the financial performance and efficiency of the Trust.
- e) Ensuring that equality and diversity issues are continually considered and addressed throughout the work of the Operational Committee (seeking advice and expertise from the People & Organisational Development Sub-Committee and the Patient and Carer Experience Sub-Committee, as necessary).
- f) Ensuring that decisions of the Board of Directors associated with the business of the Operational Committee are communicated and implemented.
- g) Approving the terms of reference and membership of its reporting sub committees and overseeing the work of those sub committees, receiving reports from them for consideration and action as necessary and routinely receiving Chair's reports of their meetings. These meetings are:
 - Contract Management and Development Sub Committee
 - Infrastructure Sub Committee
 - Information Governance & Data Protection Sub Committee
 - Health & Safety Sub Committee
 - Emergency Planning Sub Committee
 - People & Organisational Development Sub Committee

Improvement

- h) Debate and discussion of strategic issues affecting the Trust and the wider health economy, identifying improvement plans to facilitate delivery of the CWP Forward View.
- i) Sustaining and improving the operational performance of the Trust through receipt and monitoring of improvement plans in response to exceptions highlighted in the performance dashboard and through review of the Programme Support Office monthly report.

- j) Receiving risks referred from the Quality Committee relating to serious incident management processes and putting in place mitigation plans/ quality improvement initiatives.
- k) Monitoring and ensuring delivery of the Trust efficiency plans.
- l) Receiving internal audit reports for review of the findings and the management responses identified in relation to areas requiring improvement, referring the approved reports to the Audit and Quality Committees.
- m) Advising on planning and change management initiatives.
- n) Consideration of issues arising from the Clinical Engagement & Leadership Forum.

3. Membership

Membership will be appointed by the Board of Directors and will consist of the following:

- i. Chief Executive (Chair)
- ii. Executive Directors (one of whom shall be Vice Chair)
- iii. Strategic Clinical Directors
- iv. Associate Directors of Operations
- v. Heads of Operations
- vi. Associate Directors
- vii. Staff Side Representative

Members can participate in meetings by two-way audio link including telephone, video or computer link (excepting email communication). Participation in this way shall be deemed to constitute presence in person at the meeting and count towards the quorum.

The Board of Directors will appoint the Chief Executive as Chair of the Operational Committee and the Deputy Chief Executive as its Vice Chair. The Vice Chair will automatically assume the authority of the Chair should the former be absent.

a. Quorum

A quorum shall be two Executive Directors and at least one representative of each Care Group.

b. Voting

Each member will have one vote with the Chair having a second and casting vote, if required. Should a vote be necessary, a decision will be determined by a simple majority.

c. Attendance by members

Committee members will be required to attend a minimum of 50% of all meetings in-year, this is in addition to the requirement to ensure that a nominated deputy attends.

d. Attendance by officers

Officers and staff of the Trust will be invited to attend the meeting as appropriate when an issue relating to their area of operation or responsibility is being discussed.

4. Accountability and Reporting Arrangements

The Operational Committee will be accountable to the Board of Directors.

The minutes of the Operational Committee will be formally recorded and submitted to the Board of Directors. The Chair of the Operational Committee shall draw to the attention of the Board of Directors any issues that require disclosure to it, or require executive action, via a Chair's report.

The Chair's report will also be circulated to the meeting of the Board in public, Audit Committee, Quality Committee for information.

Members of the Operational Committee will provide reports to the Audit Committee on assurances relating to the effective operation of controls and in the event of a significant risk arising, the risk will be reported as per the Trust's integrated governance framework and risk management processes.

5. Frequency

Meetings shall be held monthly (with the exception of August) and additional meetings may be arranged from time to time, as and when required, to support the effective functioning of the Trust.

6. Authority

The Operational Committee is authorised by the Board of Directors to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any reasonable request made by the Operational Committee.

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

7. Monitoring effectiveness

The Operational Committee will undertake an annual review of its performance against its duties in order to evaluate its achievements.

8. Administration

The Committee shall be supported administratively by a member of the Corporate Affairs / Board Support Team, whose duties in this respect will include:

- Agreement of the agenda with the Chair
- Collation and review of reports
- Distribution of agenda and reports to members in accordance with the Trust's corporate governance standards
- Taking the minutes of the meeting
- Preparing a record of actions
- Advising the Committee on pertinent areas

9. Review

These Terms of Reference will be reviewed at least annually.

5. Scheme of delegation (incl. the NHS FT Accounting Officer Memorandum)

5.1 Introduction

5.1.1 Reservation of powers

The Trust's Standing Orders provide that "Subject to the scheme of reservation and delegation, and such directions as may be given by statute, the independent regulator or the Secretary of State, the Board may make arrangements for the exercise, on behalf of the Foundation Trust, of any of its functions by a committee or subcommittee, or by a Director or an officer of the Trust in each case subject to such restrictions and conditions as the Board thinks fit." The Code of Accountability also requires that there should be a formal schedule of matters specifically reserved to the Foundation Trust Board of Directors.

The purpose of this document is to detail how the powers are reserved to the Board of Directors, while at the same time delegating to the appropriate level the detailed application of Foundation Trust policies and procedures. The Board of Directors remains accountable for all of its functions, even those delegated to committees, subcommittees, individual directors or officers. A formal structure is in place for monitoring the functions delegated to committees and subcommittees enabling the Board to receive information and to maintain its monitoring role.

5.1.2 Role of the Chief Executive

All powers of the Foundation Trust which have not been retained as reserved by the Board of Directors or delegated to an executive committee or sub-committee shall be exercised on behalf of the Board of Directors by the Chief Executive. The Chief Executive shall prepare a Scheme of Delegation identifying which functions they shall perform personally and which functions have been delegated to other directors and officers for operational responsibility.

All powers delegated by the Chief Executive can be re-assumed by them should the need arise.

5.1.3 Caution over the Use of Delegated Powers

Powers are delegated to directors and officers on the understanding that they would not exercise delegated powers in a manner which in their judgement was likely to be a cause for public concern.

5.1.4 Absence of Directors or Officer to whom Powers have been delegated

In the absence of a director or officer to whom powers have been delegated those powers shall be exercised by that director or officer's superior unless alternative arrangements have been approved by the Board of Directors. If the Chief Executive is absent powers delegated to them may be exercised by the nominated officer(s) acting in their absence after taking appropriate financial advice, two directors will be required to ratify any decisions within the Chief Executive's thresholds.

Further details about situations where the Accounting Officer is unable to fully discharge their responsibilities are available in the Accounting Officers' Memorandum, sections of which are reproduced below and which is available separately from NHS Improvement.

5.2 Delegation of powers

5.2.1 Delegation to committees

The Board of Directors may determine that certain of its powers shall be exercised by Standing Committees. The composition and terms of reference of such committees shall be that determined by the Board of Directors. The Board of Directors shall determine the reporting requirements in respect of these committees. In accordance with Standing Order 7.18 committees may not delegate executive powers to sub-committees unless expressly authorised by the Board of Directors.

5.2.2 Delegation to Officers

Standing Orders and Standing Financial Instructions set out in some detail the financial responsibilities of the Chief Executive, the Director of Business and Value and other directors.

5.2.3 The Accounting Officer Memorandum

The responsibilities of the Accounting Officer are set out in the NHS Foundation Trust Accounting Officer Memorandum¹, relevant sections of which are reproduced below:

Introduction

The NHS Act 2006 (the Act) designates the Chief Executive of an NHS Foundation Trust as the Accounting Officer.

The Act specifies that the Accounting Officer has the duty to prepare the accounts in accordance with the Act. The Accounting Officer has the personal duty of signing the Trust's accounts. By virtue of this duty, the Accounting Officer has the further duty of being a witness before the Committee of Public Accounts (PAC) to deal with questions arising from those accounts or, more commonly, from reports made to Parliament by the Comptroller and Auditor General (C&AG) under the National Audit Act 1983.

Associated with these duties are the further responsibilities which are the subject of the Memorandum. It is incumbent on the Accounting Officer to combine these duties with their duties to the Board of Directors of the Trust.

General responsibilities

The Accounting Officer has responsibility for the overall organisation, management and staffing of the Trust and for its procedures in financial and other matters. "The accounting officer must ensure the foundation trust delivers efficient and economical conduct of its business and safeguards financial propriety and regularity throughout the organisation; the accounting officer must ensure financial considerations are fully taken into account in decisions by the NHS foundation trust"

¹ NHS Foundation Trust Accounting Officer Memorandum, Monitor (NHS Improvement from April 2016) (5 August 2015)

Specific responsibilities

- *The specific personal responsibilities of the Accounting Officer are:*
- *The propriety and regularity of the public finances for which they are answerable*
- *The keeping of proper accounts*
- *Prudent and economical administration*
- *The avoidance of waste and extravagance; and*
- *The efficient and effective use of all the resources in their charge*

The Accounting Officer must:

- *Personally sign the accounts and, in doing so accept personal responsibility for ensuring their proper form and content as prescribed by NHS Improvement*
- *Comply with the financial requirements of the terms of authorisation*
- *Ensure that proper financial procedures are followed and that accounting records are maintained in a form suited to the requirements of management, as well as in the form prescribed for published accounts*
- *Ensure that conflicts of interest are avoided, whether in the proceedings of the Board of Directors, Council of Governors or in the actions or advice of the Trust's staff, including themselves*
- *Ensure that, in the consideration of policy proposals relating to the expenditure for which they are responsible as Accounting Officer, all relevant financial considerations, including any issues of propriety, regularity or value for money, are taken into account, and brought to the attention of the Board of Directors.*

The Accounting Officer will ensure that effective management systems appropriate for the achievement of the Trust's objectives, including financial monitoring and control systems have been established. The Accounting Officer will ensure that managers at all levels:

- *Have a clear view of their objectives, and the means to assess and, wherever possible, measure outputs or performance in relation to those objectives*
- *Are assigned well defined responsibilities for making the best use of resources including a critical scrutiny of output and value for money*
- *Have the information (particularly about cost), training and access to the expert advice which they need to exercise their responsibilities effectively.*

The Accounting Officer will make sure that their arrangements for delegation promotes good management and that they are supported by the necessary staff with an appropriate balance of skills. Arrangements for internal audit will accord with the objectives, standards and practices as set out in the Government Internal Audit Standards.

Absence of the Accounting Officer

The Accounting Officer will ensure that they are generally available for consultation and that in any temporary period of unavailability due to illness or other cause, or during the normal period of annual leave, there will be a senior officer in the Trust who can act on their behalf if required.

It if becomes clear to the Board of Directors that the Accounting Officer is so incapacitated that they will be unable to discharge these responsibilities over a period of four weeks or

more, the Board of Directors should appoint an acting Accounting Officer, usually the Director of Business and Value, pending the Accounting Officer's return. The same applies if, exceptionally, the Accounting Officer plans an absence of more than four weeks during which he or she cannot be contacted.

Where the Accounting Officer is unable by reason of incapacity or absence to sign the accounts in time for submission, the Trust will submit unsigned copies pending the Accounting Officer's return. If the Accounting Officer is unable to sign the accounts in time for printing, the acting Accounting Officer should sign instead.

5.3 Schedule of Delegated Authority

Delegated matters in respect of decisions which may have a far reaching effect must be reported to the Chief Executive. The 'Delegated to' authority is in accordance with the Standing Orders and Standing Financial Instructions. The 'Operational Responsibility' shown below is the lowest level to which authority is delegated.

Table A - Delegated Authority

Table B - Delegated Financial Limits

Delegation to lower levels is only permitted with written approval of the Chief Executive who will, before authorising such delegation, consult with other Senior Managers as appropriate.

Table A – Delegated Authority

Delegated Matter	Delegated to	Operational responsibility
1. Standing Orders (SOs) and Standing Financial Instructions (SFIs)		
a. Final authority in interpretation of Standing Orders	Chair	Chair
b. Notifying Directors, employees and governors of their responsibilities within the Standing Orders and Standing Financial Instructions and ensuring that they understand the responsibilities	Chief Executive	All Line Managers
c. Responsibility for security of the Foundation Trust's property, avoiding loss, exercising economy and efficiency in using resources and conforming to Standing Orders, Standing Financial Instructions and financial procedures	Chief Executive	All Directors and Employees
d. Suspension of Standing Orders	Board of Directors	Board of Directors
e. Review suspension of Standing Orders	Audit Committee	Audit Committee
f. Variation or amendment to Standing Orders	Board of Directors	Audit Committee
g. Emergency powers relating to the authorities retained by the Board of Directors	Chair and Chief Executive with two non-executives	Chair and Chief Executive with two non-Executives
h. Disclosure of non-compliance with Standing Orders to the Chief Executive (report to the Board of Directors)	All staff	All staff

Delegated matter	Delegated to	Operational responsibility
i. Disclosure of non-compliance with SFIs to the Director of Business and Value (report to the Audit Committee)	All staff	All staff
j. Advice on interpretation or application of SFIs and this Scheme of Delegation	Director of Business and Value	Director of Business and Value / Internal Audit
2. Audit arrangements		
a. To make recommendations to the Council of Governors in respect of the appointment, re-appointment and removal of the external auditor and to approve the remuneration in respect of the external auditor	Audit Committee (for recommendation to the Council of Governors for approval)	Director of Business and Value
b. Monitor and review the effectiveness of the internal audit function	Audit Committee	Director of Business and Value
c. Review, appraise and report in accordance with Government Internal Audit Standards (GIAS) and best practice	Audit Committee	Head of Internal Audit
d. Provide an independent and objective view on internal control and probity	Audit Committee	Internal Audit / External Audit
e. Ensure cost-effective audit service	Audit Committee	Director of Business and Value
f. Implement recommendations	Chief Executive	Relevant Officers
3. Authorisation of Clinical Trials & Research Projects		
	Chief Executive	Medical Director (Compliance, Quality & Assurance)
4. Authorisation of New Drugs		
	Chief Executive	Medical Director (Compliance, Quality & Assurance) with advice from the Medicines Management Group

Delegated matter	Delegated to	Operational responsibility
5. Bank Accounts/Cash (including on Trust (Charitable / Non Charitable))		
a. Operation: Managing banking arrangements and operation of bank accounts (Board of Directors approves arrangements)	Director of Business and Value	Senior Financial Controller
b. Opening bank accounts	Director of Business and Value	Senior Financial Controller
c. Authorisation of transfers between bank accounts	Director of Business and Value	In accordance with Bank mandate / internal procedures
d. Approve and apply arrangements for the electronic transfer of funds.	Director of Business and Value	In accordance with bank mandate / internal procedures
e. Authorisation of: BACS schedules Automated payment schedules Manual cheques	Director of Business and Value	In accordance with bank mandate / internal procedures
f. Investments: Investment of surplus funds in accordance with Treasury Management Investment Policy	Director of Business and Value	Deputy Director of Finance / Senior Financial Controller
g. Preparation of investment procedures	Director of Business and Value	Financial Accountant
h. Petty Cash	Director of Business and Value	See Delegated Limits Table B (section 3)

Delegated matter	Delegated to	Operational responsibility
6. Capital Investment		
a. Programme: Ensure that there is adequate appraisal and approval process for determining capital expenditure priorities and the effect that each has on Business Plans	Chief Executive	Director of Business and Value / Associate Director of Estates and Facilities
b. Preparation of Capital Investment Programme	Chief Executive	Director of Business and Value / Associate Director of Estates and Facilities
c. Preparation of a business case	Chief Executive	Heads of Operations and Associate Director of Effective Services with advice from other appropriate Associate Directors, Deputy Director of Business and Value/ Business and Value Partners
d. Financial monitoring and reporting on all capital scheme expenditure including variations to contract	Director of Business and Value	Associate Director of Operations: Estates and Infrastructure / Senior Financial Controller
e. Authorisation of capital requisitions	Chief Executive	See Delegated Limits Table B (Sections 1 & 2)
f. Assessing the requirements for the operation of the construction industry taxation deduction scheme	Director of Business and Value	Senior Financial Controller
g. Responsible for the management of capital schemes and for ensuring that they are delivered on time and within cost	Chief Executive	Associate Director of Operations: Estates and Facilities
h. Ensure that capital investment is not undertaken without availability of resources to finance all revenue consequences	Chief Executive	Director of Business and Value

Delegated Matter	Delegated to	Operational responsibility
i. Issue procedures to support: <ul style="list-style-type: none"> • Capital investment • Staged payments 	Chief Executive	Senior Financial Controller
j. Issue procedures governing financial management, including variation to contract, of capital investment projects and valuation for accounting purposes	Director of Business and Value	Senior Financial Controller
k. Issuing the capital scheme project manager with specific authority to commit capital, proceed / accept tenders in accordance with the standing orders and SFIs	Chief Executive	Director of Business and Value
l. Private Finance: Demonstrate that the use of private finance represents best value for money and transfers risk to the private sector. Proposal to use PFI must be specifically agreed by the Board of Directors.	Chief Executive Board of Directors	Director of Business and Value
m. Leases (property and equipment) in accordance Delegated Limits Table B (Section 5)	Chief Executive	Chief Executive / Director of Business and Value
n. Occupation Agreements/Licences in accordance Delegated Limits Table B (Section 5)	Chief Executive	Deputy Director of Business and Value
7. Clinical Audit		
	Chief Executive	Medical Director (Compliance, Quality & Assurance) / Clinical Audit Department / Clinical Directors
8. Commercial Sponsorship		
Agreement to proposal	Chief Executive	Director of Business and Value
9. Complaints		
a. Overall responsibility for ensuring that all complaints are dealt with effectively	Chief Executive	Director of Nursing, Therapies and Patient Partnership Associate Director: Safe Services
b. Responsibility for ensuring complaints relating to a Care Group are investigated thoroughly	Chief Executive	Heads of Operations

Delegated matter	Delegated to	Operational responsibility
c. Medico - Legal Complaints. Co-ordination of their management	Chief Executive	Director of Nursing, Therapies and Patient Partnership Associate Director: Safe Services
10. Confidential Information		
a. Review of the Trust's compliance with the Caldicott report on protecting patients' confidentiality in the NHS	Chief Executive	Caldicott Guardian (Medical Director, Effectiveness, Medical Education & Medical Workforce)
b. Freedom of Information Act compliance code	Chief Executive	Caldicott Guardian (Medical Director, Effectiveness, Medical Education & Medical Workforce)
11. Controlled drugs accountable officer		
	Chief Pharmacist	Chief Pharmacist
12. Data Protection Act		
Review of Trust's compliance	Chief Executive	Caldicott Guardian (Medical Director, Effectiveness, Medical Education & Medical Workforce)
13. Declaration of Interests		
a. Maintaining a register of interests	Chief Executive	Head of Corporate Affairs
b. Declaring relevant and material interests	Board of Directors and Council of Governors	Board of Directors / Council of Governors/ Senior Managers / Consultants
14. Disposals and Condemnations		
a. Items obsolete, redundant, irreparable or cannot be repaired cost effectively	Director of Business and Value	(Clinical Director/ Heads of Operations / Department Heads) – Approved in accordance with Delegated Limits, Table B Section 11 / Senior Financial Controller

Delegated matter	Delegated to	Operational responsibility
b. Develop arrangements for the sale of assets	Director of Business and Value	Associate Director of Estates and Facilities/ Senior Financial Controller– Approved in accordance with Delegated Limits, Table B Section11
15. Environmental Regulations		
Review of compliance with environmental regulations, for example those relating to clean air and waste disposal	Chief Executive	Associate Director of Operations: Estates and Infrastructure
16. External Borrowing		
a. Advise Board of Directors of the requirements to repay / draw down Public Dividend Capital	Director of Business and Value	Deputy Director of Business and Value / Senior Financial Controller
b. Approve a list of employees authorised to make short term borrowings for the Trust	Board of Directors	Chief Executive, Director of Business and Value
c. Application for draw down of Public Dividend Capital (PDC), overdrafts and other forms of external borrowing	Chief Executive / Director of Business and Value	PDC - Deputy Director of Business and Value /Senior Financial Controller. All others - Director of Business and Value
d. Preparation of procedural instructions concerning applications for loans and overdrafts	Director of Business and Value	Senior Financial Controller
17. Financial Planning / Budgetary Responsibility		
Budget setting		
a. Submit budgets to the Board of Directors	Director of Business and Value	Director of Business and Value
b. Submit to the Board of Directors financial estimates and forecasts	Director of Business and Value	Director of Business and Value
c. Compile and submit to the Board of Directors a Business Plan which takes into account financial targets and forecast limits of available resources. The Business Plan will contain: <ul style="list-style-type: none"> • a statement of the significant assumptions on which the plan is based; • details of major changes in workload; • delivery of services or resources required to achieve the plan. 	Chief Executive	Director of Business and Value/ Director of Operations

Delegated matter	Delegated to	Operational responsibility
Budget monitoring		
d. Devise and maintain systems of budgetary control	Director of Business and Value	Deputy Director of Business and Value/ Business & Value Partner
e. Monitor performance against budget	Director of Business and Value	Deputy / Director of Business and Value Business & Value Partner
f. Delegate budgets to budget holders	Chief Executive	Director of Business and Value
g. Ensuring adequate training is delivered to budget holders to facilitate their management of the allocated budget	Director of Business and Value	Deputy Director of Business and Value/ Business Accountant
h. Submit in accordance with NHS Improvement's requirements for financial monitoring returns	Chief Executive	Director of Business and Value
i. Identify and implement cost improvements and income generation activities in line with the Business Plan	Chief Executive	All budget holders
j. Preparation of annual accounts	Director of Business and Value	Deputy Director of Finance / Senior Financial Controller
k. Preparation of annual report	Chief Executive	Head of Corporate Affairs
Budget responsibilities		
l. Ensure that: <ul style="list-style-type: none"> • no overspend or reduction of income that cannot be met from virement is incurred; • approved budget is not used for any other than specified purpose subject to rules of virement; • no permanent employees are appointed without the approval of the Chief Executive other than those provided for within available resources and manpower establishment 	Director of Business and Value	Budget Holders
Virement		
m. It is not possible for any officer to vire from non-recurring budgets to recurring budgets or from capital to revenue / revenue to capital. Virement between different budget holders requires the agreement of both parties.	Chief Executive	Refer To Delegated Limits Table B Section 10
Financial procedures and systems		
n. Maintenance and updating of Trust Financial Procedures	Director of Business and Value	Deputy Director of Business and Value

Delegated matter	Delegated to	Operational responsibility
<p>o. Responsibility for: Implementing the Trust's financial policies and co-ordinate corrective action ensuring that adequate records are maintained to explain the Trust's transactions and financial position. Providing financial advice to members of the Board of Directors and staff Ensuring that appropriate statutory records are maintained. Designing and maintaining compliance with all financial systems.</p>	Director of Business and Value	Deputy Director of Business and Value

18. Fire precautions		
Ensure that the Fire Precaution and Prevention policies and procedures are adequate and that fire safety and integrity of the estate is intact	Chief Executive	Associate Director of Operations: Estates and Infrastructure
19. Fixed assets		
a. Maintenance of asset register including asset identification and monitoring	Chief Executive	Senior Financial Controller
b. Ensuring arrangements for financial control and financial audit of building and engineering contracts and property transactions comply with Health Building Note 00-08 including parts A & B	Director of Business and Value	Associate Director of Operations: Estates and Infrastructure
c. Calculate and pay capital charges in accordance with the requirements of the Department of Health	Director of Business and Value	Senior Financial Controller
d. Responsibility for security of Trust's assets including notifying discrepancies to the Director of Business and Value and reporting losses in accordance with Trust procedures.	Chief Executive	All staff
20. Fraud (See also 27 & 39)		
a. Monitor and ensure compliance with Secretary of State directions on fraud and corruption including the appointment of the Local Anti-Fraud Specialist	Audit Committee	Local Anti-Fraud Specialist
b. Notify Anti-Fraud and Security Management Service and External Audit of all suspected Frauds	Director of Business and Value	Local Anti-Fraud Specialist
21. Funds Held on Trust (Charitable and Non Charitable Funds)		
a. Appropriate management of funds held on trust	Charity Board of Trustees	Senior Financial Controller
b. Maintenance of authorised signatory list	Director of Business and Value	Senior Financial Controller
c. Expenditure Limits	Director of Business and Value	See Delegated Limits Table B Section 8

Delegated matter	Delegated to	Operational responsibility
d. Developing systems for receiving donations	Director of Business and Value	Senior Financial Controller
e. Dealing with legacies	Director of Business and Value	Senior Financial Controller
f. Fundraising appeals	Charity Board of Trustees	Senior Financial Controller
g. Preparation and monitoring of budget	Director of Business and Value	Senior Financial Controller
h. Reporting progress and performance against budget	Director of Business and Value	Senior Financial Controller
i. Operation of Bank Accounts - managing banking arrangements and operation of bank accounts	Director of Business and Value	Senior Financial Controller
j. Opening bank accounts	Director of Business and Value	Senior Financial Controller
k. Appointing Investment Manager	Charity Board of Trustees	Charity Board of Trustees
l. Placing investment transactions.	Director of Business and Value	Senior Financial Controller
m. Regulation of funds with Charities Commission	Director of Business and Value	Senior Financial Controller
22. Gifts and hospitality		
Keeping of gifts and hospitality register	Chief Executive	Head of Corporate Affairs
23. Health and Safety		
Review of all statutory compliance with legislation and Health and Safety requirements including control of Substances Hazardous to Health Regulations	Chief Executive	Director of Operations
24. Infectious Diseases and Notifiable Outbreaks		
	Chief Executive	Director of Nursing, Therapies & Patient Partnership and Director of Infection Prevention & Control

Delegated matter	Delegated to	Operational responsibility
25. Information Management & Technology		
<p>Financial Systems: Developing financial systems in line with the Trust's IM&T strategy</p> <p>Implementing new systems to ensure they are developed in a controlled manner and thoroughly tested</p> <p>Seeking third party assurances regarding financial systems operated externally</p> <p>Ensure that contracts for computer services for financial applications define responsibility re security, privacy, accuracy, completeness and timeliness of data during processing and storage</p> <p>Ensure that risks to the Trust from use of IT are identified and considered and that disaster recovery plans are in place</p>	<p>Director of Business and Value</p> <p>Director of Business and Value</p> <p>Director of Business and Value</p> <p>Director of Business and Value</p> <p>Director of Business and Value</p>	<p>Deputy Director of Business and Value</p> <p>Deputy Director of Business and Value</p> <p>Deputy Director of Business and Value</p> <p>Head of ICT Services</p> <p>Head of ICT Services</p>
26. Legal Proceedings		
a. Engagement of Trust's Solicitors / Legal Advisors	Chief Executive	Director of Business and Value
b. Approve and sign all documents which will be necessary in legal proceedings, i.e. executed as a deed	Chief Executive	Executive Directors
c. Sign on behalf of the Trust any agreement or document not requested to be executed as a deed	Chief Executive	Executive Directors
27. Losses and write-offs		
a. Prepare procedures for recording and accounting for losses and special payments including preparation of a Fraud Response Plan and informing Local Anti-Fraud Management Services of frauds	Chief Executive	Director of Business and Value
b. Losses of cash due to theft, fraud, overpayment & others	Chief Executive	Director of Business and Value
c. Fruitless payments (including abandoned Capital Schemes)	Chief Executive	Director of Business and Value
d. Bad debts and claims abandoned	Chief Executive	Director of Business and Value

Delegated matter	Delegated to	Operational responsibility
e. Damage to buildings, fittings, furniture and equipment and loss of equipment and property in stores and in use due to: Culpable causes (e.g. fraud, theft, arson).	Chief Executive	Director of Business and Value
f. Reviewing appropriate requirement for insurance claims	Director of Business and Value	Deputy Director of Business and Value
28. Special payments		
a. Compensation payments by Court Order	Chief Executive	Chief Executive / Director of Business and Value
b. Clinical negligence, covered by membership of CNST scheme	Chief Executive	Chief Executive / Director of Business and Value
c. Ex-gratia payments To patients/staff for loss of personal effects For personal injury with or without legal advice Other ex-gratia payments	Chief Executive	Director of Business and Value Director of Nursing, Therapies & Patient Partnership Director of Business and Value
d. A register of all losses and special payments should be maintained by the Finance Department and made available for inspection	Director of Business and Value	Deputy Director of Business and value
e. A report of all losses and special payments should be presented to the Operational Committee for approval	Director of Business and Value	Deputy Director of Business and value
29. Medical		
a. Clinical Governance arrangements	Medical Director (Compliance, Quality & Assurance)	Medical Director (Compliance, Quality & Assurance)
b. Medical Leadership	Medical Director (Effectiveness, Medical Education & Medical Workforce)	Medical Director (Effectiveness, Medical Education & Medical Workforce)
c. Programmes of medical education	Medical Director (Effectiveness, Medical Education & Medical Workforce)	Medical Director (Effectiveness, Medical Education & Medical Workforce)

Delegated matter	Delegated to	Operational responsibility
d. Medical staffing plans	Medical Director (Effectiveness, Medical Education & Medical Workforce)	Medical Director (Effectiveness, Medical Education & Medical Workforce)
e. Medical Research	Medical Director (Effectiveness, Medical Education & Medical Workforce)	Medical Director (Effectiveness, Medical Education & Medical Workforce)
30. Meetings		
a. Calling meetings of the Board of Directors	Chair	Chair
b. Chair all Board of Director meetings and associated responsibilities	Chair	Chair
31. Mental Health Act Hospital Managers		
a. Receipt and scrutiny of admission documents (in accordance with Trust Mental Health Act 1983 policy number 6 in Mental Health Act manual)	Medical Director (Compliance, Quality & Assurance)	Mental Health Act Administrators/any employee acting within that role and Nurse in charge of ward
b. Transfer between hospitals (in accordance with Trust Mental Health Act 1983 policy number 9)	Medical Director (Compliance, Quality & Assurance)	Nurse in charge of ward, responsible clinicians
c. Completion of documentation to support discharge of patient detained under the Mental Health Act 1983	Medical Director (Compliance, Quality & Assurance)	Mental Health Act Administrators/any employee acting within that role
d. Inform health and local authorities where a Tribunal for Mental Health Hearing has been arranged so they are able to consider the need for a Section 117 (of the Mental Health Act 1983) care planning meeting beforehand	Medical Director (Compliance, Quality & Assurance)	Mental Health Act Administrators/any employee acting within that role
e. Provide information to detained patients and their relatives (in accordance with the Trust's Mental Health Act 1983 policy number 11)	Medical Director (Compliance, Quality & Assurance)	Mental Health Act Administrators/any employee acting within that role and all registered nurses in mental health and learning disabilities
f. Withholding of patient correspondence (in accordance with the Trust's Mental Health Act 1983 policy number 10)	Medical Director (Compliance, Quality & Assurance)	Service Manager and Modern Matrons

Delegated matter	Delegated to	Operational responsibility
g. Access to Tribunals for Mental Health	Medical Director (Compliance, Quality & Assurance)	Mental Health Act Administrators/any employee acting within that role involved in the care and treatment of detained patients and those subject to supervised community treatment
h. Duties in respect of victims of crime in relation to certain unrestricted Part 3 patients	Medical Director (Compliance, Quality & Assurance)	Mental Health Act Administrators/any employee acting within that role and approved clinicians under the Mental Health Act 2007
i. Power of Discharge under Section 23 of the Mental Health Act 1983	Medical Director (Compliance, Quality & Assurance)	Committee of Associate Hospital Managers authorised by the Board of Directors
32. Non pay expenditure		
a. Maintenance of a list of managers authorised to place requisitions/orders in accordance with Delegated Limits Table B Sections 1 & 2	Chief Executive	Senior Financial Controller
b. Obtain the best value for money when requisitioning goods / services	Chief Executive	Clinical Directors / Heads of Operations / Department Heads / Head of Procurement
c. Non-Pay Expenditure for which no specific budget has been set up and which is not subject to funding under delegated powers of virement (subject to Delegated Limits Table B Section 2)	Chief Executive	Director of Business and Value Director of Business and Value
d. Develop systems for the payment of accounts	Director of Business and Value	Deputy Director of Business and Value/ Senior Financial Controller
e. Prompt payment of accounts.	Director of Business and Value	Deputy Director of Finance / Senior Financial Controller
f. Financial Limits for ordering / requisitioning goods and services	Director of Business and Value	See Delegated Limits Table B Section 2
g. Approve prepayment arrangements	Director of Business and Value	Director of Business and Value

