

# HOUNSLOW AND RICHMOND COMMUNITY HEALTHCARE NHS TRUST BOARD

RAINBOW ROOM 2, HEART OF HOUNSLOW  
92 BATH ROAD, HOUNSLOW  
TW3 3EL

FRIDAY 1<sup>st</sup> APRIL 2011  
10.30AM

**Membership of the Board:**

**Non Executive Directors:**

Steve Swords (Chairman)  
Carol Cole  
Pablo Lloyd  
Ajay Mehta  
Judith Rutherford  
Vacancy

**Executive Directors:**

Chief Executive - Richard Tyler  
Director of Quality and Clinical Excellence - Siobhan Gregory  
Director of Finance - David Hawkins  
Director of Operations - Jo Manley  
Medical Director – Daniela Lessing

**Local Improvement Networks (LINKs) members:**

Lew Gray (Hounslow);  
Paul Pegden Smith (Richmond)

**Observers:**

Derek Oliver                      London Borough of Richmond upon Thames  
Michael Marks                    London Borough of Hounslow

**Enquiries:**      To Kate Wilkins, Interim Governance Lead  
**Telephone**      0208 630 7523  
**Email:**            Kate.Wilkins@hounslowpct.nhs.uk

**Issue date: 25<sup>th</sup> March 2011**

STEVE SWORDS  
CHAIRMAN

## **OPEN AGENDA**

### **1. WELCOME AND APOLOGIES**

To consider a verbal report of the Chairman, Steve Swords

### **2. DECLARATIONS OF INTEREST**

If any member of the board has an interest in any of the items on the confidential, closed section of the agenda, they must declare these at, and if necessary withdraw from the meeting.

Copies of the register of interests can be obtained from Kate Wilkins.

### **3. ESTABLISHMENT AND TRANSFER ORDERS**

To consider a report of the Chief Executive, Richard Tyler

### **4. STATUTORY REGISTRATIONS**

To consider a report of the Director of Quality and Clinical Excellence, Siobhan Gregory

### **5. BOARD APPOINTMENTS**

To consider a report of the Chairman, Steve Swords and Chief Executive, Richard Tyler

### **6. STANDING ORDERS, STANDING FINANCIAL INSTRUCTIONS AND SCHEME OF DELEGATION**

To consider a report of the Director of Finance, David Hawkins

### **7. LIST OF OFFICERS AUTHORISED TO AFFIX THE TRUST SEAL**

To consider a report of the Director of Finance, David Hawkins

### **8. BOARD COMMITTEE STRUCTURE AND TERMS OF REFERENCE**

To consider a report of the Director of Quality and Clinical Excellence, Siobhan Gregory

### **9. TRUST POLICIES**

To consider a report of the Director of Quality and Clinical Excellence, Siobhan Gregory

STEVE SWORDS  
CHAIRMAN

**10. STANDARDS OF BUSINESS CONDUCT AND CONFLICTS OF INTEREST POLICY (INCLUDING HOSPITALITY, GIFTS AND SPONSORSHIP POLICY)**

To consider a report of the Chief Executive, Richard Tyler

**11. CODE OF CONDUCT AND CODE OF ACCOUNTABILITY**

To consider a report of the Chief Executive, Richard Tyler

**12. ANY OTHER URGENT BUSINESS**

STEVE SWORDS  
CHAIRMAN

<b>REPORT TITLE:</b>		<b>AGENDA ITEM:</b>
<b>ESTABLISHMENT ORDER AND TRANSFER ORDER</b>		3
<b>SUBMITTED TO:</b>	<b>DATE OF MEETING:</b>	<b>PURPOSE OF REPORT:</b>
TRUST BOARD	1 <sup>ST</sup> April 2011	Information
<b>AUTHOR &amp; DESIGNATION:</b>	<b>DIRECTOR LEAD:</b>	<b>PRESENTED BY:</b>
David Lee, Integrated Business Planner	Richard Tyler, Chief Executive	Richard Tyler, Chief Executive
<b>EXECUTIVE SUMMARY:</b>		
The establishment order is the statutory order laid before parliament that establishes Hounslow and Richmond Community Healthcare NHS Trust.		
The transfer order is the legal instrument that transfers identified assets and liabilities from the PCTs to the new Trust.		
<b>RECOMMENDATIONS:</b>		
The Board is asked to receive <ol style="list-style-type: none"> <li>1) the establishment order for Hounslow and Richmond Community Healthcare NHS Trust, statutory instrument 2011 No 799</li> <li>2) the transfer order</li> </ol>		
<b>FOR FURTHER INFORMATION CONTACT:</b>		
<b>Name:</b> David Lee	<b>Title:</b> Integrated Business Planner	
<b>Email Address:</b> <a href="mailto:david.lee@hrch.nhs.uk">david.lee@hrch.nhs.uk</a>	<b>Telephone number :</b> 020 8973 3132	
<b>Has an Equality Impact Assessment (EIA) been completed?</b>		
EIAs should be undertaken to quality assure existing services; when changes are being made to a policy or service or as part of a staff reorganisation. Further information on EIAs is available from the corporate affairs office.		
If an EIA has been completed please attach to the report.		
<b>EIA Completed:</b>	<b>Y/N or Not Applicable</b>	
These statutory orders are subject to departmental level EIA processes		
<b>Legal or Financial Implications:</b>		
These orders are statutory documents laid before parliament		
<b>CQC Evidence:</b>	If so which regulation does it apply to	
Yes	16	

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STATUTORY INSTRUMENTS

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**2011 No. 799**

**NATIONAL HEALTH SERVICE, ENGLAND**

**The Hounslow and Richmond Community Healthcare  
National Health Service Trust (Establishment) Order 2011**

*Made* - - - - *14th March 2011*

*Coming into force* - - *1st April 2011*

The Secretary of State for Health makes the following Order in exercise of the powers conferred by sections 25(1) and 272(7) and (8) of, and paragraph 5 of Schedule 4 to, the National Health Service Act 2006<sup>(1)</sup>.

The Secretary of State for Health makes this Order following the completion of the consultation prescribed under section 25(3) of the National Health Service Act 2006<sup>(2)</sup>.

**Citation, commencement and interpretation**

1.—(1) This Order may be cited as the Hounslow and Richmond Community Healthcare National Health Service Trust (Establishment) Order 2011 and shall come into force on 1st April 2011.

(2) In this Order—

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

“community health services” means any service which the Secretary of State has a duty to provide under section 3(1)(d) or (e) of, or paragraph 1 or 8 of Schedule 1 to, the Act and any service which the Secretary of State may provide under paragraph 2 or 7A(3) of that Schedule;

“the trust” means the National Health Service trust established by article 2.

**Establishment and name of the trust**

2. There is established a National Health Service trust which shall be called the Hounslow and Richmond Community Healthcare National Health Service Trust.

**Nature and functions of the trust**

3. The trust’s functions shall be to provide goods and services, namely hospital accommodation and services and community health services, for the purposes of the health service.

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(1) 2006 c.41.

(2) See S.I. 2010/743.

(3) Paragraph 7A was inserted by section 143 of the Health and Social Care Act 2008 (c.14) and amended by S.I. 2010/1158 which also amended paragraphs 1 and 2 of that Schedule.

**Directors of the trust**

4.—(1) The trust shall have, in addition to the chairman, 5 executive directors and 5 non-executive directors.

(2) If the Secretary of State suspends the chairman, or a non-executive director of the trust, the number of non-executive directors of the trust shall increase during the period of suspension by the number of persons so suspended.

**Operational date and accounting date of the trust**

5.—(1) The operational date of the trust shall be 1st April 2011.

(2) The accounting date of the trust shall be 31st March.

Signed by authority of the Secretary of State for Health.

14th March 2011

*Simon Burns*  
Minister of State,  
Department of Health

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## EXPLANATORY NOTE

*(This note is not part of the Order)*

This Order establishes a National Health Service trust called the Hounslow and Richmond Community Healthcare National Health Service Trust.

The Order sets out the functions of the trust (article 3), the number of executive and non-executive directors of the trust (article 4), the operational date (the date on which the trust assumes all its functions) and the accounting date of the trust (article 5).

# The Hounslow Primary Care Trust and Richmond and Twickenham Primary Care Trust (Transfer of Property and Liabilities) Order 2011

The Secretary of State for Health makes the following Order in exercise of the powers conferred by section 272(8) of, and paragraph 9 of Schedule 4 to, the National Health Service Act 2006(a).

## Citation, commencement and interpretation

1.—(1) This Order may be cited as the Hounslow Primary Care Trust and Richmond and Twickenham Primary Care Trust (Transfer of Property and Liabilities) Order 2011 and shall come into force on 1st April 2011.

(2) In this Order—

“a direction” means the Hounslow direction or the Richmond and Twickenham direction;

“the Hounslow direction” means the direction given by the Secretary of State dated [ ] identifying the property and liabilities belonging to the Hounslow Primary Care Trust(b) to be transferred to the transferee;

“the Richmond and Twickenham direction” means the direction given by the Secretary of State dated [ ] identifying the property and liabilities belonging to the Richmond and Twickenham Primary Care Trust(c) to be transferred to the transferee;

“the transfer date” means 1st April 2011;

“the transferee” means the Hounslow and Richmond Community Healthcare National Health Service Trust(d);

“transferor” means—

- (a) in relation to the property and liabilities identified in the Hounslow direction, the Hounslow Primary Care Trust; or
- (b) in relation to the property and liabilities identified in the Richmond and Twickenham direction, the Richmond and Twickenham Primary Care Trust.

## Transfer of property and liabilities

2. Subject to articles 4 and 5, on the transfer date, the property and liabilities identified in —

- (a) the Hounslow direction; and
- (b) the Richmond and Twickenham direction;

shall be transferred from the transferor to the transferee.

## Condition of transfer

3. Any documents or records transferred by virtue of this Order to the transferee are transferred subject to the condition that the transferee shall allow the transferor to access, inspect and take copies of those documents or records at all reasonable times on reasonable notice where access to,

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(a) 2006 c. 41.

(b) Established by the Hounslow Primary Care Trust (Establishment) Order 2001, S.I. 2001/3850, to which there are amendments not relevant to this Order.

(c) Established by the Teddington, Twickenham and Hamptons Primary Care Trust (Establishment) Order 2002, S.I. 2001/278, amended by S.I. 2002/1008 to reflect the change of name from Teddington, Twickenham and Hamptons Primary Care Trust to Richmond and Twickenham Primary Care Trust.

(d) Established by the Hounslow and Richmond Community Healthcare National Health Service Trust (Establishment) Order S. I. 2011/\*\*\*\*.



or inspection or the copying of such documents is necessary or incidental to the efficient discharge by the transferor of its functions and obligations.

#### **Apportionment of property and liabilities**

4. Where a direction, either expressly or by implication, requires the apportionment of any property or liabilities identified in the direction, the property or liabilities shall be apportioned—

- (a) as specified in the direction; or
- (b) where the direction contains no provision relating to the apportionment, so that only the property and liabilities which relate to the premises transferred, or for which premises the transferee assumes responsibility for managing, transfer to the transferee and so that the remainder remains with a transferor,

and the property, so far as it consists of rights, and liabilities, shall be modified in each case so far as is necessary to give effect to this apportionment.

#### **Liabilities not transferring**

5. No liability in tort in respect of any claim for damages for death or personal injury caused or alleged to have been caused before the transfer date shall transfer under this Order to the transferee.

#### **Arbitration**

6. Any dispute between a transferor and the transferee arising out of the transfer made by this Order shall be referred for arbitration to a person appointed by the parties, or failing agreement between them, to a person appointed by the Secretary of State.

#### **Compensation: land or assets leased or hired from a third party**

7.—(1) Where any property apportioned in accordance with article 4 falls within paragraph 9(5) of Schedule 4 to the National Health Service Act 2006 and a third party has suffered loss, the Secretary of State may on application, supported by such evidence as the Secretary of State may reasonably require, pay compensation to that third party equal to the amount to any loss which the Secretary of State is satisfied that the third party has suffered.

(2) In paragraph (1), “loss” means financial loss which is a direct and reasonably foreseeable consequence of the apportionment made in accordance with article 4, excluding any loss in respect of which there is a remedy against the transferor or the transferee.

Signed by authority of the Secretary of State for Health

Dated

Member of the Senior Civil Service

Department of Health

**AGENDA ITEM 4**

Hounslow and Richmond   
 Community Healthcare  
NHS Trust

**REPORT TITLE:****STATUTORY REGISTRATIONS****SUBMITTED TO:**

TRUST BOARD

**DATE OF MEETING:**1<sup>st</sup> April 2011**PURPOSE OF REPORT:**

DECISION

**AUTHOR & DESIGNATION:**Kate Wilkins, Interim  
Governance Lead**DIRECTOR LEAD:**Director of Quality and Clinical  
Excellence, Siobhan Gregory**PRESENTED BY:**Director of Quality and Clinical  
Excellence, Siobhan Gregory**EXECUTIVE SUMMARY:**

The Board is updated in respect of the following statutory registrations: CQC; NHSLA; and the following information governance requirements: Data protection registration with the Information Commissioner and the provision of safe haven fax details.

In some cases the Board will be provided with further information at its meeting of the 1<sup>st</sup> April 2011.

**RECOMMENDATIONS:**

That the Board note the report.

## **1. Introduction**

1.1 The Board is updated regarding the following registrations that are required to be in place for the 1<sup>st</sup> April 2011: Care Quality Commission (CQC) registration; registration NHS Litigation Authority (NHSLA); Information Governance requirements as follows: Data Protection Registration; Safe Haven Fax Registration; Registration Authority requirements and registration with the Information Governance Toolkit (IGT).

## **2. Care Quality Commission (CQC)**

Following the Board meeting of the 23<sup>rd</sup> February 2011, application for registration was submitted to the CQC on the 1<sup>st</sup> March 2011. As of the date of writing this report (24<sup>th</sup> March) the CQC has, in a letter dated 18<sup>th</sup> March, only confirmed that the application has been received and that it has been passed to an assessor. This is despite contacting them virtually on a daily basis.

A further update on this application will be provided at the board meeting.

## **3. NHS Litigation Authority (NHSLA)**

The Director of Quality and Clinical Excellence has been in regular contact with the NHSLA. They have confirmed that the Trust will be covered on an interim basis until it has been individually assessed. A further verbal update will be provided at the 1<sup>st</sup> April 2011 board meeting.

## **4. Information governance requirements**

The following information governance requirements are required to be complied with:

### **a. Registration with the Information Commission under the Data Protection Act (DPA) 1998**

The Trust is required to notify the Information Commissioner that it will process personal information in accordance with the eight principles of the DPA and that it will answer subject access requests received from individuals.

The Trust has contacted the Information Commissioner's office (ICO) which has confirmed that registration will begin on receipt of application to them. At the time of writing the application form has been sent to them.

### **b. Registering a Safe Fax Haven with the DH Connecting for Health team.**

The Trust is required to give details of a Safe Haven Fax to the DH Connecting for Health (CfH) team by the 1<sup>st</sup> April 2011. A Safe Haven Fax is a term used to explain either a secure physical location or the agreed set of administrative arrangements that are in place within the organisation to ensure confidential personal information is communicated safely and securely.

The Trust has confirmed the details of its Safe Haven Fax with the CfH team.

### **c. Other information governance requirements:**

#### **i. Registration of HRCH as a registration authority**

HRCH needs to be set up as a “Registration Authority”, that is to say, an entity that is can authorise the issue of smartcards to its staff. The Trust is currently seeking advice as to method and requirements of the registration but it has been confirmed that this registration is not immediately required.

**ii. Registration with the Information Governance Toolkit**

The IG Toolkit is an online system which allows NHS organisations and partners to assess themselves against Department of Health Information Governance policies and standards. HRCH will be required to assess themselves against the toolkit however the DH Connecting for Health team have confirmed that there is no requirement for HRCH to register with the toolkit until after the 1<sup>st</sup> April 2011.

Hounslow and Richmond   
Community Healthcare

NHS Trust

<b>REPORT TITLE: BOARD APPOINTMENTS</b>		<b>AGENDA ITEM</b> 5						
<b>SUBMITTED TO:</b> Trust Board	<b>DATE OF MEETING:</b> 1st April 2011	<b>PURPOSE OF REPORT:</b> Decision						
<b>AUTHOR &amp; DESIGNATION:</b> David Lee, Integrated Business Planner	<b>DIRECTOR LEAD:</b> Richard Tyler, Chief Executive	<b>PRESENTED BY:</b> Stephen Swords and Richard Tyler						
<b>EXECUTIVE SUMMARY:</b> This report sets out a number of formal appointments for the Board to receive and agree.  The Board is also asked to agree a number of proposed lead responsibilities within the Trust.								
<b>RECOMMENDATIONS:</b> The Board is asked to <ol style="list-style-type: none"> <li>1. Receive the decisions of the Appointments Commission and the appointment details of non executive directors</li> <li>2. Agree the appointment of Judith Rutherford as Vice Chairman</li> <li>3. Agree the report on the appointment of the Chief Executive and executive directors</li> <li>4. Agree proposed lead responsibilities as set out in section 5.</li> </ol>								
<b>FOR FURTHER INFORMATION CONTACT:</b>  <table style="width: 100%; border: none;"> <tr> <td style="width: 50%;"><b>Name:</b> David Lee</td> <td style="width: 50%;"><b>Title:</b> Integrated Business Planner</td> </tr> <tr> <td><b>Email Address:</b> <a href="mailto:david.lee@hrch.nhs.uk">david.lee@hrch.nhs.uk</a></td> <td><b>Postal Address:</b> Thames House, 180 High Street, Teddington</td> </tr> <tr> <td><b>Tel. No:</b> 0208 973 3132</td> <td><b>Document/File Location:</b></td> </tr> </table>			<b>Name:</b> David Lee	<b>Title:</b> Integrated Business Planner	<b>Email Address:</b> <a href="mailto:david.lee@hrch.nhs.uk">david.lee@hrch.nhs.uk</a>	<b>Postal Address:</b> Thames House, 180 High Street, Teddington	<b>Tel. No:</b> 0208 973 3132	<b>Document/File Location:</b>
<b>Name:</b> David Lee	<b>Title:</b> Integrated Business Planner							
<b>Email Address:</b> <a href="mailto:david.lee@hrch.nhs.uk">david.lee@hrch.nhs.uk</a>	<b>Postal Address:</b> Thames House, 180 High Street, Teddington							
<b>Tel. No:</b> 0208 973 3132	<b>Document/File Location:</b>							
<b>Has an Equality Impact Assessment (EIA) been completed?</b>  EIAs should be undertaken to quality assure existing services; when changes are being made to a policy or service or as part of a staff reorganisation. Further information on EIAs is available from the corporate affairs office.  If an EIA has been completed please attach to the report.								
<b>EIA Completed:</b> All appointments commission and HRCH appointments are made under HR policies which are compliant with equalities legislation requirements		<b>Y/N or Not Applicable</b>  NA						

## **BOARD APPOINTMENTS**

### **1. Chairman and non executive directors**

The Appointments Commission has confirmed that the following appointments have been made for Hounslow and Richmond Community Healthcare NHS Trust

Chairman	Stephen Swords
Non executive directors	Carol Cole Pablo Lloyd Ajay Mehta Judith Rutherford

The appointment process for the fifth non executive director is proceeding.

### **2. Vice Chairman**

Standing orders provide for the appointment of a Vice Chairman of the Trust Board. The Chairman has proposed that Judith Rutherford be appointed to this position.

### **3. Executive Directors**

The Board is asked to agree the following as executive directors of the Trust

Chief Executive	Richard Tyler
Director of Finance and IM&T	David Hawkins
Director of Quality and Clinical Excellence	Siobhan Gregory*
Medical Director	Dr Daniela Lessing
Director of Operations	Jo Manley

\*\* a registered nurse in accordance with Clause 4 of the National Health Service Trusts (Membership and Procedure) Regulations, 1990)

The Board is also asked to note that Rachael Moench, Director of Human Resources & Organisational Development, will be a full member of the executive team and will attend Board meetings in a non voting capacity.

### **4. Board attendance**

The Board is asked to further note that attendance at Board meetings by the Local Involvement Networks will continue in line with the memorandum of understanding agreed in January 2011. In addition, observer status attendance at Board meetings by our local authority partners will also continue.

### **5. Lead responsibilities**

The Board is asked to agree the following lead responsibilities within the Trust. The allocation of appropriate lead responsibilities for NEDs can proceed when the current appointment process is concluded

	<b>Proposed Director Lead</b>
<b>Statutory or regulatory roles</b>	
Security	JM
Safeguarding Adults and Children	SG
Caldicott Guardian	SG
Infection Control	SG
Counter Fraud	DH
Senior Information Risk Officer	DH
Health & Safety	JM
Fire	JM
Education	SG
Clinical Governance	SG
Emergency Planning	JM
Freedom of Information	SG
Complaints	SG
Energy and Sustainability Champion	JM
Equality and Diversity Champion	RM
Accountable officer - controlled drugs	SG
Accountable officer	RT
<b>Topic specific roles</b>	
Quality	SG
Children's Champion	JM
PEAT / Cleaning	JM
Estates & Property	JM
IM&T	DH
Risk:	
Strategic	SG
Operational	JM
On-Call	JM
Finance	DH
Performance	JM
Workforce	RM
Transformation	RT
Patient Focus	SG
Audit:	
Clinical	SG
Internal	DH
External	DH
Adult Champion	JM
Carers champion	JM

<b>REPORT TITLE:</b>  <b>STANDING ORDERS, STANDING FINANCIAL INSTRUCTIONS AND SCHEME OF DELEGATION</b>		<b>AGENDA ITEM:</b>  6
<b>SUBMITTED TO:</b>  Trust Board	<b>DATE OF MEETING:</b>  1 <sup>st</sup> April 2011	<b>PURPOSE OF REPORT:</b>  Decision
<b>AUTHOR &amp; DESIGNATION:</b>  Kate Wilkins, Interim Governance Lead	<b>DIRECTOR LEAD:</b>  David Hawkins, Director of Finance	<b>PRESENTED BY:</b>  David Hawkins, Director of Finance
<b>EXECUTIVE SUMMARY:</b>  <p>The National Health Service Act 2006 requires that all the powers of a Trust are exercisable by the Board of Directors on its behalf. Standing Orders and the Reservation of Powers to the Board and Scheme of Delegation together with Standing Financial Instructions provide a regulatory and business framework for the conduct of the Board of Directors. In effect, they set the business rules which Board members and officers must follow when taking action on behalf of the Board.</p> <p>The attached standing orders, reservation and delegation of powers and standing financial instructions are based on the DH model. Furthermore they have been considered in detail at Audit Committee and the Audit Committee has recommended that they be approved by the Board.</p>		
<b>RECOMMENDATIONS:</b>  That the Board approve the attached standing orders, reservation and delegation of powers and standing financial instructions.		
<b>FOR FURTHER INFORMATION CONTACT:</b>		
<b>Name:</b> Kate Wilkins		<b>Title:</b> Interim Governance Lead
<b>Email Address:</b>  <a href="mailto:Kate.Wilkins@hounslowpct.nhs.uk">Kate.Wilkins@hounslowpct.nhs.uk</a>		<b>Telephone number</b>  0208 630 7523
<b>EIA Completed:</b>	Y/N or Not Applicable N/A	
<b>Legal or Financial Implications:</b>	Described in summary	
<b>CQC Evidence:</b>	N/A	



**HOUNSLOW AND RICHMOND COMMUNITY  
HEALTHCARE NHS TRUST**

**STANDING ORDERS, RESERVATION AND DELEGATION of  
POWERS and STANDING FINANCIAL INSTRUCTIONS**

**APRIL 2011**

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## SECTION A

### 1. INTERPRETATION AND DEFINITIONS FOR STANDING ORDERS AND STANDING FINANCIAL INSTRUCTIONS

- 1.1 Save as otherwise permitted by law, at any meeting the Chairman of the Trust shall be the final authority on the interpretation of Standing Orders (on which they should be advised by the Chief Executive or Secretary to the Board).
- 1.2 Any expression to which a meaning is given in the National Health Service Act 2006 and other Acts relating to the National Health Service or in the Financial Regulations made under the Acts shall have the same meaning in these Standing Orders and Standing Financial Instructions and in addition:
- 1.2.1 "**Accountable Officer**" means the NHS Officer responsible and accountable for funds entrusted to the Trust. The officer shall be responsible for ensuring the proper stewardship of public funds and assets. For this Trust it shall be the Chief Executive.
- 1.2.2 "**Trust**" means Hounslow and Richmond Community Healthcare NHS Trust
- 1.2.3 "**Board**" means the Chairman, officer and non-officer members of the Trust collectively as a body.
- 1.2.4 "**Budget**" means a resource, expressed in financial terms, proposed by the Board for the purpose of carrying out, for a specific period, any or all of the functions of the Trust.
- 1.2.5 "**Budget holder**" means the director of employee with delegated authority to manage finances (Income and Expenditure) for a specific area of the organisation.
- 1.2.6 "**Chairman of the Board (or Trust)**" is the person appointed by the Secretary of State for Health to lead the Board and to ensure that it successfully discharges its overall responsibility for the Trust as a whole. The expression "the Chairman of the Trust" shall be deemed to include the Vice-Chairman of the Trust if the Chairman is absent from the meeting or is otherwise unavailable.
- 1.2.7 "**Chief Executive**" means the chief officer of the Trust.
- 1.2.8 "**Integrated Governance Committee**" means a committee whose functions are concerned with the arrangements for the purpose of monitoring and improving the quality of healthcare for which the Hounslow and Richmond Community Healthcare NHS Trust has responsibility.
- 1.2.9 "**Committee**" means a committee or sub-committee created and appointed by the Trust.
- 1.2.10 "**Committee members**" means persons formally appointed by the Board to sit on or to chair specific committees.
- 1.2.11 "**Contracting and procuring**" means the systems for obtaining the supply of goods, materials, manufactured items, services, building and engineering services, works of construction and maintenance and for disposal of surplus and obsolete assets.
- 1.2.12 "**Director of Finance**" means the Chief Financial Officer of the Trust.
- 1.2.13 "**Funds held on trust**" shall mean those funds which the Trust holds on date of incorporation, receives on distribution by statutory instrument or chooses subsequently to accept under powers derived under S.51 of the 2006 NHS Act. Such funds may or may not be charitable.
- 1.2.14 "**Director**" means officer or non-officer member of the Board as the context permits.

Director in relation to the Board does not include its Chairman.

- 1.2.15 **"Membership, Procedure and Administration Arrangements"** means NHS Membership and Procedure regulations (SI 1990/2024 and subsequent amendments).
- 1.2.16 **"Associate Director"** means a person appointed to perform specific statutory and non-statutory duties which have been delegated by the Trust Board for them to perform and these duties have been recorded in an appropriate Trust Board minute or other suitable record.
- 1.2.17 **"Nominated officer"** means an officer charged with the responsibility for discharging specific tasks within Standing Orders and Standing Financial Instructions.
- 1.2.18 **"Non-executive director"** means a member of the Trust who is not an officer of the Trust and is not to be treated as an officer by virtue of regulation 1(3) of the Membership, Procedure and Administration Arrangements Regulations.
- 1.2.19 **"Officer"** means employee of the Trust or any other person holding a paid appointment or office with the Trust.
- 1.2.20 **Executive Director** means a member of the Trust who is either an officer of the Trust or is to be treated as an officer by virtue of regulation 1(3) (i.e. the Chairman of the Trust or any person nominated by such a Committee for appointment as a Trust member).
- 1.2.21 **"Secretary"** means a person appointed to act independently of the Board to provide advice on corporate governance issues to the Board and the Chairman and monitor the Trust's compliance with the law, Standing Orders, and Department of Health guidance.
- 1.2.22 **"SFIs"** means Standing Financial Instructions.
- 1.2.23 **"SOs"** means Standing Orders.
- 1.2.24 **"Vice-Chairman"** means the non-officer member appointed by the Board to take on the Chairman's duties if the Chairman is absent for any reason.



## **SECTION B – STANDING ORDERS**

### **1. INTRODUCTION**

#### **1.1 Statutory Framework**

The Hounslow and Richmond Community Healthcare NHS Trust is a statutory body which came into existence on 1<sup>st</sup> April 2011 under The NHS Trust (Establishment) Order dated 14<sup>th</sup> March 2011, coming into force 1<sup>st</sup> April 2011 No 799 (the Establishment Order).

- (1) The principal place of business of the Trust is Thames House, 180 Teddington High Street, Teddington, Middlesex TW11 8HU

NHS Trusts are governed by Act of Parliament, mainly the National Health Service Act 2006

- (2) The functions of the Trust are conferred by this legislation.
- (3) As a statutory body, the Trust has specified powers to contract in its own name and to act as a corporate trustee. In the latter role it is accountable to the Charity Commission for those funds deemed to be charitable as well as to the Secretary of State for Health.
- (4) The Trust also has statutory powers under Part 3 of the 2006 NHS Act to fund projects jointly planned with local authorities, voluntary organisations and other bodies.
- (5) The Code of Accountability requires the Trust to adopt Standing Orders for the regulation of its proceedings and business. The Trust must also adopt Standing Financial Instructions (SFIs) as an integral part of Standing Orders setting out the responsibilities of individuals.
- (6) The Trust will also be bound by such other statutes and legal provisions which govern the conduct of its affairs.

#### **1.2 NHS Framework**

- (1) In addition to the statutory requirements the Secretary of State through the Department of Health issues further directions and guidance. These are normally issued under cover of a circular or letter.
- (2) The Code of Accountability requires that, inter alia, Boards draw up a schedule of decisions reserved to the Board, and ensure that management arrangements are in place to enable responsibility to be clearly delegated to senior executives (a scheme of delegation). The code also requires the establishment of audit and remuneration committees with formally agreed terms of reference. The Codes of Conduct makes various requirements concerning possible conflicts of interest of Board members.
- (3) The Code of Practice on Openness in the NHS sets out the requirements for public access to information on the NHS.