Delegated matter	Delegated to	Operational responsibility
33. Nursing		
a. Compliance with statutory and regulatory arrangements relating to professional nursing and midwifery practice	Director of Nursing, Therapies & Patient Partnership	Deputy Director of Nursing
b. Matters involving individual professional competence of nursing staff	Director of Nursing, Therapies & Patient Partnership	Deputy Director of Nursing
c. Compliance with professional training and development of nursing staff	Director of Nursing, Therapies & Patient Partnership	Deputy Director of Nursing
d. Quality assurance of nursing processes	Director of Nursing, Therapies & Patient Partnership	Deputy Director of Nursing
34. Patient Services Agreements		
a. Negotiation of Foundation Trust Contract and Non-Commercial Contracts	Chief Executive	Director of Business and Value / Deputy Director of Business and Value
b. Quantifying and monitoring out of area treatments	Director of Business and Value	Deputy Director of Business and Value / Income & Reporting Accountant
c. Reporting actual and forecast income	Director of Business and Value	Deputy Director of Finance / Income & Reporting Accountant
d. Costing Foundation Trust Contract and Non-Commercial Contracts	Director of Business and Value	Deputy Director of Business and Value/ Business & Value Partner
e. Reference costing / Payment by Results	Director of Business and Value	Deputy Director of Finance / Costing Accountant
f. Ad hoc costing relating to changes in activity, developments, business cases and bids for funding	Director of Business and Value	Deputy Director of Business and Value / Business and Value Partner
35. Patients' property (in conjunction with financial advice)		
a. Ensuring patients and guardians are informed about patients' monies and property procedures on admission	Chief Executive	Heads of Operations / Department Heads
b. Prepare detailed written instructions for the administration of patients' property	Director of Business and Value	Senior Financial Controller

Delegated matter	Delegated to	Operational responsibility
c. Informing staff of their duties in respect of patients' property	Director of Business and Value	Heads of Operations / Department Heads / Senior Financial Controller
d. Issuing property of deceased patients (See SFI 6.58.9, 6.58.10, 6.58.11). In accordance with Delegated Limits Table B Section 6	Director of Business and Value	General Office Staff / Senior Financial Controller
36. Human Resources		
a. Develop Human resource policies and strategies for approval by the Board of Directors including training, industrial relations	Director of People and OD	Deputy Director of People and OD
b. Nomination of officers to enter into contracts of employment regarding staff, agency staff or consultancy service contracts	Chief Executive	Director of People and OD
c. Ensure 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	Director of People and OD	Deputy Director of People and OD
d. Renewal of Fixed Term Contract	Director of Operations	Budget Manager on advice from Business and Value Partner
Staff establishment and re-gradings		
e. Authority to fill funded post on the establishment with permanent staff	Director of Operations	Clinical Directors / Heads of Operations / Department Heads
f. Additional staff to the agreed establishment with specifically allocated finance	Director of Business and Value	Clinical Director / Executive Director / Heads of Operations
g. Additional staff to the agreed establishment without specifically allocated finance	Chief Executive	Director of Business and Value
h. Self-financing changes to an establishment	Director of Business and Value	Deputy Director of Business and Value / Business and Value Partner
i. Engagement of staff not on the establishment, including management consultants	Chief Executive	Director of Business and Value
j. Booking of bank staff; Nursing	Director of Nursing, Therapies & Patient Partnership	Line Manager
Other	Clinical Directors	Line Manager
k. Re-grading requests (all requests shall be dealt with in accordance with Trust procedure)	Director of People and OD	Deputy Director of People and OD

Delegated matter	Delegated to	Operational responsibility
Grievance and disciplinary procedures		
l. Operation of grievance procedure (all grievances cases must be dealt with strictly in accordance with the Grievance Procedure and the advice of the Director of Operations must be sought when the grievance reaches the level of Divisional Heads of Operations / Heads of Department)	Director of People and OD / Director of Operations	As per Trust procedure
m. Operation of the disciplinary procedure (excluding Executive Directors)	Chief Executive	To be applied in accordance with the Trust's Disciplinary Procedure
Terms and conditions of employment		
n. Authorise car users: Lease car (in accordance with Trust policy)	Director of Business and Value	Clinical Director / General Manager / Department Head/ Budget Manager
o. Authorise mobile phone use / issue.	Director of Business and Value	Clinical Director / Heads of Operations / Department Head / Budget Manager
p. Removal Expenses, excess rent and house purchases (all staff in accordance with Delegated Limits Table B, Section 7 provided that agreed at interview)	Director of Operations	Executive Director
Pay		
q. Presentation of proposals to the Board of Directors for the setting of remuneration and conditions of service for those staff not covered by the Nominations Committee	Chief Executive	Chief Executive
r. Authority to complete action within Manager Self Service affecting pay, new starters, variations and leavers	Director of Operations	Clinical Directors / Budget Managers/ Department Heads
s. Authority to complete and authorise staff attendance record	Director of Business and Value	Clinical Directors / Budget Managers / Department Heads
t. Authority to authorise overtime	Director of Operations / Director of Business and Value	Clinical Directors / Budget Managers/ Department Heads
u. Authority to authorise travel and subsistence expenses	Director of Operations / Director of Business and Value	Clinical Directors / Budget Managers/ Department Heads
Annual and special leave (refer to leave policies)		
v. Approval of annual leave	Director of Operations	Departmental Manager (as per Trust policy)

Delegated matter	Delegated to	Operational responsibility
w. Approval of annual leave carry forward (up to maximum of 5 days)	Director of Operations	Departmental Manager (as per Trust policy)
x. Approval of annual leave carry forward of over 5 days (to occur in exceptional circumstances only) as per policy.	Chief Executive	Clinical Directors / Budget Managers/ Department Heads
y. Compassionate leave	Director of Operations	Clinical Directors /Budget Managers/ Head of Service
z. Special leave arrangements for domestic/ personal / family reasons including paternity leave, carers' leave and adoption leave (to be applied in accordance with Trust Policy)	Director of Operations	Clinical Directors / Budget Managers/ Department Heads
aa. Special Leave for non-domestic / personal / family reasons including jury service, armed services and school governorship (to be applied in accordance with Trust Policy)	Director of Operations	Clinical Directors / Heads of Operations / Department Heads
bb. Leave without pay	Director of Operations	Clinical Directors / Budget Managers/ Department Heads
cc. Medical Staff leave of absence – paid and unpaid	Director of Operations	Medical Director
dd. Time off in lieu	Director of Operations	Line / Departmental Manager
ee. Maternity Leave - paid and unpaid	Director of Operations	Automatic approval with guidance
Sick leave		
ff. Extension of sick leave on pay	Director of Operations	As per Trust policy
gg. Return to work part-time on full pay to assist recovery	Director of Operations	Clinical Directors / Heads of Operations / Department Heads
Study leave		
hh. Study leave outside the UK	Chief Executive	Relevant Executive Director
ii. Medical staff study leave (UK): <ul style="list-style-type: none"> • Consultant • Non Career Grade • Career Grade 	Medical Director	Associate Medical Director Post Graduate Tutor Associate Medical Director
jj. All other study leave (UK)	Director of Operations	Executive Directors / Clinical Director / Heads of Operations / Department Heads

Delegated matter	Delegated to	Operational responsibility
Retirement (including ill-health retirement)		
kk. Authorisation of return to work in part time capacity under the flexible retirement scheme	Chief Executive	Director of People and OD
ll. Decision to pursue retirement on the grounds of ill-health following advice from the Occupational Health Department	Chief Executive	Director of People and OD
Redundancy		
	Chief Executive /	Director of Business and Value/ Director of People and OD
37. Quotation, tendering and contracting procedures		
a. Best value for money is demonstrated for all services provided under contract or in-house	Chief Executive	Director of Business and Value / Clinical Director / Heads of Operations / Department Heads / Head of Procurement
b. Nominate officers to oversee and manage contracts on behalf of the Trust	Chief Executive	Director of Business and Value
c. Set competitive tender authorisation limits (see Delegated Limits Table B, section 1)	Chief Executive	Director of Business and Value
d. Maintain a register to show each set of competitive tender invitations despatched	Chief Executive	Head of Procurement
e. Receipt and custody of tenders prior to opening	Chief Executive	Director of Business and Value
f. Accessing Tenders via e-tendering system	Chief Executive	Head of Procurement
g. Decide if late tenders should be considered	Chief Executive	Director of Business and Value
h. Ensure that appropriate checks are carried out as to the technical and financial capability of the firms invited to tender or quote	Chief Executive	Director of Business and Value
i. Quotations	Chief Executive	See Delegated Limits Table B Section 1
j. Waiving the requirement to request tenders (subject to SFI 6.73, reported to the Audit Committee)	Chief Executive	Chief Executive , Director of Business and Value or Deputy Director of Business and Value
k. Waiving the requirement to request quotes (subject to SFI 6.73)	Chief Executive or Director of Business and Value	Deputy Director of Business & Value

Delegated matter	Delegated to	Operational responsibility
38. Records		
a. Review Trust's compliance with the Records Management Code of Practice	Chief Executive	Executive Directors / Heads of Department
b. Ensuring the form and adequacy of the financial records of all departments	Director of Business and Value	Deputy Director of Business & Value
39. Reporting of Incidents to the Police		
a. Where a criminal offence is suspected: criminal offence of a violent nature, arson or theft	Chief Executive	Senior Manager On-call / Heads of Operations / Department Heads
b. Where a fraud is involved	Director of Business and Value	Local Anti-Fraud Specialist
c. Deciding at what stage to involve the police in cases of misappropriation and other irregularities	Director of Business and Value	Local Anti-Fraud Specialist
40. Risk Management		
a. Ensuring the Trust has a Risk Management Strategy and a programme of risk management	Chief Executive	Medical Director (Compliance, Quality & Assurance)
b. Developing systems for the management of risk	Medical Director (Compliance, Quality & Assurance)	Associate Director: Safe Services
c. Developing incident and accident reporting systems	Director of Nursing, Therapies and Patient Partnership	Associate Director: Safe Services
d. Compliance with the reporting of incidents and accidents	Director of Nursing, Therapies and Patient Partnership	All staff
41. Seal		
a. The keeping of a register of seal and safekeeping of the seal	Chief Executive	Head of Corporate Affairs
b. Attestation of seal in accordance with Standing Orders	Chair/Chief Executive	Chair / Chief Executive (report to Board of Directors)

Delegated matter	Delegated to	Operational responsibility
c. Property transactions and any other legal requirement for the use of the seal	Chair/Chief Executive	Chair or Non-Executive Director and the Chief Executive or their nominated Director
42. Security Management		
Monitor and ensure compliance with Directions issued by the Secretary of State for Health on NHS security management including appointment of the Local Security Management Specialist	Chief Executive	Director of Operations / Local Security Management Specialist
43. Setting of Fees and Charges (Income)		
a. Private Patient, Overseas Visitors, Income Generation and other patient related services	Director of Business and Value	Deputy Director of Business and Value
b. Non-patient care income	Director of Business and Value	Deputy Director of Business and Value
c. Informing the Director of Business and Value of monies due to the Trust	Director of Business and Value	All Staff
d. Recovery of debt	Director of Business and Value	Senior Financial Controller
e. Security of cash and other negotiable instruments	Director of Business and Value	Senior Financial Controller
44. Stores and Receipt of Goods		
a. Responsibility for systems of control over stores and receipt of goods, issues and returns	Director of Business and Value	Clinical Directors / Department Heads/Head of Procurement
b. Stocktaking arrangements	Director of Business and Value	Clinical Directors / Department Heads/Associate Director of Estates and Facilities
c. Responsibility for controls over pharmaceutical stock	Designated Pharmaceutical officer	Ward Managers

Table B – Delegated Financial Limits

Delegated matter	Delegated limit	Operational responsibility
1. Quotations / Tenders		
	Limits as per Non Pay (2) below.	As per Non Pay (2) below
Quotations – Wherever possible obtain a minimum of 2 written quote for goods and or services	£5,000 to £10,000	Head of Procurement / Heads of Operations / Head of Department- Budget Holders
Quotations – Wherever possible obtain a minimum of 3 written quotations for goods and or services	£10,000 to £30,000	Head of Procurement / Heads of Operations / Head of departments and budget holders
Competitive Tenders – Wherever possible obtain a minimum of 3 competitive tenders for goods and or services	Over £30,000 (must comply with EU Regulations)	All staff
2. Non Pay Expenditure (subject to funding available in revenue budget and cash availability)		
a) Requisitioning, ordering, payment of goods and services.	Over £250,000	Board of Directors to approve; Head of Corporate Affairs to action in IPROC
	Up to £250,000	Chief Executive
	Up to £164,000	Director of Business and Value
	Up to £50,000	Deputy Director of Business and Value
	Up to £10,000	Associate Directors/Heads of Operations
	Up to £5,000	Budget Holders as per authorised signatory list
Management Consultancy Arrangements	Over £50,000	Chief Executive
	Up to £50,000	Director of Business & Value
b) Amendments in year to capital scheme control totals. The original capital programme for the year having been approved by the Board of Directors	Whichever is the lower of 10% of the total capital programme approved by Board or £500,000	Board of Directors to approve
	Up to £500,000	Director of Business and Value

Delegated matter	Delegated to	Operational responsibility
3. Petty Cash Disbursements (excluding purchase of provisions for residential clients)		
Sundry Exchequer Items and Patients' Monies	Over £100	Deputy Director of Business and Value or Nominated Deputy
	Up to £100	Petty Cash Imprest Holder or Cashier
4. Payments for Contracted Services		
Services covered by a Contract, Service Level Agreement, on-going premature retirement, intra NHS invoices	Unlimited	Director of Business and Value / Deputy Director of Business and Value
5a. Leases (property and equipment)		
Granting and termination of leases also should be reported to the Board of Directors	Annual rent £100,000 and above	Chief Executive / Director of Business and Value
Granting and termination of leases	Annual rent below £100,000	Director of Business and Value
5b. Occupation Agreements/Licences		
	Unlimited	Deputy Director of Business and Value
5c. Leases (car contracts)		
	Over £15,000 (over 3 years)	Deputy Director of Business and Value
	Up to £15,000 (over 3 years)	Senior Financial Controller
6. Patients' Property (where deceased)		
Issuing property of deceased patients	Over £5,000	Deputy Director of Business and Value / Senior Financial Controller on production of probate or letters of administration
	Up to £5,000	Cashier / General Office Supervisor with completed indemnity form

Delegated matter	Delegated to	Operational responsibility
7. Removal Expenses		
Removal expenses, excess rent and home purchase	Over £8,000	Nominations and Remuneration Committee
	Up To £8,000	Appropriate Executive Director (in conjunction with guidance from Human Resources)
8. Charitable Funds		
Expenditure authorisation (subject to availability of funds)	Over £5,000	Board of Trustees
	Up to £5,000	Chief Executive or Executive Director from Board of Trustees
9. Losses and Special Payments		
<u>Losses</u>	All	Chief Executive / Director of Business and Value
Losses of cash due to theft, fraud, overpayment & others		
Fruitless payments (including abandoned Capital Schemes)	All	
Damage to buildings, fittings, furniture and equipment and loss of equipment and property in stores and in use due to: culpable causes (e.g. fraud,	All	Chief Executive / Director of Business and Value
<u>Special Payments</u>	All	
Compensation payments by Court Order	All	
Clinical negligence – covered by membership of CNST scheme	All	
Ex Gratia Payments:		
To patients/staff for loss of personal effects	All	
For personal injury with or without legal advice	All	
Other ex gratia payments	All	

Delegated matter	Delegated to	Operational responsibility
10. Virements (All virements need authorised signatures of budget holders)		
Within budget holder area of responsibility: <ul style="list-style-type: none"> Revenue to revenue 	Unlimited	Budget Holder & Business & Value Partners
Outside budget holder area of responsibility: <ul style="list-style-type: none"> Revenue to revenue 	Unlimited	Service Directors/Heads of Clinical Support Services & Business & Value Partners
11. Asset Disposals & Condemnations		
	Over £5,000	Director of Business and Value / Deputy Director of Business and Value subject to Terms of Authorisation
	Up to £5,000	Budget Holder / Senior Financial Controller / Capital Services Accountant
12. Bank Account Cheque Signatories		
Commercial Bank Account	£1,000 and over	Two signatories from the bank mandate
	Up To £1,000	One signatory from the bank mandate
Government Banking	All values	One signatory from the bank mandate
13. Public Dividend Capital (PDC) from DoH		
	Unlimited	Two signatories on FT2 Request Form per latest TF4 Authorised Signatory Panel
14. BACS, CHAPS and Cheque Payment schedules		
Commercial Bank Account	£1,000 and over	Two signatories from the bank mandate
	Up To £1,000	One signatory from the bank mandate
Government Banking	All values	One signatory from the bank mandate

Delegated matter	Delegated to	Operational responsibility
15. VAT Returns		
	Unlimited	Deputy Director of Business and Value / Senior Financial Controller
16. Short/Long Term Borrowing		
	Over £500,000 Up To £500,000	Board of Directors Director of Business and Value

6. Standing Financial Instructions

6.1 Introduction

6.1.1 The Independent Regulator of NHS Foundation Trusts, sets the Licence for the Foundation Trust. These require compliance with the principles of best practice applicable to corporate governance within the NHS / Health Sector and with any relevant code of practice and guidance issued by NHS Improvement.

6.1.2 The Code of Conduct and Accountability in the NHS⁴ issued by the Department of Health requires that each NHS organisation shall give, and may vary or revoke, Standing Financial Instructions for the regulation of the conduct of its members and officers in relation to all financial matters with which they are concerned. These Standing Financial Instructions (SFIs) are issued in accordance with the Code. They shall have effect as if incorporated in the Standing Orders (SOs) of the Foundation Trust.

6.1.3 The SFIs detail the financial responsibilities, policies and procedures to be adopted by the Foundation Trust. They are designed to ensure that its financial transactions are carried out in accordance with the law and government policy in order to achieve probity, accuracy, economy, efficiency and effectiveness. They should be used in conjunction with the Schedule of Decisions Reserved to the Board of Directors (Scheme of Reservation) and the Scheme of Delegation adopted by the Foundation Trust.

6.1.4 These SFIs identify the financial responsibilities, which apply to everyone working for the Foundation Trust (see also 6.2.2 and 6.2.3 below) and its constituent organisations including Trading Units. They do not provide detailed procedural advice. These statements should therefore be read in conjunction with the detailed departmental and financial procedure notes. The Director of Business and Value must approve all financial procedures.

6.1.5 Should any difficulties arise regarding the interpretation or application of any of the SFIs then the advice of the Director of Business and Value **MUST BE SOUGHT BEFORE ACTING**. The user of these SFIs should also be familiar with and comply with the provisions of the Foundation Trust's SOs.

⁴ Code of Conduct, Code of Accountability, Department of Health (1994 & 2004)

FAILURE TO COMPLY WITH STANDING FINANCIAL INSTRUCTIONS AND STANDING ORDERS IS A DISCIPLINARY MATTER, WHICH COULD RESULT IN DISMISSAL.

6.1.6 Overriding Standing Financial Instructions – If for any reason these Standing Financial Instructions 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 Committee for referring action or ratification. All members of the Board of Directors and staff have a duty to disclose any non-compliance with these Standing Financial Instructions to the Director of Business and Value as soon as possible.

6.2 Terminology

6.2.1 Unless the contrary intention appears or the context otherwise requires, words or expressions contained in the Constitution bear the same meaning as in the National Health Service Act 2006. References in the Constitution to legislation include all amendments, replacements, or re-enactments made.

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

6.2.3 Wherever the term "employee" is used and where the context permits it shall be deemed to include employees of third parties contracted to the Foundation Trust when acting on behalf of the Foundation Trust. This includes nursing and medical staff and consultants practising on the Foundation Trust premises and members of staff of a contractor or trust staff working for the contractor under retention of employment model.

6.3 Responsibilities and Delegation

6.3.1 The Foundation Trust shall at all times remain a going concern as defined by the relevant accounting standards in force. The Board of Directors exercises financial supervision and control by:

- a) formulating the financial strategy;
- b) requiring the submission and approval of budgets within overall income;
- c) defining and approving essential features in respect of important procedures and financial systems (including the need to obtain value for money) and by ensuring appropriate audit provision; and
- d) defining specific responsibilities placed on directors and employees as indicated in the Scheme of Delegation document.

6.3.2 The Constitution dictates that the Council of Governors may not delegate any of its powers to a committee or sub-committee. 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 Scheme of Reservation and Delegation Section of the Corporate Governance Manual. The Board of Directors will delegate responsibility for the performance of its functions in accordance with the Scheme of Delegation document adopted by the Foundation Trust.

6.3.3 Within the SFIs, it is acknowledged that the Chief Executive is ultimately accountable to the Board of Directors, and as the Accounting Officer 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 Foundation Trust's activities, is responsible to the Board of Directors for ensuring that its financial obligations and targets are met and has overall responsibility for the Foundation Trust's system of internal control.

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

6.3.5 It is a duty of the Chief Executive to ensure that existing directors and employees and all new appointees are notified of and understand their responsibilities within these Instructions. All staff and governors shall be responsible for ensuring conformity with the SOs, SFIs and the financial procedures of the Foundation Trust.

6.3.6 The Director of Business and Value is responsible for:

- a) implementing the Foundation Trust's financial policies and for co-ordinating 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 Foundation Trust's transactions, in order to disclose, with reasonable accuracy, the financial position of the Foundation Trust at any time; and, without prejudice to any other functions of directors and employees to the Foundation Trust, the duties of the Director of Business and Value include:
- d) the provision of financial advice to other members of the Board of Directors, Council of Governors and employees;
- e) the design, implementation and supervision of systems of internal financial control;
- f) the preparation and maintenance of such accounts, certificates, estimates, records and financial reports as the Foundation Trust may require for the purpose of carrying out its statutory duties.

6.3.7 All directors and employees, severally and collectively, are responsible for:

- a) the security of the property of the Foundation Trust;
- b) avoiding loss;
- c) exercising economy and efficiency in the use of resources;
- d) conforming to the requirements of SOs, SFIs, Financial Procedures and the Scheme of Delegation.

6.3.8 Any contractor or employee of a contractor who is empowered by the Foundation Trust to commit the Foundation 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.

6.3.9 For any and all directors and employees who carry out a financial function, the form in which financial records are kept and the manner in which directors and employees discharge their duties must be to the satisfaction of the Director of Business and Value.

6.4 **Audit** **Audit Committee**

6.4.1.1 In accordance with SOs the Board of Directors shall formally establish an Audit Committee, with clearly defined terms of reference and following guidance from the NHS Audit Committee Handbook and Foundation Trust governance requirements.

The **Purpose** of the Committee is to maintain oversight of and provide assurance to the Board with regard to:

- the integrity of the Trust's financial statements and reporting of financial performance; and
- governance and the effectiveness of the Trust's systems of risk management and internal control.

Ensuring that an annual internal audit report is prepared for the consideration of the Audit Committee and the Board of Directors. The report must cover:

- a clear opinion on the effectiveness of internal controls in accordance with current assurance framework guidance issued by the Department of Health including for example compliance with control criteria and standards,
- major internal financial control weaknesses discovered,
- progress on the implementation of internal audit recommendations,
- progress against plan over the previous year,
- strategic audit plan,
- a detailed plan for the coming year.

External Audit:-

- to assess the external auditor's work and fees on an annual basis to ensure that the work is of sufficiently high standard and that the fees are reasonable.
- to ensure a market testing exercise for the appointment of the external auditor is undertaken at least once every five years.
- to make recommendations to the Council of Governors, in relation to the appointment, re-appointment and removal of the external auditor and to approve the remuneration and terms of engagement of the external auditor.
- to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process, taking into account relevant UK professional and regulatory requirements.
- to develop and implement a policy on the engagement of the external auditor to supply non-audit services, taking into account relevant ethical guidance.
- reviewing financial and information systems and monitoring the integrity of the financial statements and any formal announcements relating to the Trust's financial performance, reviewing of significant financial reporting judgements;
- reviewing the effective implementation of corporate governance measures to enable the Foundation Trust to implement best practice as set out in appropriate guidance. This will include the Assurance Framework and control related disclosure statements, for example the Statement on Internal Control and supporting assurance processes; together with any accompanying audit statement, prior to endorsement by the Board of Directors.
- review the establishment and maintenance of an effective system of integrated governance, risk management and internal control, across the whole of the organisation's activities (clinical, operational, compliance controls and risk management systems), that supports the achievement of the organisation's objectives.

6.4.1.2 The Board of Directors shall satisfy itself that at least one member of the Audit Committee has recent and relevant financial experience.

6.4.1.3 Where the Audit Committee feel there is evidence of *ultra vires* transactions, evidence of improper acts, or if there are other important matters that the committee wish to raise, the chairman of the Audit Committee should raise the matter at a full meeting of the Board of Directors (to the Director of Business and Value in the first instance.)

6.4.1.4 It is the responsibility of the Director of Business and Value to ensure adequate internal and external audit services are provided and the Audit Committee shall be involved in the selection process when an audit service provider is changed.

6.5 Director of Business and Value

6.5.1 The Director of Business and Value is responsible for:

- (a) ensuring there are arrangements to review, evaluate and report on the effectiveness of internal control including the establishment of an effective internal audit function and the coordination of other assurance arrangements;
- (b) ensuring that the internal audit is adequate and meets the NHS mandatory audit standards;
- (c) deciding at what stage to involve the police in cases of fraud, misappropriation, and other irregularities not involving fraud or corruption.

6.5.2 The Director of Business and Value 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 land, premises, members of the Board of Directors and Council of Governors or employee of the Foundation Trust;
- (c) the production of any cash, stores or other property of the Foundation Trust under a member of the Board of Directors or employee's control; and
- (d) explanations concerning any matter under investigation.

6.6 Internal Audit

6.6.1 The NHS Foundation Trust Accounting Officer Memorandum requires the Foundation Trust to have an internal audit function.

6.6.2 Role of Internal Audit:-The role of internal audit embraces two key areas:

- The provision of an independent and objective opinion to the Accounting Officer, the Board of Directors and the Audit Committee on the degree to which risk management, control and governance support the achievement of the organisations agreed objectives.
- The provision of an independent and objective consultancy service specifically to help line management improve the organisation's risk management, control and governance arrangements.

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 Foundation 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 Assurance Statements in accordance with guidance from the Department of Health.

6.6.3 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 Business and Value must be notified immediately.

6.6.4 The Head of Internal Audit or their representative will normally attend Audit Committee meetings and has a right of access to all Audit Committee members, the Chairman and Chief Executive of the Foundation Trust.

6.6.5 The Head of Internal Audit shall be accountable to the Audit Committee. The reporting system for internal audit shall be agreed between the Director of Business and Value, the Audit Committee and the Head of Internal Audit. The agreement shall be in writing and shall comply with the guidance on reporting contained in the NHS Internal Audit Manual. The reporting system shall be reviewed at least every 3 years. Where, in exceptional circumstances, the use of normal reporting channels is thought to limit the objectivity of the audit, the Head of Internal Audit shall have access to report direct to the Chairman or a non-executive member of the Foundation Trust's Audit Committee.

6.6.6 Managers in receipt of audit reports referred to them, have a duty to take appropriate remedial action within the agreed time-scales specified within the report. The Director of Business and Value shall identify a formal review process to monitor the extent of compliance with audit recommendations. Where appropriate, remedial action has failed to take place within a reasonable period, the matter shall be reported to the Director of Business and Value.

6.7 External Audit

6.7.1 Duties

The Foundation Trust is to have an external auditor and is to provide the external auditor with every facility and all information which they may reasonably require.

The external auditor is to carry out their duties in accordance with Schedule 10 of the 2006 Act and in accordance with any directions given by the NHS Improvement on standards, procedures and techniques to be adopted.

In auditing the accounts the external auditor must, by examination of the accounts and otherwise, satisfy themselves that the Foundation Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

The Foundation Trust is required to include a statement on internal control within the financial statements. The external auditor has a responsibility to:

- consider the completeness of the disclosures in meeting the relevant requirements; and
- identify any inconsistencies between the disclosures and the information that they are aware of from their work on the financial statements and other work.

6.7.2 Appointment of External Auditor

The external auditor is appointed by the Council of Governors following recommendation from the Audit Committee. The Audit Code for NHS Foundation Trust ("the Audit Code") contains the directions of NHS Improvement, the Independent Regulator under the National Health Service Act 2006, with respect of the standards, procedures and techniques to be adopted by the external auditor.

A person may only be appointed as the external auditor if they (or in the case of a firm of each of its members) are a member of one or more of the bodies referred to in Schedule 10 of the 2006 Act.

The Council of Governors at a General Meeting shall appoint or remove the Foundation Trust's external auditor.

The Board of Directors may resolve that external auditors be appointed to undertake non-audit work for the Foundation Trust. Approval of the engagement of external auditors on non-audit work will take into account relevant ethical guidance regarding the provision of such services. The Audit Committee will approve such engagement where the cost is over £5,000 and the Director of Business and Value will inform the Audit Committee of any non-audit engagements below this figure. In all cases the Audit Committee will report them to the Council of Governors.

6.7.3 Undertaking Work

NHS Improvement may require auditors to undertake work on its behalf at the Foundation Trust. In this situation, a tripartite agreement between NHS Improvement, the auditor and the Foundation Trust will be agreed. This agreement, which will include details of the subsequent work and reporting arrangements.

The auditor may, with the approval of the Council of Governors, provide the Foundation Trust with services which are outside of the scope as defined in the code (additional services). The Foundation Trust shall adopt and implement a policy for considering and approving any additional services to be provided by the external auditor.

6.7.4 Liaison with Internal Audit

It is expected that the external auditors will liaise with the internal audit function in order to obtain a sufficient understanding of internal audit activities to assist in planning the audit and developing an effective audit approach. The external auditors may also wish to place reliance upon certain aspects of the work of internal audit in satisfying their statutory responsibilities as set out in the 2006 Act and the Audit Code. In particular the external auditor may wish to consider the work of internal audit when undertaking their procedures in relation to the statement on internal control.

6.7.5 Access to Documents

The external auditors of the Foundation Trust have a right of access at all reasonable times to every document relating to the Foundation Trust which appears to them necessary for the purpose of their functions under Schedule 10 of the 2006 Act.

6.7.6 Public Interest Report

In the event of the external auditor issuing a Public Interest report the Foundation Trust shall: Send the public interest report to the Council of Governors the Board of Directors and NHS Improvement:

- At once if it is an immediate report; or
- Not later than 14 days after conclusion of the audit, forward a report to NHS Improvement within 30 days (or such shorter period as NHS Improvement may specify) of the report being issued. The report shall include details of the Foundation Trust's response to the issues raised within the Public Interest report.

6.8 Fraud and Bribery

6.8.1 The Foundation Trust shall take all necessary steps to counter fraud relating to its functions and in accordance with the "Foundation Trust Contract", and having regard to any reasonable guidance or advice issued by NHS Counter Fraud Authority. . The Foundation Trust shall act in accordance with:

- (a) the NHS Fraud and Corruption Manual;
- (b) the policy statement "Applying appropriate sanctions consistently" published by NHS Counter Fraud Authority;

The Chief Executive and Director of Business and Value shall monitor and ensure compliance with Fraud and Corruption elements of the Foundation Trust Contract.

6.8.2 The Foundation Trust shall nominate a suitable person to carry out the duties of the Local Anti-Fraud Specialist as specified by the Department of Health Fraud and Corruption Manual Guidance.

6.8.3 The Local Anti-Fraud Specialist shall report to the Foundation Trust Director of Business and Value and shall work with the staff in the NHS Counter Fraud Authority in accordance with the Department of Health Fraud and Corruption Manual.

6.8.4 The Local Anti-Fraud Specialist will provide a written plan and report, at least annually on anti-fraud work within the Foundation Trust.

6.9 Security Management

6.9.1 The Foundation Trust shall promote and protect the security of people engaged in activities for the purposes of the health service functions of that body, its property and its information in accordance with the requirements of the 'Foundation Trust Contract', having regard to any other reasonable guidance or advice issued by the NHS Counter Fraud Authority.

6.9.2 The Foundation Trust shall nominate and appoint a local security management specialist as per the Foundation Trust Contract.

6.9.3 The Chief Executive has overall responsibility for controlling and coordinating security. However, key tasks are delegated to the Director of Operations and the appointed Local Security Management Specialist (LSMS).