#### **1.3 Delegation of Powers**

The Trust has powers to delegate and make arrangements for delegation. The Standing Orders set out the detail of these arrangements. Under the Standing Order relating to the Arrangements for the Exercise of Functions (SO 5) the Trust is given powers to "make arrangements for the exercise, on behalf of the Trust of any of their functions by a committee, sub-committee or joint committee appointed by virtue of Standing Order 4 or by an officer of the Trust, in each case subject to such restrictions and conditions as the Trust thinks fit or as the Secretary of State may direct". Delegated Powers are covered in a separate document (Reservation of Powers to the Board and Delegation of Powers). (See Section 1.8 and Appendix 2

of the Corporate Governance Framework Manual.) This document has effect as if incorporated into the Standing Orders. Delegated Powers are covered in a separate document entitled – ‘Schedule of Matters reserved to the Board and Scheme of Delegation’ and have effect as if incorporated into the Standing Orders and Standing Financial Instructions.

#### **1.4 Integrated Governance**

Trust Boards are now encouraged to move away from silo governance and develop integrated governance that will lead to good governance and to ensure that decision-making is informed by intelligent information covering the full range of corporate, financial, clinical, information and research governance. Guidance from the Department of Health on the move toward and implementation of integrated governance has been issued and will be incorporated in the Trust’s Governance Strategy (see Integrated Governance Handbook 2006). Integrated governance will better enable the Board to take a holistic view of the organisation and its capacity to meet its legal and statutory requirements and clinical, quality and financial objectives.

## **2. THE TRUST BOARD: COMPOSITION OF MEMBERSHIP, TENURE AND ROLE OF MEMBERS**

### **2.1 Composition of the Membership of the Trust Board**

In accordance with the Membership, Procedure and Administration Arrangements regulations the composition of the Board shall be:

- (1) The Chairman of the Trust (Appointed by the NHS Appointments Commission);
- (2) Up to 5 non executive director members (appointed by the NHS Appointments Commission);
- (3) Up to 5 executive directors (but not exceeding the number of non-executive directors members) including:
  - the Chief Executive;
  - the Director of Finance;
  - the Director of Quality and Clinical Excellence (the Director of Nursing)
  - the Medical Director
  - The Director of Operations

The Trust shall have not more than 11 and not less than 8 members (unless otherwise determined by the Secretary of State for Health and set out in the Trust’s Establishment Order or such other communication from the Secretary of State).

### **2.2 Appointment of Chairman and Non Executive Directors of the Trust**

- (1) Appointment of the Chairman and Members of the Trust Paragraph 3 of Schedule 4 the NHS Act 2006 provides that the Chairman is appointed by the Secretary of State, but otherwise the appointment and tenure of office of the Chairman and members are set out in the Membership, Procedure and Administration Arrangements Regulations.

### **2.3 Terms of Office of the Chairman and Non Executive Directors**

- (1) The regulations setting out the period of tenure of office of the Chairman and non executive directors and for the termination or suspension of office of the Chairman and non executive directors are contained in Sections 2 to 4 of the Membership, Procedure and Administration Arrangements and Administration Regulations.

### **2.4 Appointment and Powers of Vice-Chairman**

- (1) Subject to Standing Order 2.4 (2) below, the Chairman and non executive directors of the Trust may appoint one of their numbers, to be Vice-Chairman, for such period, not exceeding the remainder of his term as a member of the Trust, as they may specify on appointing him.
- (2) Any non executive director so appointed may at any time resign from the office of Vice-Chairman by giving notice in writing to the Chairman. The Chairman and members may thereupon appoint another member as Vice-Chairman in accordance with the provisions of Standing Order 2.4 (1).
- (3) Where the Chairman of the Trust has died or has ceased to hold office, or where they have been unable to perform their duties as Chairman owing to illness or any other cause, the Vice-Chairman shall act as Chairman until a new Chairman is appointed or the existing Chairman resumes their duties, as the case may be; and references to the Chairman in these Standing Orders shall, so long as there is no Chairman able to perform those duties, be taken to include references to the Vice-Chairman.

## **2.5 Joint Members**

- (1) Where more than one person is appointed jointly to a post mentioned in regulation 2(4)(a) of the Membership, Procedure and Administration Arrangements Regulations those persons shall count for the purpose of Standing Order 2.1 as one person.
- (2) Where the office of a member of the Board is shared jointly by more than one person:
  - (a) either or both of those persons may attend or take part in meetings of the Board;
  - (b) if both are present at a meeting they should cast one vote if they agree;
  - (c) in the case of disagreements no vote should be cast;
  - (d) the presence of either or both of those persons should count as the presence of one person for the purposes of Standing Order 3.11 Quorum.

## **2.6 Local Involvement Networks (LINKs)**

The Local Government and Public Involvement in Health Act 2007 enabled Local Involvement Networks (LINKs) to be established. To enable LINKs to carry out their role, the legislation also gives the Secretary of State a power to make regulations imposing duties on commissioners and certain providers of health and social care services to respond to LINKs (to requests for information and to reports and recommendations made to them by a LINK) and to allow entry by LINKs to premises under certain conditions.

## **2.7 Role of Board**

The Board will function as a corporate decision-making body, executive and non executive directors will be full and equal members. Their role as members of the Board of Directors will be to consider the key strategic and managerial issues facing the Trust in carrying out its statutory and other functions.

### **(1) Executive Directors**

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

### **(2) Chief Executive**

The Chief Executive shall be responsible for the overall performance of the executive functions of the Trust. He/she is the **Accountable Officer** for the Trust and shall be responsible for ensuring the discharge of obligations under Financial Directions and in line with the requirements of the Accountable Officer Memorandum for Trust Chief Executives.

(3) **Director of Finance**

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

(4) **Non-Executive Directors**

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

(5) **Chairman**

The Chairman shall be responsible for the operation of the Board and chair all Board meetings when present. The Chairman has certain delegated executive powers. The Chairman must comply with the terms of appointment and with these Standing Orders.

The Chairman shall liaise with the NHS Appointments Commission and its successor organisation over the appointment of Non-Executive Directors and once appointed shall take responsibility either directly or indirectly for their induction, their portfolios of interests and assignments, and their performance.

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

## **2.8 Corporate role of the Board**

- (1) All business shall be conducted in the name of the Trust.
- (2) All funds received in trust shall be held in the name of the Trust as corporate trustee.
- (3) The powers of the Trust established under statute shall be exercised by the Board meeting in public session except as otherwise provided for in Standing Order No. 3.
- (4) The Board shall define and regularly review the functions it exercises on behalf of the Secretary of State.

## **2.9 Schedule of Matters reserved to the Board and Scheme of Delegation**

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

## **2.10 Lead Roles for Board Directors**

The Chairman will ensure that the designation of Lead roles or appointments of Board members as required by the Department of Health or as set out in any statutory or other guidance will be made in accordance with that guidance or

statutory requirement (e.g. appointing a Lead Board Member with responsibilities for Infection Control or Child Protection Services etc.).

### **3. MEETINGS OF THE TRUST**

#### **3.1 Calling meetings**

- (1) Ordinary meetings of the Board shall be held at regular intervals at such times and places as the Board may determine.
- (2) The Chairman of the Trust may call a meeting of the Board at any time.
- (3) One third or more members of the Board may requisition a meeting in writing. If the Chairman refuses, or fails, to call a meeting within seven days of a requisition being presented, the members signing the requisition may forthwith call a meeting.

#### **3.2 Notice of Meetings and the Business to be transacted**

- (1) Before each meeting of the Board a written notice specifying the business proposed to be transacted shall be delivered to every member of the Board, or sent by post to the usual place of residence of each member, so as to be available to members at least three clear days before the meeting. The notice shall be signed by the Chairman or by an officer authorized by the Chairman to sign on their behalf. Want of service of such a notice on any member shall not affect the validity of a meeting.
- (2) In the case of a meeting called by members in default of the Chairman calling the meeting, the notice shall be signed by those members.
- (3) No business shall be transacted at the meeting other than that specified on the agenda, or emergency motions allowed under Standing Order 3.6.
- (4) A member desiring a matter to be included on an agenda shall make his/her request in writing to the Chairman at least 15 clear days before the meeting. The request should state whether the item of business is proposed to be transacted in the presence of the public and should include appropriate supporting information. Requests made less than 15 days before a meeting may be included on the agenda at the discretion of the Chairman.
- (5) Before each meeting of the Board a public notice of the time and place of the meeting, and the public part of the agenda, shall be displayed at the Trust's principal offices at least three clear days before the meeting, (required by the Public Bodies (Admission to Meetings) Act 1960 Section 1 (4) (a)).

#### **3.3 Agenda and Supporting Papers**

The agenda and supporting papers will be sent to members at least 5 working days before the meeting.

#### **3.4 Petitions**

Where a petition has been received by the Trust the Chairman shall include the petition as an item for the agenda of the next meeting.

#### **3.5 Notice of Motion**

- (1) Subject to the provision of Standing Orders 3.7 'Motions: Procedure at and during a meeting' and 3.8 'Motions to rescind a resolution', a member of the Board wishing to move a motion shall send a written notice to the Chief Executive who will ensure that it is brought to the immediate attention of the Chairman.
- (2) The notice shall be delivered at least 15 clear days before the meeting. The Chief Executive shall include in the agenda for the meeting all notices so received that are in order and permissible under governing regulations. This Standing Order shall not

prevent any motion being withdrawn or moved without notice on any business mentioned on the agenda for the meeting.

### **3.6 Emergency Motions**

Subject to the agreement of the Chairman, and subject also to the provision of Standing Order 3.7 'Motions: Procedure at and during a meeting', a member of the Board may give written notice of an emergency motion after the issue of the notice of meeting and agenda, up to one hour before the time fixed for the meeting. The notice shall state the grounds of urgency. If in order, it shall be declared to the Trust Board at the commencement of the business of the meeting as an additional item included in the agenda. The Chairman's decision to include the item shall be final.

### **3.7 Motions: Procedure at and during a meeting**

#### **i) Who may propose**

A motion may be proposed by the Chairman of the meeting or any member present. It must also be seconded by another member.

#### **ii) Contents of motions**

The Chairman may exclude from the debate at their discretion any such motion of which notice was not given on the notice summoning the meeting other than a motion relating to:

- the reception of a report;
- consideration of any item of business before the Trust Board;
- the accuracy of minutes;
- that the Board proceed to next business;
- that the Board adjourn;
- that the question be now put.

#### **iii) Amendments to motions**

A motion for amendment shall not be discussed unless it has been proposed and seconded.

Amendments to motions shall be moved relevant to the motion, and shall not have the effect of negating the motion before the Board.

If there are a number of amendments, they shall be considered one at a time. When a motion has been amended, the amended motion shall become the substantive motion before the meeting, upon which any further amendment may be moved.

#### **iv) Rights of reply to motions**

##### **a) Amendments**

The mover of an amendment may reply to the debate on their amendment immediately prior to the mover of the original motion, who shall have the right of reply at the close of debate on the amendment, but may not otherwise speak on it.

##### **b) Substantive/original motion**

The member who proposed the substantive motion shall have a right of reply at the close of any debate on the motion.

#### **v) Withdrawing a motion**

A motion, or an amendment to a motion, may be withdrawn.

vi) **Motions once under debate**

When a motion is under debate, no motion may be moved other than:

- an amendment to the motion;
- the adjournment of the discussion, or the meeting;
- that the meeting proceed to the next business;
- that the question should be now put;
- the appointment of an 'ad hoc' committee to deal with a specific item of business;
- that a member/director be not further heard;
- a motion under Section I (2) or Section I (8) of the Public Bodies (Admissions to Meetings) Act 1960 resolving to exclude the public, including the press (see Standing Order 3.17).

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

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

**3.8 Motion to Rescind a Resolution**

- (1) Notice of motion to 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 member who gives it and also the signature of three other members, and before considering any such motion of which notice shall have been given, the Trust Board may refer the matter to any appropriate Committee or the Chief Executive for recommendation.
- (2) When any such motion has been dealt with by the Trust Board it shall not be competent for any director/member other than the Chairman to propose a motion to the same effect within six months. This Standing Order shall not apply to motions moved in pursuance of a report or recommendations of a Committee or the Chief Executive.

**3.9 Chairman of meeting**

- (1) At any meeting of the Trust Board the Chairman, if present, shall preside. If the Chairman is absent from the meeting, the Vice-Chairman (if the Board has appointed one), if present, shall preside.
- (2) If the Chairman and Vice-Chairman are absent, such member (who is not also an Officer Member of the Trust) as the members present shall choose shall preside.

**3.10 Chairman's ruling**

The decision of the Chairman 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.

**3.11 Quorum**

- (i) No business shall be transacted at a meeting unless at least one-third of the whole number of the Chairman and members (including at least one executive director and one non executive director are present.

- (ii) An Officer in attendance for an Executive Director but without formal acting up status may not count towards the quorum.
- (iii) If the Chairman or member has been disqualified from participating in the discussion on any matter and/or from voting on any resolution by reason of a declaration of a conflict of interest (see SO No.7) that person shall no longer count towards the quorum. If a quorum is then not available for the discussion and/or the passing of a resolution on any matter, that matter may not be discussed further or voted upon at that meeting. Such a position shall be recorded in the minutes of the meeting. The meeting must then proceed to the next business.

### **3.12 Voting**

- (i) Save as provided in Standing Orders 3.13 - Suspension of Standing Orders and 3.14 - Variation and Amendment of Standing Orders, every question put to a vote at a meeting shall be determined by a majority of the votes of members present and voting on the question. In the case of an equal vote, the person presiding (i.e.: the Chairman of the meeting shall have a second, and casting vote.
- (ii) At the discretion of the Chairman all questions put to the vote shall be determined by oral expression or by a show of hands, unless the Chairman directs otherwise, or it is proposed, seconded and carried that a vote be taken by paper ballot.
- (iii) If at least one third of the 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).
- (iv) If a member so requests, their vote shall be recorded by name.
- (v) In no circumstances may an absent member vote by proxy. Absence is defined as being absent at the time of the vote.
- (vi) A manager who has been formally appointed to act up for an Officer Member during a period of incapacity or temporarily to fill an Executive Director vacancy shall be entitled to exercise the voting rights of the Officer Member.
- (vii) A manager attending the Trust Board meeting to represent an Officer Member during a period of incapacity or temporary absence without formal acting up status may not exercise the voting rights of the Officer Member. An Officer's status when attending a meeting shall be recorded in the minutes.
- (viii) For the voting rules relating to joint members see Standing Order 2.5.

### **3.13 Suspension of Standing Orders**

- (i) Except where this would contravene any statutory provision or any direction made by the Secretary of State or the rules relating to the Quorum (SO 3.11), any one or more of the Standing Orders may be suspended at any meeting, provided that at least two-thirds of the whole number of the members of the Board are present (including at least one member who is an Officer Member of the Trust and one member who is not) and that at least two-thirds of those members present signify their agreement to such suspension. The reason for the suspension shall be recorded in the Trust Board's minutes.
- (ii) A separate record of matters discussed during the suspension of Standing Orders shall be made and shall be available to the Chairman and members of the Trust.
- (iii) No formal business may be transacted while Standing Orders are suspended.



- (iv) The Audit Committee shall review every decision to suspend Standing Orders.

### **3.14 Variation and amendment of Standing Orders**

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

- upon a notice of motion under Standing Order 3.5;
- upon a recommendation of the Chairman or Chief Executive included on the agenda for the meeting;
- that two thirds of the Board members are present at the meeting where the variation or amendment is being discussed, and that at least half of the Trust's Non-Officer members vote in favour of the amendment;
- providing that any variation or amendment does not contravene a statutory provision or direction made by the Secretary of State.