6.10. Allocations, business planning, budgets, budgetary control and monitoring

6.10.1 Preparation and approval of business plans and budgets

6.10.1.1 The Chief Executive will compile and submit to the Board of Directors an Annual Plan that takes into account financial targets and forecast limits of available resources. The Annual Plan will contain:

- a) Annual business plan commentary;
- b) Board statement on risk, service performance, clinical quality, compliance with the requirements of NHS Improvement and Board roles, structures and capacity;
- c) Summary financial plan; including financial projections, and workforce data;

6.10.1.2 Prior to the start of the financial year the Director of Business and Value will, on behalf of the Chief Executive prepare and submit financial plans relating to income and expenditure for approval by the Board of Directors. Such financial plans will be based upon agreed budgets and will:

- a) be in accordance with the aims and objectives set out in the Foundation Trust's Annual Plan and the commissioners' local delivery plans;
- b) accord with workload and manpower plans;
- c) be produced following discussion with appropriate budget holders;
- d) be prepared within the limits of available funds;
- e) state the level of dependence on efficiency plans and provide a summary of efficiency schemes and their status;
- f) identify potential risks;
- g) be based on reasonable and realistic assumptions; and
- h) enable the Foundation Trust to comply with its Licence.

6.10.1.3 The Director of Business and Value shall monitor the financial performance against budgets, periodically review it and report to the Board of Directors. Any significant variances should be reported by the Director of Business and Value to the Board of Directors as soon as they come to light and the Board of Directors shall be advised of action to be taken in respect of such variances.

6.10.1.4 All budget holders must provide information as required by the Director of Business and Value to enable budgets to be compiled.

6.10.1.5 All budget holders will be involved in the budget setting process and approval of allocated budgets prior to the commencement of each financial year. This will be at a Care Group level.

6.10.1.6 The Director of Business and Value has a responsibility to ensure that adequate training is delivered on an on-going basis to all budget holders to help them manage successfully.

6.10.2 Budgetary delegation

6.10.2.1 The Chief Executive may delegate the management of a budget to permit the performance of a defined range of activities, including pooled budget arrangements under Section 75 of the National Health Service Act 2006. 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 (which cannot be from a non-pay heading into a pay heading) (see also section 23 below);
- e. achievement of planned levels of service; and
- f. the provision of regular reports.

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

6.10.2.3 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.

6.10.2.4 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 Business and Value.

6.10.3 Budgetary control and reporting

6.10.3.1 The Director of Business and Value will devise and maintain systems of budgetary control. These will include:

- a. regular 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. statement of financial position, including movements in working capital;
 - iii. statement of cash flows;
 - iv. capital project spend and projected out-turn against plan,
 - v. explanations of any material variances from plan/budget;
 - vi. details of any corrective action where necessary and the Chief Executive's and/or Director of Business and Value's view of whether such actions are sufficient to correct the situation;
 - vii. performance against the Trust's efficiency programme.
- b. the issue of timely, accurate and comprehensive advice and financial reports to each budget holder, covering the areas for which they are responsible;
- c. investigation and reporting of variances from financial, and workload budgets;
- d. the monitoring of management action to correct variances;
- e. arrangements for the authorisation of budget transfers;
- f. advising the Chief Executive and Board of Directors of the consequences of changes in policy, pay awards and other events and trends affecting budgets and shall advise on the economic and financial impact of future plans and projects; and
- g. review of the bases and assumptions used to prepare the budgets.

In the performance of these duties the Director of Business and Value will have access to all budget holders on budgetary matters and shall be provided with such financial and statistical information as is necessary.

6.10.3.2. Each budget holder is responsible for ensuring that:

- a. any planned or known overspending or reduction of income which cannot be met by virement is not incurred without the prior consent of the Board of Directors;
- b. officers shall not exceed the budget limit set;
- c. cost improvements, productivity, efficiency and income generation initiatives are identified and implemented in accordance with the requirements of the Annual Business Plan.
- d. 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; and,

- e. no permanent employees are appointed without the approval of the Chief Executive or Director of Business and Value other than those provided for in the budgeted establishment as approved by the Board of Directors.

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

6.10.4 Capital expenditure

6.10.4.1 The general rules applying to delegation and reporting shall also apply to capital expenditure. (The particular applications relating to capital are contained in Section 6.41) A Project Sponsor will be identified who will assume responsibility for the budget relating to the scheme.

6.10.5 Monitoring Returns

6.10.5.1 The Chief Executive is responsible for ensuring that the appropriate monitoring forms are submitted to NHS Improvement within the specified time-scales.

6.11 Annual Accounts and Annual Report

6.11.1.2 The Foundation Trust shall keep accounts in such form as NHS Improvement may with the approval of HM Treasury direct. The accounts are to be audited by the Foundation Trust's external auditor. The following documents will be made available to the Comptroller and Auditor General for examination at their request:

- the accounts,
- any records relating to them; and
- any report of the external auditor on them.

6.11.1.3 The functions of the Foundation Trust with respect to the preparation of the annual accounts shall be delegated to the Accounting Officer.

6.11.1.4 In preparing its annual accounts, the Accounting Officer shall cause the Foundation Trust to comply with any directions given by NHS Improvement with the approval of the Treasury as to:

- the methods and principles according to which the accounts are to be prepared;
- the information to be given in the accounts; and shall be responsible for the functions of the Foundation Trust as set out in Schedule 10 to the 2006 Act.

6.11.1.5 The annual accounts, any report of the external auditor on them, and the annual report are to be presented to the Council of Governors at a General Meeting. The accounting officer shall cause the Foundation Trust to: lay a copy of the annual accounts, and any report of the external auditor on them, before Parliament; and once it has done so, send copies of those documents to NHS Improvement.

6.11.1.6 Responsibility for complying with the requirements relating to the form, preparation and presentation of the accounts shall be delegated to the Accounting Officer.

6.11.2 Annual Report

6.11.2.1 The Foundation Trust is to prepare an annual report and send it to NHS Improvement. The annual report will provide:

- information on any steps taken by the Foundation Trust to secure that (taken as a whole) the actual membership of its public constituencies and of the classes of the staff constituency is representative of those eligible for such membership; and any other information NHS Improvement requires.
- The Foundation Trust is to comply with any decision NHS Improvement makes as to:
 - the form of the report
 - when the report is to be sent to them
 - the periods to which the report relate.

6.11.2.2 The external auditors of the Foundation Trust have a responsibility to read the information contained within the Annual Report and consider the implications for the audit opinion and/or certificate if there are apparent misstatements or material inconsistencies with the financial statements.

6.12 Annual Plan

6.12.1 The Foundation Trust is to give information as to its forward planning in respect of each financial year to NHS Improvement. The document containing this information is to be prepared by the Directors, and in preparing the document, the Board of Directors must have regard to the views of the Council of Governors. The Annual Plan must be approved by the Board of Directors.

6.13 Quality Account

6.13.1 The Foundation Trust is required to publish a separate Quality Account each year, as required by the NHS Act 2009 and in the terms set out in the NHS (Quality Accounts) Regulations 2010.

The Foundation Trust is also required to provide the following three types of in-year reports:

- regular reports, (e.g. monthly financial monitoring), subject to review;
- exception reports, which may relate to any in-year issue affecting compliance with the Authorisation, such as performance against core national healthcare targets and standards; and
- ad hoc reports, following up specific issues identified either in the Annual Plan or in-year.

6.14 Bank Accounts

6.14.1 General

6.14.1.1 The Director of Business and Value is responsible for managing the Foundation Trust banking arrangements and for advising the Foundation Trust on the provision of banking services and operation of accounts.

6.14.1.2 The Board of Directors shall approve the banking arrangements.

6.15 Bank Accounts

6.15.1 The Director of Business and Value is responsible for:

- a. bank accounts (including those provided by the Government Banking Service (GBS)) and other forms of working capital financing;
- b. establishing separate bank accounts for the Foundation Trust's non-exchequer funds;
- c. ensuring payments made from bank 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 Foundation Trust's bankers for accounts to be overdrawn (together with the remedial action taken).

All accounts should be held in the name of the Foundation Trust. No officer other than the Director of Business and Value shall open any account in the name of the Foundation Trust or for the purpose of furthering Foundation Trust activities.

6.16 Banking procedures

6.16.1 The Director of Business and Value will prepare detailed instructions on the operation of bank accounts, which must include:

- a. the conditions under which each bank account is to be operated;
- b. the limit to be applied to any overdraft; and
- c. those authorised to sign cheques or other orders drawn on the Foundation Trust's accounts.

6.16.2 The Director of Business and Value must advise the Foundation Trust's bankers in writing of the conditions under which each account will be operated.

- 6.16.3** Manually produced cheques shall be signed by authorised officer(s) in accordance with the bank mandate. All cheques shall be treated as controlled stationery, in the charge of a duly designated officer controlling their issue.
- 6.17 Tendering and Review**
- 6.17.1** The Director of Business and Value will review the commercial banking arrangements of the Foundation Trust at regular intervals to ensure they reflect best practice and represent best value for money by periodically seeking competitive tenders where appropriate.
- 6.17.2** Competitive tenders should be sought at least every 5 years where balances and transactions are considered to be of material value . The results of the tendering exercise should be reported to the Board of Directors. This review is not applicable to GBS accounts.
- 6.18. Income, fees and charges and security of cash, cheques and other negotiable instruments**
- 6.18.1 Income systems**
- 6.18.1.1** The Director of Business and Value is responsible for designing, maintaining and ensuring compliance with systems for the proper recording, invoicing, collection and coding of all monies due.
- 6.18.1.2** All such systems shall incorporate, where practicable, in full the principles of internal check and separation of duties.
- 6.18.1.3** The Director of Business and Value is also responsible for the prompt banking of all monies received.
- 6.19 Fees and charges other than Foundation Trust Contracts**
- 6.19.1** The Director of Business and Value 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. Where sponsorship income (including items in kind such as subsidised goods or loans of equipment) is considered the guidance in the Department of Health's Commercial Sponsorship – Ethical Standards in the NHS shall be followed.
- 6.19.2** 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.
- 6.20 Non-NHS Income**
- 6.20.1** In accordance with Part 4 of the Health and Social Care Act 2012 the Foundation Trust shall ensure that the income it receives from providing goods and services for the NHS is greater than its income from other sources.
- 6.20.2** Where the Foundation Trust proposed to increase by 5% or more the proportion of its total income in any financial year attributable to activities other than the provision of goods and services for the health service, it will seek approval from the Council of Governors.
- 6.21 Debt recovery**
- 6.21.1** The Director of Business and Value is responsible for the appropriate recovery action on all outstanding debts, including a formal follow up procedure for all debtor accounts. Income not received should be dealt with in accordance with losses procedures (see Section 6.49 below).
- 6.21.2** Overpayments should be detected (or preferably prevented) and recovery initiated.

6.22 Security of cash, cheques and other negotiable instruments

6.22.1 The Director of Business and Value 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; (No form of receipt which has not been specifically authorised by the Director of Business and Value should be issued).
- 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; and
- d. prescribing systems and procedures for handling cash and negotiable securities on behalf of the Foundation Trust.

6.22.2 Official money shall **not under any circumstances** be used for the encashment of private cheques, IOUs or personal expenditure

6.22.3 Staff shall be informed in writing on appointment of their responsibilities and duties for the collection, handling or disbursement of cash, cheques etc.

6.22.4 All cheques, postal orders, cash etc., shall be banked promptly and intact under arrangements approved by the Director of Business and Value.

6.22.5 As per the Money Laundering, Terrorist Financing and Transfer of Funds Regulations 2017, the Trust is not permitted to make or receive cash payments exceeding 10,000 euros or equivalent. This applies whether the transaction is executed in a single operation or in several operations which appear to be linked.

6.22.6 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 Foundation Trust is not to be held liable for any loss, and written indemnities must be obtained from the organisation or individuals absolving the Foundation Trust from responsibility for any loss.

6.22.7 Any loss or shortfall of cash, cheques or other negotiable instruments, however occasioned, shall be monitored and recorded within the Finance Department. Any significant trends should be reported to the Director of Business and Value and Internal Audit via the incident reporting system. Where there is prima facie evidence of fraud or corruption this should follow the form of the Foundation Trust's Fraud, Theft and Corruption Policy and the guidance provided by the Anti-Fraud and Security Management Service. Where there is no evidence of fraud or corruption the loss should be dealt with in line with the Foundation Trust's Losses and Compensations Procedures (see Section 15 below).

6.22.8 Maximum limits for cash holdings shall be agreed with the Director of Business and Value and shall not be exceeded without their express permission in writing.

6.22.9 Reimbursement to members of staff, or patients, for individual items of expenditure out of petty cash shall not exceed the limits set out in the Scheme of Delegation.

6.23 Provision of Mandatory Goods and Services

The Board of Directors of the Foundation Trust shall regularly review and shall at all times maintain and ensure the capacity and capability of the Foundation Trust to provide the mandatory goods and services referred to in the Terms of Authorisation/ Licence and related Schedules.

6.24 Foundation Trust Contracts

6.24.1 The Chief Executive, as the Accounting Officer, is responsible for ensuring the Foundation Trust enters into suitable Foundation Trust Contracts (FTCs) with CCGs and other commissioners for the provision of NHS services. The Foundation Trust will follow the priorities

contained within the schedules of the contract, and wherever possible, be based upon integrated care pathways to reflect expected patient experience. In discharging this responsibility, the Chief Executive should take into account:

- 6.24.1.1** The standards of service quality expected are:
- the relevant national service framework (if any);
 - the provision of reliable information on cost and volume of services;
 - the Performance Assessment Framework contained within the FTC
 - that the FTC builds where appropriate on existing partnership arrangements.
- 6.24.2** A good FTC will result from a dialogue of clinicians, users, carers, public health professionals and managers. It will reflect knowledge of local needs and inequalities. This will require the Chief Executive to ensure that the Foundation Trust works with all partner agencies involved in both the delivery and the commissioning of the service required.
- 6.24.3** The Chief Executive, as the Accounting Officer, will need to ensure that regular reports are provided to the Board of Directors detailing actual and forecast income from FTCs. This will include appropriate payment by results performance information.

6.25 Non Commissioner Contracts

- 6.25.1** Where the Foundation Trust enters into a relationship for the supply or receipt of other services
- clinical or non-clinical e.g. with a non-NHS body or Service Level Agreement with another NHS Trust, the responsible officer should ensure that an appropriate non-commissioner contract is present and signed by both parties. This should incorporate:
 - a description of the service and indicative activity levels for the term of the agreement
 - the value of the agreement
 - the lead officer
 - performance and dispute resolution procedures
 - risk management and clinical governance agreements.

Non-commissioner contracts should be reviewed and agreed on an annual basis or as determined by the term of the agreement so as to ensure value for money and to minimise the potential loss of income.

6.26. Terms of Service, allowances and Payment to Members of the Board of Directors and Employees

6.26.1 Nominations Committee (Executive Directors)

- 6.26.1.1** In accordance with Standing Orders the Board of Directors has established a Nominations Committee which is responsible for the appointment of Executive Directors. It has clearly defined terms of reference, specifying which posts fall within its area of responsibility, its composition, and the arrangements for reporting.

- 6.26.1.2** The terms of reference of the Nominations Committee (Executive Directors) can be found in this Corporate Governance Manual, section 4biii.

6.27 Nomination and Remuneration Committee (Executive Directors)

- 6.27.1** In accordance with Standing Orders the Board of Directors have established a Nominations and Remuneration Committee, with clearly defined terms of reference, specifying which posts fall within its area of responsibility, its composition and the arrangements for reporting.

- 6.27.2** The terms of reference of the Nomination and Remuneration Committee can be found in this corporate governance manual, section 4bii.

6.28 Nominations Committee (Non-Executive Directors)

- 6.28.1** In accordance with Standing Orders the Council of Governors has established a Nominations Committee which is responsible for the appointment of Non-Executive Directors. It will make recommendations to a general meeting of the Council Governors on the appointment of Non-

Executive Directors. It has clearly defined terms of reference, specifying its area of responsibility, its composition, and the arrangements for reporting.

6.28.2 The terms of reference of the Nominations Committee (Non-Executive Directors) can be found in this corporate governance manual, section 4biii.

6.29 Nominations and Remuneration Committee (Non-Executive Directors)

6.29.1 The Council of Governors has established a Nominations and Remuneration Committee, with clearly defined terms of reference, specifying which posts fall within its area of responsibility, its composition and the arrangements for reporting.

6.29.2 The Committee shall report in writing to the Council of Governors the basis for its recommendations. The Council of Governors shall use the report as the basis for their decisions, but remain accountable for taking decisions on the remuneration and terms of office of Non-Executive Directors. Minutes of the Council of Governors' meetings should record such decisions.

6.30 Funded establishment

6.30.1 The manpower plans incorporated within the annual budget will form the funded establishment. The staffing establishment of the Foundation Trust will be identified and monitored by the Director of Operations under delegation from the Chief Executive.

6.30.2 The funded establishment of any department may not be varied without the approval of the Chief Executive or an individual nominated within the relevant section of the Scheme of Reservation and Delegation. The Business & Value Partner is responsible for verifying that funding is available.

6.31 Staff appointments

6.31.1 No Executive 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:

- a. unless authorised to do so by the Chief Executive; and
- b. within the limit of their approved budget and funded establishment as defined in the Scheme of Reservation and Delegation.

6.31.2 The Board of Directors will approve procedures presented by the Chief Executive for the determination of commencing pay rates, condition of service, etc., for employees outside of national terms and conditions.

6.31.3 The Director of People and Organisational Development will be responsible for maintaining up-to-date procedures, to ensure assurance can be obtained from off-payroll workers to determine that the correct tax and NICs contributions are paid over to HMRC.

6.31.4 For Board members or Senior Officials with significant financial responsibility, the worker should be on payroll, unless there are exceptional circumstances, in which case the CEO and NHS Improvement should approve the arrangement. Such exceptions should exist for no longer than 6 months. For all other off-payroll appointments, Director of People and Organisational Development approval is required.

6.31.5 The only provisional circumstance that HMRC may consider an off-payroll engagement is where an individual is appointed to cover an office holder who is temporarily unable to perform duties (for example, because of illness or other incapacitation), but who retains 'office' while he or she is not working.

6.31.6 All or any potential off payroll arrangements must be notified to the Senior Financial Controller before the contract commences. All off payroll arrangements must be reviewed annually and any potential revisions, amendments, changes, additions, deletions reported to the Deputy Director of People and OD / Senior Financial Controller immediately.

The Trust will reserve the right to terminate any contract where this assurance has not been received or those engaged by the Trust in these arrangements fail to comply with these conditions.

6.32 Processing of the payroll

6.32.1 The Director of Business and Value is responsible for:

- a) specifying timetables for submission of properly authorised time records and other notifications;
- b) the final determination of pay and allowances; including verification that the rate of pay and relevant conditions of service is in accordance with current agreements.
- c) making payment on agreed dates; and
- d) agreeing method of payment.

6.32.2 The Director of Business and Value 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;
- h) procedures for payment by cheque, bank credit, or cash to employees;
- 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; and
- m) a system to ensure the recovery from leavers of sums of money and property due by them to the Foundation Trust.

6.32.3 Appropriately nominated managers have delegated responsibility for:

- a) processing a signed copy of the contract/appointment form and such other documentation as may be required immediately upon an employee commencing duty;
- b) submitting time records and other notifications in accordance with agreed timetables;
- c) completing time records and other notifications in accordance with the Director of People and Organisational Development instructions and in the form prescribed by the Director of People and Organisational Development; and
- d) processing termination details in the prescribed form via Manager Self Service immediately upon knowing the effective date of an employee's resignation, termination or retirement. Where an employee fails to report for duty in circumstances that suggest they have left without notice, the Director of Operations must be informed immediately. In circumstances where fraud might be expected this must be reported to the Director of Business and Value.

6.32.4 Regardless of the arrangements for providing the payroll service, the Director of People and OD in conjunction with the Director of Business and Value shall ensure that the chosen method is supported by appropriate (contracted) terms and conditions, adequate internal controls and audit review procedures and that suitable arrangements are made for the collection of payroll deductions and payment of these to appropriate bodies.

6.33 Contracts of employment

6.33.1 The Board of Directors shall delegate responsibility to a manager 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 and Health & Safety legislation; and
- b) dealing with variations to, or termination of, contracts of employment.

6.34 Non Pay Expenditure
6.34.1 Delegation of authority

6.34.1.1 The Board of Directors will approve the level of non-pay expenditure on an annual basis as part of the annual financial planning process and the Chief Executive will determine the level of delegation to budget holders.

6.34.1.2 The Chief Executive will set out:

- a) the list of managers who are authorised to place requisitions for the supply of goods and services (see Table B Delegated Financial Limits Section 2) which should be updated and reviewed on an on-going basis and annually by the Finance Department; and
- b) where the authorisation system is computerised the list will be maintained within the computerised system and the 'signature' will be in the form of electronic authorisation in accordance with the access and authority controls maintained within the computerised system; and
- c) the maximum level of each requisition and the system for authorisation above that level.

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

6.35 Requisitioning, ordering, receipt and payment for goods and services

6.35.1 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 Foundation Trust with particular reference to the requirements for quotations and tenders detailed in Table B (Delegated Limits) of the Scheme of Reservation and Delegation. In so doing, the advice of the Head of Procurement shall be sought. Where this advice is not acceptable to the requisitioner, the Director of Business and Value shall be consulted.

6.35.2 Individuals involved in the selection of companies to provide goods/services to the Trust, must ensure any interests they hold which could potentially result in a conflict of interest have been declared to the Trust. In the event that changes have occurred in year they must be declared within 28 days of it becoming known. Where an interest could result in a conflict, this should preclude them from any involvement in a procurement exercise. Failure to act in accordance with this guidance could result in disciplinary action and dismissal.

6.35.3 The Director of Business and Value shall be responsible for the prompt payment of properly authorised accounts and claims in accordance with the Better Payment Practice Code (BPPC). Payment of contract invoices shall be in accordance with contract terms, or otherwise, in accordance with national guidance.

6.35.4 The Director of Business and Value 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 Scheme of Reservation and Delegation (see Table B Delegated Financial Limits Section 1) and regularly reviewed;
- b) prepare procedural instructions where not already provided in the Scheme of Delegation or procedure notes for budget holders 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 directors/employees (including specimens of their signatures) authorised to approve or incur expenditure. Where the authorisation system is computerised the list will be maintained within the computerised system and the 'signature' will be in the form of electronic authorisation in accordance with the access and authority controls maintained within the computerised system.

- ii. Certification that:
 - goods have been duly received, examined and are in accordance with specification and the prices are correct;
 - work done or services rendered 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 Deputy Director of Business and Value 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, (except as below).

Prepayments outside of normal commercial arrangements, for example fully comprehensive maintenance contracts, rental, insurance are only permitted where exceptional circumstances apply. In such instances:

- a) Prepayments are only permitted where the financial advantages outweigh the disadvantages (i.e. for material prepayments where the Trust can benefit from a discounted cost.
- b) The appropriate officer in conjunction with the Procurement Department must provide, in the form of a written report, a case setting out all relevant circumstances of the purchase. The report must set out the effects on the Foundation Trust if the supplier is at some time during the course of the prepayment agreement unable to meet their commitments;
- c) The Director of Business and Value 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 the 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.

6.35.5 Official Orders must be undertaken in line with Procurement processes using the IPROC system.

6.35.6 Managers must ensure that they comply fully with the guidance and limits specified by the Director of Business and Value and that:

- a) all contracts other than for a simple purchase permitted within the Scheme of Delegation or delegated budget, leases, tenancy agreements and other commitments which may result in a liability are notified to the Director of Business and Value in advance of any commitment being made;
- b) contracts above specified thresholds are advertised and awarded in accordance with EU and GATT rules on public 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;

Where an officer certifying accounts relies upon other officers to do preliminary checking, they shall wherever possible, ensure that those who check delivery or execution of work act independently of those who have placed orders and negotiated prices and terms;

No order shall be issued for any item or items to any company or individual which has made an offer of gifts, reward or benefit to directors or employees, other than:

- (a) isolated gifts of a trivial character or inexpensive seasonal gifts, such as calendars;
- (b) conventional hospitality, such as lunches in the course of working visits.

- 6.35.7**
- a) No requisitions / orders shall be placed where individuals hold an interest which could result in a conflict, as stated in 6.35.2;
 - a) no requisition/order is placed for any item or items for which there is no budget provision unless authorised by the Director of Business and Value on behalf of the Chief Executive;
 - b) all purchases of goods, services, or works are ordered on an official order (as per the Trust's No PO; No Pay policy) except for complex works and services requiring a formal contract to be signed on behalf of the Foundation Trust by the Director of Business and Value, along with purchases from petty cash or on purchasing cards;
 - c) verbal orders must only be issued by exception only - 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";
 - d) orders are not split or otherwise placed in a manner devised so as to avoid the financial thresholds;
 - e) goods are not taken on trial or loan in circumstances that could commit the Foundation Trust to a future un-competitive purchase;
 - f) changes to the list of directors/employees authorised to certify invoices are notified to the Director of Business and Value;
 - g) purchases from petty cash are restricted in value and by type of purchase in accordance with instructions issued by the Director of Business and Value;
 - h) petty cash records are maintained in a form as determined by the Director of Business and Value; and

6.35.8 The Chief Executive and Director of Business and Value 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 NHS Foundation Trust Risk Assessment Framework. The technical audit of these contracts shall be the responsibility of the Director of Operations.

6.35.9 Under no circumstances should goods be ordered through the Foundation Trust for personal or private use.

6.36 Joint finance arrangements with local authorities and voluntary bodies

6.36.1 Payments to local authorities and voluntary organisations made under the powers of section 28A of the NHS Act 1977 shall comply with procedures laid down by the Director of Business and Value which shall be in accordance with this Act.

6.37 Public Dividend Capital

6.37.1 On authorisation as a Foundation Trust the Public Dividend Capital held immediately prior to authorisation continues to be held on the same conditions.

6.37.2 Additional Public Dividend Capital may be made available on such terms the Secretary of State (with the consent of the Treasury) decides.

6.37.3 Draw down of Public Dividend Capital should be authorised in accordance with the mandate Secretary of State held by the Department of Health Cash Funding Team, and is subject to approval by the Secretary of State.

6.37.4 The Foundation Trust shall be required to pay annually to the Department of Health a dividend on its Public Dividend Capital at a rate to be determined from time to time, by the Secretary of State.

6.38 Working Capital Loan Facility

6.38.1 The Foundation Trust may be required by NHS Improvement to have a working capital facility. This will be provided, following a tender process, by a commercial bank. Such a facility may be of variable term.

6.38.2 The Foundation Trust must only draw down against this facility in respect of true working capital needs, and in accordance with the terms and conditions of the facility.

6.39 Commercial Borrowing and Investment

6.39.1 The Foundation Trust may borrow money from any commercial source for the purposes of or in connection with its functions.

6.39.2 The Foundation Trust may invest money (other than money held by it as charitable trustee) for the purposes of or in connection with its functions. Such investment may include forming, or participating in forming, or otherwise acquiring membership of bodies corporate.

6.39.3 The Foundation Trust will not give financial assistance (whether by way of loan, guarantee or otherwise) to any person for the purposes of or in connection with its functions.

6.40 Investment of Temporary Cash Surpluses

6.40.1 Temporary cash surpluses must be held only in such public and private sector investments as authorised by the Board of Directors.

6.40.2 The Audit Committee shall monitor an appropriate investment strategy if cash surpluses are to be invested outside of Government Banking Services.

6.40.3 The Director of Business and Value 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.

6.40.4 The Director of Business and Value will prepare detailed procedural instructions on investment operations and on the records to be maintained. The Foundation Trust's Treasury Management Policy will include instructions on funding and investing, safe harbour investments, risk management, borrowing, controls, reporting and performance management. As stated in 6.40.2 this is only required where investments are outside of Government Banking Services.

6.41 Capital Investment, Private Financing, Fixed Asset Registers and Security of Assets

6.41.1 Capital investment

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; and
- c) shall ensure that capital investment is not undertaken without the availability of resources to finance all revenue consequences, including capital charges.

6.41.2 For capital expenditure proposals the Chief Executive shall ensure (in accordance with the limits outlined in the Scheme of Delegation):

- a) that a business case is produced setting out:
 - an option appraisal of potential benefits compared with known costs to
 - determine the option with the highest ratio of benefits to costs; and
 - appropriate project management and control arrangements; and
 - the involvement of appropriate Foundation Trust personnel and external agencies; and

b) that the Director of Business and Value has certified professionally to the costs and revenue consequences detailed in the business case.

6.41.3 For capital schemes where the contracts stipulate stage payments, the Chief Executive via the Director of Operations will issue procedures for their management, incorporating the recommendations of Health Building Note 00-08 including parts A & B and the NHS Foundation Trust Group Accounting Manual.

The Director of Business and Value shall assess on an annual basis the requirement for the operation of the construction industry tax deduction scheme in accordance with HM Revenue & Customs guidance.

The Director of Business and Value shall issue procedures for the regular reporting of capital expenditure and commitment against authorised expenditure.

6.41.4 The approval of a capital programme shall constitute approval for expenditure on schemes specified within the programme approved annually by Trust Board.

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

- a) specific authority to commit expenditure;
- b) authority to proceed to tender;
- c) approval to accept a successful tender.

The Chief Executive will issue a scheme of delegation for capital investment management in accordance with Health Building Note 00-08 including parts A & B and the NHS Foundation Trust Financial Reporting Manual guidance and the Foundation Trust's Standing Orders.

6.41.5 The Director of Business and Value shall issue procedures governing the financial management, including variations to contract, of capital investment projects and valuation for accounting purposes.

6.42 Private finance

The Foundation Trust should consider testing for Private Finance when considering capital procurement. When the Board proposes, or is required, to use finance provided by the private sector the following should apply:

The Chief Executive shall demonstrate that the use of private finance represents value for money and genuinely transfers risk to the private sector.

- a) A business case must be referred to NHS Improvement for approval or treated as per current guidelines.
- b) The proposal must be specifically agreed by the Foundation Trust in the light of such professional advice as should reasonably be sought in particular with regard to vires.
- c) The selection of a contractor/finance company must be on the basis of competitive tendering or quotations.

6.43 Asset Register

6.43.1 The Chief Executive is responsible for the maintenance of a register of assets, taking account of the advice of the Director of Business and Value 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.

6.43.2 The Foundation Trust shall maintain an Asset Register recording fixed assets. As a minimum, the minimum data set to be held within these registers shall be as specified in the NHS Foundation Trust Group Accounting Manual.

6.43.3 Only additions to the Asset Register can be approved by the Deputy Director of Business and Value/Senior Financial Controller.

Only expenditure incurred in accordance with IAS 16, IAS 17 and the Trust's Accounting Policy on Non-Current Assets and Finance Leases will be considered for capitalisation.

Capital expenditure will be identified and quantified in accordance with:

- a) Expenditure that is directly attributable to bringing the asset into the location and condition necessary for it to be operated as intended by management;
- b) Properly authorised and approved agreements, architect's certificates, supplier's invoices and other documentary evidence in respect of purchases from third parties;
- c) Stores, requisitions and salary records for materials and labour, subject to compliance with IAS 16; and lease agreements in respect of assets held under a finance lease in accordance with IAS 17.

All related revenue consequences must be identified, quantified and resourced recurrently in advance of incurring any capital expenditure.

All related revenue consequences will be borne and approved by the appropriate budget holder. The Finance Department must confirm that funding is available to resource the revenue consequences recurrently before the Trust incurs any capital expenditure.

6.43.4 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).

6.43.5 The Director of Business and Value shall approve procedures for reconciling balances on fixed assets accounts in ledgers against balances on the Asset Register.

6.43.6 The value of each asset shall be adjusted to current values in accordance with methods specified in the NHS Foundation Trust Group Accounting Manual I issued by NHS Improvement.

6.43.7 The value of each asset shall be depreciated using methods and rates as specified in the Annual Group Accounting Manual issued by NHS Improvement.

6.43.8 The Director of Business and Value shall calculate and pay a dividend on Public Dividend Capital as specified by the Department of Health.

6.44 Security of assets

6.44.1 The overall control of fixed assets is the responsibility of the Chief Executive advised by the Director of Business and Value.

Asset control procedures (including fixed assets, cash, cheques and negotiable instruments, and also including donated assets) must be approved by the Director of Business and Value. 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.

6.44.2 All significant discrepancies revealed by verification of physical assets to the Asset Register shall be notified to the Director of Business and Value.

6.44.3 Whilst each employee has a responsibility for the security of property of the Foundation 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 instructions.

6.44.4 Any damage to the Foundation Trust's premises, vehicles and equipment, or any loss of equipment, stores or supplies must be reported by directors and employees in accordance with the procedure for reporting losses.

6.44.5 Where practical, assets should be marked as Foundation Trust property.

6.45 Stock, Stores and Receipt of Goods

6.45.1 Stocks

6.45.1.1 Stocks are defined as those goods normally utilised in day to day activity, but which at a given point in time have not have been used or consumed. There are three broad types of store:

- a) Controlled stores - specific areas designated for the holding and control of goods;
- b) Wards and departments - goods required for immediate usage to support operational services.

6.45.1.2 Such stocks should be kept to a minimum and for;

- a) Controlled stores and other significant stores (as determined by the Director of Business and Value) should be subjected to an annual stocktake or perpetual inventory procedures; and
- b) valued at the lower of cost and net realisable value.

6.45.1.3 Subject to the responsibility of the Director of Business and Value 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 them to departmental employees and stores managers/keepers, subject to such delegation being entered in a record available to the Director of Business and Value. The overall control of any Pharmaceutical stocks is the responsibility of the Chief Pharmacist.

6.45.1.4 The responsibility for security arrangements and the custody of keys for all stores and locations shall be clearly defined in writing by the designated manager. Wherever practicable, stocks should be marked as NHS property.

6.45.1.5 The Director of Business and Value shall set out procedures and systems to regulate the stores including records for receipt of goods, issues, and returns to stores, and losses. Stocktaking arrangements shall be agreed with the Director of Business and Value and there shall be a physical check covering all items in store at least once a year.

6.45.1.6 Where a complete system or stores control is not justified, alternative arrangements shall require the approval of the Director of Business and Value.

6.45.1.7 The designated manager shall be responsible for a system approved by the Director of Business and Value for a review of slow moving and obsolete items and for condemnation, disposal and replacement of all unserviceable articles. The designated officer shall report to the Director of Business and Value any evidence of significant overstocking and of any negligence or malpractice (see also Section 6.50, Disposals and Condemnations, Insurance, Losses and Special Payments below). Procedures for the disposal of obsolete stock shall follow the procedures set out for disposal of all surplus and obsolete goods.

6.46 Receipt of Goods

6.46.1 A delivery note shall be obtained from the supplier at the time of delivery and shall be signed by the person receiving the goods. All goods received shall be checked, by the appropriate department, as regards quantity and/or weight and inspected as to quality and specification. Instructions shall be issued to staff covering the procedures to be adopted in those cases where a delivery note is not available.

6.46.2 All goods received shall be entered onto an appropriate goods received/stock record (whether a computer or manual system) on the day of receipt. If goods received are unsatisfactory, the records shall be marked accordingly. Further, where the goods received are found to be unsatisfactory or short on delivery, they shall only be accepted on the authority of the designated officer and the supplier shall be notified immediately.

6.46.3 For goods supplied via NHSSC central warehouses, the Chief Executive shall identify those authorised to requisition and accept goods from the store. The authorised person shall check receipt against the delivery note to satisfy themselves that the goods have been received.

6.46.4 All delivery notes received should be retained for inspection in accordance with NHS England, 'Corporate Records Retention and Disposal Guidance'.

The Finance Department will make payment on receipt of an invoice. This may also apply for high-level low volume items such as stationery.

6.47 Issue of Stocks

6.47.1 The issue of stocks shall be against an authorised requisition note and a receipt for the stock issued shall be returned to the designated officer. Where a 'topping up' system is used, a record shall be maintained as approved by the Director of Business and Value. Regular comparisons shall be made of the quantities issued to wards/departments etc. and explanations recorded of significant variations.

6.47.2 All transfers and returns shall be recorded on forms/systems provided for the purpose and approved by the Director of Business and Value.

6.48.1 Disposals and Condemnations, Losses and Special Payments

6.48.2 Disposals and condemnations

6.48.2.1 The Director of Business and Value must prepare detailed procedures for the disposal of assets including impairments and condemnations, and ensure that these are notified to managers. Impairments will be dealt with in accordance with methods specified in the NHS Foundation Trust Group Accounting Manual.

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

6.48.2.3 All unserviceable articles shall be:

- a) condemned or otherwise disposed of by an employee authorised for that purpose by the Director of Business and Value;
- b) recorded by the condemning officer in a form approved by the Director of Business and Value 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 Business and Value.

6.48.2.4 The condemning officer shall satisfy himself/herself as to whether or not there is evidence of negligence in use and shall report any such evidence to the Director of Business and Value who will take the appropriate action.

6.49 Losses and special payments

6.49.1 The Director of Business and Value must prepare procedural instructions on the recording of and accounting for condemnations, losses, and special payments. The Director of Business and Value must also prepare a fraud response plan that sets out the action to be taken both by persons detecting a suspected fraud and those persons responsible for investigating it.

6.49.2 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 Director of Business and Value who will liaise with the Chief Executive or inform an officer charged with responsibility for responding to concerns involving loss confidentially. This officer will then appropriately inform the Director of Business and Value who will liaise with the Chief Executive.

Where a criminal offence such as theft or arson is suspected, the Head of Service must immediately inform the police and obtain a crime number which should be forwarded to Deputy Director of Business and Value or Senior Financial Controller. In cases of fraud or corruption or of anomalies which may indicate fraud or corruption, the Director of Business and Value must inform their Local Anti-Fraud Officer who will inform the relevant NHS Counter Fraud Authority regional team before any action is taken and reach agreement as to how the case is to be handled.

- 6.49.3** For losses apparently caused by theft, arson, neglect of duty or gross carelessness, except if trivial the Director of Business and Value must immediately notify:
- a) the Board of Directors and
 - b) the External Auditor
 - c) NHS Counter Fraud Authority (through the Local Anti-Fraud Specialist).
- 6.49.4** The Operational Committee shall approve the write-off of all losses and special payments in accordance with the Scheme of Delegation.
- 6.49.5** The Director of Business and Value shall be authorised to take any necessary steps to safeguard the Foundation Trust's interests in bankruptcies and company liquidations.
- 6.49.6** For any loss, the Director of Business and Value should consider whether any insurance claim can be made.
- 6.49.7** The Director of Business and Value shall maintain a Losses and Special Payments Register in which write-off action is recorded.

6.50 Compensation Claims

- 6.50.1** The Foundation Trust is committed to effective and timely investigation and response to any claim which includes allegations of clinical negligence, employee and other compensation claims. The Foundation Trust will follow the requirements and note the recommendations of the Department of Health, and NHS Resolution in the management of claims. Every member of staff is expected to co-operate fully, as required, in assessment and management of each claim.
- 6.50.2** The Foundation Trust will seek to reduce the incidence and adverse impact of clinical negligence, employee and other litigation by:
- Adopting prudent risk management strategies including continuous review;
 - Implementing in full the NHS Complaints Procedure, thus providing an alternative remedy for some potential litigants;
 - Adopting a systematic approach to claims handling in line with the best current and cost effective practice;
 - Following guidance issued by the NHSR relating to clinical negligence;
 - Achieving the Standards for Better Health;
 - Implementing an effective system of Clinical Governance.
- 6.50.3** The Director of Nursing, Therapies and Patient Partnership is responsible for clinical negligence: for managing the claims process and informing the Board of Directors of any major developments on claims related issues.

6.51 Information Technology

6.51.1 Responsibilities and duties of the Director of Business and Value

- 6.51.1.1** The Director of Business and Value, who is responsible for the accuracy and security of the computerised financial data of the Foundation Trust, shall:
- a) devise and implement any necessary procedures to ensure adequate (reasonable) protection of the Foundation Trust's data, programs and computer hardware for which they are responsible from accidental or intentional disclosure to unauthorised persons, deletion or modification, theft or damage, having due regard for the Data Protection Act 1998 (updated 2000) and the Computer Misuse Act 1990.

- 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 adequate controls exist to maintain the security, privacy, accuracy and completeness of financial data sent via transmission networks.
- e) ensure that an adequate management (audit) trail exists through the computerised system and that such computer audit reviews as they may consider necessary are being carried out.

6.51.1.2 The Director of Business and Value shall satisfy himself 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 will be obtained from them prior to implementation.

6.51.1.3 The Foundation Trust has published and maintains a Freedom of Information (FOI) Publication Scheme as 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 our Trust that we make publicly available.

6.52 Responsibilities and duties of other Directors and Officers in relation to computer systems of a general application

6.52.1 In the case of computer systems which are proposed including General Applications (i.e. normally those applications which the majority of NHS Organisations wish to sponsor jointly) all responsible directors and employees will send to the Director of Business and Value:

- 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.

6.53 Contracts for Computer Services with other health bodies or outside agencies

6.53.1 The Director of Business and Value 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.

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

6.54 Requirement for Computer Systems which have an impact on corporate financial systems

6.54.1 Where computer systems have an impact on corporate financial systems the Director of Business and Value shall satisfy themselves 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 Business and Value staff have access to such data; and
- d) such computer audit reviews as are considered necessary are being carried out.

6.55 Risk Assessment

6.55.1 The Director of Business and Value 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.

6.55.2 The Foundation Trust shall disclose to NHS Improvement and directly to any third parties, as may be specified by the Secretary of State, information, if any, as specified in the Licence. Other information, as requested, shall be provided to NHS Improvement.

6.55.3 The Foundation Trust shall participate in the national programme for information technology, in accordance with any guidance issued by NHS Improvement.

6.56 Patients' Property

6.56.1 The Foundation 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.

6.56.2 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,
- hospital admission documentation and property records,
- the oral advice of administrative and nursing staff responsible for admissions,

that the Foundation Trust will not accept responsibility or liability for patients' property brought into its premises, unless it is handed in for safe custody and a copy of an official patient's property record is obtained as a receipt.

6.56.3 The Director of Business and Value 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. The said instructions shall cover the necessary arrangements for withdrawal of cash or disbursement of money held in accounts of patients who are incapable of handling their own financial affairs.

Due care should be exercised in the management of a patient's money in order to maximise the benefits to the patient.

6.56.4 A patient's property record, in a form determined by the Director of Business and Value shall be completed in respect of the following:

- a) property handed in for safe custody by any patient (or guardian as appropriate); and
- b) property taken into safe custody having been found in the possessions of:
 - patients with mental health problems
 - confused and/or disorientated patients
 - unconscious patients,
 - patients dying in hospital,
 - patients found dead on arrival at hospital (property removed by police).
- c) A record shall be completed in respect of all persons in category b, including a nil return if no property is taken into safe custody.

6.56.5 The record shall be completed by a member of the hospital staff in the presence of a second member of staff and the patient (or representative) where practicable. It shall then be signed by both members of staff and by the patient, except where the latter is restricted by physical or mental incapacity. Any alterations shall be validated by signature as required in the original entry on the record.

6.56.6 Patients' monies will be held in bank accounts separate from those containing Foundation Trust monies. These shall be opened and operated under arrangements agreed by the Director of Business and Value.

6.56.7 Patients' income, including pensions and allowances, shall be dealt with in accordance with current Department of Works and Pensions instructions. For long stay patients, the Chief Executive shall ensure that positive action is taken to use their funds effectively and so reduce balances accruing.

6.56.8 Refunds of cash handed in for safe custody will be dealt with in accordance with current Department of Works and Pensions instructions. Property other than cash, which has been handed in for safe custody, shall be returned to the patient as required, by the officer who has been responsible for its security. The return shall be receipted by the patient or guardian as appropriate and witnessed.

6.56.9 The disposal of property of deceased patients shall be effected by the officer who has been responsible for its security. Such disposal shall be in accordance with written instructions issued by the Director of Business and Value, in particular, where cash or valuables have been deposited for safe custody, they shall only be released after written authority has been given by the Director of Business and Value. Such authority shall include details of the lawful kin or other person entitled to the cash and valuables in question.

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 property is £5,000 or less, forms of indemnity shall be obtained.

6.56.10 Property handed over for safe custody shall be placed into the care of the appropriate administrative staff. Where there are no administrative staff present, in which case the property shall be placed in the secure care of the most senior member of nursing staff on duty.

6.56.11 In respect of deceased patients, if there is no will and no lawful next of kin the property vests in the Crown and particulars shall, therefore, be notified to the Treasury Solicitor.

6.56.12 Having made the necessary enquiries with the Trust solicitor, any funeral expenses necessarily borne by the Foundation Trust are a first charge on a deceased person's estate. Where arrangements for burial or cremation are not made privately, any element of the estate held by the Foundation Trust, subject to agreement with the Trust solicitor, may be appropriated towards funeral expenses upon the authorisation of the Director of Business and Value.

6.56.13 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.

6.56.14 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.

6.57 Occupation Agreements

6.57.1 Licences of Occupation

6.57.1.1 Occupation agreements or licences of occupation are documents which set out the basis of occupation where other organisations occupy part of Trust buildings, often on a

sessional basis. The agreements clarify responsibilities in terms of repair and cost of service charge, times of use, access arrangements etc.

6.57.1.2 The Deputy Director of Business and Value shall approve all Licences of Occupation.

6.57 Funds held on Trust (Charitable Funds)

6.57.1 General

The Foundation Trust has a responsibility as a corporate trustee for the management of funds it holds on trust, i.e. charitable funds. The management processes may overlap with those of the organisation of the Foundation Trust, the trustee responsibilities must be discharged separately and full recognition given to its dual accountabilities to the Charity Commission.

6.57.1.1 The reserved powers of the Board of Directors and the Scheme of Delegation make clear where decisions for which discretion must be exercised are to be taken and by whom.

6.57.1.2 As management processes overlap most of the sections of these Standing Financial Instructions will also apply to the management of funds held on trust.

6.57.1.3 The over-riding 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.

6.57.1.4 Charitable Funds are those gifts, donations and endowments made under the relevant charities legislation and held on trust for purposes relating to the Trust and the objectives of which are for the benefit of the NHS in England. They are administered by the Board of Directors acting as the Charitable Funds Trustees.

6.57.1.5 The Director of Business and Value shall maintain such accounts and records as may be necessary to record and protect all transactions and funds of the Foundation Trust as trustees of non- exchequer funds, including an Investment Register.

6.58 Existing Charitable Funds

6.58.1 The Director of Business and Value shall arrange for the administration of all existing funds. A Deed of Establishment must exist for every fund and detailed codes of procedure shall be produced covering every aspect of the financial management of charitable funds, for the guidance of fund managers. The Deed of Establishment shall identify the restricted nature of certain funds, and it is the responsibility of fund managers, within their delegated authority, and the Charitable Funds Trustees Committee, to ensure that funds are utilised in accordance with the terms of the Deed.

6.58.2 The Director of Business and Value shall periodically review the funds in existence and shall make recommendations to the Charitable Funds Trustees Committee regarding the potential for rationalisation of such funds within statutory guidelines.

6.58.3 The Director of Business and Value shall ensure that all funds are currently registered with the Charities Commission in accordance with the Charities Act 1993 or subsequent legislation.

6.59 New Charitable Funds

6.59.1 The Director of Business and Value shall, recommend the creation of a new fund where funds and/or other assets, received for charitable purposes, cannot adequately be managed as part

of an existing fund. All new funds must be covered by a Deed of Establishment and must be formally approved by the Charitable Funds Trustees Committee.

6.59.2 The Deed of Establishment for any new fund shall clearly identify, inter alia, the objects of the new fund, the nominated fund manager, the estimated annual income and, where applicable, the Charitable Funds Trustees Committee's power to assign the residue of the fund to another fund contingent upon certain conditions e.g. discharge of original objects.

6.60 Sources of New Funds

6.60.1 All gifts accepted shall be received and held in the name of the Charity and administered in accordance with the Charity's policy, subject to the terms of specific funds. As the Charity can accept donations only for all or any purposes relating to the NHS, officers shall, in cases of doubt, consult the Director of Business and Value before accepting any gift. Advice to the Charity Trustees on the financial implications of fund raising activities by outside bodies or organisations shall be given by the Director of Business and Value.

6.60.2 All gifts, donations and proceeds of fund-raising activities, which are intended for the Charity's use, must be handed immediately to the Director of Business and Value via the Cash Office to be banked directly to the Charitable Funds Bank Account.

6.60.3 In respect of Donations, the Director of Business and Value shall:

- a) provide guidelines to officers of the Foundation Trust as to how to proceed when offered funds. These will include:-
 - i. the identification of the donor's intentions;
 - ii. where possible, the avoidance of creating excessive numbers of funds;
 - iii. the avoidance of impossible, undesirable or administratively difficult objects;
 - iv. sources of immediate further advice; and treatment of offers for personal gifts.
- b) provide secure and appropriate receipting arrangements, which will indicate that donations have been accepted directly into the appropriate fund and that the donor's intentions have been noted and accepted.

6.60.2 In respect of legacies and bequests, the Director of Business and Value shall be kept informed of and record all enquiries regarding legacies and bequests. Where required, the Director of Business and Value shall:

- a) provide advice covering any approach regarding:-
 - i) the wording of Wills;
 - ii) the receipt of funds/other assets from executors;
- b) after the death of a testator all correspondence concerning a legacy shall be dealt with on behalf of the Charity by the Director of Business and Value who alone shall be empowered to give an executor a good discharge.
- c) where necessary, obtain grant of probate, or make application for grant of letters of administration;
- d) be empowered to negotiate arrangements regarding the administration of a Will with executors and to discharge them from their duty; and
- e) be directly responsible, in conjunction with the Charitable Funds Trustees Committee, for the appropriate treatment of all legacies and bequests.

- 6.60.3** In respect of fund-raising, the final approval for major appeals will be given by the Board of Trustees. Final approval for smaller appeals will be given by the Director of Business and Value who shall:
- a) advise on the financial implications of any proposal for fund-raising activities;
 - b) deal with all arrangements for fund-raising by and/or on behalf of the Charity and ensure compliance with all statutes and regulations;
 - c) be empowered to liaise with other organisations/persons raising funds for the Charity and provide them with an adequate discharge;
 - d) be responsible for alerting the Charitable Funds Trustees Committee to any irregularities regarding the use of the Charity's name or its registration numbers; and
 - e) be responsible for the appropriate treatment of all funds received from this source.

- 6.60.4** In respect of all charitable investment activity, the Director of Business and Value shall:
- a) be primarily responsible, along with designated fund managers, for any activity undertaken by the Charity; and
 - b) be primarily responsible for the appropriate treatment of all funds received from this source.

- 6.60.5** In respect of Investment Income, the Director of Business and Value shall be responsible for the appropriate treatment of all dividends, interest and other receipts from this source (see below).

6.61 Investment Management

- 6.61.1** The Charitable Funds Trustees Committee shall be responsible for all aspects of the management of the investment of charitable funds as delegated under the terms of the approved investment policy. The issues on which the Director of Business and Value shall be required to provide advice to the Charitable Funds Trustees Committee shall include:-
- a. the formulation of investment policy which meets statutory requirements with regard to income generation and the enhancement of capital value;
 - b. the appointment of advisers, brokers and, where appropriate, investment fund managers and:-
 - i. the Director of Business and Value shall recommend the terms of such appointments; and for which
 - ii. written agreements shall be signed by the Chief Executive;
 - c. pooling of investment resources and the preparation of a submission to the Charity Commission for them to make a scheme;
 - d. the participation by the Charity in common investment funds and the agreement of terms of entry and withdrawal from such funds;
 - e. that the use of assets shall be appropriately authorised in writing and charges raised within policy guidelines;
 - f. the review of the performance of brokers and fund managers;
 - g. the reporting of investment performance.

- 6.61.2** The Director of Business and Value shall prepare detailed procedural instructions concerning the receiving, recording, investment and accounting for Charitable Funds.

6.62 Expenditure from Charitable Funds

- 6.62.1** Expenditure from Charitable Funds shall be managed on a day to day basis by the Senior Financial Controller on behalf of the Charitable Funds Trustees Committee. In so doing the committee shall be aware of the following:-

- a. the objects of various funds and the designated objectives;
- b. the availability of liquid funds within each trust;
- c. the powers of delegation available to commit resources;
- d. the avoidance of the use of exchequer funds to discharge endowment fund liabilities (except where administratively unavoidable), and to ensure that any indebtedness to the Exchequer shall be discharged by trust funds at the earliest possible time;
- e. that funds are to be spent rather than preserved, subject to the wishes of the donor and the needs of the Foundation Trust; and
- f. the definitions of “charitable purposes” as agreed by the Department of Health with the Charity Commission.

6.62.2 Delegated authorities to incur expenditure which meets the purpose of the funds are set out in the Scheme of Delegation; exceptions are as follows:

- a. Any staff salaries/wages costs require Charitable Funds Trustees Committee approval;
- b. No funds are to be “overdrawn” except in the exceptional circumstance that Charitable Funds Trustees Committee approval is granted.

6.63 Banking Services

6.63.1 The Director of Business and Value shall advise the Charitable Funds Trustees Committee and, with its approval, shall ensure that appropriate banking services are available in respect of administering the Charitable Funds. These bank accounts should permit the separate identification of liquid funds to each trust where this is deemed necessary by the Charity Commission.

6.64 Asset Management

6.64.1 Assets in the ownership of or used by the Foundation Trust, shall be maintained along with the general estate and inventory of assets of the Foundation Trust. The Director of Business and Value shall ensure:-

- a. that appropriate records of all donated assets owned by the Foundation Trust are maintained, and that all assets, at agreed valuations are brought to account;
- b. that appropriate measures are taken to protect and/or to replace assets. These to include decisions regarding insurance, inventory control, and the reporting of losses;
- c. that donated assets received on trust shall be accounted for appropriately;
- d. that all assets acquired from Charitable Funds which are intended to be retained within the funds are appropriately accounted for.

6.65 Reporting

6.65.1 The Director of Business and Value shall ensure that regular reports are made to the Charitable Funds Trustees Committee with regard to, inter alia, the receipt of funds, investments and expenditure.

6.65.2 The Director of Business and Value shall prepare annual accounts in the required manner, which shall be submitted, to the Charitable Funds Trustees Committee within agreed timescales.

6.65.3 The Director of Business and Value shall prepare an annual trustees’ report and the required returns to the Charity Commission for adoption by the Charitable Funds Trustees Committee.

6.66 Accounting and Audit

- 6.66.1** The Director of Business and Value shall maintain all financial records to enable the production of reports as above and to the satisfaction of internal and external audit.
- 6.66.2** Distribution of investment income to the charitable funds and the recovery of administration costs shall be performed on a basis determined by the Director of Business and Value.
- 6.66.3** The Director of Business and Value shall ensure that the records, accounts and returns receive adequate scrutiny by internal audit during the year. They will liaise with external audit and provide them with all necessary information.
- 6.66.4** The Charitable Funds Trustees Committee shall be advised by the Director of Business and Value on the outcome of the annual audit.

6.67 Taxation and Excise Duty

- 6.67.1** The Director of Business and Value shall ensure that the Charity's liability to taxation and excise duty is managed appropriately, taking full advantage of available concessions, through the maintenance of appropriate records, the preparation and submission of the required returns and the recovery of deductions at source.

6.68 Tendering and Quotation Procedure

6.68.1 Duty to comply with Standing Orders and Standing Financial Instructions

- 6.68.1.1** Standing Orders and Standing Financial Instructions (except where Suspension of Standing Orders is applied). In particular reference should be made to the Trust Delegated Authorities Table A Section 37 and Table B Section 1 Delegated Financial Limits of this Corporate Governance Manual.
- 6.68.2** In line with their responsibilities, the Trust Chief Executive and Director of Business and Value shall monitor and ensure compliance with Directions issued under the standard NHS contract on fraud, corruption and bribery.

6.69 EU Directives Governing Public Procurement

- 6.69.1** Directives by the Council of the European Union promulgated by the Department of Health (DH) prescribing procedures for awarding all forms of contracts shall have effect as if incorporated in the Standing Orders and Standing Financial Instructions. Details of EU thresholds and the differing procedures to be adopted can be obtained from the Supplies Department (see paragraph 6.76.2 below). For a brief overview of OJEU European procurement legislation, see Attachment 1, p.107.
- 6.69.2** NHS ProCure22 is the latest standardised approach to the procurement of healthcare facilities. It is based upon long term relationships with selected supply chains that have the ability to work with NHS bodies across the whole life cycle of a capital scheme. Procure 21+ was subsequently updated to Procure 22 in 2016. For further details of Procure 22, see the ProCure22 website at <https://procure22.nhs.uk/>

6.70 Formal Competitive Tendering

- 6.70.1** The Foundation Trust shall ensure that competitive tenders are invited for:
- the supply of goods, materials and manufactured articles;
 - for the rendering of services including all forms of management consultancy services (other than specialised services sought from or provided by the Department of Health);

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

Where the Foundation Trust elects to invite tenders for the supply of healthcare these Standing Financial Instructions shall apply as far as they are applicable to the tendering procedure.

6.70.2 Formal tendering procedures are not required where:

- a) the estimated expenditure or income does not, or is not reasonably expected to, exceed the limit set in the Scheme of Delegation; or
- b) where the requirement is covered by an existing contract; or
- c) where NHS Supply Chain, relevant contracts available to the public sector or other NHS agreements can be utilised;
- d) where the supply is proposed under special arrangements negotiated by the Department of Health in which event the said special arrangements must be complied with;
- e) regarding disposals as set out in SFI 6.48.
- f) In the case of sub-contracting arrangements, an agreement not to complete a tender exercise is agreed by the Executive Team as part of the main bid approval, based on any pre-existing contracts or proportionality.

6.71 Fair and Adequate Competition

No company must be given any advantage over its competitors, which might hinder fair competition between prospective contractors or suppliers. In this context see also the section on awarding contracts in the section below containing Standards of Business Conduct for NHS Staff.

6.71.1 The Foundation Trust shall ensure that invitations to tender are sent to a sufficient number of firms/individuals to provide fair and adequate competition as appropriate, and in no case less than three firms/individuals, having regard to their capacity to supply the goods or materials or to undertake the services or works required.

6.72 Items which subsequently breach thresholds after original approval

6.72.1 Items estimated to be below the limits set in this Standing Financial Instruction 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 an appropriate Foundation Trust record.

6.73 Waiving of Formal Tendering / Quotation Procedures

6.73.1 EU tendering procedure must be followed in all cases where a proposed tender has a value in excess of EU thresholds.

6.73.2 Advice as to the current EU thresholds can be obtained from the Procurement Department. For proposed tenders below those thresholds, competitive tendering procedures may be waived (although a tender should still be completed for submission to a single source) by officers to whom powers have been delegated by the Chief Executive without reference to them where:

- a) the estimated expenditure or income does not, or is not reasonably expected to, exceed £30,000 (exclusive of VAT) or
- b) where the supply is proposed under special arrangements negotiated by the DoH in which event the said special arrangements must be complied with; or

- c) goods are genuinely only available from only one supplier, (this must be substantiated by documentary evidence) or
- d) the task is essential to complete the project, and arises as a consequence of a recently completed assignment and engaging different consultants for the new task would be inappropriate; The limited application of the single tender rules 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; or
- e) 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; or
- f) where provided for in the NHS Foundation Trust Annual Reporting Manual (FT ARM) issued by NHS Improvement; or
- g) the supply of legal advice and services, provided that any legal firm or partnership commissioned by the Foundation Trust is regulated by the Law Society for England and Wales for the conduct of its business (or by the Bar Council for England and Wales in relation to the obtaining of Counsel's opinion) and is generally recognised as having sufficient expertise in the area of work for which it is commissioned: the Director of Business and Value will ensure that any fees paid are reasonable and within commonly accepted rates for such work; or
- h) a consortium or a national agreement is in place and a lead organisation has been appointed to carry out tendering activity on behalf of the consortium members.

6.73.3 Where it is decided that competitive tendering is not applicable and should be waived by virtue of (a) to (h) above, a waiver request form should be completed. A copy of which is included at attachment 2 at the end of Section 6.

6.73.4 For proposed tenders below current EU thresholds, competitive tendering procedures may be waived altogether by officers to whom powers have been delegated by the Chief Executive without reference to them where:

- a) the timescale genuinely precludes competitive tendering (failure to plan work properly, is not a justification for a non-competitive tender); or
- b) specialist expertise is required and is available from only one source; or
- c) the service falls under the "light-touch" regime as outlined in the OJEU regulations.

6.73.5 Where it is decided that tendering is not applicable and should be waived by virtue of (a) to (c) above the fact of the waiver and the reasons should be documented and reported in writing to the Chief Executive.

6.74. Competitive Tenders and Quotations

6.74.1 Wherever practicable, competitive tenders or quotations shall be obtained for the supply of goods or services in accordance with the Trust Delegated Financial Limits Table B Section 1.

6.75. Contracting / Tendering Procedure

6.75.1 Invitation to Tender

6.75.1.1 All invitations to tender shall state the latest date and time for the receipt of tenders, and should also include a requirement for bidders to submit necessary declarations of interest as part of the tender process.

- 6.75.1.2** Every tender for goods, materials, manufactured articles supplied as part of a works contract and services shall embody such of the main contract conditions as may be appropriate in accordance with the contract forms described in 6.78.1.4 and 6.78.1.5 below.
- 6.75.1.3** Every tender for building or engineering works, except for maintenance work only, where Estmancode guidance should be followed, shall embody or be in the terms of the current edition of the appropriate Joint Contracts Tribunal (JCT) or Department of the Environment (GC/Wks) standard forms of contract amended as appropriate. When the content of the works is primarily engineering, tenders shall embody or be in the terms of the General Conditions of Contract recommended by the Institute of Mechanical Engineers, Institution of Engineering and Technology and the Association of Consulting Engineers (Form A) or, in the case of civil engineering work, the General Conditions of Contract recommended by the Institution of Civil Engineers, the Association of Consulting Engineers and the Civil Engineering Contractors Association. The standard documents should be amended to comply with Department of Health guidance and, in minor respects, to cover special features of individual projects.
- 6.75.1.4** Every tender for goods, materials, services (including consultancy services) or disposals shall embody such of the NHS Standard Contract Conditions as are applicable. Every tenderer must have given or give a written undertaking not to engage in collusive tendering or other restrictive practices.
- 6.75.1.5** Tendering based on other forms of contract may be used only after prior consultation with the Independent Regulator.
- 6.76.2** **Receipt and safe custody of tenders**
- 6.76.2.1** No tender submitted using e-tendering will be considered unless it is received in the format requested by the Trust in the tender documents and at the electronic address specified by the Trust and unless it is received prior to the deadline for the receipt of tenders, as stated in the tender documents.
- 6.76.2.2** The Head of Procurement, or authorised member of their staff, shall ensure that each tender is kept unopened in a single secure electronic mailbox that cannot be opened before the deadline for the receipt of tenders
- 6.76.2.3** The system used must not allow the identity of the contractor submitting the tender to be revealed prior to the tender being opened after the deadline for the receipt of tenders.
- 6.76.2.4** The Head of Procurement, or authorised member of their staff, shall ensure that for each procurement project, the system used shall maintain and, if required, produce a record showing the time and date of receipt of all tenders received.
- 6.76.2.5** Late tenders, tenders received in the wrong format or not at the notified address will not be considered and an explanation as to why that tender has not been considered will be provided to the tenderer.
- 6.77.3** **Late, incomplete and amended tenders**
- 6.77.3.1** Suppliers wishing to submit tenders after the due time and date may be considered only if the Chief Executive or Deputy Chief Executive decides that there are exceptional circumstances such as IT system failure. The Chief Executive or Deputy Chief Executive shall decide whether such tenders are admissible and whether re-tendering is desirable on advice from the Head of

Procurement. Re-tendering must not be limited to only late submissions and must include all bidders. For OJEU tenders, if retendering is required, then the current tender process must be aborted and a new tender started with a new advertising opportunity in OJEU.

6.77.3.2 Evidence of technically late tenders (i.e. those despatched in good time but delayed through no fault of the tenderer e.g. failures of the e-procurement system) must have supporting evidence stored safely in the relevant tender folder if the justification and evidence is not clearly apparent on the e-tendering portal.

6.77.3.3 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 on his own initiative either orally or in writing after the due time for receipt) will be rejected.

6.77.3.4 Where examination of tenders reveals errors which would affect the tender figure, the tenderer is to be given details of such errors and afforded the opportunity of confirming or withdrawing his offer, however this must be done in the "Clarification Stage" of the tender process. Procurement must ensure transparency and fairness in all dealings with the bidders involved in the tender process. All communication must be through the e-procurement portal.