### **3.15 Record of Attendance**

The names of the Chairman and Directors/members present at the meeting shall be recorded.

### **3.16 Minutes**

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

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

### **3.17 Admission of public and the press**

#### **(i) Admission and exclusion on grounds of confidentiality of business to be transacted**

The public and representatives of the press may attend all meetings of the Trust, but shall be required to withdraw upon the Trust Board as follows:

- 'that representatives of the press, and other members of the public, be excluded from the remainder of this meeting having regard to the confidential nature of the business to be transacted, publicity on which would be prejudicial to the public interest', Section 1 (2), Public Bodies (Admission to Meetings) Act 1960
- *Guidance should be sought from the Trust's Freedom of Information Lead to ensure correct procedure is followed on matters to be included in the exclusion.*

#### **(ii) General disturbances**

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

- 'That in the interests of public order the meeting adjourn for (the period to be specified) to enable the Trust Board to complete its business without the presence of the public'. Section 1(8) Public Bodies (Admissions to Meetings) Act 1960.

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

Matters to be dealt with by the Trust Board following the exclusion of representatives of the press, and other members of the public, as provided in (i) and (ii) above, shall be confidential to the members of the Board.

Members and Officers or any employee of the Trust in attendance shall not reveal or disclose the contents of papers marked 'In Confidence' or minutes headed 'Items Taken in Private' outside of the Trust, without the express permission of the Trust. This prohibition shall apply equally to the content of any discussion during the Board meeting which may take place on such reports or papers.

(iv) **Use of Mechanical or Electrical Equipment for Recording or Transmission of Meetings**

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

**3.18 Observers at Trust meetings**

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

**4. APPOINTMENT OF COMMITTEES AND SUB-COMMITTEES**

**4.1 Appointment of Committees**

Subject to such directions as may be given by the Secretary of State for Health, the Trust Board may appoint committees of the Trust.

The Trust Board shall determine the membership and terms of reference of committees shall if it requires to, receive and consider reports of such committees.

Committees may be authorized to establish sub committees and determine their membership and terms of reference.

**4.2 Joint Committees**

(i) Joint committees may be appointed by the Trust by joining together with one or more other Strategic Health Authorities, or other Trusts consisting of, wholly or partly of the Chairman and members of the Trust or other health service bodies, or wholly of persons who are not members of the Trust or other health bodies in question.

(ii) Any committee or joint committee appointed under this Standing Order may, subject to such directions as may be given by the Secretary of State or the Trust or other health bodies in question, appoint sub-committees consisting wholly or partly of members of the committees or joint committee (whether or not they are members of the Trust or health bodies in question) or wholly of persons who are not members of the Trust or health bodies in question or the committee of the Trust or health bodies in question.

**4.3 Applicability of Standing Orders and Standing Financial Instructions to Committees**

The Standing Orders and Standing Financial Instructions of the Trust, as far as they are applicable, shall as appropriate apply to meetings and any committees

established by the Trust. In which case the term "Chairman" is to be read as a reference to the Chairman of other committee as the context permits, and the term "member" is to be read as a reference to a member of other committee also as the context permits. (There is no requirement to hold meetings of committees established by the Trust in public.)

#### **4.4 Terms of Reference**

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

#### **4.5 Delegation of powers by Committees to Sub-Committees**

Where committees are authorized to establish sub-committees they may not delegate executive powers to the sub-committee unless expressly by the Trust Board.

#### **4.6 Approval of Appointments to Committees**

The Board shall approve the appointments to each of the committees which it has formally constituted. Where the Board determines, and regulations permit, that persons, who are neither Executive or Non Executive Directors, shall be appointed to a committee the terms of such appointment shall be within the powers of the Board as defined by the Secretary of State. The Board shall define the powers of such appointees and shall agree allowances, including reimbursement for loss of earnings, and/or expenses in accordance where appropriate with national guidance.

#### **4.7 Appointments for Statutory functions**

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

#### **4.8 Committees established by the Trust Board**

The committees, sub-committees, and joint-committees established by the Board are:

##### **4.8.1 Audit Committee**

In line with the requirements of the NHS Audit Committee Handbook, NHS Codes of Conduct and Accountability, and the Higgs report; as well as Governing the NHS: A Guide for NHS Boards; the UK Corporate Governance Code (formerly the combined code) and the Healthy NHS Board, Principles for Good Governance Guide, an Audit Committee will be established and constituted to provide the Trust Board with an independent and objective review on its financial systems, financial information and compliance with laws, guidance, and regulations governing the NHS. The Terms of Reference will be approved by the Trust Board and reviewed on a periodic basis.

The NHS Audit Committee Handbook states „Audit Committees comprise not less than three non-executive directors, with a quorum of two", , of which one must have significant, recent and relevant financial experience.

##### **4.8.2 Remuneration Committee**

In line with the requirements of the NHS Codes of Conduct and Accountability, and the Higgs report and the Healthy NHS Board, Principles of Good Governance a Terms of Service and Remuneration Committee will be established and constituted.

The Higgs report recommends the committee be comprised exclusively of Non-Executive Directors, a minimum of three, who are independent of management.

The purpose of the Committee will be to advise the Trust Board about appropriate remuneration and terms of service for the Chief Executive and other Executive Directors including:

- (i) all aspects of salary (including any performance-related elements/bonuses);
- (ii) provisions for other benefits, including pensions and cars;
- (iii) arrangements for termination of employment and other contractual terms.

#### **4.8.3 Trust and Charitable Funds Committee**

In line with its role as a corporate trustee for any funds held in trust, either as charitable or non charitable funds, the Trust Board will establish a Trust and Charitable Funds Committee to administer those funds in accordance with any statutory or other legal requirements or best practice required by the Charities Commission.

The provisions of this Standing Order must be read in conjunction with Standing Order 2.8 and Standing Financial Instructions 29.

#### **4.8.4 Other Committees**

The Board may also establish such other committees as required to discharge the Trust's responsibilities. To this end the Trust has established the Human Resources Committee, the Finance and Strategy Committee and the Integrated Governance Committee.

### **5. ARRANGEMENTS FOR THE EXERCISE OF TRUST FUNCTIONS BY DELEGATION**

#### **5.1 Delegation of Functions to Committees, Officers or other bodies**

5.1.1 Subject to such directions as may be given by the Secretary of State, the Board may make arrangements for the exercise, on behalf of the Board, of any of its functions by a committee, sub-committee appointed by virtue of Standing Order 4, or by an officer of the Trust, or by another body as defined in Standing Order 5.1.2 below, in each case subject to such restrictions and conditions as the Trust thinks fit.

5.1.2 The NHS Act 2006 allows for regulations to provide for the functions of Trust's to be carried out by third parties. In accordance with The Trusts (Membership, Procedure and Administration Arrangements) Regulations 2000 the functions of the Trust may also be carried out in the following ways:

- (i) by another Trust;
- (ii) jointly with any one or more of the following: NHS trusts, Strategic Health Authorities or PCTs;
- (iii) by arrangement with the appropriate Trust or PCT, by a joint committee or joint sub-committee of the Trust and one or more other health service bodies;
- (iv) in relation to arrangements made under S63(1) of the Health Services and Public Health Act 1968, jointly with one or more Strategic Health Authorities, SHAs, NHS Trusts or PCT.

- 5.1.3 Where a function is delegated by these Regulations to another Trust, then that Trust or health service body exercises the function in its own right; the receiving Trust has responsibility to ensure that the proper delegation of the function is in place. In other situations, i.e. delegation to committees, sub-committees or officers, the Trust delegating the function retains full responsibility.

## **5.2 Emergency Powers and urgent decisions**

The powers which the Board has reserved to itself within these Standing Orders (see Standing Order 2.9) may in emergency or for an urgent decision be exercised by the Chief Executive and the Chairman after having consulted at least two non-officer members. The exercise of such powers by the Chief Executive and Chairman shall be reported to the next formal meeting of the Trust Board in public session for formal ratification.

## **5.3 Delegation to Committees**

- 5.3.1 The Board shall agree from time to time to the delegation of executive powers to be exercised by other committees, or sub-committees, or joint-committees, which it has formally constituted in accordance with directions issued by the Secretary of State. The constitution and terms of reference of these committees, or sub-committees, or joint committees, and their specific executive powers shall be approved by the Board in respect of its sub-committees.

- 5.3.2 When the Board is not meeting as the Trust in public session it shall operate as a committee and may only exercise such powers as may have been delegated to it by the Trust in public session.

## **5.4 Delegation to Officers**

- 5.4.1 Those functions of the Trust which have not been retained as reserved by the Board or delegated to other committee or sub-committee or joint-committee shall be exercised on behalf of the Trust by the Chief Executive. The Chief Executive shall determine which functions he/she will perform personally and shall nominate officers to undertake the remaining functions for which he/she will still retain accountability to the Trust.

- 5.4.2 The Chief Executive shall prepare a Scheme of Delegation identifying his/her proposals which shall be considered and approved by the Board. The Chief Executive may periodically propose amendment to the Scheme of Delegation which shall be considered and approved by the Board.

- 5.4.3 Nothing in the Scheme of Delegation shall impair the discharge of the direct accountability to the Board of the Director of Finance to provide information and advise the Board in accordance with statutory or Department of Health requirements. Outside these statutory requirements the roles of the Director of Finance shall be accountable to the Chief Executive for operational matters.

## **5.5 Schedule of Matters Reserved to the Trust and Scheme of Delegation of powers**

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

## **5.6 Duty to report non-compliance with Standing Orders and Standing Financial Instructions**

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

## **6. OVERLAP WITH OTHER TRUST POLICY STATEMENTS/PROCEDURES, REGULATIONS AND THE STANDING FINANCIAL INSTRUCTIONS**

### **6.1 Policy statements: general principles**

The Trust Board will from time to time agree and approve Policy statements/procedures which will apply to all or specific groups of staff employed by HRCH NHS Trust. The decisions to approve such policies and procedures will be recorded in an appropriate Trust Board minute and will be deemed where appropriate to be an integral part of the Trust's Standing Orders and Standing Financial Instructions. The Trust Board may delegate policy approval to appropriate committees.

### **6.2 Specific Policy statements**

Notwithstanding the application of SO 6.1 above, these Standing Orders and Standing Financial Instructions must be read in conjunction with the following Policy statements:

- the Standards of Business Conduct and Conflicts of Interest Policy for HRCH NHS Trust staff;
- the staff Disciplinary and Appeals Procedures adopted by the Trust both of which shall have effect as if incorporated in these Standing Orders.

### **6.3 Standing Financial Instructions**

Standing Financial Instructions adopted by the Trust Board in accordance with the Financial Regulations shall have effect as if incorporated in these Standing Orders.

### **6.4 Specific guidance**

Notwithstanding the application of SO 6.1 above, these Standing Orders and Standing Financial Instructions must be read in conjunction with the following guidance and any other issued by the Secretary of State for Health:

- HSC 1999/012 Caldicott Guardian Manual 2010
- ;
- Human Rights Act 1998;
- Freedom of Information Act 2000.
- Equality Act 2010
- Health Act 2009
- Health and Social Care Act 2008
- Children Act 1989
- Data Protection Act 1998

## **7. DUTIES AND OBLIGATIONS OF BOARD MEMBERS/DIRECTORS AND SENIOR MANAGERS UNDER THESE STANDING ORDERS**

### **7.1 Declaration of Interests**

#### **7.1.1 Requirements for Declaring Interests and applicability to Board Members**

- i) The NHS Code of Accountability requires Trust Board Members to declare interests which are relevant and material to the NHS Board of which they are a member. All existing Board members should declare such interests. Any Board members appointed subsequently should do so on appointment.

#### **7.1.2 Interests which are relevant and material**

- (i) Interests which should be regarded as "relevant and material" are:
  - a) Directorships, including Non-Executive Directorships held in private companies or PLCs (with the exception of those of dormant companies);
  - b) Ownership or part-ownership of private companies, businesses or consultancies likely or possibly seeking to do business with the NHS;
  - c) Majority or controlling share holdings in organizations likely or possibly seeking to do business with the NHS;
  - d) A position of Authority in a charity or voluntary organisation in the field of health and social care;
  - e) Any connection with a voluntary or other organisation contracting for NHS services;
  - f) Research funding/grants that may be received by an individual or their department;
  - g) Interests in pooled funds that are under separate management.
- (ii) Any member of the Trust Board who comes to know that the Trust has entered into or proposes to enter into a contract in which he/she or any person connected with him/her (as defined in Standing Order 7.3 below and elsewhere) has any pecuniary interest, direct or indirect, the Board member shall declare his/her interest by giving notice in writing of such fact to the Trust as soon as practicable.

### 7.1.3 **Advice on Interests**

**If Board members have any doubt about the relevance of an interest, this should be discussed with the Chairman of the Trust or with the Trust's Company Secretary.**

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

### 7.1.4 **Recording of Interests in Trust Board minutes**

At the time Board members' interests are declared, they should be recorded in the Trust Board minutes.

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

### 7.1.5 **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 Trust's annual report. The information should be kept up to date for inclusion in succeeding annual reports.

### 7.1.6 **Conflicts of interest which arise during the course of a meeting**

During the course of a Trust Board meeting, if a conflict of interest is established, the Board member concerned should withdraw from the meeting and play no part in the relevant discussion or decision. (See overlap with SO 7.3)

## 7.2 **Register of Interests**

- 7.2.1 The Chief Executive will ensure that a Register of Interests is established to record formally declarations of interests of Board or Committee members. In particular the

Register will include details of all directorships and other relevant and material interests (as defined in SO 7.1.2) which have been declared by both executive and non-executive Trust Board members.

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

7.2.3 The Register will be available to the public and the Chief Executive will take reasonable steps to bring the existence of the Register to the attention of local residents and to publicize arrangements for viewing it.

### **7.3 Exclusion of Chairman and Members in proceedings on account of pecuniary interest**

#### **7.3.1 Definition of terms used in interpreting 'Pecuniary' interest**

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

- (i) "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);
- (ii) "contract" shall include any proposed contract or other course of dealing.
- (iii) "Pecuniary interest"

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

- a) he/she, or a nominee of his/her, 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
  - b) he/she is 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.
- iv) Exception to Pecuniary interests

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

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

Provided however, that where paragraph (c) above applies the person shall nevertheless be obliged to disclose/declare their interest in accordance with Standing Order 7.1.2 (ii).



### 7.3.2 Exclusion in proceedings of the Trust Board

- (i) Subject to the following provisions of this Standing Order, if the Chairman or a member of the Trust Board has any pecuniary interest, direct or indirect, in any contract, proposed contract or other matter and is present at a meeting of the Trust Board 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 or vote on any question with respect to it.
- (ii) The Secretary of State may, subject to such conditions as he/she may think fit to impose, remove any disability imposed by this Standing Order in any case in which it appears to him/her in the interests of the National Health Service that the disability should be removed. (See SO 7.3.3 on the 'Waiver' which has been approved by the Secretary of State for Health).
- (iii) The Trust Board may exclude the Chairman or a member of the Board from a meeting of the Board while any contract, proposed contract or other matter in which he/she has a pecuniary interest is under consideration.
- (iv) Any remuneration, compensation or allowance payable to the Chairman or a Member by virtue paragraph 4 of schedule 11 to the National Health Service Act 2006 (pay and allowances) shall not be treated as a pecuniary interest for the purpose of this Standing Order.
- (v) This Standing Order applies to a committee or sub-committee and to a joint committee or sub-committee as it applies to the Trust and applies to a member of any such committee or sub-committee (whether or not he/she is also a member of the Trust) as it applies to a member of the Trust.