6.77.3.5 Necessary discussions with a tenderer of the contents of his tender, in order to elucidate technical points etc. before the award of a contract can only be carried out by the Procurement Department as part of the clarification stage and all communications must be through the e-tendering portal.

6.77.4 Register of tenders

6.77.4.1 Details of all tenders, which have been invited using e-tendering, will be held within the e-tendering portal.

6.77.4.2 Details of any internal or external declarations of interest should also be recorded.

6.77.5 Acceptance

6.77.5.1 Acceptance of tenders invited using e-tendering shall be made in accordance with rules and mandatory requirements associated with the tender and in compliance with the Standing Financial Instructions.

6.77.6 Use of electronic auctions

6.77.6.1 The Foundation Trust at its discretion may, if the category of procured goods or service is suitable, use an electronic auction to obtain tender submissions. The Trust will follow prevailing guidance from the DoH or GPS to decide if an e-Auction is required.

6.77.6.2 Under Article 54 (Use of eAuctions) of the Public Sector Directive 2004/18/EC (which is adopted in the UK by the Public Contracts Regulations 2015), in open, restricted or negotiated procedures in the case referred to in Article 30 (1) (a) the Foundation Trust may decide that the award of a public contract shall be preceded by an electronic auction when the contract specifications can be established with precision.

6.77.6.3 The electronic auction shall be based:

- a) either solely on prices when the contract is awarded to the lowest price; or
- b) on prices and/or on the new values of the features indicated in the specification when the contract is awarded to the most economically advantageous tender.

- 6.77.6.4** Should it decide to hold an electronic auction, the Foundation Trust shall state that fact in the contract notice.
- 6.77.6.5** The specifications shall include, inter alia, the following details:
- a) the features of the products whose costs shall be the subject of electronic auction, provided that such features are quantifiable and can be expressed in figures or percentages;
 - b) the information which will be made available to tenderers in the course of the electronic auction and, where appropriate, when it will be made available to them;
 - c) the relevant information concerning the electronic auction process;
 - d) the conditions under which the tenderers will be able to bid and, in particular, the minimum differences which will, where appropriate, be required when bidding;
 - e) the relevant information concerning the electronic equipment used and the arrangements and technical specifications for connection.
- 6.77.6.6** Before proceeding with the electronic auction, the Foundation Trust shall make a full initial evaluation of the specification in accordance with the award criteria set and the weighting fixed for them. Clarification will also be sought via the paper-based tender route that the tenderers accept the proposed terms and conditions and that the non-collusion document has been completed.
- 6.77.6.7** All tenderers who have been selected shall be invited simultaneously by electronic means to submit prices and/or values. The invitation shall contain all relevant information concerning individual connection to the electronic equipment being used and shall state the date and time of the start of the electronic auction. The electronic auction may take place in a number of successive phases. The electronic auction may not start sooner than two working days after the date on which invitations are sent out.
- 6.77.6.8** Throughout each phase of an electronic auction the Foundation Trust shall instantaneously communicate to all tenderers at least sufficient information to enable them to ascertain their relative rankings at any moment. The Foundation Trust may also communicate points of clarification via the electronic auction process provided that the specification is not changed in any way and that the information is sent to all participants. The Foundation Trust may also at any time announce the number of participants in that phase of the auction. In no case, however, may the Foundation Trust disclose the identities of the tenderers during any phase of an electronic auction, nor the values of their bids.
- 6.77.6.9** The Foundation Trust shall close an electronic auction at either of the following times:
- a) in the invitation to take part in the auction, the date and time shall be indicated, fixed in advance.
 - b) closure will be when no more new prices are received, or new values which meet the requirements concerning minimum differences (in this case the Foundation Trust shall state in the invitation to take part in the auction the time which will be allowed to elapse after receipt of the last submission before the electronic auction is closed).
- 6.77.6.10** When the Foundation Trust has closed an electronic auction and satisfied itself as to specification compliance and value for money, the Foundation Trust shall award the contract in accordance with the Foundation Trust's Standing Orders and Standing Financial Instructions.

- 6.77.6.11** The Foundation Trust may not have improper recourse to electronic auctions nor may they be used in such a way as to prevent, restrict or distort competition or to change the subject of the contract as put up for tender in the published contract notice and defined in the specification
- 6.77.6.12** Following tender approval / contract award the electronic tender documents shall be stored by the electronic auction service provider for the appropriate time period in accordance with Department of Health guidance concerning the preservation, retention and destruction of records.
- 6.77.6.13** The selection of the eAuction service provider shall meet the following standards:
- means of communication must not restrict access to a tendering procedure for potential participants. They must be non-discriminatory, generally available and capable of operation with IT products in general use.
 - the communication and storage of tenders must protect the integrity of the content.
- 6.77.6.14** The Foundation Trust must satisfy itself annually that the appointed service provider has the necessary protocols in place to meet the above requirements along with satisfactory archive and retrieval processes. The process shall be fully documented by the service provider with agreed service levels. Furthermore, the Foundation Trust shall obtain a formal and independent affirmation of the controls operated by any service provider which supports electronic auctions and receive periodic updates of this assurance.

6.77.7 Acceptance of tenders

- 6.77.7.1** Tenders must be evaluated and assessed on the basis of the evaluation criteria, sub criteria and marking schemes disclosed to the bidders in the relative tender. Tenders and quotes can only be advertised and conducted as either:
- a) Based on the cheapest prices submitted, in which case no other objective or evaluation criteria need to be assessed except the price of the product or service.
 - b) Most Economically Advantageous Tender (MEAT). In considering which bid to accept, if any, the designated officers shall have regard price, cost, total life cycle costing, sustainability and environmental factors, running costs, maintenance costs and, technical support, staffing implications, product quality, and ethical sourcing. Any evaluation criteria, sub criteria or marking scheme, must be disclosed to the bidders prior to the launch of the tender in accordance with the Public Contract Regulation. If the number of tenders received does not provide adequate competition, the tender exercise may be re-launched.

In such actions or in the case of doubt, the Chief Executive may be consulted for his/her authorisation to proceed with the award or re-conduct the tender process.

- 6.77.7.2** Where only one tender/quotation is received the Foundation Trust shall, as far as practicable, ensure that the price to be paid is fair and reasonable against available benchmarks.
- 6.77.7.3** A tender other than the lowest (if payment is to be made by the Foundation Trust) or other than the highest (if payment is to be received by the Foundation Trust) may be accepted if evaluation criteria prove that the Trust is receiving the MEAT. Where other factors are taken into account in selecting a tenderer, these must be clearly recorded and documented in the contract file. All awarded tenders will be reported to the Board highlighting whether the lowest/highest was awarded. All evaluation scores will be

retained by the Trust to ensure that this can be audited and reviewed by the Board when requested.

6.77.7.4 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:

- a) experience and qualifications of team members
- b) understanding of client's needs
- c) feasibility and credibility of proposed approach
- d) ability to complete the project on time.

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

6.77.7.5 No tender shall be accepted which will commit expenditure in excess of that which has been allocated by the Foundation Trust and which is not in accordance with these Standing Financial Instructions except with the authorisation of the Chief Executive or the Deputy Chief Executive in their absence.

6.77.7.6 The use of these procedures must demonstrate that the award of the contract was:

- a) not in excess of the going market rate / price current at the time the contract was awarded
- b) MEAT.

6.77.7.7 Where the form of contract includes a fluctuation clause, all applications for price variations must be submitted in writing by the tenderer and shall be approved by the Chief Executive or Deputy Chief Executive.

6.77.7.8 All tender documents, responses, communications must be retained by the Trust or the e- Tendering provider but must remain at all times the property of CWP

6.77.7.9 If for any reason the designated officers are of the opinion that the tenders received are not strictly competitive (e.g. because their numbers are insufficient or any are amended, incomplete or qualified), no contract shall be awarded without the approval of the Chief Executive or the Deputy Chief Executive in their absence.

6.77.8 Tender reports to the Board of Directors

6.77.8.1 Tender reports to the Board will be made on an exceptional circumstance basis only. The Scheme of Delegation states the value of tender award that has to be authorised by the Board.

6.77.9.1 List of approved firms

6.77.9.2 Responsibility for maintaining list

A manager nominated by the Chief Executive shall on behalf of the Trust maintain lists of approved firms from who tenders and quotations may be invited. These shall be kept under frequent review. The lists shall include all firms who have applied for permission to tender and as to whose technical and financial competence the Foundation Trust is satisfied. All suppliers must be made aware of the Foundation Trust's terms and conditions of contract.

6.77.9.3 Building and Engineering Construction Works

- i. Firms included on the approved list of tenderers shall ensure that when engaging, training, promoting or dismissing employees or in any conditions of employment, shall not discriminate against any person because of colour, race, ethnic or national origins, religion or sex, and will comply with the provisions of the Equal Pay Act 1970, the Sex Discrimination Act 1975, the Race Relations Act 1976, and the Disabled Persons (Employment) Act 1944 and any amending and/or related legislation.
- ii. Firms shall conform at least with the requirements of the Health and Safety at Work Act and any amending and/or other related legislation concerned with the health, safety and welfare of workers and other persons, and to any relevant British Standard Code of Practice issued by the British Standard Institution. Firms must provide to the appropriate manager a copy of its safety policy and evidence of the safety of plant and equipment, when requested.

6.77.9.4 Financial Standing and Technical Competence of Contractors

The Director of Business and Value may make or institute any enquiries they deem appropriate concerning the financial standing and financial suitability of approved contractors. The Director with lead responsibility for clinical governance will similarly make such enquiries as is felt appropriate to be satisfied as to their technical / medical competence.

6.77.10 Exceptions to using approved contractors

6.77.10.1 If in the opinion of the Chief Executive and the Director of Business and Value or the Director with lead responsibility for clinical governance it is impractical to use a potential contractor from the list of approved firms/individuals (for example where specialist services or skills are required and there are insufficient suitable potential contractors on the list), or where a list for whatever reason has not been prepared, the Chief Executive should ensure that appropriate checks are carried out as to the technical and financial capability of those firms that are invited to tender or quote.

An appropriate record in the contract file should be made of the reasons for inviting a tender or quote other than from an approved list.

6.78 Quotations: Competitive and non-competitive

6.78.1 Quotation Procedures

6.78.1.1 Quotations must be obtained in writing as specified in the Delegated Financial Limits Table B Section 1 of the Corporate Governance Manual.

6.78.1.2 Quotations received after the stated date and time shall be marked 'Received Late' together with actual date and time of receipt by the Receiving Officer.

6.78.1.3 Where only one quotation is received the Foundation Trust shall, as far as practicable, ensure that the price to be paid is fair and reasonable, obtaining an independent assessment if required.

6.78.1.4 A quotation other than the lowest (if payment is to be made by the Foundation Trust), or other than the highest (if payment is to be received by the Foundation Trust) shall not be accepted unless there are good reasons to the contrary. Such reasons shall be set out in a permanent record and be reported to the Board.

6.78.1.5 All quotation documentation should be treated as confidential and should be retained for inspection / audit.

6.78.1.6 Non-Competitive Quotations

Non-competitive quotations in writing may be obtained in the following circumstances:

- i) the supply of proprietary or other goods of a special character and the rendering of services of a special character, for which it is not, in the opinion of the responsible officer, possible or desirable to obtain competitive quotations;
- ii) the supply of goods or manufactured articles of any kind which are required quickly and are not obtainable under existing contracts;
- iii) miscellaneous services, supplies and disposals;
- iv) where the goods or services are for building and engineering maintenance the responsible works manager must certify that the first two conditions of this SFI (i.e.: (i) and (ii) of this SFI) apply.

6.78.1.7 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 Foundation Trust and which is not in accordance with Standing Financial Instructions except with the authorisation of either the Chief Executive or Director of Business and Value.

6.79 Instances where formal competitive tendering or competitive quotation is not required

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

- a. the Foundation Trust shall use the NHSSC for procurement of all goods and services unless the Chief Executive or nominated officers deem it inappropriate. The decision to use alternative sources must be documented.
- b. If the Foundation Trust does not use the NHSSC - where tenders or quotations are not required, because expenditure is below the levels defined in the Scheme of Reservation and Delegation, the Foundation Trust shall procure goods and services in accordance with procurement procedures approved by the Director of Business and Value.

6.80 Private Finance for capital procurement

6.80.1 The Foundation Trust should normally market-test for Private Finance when considering a capital procurement. When the Board 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) Where the sum exceeds delegated limits, a business case must be referred to the appropriate Department of Health for approval or treated as per current guidelines.
- c) The proposal must be specifically agreed by the Board of the Foundation Trust.
- d) The selection of a contractor/finance company must be on the basis of competitive tendering or quotations.

6.81 Compliance requirements for all contracts

6.81.1 The Board may only enter into contracts on behalf of the Foundation Trust within the statutory powers delegated to it by the Secretary of State and shall comply with:

- a) the Foundation Trust's Standing Orders and Standing Financial Instructions;
- b) EU Directives and other statutory provisions;
- c) any relevant directions including the NHS Financial Reporting Manual (NHS FREM), Estate code and guidance on the Procurement and Management of Consultants;

- d) such of the NHS Standard Contract Conditions as are applicable.
- e) contracts with 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 Foundation Trust, the Board 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 Foundation Trust.

6.82 Foundation Trust Contracts / Healthcare Services Agreements

6.82.1 Service agreements with NHS providers for the supply of healthcare services shall be drawn up in accordance with the requirements of the law. A contract with a Foundation Trust, being a Public Benefits Corporation, is a legal document and is enforceable in law.

6.82.2 The Chief Executive shall nominate officers to commission service agreements with providers of healthcare in line with a commissioning plan approved by the Board of Directors (refer to Scheme of Reservation and Delegation).

6.83 Disposals (See also Section 6.50 Condemnations and Disposals)

6.83.1 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 pre-determined in a reserve) by the Chief Executive or their nominated officer;
- b) obsolete or condemned articles and stores, which may be disposed of in accordance with the supplies policy of the Foundation Trust;
- c) items to be disposed of with an estimated sale value of less than that defined on the Scheme of Delegation, 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;
- e) land or buildings concerning which DH guidance has been issued but subject to compliance with such guidance.

6.84 In-house Services

6.84.1 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 Foundation Trust may also determine from time to time that in-house services should be market tested by competitive tendering.

6.84.2 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 supplies officer and a Director of Business and Value representative.

6.84.3 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.

6.84.4 The evaluation team shall make recommendations to the Board of Directors.

6.84.5 The Chief Executive shall nominate an officer to oversee and manage the contract on behalf of the Foundation Trust.

6.85 **Applicability of SFIs on Tendering and Contracting to funds held in trust**

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

6.86 **Policy on Gifts, Hospitality and Sponsorship**

6.86.1.1 The Director of Business and Value shall ensure that all staff are made aware of the Foundation Trust policy on Conflicts of Interests which encompasses receipt of gifts, hospitality and sponsorship, and other benefits in kind by staff.

6.86.1.2 This policy follows the Department of Health new guidance on Conflicts of Interests, published in June 2017. This new guidance supersedes and extinguishes the Standards of Business Conduct for NHS staff. The policy can be found in section 11 of this manual.

6.86.1.3 In 2016, rules relating to the recording of the receipt of gifts (including cash payments) and hospitality by NHS organisations and their employees from pharmaceutical and medical device companies has been tightened. This is being referred to as the 'Sunshine Rule' and is designed to ensure transparency around relationships between such companies and the NHS. The requirement for NHS organisations to maintain such records is now written into the NHS standard contract. **NHS staff found not complying with the requirement to declare gifts and hospitality could be subject to disciplinary action and more serious allegations involving fraud, bribery or corruption will involve criminal investigations and prosecutions where appropriate.**

6.86.1.4 Linked to this, in addition to the requirement for NHS staff to declare gifts and hospitality, etc. to their NHS employer, a new national database has been made publicly available by the Association of the British Pharmaceutical Industry (ABPI) from June 2016. This searchable database will show details of benefits given in cash or in kind (termed 'transfers of value') by pharmaceutical companies to healthcare organisations and individual healthcare professionals. The public ABPI record will be able to be cross-matched against the Trust's own records of declarations of gifts and hospitality, etc. and will identify where employees are failing to formally declare such relationships to the Trust.

6.86.1.5 The Human Medicines Regulations 2012 (SI 2012 No.1916) provides current legislation prohibiting the offering of gifts, pecuniary advantage and hospitality (unless inexpensive and relevant to the practice of medicine or pharmacy) by those promoting medicines to any person qualified to prescribe or supply them. Anyone convicted of an offence under these regulations faces a fine and up to two years imprisonment.

6.87 **Retention of Documents**

6.87.1 **Context**

6.87.1.1 All NHS records are public records under the terms of the Public Records Act 1958 section 3 (1) – (2). The Secretary of State for Health and all NHS organisations have a duty under this Act to make arrangements for the safe keeping and eventual disposal of all types of records. In addition, the requirements of the Data Protection Act 2018 and the Freedom of Information Act 2000 must be achieved.

6.87.2 Accountability

6.87.2.1 The Chief Executive and senior managers are personally accountable for records management within the organisation. Additionally, the organisation is required to take positive ownership of, and responsibility for, the records legacy of predecessor organisations and / or obsolete services. Under the Public Records Act all NHS employees are responsible for any records that they create or use in the course of their duties. Thus any records created by an employee of the NHS are public records and may be subject to both legal and professional obligations.

6.87.2.2 The Chief Executive shall be responsible for maintaining archives for all documents required to be retained under the direction contained in Department of Health guidance, Records Management Code of Practice.

6.88 Types of Record Covered by the Code of Practice

6.88.1 The guidelines apply to NHS records of all types (including records of NHS patients treated on behalf of the NHS in the private healthcare sector) regardless of the media on which they are held:

- Patient health records (electronic or paper based) Records of private patients seen on NHS premises; Accident and emergency, birth and all other registers;
- Theatre registers and minor operations (and other related) registers;
- Administrative records (including e.g. personnel, estates, financial and accounting records, notes associated with complaint-handling);
- X-ray and imaging reports, output and other images; Photographs, slides and other images;
- Microform (i.e. fiche / film)
- Audio and video tapes, cassettes, CD-ROM etc. Emails;
- Computerised records;
- Scanned records;
- Text messages (both out-going from the NHS and in-coming responses from the patient).

6.88.2 The documents held in archives shall be capable of retrieval by authorised persons.

6.88.3 Documents held in accordance with the Records Management Code of Practice shall only be destroyed at the express instigation of the Chief Executive; records shall be maintained of documents so destroyed.

6.89. Risk Management and Insurance

6.89.1 Programme of Risk Management

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

6.89.1.2 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) a clear indication of which risks shall be insured;
- g) arrangements to review the Risk Management programme.

6.89.1.3 The existence, integration and evaluation of the above elements will assist in providing a basis to make a Statement on the effectiveness of Internal Control (the Annual Governance Statement) within the Annual Report and Accounts as required by current Department of Health guidance.

6.90 Insurance arrangements

6.90.1 The Board shall decide if the Foundation Trust will insure through the risk pooling schemes administered by the NHS Resolution (NHSR) or self-insure for some or all of the risks covered by the risk pooling schemes. If the Board 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.

6.90.2 Arrangements to be followed by the Board of Directors in agreeing Insurance cover

- a) Where the Board decides to use the risk pooling schemes administered by the NHSR the Director of Business and Value shall ensure that the arrangements entered into are appropriate and complementary to the risk management programme. The Director of Business and Value shall ensure that documented procedures cover these arrangements
- b) Where the Board decides not to use the risk pooling schemes administered by the NHSR for one or other of the risks covered by the schemes, the Director of Business and Value shall ensure that the Board is informed of the nature and extent of the risks that are self-insured as a result of this decision. The Director of Business and Value will draw up formal documented procedures for the management of any claims arising from third parties and payments in respect of losses which will not be reimbursed
- c) All the risk pooling schemes require Scheme members to make some contribution to the settlement of claims (the 'deductible'). The Director of Business and Value should ensure documented procedures also cover the management of claims and payments below the deductible in each case.

6.90.3 Standard Areas for Commercial Insurance Cover

- a) Foundation Trust's may enter commercial arrangements for insuring motor vehicles owned or leased by the Foundation Trust including insuring third party liability arising from their use
- b) where the Foundation Trust is involved with a consortium in a Private Finance Initiative contract and the other consortium members require that commercial insurance arrangements are entered into; and
- c) where income generation activities take place, income generation activities should normally be insured against all risks using commercial insurance. If the income generation activity is also an activity normally carried out by the Foundation Trust for a NHS purpose the activity may be covered in the risk pool. Confirmation of coverage in the risk pool must be obtained from the Litigation Authority. In any case of doubt concerning a Foundation Trust's powers to enter into commercial insurance arrangements the Finance Director should consult the Department of Health.

6.90.4 Consideration for Other Areas of Insurance Cover

As a Foundation Trust the Board need to consider the adequacy of insurance cover recognising the Public Benefit Corporation status. Key areas to consider include:

- a) Directors and Officers Liability – Recognising the cover available through the NHSR, consideration is required to the adequacy of the cover in respect of selling assets, entering into contracts and insolvency indemnity cover

- b) Property damage – consider the provision for underwriting claims
- c) Business interruption resulting from property damage – consider the provision to cover for loss of income.

6.91 Policy on Virements

6.91.1 Virements are transfers of funding between budgets.

6.91.2 Proposed virements to areas outside of a budget holders responsibility must always be approved first by the budget holders affected. They must then be authorised in accordance with the rules laid out below, before they can be actioned.

6.91.3 Whilst recognising that some virements will be necessary each year, for administrative reasons they should be kept to a minimum. All virements should be supported by a brief justification / explanation.

6.92.1 Revenue to revenue

6.92.2 Where a budget is to be vired from one cost centre to another and each cost centre is managed by the same Budget Holder, i.e. within the same budget holder area of responsibility – there is no requirement to complete a Budget Virement Request Form. All recurrent virements will be reviewed with the Business & Value Partner on a quarterly basis and be signed off by the Service Director/Head of Clinical Support Service (or their nominated deputy).

6.92.3 Where a budget is to be vired between localities or clinical support services– a Budget Virement Request Form (included at Attachment 3) must be completed, signed by both parties, and forwarded to the Business and Value Partner.

Standing Financial Instructions Attachment 1

Overview of European Procurement Legislation

This attachment aims to provide a basic understanding of the rules when dealing with tenders and procurements.

What is 'OJEU'?

'OJEU' stands for the Official Journal of the European Union. It is a publication in which public authorities have to publish notices of their procurements that exceed a threshold value.

Up to date threshold values can be found at <http://www.ojec.com/Thresholds.aspx>

Contracting authorities are required to place a contract notice advertising their procurements and a subsequent award notice.

Public Procurement Directives

The European Commission publishes directives on public procurement and these are transposed into UK legislation. There are separate directives covering goods (called supplies), services and works. There are three award procedures available for use: open, restricted and negotiated procedures.

Minimum timescales are prescribed for:

- Interested companies to register an interest in the contract
- Tenders to be invited
- Award notices to be placed in OJEU
- Debriefing of tenderers
- Public authorities are required to adhere to certain principles, irrespective of whether a procurement is caught by the directives and irrespective of the award procedure used. Among these principles are:
 - Openness
 - Transparency
 - Equal chances for all, irrespective of nationality
 - Non-discriminatory specifications

The directives apply across all the EU countries. Public authorities have a duty to comply and should be aware that a Court could award damages against a contracting authority in the favour of the injured party. In addition the contract could be set aside or suspended pending judgement.

Hiring, leasing, renting, hire purchase and similar arrangements are treated as straightforward purchases for the purposes of the directives.

The Award Procedures

The open award procedure allows any potential supplier to apply for a tender invitation and to submit a tender.

The restricted award procedure sets two distinct stages. First the potential suppliers must submit an expression of interest in the advertised tender and must accompany that expression with any evidence requested by the contracting authority. From those who satisfy this first stage, tenders will be invited from some or all. Normally no fewer than five should be invited.

The criteria for selection at the first stage and for award at the second stage must be stated in advance. It follows that the actual selection and the actual award should strictly follow the stated criteria. New criteria should not be introduced later.

The negotiated award procedure is available to contracting authorities only in very limited and closely defined circumstances. Examples include –

- where open or restricted procedures have failed to result in any tenders or usable tenders where only one source of supply is available throughout the EU countries
- where it is not possible to develop a specification for the procurement or to price the procurement in advance of commencement of the process
- where the articles involved are manufactured purely for the purposes of research, experiment, study or development
- for reasons of extreme urgency brought about by events that could not be foreseen
- for additional deliveries by the original supplier, where a change in supplier would result in disproportionate difficulties.

This procedure allows for negotiation to take place at any stage of the process.

Impact on Foundation Trusts

In the UK each Foundation Trust is a separate contracting authority. This means that, even where a Foundation Trust purchases from another Foundation or NHS Trust, it must follow EU procurement directives. This applies irrespective of the fact that NHS bodies are not intended to take contractual disputes among themselves through the Courts.

It is for the contracting authority to decide which, directive to conduct its procurement under, which award procedure to use and to justify its use of negotiated procedure to select. In each case it should be prepared to justify and defend its decision if required to do so. Where the directives do not require some or any formalities, Foundation Trusts should still procure their goods, services and works in accordance with: the requirements of good purchasing practice, see <http://www.cips.org>. Treasury requirements in respect of UK public procurement see <http://www.ogc.gov.uk>

Standing Financial Instructions

It should be noted that nothing in a Trust's Standing Financial Instructions can override the EC directives.

The following are areas where proper account of the rules might be overlooked: extending a current contract were not previously provided for in the contract reappointing the current contractor without a competition mid-contract changes, including prices agreements between Trusts need to comply with EC directives awarding purely on grounds of clinical preference matching new equipment to the existing brand purely for convenience failing to apply only their stated selection criteria at selection stage failing to apply only their stated award criteria at award stage negotiation is not allowed at any stage when using the restricted or open award procedures differentiating between what are allowable and non-allowable selection and award criteria wishing to rely on avoidable urgency to speed up the process.

OJEU adverts and invitations to tender should be carefully drafted if they are to be used to maximum advantage. It is possible to build in flexibility but lack of thought can lead to an unnecessarily restrictive result.

Waiver Request Form for Cheshire and Wirral Partnership Foundation Trust

SECTION A; to be completed by Requisitioner

Requestor:

Position/Title:

Email:

Department/Ward:

DDI Telephone:

Care Group:

Extension:

Location:

Description of Goods and/or Services required

Value of Goods and/or Service (including VAT & carriage where applicable): £ _____

Supplier Name _____

Source of Funding

Tick box next to applicable funding

Capital Budget

Revenue Budget

Charitable Funds

Donation

Other

Details i.e. Name of Capital Scheme, Charitable Fund or Other

Reason for requesting single tender action/waiving of tendering procedures

Tick box next to applicable reason

- Where the supply is proposed under special arrangements negotiated by the DoH in which event the said special arrangements must be complied with
- Goods are genuinely only available from only one supplier, (this must be substantiated by documentary evidence)
- The task is essential to complete the project, and arises as a consequence of a recently completed assignment and engaging different consultants for the new task would be inappropriate. The limited application of the single tender rules 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
- 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
- Where providing for in the FT ARM issued by NHS Improvement
- The supply of legal advice and services, provided that any legal firm or partnership commissioned by the Foundation Trust is regulated by the Law Society for England and Wales for the conduct of its business (or by Bar Council for England Wales in relation to the obtaining of Counsel's opinion) and is generally recognised as having sufficient

expertise in the area of work for which commissioned the Director of Business and Value will ensure that any fees paid are reasonable and within commonly accepted rates for such work.

A consortium or a national agreement is in place and lead organisation has been appointed to carry out tendering activity on behalf of the consortium members.

Supporting and Additional Information

SECTION B: Approval Signatures

Budget Holder

Name: _____

Title: _____

Signature _____

Date: _____

Procurement Internal Ref _____

Name _____

Title _____

Signature _____

Date _____

Financial Advisor

Name _____

Title _____

Signature _____

Date _____

Chief Executive, Director or Deputy Director of Business & Value

Name _____

Title _____

Signature _____

Date _____

**Standing Financial Instructions
Attachment 3**

Please arrange to transfer budget from my
service area as detailed below:

Value: £ _____

From financial code (manager transferring budget out – A):

ANNA AANN

To financial code (manager receiving budget - B):

ANNA AANN

Please authorise and forward to your business accountant.

Authorisation

To be signed by Service Director/Head of Clinical Support Services (or nominated deputy)

A - Position / Title: _____

Signature: _____ Date: _____

B- Position / Title: _____

Signature: _____ Date: _____

Business Accountant Signature: _____ Date: ____

Detailed description of the reason for the budget virement:

Finance Department use:

Date received: _____ Virement ref: VIRE _____

Actioned by: _____ Date: _____
Position / Title & signature

7. Standing Orders for the Board of Directors

7.1 Introduction and general information

7.1.1 The requirements placed on the Foundation Trust and its Board of Directors are set out in the Terms of Authorisation. The purpose of the Board Standing Orders is to ensure that the highest standards of corporate governance and conduct are achieved in the Board and throughout the organisation.

7.1.2 The Board of Directors are to adopt Standing Orders covering the proceedings and business of its meetings. The proceedings shall not however be invalidated by any vacancy of its membership, or defect in a Director's appointment.

7.1.3 The Foundation Trust is governed by statute, mainly the NHS Act 2006 and the Health and Social Care Act 2012. In addition the National Health Service Act 1977 applies. The statutory functions conferred on the Foundation Trust are conferred by this legislation.

7.1.4 The business of the Foundation Trust is to be managed by the Board of Directors who shall exercise all the powers of the Foundation Trust, subject to any contrary provisions of the 2006 Act as given effect by the constitution.

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

7.1.6 The Board shall at all times seek to comply with the NHS Foundation Trust Code of Governance. (Issued by Monitor 2014).

7.2 Chair's Responsibility

Save as permitted by law, at any meeting the Chair of the Foundation Trust shall be the final authority on the interpretation of Standing Orders (on which they should be advised by the Chief Executive or Secretary of the Board).

7.3 Commitments

7.3.1 The Accounting Officer has responsibility to see that appropriate advice is tendered to the Board of Directors and the Council of Governors on all matters of financial propriety and regularity and more broadly, as to all considerations of prudent and economical administration, efficiency and effectiveness.

7.3.2 The Accounting Officer will determine how and in what terms the advice should be tendered, and whether in a particular case to make specific reference to their duty as Accounting Officer to justify, to the Public Accounts Committee, transactions for which they are accountable.

7.3.3 The Board of Directors and the Council of Governors of the Foundation Trust should act in accordance with the requirements of propriety and regularity. If the Board of Directors or Council of Governors or the Chair is contemplating a course of action involving a transaction which the Accounting Officer considers would infringe these requirements they should set out in writing their objection to the proposal and the

reasons for the objection. If the Board of Directors, Council of Governors or Chair decides to proceed the Accounting Officer should:

- Seek written instruction to take the action
- Inform NHS Improvement (if possible prior to the decision).

7.3.4 If overruled the action must be complied with, but the objection and the instruction should be communicated to the Foundation Trust external auditors and to NHS Improvement. Provided this procedure is followed the Public Accounts Committee can be expected to recognise that the Accounting Officer bears no personal responsibility for the transaction.

7.4 Suspension of Standing Orders

7.4.1 Except where this would contravene any statutory provision or any direction made by the Secretary of State or the rules relating to the quorum, 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 members of the Board of Directors are present (including at least one member who is an officer member of the Foundation Trust and one member who is not) and that at least two-thirds of those Directors present signify their agreement to such suspension.

7.4.2 The reason for the suspension shall be recorded in the Board's minutes.

7.4.3 A separate record of matters discussed during the suspension of Standing Orders shall be made and shall be available to the Chair and members of the Board of Directors. No formal business may be transacted while Standing Orders are suspended.

7.4.4 The Audit Committee shall review every decision to suspend Standing Orders.

7.5 Non-compliance with Standing Orders

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 Audit Committee and to the next formal meeting of the Board for action or ratification. All members of the Board of Directors and staff have a duty to disclose any non-compliance with these Standing Orders to the Chief Executive as soon as possible.

7.6 Variation and Amendment of Standing Orders

The Standing Orders shall not be varied except in the following circumstances:

- upon a notice of motion
- upon a recommendation of the Chair or Chief Executive included on the agenda for the meeting
- that two thirds of the members of the Board of Directors are present at the meeting where the variation or amendment is being discussed
- that at least half of the Foundation Trust's Non-Executive Board members vote in favour of the amendment

- providing that any variation or amendment does not contravene a statutory provision.