### 7.3.3 Waiver of Standing Orders made by the Secretary of State for Health

#### (1) Power of the Secretary of State to make waivers

Under regulation 11(2) of the NHS (Membership and Procedure Regulations SI 1999/2024 ("the Regulations"), there is a power for the Secretary of State to issue waivers if it appears to the Secretary of State in the interests of the health service that the disability in regulation 11 (which prevents a chairman or a member from taking part in the consideration or discussion of, or voting on any question with respect to, a matter in which he has a pecuniary interest) is removed. A waiver has been agreed in line with sub-sections (2) to (4) below.

#### (2) Definition of 'Chairman' for the purpose of interpreting this waiver

For the purposes of paragraph 7.3.3.(3) (below), the "relevant chairman" is –

- (a) at a meeting of the Trust, the Chairman of that Trust;
- (b) at a meeting of a Committee –
  - (i) in a case where the member in question is the Chairman of that Committee, the Chairman of the Trust;
  - (ii) in the case of any other member, the Chairman of that Committee.

#### (3) Application of waiver

A waiver will apply in relation to the disability to participate in the proceedings of the Trust on account of a pecuniary interest.

It will apply to:

- (i) A member of the Hounslow and Richmond Community Healthcare NHS Trust (“the Trust”), who is a healthcare professional, within the meaning of regulation 5(5) of the Regulations, and who is providing or performing, or assisting in the provision or performance, of –
  - (a) services under the National Health Service Act 2006; or
  - (b) services in connection with a pilot scheme under the National Health Service Act 2006;
 for the benefit of persons for whom the Trust is responsible.
- (ii) Where the ‘pecuniary interest’ of the member in the matter which is the subject of consideration at a meeting at which he is present:-
  - (a) arises by reason only of the member’s role as such a professional providing or performing, or assisting in the provision or performance of, those services to those persons;
  - (b) has been declared by the relevant chairman as an interest which cannot reasonably be regarded as an interest more substantial than that of the majority of other persons who:-
    - (i) are members of the same profession as the member in question,
    - (ii) are providing or performing, or assisting in the provision or performance of, such of those services as he provides or performs, or assists in the provision or performance of, for the benefit of persons for whom the Trust is responsible.
- (4) Conditions which apply to the waiver and the removal of having a pecuniary interest

The removal is subject to the following conditions:

- (a) the member must disclose his/her interest as soon as practicable after the commencement of the meeting and this must be recorded in the minutes;
- (b) the relevant chairman must consult the Chief Executive before making a declaration in relation to the member in question pursuant to paragraph 7.3.3 (2) (b) above, except where that member is the Chief Executive;
- (c) **in the case of a meeting of the Trust:**
  - (i) the member may take part in the consideration or discussion of the matter which must be subjected to a vote and the outcome recorded;
  - (ii) may not vote on any question with respect to it.
- (d) **in the case of a meeting of the Committee:**
  - (i) the member may take part in the consideration or discussion of the matter which must be subjected to a vote and the outcome recorded;
  - (ii) may vote on any question with respect to it; but
  - (iii) the resolution which is subject to the vote must comprise a recommendation to, and be referred for approval by, the Trust Board.

## **7.4 Standards of Business Conduct**

### **7.4.1 Trust Policy and National Guidance**

All Trust staff and members of must comply with: The Code of Conduct for NHS Managers; the Trust's Standards of Business Conduct and Conflicts of Interest Policy and the national guidance contained in HSG(93)5 on 'Standards of Business Conduct for NHS staff' (see SO 6.2).

#### 7.4.2 **Interest of Officers in Contracts**

- i) Any officer or employee of the Trust who comes to know that the Trust has entered into or proposes to enter into a contract in which he/she or any person connected with him/her (as defined in SO 7.3) has any pecuniary interest, direct or indirect, the Officer shall declare their interest by giving notice in writing of such fact to the Chief Executive or Trust's Company Secretary as soon as practicable.
- ii) An Officer should also declare to the Chief Executive any other employment or business or other relationship of his/her, or of a cohabiting spouse, that conflicts, or might reasonably be predicted could conflict with the interests of the Trust.
- iii) The Trust will require interests, employment or relationships so declared to be entered in a register of interests of staff.

#### 7.4.3 **Canvassing of and Recommendations by Members in Relation to Appointments**

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

#### 7.4.4 **Relatives of Members or Officers**

- i) Candidates for any staff appointment under the Trust shall, when making an application, disclose in writing to the Trust whether they are related to any member or the holder of any office under the Trust. Failure to disclose such a relationship shall disqualify a candidate and, if appointed, render him liable to instant dismissal.
- ii) The Chairman and every member and officer of the Trust shall disclose to the Trust Board any relationship between himself and a candidate of whose candidature that member or officer is aware. It shall be the duty of the Chief Executive to report to the Trust Board any such disclosure made.
- iii) On appointment, members (and prior to acceptance of an appointment in the case of Executive Directors) should disclose to the Trust whether they are related to any other member or holder of any office under the Trust.
- iv) Where the relationship to a member of the Trust is disclosed, the Standing Order headed 'Disability of Chairman and members in proceedings on account of pecuniary interest' (SO 7) shall apply.

## **8. CUSTODY OF SEAL, SEALING OF DOCUMENTS AND SIGNATURE OF DOCUMENTS**

### **8.1 Custody of Seal**

The common seal of the Trust shall be kept by the Chief Executive or a nominated Manager by him/her in a secure place.

### **8.2 Sealing of Documents**

Where it is necessary that a document shall be sealed, the seal shall be affixed in the presence of two senior managers duly authorized by the Chief Executive, and not also from the originating department, and shall be attested by them.

### **8.3 Register of Sealing**

The Chief Executive shall keep a register in which he/she, or another manager of the Authority authorized by him/her, shall enter a record of the sealing of every document.

### **8.4 Signature of documents**

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

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

## **9. MISCELLANEOUS (see overlap with SFI No. 21.3)**

### **9.1 Joint Finance Arrangements**

The Board may confirm contracts to purchase from a voluntary organisation or a local authority using its powers under s. 256 of the NHS Act 2006. The Board may confirm contracts to transfer money from the NHS to the voluntary sector or the health related functions of local authorities where such a transfer is to fund services to improve the health of the local population more effectively than equivalent expenditure on NHS services, using its powers under s. 256 of the NHS Act 2006

See overlap with Standing Financial Instruction No. 20.3.

## SECTION C - SCHEME OF RESERVATION AND DELEGATION

REF	THE BOARD	DECISIONS RESERVED TO THE BOARD
NA	THE BOARD	<p><b>General Enabling Provision</b></p> <p>The Board may determine any matter, for which it has delegated or statutory authority, it wishes in full session within its statutory powers.</p> <p><b>Regulations and Control</b></p> <ol style="list-style-type: none"> <li>1. Approve Standing Orders (SOs), a schedule of matters reserved to the Board and Standing Financial Instructions for the regulation of its proceedings and business.</li> <li>2. Suspend Standing Orders.</li> <li>3. Vary or amend the Standing Orders.</li> <li>4. Ratify any urgent decisions taken by the Chairman and Chief Executive in public session in accordance with SO 5.2</li> <li>5. Approve a scheme of delegation of powers from the Board to committees.</li> <li>6. Require and receive the declaration of Board members' interests that may conflict with those of the Trust and determining the extent to which that member may remain involved with the matter under consideration.</li> <li>7. Require and receive the declaration of officers' interests that may conflict with those of the Trust.</li> <li>8. Approve arrangements for dealing with complaints.</li> <li>9. Adopt the organisation structures, processes and procedures to facilitate the discharge of business by the Trust and to agree modifications thereto.</li> <li>10. Receive reports from committees including those that the Trust is required by the Secretary of State or other regulation to establish and to take appropriate action on.</li> <li>11. Confirm the recommendations of the Trust's committees where the committees do not have executive powers.</li> <li>12. Approve arrangements relating to the discharge of the Trust's responsibilities as a corporate trustee for funds held on trust.</li> <li>13. Establish terms of reference and reporting arrangements of all committees and sub-committees that are established by the Board.</li> <li>14. Approve arrangements relating to the discharge of the Trust's responsibilities as a bailer for patients' property.</li> <li>15. Authorize use of the Trust seal.</li> <li>16. Ratify or otherwise instances of failure to comply with Standing Orders brought to the Chief Executive's attention in accordance with SO 5.6.</li> <li>17. Discipline members of the Board or employees who are in breach of statutory requirements or SOs.</li> </ol>

REF	THE BOARD	DECISIONS RESERVED TO THE BOARD
NA	THE BOARD	<p><b>Appointments/ Dismissal</b></p> <ol style="list-style-type: none"> <li>1. Appoint the Vice Chairman of the Board.</li> <li>2. Appoint and dismiss committees (and individual members) that are directly accountable to the Board.</li> <li>3. Appoint, appraise, discipline and dismiss Executive Directors (subject to SO 2.2).</li> <li>4. Confirm appointment of members of any committee of the Trust as representatives on outside bodies.</li> <li>5. Appoint, appraise, discipline and dismiss the Secretary (if the appointment of a Secretary is required under Standing Orders).</li> </ol> <p>Approve proposals of the Remuneration Committee regarding directors and senior employees and those of the Chief Executive for staff not covered by the Remuneration Committee.</p>
NA	THE BOARD	<p><b>Strategy, Plans and Budgets</b></p> <ol style="list-style-type: none"> <li>1. Define the strategic aims and objectives of the Trust.</li> <li>2. Approve proposals for ensuring quality and developing clinical governance in services provided by the Trust, having regard to any guidance issued by the Secretary of State.</li> <li>3. Approve the Trust's policies and procedures for the management of risk.</li> <li>4. Approve Outline and Final Business Cases for Capital Investment.</li> <li>5. Approve budgets.</li> <li>6. Approve annually Trust's proposed organisational development proposals.</li> <li>7. Ratify proposals for acquisition, disposal or change of use of land and/or buildings.</li> <li>8. Approve PFI proposals.</li> <li>9. Approve the opening of bank accounts.</li> <li>10. Approve proposals on individual contracts of a capital or revenue nature amounting to, or likely to amount to over £1million + VAT</li> <li>11. or the period of the contract if longer.</li> <li>12. Approve proposals in individual cases for the write off of losses or making of special payments above the limits of delegation to the Chief Executive and Director of Finance (for losses and special payments) previously approved by the Board.</li> <li>13. Approve individual compensation payments.</li> <li>14. Approve proposals for action on litigation against or on behalf of the Trust.</li> <li>15. Approve decision on pre qualifying questionnaire stage (or equivalent) of business opportunity assessment that amounts to over £1million + VAT</li> </ol>

	THE BOARD	<p><b>Policy Determination</b></p> <ol style="list-style-type: none"> <li>1. Approve management policies including personnel policies incorporating the arrangements for the appointment, removal and remuneration of staff.</li> <li>2. Approve other policies as required by legislation or regulation</li> </ol>
	THE BOARD	<p><b>Audit</b></p> <ol style="list-style-type: none"> <li>1. Receive of the annual management letter received from the external auditor and agreement of proposed action, taking account of the advice, where appropriate, of the Audit Committee.</li> <li>2. Receive an annual report from the Internal Auditor and agree action on recommendations where appropriate of the Audit Committee.</li> </ol>
NA	THE BOARD	<p><b>Annual Reports and Accounts</b></p> <p><b>Receipt and approval of the Trust's Annual Report and Annual Accounts.</b></p> <ol style="list-style-type: none"> <li>1. Receipt and approval of the Annual Report and Accounts for funds held on trust.</li> </ol>
NA	THE BOARD	<p><b>Monitoring</b></p> <p>Receive of such reports as the Board sees fit from committees in respect of their exercise of powers delegated.</p> <ol style="list-style-type: none"> <li>2. Continuous appraisal of the affairs of the Trust by means of the provision to the Board as the Board may require from directors, committees, and officers of the Trust as set out in management policy statements. All monitoring returns required by the Department of Health and the Charity Commission shall be reported, at least in summary, to the Board.</li> <li>3. Receive reports from DoF on financial performance against budget and Local Delivery Plan. Receive reports from CE on actual and forecast income from contracts .</li> </ol>
SFI 11,1	AUDIT COMMITTEE	<ol style="list-style-type: none"> <li>1. Advise the Board on internal and external audit services;</li> <li>2. The Committee shall 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 (both clinical and non-clinical), that supports the achievement of the organisation's objectives;</li> <li>3. Monitor compliance with Standing Orders and Standing Financial Instructions;</li> <li>4. Review schedules of losses and compensations and making recommendations to the Board.</li> <li>5. Review the annual financial statements prior to submission to the Board.</li> <li>6. Reviewing the arrangements in place to support the Board Assurance Framework process and advise the Board accordingly.</li> </ol>

**DECISIONS/DUTIES DELEGATED BY THE BOARD TO COMMITTEES**

REF	COMMITTEES	DECISIONS/DUTIES DELEGATED BY THE BOARD TO COMMITTEES
NA	<p>CHARITABLE FUNDS COMMITTEE, REMUNERATION COMMITTEE, FINANCE AND STRATEGY COMMITTEE AND INTEGRATED GOVERNANCE COMMITTEE.</p> <p>The integrated governance committee is the committee charged with oversight of clinical governance</p>	<p>These Committees will advise the Board according to their specific terms of reference agreed by the Board. The terms of reference of Board committees will be appended to these terms of reference.</p>



**SCHEME OF DELEGATION DERIVED FROM THE ACCOUNTABLE OFFICER MEMORANDUM**

<b>REF</b>	<b>DELEGATED TO</b>	<b>DUTIES DELEGATED</b>
7	CHIEF EXECUTIVE (CE)	Accountable through NHS Accounting Officer to Parliament for stewardship of Trust resources
9	CE AND DIRECTOR OF FINANCE (DOF)	Ensure the accounts of the Trust are prepared under principles and in a format directed by the SoFS. Accounts must disclose a true and fair view of the Trust's income and expenditure and its state of affairs. Sign the accounts on behalf of the Board.
10	CHIEF EXECUTIVE	Sign a statement in the accounts outlining responsibilities as the Accountable Officer. Sign a statement in the accounts outlining responsibilities in respect of Internal Control.
12 & 13	CHIEF EXECUTIVE	<i>Ensure effective management systems that safeguard public funds and assist the Trust Chairman to implement requirements of corporate governance including ensuring managers:</i> <ul style="list-style-type: none"> <li>• "have a clear view of their objectives and the means to assess achievements in relation to those objectives</li> <li>• be assigned well defined responsibilities for making best use of resources</li> <li>• have the information, training and access to the expert advice they need to exercise their responsibilities effectively."</li> </ul>
12	CHAIRMAN	Implement requirements of corporate governance.
13	CHIEF EXECUTIVE	Achieve value for money from the resources available to the Trust and avoid waste and extravagance in the organisation's activities. Follow through the implementation of any recommendations affecting good practice as set out on reports from such bodies as the Audit Commission and the National Audit Office (NAO).
15	DOF	Operational responsibility for effective and sound financial management and information.
15	CHIEF EXECUTIVE	Primary duty to see that DoF discharges this function.
16	CHIEF EXECUTIVE	Ensuring that expenditure by the Trust complies with Parliamentary requirements.