7.7 Corporate Trustee

7.7.1 As a body corporate the Foundation Trust has specific powers to contract in its own name and to act as a corporate trustee. The Directors shall appoint trustees to administer separately charitable funds received by the Trust and for which they are accountable to the Charity Commission.

7.7.2 The Foundation Trust also has a common law duty as a bailee for patients' property held by the Foundation Trust on behalf of patients.

7.8 Constitution

7.8.1 The Constitution has been incorporated into the Foundation Trust's Standing Orders.

7.8.2 The Foundation Trust shall secure that its Constitution is in accordance with any regulations made under Section 59 of the Act (Conduct of elections).

7.9 Compliance and Enforcement

7.9.1 The Foundation Trust shall comply with:

- any requirements imposed on it under the Act or any other enactment;
- the Conditions of the Authorisation/ Licence;
- the terms of its Constitution; and
- the terms of its contracts with bodies which commission the Foundation Trust to provide goods and services (including education and training, accommodation and other facilities) for the purposes of the health service in England.

7.9.2 The Foundation Trust shall comply with any guidance issued by NHS Improvement, unless NHS Improvement has agreed with the Foundation Trust that, in the particular circumstances, the Foundation Trust is not required to comply. A failure to comply may result in NHS Improvement taking enforcement action under Sections 52, 53 or 54 of the Act.

7.10 Governance

7.10.1 The Foundation Trust shall ensure the existence of appropriate arrangements to provide representative and comprehensive governance in accordance with the Act and to maintain the organisational capacity necessary to deliver the mandatory goods and services and mandatory education and training referred to in its Licence.

7.10.2 The Foundation Trust shall comply with the principles of best practice applicable to corporate governance in the NHS/health sector, with any relevant code of practice and with any guidance which may be issued by NHS Improvement.

7.11 The Board of Directors

7.11.1 Composition

7.11.1.1 The composition of the Board shall be: A Non-Executive Chair

Not less than five but not more than six other Non-Executive Directors Not less than five but not more than six Executive Directors including:

- The Chief Executive (who is the Accounting Officer)
- Director of Finance (for CWP this is the Director of Business and Value)A registered medical practitioner or a registered dentist (within the meaning of the Dentists Act 1984)
- A registered nurse or registered midwife.

7.11.2 Board appointments process

7.11.2.1 Chair and other Non-Executive Directors

The Chair and Non-Executive Directors are appointed (and removed) by the Council of Governors in accordance with paragraph 21 of the Trust's Constitution.

7.11.2.2 Chief Executive and other Executive Directors

In accordance with paragraph 23 of the Trust's Constitution the Non-Executive Directors shall appoint the Chief Executive, which appointment shall require the approval of the Council of Governors. A committee consisting of the Chair, Chief Executive and the other Non-Executive Directors shall appoint (or remove) the other Executive Directors. A remuneration committee of the Board, comprising the Chair and Non-Executive Directors will determine the remuneration and terms of service of executive directors.

7.11.3 Deputy Chair

7.11.3.1 There will be a Deputy Chair of the Board of Directors. In accordance with paragraph 22 of the Trust's Constitution the Council of Governors at a general meeting of the Council of Governors shall appoint one of the Non-Executive Directors as a Deputy Chair.

7.11.3.2 Any Non-Executive Director so appointed may at any time resign from the office of Deputy Chair by giving notice in writing to the Chair. The Chair and Directors may thereupon appoint another member as Deputy Chair.

7.11.3.3 If the Chair is unable to discharge their office as Chair of the Foundation Trust the Deputy Chair of the Board of Directors shall be acting Chair of the Foundation Trust 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.

7.11.4 Deputy Chief Executive

In accordance with paragraph 23 of the Trust's Constitution the Board of Directors shall appoint one of the Executive Directors as Deputy Chief Executive.

7.11.5 Joint posts

Where more than one person is appointed jointly to a post then those persons may, with the approval of the Board, be appointed as an Executive Director jointly, and shall count as one person.

7.11.6 Terms of office

The term of office of each of the Directors shall be determined in accordance with paragraph 27 of the Trust's Constitution.

7.11.7 Division of responsibilities between Chair and Chief Executive

The NHS Improvement NHS Foundation Trust Code of Governance sets out the requirement for the division of responsibilities for the Chair and the Chief Executive to be set out in writing and approved by the Board of Directors on an annual basis.

7.12 Trust Secretary (Head of Corporate Affairs)

The Foundation Trust shall have a Secretary who may be an employee. The Board shall appoint (and remove) a Secretary in consultation with the Council of Governors.

The Secretary's functions shall include:

- acting as Secretary to the Council of Governors and the Board of Directors, and any committees
- summoning and attending all members meetings, meetings of the Council of Governors and the Board of Directors, and keeping the minutes of those meetings,
- keeping the register of members and other registers and books required by the Constitution to be kept
- having charge of the Foundation Trust's seal publishing to members in an appropriate form information which they should have about the Foundation Trust's affairs
- preparing (or ensuring the preparation of) and sending to the NHS Improvement and any other statutory body all returns which are required to be made.

7.13 Meetings of the Board of Directors

7.13.1 Proceedings of meetings

7.13.1.1 The Board of Directors is to adopt Standing Orders covering the proceedings and business of its meetings. The proceedings shall not however be invalidated by any vacancy of its membership, or defect in a Director's appointment.

7.13.1.2 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.

7.13.1.3 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 Audit Committee and to the next formal meeting of the Board for action or ratification. All members of the Board of Directors and staff have a duty to disclose any non-compliance with these Standing Orders to the Chief Executive as soon as possible.

7.13.2 Frequency

7.13.2.1 Ordinary meetings of the Board shall be held at regular intervals at such times and places as the Board may determine. The Secretary will publish the dates, times and locations of meetings of the Board in advance.

7.13.2.2 Meetings of the Board will be open to members of the public at least four times in every financial year unless the Board of Directors decides otherwise in relation to all or part of such meeting for reasons of commercial confidentiality or on other proper grounds. Other meetings of the Board may be held in private. The Chair may exclude any member of the public from the meeting if they are interfering with or preventing the proper conduct of the meeting.

7.13.3 Calling meetings

7.13.3.1 Meetings of the Board of Directors may be called by the Secretary, or by the Chair, or by four Directors who have given written notice to the Secretary specifying the business to be carried out as detailed in the Trust's Constitution. The Secretary shall send a written notice to all Directors as soon as possible after receipt of such a request (normally available to members at least three clear days before the meeting.) The Secretary shall call a meeting on at least fourteen but not more than twenty-eight days' notice to discuss the specified business. If the Secretary fails to call such a meeting then the Chair or four Directors, whichever is the case, shall call such a meeting.

7.13.3.2 Save in the case of emergencies or the need to conduct urgent business, the Secretary shall give to all Directors at least fourteen days' written notice of the date and place of every meeting of the Board of Directors.

7.13.3.3 An agenda, copies of any agenda items and any supporting reports shall be sent to each Director so as to arrive with each Director normally no later than seven days in advance of each meeting. Minutes of the previous meeting will be circulated with these papers for approval and this will be a specific agenda item.

7.13.3.4 Before each meeting being held in public, the notice of the date, time and venue of the meeting shall be publicised at least seven days in advance of the meeting.

7.13.4 Setting the agenda

7.13.4.1 There will be a formal schedule of matters specifically reserved for decision by the Board of Directors.

7.13.4.2 The Board of Directors may determine that certain matters shall appear on every agenda for a meeting of the Foundation Trust and shall be addressed prior to any other business being conducted. The Board of Directors may agree an annual cycle of business which will change from time to time and will be used to inform the agenda.

7.13.4.3 A Director desiring a matter to be included on the agenda shall make their request to the Chair and the Secretary at least 10 days in advance of the meeting. Requests made less than 10 days before a meeting may be included at the discretion of the Chair.

7.13.5 Chairing the meeting

The Chair of the Foundation Trust shall normally chair the meeting. In the absence of the Chair then the Deputy Chair will chair the meeting. If both are incapacitated or unable to attend a properly called meeting of the Board, then the Directors at the meeting will nominate a Non-Executive Director chair for the duration of the meeting.

7.13.6 Reports from Executive Directors

At any meeting a Director may ask any question through the Chair without notice on any report by an Executive Director, or other officer of the Trust, after that report has been received by or while such report is under consideration by the Board at the meeting. The Chair may, in its absolute discretion, reject any question from any Director if in the opinion of the Chair the question is substantially the same and relates to the same subject matter as a question which has already been put to that meeting or a previous meeting.

7.13.7 Motions

7.13.7.1 Motions with notice

Subject to Standing Order 7.13.7.3, a motion may only be submitted by Directors and must be received by the Secretary in writing at least 10 days prior to the meeting at which it is proposed to be considered, together with any relevant supporting papers. For the purposes of this Standing Order, receipt of any such motions via electronic means is acceptable. All motions received by the Secretary will be acknowledged by the Secretary in writing to the Directors who have signed or transmitted the same.

7.13.7.2 Scope

7.13.7.2.1 Motions may only be about matters for which the Board of Directors has a responsibility or which affect the services provided by the Foundation Trust.

7.13.7.2.2 The mover of a motion shall have a right of reply at the close of any discussion on the motion or any amendment thereto.

7.13.7.2.3 When a motion is under discussion or immediately prior to discussion it shall be open to a Director to move:

- An amendment to the motion
- The adjournment of the discussion or the meeting

- That the meeting proceeds to the next business (*)
- The appointment of an ad hoc committee to deal with a specific item of business.
- That the motion be now put (*)

7.13.7.2.4 No amendment to the motion shall be admitted if, in the opinion of the Chairman of the meeting, the amendment negates the substance of the debate and who is eligible to vote.

7.13.7.3 Motions without notice

The following motions may be moved at any meeting without notice:

- in relation to the accuracy of the minutes of the previous meeting
- to change the order of business in the agenda for the meeting
- to refer a matter discussed at a meeting to an appropriate body or individual

In the case of sub-paragraphs denoted by () above to ensure objectivity motions may only be put by a director who has not previously taken part in the debate*

- to appoint a working group arising from an item on the agenda for or the meeting
- to receive reports or adopt recommendations made by the Board
- to withdraw a motion to amend a motion to proceed to the next business on the agenda
- that the question be now put
- to adjourn a debate to adjourn a meeting to suspend a particular Standing Order contained within these Standing Order (provided that any Standing Order may only be suspended if at least one half of the aggregate number of Directors are present at the meeting in question and provided also that the Standing Order in question may only be suspended for the duration of the meeting in question)
- to exclude the public and press from the meeting in question
- (the motion shall be “To exclude the press and public from the remainder of the meeting, owing to the confidential nature of the business to be transacted”)
- to not hear further from a Director or to exclude them from the meeting in question (if a Director persistently disregards the ruling of the Chair or behaves improperly or offensively or deliberately obstructs business, the Chair, in its absolute discretion, may move that the Director’s question be not heard further at the meeting in question. If seconded, the motion will be voted on without discussion. If the Director continues to behave improperly after such a motion is carried, the Chair may move that either the Director leaves the meeting room or that the meeting in question is adjourned for a specified period. If seconded, the motion will be voted on without discussion) to give the consent of the Council/Board to any matter where its consent is required pursuant to the Constitution.

7.13.7.4 Urgent motions and agenda items

Urgent motions or agenda items may only be submitted by a Director and must be received by the Secretary in writing before the commencement of the meeting in question. The Chair shall decide whether the motion or item in question should be tabled.

7.13.7.5 Withdrawal of motion or amendment

If a motion, notice of which is specified on the agenda, is not moved either by the Directors who has given notice of the motion, or by another Director nominated on behalf of that Director, it shall be deemed to be abandoned and shall not be moved without fresh notice.

7.13.7.6 Motion to rescind a resolution

Notice of motion to amend or rescind any resolution, (or the general substance of any resolution), which has been passed within the preceding six calendar months shall bear the signature of the Directors who gives it and also the signature of three other Directors. When any such motion has been disposed of by the Trust, it shall not be appropriate for any director other than the Chair to propose a motion to the same effect within six months; however the Chair may do so if they consider it appropriate.

7.13.8 Chair's ruling

Statements of Directors made at meetings of the Trust shall be relevant to the matter under discussion at the material time and the decision of the Chair of the meeting on questions of order, relevancy, regularity and any other matters shall be final.

7.13.9 Voting

7.13.9.1 All questions put to the vote shall, at the discretion of the Chair, be decided by a show of hands. A paper ballot may be used if a majority of the Directors present so request.

7.13.9.2 In case of an equality of votes the Chair shall have a second and casting vote. No resolution of the Board of Directors shall be passed if it is opposed by all of the Non-Executive Directors present or by all of the Executive Directors present.

7.13.9.3 If at least one third of the Board members present so request, the voting on any question may be recorded so as to show how each member present voted or did not vote (except when conducted by paper ballot). If a Board member so requests, their vote shall be recorded by name.

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

7.13.9.5 An officer who has been appointed formally by the Board to act up for an Executive Director 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. An officer attending the Board to represent an Executive Director 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 the meeting shall be recorded in the minutes.

7.13.9.6 Where an Executive Director post is shared by more than one person: Each person shall be entitled to attend meetings of the Board. Each of those persons shall be eligible to vote in the case of agreement between them. In the case of disagreement between them no vote should be cast. The presence of those persons shall count as one person.

7.13.10 Attendance

7.13.10.1 The Board of Directors may agree that Directors can participate in its meetings by telephone, video or computer link. Participation in a meeting in this manner shall be deemed to constitute presence in person at the meeting.

- 7.13.10.2 Directors who are unable to attend a meeting shall notify the Secretary in writing in advance of the meeting in question so that their apologies may be submitted.
- 7.13.11 Quorum**
- 7.13.11.1 Five Directors including not less than two Executive Directors (one of whom must be the Chief Executive or the Deputy Chief Executive) and not less than three Non-Executive Directors (one of whom must be the Chair or the Deputy Chair of the Board of Directors, or other nominated Non- Executive Director in accordance with Standing Order 7.13.5) shall form a quorum.
- 7.13.11.2 An officer in attendance for an Executive Director but without formal acting up status may not count towards the quorum.
- 7.13.11.3 If a Director has been disqualified from participating in the discussion on any matter and/or from voting on any resolution by reason of declaration of a conflict of interest, they 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 minute of the meeting. The meeting must then proceed to the next business.
- 7.13.12 Speaking**
- This Standing Order applies to all forms of speech/debate by Directors of the Foundation Trust and the public in relation to the motion or question under discussion at a meeting.
- 7.13.13 Content and Length of Speeches**
- Any approval to speak must be given by the Chair. Speeches must be directed to the matter, motion or question under discussion or to a point of order. In the interests of time the Chair may, in its absolute discretion, limit the number replies, questions or speeches which are heard at any one meeting.
- 7.13.14 When a person may speak again**
- 7.13.14.1 At the Chair's discretion, a person who has already spoken on a matter at a meeting may not speak again at that meeting in respect of the same matter, except:
- in exercise of a right of reply
 - on a point of order.
- 7.13.14.2 Members of the Foundation Trust or members of the public observing the meeting may only speak if invited to do so by the Chair.
- 7.13.15 Minutes**
- 7.13.15.1 Minutes of every meeting of the Board of Directors shall be kept. The minutes of the proceedings of a meeting shall be drawn up and submitted for agreement at the next ensuing meeting where they will be signed by the person presiding at it.
- 7.13.15.2 No discussion shall take place upon the minutes except upon their accuracy or where the Chair considers discussion appropriate. The signed minutes will be conclusive evidence of the events of the meeting. Any amendment to the minutes shall be agreed and recorded at the next meeting.
- 7.13.15.3 Minutes shall be circulated in accordance with the Chair's wishes. Where providing a record of a public meeting the minutes shall be made available to the public.

7.13.16 Record of attendance

The names of the directors present at the meeting shall be recorded in the minutes. The names of those in attendance at the meeting shall also be recorded.

7.14 Amendments to Standing Orders

These Standing Orders may only be amended following Board approval.

7.15 Dispute between the Board of Directors and the Council of Governors

A policy will be in place for use in the event of any unresolved dispute between the Board of Directors and the Council of Governors.

7.16 Delegation

7.16.1 Subject to the scheme of reservation and delegation, and such directions as may be given by statute, the independent regulator or the Secretary of State, the Board may make arrangements for the exercise, on behalf of the Foundation Trust, of any of its functions by a committee or subcommittee, or by a Director or an officer of the Trust in each case subject to such restrictions and conditions as the Board thinks fit.

7.16.2 This includes the arrangements in place for conducting mental health panels under the terms of the Mental Health Act. (See also Table A, Delegated Authority, paragraph 31).

7.16.3 S16B of the NHS Act 1977 as amended allows for regulations to provide for the functions of Trusts to be carried out for the Trust by third parties.

7.16.4 Where a function is delegated by these regulations to another NHS body, the Trust has responsibility to ensure that the proper delegation is in place. In other situations i.e. delegation to committees, subcommittees or officers, the Trust retains full responsibility.

7.17 Emergency powers

The powers which the Board has retained to itself within these Standing Orders may in emergency 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 the Chair shall be reported to the next formal meeting of the Board in public session for ratification.

7.18 Delegation to committees

The Board shall agree from time to time to the delegation of executive powers to be exercised by committees or subcommittees, which it has formally constituted. The constitution and terms of reference of these committees, or sub-committees, and their specific executive powers shall be approved by the Board, and incorporated within this corporate governance manual and/or integrated governance framework. No executive powers may be delegated by a committee to a sub-committee without express authority by the Board.

7.19 Statutory committees

In accordance with the Foundation Trust's constitution:

The Foundation Trust shall establish a committee of non-executive directors as an audit committee to perform such monitoring, reviewing and other functions as are appropriate. The Board of Directors shall appoint a remuneration committee of the

Chair and other non- executive Directors to decide the remuneration and allowances, and the other terms and conditions of office, of the Executive Directors.

7.20 Other committees/subcommittees

In addition to the statutory requirements the Board of Directors may determine other committees as required for the conduct of their business. Where committees are authorised to establish subcommittees they may not delegate executive powers to the subcommittee unless expressly authorised by the Board of Directors.

7.21 Delegation to officers

7.21.1 Those functions of the Foundation Trust which have not been retained as reserved by the Board or delegated to an executive committee or subcommittee shall be exercised on behalf of the Board 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 Board.

7.21.2 The Chief Executive shall prepare a scheme of reservation and delegation identifying proposals which shall be considered and approved by the Board, subject to any amendment agreed during the discussion. The Chief Executive may periodically propose amendment to the scheme of reservation and delegation which shall be considered and approved by the Board as indicated above.

7.21.3 Nothing in the scheme of reservation and delegation shall impair the discharge of the direct accountability to the Board of the Director of Business and Value or of any other Executive Director to provide information and advise the Board in accordance with any statutory requirements. Outside these statutory requirements the roles of the Director of Business and Value shall be accountable to the Chief Executive for operational matters.

7.21.4 The arrangements made by the Board as set out in the scheme of reservation and delegation shall have effect as if incorporated in these Standing Orders.

7.22 Confidentiality

7.22.1 A member of the Board or a committee of the Board shall not disclose a matter dealt with by, or brought before, the Board/committee without its permission or until the committee shall have reported to the Board or shall otherwise have concluded on that matter.

7.22.2 A Director of the Trust or a member of a committee shall not disclose any matter dealt with by, the committee, notwithstanding that the matter has been reported or action has been concluded, if the Board or committee shall resolve that it is confidential.

7.23 Disclosure of interests

7.23.1 Current or potential interests

7.23.1.1 Members of the Board of Directors shall disclose to the Board of Directors any material interests (as defined below) held by a Director, their spouse or partner, which shall be recorded by the Secretary in the register of interests of the Directors.

7.23.1.2 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 months will be incorporated.

7.23.1.3 Interest is

- any interest (excluding a holding of shares in a company whose shares are listed on any public exchange where the holding is less than 2% of the total shares in issue) or position held by a Director in any firm, company or business which has or is likely to have a trading or commercial relationship with the Foundation Trust
- any interest in an organisation providing health and social care services to the National Health Service
- a position of authority in a charity or voluntary organisation in the field of health and social care any connection with any organisation, entity or company considering entering into a financial arrangement with the Foundation Trust including but not limited to lenders or banks.

7.23.1.4 Any Director who has an interest in a matter to be considered by the Board of Directors (whether because the matter involves a firm, company, business or organisation in which the Director or his spouse or partner has a material interest or otherwise) shall declare such interest to the Board of Directors and:

- shall withdraw from the meeting and play no part in the relevant discussion or decision; and
- shall not vote on the issue (and if by inadvertence they do remain and vote, their vote shall not be counted).
- Details of any such interest shall be recorded in the register of interests of the Directors.

7.23.1.5 Any Director who fails to disclose any interest or material interest required to be disclosed under these provisions must permanently vacate their office if required to do so by a majority of the remaining Directors and (in the case of a non-executive Director) by a majority of the Council of Governors.

7.23.1.6 Any changes in interests should be declared at the next Board of Directors' meeting following the change occurring and recorded in the minutes of that meeting.

7.23.2 **Pecuniary interests**

7.23.2.1 The following definition of terms is to be used in interpreting this Standing Order: "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) "contract" shall include any proposed contract or other course of dealing.

7.23.2.2 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:

- 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
- 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.

7.23.2.3 Any Director who 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 practicable after its commencement disclose the fact and shall not take part in the consideration or discussion of the contract or other matter of vote on any question with respect to it.

7.23.2.4 The Board of Directors may exclude the Chair or a member of the Board from a meeting while any contract, proposed contract or other matter in which they have a pecuniary interest is under consideration.

7.23.2.5 Any remuneration, compensation or allowance payable to the Chair or a Director shall not be treated as a pecuniary interest for the purpose of this Standing Order.

7.23.2.6 This Standing Order applies to a committee or subcommittee and to a joint committee or subcommittee as it applies to the Foundation Trust and applies to a member of any such committee or subcommittee (whether or not they are also a member of the Foundation Trust) as it applies to a Director of the Foundation Trust.

7.23.3 Exception to Pecuniary interests

A person shall not be regarded as having a pecuniary interest in any contract if: 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 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 those securities of any company in which they (or any person connected with them) has a beneficial interest do not exceed two per cent of the total issued share capital of the company or of the relevant class of such capital, whichever is the less. However the person shall nevertheless be obliged to disclose/declare their interests in accordance with Standing Order 7.23.1.

7.23.4 Publication of declared interests in Annual Report

Board members' directorships of companies likely or possibly seeking to do business with the NHS should be published in the Foundation Trust's annual report. The information should be kept up to date for inclusion in succeeding annual reports.

7.24 Co-operation with Others

7.24.1 In exercising its functions the Foundation Trust shall co-operate with NHS bodies and local authorities, the Care Quality Commission and other organisations as defined by NHS Improvement.

7.24.2 The Foundation Trust shall deal with NHS Improvement in an open and co-operative manner and shall promptly notify NHS Improvement of anything relating to the Foundation Trust of which NHS Improvement would reasonably expect prompt notice, including, without prejudice to the foregoing generality, any anticipated failure or anticipated prospect of failure on the part of the Foundation Trust to meet its obligations under this authorisation or any financial or performance thresholds which NHS Improvement may specify from time to time.

- 7.24.3** In conducting its affairs, the Foundation Trust shall have regard to the need to provide information to members and conduct its affairs in an open and accessible way.
- 7.24.4** The Chair, Chief Executive or any other person giving information to Parliament or to a Member of Parliament on behalf of the Foundation Trust shall ensure that they comply with the standards expected of Ministers of the Crown with regard to openness of dealings, the giving of accurate and truthful information and the correction of any inadvertent error at the earliest opportunity. Any question submitted to the Foundation Trust by a Member of Parliament shall be responded to by the Foundation Trust within the same timescale as that expected of Ministers with respect to Parliamentary questions.
- 7.25** **Entry and Inspection of Premises**
The Foundation Trust shall allow NHS Improvement, any member, officer or member of staff of the regulator, and any agent acting on behalf of the regulator, to enter and inspect premises owned or controlled by the Foundation Trust.
- 7.26** **Seal and Signing of Documents**
The Foundation Trust is to have a seal. This shall not be affixed except under the authority of the Board of Directors.
- 7.26.1** **Custody of the Seal**
The common seal of the Foundation Trust shall be kept by the Head of Corporate Affairs in a secure place.
- 7.26.2** **Requirements to Seal**
- 7.26.2.1** It is a legal requirement to place any property transactions e.g. purchase, sale, lease, under seal.
- Other contracts/documentation should be approved by an authorised signatory 'under hand' i.e. signed.
- 7.26.2.2** Before any building, engineering, property or capital document is sealed it must be approved and signed by the Director of Business and Value (or an officer nominated by them) and authorised and countersigned by the Chief Executive (or an officer nominated by them who shall not be within the originating division or department).
- 7.26.3** **Register of Sealing**
- 7.26.3.1** The Chief Executive shall keep a register in which they, or the Head of Corporate Affairs as authorised by them, shall enter a record of the sealing of every document. The Register of Sealing will be approved by the Board of Directors on an annual basis.
- 7.27** **Signature of Documents**
- 7.27.1** Where any document will be a necessary step in legal proceedings on behalf of the Foundation Trust, it shall, unless any enactment otherwise requires or authorises, be signed by the Chief Executive or any Executive Director.

7.27.2 In land transactions, the signing of certain supporting documents will be delegated to Managers and set out clearly in the scheme of reservation and 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).

7.28 Healthcare Targets, Standards and Clinical Quality

7.28.1 The Foundation Trust shall comply with statements of standards in relation to the provision of health care published by the Secretary of State under Section 46 of the Health and Social Care (Community Health and Standards) Act 2003 (as amended).

The Licence requires the Foundation Trust to comply with material healthcare targets and standards. NHS Improvement does not directly collect information on performance against these targets. That is the role of the Care Quality Commission. NHS Improvement will expect Foundation Trusts to self-certify achievement of core national targets.

Healthcare Standards – the Foundation Trust shall put and keep in place and comply with arrangements for the purpose of NHS Improvement and improving the quality of health care provided by and for the Trust. The Foundation Trust shall comply with any statements of standards with respect to security and risk management which the Secretary of State may issue.

7.28.2 Clinical quality is monitored primarily, but not exclusively, by the Care Quality Commission. NHS Improvement regards the Care Quality Commission, with its powers of review and investigation under the Act, as the appropriate body to look into any concerns about clinical failures. The Healthcare Commission must report to NHS Improvement if it finds ‘significant failings’ in the healthcare provision or running of the Foundation Trust. The Care Quality Commission must also report to NHS Improvement any such failings of an organization or individual working on the Foundation Trust’s behalf. In such a report the Care Quality Commission can recommend that NHS Improvement take special measures to remedy the failings.

7.29 Miscellaneous

It is the duty of the Chief Executive to ensure that existing Directors, officers and all new appointees are notified of and understand their responsibilities within the Standing Orders and Standing Financial Instructions. Updated copies shall be issued to staff designated by the Chief Executive and it is the responsibility of all staff to comply with these rules and regulations, which is freely available to view on the Foundation Trust’s website. New designated officers shall be informed in writing and shall receive copies where appropriate in Standing Orders.

7.30 Documents having the standing of Standing Orders

Standing Financial Instructions and reservation of powers to the Board and delegation of powers shall have the effect as if incorporated into Standing Orders.

7.31 Review of Standing Orders

Standing Orders shall be reviewed annually by the Board. The requirement for review extends to documents having the effect as if incorporated in Standing Orders.

Code of Conduct for the Board of Directors

Public service values must be at the heart of the National Health Service. High standards of corporate and personal conduct based on a recognition that patients come first, have been a requirement throughout the NHS since its inception. Moreover, since the NHS is publicly funded, it must be accountable to Parliament for the services it provides and for the effective and economical use of taxpayers' money. There are three crucial public service values which must underpin the work of the health service:

- Accountability – everything done by those who work in the NHS must be able to stand the test of parliamentary scrutiny, public judgements on propriety and professional codes of conduct.
- Probity – there should be an absolute standard of honesty in dealing with the assets of the NHS: integrity should be the hallmark of all personal conduct in decisions affecting patients, staff and suppliers, and in the use of information acquired in the course of NHS duties.
- Openness – there should be sufficient transparency about NHS activities to promote confidence between the NHS organisation and its staff, patients and the public.

These values are included in the seven principles of public life as outlined by the Nolan Committee and which are also reflected in this version of the Code adopted by the Board of Directors:

- Selflessness – holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family or their friends
- Integrity – holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in the performance of their official duties
- Objectivity – in carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit
- Accountability – holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office
- Openness – holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands
- Honesty – holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest
- Leadership – holders of public office should promote and support these principles by leadership and example.

8.1

General Principles

Public service values matter in the NHS and those who work in it have a duty to conduct NHS business with probity. They have a responsibility to respond to staff, patients and suppliers impartially, to achieve value for money from the public funds with which they are entrusted and to demonstrate high ethical standards of personal conduct.

The success of this Code depends on a vigorous and visible example from Boards and the consequential influence on the behaviour of all those who work

within the organisation. Boards have a clear responsibility for corporate standards of conduct and acceptance of the Code should inform and govern the decisions and conduct of all board directors. Board members should conduct themselves in a manner that does not damage or undermine the reputation of the organisation, or its staff individually.

8.2 Openness and Public Responsibilities

Health needs and patterns of provision of health care do not stand still. There should be a willingness to be open with the public, patients and with staff as the need for change emerges. It is a requirement that major changes are consulted upon before decisions are reached. Information supporting those decisions should be made available, in a way that is understandable, and positive responses should be given to reasonable requests for information and in accordance with the Freedom of Information Act 2000 (as amended).

NHS business should be conducted in a way that is socially responsible. As a large employer in the local community, NHS organisations should forge an open and positive relationship with the local community and should work with staff and partners to set out a vision for the organisation in line with the expectations of patients and the public. NHS organisations should demonstrate to the public that they are concerned with the wider health of the population including the impact of the organisation's activities on the environment. The confidentiality of personal and individual patient information must, of course, be respected at all times.

Board members must make decisions together and take joint responsibility for them. The extent to which any one board member or a small group of members is empowered to speak for or take action on behalf of the organisation or the board must (subject to any specific constitutional rules) be a matter for all members to decide together. Such decisions must be recorded.

8.3 Public Service Values in Management

It is unacceptable for the board of any NHS organisation, or any individual within the organisation for which the board is responsible, to ignore public service values in achieving results. Chairs and board directors have a duty to ensure that public funds are properly safeguarded and that at all times the board conducts its business as efficiently and effectively as possible. Proper stewardship of public monies requires value for money to be high on the agenda of all NHS boards.

Accounting, tendering and employment practices within the NHS must reflect the highest professional standards. Public statements and reports issued by the board should be clear, comprehensive and balanced, and should fully represent the facts. Annual and other key reports should be issued in good time to all individuals and groups in the community who have a legitimate interest in health issues to allow full consideration by those wishing to attend public meetings on local health issues.

8.4 Public Business and Private Gain

Chairs and Board Directors should act impartially and should not be influenced by social or business relationships. No one should use their public position to further their private interests. Where there is a potential for private interests to be material and relevant to NHS business, the relevant interests should be declared and recorded in the board minutes, and entered into a register which is available to

the public. When a conflict of interest is established, the board director should withdraw and play no part in the relevant discussion or decision.

8.5 Hospitality and Other Expenditure

Board Directors should set an example to their organisation in the use of public funds and the need for good value in incurring public expenditure. The use of NHS monies for hospitality and entertainment, including hospitality at conferences or seminars, should be carefully considered. All expenditure on these items should be capable of justification as reasonable in the light of the general practice in the public sector. NHS Boards should be aware that expenditure on hospitality or entertainment is the responsibility of management and is open to be challenged by the internal and external auditors and those ill-considered actions can damage respect for the NHS in the eyes of the community.

8.6 Relations with Suppliers

NHS Boards should have an explicit procedure for the declaration of hospitality and sponsorship offered by, for example, suppliers. Their authorisation should be carefully considered and the decision should be recorded. NHS Boards should be aware of the risks in incurring obligations to suppliers at any stage of a contracting relationship. Suppliers should be selected on the basis of quality, suitability, reliability and value for money. Refer also to Standards for Business Conduct.