REF	DELEGATED TO	DUTIES DELEGATED
18	CE and DoF	Chief Executive, supported by Director of Finance, to ensure appropriate advice is given to the Board on all matters of probity, regularity, prudent and economical administration, efficiency and effectiveness.
19	CHIEF EXECUTIVE	If CE considers the Board or Chairman is doing something that might infringe probity or regularity, he should set this out in writing to the Chairman and the Board. If the matter is unresolved, he/she should ask the Audit Committee to inquire and if necessary the SHA and Department of Health.
21	CHIEF EXECUTIVE	If the Board is contemplating a course of action that raises an issue not of formal propriety or regularity but affects the CE's responsibility for value for money, the CE should draw the relevant factors to the attention of the Board. If the outcome is that you are overruled it is normally sufficient to ensure that your advice and the overruling of it are clearly apparent from the papers. Exceptionally, the CE should inform the Strategic Health Authority and the DH. In such cases, and in those described in paragraph 24, the CE should as a member of the Board vote against the course of action rather than merely abstain from voting.

**SCHEME OF DELEGATION DERIVED FROM THE CODES OF CONDUCT AND ACCOUNTABILITY**

<b>REF</b>	<b>DELEGATED TO</b>	<b>AUTHORITIES/DUTIES DELEGATED</b>
1.3.1.7	BOARD	Approve procedure for declaration of hospitality and sponsorship.
1.3.1.8	BOARD	Ensure proper and widely publicized procedures for voicing complaints, concerns about misadministration, breaches of Code of Conduct, and other ethical concerns.
1.31.9 & 1.3.2.2	ALL BOARD MEMBERS	Subscribe to Code of Conduct.
1.3.2.4	BOARD	Board members share corporate responsibility for all decisions of the Board.
1.3.2.4	CHAIR AND NON EXECUTIVE/OFFICER MEMBERS	Chair and non-officer members are responsible for monitoring the executive management of the organisation and are responsible to the SofS for the discharge of those responsibilities.
1.3.2.4	BOARD	The Board has six key functions for which it is held accountable by the Department of Health on behalf of the Secretary of State: 1. to ensure effective financial stewardship through value for money, financial control and financial planning and strategy; 2. to ensure that high standards of corporate governance and personal behaviour are maintained in the conduct of the business of the whole organisation; 3. to appoint, appraise and remunerate senior executives; 4. to ratify the strategic direction of the organisation within the overall policies and priorities of the Government and the NHS, define its annual and longer term objectives and agree plans to achieve them; 5. to oversee the delivery of planned results by monitoring performance against objectives and ensuring corrective action is taken when necessary; 6. to ensure effective dialogue between the organisation and the local community on its plans and performance and that these are responsive to the community's needs.
1.3.24	BOARD	It is the Board's duty to: 1. act within statutory financial and other constraints; 2. be clear what decisions and information are appropriate to the Board and draw up Standing Orders, a schedule of decisions reserved to the Board and Standing Financial Instructions to reflect these, 3. ensure that management arrangements are in place to enable responsibility to be clearly delegated

REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
		<p>to senior executives for the main programmes of action and for performance against programmes to be monitored and senior executives held to account;</p> <p>4. establish performance and quality measures that maintain the effective use of resources and provide value for money;</p> <p>5. specify its requirements in organising and presenting financial and other information succinctly and efficiently to ensure the Board can fully undertake its responsibilities;</p> <p>6. 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.</p>
1.3.2.5	CHAIRMAN	<p>It is the Chairman's role to:</p> <ol style="list-style-type: none"> <li>1. provide leadership to the Board;</li> <li>2. enable all Board members to make a full contribution to the Board's affairs and ensure that the Board acts as a team;</li> <li>3. ensure that key and appropriate issues are discussed by the Board in a timely manner,</li> <li>4. ensure the Board has adequate support and is provided efficiently with all the necessary data on which to base informed decisions;</li> <li>5. lead Non-Executive Board members through a formally-appointed Remuneration Committee of the main Board on the appointment, appraisal and remuneration of the Chief Executive and (with the latter) other Executive Board members;</li> <li>6. appoint Non-Executive Board members to an Audit Committee of the main Board;</li> <li>7. advise the Secretary of State on the performance of Non-Executive Board members.</li> </ol>
1.3.2.5	CHIEF EXECUTIVE	<p>The Chief Executive is accountable to the Chairman and Non-Executive members of the Board for ensuring that its decisions are implemented, that the organisation works effectively, in accordance with Government policy and public service values and for the maintenance of proper financial stewardship. The Chief Executive should be allowed full scope, within clearly defined delegated powers, for action in fulfilling the decisions of the Board.</p> <p>The other duties of the Chief Executive as Accountable Officer are laid out in the Accountable Officer Memorandum.</p>
1.3.2.6	NON EXECUTIVE DIRECTORS	<p>Non-Executive Directors are appointed by Appointments Commission to bring independent judgement to bear on issues of strategy, performance, key appointments and accountability through the Department of Health to Ministers and to the local community.</p>
1.3.2.8	CHAIR AND DIRECTORS	<p>Declaration of conflict of interests.</p>

REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
1.3.2.9	BOARD	NHS Boards must comply with legislation and guidance issued by the Department of Health on behalf of the Secretary of State, respect agreements entered into by themselves or in on their behalf and establish terms and conditions of service that are fair to the staff and represent good value for taxpayers' money.

**SCHEME OF DELEGATION FROM MODEL STANDING ORDERS**

<b>SO REF</b>	<b>DELEGATED TO</b>	<b>AUTHORITIES/DUTIES DELEGATED</b>
1.1	CHAIRMAN	Final authority in interpretation of Standing Orders (SOs).
2.4	BOARD	Appointment of Vice Chairman
3.1	CHAIRMAN	Call meetings.
3.9	CHAIRMAN	Chair all Board meetings and associated responsibilities.
3.10	CHAIRMAN	Give final ruling in questions of order, relevancy and regularity of meetings.
3.12	CHAIRMAN	Having a second or casting vote
3.13	BOARD	Suspension of Standing Orders
3.13	AUDIT COMMITTEE	Audit Committee to review every decision to suspend Standing Orders (power to suspend Standing Orders is reserved to the Board)
3.14	BOARD	Variation or amendment of Standing Orders
4.1	BOARD	Formal delegation of powers to sub committees or joint committees and approval of their constitution and terms of reference. (Constitution and terms of reference of sub committees may be approved by the appropriate parent committee or Chief Executive and reported to the Board )
5.2	CHAIRMAN & CHIEF EXECUTIVE	The powers which the Board has retained to itself within these Standing Orders may in emergency be exercised by the Chair and Chief Executive after having consulted at least two Non-Executive members.
5.4	CHIEF EXECUTIVE	The Chief Executive shall prepare a Scheme of Delegation identifying his/her proposals that shall be considered and approved by the Board, subject to any amendment agreed during the discussion.
5.6	ALL	Disclosure of non-compliance with Standing Orders to the Chief Executive as soon as possible.
7.1	THE BOARD	Declare relevant and material interests.
7.2	CHIEF EXECUTIVE	Maintain Register(s) of Interests.
7.4	ALL STAFF	Comply with national guidance contained in HSG 1993/5 "Standards of Business Conduct for NHS Staff".

SO REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
7.4	ALL	Disclose relationship between self and candidate for staff appointment. (CE to report the disclosure to the Board.)
8.1/8.3	CHIEF EXECUTIVE	Keep seal in safe place and maintain a register of sealing.
8.4	CHIEF EXECUTIVE/ EXECUTIVE DIRECTOR	Approve and sign all documents which will be necessary in legal proceedings.

\* Nominated officers and the areas for which they are responsible should be incorporated into the Trust's Scheme of Delegation document.

**SCHEME OF DELEGATION FROM STANDING FINANCIAL INSTRUCTIONS**

<b>SFI REF</b>	<b>DELEGATED TO</b>	<b>AUTHORITIES/DUTIES DELEGATED</b>
10.1.3	DIRECTOR OF FINANCE	Approval of all financial procedures.
10.1.4	DIRECTOR OF FINANCE	Advice on interpretation or application of SFIs.
10.1.6	ALL MEMBERS OF THE BOARD AND EMPLOYEES	Have a duty to disclose any non-compliance with these Standing Financial Instructions to the Director of Performance and Finance as soon as possible.
10.2.4	CHIEF EXECUTIVE	Responsible as the Accountable Officer to ensure financial targets and obligations are met and have overall responsibility for the System of Internal Control.
10.2.4	CHIEF EXECUTIVE & DIRECTOR OF FINANCE	Accountable for financial control but will, as far as possible, delegate their detailed responsibilities.
10.2.5	CHIEF EXECUTIVE	To ensure all Board members, officers and employees, present and future, are notified of and understand Standing Financial Instructions.
10.2.6	DIRECTOR OF FINANCE	Responsible for: a) Implementing the Trust's financial policies and coordinating corrective action; b) Maintaining an effective system of financial control including ensuring detailed financial procedures and systems are prepared and documented; c) Ensuring that sufficient records are maintained to explain Trust's transactions and financial position; d) Providing financial advice to members of Board and staff; e) Maintaining such accounts, certificates etc as are required for the Trust to carry out its statutory duties.
10.2.7	ALL MEMBERS OF THE BOARD AND EMPLOYEES	Responsible for security of the Trust's property, avoiding loss, exercising economy and efficiency in using resources and conforming to Standing Orders, Financial Instructions and financial procedures.
10.2.8	CHIEF EXECUTIVE	Ensure that any contractor or employee of a contractor who is empowered by the Trust to commit the Trust to expenditure or who is authorised to obtain income are made aware of these instructions and their requirement to comply.
11.1.1	AUDIT COMMITTEE	Provide independent and objective view on internal control and probity.
11.1.2	CHAIR	Raise the matter at the Board meeting where Audit Committee considers there is evidence of ultra vires



SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
		transactions or improper acts.
11.1.3 & 11.2.1	DIRECTOR OF FINANCE	Ensure an adequate internal audit service, for which he/she is accountable, is provided (and involve the Audit Committee in the selection process when/if an internal audit service provider is changed.)
11.2.1	DIRECTOR OF FINANCE	Decide at what stage to involve police in cases of misappropriation and other irregularities not involving fraud or corruption.
11.3	HEAD OF INTERNAL AUDIT	Review, appraise and report in accordance with NHS Internal Audit Manual and best practice.
11.4	AUDIT COMMITTEE	Ensure cost-effective External Audit.
11.5	CHIEF EXECUTIVE & DIRECTOR OF FINANCE	Monitor and ensure compliance with SofS Directions on fraud and corruption including the appointment of the Local Counter Fraud Specialist (and any successor organisation)
11.6	CHIEF EXECUTIVE	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.
13.1.1	CHIEF EXECUTIVE	Compile and submit to the Board an annual plan which takes into account financial targets and forecast limits of available resources. The annual plan will contain: <ul style="list-style-type: none"> <li>• a statement of the significant assumptions on which the plan is based;</li> <li>• details of major changes in workload, delivery of services or resources required to achieve the plan.</li> </ul>
13.1.2 & 13.1.3	DIRECTOR OF FINANCE	Submit budgets to the Board for approval.
13.1.6	DIRECTOR OF FINANCE	Monitor performance against budget; submit to the Board financial estimates and forecasts.
13.3.1	CHIEF EXECUTIVE	Ensure adequate training is delivered on an on going basis to budget holders.
13.3.2	CHIEF EXECUTIVE & BUDGET HOLDERS	Delegate budget to budget holders.
13.4.1	DIRECTOR OF FINANCE	Must not exceed the budgetary total or virement limits set by the Board.
13.4.2	BUDGET HOLDERS	Devise and maintain systems of budgetary control.
		Ensure that <ul style="list-style-type: none"> <li>a) <i>no overspend or reduction of income that cannot be met from virement is incurred without prior consent of Board;</i></li> <li>b) approved budget is not used for any other than specified purpose subject to rules of virement;</li> </ul>

<b>SFI REF</b>	<b>DELEGATED TO</b>	<b>AUTHORITIES/DUTIES DELEGATED</b>
		c) no permanent employees are appointed without the approval of the CE other than those provided for within available resources and manpower establishment.
13.4.3	CHIEF EXECUTIVE	Identify and implement cost improvements and income generation activities in line with the annual plan. .
13.6.1	CHIEF EXECUTIVE	Submit monitoring returns
14.1	DIRECTOR OF FINANCE	Preparation of annual accounts and reports.
15.1	DIRECTOR OF FINANCE	Managing banking arrangements, including provision of banking services, operation of accounts, preparation of instructions and list of cheque signatories. (Board approves arrangements.)
16.	DIRECTOR OF FINANCE	Income systems, including system design, prompt banking, review and approval of fees and charges, debt recovery arrangements, design and control of receipts, provision of adequate facilities and systems for employees whose duties include collecting or holding cash.
16.2.3	ALL EMPLOYEES	Duty to inform DoF of money due from transactions which they initiate/deal with.
17.	CHIEF EXECUTIVE	Tendering and contract procedure.
17.5.3	CHIEF EXECUTIVE	Waive formal tendering procedures.
17.5.3	CHIEF EXECUTIVE	Report waivers of tendering procedures to the Board.
17.5.5	DIRECTOR OF FINANCE	Where a supplier is chosen that is not on the approved list the reason shall be recorded in writing to the CE.
17.6.2	CHIEF EXECUTIVE	Responsible for the receipt, endorsement and safe custody of tenders received.
17.6.3	CHIEF EXECUTIVE	Shall maintain a register to show each set of competitive tender invitations despatched.
17.6.4	CHIEF EXECUTIVE AND DIRECTOR OF FINANCE	Where one tender is received will assess for value for money and fair price.
17.6.6	CHIEF EXECUTIVE	No tender shall be accepted which will commit expenditure in excess of that which has been allocated by the Trust and which is not in accordance with these Instructions except with the authorization of the Chief Executive.
17.6.8	CHIEF EXECUTIVE	Will appoint a manager to maintain a list of approved firms.

SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
17.6.9	CHIEF EXECUTIVE	Shall ensure that appropriate checks are carried out as to the technical and financial capability of those firms that are invited to tender or quote.
17.7.2	CHIEF EXECUTIVE	The Chief Executive or his nominated officer should evaluate the quotation and select the quote which gives the best value for money.
17.7.4	CHIEF EXECUTIVE or DIRECTOR OF FINANCE	No quotation shall be accepted which will commit expenditure in excess of that which has been allocated by the Trust and which is not in accordance with these Instructions except with the of the Chief Executive.
17.10	CHIEF EXECUTIVE	The Chief Executive shall demonstrate that the use of private finance represents value for money and genuinely transfers risk to the private sector.
17.10	BOARD	All PFI proposals must be agreed by the Board.
17.11	CHIEF EXECUTIVE	The Chief Executive shall nominate an officer who shall oversee and manage each contract on behalf of the Trust.
17.12	CHIEF EXECUTIVE	The Chief Executive shall nominate officers with delegated authority to enter into contracts of employment, regarding staff, agency staff or temporary staff service contracts.
17.15	CHIEF EXECUTIVE	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.
17.15.5	CHIEF EXECUTIVE	The Chief Executive shall nominate an officer to oversee and manage the contract on behalf of the Trust.
18.1.1	CHIEF EXECUTIVE	Must ensure the Trust enters into suitable contracts with service commissioners for the provision of NHS services
18.3	CHIEF EXECUTIVE	As the Accountable Officer, ensure that regular reports are provided to the Board detailing actual and forecast income from the contracts
19.1.1	BOARD	Establish a Remuneration Committee
19.1.2	REMUNERATION COMMITTEE	Advise the Board on and make recommendations on the remuneration and terms of service of the CE, other officer members and senior employees to ensure they are fairly rewarded having proper regard to the Trust's circumstances and any national agreements; Monitor and evaluate the performance of individual senior employees; Advise on and oversee appropriate contractual arrangements for such staff, including proper calculation and scrutiny of termination payments.

SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
19.1.3	REMUNERATION COMMITTEE	Report in writing to the Board its advice and its bases about remuneration and terms of service of directors and senior employees.
19.1.4	BOARD	Approve proposals presented by the Chief Executive for setting of remuneration and conditions of service for those employees and officers not covered by the Remuneration Committee.
19.2.2	CHIEF EXECUTIVE	Approval of variation to funded establishment of any department.
19.3	CHIEF EXECUTIVE	Staff, including agency staff, appointments and re-grading.
19.4.1 and 19.4.2	DIRECTOR OF FINANCE	Payroll: a) specifying timetables for submission of properly authorized time records and other notifications; b) final determination of pay and allowances; c) making payments on agreed dates; d) agreeing method of payment; e) issuing instructions (as listed in SFI 10.4.2).
19.4.3	NOMINATED MANAGERS*	Submit time records in line with timetable. <b>Complete time records and other notifications in required form.</b> Submitting termination forms in prescribed form and on time.
19.4.4	DIRECTOR OF FINANCE	<i>Ensure that the chosen method for payroll processing 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.</i>
19.5	DIRECTOR OF HUMAN RESOURCES AND ORGANISATIONAL DEVELOPMENT	Ensure that all employees are issued with a Contract of Employment in a form approved by the Board and which complies with employment legislation; and Deal with variations to, or termination of, contracts of employment.
20.1	CHIEF EXECUTIVE	Determine, and set out, level of delegation of non-pay expenditure to budget managers, including a list of managers authorized to place requisitions, the maximum level of each requisition and the system for above that level.

SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
20.1.3	CHIEF EXECUTIVE	Set out procedures on the seeking of professional advice regarding the supply of goods and services.
20.2.1	REQUISITIONER*	In choosing the item to be supplied (or the service to be performed) shall always obtain the best value for money for the Trust. In so doing, the advice of the Trust's adviser on supply shall be sought.
20.2.2	DIRECTOR OF FINANCE	Shall be responsible for the prompt payment of accounts and claims.
20.2.3	DIRECTOR OF FINANCE	<p>a) Advise the Board regarding the setting of thresholds above which quotations (competitive or otherwise) or formal tenders must be obtained; and, once approved, the thresholds should be incorporated in standing orders and regularly reviewed;</p> <p>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;</p> <p>c) Be responsible for the prompt payment of all properly authorized accounts and claims;</p> <p>d) Be responsible for designing and maintaining a system of verification, recording and payment of all amounts payable;</p> <p>e) A timetable and system for submission to the Director of Finance of accounts for payment; provision shall be made for the early submission of accounts subject to cash discounts or otherwise requiring early payment;</p> <p>f) Instructions to employees regarding the handling and payment of accounts within the Finance Department;</p> <p>g) Be responsible for ensuring that payment for goods and services is only made once the goods and services are received</p>
20.2.4	APPROPRIATE EXECUTIVE DIRECTOR	Make a written case to support the need for a prepayment.
20.2.4	DIRECTOR OF FINANCE	Approve proposed prepayment arrangements.
20.2.4	BUDGET HOLDER	Ensure that all items due under a prepayment contract are received (and immediately inform DoF if problems are encountered).
20.2.5	CHIEF EXECUTIVE	Authorise who may use and be issued with official orders.
20.2.6	MANAGERS AND OFFICERS	Ensure that they comply fully with the guidance and limits specified by the Director of Finance.
20.2.7	CHIEF EXECUTIVE DIRECTOR OF FINANCE	Ensure that the arrangements for financial control and financial audit of building and engineering contracts and property transactions comply with the guidance contained within CONCODE and ESTATECODE. The technical audit of these contracts shall be the responsibility of the relevant Director.

SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
20.3	DIRECTOR OF FINANCE	Lay down procedures for payments to local authorities and voluntary organisations made under the powers of Part 3 of the 2006 NHS Act.
21.1.1	DIRECTOR OF FINANCE	The DoF will advise the Board on the Trust's ability to pay dividend on PBC and report, periodically, concerning the PDC debt and all loans and overdrafts.
21.1.2	BOARD	Approve a list of employees authorized to make short term borrowings on behalf of the Trust. (This must include the CE and DoF.)
21.1.3	DIRECTOR OF FINANCE	Prepare detailed procedural instructions concerning applications for loans and overdrafts.
21.1.4	CHIEF EXECUTIVE OR DIRECTOR OF FINANCE	Be on an authorising panel comprising one other member for short term borrowing approval.
21.2.2	DIRECTOR OF FINANCE	Will advise the Board on investments and report, periodically, on performance of same.
21.2.3	DIRECTOR OF FINANCE	Prepare detailed procedural instructions on the operation of investments held.
23	DIRECTOR OF FINANCE	Ensure that Board members are aware of the Financial Framework and ensure compliance
24.1.1 & 2	CHIEF EXECUTIVE	<p>Capital investment programme:</p> <ul style="list-style-type: none"> <li>a) ensure that there is adequate appraisal and approval process for determining capital expenditure priorities and the effect that each has on plans</li> <li>b) responsible for the management of capital schemes and for ensuring that they are delivered on time and within cost;</li> <li>c) ensure that capital investment is not undertaken without availability of resources to finance all revenue consequences;</li> <li>d) ensure that a business case is produced for each proposal.</li> </ul>
24.1.2	DIRECTOR OF FINANCE	Certify professionally the costs and revenue consequences detailed in the business case for capital investment.
24.1.3	CHIEF EXECUTIVE	Issue procedures for management of contracts involving stage payments.
24.1.4	DIRECTOR OF FINANCE	Assess the requirement for the operation of the construction industry taxation deduction scheme.
24.1.5	DIRECTOR OF FINANCE	Issue procedures for the regular reporting of expenditure and commitment against authorized capital expenditure.
24.1.6	CHIEF EXECUTIVE	Issue manager responsible for any capital scheme with authority to commit expenditure, authority to proceed to tender and approval to accept a successful tender. Issue a scheme of delegation for capital investment management.

<b>SFI REF</b>	<b>DELEGATED TO</b>	<b>AUTHORITIES/DUTIES DELEGATED</b>
24.1.7	DIRECTOR OF FINANCE	Issue procedures governing financial management, including variation to contract, of capital investment projects and valuation for accounting purposes.
24.2.1	DIRECTOR OF FINANCE	Demonstrate that the use of private finance represents value for money and genuinely transfers significant risk to the private sector.
24.2.1	BOARD	Proposal to use PFI must be specifically agreed by the Board.
24.3.1	CHIEF EXECUTIVE	Maintenance of asset registers (on advice from DoF).
24.3.5	DIRECTOR OF FINANCE	Approve procedures for reconciling balances on fixed assets accounts in ledgers against balances on fixed asset registers.
24.3.8	DIRECTOR OF FINANCE	Calculate and pay capital charges in accordance with Department of Health requirements.
24.4.1	CHIEF EXECUTIVE	Overall responsibility for fixed assets.
24.4.2	DIRECTOR OF FINANCE	Approval of fixed asset control procedures.
24.4.4	BOARD, EXECUTIVE MEMBERS AND ALL SENIOR STAFF	Responsibility for security of Trust assets including notifying discrepancies to DoF, and reporting losses in accordance with Trust procedure.
25.2	CHIEF EXECUTIVE	Delegate overall responsibility for control of stores (subject to DoF responsibility for systems of control). Further delegation for day-to-day responsibility subject to such delegation being recorded. (Good practice to append to the scheme of delegation document.)
25.2	DIRECTOR OF FINANCE	Responsible for systems of control over stores and receipt of goods.
25.2	DESIGNATED PHARMACEUTICAL OFFICER	Responsible for controls of pharmaceutical stocks
25.2	DESIGNATED ESTATES OFFICER	Responsible for control of stocks of fuel oil and coal.
25.2	NOMINATED OFFICERS*	Security arrangements and custody of keys
25.2	DIRECTOR OF FINANCE	Set out procedures and systems to regulate the stores.
25.2	DIRECTOR OF FINANCE	Agree stocktaking arrangements.
25.2	DIRECTOR OF FINANCE	Approve alternative arrangements where a complete system of stores control is not justified.

<b>SFI REF</b>	<b>DELEGATED TO</b>	<b>AUTHORITIES/DUTIES DELEGATED</b>
25.2	DIRECTOR OF FINANCE	Approve system for review of slow moving and obsolete items and for condemnation, disposal and replacement of all unserviceable items.
25.2	NOMINATED OFFICERS*	Operate system for slow moving and obsolete stock, and report to DoF evidence of significant overstocking.
25.3.1	CHIEF EXECUTIVE	Identify persons authorized to requisition and accept goods from NHS Supplies stores.
26.1.1	DIRECTOR OF FINANCE	Prepare detailed procedures for disposal of assets including condemnations and ensure that these are notified to managers.
26.2.1	DIRECTOR OF FINANCE	Prepare procedures for recording and accounting for losses, special payments and informing police in cases of suspected arson or theft.
26.2.2	ALL STAFF	Discovery or suspicion of loss of any kind must be reported immediately to either head of department or nominated officer. The head of department / nominated officer should then inform the CE and DoF.
26.2.2	DIRECTOR OF FINANCE	Where a criminal offence is suspected, DoF must inform the police if theft or arson is involved. In cases of fraud and corruption DoF must inform the relevant LCFS and CFSMS Regional Team in line with SoS directions.
26.2.2	DIRECTOR OF FINANCE	Notify CFSMS and External Audit of all frauds.
26.2.3	DIRECTOR OF FINANCE	Notify Board and External Auditor of losses caused theft, arson, neglect of duty or gross carelessness (unless trivial).
26.2.4	BOARD	Approve write off of losses (within limits delegated by DH).
26.2.6	DIRECTOR OF FINANCE	Consider whether any insurance claim can be made.
26.2.7	DIRECTOR OF FINANCE	Maintain losses and special payments register.
27.1	DIRECTOR OF FINANCE	Responsible for accuracy and security of computerised financial data.
27.1	DIRECTOR OF FINANCE	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 must be obtained from them prior to implementation.
27.1.3	DIRECTOR OF QUALITY AND CLINICAL EXCELLENCE	Shall publish and maintain a Freedom of Information Scheme.



<b>SFI REF</b>	<b>DELEGATED TO</b>	<b>AUTHORITIES/DUTIES DELEGATED</b>
27.2.1	NOMINATED OFFICERS	Send proposals for general computer systems to DoF
27.3	DIRECTOR OF FINANCE	Ensure that contracts with other bodies for the provision of computer services for financial applications clearly define responsibility of all parties for security, privacy, accuracy, completeness and timeliness of data during processing, transmission and storage, and allow for audit review.  Seek periodic assurances from the provider that adequate controls are in operation.
27.4	DIRECTOR OF FINANCE	Ensure that risks to the Trust from use of IT are identified and considered and that disaster recovery plans are in place.
27.5	DIRECTOR OF FINANCE	Where computer systems have an impact on corporate financial systems satisfy himself that: a) systems acquisition, development and maintenance are in line with corporate policies; b) data assembled for processing by financial systems is adequate, accurate, complete and timely, and that a management rail exists; c) DoF and staff have access to such data; Such computer audit reviews are being carried out as are considered necessary.
28.2	CHIEF EXECUTIVE	Responsible for ensuring patients and guardians are informed about patients' money and property procedures on admission.
28.3	DIRECTOR OF FINANCE	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.
28.6	DEPARTMENTAL MANAGERS	Inform staff of their responsibilities and duties for the administration of the property of patients.
29.1	DIRECTOR OF FINANCE	Shall ensure that each trust fund which the Trust is responsible for managing is managed appropriately.
30	DIRECTOR OF FINANCE	Ensure all staff are made aware of the Trust policy on the acceptance of gifts and other benefits in kind by staff
32	CHIEF EXECUTIVE	Retention of document procedures in accordance with HSC 1999/053.
33.1	CHIEF EXECUTIVE	Risk management programme.
33.1	BOARD	Approve and monitor risk management programme.
33.2	BOARD	Decide whether the Trust will use the risk pooling schemes administered by the NHS Litigation Authority

SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
		or self-insure for some or all of the risks (where discretion is allowed). Decisions to self-insure should be reviewed annually.
33.4	DIRECTOR OF FINANCE	Where the Board decides to use the risk pooling schemes administered by the NHS Litigation Authority the Director of Finance shall ensure that the arrangements entered into are appropriate and complementary to the risk management programme. The Director of Finance shall ensure that documented procedures cover these arrangements.
33.4	DIRECTOR OF FINANCE	Where the Board decides not to use the risk pooling schemes administered by the NHS Litigation Authority for any one or other of the risks covered by the schemes, the Director of Finance 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 Finance will draw up formal documented procedures for the management of any claims arising from third parties and payments in respect of losses that will not be reimbursed. Ensure documented procedures cover management of claims and payments below the deductible.

\* Nominated officers and the areas for which they are responsible should be incorporated into the Trust's Scheme of Delegation document.

## SECTION D - STANDING FINANCIAL INSTRUCTIONS

### 10. INTRODUCTION

#### 10.1 General

- 10.1.1 These Standing Financial Instructions (SFIs) are issued in accordance with the Trust (Functions) Directions 2000 issued by the Secretary of State which require that each Trust shall agree 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. They shall have effect as if incorporated in the Standing Orders (SOs).
- 10.1.2 These Standing Financial Instructions detail the financial responsibilities, policies and procedures adopted by the Trust. They are designed to ensure that the Trust's financial transactions are carried out in accordance with the law and with Government policy 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 and the Scheme of Delegation adopted by the Trust.
- 10.1.3 These Standing Financial Instructions identify the financial responsibilities which apply to everyone working for the Trust and its constituent organizations including Trading Units. They do not provide detailed procedural advice and should be read in conjunction with the detailed departmental and financial procedure notes. All financial procedures must be approved by the Director of Finance.
- 10.1.4 Should any difficulties arise regarding the interpretation or application of any of the Standing Financial Instructions then the advice of the Director of Finance must be sought before acting. The user of these Standing Financial Instructions should also be familiar with and comply with the provisions of the Trust's Standing Orders.
- 10.1.5 **The failure to comply with Standing Financial Instructions and Standing Orders can in certain circumstances be regarded as a disciplinary matter that could result in dismissal.**
- 10.1.6 **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 and staff have a duty to disclose any non-compliance with these Standing Financial Instructions to the Director of Performance and Finance as soon as possible.