8.7 Staff

NHS Boards should ensure that staff have a proper and widely publicised procedure for voicing complaints or concerns about maladministration, malpractice, breaches of this code and other concerns of an ethical nature. The Board must establish a climate:

- that enables staff who have concerns to raise these reasonably and responsibly with the right parties;
- that 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 and reasonably will be protected against victimisation.

8.8 Compliance

Board directors should satisfy themselves that the actions of the Board and its directors in conducting Board business fully reflect the values in this Code and, as far as is reasonably practicable, that concerns expressed by staff or others are fully investigated and acted upon. All Board Directors are required, on appointment, to subscribe to the Code of Conduct.

9. Council of Governors' Code of Conduct (last reviewed April 2015)

9.1 Introduction

9.1.1 Constitution

The Council of Governors is constituted and operates in accordance with the requirements of the Constitution of the Foundation Trust.

9.1.2 Roles

Governors give their time and expertise to the Foundation Trust, working in a voluntary capacity. They have a key role in the appointment, reappointment, appraisal and remuneration of the Chair and of the Non-Executive Directors. They also decide on the appointment of the external auditors.

With the help of the Trust, governors engage with the constituencies that elected them or the bodies that appointed them, acting as a two-way channel of communication. Equipped with this knowledge, they offer feedback to the Board of Directors on the future strategic direction of the Foundation Trust.

Unlike Executive and Non-Executive Directors, including the Chair, Governors are not individually or collectively liable for the performance of the Foundation Trust. Therefore, governors are not involved in operational decision-making or any executive or managerial functions. Governors are responsible for holding Non-Executives to account for the performance of the Board of Directors and therefore seek and obtain relevant sources of assurance.

9.1.3 Accountability

Governors are accountable to the membership of the Foundation Trust or their appointing body for their conduct.

9.2. Values

Governors are expected to uphold the values of the NHS and the values of the Trust, specifically the 6 Cs. These are:

- Compassion
- Competence
- Communication
- Courage
- Care
- Commitment.

9.3. Responsibilities

9.3.1 Governors are expected:

- a) to act in the best interests of the Trust, to commit to and actively support the NHS Foundation Trust's vision and values and to seek at all times to support the NHS Foundation Trust in its aims and priorities and ensure its needs and interests are foremost in decision-making;
- b) to abide by and uphold the policies of the Trust;
- c) to attend meetings of the Council of Governors and actively contribute to its working in order for it to fulfil its functions as defined in the Constitution and licence.
- d) to feedback to the members who elected them or the bodies which appointed them, the views of the Council, and providing evidence to the Council that those duties have been undertaken;
- e) to be involved in the work of the sub-committees and to attend meetings of those to which they are appointed;
- f) to send their apologies to the Corporate Affairs team in advance if they are unable to attend a meeting;
- g) to accept decisions that were properly made by a majority of the Council, even if they do not agree with them or were not present when they were made;
- h) to undertake appropriate training and development, as provided by the Trust;
- i) to keep themselves informed about the Trust by reading relevant information;
- j) to declare any possible conflict of interest (see 8 below);
- k) To act with discretion and care in respect of difficult and confidential issues and

- to maintain confidentiality with regard to information gained;
- l) to recognise that as a Governor that if I am a member of any trade union, political party or other organisation, I will not be representing those organisations (or the views of those organisations) but will be representing the constituency that elected me, or the organisation that nominated me;
 - m) To undergo a Disclosure and Barring service (DBS) check;
 - n) To respect and treat with dignity and fairness fellow governors, the public, patients, relatives, carers, NHS staff and partners in other agencies;
 - o) To seek to ensure that we are all inclusive.;
 - p) To at all times comply with the Constitution, Standing Orders and Standing Financial Instructions of Cheshire and Wirral Partnership NHS Foundation Trust, and I will adhere to the guidelines set out within the Governors' Meeting Etiquette Policy;
 - q) to not make, permit, or knowingly allow to be made any untrue or misleading statement relating to my own duties or the functions of Cheshire and Wirral Partnership NHS Foundation Trust;
 - r) to seek to ensure that the best interests of the public, patients, carers and staff are upheld in decision-making and the decisions are not improperly influenced by gifts or inducements;
 - s) Insofar as their duties allow, to support and assist the Accountable Officer (Chief Executive) of Cheshire and Wirral Partnership NHS Foundation Trust in their responsibility to answer to the Independent Regulator (NHS Improvement), commissioners and the public to fully and faithfully declare and explain the use of resources and the performance of the Trust.

9.4. Personal Conduct

9.4.1 Fit and proper person

It is a condition of the Trust's licence that each governor serving on the Council of Governors is a 'fit and proper person'.

In this Condition an unfit person is:

- (a) an individual;
 - (i) who has been adjudged bankrupt or whose estate has been sequestrated and (in either case) has not been discharged; or
 - (ii) who has made a composition or arrangement with, or granted a trust deed for, his creditors and has not been discharged in respect of it; or
 - (iii) who within the preceding five years has been convicted in the British Islands of any offence and a sentence of imprisonment (whether suspended or not) for a period of not less than three months (without the option of a fine) was imposed on him; or
 - (iv) who is subject to an unexpired disqualification order made under the Company Directors' Disqualification Act 1986;

Governors must certify on appointment, and each year that they are/remain a fit and proper person. If circumstances change, so that a governor can no longer be regarded as a fit and proper person or if it comes to light that a governor is not a fit and proper person, they will be suspended from being a governor with immediate effect pending Chair's investigation (detailed below). Where it is confirmed that a governor is no longer a fit and proper person, their membership of the council of governors will be terminated with immediate effect.

Governors should:

- Comply with the provisions of the eligibility criteria for governors, set out within the Trust's Constitution paragraph 13 and Annex 6, throughout their term(s) of office. These include the above criteria to be a 'fit and proper person'.

9.5. The Nolan Principles

Governors are expected to comply with the 7 Nolan principles set out below:

- (i) Selflessness: holders of public office should take decisions solely in terms of

the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family or their friends.

- (ii) Integrity: holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in the performance of their official duties.
- (iii) Objectivity: in carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.
- (iv) Accountability: holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.
- (v) Openness: holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.
- (vi) Honesty: holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.
- (vii) Leadership: holders of public office should promote and support these principles by leadership and example.

9.6. Representation

Governors represent the members who elected them or the bodies which appointed them. However, they are not delegates and should contribute to collective decision making after hearing the views of other members of the Council or the Board of Directors (as appropriate).

Governors should not seek to speak on behalf of bodies they may happen to belong to but which are not their appointing body.

9.7. Conflicts of Interest

All Governors are required to list all relevant interests which may reasonably be thought to influence their actions in the performance of their duties. It is the responsibility of the Governor to inform the Trust Secretary immediately in writing of any changes to their interests.

Governors should ensure that:

- any actual or potential conflicts of interest are made known to the Head of Corporate Affairs and/or the Chair as soon as they arise;
- if a matter in which they have a material interest is discussed, they take no part in the discussion;
- if a matter in which they have a material interest is put to the vote, they take no part in the voting.

Further detail can also be found in section 12 of this document.

9.8. Breaches of the Code of Conduct (policy for removal of a Governor)

a. Local resolution

If it is believed that a member of the Council of Governors has breached the Code of Conduct it will, in most circumstances, be preferable for discussion to take place with the Head of Corporate Affairs to agree local resolution to the issue.

If local resolution is not possible or ineffective, the matter should then be raised at the earliest opportunity either in writing or verbally with the Chair and/or the Lead Governor. The following process will then be followed in seeking to resolve any concerns, difficulties or disputes in a constructive way.

b. Chair's Investigation:

- The Chair, supported by the Head of Corporate Affairs, will investigate the matter raised. This will include discussion with the Lead Governor, other Governors and/or members of staff, as appropriate.
- The Chair will notify the Governor concerned in writing of the details of the alleged breach of the Code of Conduct. The communication will set out a timeframe in which the matter is to be addressed.
- During the investigation, the Chair will invite the Governor concerned to meet with him/her to discuss the matter. It may be considered appropriate to involve the Lead Governor, if agreed by all parties. The governor will also be permitted to be accompanied by another individual at this meeting. The Head of Corporate Affairs will record minutes of the meeting.
- If the Governor concerned does not accept an invitation from the Chair to meet and discuss the matter, the Chair will continue to complete his/her investigation considering all other information available.
- The outcome of the Chair's investigation will conclude, either:
 - no further action necessary, or
 - a letter explaining the breach and advice on future conduct is to be issued, or, if the governor concerned has committed a serious breach of the Code of Conduct, or acted in a manner detrimental to the interests of the Foundation Trust and it is considered that it is not in the best interest of the Foundation Trust for them to continue as a Governor,
 - recommend to the Council of Governors that the Governor concerned is removed from Office.
- The Chair will write to the Governor concerned confirming the outcome of his/her investigation within the previously stated timeframe.
- Where the Governor is in disagreement with the outcome, they may appeal the outcome of the investigation by setting out his/her reasons in writing to the Senior Independent Director or another independent assessor to be mutually agreed within 10 working days from receipt of the Chair's letter.
- The Senior Independent Director or Independent Assessor will conduct an independent investigation and report his/her findings to the Governor concerned, the Chair, the Lead Governor and the Head of Corporate Affairs.
- During the Senior Independent Director/ Independent Assessor's investigation, he/she will invite the Governor concerned to meet with him/her to discuss the matter. The Head of Corporate Affairs will record minutes of the meeting.
- The Senior Independent Director/ Independent Assessor will report on the outcome of their investigation to the Governor concerned, the Chair, the Lead Governor and the Head of Corporate Affairs.
- A decision on reporting the outcome of the investigation to the Council of Governors will be taken by the Senior Independent Director/ Independent Assessor on a case by case basis pending the action to be taken following the conclusion of the investigation.
- The Senior Independent Director/ Independent Assessor's decision will be final and the outcome will be based upon the options previously stated:
 - no further action necessary, or
 - a letter (explaining the breach and advice on future conduct) is to be issued, or, if the governor concerned has committed a serious breach of the code of conduct, or acted in a manner detrimental to the interests of the Foundation Trust and it is considered that it is not in the best interest of the Foundation Trust for them to continue as a Governor,
 - recommend to the Council of Governors that the Governor concerned is removed from office.

c. Recommendation to the Council of Governors

If a recommendation for removal from office is made to the Council of Governors the following process will be followed:

- The Chair or Head of Corporate Affairs would convene an extra-ordinary meeting of the Council of Governors to be held in private. The Governor concerned would be excluded from this meeting but would be afforded the opportunity to provide a statement to the Council of Governors.
- The Council of Governors will consider the outcome of the Chair's investigation and if appealed, the outcome of the Senior Independent Director/ Independent Assessor's investigation and a vote on the recommendation will take place.
- Annex 6, paragraph 12 of the Trust's Constitution states:

'A Governor may be removed from the Council of Governors by a resolution approved by not less than three-quarters of the remaining Governors present and voting, on the grounds that:

- they have committed a serious breach of the Code of Conduct, or
- they have acted in a manner detrimental to the interests of the Foundation Trust, and
- the Council of Governors considers that it is not in the best interest of the Foundation Trust for them to continue as a Governor.
- The outcome of the vote will be applied with immediate effect and the Governor will be informed of the outcome immediately. This will be followed up in writing.
- The decision of the Council of Governors is final.

10 Code of Conduct for NHS Managers

10.1 Introduction

The Code of Conduct for NHS Managers sets out the standards of conduct expected of NHS Managers. It serves two purposes:

- to guide NHS managers and employing health bodies in the work they do and the decisions and choices they have to make
- to reassure the public that these important decisions are being made against a background of professional standards and accountability.

10.2 The Code

10.2.1 As an NHS manager, I will observe the following principles:

- make the care and safety of patients my first concern and act to protect them from risk; respect the public, patients, relatives, carers, NHS staff and partners in other agencies; be honest and act with integrity;
- accept responsibility for my own work and the proper performance of the people I manage; show my commitment to working as a team member by working with all my colleagues in the NHS and the wider community;
- take responsibility for my own learning and development.

10.2.2 This means in particular that I will:

- respect patient confidentiality;
- use the resources available to me in an effective, efficient and timely manner having proper regard to the best interests of the public and patients;
- be guided by the interests of the patients while ensuring a safe working environment;
- act to protect patients from risk by putting into practice appropriate support and disciplinary procedures for staff; and
- seek to ensure that anyone with a genuine concern is treated reasonably and fairly.

10.2.3 I will respect and treat with dignity and fairness, the public, patients, relatives, carers, NHS staff and partners in other agencies. In my capacity as a senior manager within the NHS I will seek to ensure that no one is unlawfully discriminated against because of their religion, belief, race, colour, gender, marital status, disability, sexual orientation, age, social and economic status or national origin.

I will also seek to ensure that:

- the public are properly informed and are able to influence services;
- patients are involved in and informed about their own care, their experience is valued, and they are involved in decisions;
- relatives and carers are, with the informed consent of patients, involved in the care of patients; partners in other agencies are invited to make their contribution to improving health and health services; and NHS staff are:
 - valued as colleagues;
 - properly informed about the management of the NHS;
 - given appropriate opportunities to take part in decision making.
 - given all reasonable protection from harassment and bullying;
 - provided with a safe working environment;
 - helped to maintain and improve their knowledge and skills and achieve their potential; and
 - helped to achieve a reasonable balance between their working and personal lives.

10.2.4 I will be honest and will act with integrity and probity at all times. I will not make, permit or knowingly allow to be made, any untrue or misleading statement relating to my own duties or the functions of my employer.

10.2.5 I will seek to ensure that:

- the best interests of the public and patients/clients are upheld in decision-making and that decisions are not improperly influenced by gifts or inducements;
- NHS resources are protected from fraud, corruption and bribery and that any incident of this kind is reported to the NHS Anti-Fraud Services;
- judgements about colleagues (including appraisals and references) are consistent, fair and unbiased and are properly founded; and
- open and learning organisations are created in which concerns about people breaking the Code can be raised without fear.

10.2.6 I will accept responsibility for my own work and the proper performance of the people I manage. I will seek to ensure that those I manage accept that they are responsible for their actions to:

- the public and their representatives by providing a reasonable and reasoned explanation of the use of resources and performance;
- patients, relatives and carers by answering questions and complaints in an open, honest and well researched way and in a manner which provides a full explanation of what has happened, and of what will be done to deal with any poor performance and, where appropriate giving an apology; and
- NHS staff and partners in other agencies by explaining and justifying decisions on the use of resources and give due and proper consideration to suggestions for improving performance, the use of resources and service delivery.

- 10.2.7** I will support and assist the Accountable Officer of my organisation in his or her responsibility to answer to Parliament, Ministers, the Department of Health and the Independent Regulator of Foundation Trusts in terms of fully and faithfully declaring and explaining the use of resources and the performance of the local NHS in putting national policy into practice and delivering targets.
- 10.2.8** For the avoidance of doubt, nothing in paragraphs 10 of this Code requires or authorises an NHS manager to whom this Code applies to: make, commit or knowingly allow to be made any unlawful disclosure; make, permit or knowingly allow to be made any disclosure in breach of his or her duties and obligations to his or her employer, save as permitted by law.
- 10.2.9** If there is any conflict between the above duties and obligations and this Code, the former shall prevail.
- 10.2.10** I will show my commitment to working as a team by working to create an environment in which:
- teams of frontline staff are able to work together in the best interests of patients;
 - leadership is encouraged and developed at all levels and in all staff groups; and
 - the NHS plays its full part in community development.
- 10.2.11** I will take responsibility for my own learning and development. I will seek to:
- take full advantage of the opportunities provided;
 - keep up to date with best practice; and
 - share my learning and development with others.
- 10.2.12** I will also uphold the seven principles of public life as outlined by the Nolan Committee:
- Selflessness – holders of public office should take decisions solely in terms of the public interest.
 - They should not do so in order to gain financial or other material benefits for themselves, their family or their friends
 - Integrity – holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in the performance of their official duties
 - Objectivity – in carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit
 - Accountability – holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office
 - Openness – holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands
 - Honesty – holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest
 - Leadership – holders of public office should promote and support these principles by leadership and example

10.3 Implementing the Code

- 10.3.1** The Code should be seen in a wider context that NHS managers must follow the 'Nolan Principles on Conduct in Public Life' (see paragraph 10.2.12 above), the 'Corporate Governance Codes of Conduct and Accountability', the 'Standards of Business Conduct', the 'Code of Practice on Openness in the NHS' and standards of good employment practice.
- 10.3.2** In addition many NHS managers come from professional backgrounds and must follow the code of conduct of their own professions as well as this Code.
- 10.3.3** In order to maintain consistent standards, the Trust will consider suitable measures to ensure that managers who are not their employees but who manage their staff or services; or manage units which are primarily providing services to their patients also observe the Code.
- 10.3.4** It is important to respect both the rights and responsibilities of managers. To help managers to carry out the requirements of the Code, the Trust will provide reasonable learning and development opportunities and seek to establish and maintain an organisational culture that values the role of managers. NHS managers have the right to be:
- treated with respect and not be unlawfully discriminated against for any reason;
 - given clear, achievable targets; judged consistently and fairly through appraisal;
 - given reasonable assistance to maintain and improve their knowledge and skills and achieve their potential through learning and development; and
 - reasonably protected from harassment and bullying and helped to achieve a reasonable balance between their working and personal lives.

10.4 Breaching the Code

- 10.4.1** Alleged breaches of the Code of Conduct will be promptly considered and fairly and reasonably investigated. Individuals must be held to account for their own performance, responsibilities and conduct where employers form a reasonable and genuinely held judgement that the allegations have foundation. Investigators should consider whether there are wider system failures and organisational issues that have contributed to the problems. In order to learn from and prevent future breaches of the Code, it is necessary to look at the wider causes of alleged breaches.
- 10.4.2** Local employers should decide whether to investigate alleged breaches informally or under the terms of local disciplinary procedures. It is essential however that both forms of investigation should be, and be seen to be, reasonable, fair and impartial. If Chief Executives or Directors are to be investigated, the employing authority should use individuals who are employed elsewhere to conduct the investigation. The NHS Confederation, the Institute of Healthcare Management and the Healthcare Financial Management Association are among the organisations who maintain lists of people who are willing to undertake such a role.

10.5 Application of the Code

10.5.1 The Code codifies and articulates certain important contractual obligations that apply to everyone holding management positions. These include Chief Executives and Directors who as part of their duties are personally accountable for achieving high quality patient care.

10.5.2 The Trust will:

- incorporate the Code into the employment contracts of Chief Executives and Directors and include the Code in the employment contracts of new appointments to that group identify any other senior managerial posts, i.e. with levels of responsibility and accountability similar to those of Director-level posts, to which they consider the Code should apply,
- include the Code in new employment contracts as appropriate incorporate the Code into the employment contracts of existing post holders as appropriate.
- Investigate alleged breaches of the Code by those to whom the Code applies promptly and reasonably as at paragraphs four to five
- provide a supportive environment to managers (see paragraph 10.3.4 above).

11 Managing Conflicts of Interest in the NHS policy (incorporating Standards of Business Conduct for NHS staff)

Policy Summary

Adhering to this policy will help to ensure that we use NHS money wisely, providing best value for taxpayers and accountability to our patients for the decisions we take.

As a member of staff you should...	As an organisation we will...
<ul style="list-style-type: none"> • Familiarise yourself with this policy and follow it. Refer to the guidance for the rationale behind this policy https://www.england.nhs.uk/wp-content/uploads/2017/02/guidance-managing-conflicts-of-interest-nhs.pdf • Use your common sense and judgement to consider whether the interests you have could affect the way taxpayers' money is spent • Regularly consider what interests you have and declare these as they arise. If in doubt, declare. • NOT misuse your position to further your own interests or those close to you • NOT be influenced, or give the impression that you have been influenced by outside interests • NOT allow outside interests you have to inappropriately affect the decisions you make when using taxpayers' money 	<ul style="list-style-type: none"> • Ensure that this policy and supporting processes are clear and help staff understand what they need to do. • Identify a team or individual with responsibility for: <ul style="list-style-type: none"> ○ Keeping this policy under review to ensure they are in line with the guidance. ○ Providing advice, training and support for staff on how interests should be managed. ○ Maintaining register(s) of interests. ○ Auditing this policy and its associated processes and procedures at least once every three years. • NOT avoid managing conflicts of interest. • NOT interpret this policy in a way which stifles collaboration and innovation with our partners

11.1 Introduction

Cheshire and Wirral Partnership NHS Foundation Trust (the 'organisation'), and the people who work with and for us, collaborate closely with other organisations, delivering high quality care for our patients.

These partnerships have many benefits and should help ensure that public money is spent efficiently and wisely. But there is a risk that conflicts of interest may arise.

Providing best value for taxpayers and ensuring that decisions are taken transparently and clearly, are both key principles in the NHS Constitution. We are committed to maximising our resources for the benefit of the whole community. As an organisation and as individuals, we have a duty to ensure that all our dealings are conducted to the highest standards of integrity and that NHS monies are used wisely so that we are using our finite resources in the best interests of patients.

11.2 Purpose

This policy will help our staff manage conflicts of interest risks effectively. It:

- Introduces consistent principles and rules
- Provides simple advice about what to do in common situations.
- Supports good judgement about how to approach and manage interests.

This policy should be considered alongside these other organisational policies:

- Corporate Governance Manual
- CG1 Fraud, Bribery and Corruption Policy issue 4
- HR3.3 Trust disciplinary policy and procedure
- HR3.8 How to Raise Concerns within Work incorporating Whistleblowing Policy.

11.3 Key terms

The key terms below are taken from the guidance Managing Conflicts of Interest in the NHS (Section 3: Definitions).

A 'conflict of interest' is:

"A set of circumstances by which a reasonable person would consider that an individual's ability to apply judgement or act, in the context of delivering, commissioning, or assuring taxpayer funded health and care services is, or could be, impaired or influenced by another interest they hold."

A conflict of interest may be:

- Actual - there is a material conflict between one or more interests
- Potential – there is the possibility of a material conflict between one or more interests in the future

Staff may hold interests for which they cannot see potential conflict. However, caution is always advisable because others may see it differently and perceived conflicts of interest can be damaging. All interests should be declared where there is a risk of perceived improper conduct.

Under the Bribery Act 2010, it is a criminal offence for employees to give, promise or offer a bribe, and to request, agree to receive or accept any bribes, gifts, or consideration as an inducement or reward.

Bribery is offering an incentive to someone to do something which they wouldn't normally do. For example, someone advertising a job might be offered tickets to an event by one of the candidates or someone linked to them in an attempt to influence a decision.

All staff have a personal responsibility to ensure they are not placed in a position which risks, or appears to risk, a conflict between their private interests and their NHS duty.

11.4 Interests

Interests fall into the following categories:

- **Financial interests:**

Where an individual may get direct financial benefit¹ from the consequences of a decision they are involved in making.

- **Non-financial professional interests:**

Where an individual may obtain a non-financial professional benefit from the consequences of a decision they are involved in making, such as increasing their professional reputation or promoting their professional career.

- **Non-financial personal interests:**

Where an individual may benefit personally in ways which are not directly linked to their professional career and do not give rise to a direct financial benefit, because of decisions they are involved in making in their professional career.

- **Indirect interests:**

Where an individual has a close association² with another individual who has a financial interest, a non-financial professional interest or a non-financial personal interest and could stand to benefit from a decision they are involved in making.

11.5 Staff

At Cheshire and Wirral Partnership NHS Foundation Trust we use the skills of many different people, all of whom are vital to our work. This includes people on differing employment terms, who for the purposes of this policy we refer to as 'staff' and are listed below:

- All salaried employees
- All prospective employees – who are part-way through recruitment
- Contractors and sub-contractors
- Agency staff; and
- Committee, sub-committee and advisory group members (who may not be directly employed or engaged by the organisation).

11.6 Decision-Making Staff

Some staff are more likely than others to have a decision making influence on the use of taxpayers' money, because of the requirements of their role. For the purposes of this guidance these people are referred to as 'decision making staff.'

Decision making staff in Cheshire and Wirral Partnership NHS Foundation Trust are:

- Executive and non-Executive directors (or equivalent roles) who have decision making roles which involve the spending of taxpayers' money
- Staff members who are Agenda for Change Band 8d and above.
- Members of advisory groups which contribute to direct or delegated decision making on the commissioning or provision of taxpayer funded services

¹ This may be a financial gain, or avoidance of a loss.

² A common sense approach should be applied to the term 'close association'. Such an association might arise, depending on the circumstances, through relationships with close family members and relatives, close friends and associates, and business partners.

- Administrative and clinical staff who have the power to enter into contracts on behalf of their organisation
- Administrative and clinical staff involved in decision making concerning the commissioning of services, purchasing of good, medicines, medical devices or equipment, and formulary decisions.

11.7 Identification, declaration and review of interests

11.7.1 Identification & declaration of interests (including gifts and hospitality)

All staff should identify and declare material interests at the earliest opportunity (and in any event within 28 days). All declarations should be discussed with the line manager in the first instance. If staff are in any doubt as to whether an interest is material then they should declare it, so that it can be considered. Declarations should be made:

- On appointment with the organisation.
- When staff move to a new role or their responsibilities change significantly.
- At the beginning of a new project/piece of work.
- As soon as circumstances change and new interests arise (for instance, in a meeting when interests staff hold are relevant to the matters in discussion).

Declarations should be made via the on-line form [here](#). Additionally, if you require any further information you can also contact the Corporate Affairs Team on 01244 393152.

After expiry, an interest will remain on register(s) for a minimum of 6 months and a private record of historic interests will be retained for a minimum of 6 years in line with the retention of records policy.

11.7.2 Proactive review of interests

We will prompt decision making staff annually to review declarations they have made and, as appropriate, update them or make a nil return. However, any new declarations should be submitted as and when they do arise.

11.8 Records and publication

11.8.1.1 Maintenance

The organisation will maintain a Gifts, Hospitality and Sponsorship Register and a Declaration of Interest Register which will be managed by the Corporate Affairs Team.

11.8.1.2 Publication

We will:

- Publish the interests declared by decision making staff in the Gift, Hospitality and Sponsorship Register on the Trust website..
- Publish the Declarations of Interest Register on the Trust website.
- Refresh this information annually and as and when required.

If decision making staff have substantial grounds for believing that publication of their interests should not take place then they should contact the Head of Corporate Affairs on 01244 397469 to explain why. In exceptional circumstances, for instance where publication of information might put a member of staff at risk of harm, information may be withheld or redacted on public registers. However, this would be the exception and information will not be withheld or redacted merely because of a personal preference.

11.8.3 Wider transparency initiatives

Cheshire and Wirral Partnership fully supports wider transparency initiatives in healthcare, and we encourage staff to engage actively with these.

Relevant staff are strongly encouraged to give their consent for payments they receive from the pharmaceutical industry to be disclosed as part of the Association of British Pharmaceutical Industry (ABPI) Disclosure UK initiative. These “transfers of value” include payments relating to:

- Speaking at and chairing meetings
- Training services
- Advisory board meetings
- Fees and expenses paid to healthcare professionals
- Sponsorship of attendance at meetings, which includes registration fees and the costs of accommodation and travel, both inside and outside the UK
- Donations, grants and benefits in kind provided to healthcare organisations.

Further information about the scheme can be found on the ABPI website:

<http://www.abpi.org.uk/our-work/disclosure/about/Pages/default.aspx>

11.9 Management of interests – general

If an interest is declared but there is no risk of a conflict arising then no action is warranted. However, if a material interest is declared that presents a risk of conflict arising then the general management actions that could be applied include:

- restricting staff involvement in associated discussions and excluding them from decision making
- removing staff from the whole decision making process
- removing staff responsibility for an entire area of work
- removing staff from their role altogether if they are unable to operate effectively in it because the conflict is so significant.

Each case will be different and context-specific, and Cheshire and Wirral Partnership NHS Foundation Trust will always clarify the circumstances and issues with the individuals involved. Staff should maintain a written audit trail of information considered and actions taken.

Staff who declare material interests should make their line manager or the person(s) they are working to aware of their existence.

11.10 Management of interests – common situations

This section sets out the principles and rules to be adopted by staff in common situations, and what information should be declared.

11.10.1 Gifts

- Staff are encouraged not to accept gifts.
- Staff should not in any circumstance accept gifts that may affect, or be seen to affect, their professional judgement.

Gifts from suppliers or contractors:

- Gifts from suppliers, including pharmaceutical companies or contractors doing business (or likely to do business) with the organisation should be declined, whatever their value.
- Low cost branded promotional aids such as pens or post-it notes may, however, be accepted where they are under the value of £6³ in total.
- Staff should declare all gifts (accepted or declined) from suppliers or contractors. However, the gifts register will only publish gifts over the value of £6.

Gifts from other sources (e.g. patients, families, service users):

- Gifts of cash and vouchers to individuals should always be declined.
- Staff should not ask for any gifts.
- Gifts valued at over £30 should be treated with caution and only be accepted on behalf of Cheshire and Wirral Partnership NHS Foundation Trust with supporting information about how such gifts should be received into CWP Charitable fund not in a personal capacity. These must be declared by staff.
- Modest gifts accepted under a value of £30, should be declared (accepted or declined), but will not be published as part of the gifts register.
- A common sense approach should be applied to the valuing of gifts (using an actual amount, if known, or an estimate that a reasonable person would make as to its value).
- Multiple gifts from the same source over a 12 month period should be treated in the same way as single gifts over £30 where the cumulative value exceeds £30.

11.10.1.1 What should be declared

- Staff name and their role with the organisation.
- A description of the nature and value of the gift, including its source.
- Date of receipt.
- Any other relevant information (e.g. circumstances surrounding the gift, action taken to mitigate against a conflict, details of any approvals given to depart from the terms of this policy).

11.10.2 Hospitality

- Staff are encouraged not to accept hospitality.
- Staff should not in any circumstance ask for or accept hospitality that may affect, or be seen to affect, their professional judgement.
- Hospitality may only be accepted when there is a legitimate business reason and it is proportionate to the nature and purpose of the event.

³ The £6 value has been selected with reference to existing industry guidance issued by the ABPI:
<http://www.pmcpcpa.org.uk/thecode/Pages/default.aspx>

- Particular caution should be exercised when hospitality is offered by actual or potential suppliers or contractors. This may be accepted, and must be declared, if modest and reasonable. Senior approval must be obtained.

Meals and refreshments:

- Under a value of £25 - may be accepted, must be declared, but will not be published.
- Up to a value of £75⁴ - may be accepted, must be declared, and will be published.
- Over a value of £75 - should be refused unless (in exceptional circumstances) senior approval is given. A clear reason should be recorded on the organisation's register(s) of interest as to why it was permissible to accept. This must be declared and will be published.
- A common sense approach should be applied to the valuing of meals and refreshments (using an actual amount, if known, or a reasonable estimate).

Travel and accommodation:

- Modest offers to pay some or all of the travel and accommodation costs related to attendance at events may be accepted and must be declared.
- Offers which go beyond modest, or are of a type that the organisation itself might not usually offer, need approval by senior staff, should only be accepted in exceptional circumstances, and must be declared. A clear reason should be recorded on the organisation's register(s) of interest as to why it was permissible to accept travel and accommodation of this type. A non-exhaustive list of examples includes:
 - offers of business class or first class travel and accommodation (including domestic travel)
 - offers of foreign travel and accommodation.

11.10.2.1 What should be declared

- Staff name and their role with the organisation.
- The nature and value of the hospitality including the circumstances.
- Date of receipt.
- Any other relevant information (e.g. action taken to mitigate against a conflict, details of any approvals given to depart from the terms of this policy).

11.10.3 Outside Employment

- Staff should declare any existing outside employment on appointment and any new outside employment when it arises.
- Where a risk of conflict of interest arises, the general management actions outlined in this policy should be considered and applied to mitigate risks.
- Where contracts of employment or terms and conditions of engagement permit, staff may be required to seek prior approval from the organisation to engage in outside employment.

The organisation may also have legitimate reasons within employment law for knowing about outside employment of staff, even when this does not give rise to risk of a conflict.

⁴ The £75 value has been selected with reference to existing industry guidance issued by the ABPI
<http://www.pmcpa.org.uk/thecode/Pages/default.aspx>

11.10.3.1 What should be declared

- Staff name and their role with the organisation.
- The nature of the outside employment (e.g. who it is with, a description of duties, time commitment).
- Relevant dates.
- Other relevant information (e.g. action taken to mitigate against a conflict, details of any approvals given to depart from the terms of this policy).

11.10.4 Shareholdings and other ownership issues

- Staff should declare, as a minimum, any shareholdings and other ownership interests in any publicly listed, private or not-for-profit company, business, partnership or consultancy which is doing, or might be reasonably expected to do, business with the organisation.
- Where shareholdings or other ownership interests are declared and give rise to risk of conflicts of interest then the general management actions outlined in this policy should be considered and applied to mitigate risks.
- There is no need to declare shares or securities held in collective investment or pension funds or units of authorised unit trusts.

11.10.4.1 What should be declared

- Staff name and their role with the organisation.
- Nature of the shareholdings/other ownership interest.
- Relevant dates.
- Other relevant information (e.g. action taken to mitigate against a conflict, details of any approvals given to depart from the terms of this policy).

11.10.5 Patents

- Staff should declare patents and other intellectual property rights they hold (either individually, or by virtue of their association with a commercial or other organisation), including where applications to protect have started or are ongoing, which are, or might be reasonably expected to be, related to items to be procured or used by the organisation.
- Staff should seek prior permission from the organisation before entering into any agreement with bodies regarding product development, research, work on pathways etc, where this impacts on the organisation's own time, or uses its equipment, resources or intellectual property.
- Where holding of patents and other intellectual property rights give rise to a conflict of interest then the general management actions outlined in this policy should be considered and applied to mitigate risks.

11.10.5.1 What should be declared

- Staff name and their role with the organisation.
- A description of the patent.
- Relevant dates.
- Other relevant information (e.g. action taken to mitigate against a conflict, details of any approvals given to depart from the terms of this policy)

11.10.6 Loyalty interests

Loyalty interests should be declared by staff involved in decision making where they:

- Hold a position of authority in another NHS organisation or commercial, charity, voluntary, professional, statutory or other body which could be seen to influence decisions they take in their NHS role.
- Sit on advisory groups or other paid or unpaid decision making forums that can influence how an organisation spends taxpayers' money.
- Are, or could be, involved in the recruitment or management of close family members and relatives, close friends and associates, and business partners.
- Are aware that their organisation does business with an organisation in which close family members and relatives, close friends and associates, and business partners have decision making responsibilities.

11.10.6.1 What should be declared

- Staff name and their role with the organisation.
- Nature of the loyalty interest.
- Relevant dates.
- Other relevant information (e.g. action taken to mitigate against a conflict, details of any approvals given to depart from the terms of this policy).

11.10.7 Donations

- Donations made by suppliers or bodies seeking to do business with the organisation should be treated with caution and not routinely accepted. In exceptional circumstances they may be accepted but should always be declared. A clear reason should be recorded as to why it was deemed acceptable, alongside the actual or estimated value.
- Staff should not actively solicit charitable donations unless this is a prescribed or expected part of their duties for the organisation, or is being pursued on behalf of the organisation's own registered charity and is not for their own personal gain.
- Staff must obtain permission from the organisation if in their professional role they intend to undertake fundraising activities on behalf of a pre-approved charitable campaign for a charity other than the organisation's own.
- Donations, when received, should be made to a specific charitable fund (never to an individual) and a receipt should be issued.
- Staff wishing to make a donation to a charitable fund in lieu of receiving a professional fee may do so, subject to ensuring that they take personal responsibility for ensuring that any tax liabilities related to such donations are properly discharged and accounted for.

11.10.7.1 What should be declared

- The organisation will maintain records in line with the above principles and rules and relevant obligations under charity law.

11.10.8 Sponsored events

- Sponsorship of events by appropriate external bodies will only be approved if a reasonable person would conclude that the event will result in clear benefit to the organisation and the NHS.
- During dealings with sponsors there must be no breach of patient or individual confidentiality or data protection rules and legislation.

- No information should be supplied to the sponsor from which they could gain a commercial advantage, and information which is not in the public domain should not normally be supplied.
- At the organisation's discretion, sponsors or their representatives may attend or take part in the event but they should not have a dominant influence over the content or the main purpose of the event.
- The involvement of a sponsor in an event should always be clearly identified.
- Staff within the organisation involved in securing sponsorship of events should make it clear that sponsorship does not equate to endorsement of a company or its products and this should be made visibly clear on any promotional or other materials relating to the event.
- Staff arranging sponsored events must declare this to the organisation.

11.10.8.1 What should be declared

- The organisation will maintain records regarding sponsored events in line with the above principles and rules.

11.10.9 Sponsored research

- Funding sources for research purposes must be transparent.
- Any proposed research must go through the relevant health research authority or other approvals process.
- There must be a written protocol and written contract between staff, the organisation, and/or institutes at which the study will take place and the sponsoring organisation, which specifies the nature of the services to be provided and the payment for those services.
- The study must not constitute an inducement to prescribe, supply, administer, recommend, buy or sell any medicine, medical device, equipment or service.
- Staff should declare involvement with sponsored research to the organisation.

11.10.9.1 What should be declared

- The organisation will retain written records of sponsorship of research, in line with the above principles and rules.
- Staff should declare:
 - their name and their role with the organisation.
 - Nature of their involvement in the sponsored research.
 - relevant dates.
 - Other relevant information (e.g. what, if any, benefit the sponsor derives from the sponsorship, action taken to mitigate against a conflict, details of any approvals given to depart from the terms of this policy).

11.10.10 Sponsored posts

- External sponsorship of a post requires prior approval from the organisation.
- Rolling sponsorship of posts should be avoided unless appropriate checkpoints are put in place to review and withdraw if appropriate.
- Sponsorship of a post should only happen where there is written confirmation that the arrangements will have no effect on purchasing decisions or prescribing and dispensing habits. This should be audited for the duration of the sponsorship. Written agreements should detail the circumstances under which organisations have the ability to exit sponsorship arrangements if conflicts of interest which cannot be managed arise.
- Sponsored post holders must not promote or favour the sponsor's products, and information about alternative products and suppliers should be provided.

- Sponsors should not have any undue influence over the duties of the post or have any preferential access to services, materials or intellectual property relating to or developed in connection with the sponsored posts.

11.10.10.1 What should be declared

- The organisation will retain written records of sponsorship of posts, in line with the above principles and rules.
- Staff should declare any other interests arising as a result of their association with the sponsor, in line with the content in the rest of this policy.

11.10.11 Clinical private practice

Clinical staff should declare all private practice on appointment, and/or any new private practice when it arises⁵ including:

- Where they practice (name of private facility).
- What they practise (specialty, major procedures).
- When they practise (identified sessions/time commitment).

Clinical staff should (unless existing contractual provisions require otherwise or unless emergency treatment for private patients is needed):

- Seek prior approval of their organisation before taking up private practice.
- Ensure that, where there would otherwise be a conflict or potential conflict of interest, NHS commitments take precedence over private work.⁶
- Not accept direct or indirect financial incentives from private providers other than those allowed by Competition and Markets Authority guidelines:

https://assets.publishing.service.gov.uk/media/542c1543e5274a1314000c56/Non-Divestment_Order_amended.pdf

Hospital Consultants should not initiate discussions about providing their Private Professional Services for NHS patients, nor should they ask other staff to initiate such discussions on their behalf.

11.10.11.1 What should be declared

- Staff name and their role with the organisation.
- A description of the nature of the private practice (e.g. what, where and when staff practise, sessional activity, etc).
- Relevant dates.
- Any other relevant information (e.g. action taken to mitigate against a conflict, details of any approvals given to depart from the terms of this policy).

11.11 Management of interests – advice in specific contexts

11.11.1 Strategic decision making groups

In common with other NHS bodies Cheshire and Wirral Partnership NHS Foundation Trust uses a variety of different groups to make key strategic decisions about things such as:

- Entering into (or renewing) large scale contracts.
- Awarding grants.

⁵ Hospital Consultants are already required to provide their employer with this information by virtue of Para.3 Sch. 9 of the Terms and Conditions – Consultants (England) 2003: https://www.bma.org.uk/-/media/files/pdfs/practical_advice_at_work/contracts/consultanttermsandconditions.pdf

⁶ These provisions already apply to Hospital Consultants by virtue of Paras.5 and 20, Sch. 9 of the Terms and Conditions – Consultants (England) 2003: https://www.bma.org.uk/-/media/files/pdfs/practical_advice_at_work/contracts/consultanttermsandconditions.pdf

- Making procurement decisions.
- Selection of medicines, equipment, and devices.

The interests of those who are involved in these groups should be well known so that they can be managed effectively. For this organisation these groups are:

- Board of Directors
- Remuneration and Nominations Committee
- Audit Committee
- Council of Governors
- Quality Committee
- Operational Committee
- Business Development and Information Sub-Committee
- Health & Safety Sub-Committee
- Emergency Planning Sub-Committee
- People & Organisational Development Sub-Committee
- Infection, Prevention & Control Sub-Committee
- Patient Safety & Effectiveness Sub-Committee
- Trustwide Safeguarding Sub-Committee
- Patient & Carer Experience Sub-Committee

These groups should adopt the following principles:

- Chairs should consider any known interests of members in advance, and begin each meeting by asking for declaration of relevant material interests.
- Members should take personal responsibility for declaring material interests at the beginning of each meeting and as they arise.
- Any new interests identified should be added to the organisation's register(s).
- The Vice Chair (or other non-conflicted member) should chair all or part of the meeting if the Chair has an interest that may prejudice their judgement.

If a member has an actual or potential interest the Chair should consider the following approaches and ensure that the reason for the chosen action is documented in minutes or records:

- Requiring the member to not attend the meeting.
- Excluding the member from receiving meeting papers relating to their interest.
- Excluding the member from all or part of the relevant discussion and decision.
- Noting the nature and extent of the interest, but judging it appropriate to allow the member to remain and participate.
- Removing the member from the group or process altogether.

The default response should not always be to exclude members with interests, as this may have a detrimental effect on the quality of the decision being made. Good judgement is required to ensure proportionate management of risk.

11.11.2 Procurement

Procurement should be managed in an open and transparent manner, compliant with procurement and other relevant law, to ensure there is no discrimination against or in favour of any provider. Procurement processes should be conducted in a manner that does not constitute anti-competitive behaviour - which is against the interest of patients and the public.

Those involved in procurement exercises for and on behalf of the organisation should keep records that show a clear audit trail of how conflicts of interest have been identified and managed as part of procurement processes. At every stage of procurement steps should be taken to identify and manage conflicts of interest to ensure and to protect the integrity of the process.

11.12 Dealing with breaches

There will be situations when interests will not be identified, declared or managed appropriately and effectively. This may happen innocently, accidentally, or because of the deliberate actions of staff or other organisations. For the purposes of this policy these situations are referred to as 'breaches'.

11.12.1 Identifying and reporting breaches

Staff who are aware about actual breaches of this policy, or who are concerned that there has been, or may be, a breach, should report these concerns to Head of Corporate Affairs on 01244 39 7469

Any concerns of fraud, bribery and/or corruption should be reported to either the Trust's local Anti-Fraud Specialist, Phillip Leong (0151 285 4531 / phillip.leong@miaa.nhs.uk) or the national NHS Fraud and Corruption Reporting Line 08000 28 40 60 (Freephone 24 hours) also available online at: <https://cfa.nhs.uk/reportfraud>.

To ensure that interests are effectively managed staff are encouraged to speak up about actual or suspected breaches. Every individual has a responsibility to do this. For further information about how concerns should be raised:

<http://nww.cwp.nhs.uk/Documents/PoliciesandProcedure/HR3.8%20How%20to%20raise%20and%20escalate%20concerns%20within%20work%20incorporating%20whistleblowing%20policy.pdf>

The organisation will investigate each reported breach according to its own specific facts and merits, and give relevant parties the opportunity to explain and clarify any relevant circumstances.

Following investigation the organisation will:

- Decide if there has been or is potential for a breach and if so what the severity of the breach is.
- Assess whether further action is required in response – this is likely to involve any staff member involved and their line manager, as a minimum.
- Consider who else inside and outside the organisation should be made aware
- Take appropriate action as set out in the next section.

11.12.2 Taking action in response to breaches

Action taken in response to breaches of this policy will be in accordance with CWP's Disciplinary Policy and Procedure and could involve organisational leads for staff support (e.g. Human Resources), fraud (e.g. Local Anti-Fraud Specialists), members of the management or executive teams and organisational auditors.

Breaches could require action in one or more of the following ways:

- Clarification or strengthening of existing policy, process and procedures.
- Consideration as to whether formal action should be taken against staff or others.

- Consideration being given to escalation to external parties. This might include referral of matters to external auditors, the local Anti-Fraud Specialist, the NHS Counter Fraud Authority (NHSCFA) , the Police, statutory health bodies (such as NHS England, NHS Improvement or the CQC), and/or health professional regulatory bodies.

Inappropriate or ineffective management of interests can have serious implications for the organisation and staff. There will be occasions where it is necessary to consider the imposition of sanctions for breaches.

Sanctions should not be considered until the circumstances surrounding breaches have been properly investigated. However, if such investigations establish wrong-doing or fault then the organisation can and will consider the range of possible sanctions that are available, in a manner which is proportionate to the breach. This includes:

- Disciplinary action against staff, which might include:
 - Informal action (such as reprimand, or signposting to training and/or guidance).
 - Formal disciplinary action (such as formal warning, the requirement for additional training, re-arrangement of duties, re-deployment, demotion, or dismissal).
- Reporting incidents to the external parties described above for them to consider what further investigations or sanctions might be.
- Contractual action, such as exercise of remedies or sanctions against the body or staff which caused the breach.
- Legal action, such as investigation and prosecution under fraud, bribery and corruption legislation including:
 - Fraud by false representation or Fraud by failing to disclose information or Fraud by abuse of position, contrary to the Fraud Act 2006, carrying a maximum sentence of 10 years imprisonment and/or a fine; and
 - Giving, promising or offering a bribe or requesting, agreeing to receive or accepting a bribe, contrary to the Bribery Act 2010, carrying a maximum sentence of 10 years imprisonment and/or a fine.

11.12.3 Learning and transparency concerning breaches

Reports on breaches, the impact of these, and action taken will be considered by the Head of Corporate Affairs in conjunction with other relevant staff as and when required

To ensure that lessons are learnt and management of interests can continually improve, anonymised information on breaches, the impact of these, and action taken will be prepared and published as appropriate, or made available for inspection by the public upon request.

11.13 Review

This policy will be reviewed every three years unless an earlier review is required. This will be led by the Head of Corporate Affairs.

11.14 Associated documentation

Public Interest Disclosure Act 1998
 Freedom of Information Act 2000
 Fraud Act 2006
 Bribery Act 2010

ABPI: The Code of Practice for the Pharmaceutical Industry (2014)
ABHI Code of Business Practice
NHS Code of Conduct and Accountability (July 2004)
CG1 Fraud, Bribery and Corruption Policy issue 4
HR3.3 Trust Disciplinary Policy and Procedure
HR3.8 How to Raise Concerns within Work incorporating Whistleblowing Policy.

12 Standing Orders for the Council of Governors

These Standing Orders for the Practice and Procedures of the Council of Governors are the standing orders referred to in paragraph 15 of the Constitution. They may be amended in accordance with the procedure set out in Standing Order 19 below. If there is any conflict between these Standing Orders and the Constitution, the Constitution shall prevail.

12.1 MEETINGS

Meetings of the Council shall be held at regular intervals, at least four times per year, including the Annual Governors' Meeting, at such times and places as the Chair may determine. The Secretary will publish the dates, times and locations of meetings of the Council for the year 6 months in advance. Other, or emergency, meetings of the Council may be called in accordance with the Constitution.

'Communication' and 'electronic communication' shall have the meanings as set out in the Electronic Communications Act 2000 or any statutory modification or re-enactment thereof.

A Governor in electronic communication with the Chair and all other parties to a meeting of the Council or of a committee of the Council shall be regarded for all purposes as being present and personally attending such a meeting provided that, and only for so long as, at such a meeting he has the ability to communicate interactively and simultaneously with all other parties attending the meeting including all persons attending by way of electronic communication.

A meeting at which one or more of the Governors attends by way of electronic communication shall be deemed to be held at such place at which the Chair is physically present.

Meetings held in accordance with this SO are subject to SO 4.12. For such a meeting to be valid, a quorum must be present and maintained throughout the meeting.

The minutes of a meeting held in this way must state that it was held (whether wholly or partly) by electronic communication and that the Governors were all able to hear each other and were present throughout the meeting.

12.2 AGENDAS AND PAPERS

An agenda, copies of any agenda items on notice and/or motions on notice to be considered at the relevant Meeting and any supporting papers shall be sent to each Governor so as to arrive with each Governor normally no later than 7 days in advance of each Meeting. Minutes of the previous Meeting will be circulated with these papers for approval and this will be a specific agenda item.

12.3 REPORTS FROM THE EXECUTIVE DIRECTORS

At any Meeting a Governor may ask any question through the Chair without notice on any report by an Executive Director, or other officer of the Foundation Trust,

after that report has been received by or while such report is under consideration by the Council at the Meeting. Unless the Chair decides otherwise no statements will be made other than those which are strictly necessary to define any question posed and in any event no statements will be allowed to last longer than 3 minutes each. A Governor who has put such a question may also put one supplementary question if the supplementary question arises directly out of the reply given to the initial question. The Chair may, in its absolute discretion, reject any question from any Governor if in the opinion of the Chair the question is substantially the same and relates to the same subject matter as a question which has already been put to that Meeting or a previous Meeting. At the absolute discretion of the Chair, questions may, at any Meeting which is held in public, be asked of the Executive Directors present by Members of the Foundation Trust or any other members of the public present at the Meeting.

12.4 AGENDA ITEM ON NOTICE AT MEETINGS

Subject to the provisions of Standing Order 7, a Governor may ask for an Agenda item on Notice of:

- (a) the Chair;
- (b) another Governor;
- (c) an Executive Director of the Foundation Trust;
- (d) the chair of any sub-committee or working group of the Council.

12.5 NOTICE OF AGENDA ITEM

Notice of an Agenda item on Notice must be given in writing to the Secretary at least 14 days prior to the relevant Meeting. For the purposes of this Standing Order 7, receipt of any such Agenda item on Notice via electronic means is acceptable.

12.6 RESPONSE TO AN AGENDA ITEM ON NOTICE

An answer to an Agenda item on Notice may take the form of:

- (a) a direct oral answer at the relevant Meeting (which may, where the desired information is in a publication of the Foundation Trust or other published work, take the form of a reference to that publication);

(b) where the reply cannot conveniently be given orally at the relevant Meeting, a written answer which will be circulated as soon as reasonably practicable to the questioner and to the other Governors with the agenda for the next Meeting; or

(c) a brief oral answer at the relevant Meeting supplemented by a written answer circulated as soon as reasonably practicable to the questioner and to the other Governors with the agenda for the next Meeting.

12.7 SUPPLEMENTARY QUESTIONS IN RESPECT OF AN AGENDA ITEM ON NOTICE

Supplementary questions for the purpose of clarification of a reply to an Agenda item on Notice may be asked at the absolute discretion of the Chair.

12.8 MOTIONS ON NOTICE

- (a) Notice

Subject to Standing Order 11, a motion may only be submitted by Governors and must be received by the Secretary in writing at least 14 days prior to the Meeting at which it is proposed to be considered, together with any relevant supporting papers. Except for motions which can be moved without notice under Standing Order 11, the notice of every motion must be signed or transmitted by at least two Governors. For the purposes of this Standing Order 10, receipt of any such motions via electronic means is acceptable. All motions received by the Secretary will be acknowledged by the Secretary in writing to the Governors who have signed or transmitted the same.

(b) Scope

Motions may only be about matters for which the Council has a responsibility or which affect the services provided by the Foundation Trust.

12.9 MOTIONS WITHOUT NOTICE

The following motions may be moved at any Meeting without notice:

- (a) in relation to the accuracy of the minutes of the previous Meeting;
- (b) to change the order of business in the agenda for the Meeting;
- (c) to refer a matter discussed at a Meeting to an appropriate body or individual;
- (d) to appoint a working group arising from an item on the agenda for the Meeting;
- (e) to receive reports or adopt recommendations made by the Board of Directors;
- (f) to withdraw a motion;

- (g) to amend a motion;
- (h) to proceed to the next business on the agenda;
- (i) that the question be now put;
- (j) to adjourn a debate;
- (k) to adjourn a Meeting;
- (l) to suspend a particular Standing Order contained within these Standing Orders (provided that any Standing Order may only be suspended if at least one half of the aggregate number of Governors are present at the Meeting in question and provided also that the Standing Order in question may only be suspended for the duration of the Meeting in question);
- (m) to exclude the public and press from the Meeting in question (the motion shall be "To exclude the press and public from the remainder of the Meeting, owing to the confidential nature of the business to be transacted.");
- (n) to not hear further from a Governor, or to exclude them from the Meeting in question (if a Governor persistently disregards the ruling of the Chair or behaves improperly or offensively or deliberately obstructs business, the Chair, in its absolute discretion, may move that the Governor in question be not heard further at the Meeting in question. If seconded, the motion will be voted on without discussion. If the Governor continues to behave improperly after such a motion is carried, the Chair may move that either the Governor leaves the meeting room or that the Meeting in question is adjourned for a specified period. If seconded, the motion will be voted on without discussion);
- (o) to give the consent of the Council to any matter where its consent is required pursuant to the Constitution.

12.10 URGENT MOTIONS AND AGENDA ITEMS

Urgent motions or agenda items may only be submitted by a Governor and must be received by the Secretary in writing before the commencement of the Meeting in question. The Chair shall decide whether the motion or agenda item in question should be tabled.

12.11 ANY OTHER BUSINESS

There will not be an agenda item entitled "Any Other Business". Instead, there will be an item for "Motions or Agenda Items on Notice", (which are subject to the other provisions of these Standing Orders). There will be another item for "Urgent Motions or Agenda Items", (which are subject to Standing Order 12).

12.12 SPEAKING

This Standing Order applies to all forms of speech/debate by Governors or Members of the Foundation Trust and the public in relation to the motion or question under discussion at a Meeting.

(a) Content and Length of Speeches

Any approval to speak must be given by the Chair. Speeches must be directed to the matter, motion or question under discussion or to a point of order. Unless in the

opinion of the Chair it would not be desirable or appropriate to time limit speeches on any topic to be discussed having regard to its nature complexity or importance, no proposal, speech, nor any reply, may exceed three minutes. In the interests of time the Chair may, in its absolute discretion, limit the number replies questions or speeches which are heard at any one Meeting.

(b) When a person may speak again

A person who has already spoken on a matter at a Meeting may not speak again at that Meeting in respect of the same matter, except:

(i) in exercise of a right of reply;

(ii) on a point of order.

(c) Identification

All speakers must state their name and role before starting to speak to ensure the accuracy of the minutes.

12.13 VOTING

All questions put to the vote shall, at the discretion of the Chair, be decided by a show of hands. A paper ballot may be used if a majority of the Governors present so request.

12.14 ATTENDANCE

Governors who are unable to attend a Meeting shall notify the Secretary in writing in advance of the Meeting in question so that their apologies may be submitted.

12.15 QUORUM

The quorum for a Meeting will be as set out in the Constitution.

12.16 CHAIR

The arrangements for presiding at or chairing meetings of the Council of Governors are set out in the Constitution.

12.17 AMENDMENTS TO STANDING ORDERS

These Standing Orders may only be amended at a Meeting. A motion to change the Standing Orders must be signed by five Governors and submitted to the Secretary in writing at least 21 days before the Meeting at which the motion is intended to be proposed.

12.18 DISPUTE BETWEEN THE COUNCIL AND THE BOARD

Subject to paragraph 15A of this Constitution, in the event of any unresolved dispute between the Council and the Board, the Chair or the Secretary may arrange for independent professional advice to be obtained for the Foundation Trust. The Chair may also initiate an independent review to investigate and make recommendations in respect of how the dispute may be resolved.

Disclosure of interests Material interests

The Trust recognises that, as volunteers, Governors may have private interests that could conflict with those of the Trust. It is the responsibility of Governors to ensure that any potential conflicts of interest are registered and declared at meetings in accordance with this standing order and paragraph 16 of the constitution.

Governors must declare interests which are relevant and material to the Council. All existing Governors should declare such interests. Any Governors appointed subsequently should do so on appointment.

Interests which should be regarded as “relevant and material” are to be interpreted in accordance with any guidance issued by Monitor and 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 & Social Care
- (c) Majority or controlling shareholdings in organisations likely or possibly seeking to do business with the NHS & Social Care
- (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 & Social Care
- (f) To the extent not covered above, any 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

At the time Governor's interests are declared they should be recorded in the Council register of interests and in the minutes of the relevant meeting at which the declaration is made. Any changes in interests should be declared at the next meeting following the change occurring.

Governors' directorships of companies likely or possibly seeking to do business with the NHS should be published in the annual report. The information should be kept up to date for inclusion in succeeding annual reports.

During the course of a meeting of the Council, if a conflict of interest is established, the Governor concerned should withdraw from the meeting and play no part in the relevant discussion or decision.

The interests of Governors' spouses or partners if living together, in contracts are to be declared. If Governors have any doubt about the relevance of an interest, this should be discussed with the Chairman. 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.

Register of Interests

The Head of Corporate Affairs will ensure that a register of interests is established to record formally declarations of interests of Governors. In particular the register will include details of all directorships and other relevant and material interests which have been declared by Governors.

The Head of Corporate Affairs shall keep these details up to date by means of an annual review of the register, for which Governors will be required to complete a further declaration.

It is the responsibility of each Governor to provide an update to the Trust Secretary of their register entry if their interests change.

The register will be available to the public and the Head of Corporate Affairs will take reasonable steps to bring the existence of the register to the attention of the local population and to publicise arrangements for viewing it.

In establishing, maintaining, updating and publicising the register, the Trust shall comply with all guidance issued from time to time by the Monitor.

Interests of Relatives, Spouses and Partners

A Governor is required to declare, as if it was their own interest, interests owned or otherwise held by:

- (a) Their spouse or civil partner
- (b) Any person with whom they have a long-term relationship as a couple on a domestic basis
- (c) Their children, step-children or other minors living in the same household as them
- (d) Any parent, grandparent, uncle or aunt living in the same household as them

Where a declaration is made, the Governor shall declare and the Trust Secretary shall note on the Register:

- (a) The name of the individual having the interest
- (b) Their relationship to the Governor making the declaration.

Interest of Governors in Contracts

If it comes to the knowledge of a Governor that a contract in which he has any pecuniary interest not being a contract to which he is himself a party, has been, or is proposed to be, entered into by the Trust he shall, at once, give notice in writing to the Head of Corporate Affairs of the fact that he is interested therein. In the case of persons living together as partners, the interest of one partner shall, if known to the other, be deemed to be also the interest of that partner. A Governor should also declare to the Head of Corporate Affairs any other employment or business or other relationship of his, or of a cohabiting spouse, civil partner or person living together with them as partner, that conflicts or might reasonably be predicted could conflict with the interests of the Trust. Interests, employment or relationships declared, are to be entered in a register of Governor's interests.

Definitions of Interests

Governors have a general duty to declare all interests, including non-financial ones. Governors should particularly declare:

- (a) All employment relationships
- (b) All self-employments, where the clients have a relationship with Health and Social Care bodies
- (c) All holdings in limited companies where the holding is above 5%
- (d) All positions of responsibility in organisations with an interest in the NHS, including Directorships, Committee office, or similar.

Pecuniary interests

The following definition of terms is to be used in interpreting this Standing Order: "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) "contract" shall include any proposed contract or other course of dealing.

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:

- 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
- 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.

Any Governor who has any pecuniary interest, direct or indirect, in any contract, proposed contract or other matter and is present at a meeting of the Council of Governors at which the contract or other matter is the subject of consideration, they shall at the meeting and as soon as practicable after its commencement disclose

the fact and shall not take part in the consideration or discussion of the contract or other matter of vote on any question with respect to it.

The Council of Governors may exclude the Chair or a member of the Council from a meeting while any contract, proposed contract or other matter in which they have a pecuniary interest is under consideration.

Any remuneration, compensation or allowance payable to the Chair or a Governor shall not be treated as a pecuniary interest for the purpose of this Standing Order.

This Standing Order applies to a committee or subcommittee and to a joint committee or subcommittee as it applies to the Foundation Trust and applies to a member of any such committee or subcommittee (whether or not they are also a member of the Foundation Trust) as it applies to a Governor of the Foundation Trust.

Exception to Pecuniary interests

A person shall not be regarded as having a pecuniary interest in any contract if: 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 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 those securities of any company in which they (or any person connected with them) has a beneficial interest do not exceed two per cent of the total issued share capital of the company or of the relevant class of such capital, whichever is the less. However the person shall nevertheless be obliged to disclose/declare their interests in accordance with Standing Order 12.24.1.

Code of Conduct

Governors must comply with the Foundation Trust's Code of Conduct for Governors.

Committees appointed by the Council

The Council of Governors may not delegate any of its powers to a committee or subcommittee, but it may appoint committees consisting of its members, Directors and other persons to assist the Council of Governors in carrying out its functions. The Council of Governors may, through the Secretary, request that advisors assist them or any committee they appoint in carrying out its duties.

All decisions taken in good faith at a meeting of the Council of Governors or of any committee shall be valid even if it is discovered subsequently that there was a defect in the calling of the meeting, or the appointment of the Governor attending the meeting.

In making any recommendations, a committee must have due regard to the established policies of the Council and shall not depart from them without due reason and consideration. Any such departure and the reason for it shall be drawn to the attention of the Council at the earliest opportunity.

The Council requires its committee to refer back to them for a decision.

In consideration of any recommendations a committee: must comply with the Foundation Trust's Standing Financial Instructions, Standing Orders and written procedures and specific reference to the relevant sections of these documents should be made must comply with any statutory provisions or requirements.

In cases of doubt or difficulty and/or where no policy guidelines exist, decisions should be referred back to the Council.

Compliance with Standing Orders

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 Council for action or ratification. All members of the Council of Governors and Trust staff have a duty to disclose any non-compliance with these Standing Orders to the Chief Executive as soon as possible.

12.2 Suspension of Standing Orders

Except where this would contravene any statutory provision or any direction made by the Secretary of State of the rules relating to quorum, any one or more of the Standing Orders may be suspended provided that at least one half of the aggregate number of Governors are present at the meeting in question and that at least two-thirds of those Governors present signify their agreement to such suspension.

The reason for the suspension shall be recorded in the Council's minutes.

A separate record of matters discussed during the suspension of Standing Orders shall be made and shall be available to the Chair and members of the Council of Governors. No formal business may be transacted while Standing Orders are suspended.

The Audit Committee shall review every decision to suspend Standing Orders.

13 Procedure for amending the Corporate Governance Manual

Background

This manual sets out how the Trust operates and regulates itself. This is of vital importance in the public sector where the use of public funds and the performance and conduct of the organisation is under constant scrutiny.

Annual Review

The manual will be reviewed annually. It will be reviewed and approved by the Trust's Audit Committee in September each year and thereafter presented to the Board of Directors for adoption at the next available meeting.

All changes to the manual will be approved by the Audit Committee. The approved changes will be clearly highlighted in the updated Manual which is presented for subsequent adoption to the Board of Directors.

Following adoption, the Chief Executive and the Head of Corporate Affairs are responsible for ensuring that all Directors, Governors and Trust staff are made aware of the manual and their responsibilities in respect of it. An up-to-date version of the manual will at all times be available on the Trust's website.

Where there are proposed changes to the manual that require initial review and approval by the Council of Governors, this will be done prior to consideration by the Audit Committee and the Board of Directors.

Care should be taken to ensure that all changes are consistent with the Trust's Constitution. Any proposed changes to the Constitution must first be approved by the Trust's members and NHS Improvement as per paragraph 38 of the Constitution.

Changes to Standing Financial Instructions, Scheme of Delegation of Board powers and associated section or which have financial implications or impact must always be routed through the Trust's Finance Department, where the Senior Financial Controller will ensure all financial aspects of the change are given due consideration and approval. These changes must be subsequently approved by the Operational Board ahead of consideration by the Audit Committee and Board of Directors.

The Head of Corporate Affairs will co-ordinate the submission of Corporate Governance Manual changes for approval to the Audit Committee, the Board of Directors and the Council of Governors as required.

Periodic Updating

The manual will be reviewed annually when necessary changes will be made. However it is recognised that changes may need to be made in-year to reflect legislative, constitutional, operational or other requirements i.e. periodic updating.

In such circumstances the same procedures must be followed, in due order, as specified above in respect of the annual review.