#### 10.2 Responsibilities and delegation

##### 10.2.1 The Trust Board

The Board exercises financial supervision and control by:

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

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

10.2.4 **The Chief Executive and Director of Finance**

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

Within the Standing Financial Instructions, it is acknowledged that the Chief Executive is ultimately accountable to the Board, and as Accountable Officer, to the Secretary of State, for ensuring that the Board meets its obligation to perform its functions within the available financial resources. The Chief Executive has overall executive responsibility for the Trust's activities; is responsible to the Chairman and the Board for ensuring that its financial obligations and targets are met and has overall responsibility for the Trust's system of internal control.

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

10.2.6 **The Director of Finance**

The Director of Finance is responsible for:

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

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

- (d) the provision of financial advice to other members of the Board 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 reports as the Trust may require for the purpose of carrying out its statutory duties.

10.2.7 **Board Members and Employees**

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

- (a) the security of the property of the Trust;
- (b) avoiding loss;
- (c) exercising economy and efficiency in the use of resources;

- (d) conforming with the requirements of Standing Orders, Standing Financial Instructions, Financial Procedures and the Scheme of Delegation.

#### 10.2.8 **Contractors and their employees**

Any contractor or employee of a contractor who is empowered by the Trust to commit the Trust to expenditure or who is authorized 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.

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

### **11. AUDIT**

#### **11.1 Audit Committee**

- 11.1.1 In accordance with Standing Orders, the Board shall formally establish an Audit Committee, with clearly defined terms of reference and following guidance from the NHS Audit Committee Handbook (2005), which will provide an independent and objective view of internal control by:

- (a) overseeing Internal and External Audit services;
- (b) reviewing financial and information systems and monitoring the integrity of the financial statements and reviewing significant financial reporting judgments;
- (c) 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 (both clinical and non-clinical), that supports the achievement of the organisation's objectives;
- (d) monitoring compliance with Standing Orders and Standing Financial Instructions;
- (e) reviewing schedules of losses and compensations and making recommendations to the Board;
- (f) reviewing schedules of debtors/creditors balances over 6 months and £5,000 old and explanations/action plans;
- (g) Reviewing the arrangements in place to support the Assurance Framework process prepared on behalf of the Board and advising the Board accordingly.

- 11.1.2 Where the Audit Committee considers there is evidence of ultra vires transactions, evidence of improper acts, or if there are other important matters that the Committee wishes to raise, the Chairman of the Audit Committee should raise the matter at a full meeting of the Board. Exceptionally, the matter may need to be referred to the Department of Health. (To the Director of Finance in the first instance.)

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

#### **11.2 Director of Finance**

- 11.2.1 The Director of Finance is responsible for:

- (a) ensuring there are arrangements to review, evaluate and report on the effectiveness of internal financial control including the establishment of an effective Internal Audit function;
- (b) ensuring that the Internal Audit is adequate and meets the NHS mandatory audit standards;
- (c) deciding at what stage to involve the police in cases of misappropriation and other irregularities not involving fraud or corruption;
- (e) ensuring that an annual internal audit report is prepared for the consideration of the Audit Committee [and the Board]. The report must cover:
  - (i) a clear opinion on the effectiveness of internal control in accordance with current assurance framework guidance issued by the Department of Health including for example compliance with control criteria and standards;
  - (ii) major internal financial control weaknesses discovered;
  - (iii) progress on the implementation of internal audit recommendations;
  - (iv) progress against plan over the previous year;
  - (v) strategic audit plan covering the coming three years;
  - (vi) a detailed plan for the coming year.

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

- (a) access to all records, documents and correspondence relating to any financial or other relevant transactions, including documents of a confidential nature;
- (b) access at all reasonable times to any land, premises or members of the Board or employee of the Trust;
- (c) the production of any cash, stores or other property of the Trust under a member of the Board and an employee's control; and
- (d) explanations concerning any matter under investigation.

### 11.3 Role of Internal Audit

11.3.1 Internal Audit will review, appraise and report upon:

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

11.3.2 Whenever any matter arises which involves, or is thought to involve, irregularities concerning cash, stores, or other property or any suspected irregularity in the

exercise of any function of a pecuniary nature, the Director of Finance must be notified immediately.

11.3.3 The Chief Internal Auditor will normally attend Audit Committee meetings and has a right of access to all Audit Committee members, the Chairman and Chief Executive of the Trust.

11.3.4 The Chief Internal Auditor shall be accountable to the Director of Finance. The reporting system for internal audit shall be agreed between the Director of Finance, the Audit Committee and the Chief Internal Auditor. The agreement shall be in writing and shall comply with the guidance on reporting contained in the NHS Internal Audit Standards. The reporting system shall be reviewed at least every three years.

#### **11.4 External Audit**

11.4.1 The External Auditor is appointed by the Audit Commission (and any successor organisation to the Audit Commission) and paid for by the Trust. The Audit Committee and any successor organisation must ensure a cost-efficient service. If there are any problems relating to the service provided by the External Auditor, then this should be raised with the External Auditor and referred on to the Audit Commission if the issue cannot be resolved.

#### **11.5 Fraud and Corruption**

11.5.1 In line with their responsibilities, the Trust Chief Executive and Director of Finance shall monitor and ensure compliance with Directions issued by the Secretary of State for Health on fraud and corruption.

11.5.2 The Trust shall nominate a suitable person to carry out the duties of the Local Counter Fraud Specialist (or any successor organisation) as specified by the Department of Health Fraud and Corruption Manual and guidance.

11.5.3 The Local Counter Fraud Specialist shall report to the Trust Director of Finance and shall work with staff in the Counter Fraud and Security Management Services (CFSMS) and the Regional Counter Fraud and Security Management Services (CFSMS) (or any successor organisations) in accordance with the Department of Health Fraud and Corruption Manual.

11.5.4 The Local Counter Fraud Specialist will provide a written report, at least annually, on counter fraud work within the Trust.

#### **11.6 Security Management**

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

11.6.2 The Trust shall nominate a suitable person to carry out the duties of the Local Security Management Specialist (LSMS) as specified by the Secretary of State for Health guidance on NHS security management.

11.6.3 The Trust shall nominate a Non-Executive Director to be responsible to the Board for NHS security management.

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

### **12. RESOURCE LIMIT CONTROL**

Not applicable to NHS Trusts.

## **13. ALLOCATIONS, PLANNING, BUDGETS, BUDGETARY CONTROL, AND MONITORING**

### **13.1 Preparation and Approval of Plans and Budgets**

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

- (a) a statement of the significant assumptions on which the plan is based;
- (b) details of major changes in workload, delivery of services or resources required to achieve the plan.

13.1.2 Prior to the start of the financial year the Director of Finance will, on behalf of the Chief Executive, prepare and submit budgets for approval by the Board. Such budgets will:

- (a) be in accordance with the aims and objectives set out in the Local Delivery Plan;
- (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) identify potential risks.

13.1.3 The Director of Finance shall monitor financial performance against budget and plan, periodically review them, and report to the Board.

13.1.4 All budget holders must provide information as required by the Director of Finance to enable budgets to be compiled.

13.1.5 All budget holders will sign up to their allocated budgets at the commencement of each financial year.

13.1.6 The Director of Finance has a responsibility to ensure that adequate training is delivered on an on-going basis to budget holders to help them manage successfully.

### **13.3 Budgetary Delegation**

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

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

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

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



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

#### **13.4 Budgetary Control and Reporting**

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

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

- 13.4.2 Each Budget Holder is responsible for ensuring that:

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

- 13.4.3 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.

#### **13.5 Capital Expenditure**

- 13.5.1 The general rules applying to delegation and reporting shall also apply to capital expenditure. (The particular applications relating to capital are contained in SFI 24).

#### **13.6 Monitoring Returns**

- 13.6.1 The Chief Executive is responsible for ensuring that the appropriate monitoring forms are submitted to the requisite monitoring organisation.

## **14. ANNUAL ACCOUNTS AND REPORTS**

- 14.1 The Director of Finance, on behalf of the Trust, will:
- (a) prepare financial returns in accordance with the accounting policies and guidance given by the Department of Health and the Treasury, the Trust's accounting policies, and generally accepted accounting practice;
  - (b) prepare and submit annual financial reports to the Department of Health certified in accordance with current guidelines;
  - (c) submit financial returns to the Department of Health for each financial year in accordance with the timetable prescribed by the Department of Health.
- 14.2 The Trust's annual accounts must be audited by an auditor appointed by the Audit Commission. The Trust's audited annual accounts must be presented to a public meeting and made available to the public.
- 14.3 The Trust will publish an annual report, in accordance with guidelines on local accountability, and present it at a public meeting. The document will comply with the Department of Health's Manual for Accounts.

## **15. BANK AND GOVERNMENT BANKING ACCOUNTS**

### **15.1 General**

15.1.1 The Director of Finance is responsible for managing the Trust's banking arrangements and for advising the Trust on the provision of banking services and operation of accounts. This advice will take into account guidance/ Directions issued from time to time by the Department of Health. In line with 'Cash Management in the NHS' Trusts should minimize the use of commercial bank accounts and consider using Government Banking accounts for all banking services.

15.1.2 The Board shall approve the banking arrangements.

### **15.2 Bank and Government Banking Accounts**

15.2.1 The Director of Finance is responsible for:

- (a) bank accounts and Government Banking accounts;
- (b) establishing separate bank accounts for the Trust's non-exchequer funds;
- (c) ensuring payments made from bank or Government Banking accounts do not exceed the amount credited to the account except where arrangements have been made;
- (d) reporting to the Board all arrangements made with the Trust's bankers for accounts to be overdrawn.
- (e) monitoring compliance with DH guidance on the level of cleared funds.

### **15.3 Banking Procedures**

15.3.1 The Director of Finance will prepare detailed instructions on the operation of bank and Government Banking accounts which must include:

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

15.3.2 The Director of Finance must advise the Trust's bankers in writing of the conditions under which each account will be operated.

### **15.4 Tendering and Review**

15.4.1 The Director of Finance will review the commercial banking arrangements of the Trust at regular intervals to ensure they reflect best practice and represent best value for money by periodically seeking competitive tenders for the Trust's commercial banking business.

15.4.2 Competitive tenders should be sought at least every five years. The results of the tendering exercise should be reported to the Board. This review is not necessary for GBS accounts.

## **16. INCOME, FEES AND CHARGES AND SECURITY OF CASH, CHEQUES AND OTHER NEGOTIABLE INSTRUMENTS**

### **16.1 Income Systems**

16.1.1 The Director of Finance is responsible for designing, maintaining and ensuring compliance with systems for the proper recording, invoicing, collection and coding of all monies due.

16.1.2 The Director of Finance is also responsible for the prompt banking of all monies received.

### **16.2 Fees and Charges**

16.2.1 The Trust shall follow the Department of Health's advice in the "Costing" Manual in setting prices for NHS service agreements.

16.2.2 The Director of Finance is responsible for approving and regularly reviewing the level of all fees and charges other than those determined by the Department of Health or by Statute. Independent professional advice on matters of valuation shall be taken as necessary. 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.

16.2.3 All employees must inform the Director of Finance promptly of money due arising from transactions which they initiate/deal with, including all contracts, leases, tenancy agreements, private patient undertakings and other transactions.

### **16.3 Debt Recovery**

16.3.1 The Director of Finance is responsible for the appropriate recovery action on all outstanding debts.

16.3.2 Income not received should be dealt with in accordance with losses procedures.

16.3.3 Overpayments should be detected (or preferably prevented) and recovery initiated.

### **16.4 Security of Cash, Cheques and other Negotiable Instruments**

16.4.1 The Director of Finance is responsible for:

- (a) approving the form of all receipt books, agreement forms, or other means of officially acknowledging or recording monies received or receivable;
- (b) ordering and securely controlling any such stationery;
- (c) the provision of adequate facilities and systems for employees whose duties include collecting and holding cash, including the provision of safes or lockable cash boxes, the procedures for keys, and for coin operated machines;
- (d) prescribing systems and procedures for handling cash and negotiable securities on behalf of the Trust.

16.4.2 Official money shall not under any circumstances be used for the encashment of private cheques or IOUs.

16.4.3 All cheques, postal orders, cash etc., shall be banked intact. Disbursements shall not be made from cash received, except under arrangements approved by the Director of Finance.

16.4.4 The holders of safe keys shall not accept unofficial funds for depositing in their safes unless such deposits are in special sealed envelopes or locked containers. It shall be made clear to the depositors that the Trust is not to be held liable for any loss, and written indemnities must be obtained from the organisation or individuals absolving the Trust from responsibility for any loss.

## **17. TENDERING AND CONTRACTING PROCEDURE**

### **17.1 Duty to comply with Standing Orders and Standing Financial Instructions**

The procedure for making all contracts by or on behalf of the Trust shall comply with these Standing Orders and Standing Financial Instructions (except where Standing Order No. 3.13 Suspension of Standing Orders is applied).

### **17.2 EU Directives Governing Public Procurement**

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 these Standing Orders and Standing Financial Instructions.

### **17.3 Reverse eAuctions**

The Trust should have policies and procedures in place for the control of all tendering activity carried out through Reverse eAuctions. For further guidance on Reverse eAuctions refer to [www.ogc.gov.uk](http://www.ogc.gov.uk)

### **17.4 Capital Investment Manual and other Department of Health Guidance**

The Trust shall comply as far as is practicable with the requirements of the Department of Health "Capital Investment Manual" and "Estate code" in respect of capital investment and estate and property transactions. In the case of management consultancy contracts the Trust shall comply as far as is practicable with Department of Health guidance "The Procurement and Management of Consultants within the NHS".

### **17.5 Formal Competitive Tendering**

#### **17.5.1 General Applicability**

The Trust shall ensure that competitive tenders are invited for:

- the supply of goods, materials and manufactured articles;
- the rendering of services including all forms of management consultancy services (other than specialised services sought from or provided by the DH);
- For the design, construction and maintenance of building and engineering works (including construction and maintenance of grounds and gardens); for disposals.

#### **17.5.2 Health Care Services**

Where the Trust elects to invite tenders for the supply of healthcare services these Standing Orders and Standing Financial Instructions shall apply as far as they are applicable to the tendering procedure and need to be read in conjunction with Standing Financial Instruction No. 18 and No. 19.

### 17.5.3 **Exceptions and instances where formal tendering need not be applied**

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

- (a) the estimated expenditure or income does not, or is not reasonably expected to, exceed £25,000
- (b) where the supply is proposed under special arrangements negotiated by the DH in which event the said special arrangements must be complied with;
- (c) regarding disposals as set out in Standing Financial Instructions No. 26;

Formal tendering procedures **may be waived** in the following circumstances:

- (d) in very exceptional circumstances where the Chief Executive decides that formal tendering procedures would not be practicable or the estimated expenditure or income would not warrant formal tendering procedures, and the circumstances are detailed in an appropriate Trust record;
- (e) where the requirement is covered by an existing contract;
- (f) where PASA agreements are in place and have been approved by the Board;
- (g) where a consortium arrangement is in place and a lead organisation has been appointed to carry out tendering activity on behalf of the consortium members;
- (h) where the timescale genuinely precludes competitive tendering but failure to plan the work properly would not be regarded as a justification for a single tender;
- (i) where specialist expertise is required and is available from only one source;
- (j) when 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;
- (k) 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;
- (l) for the provision of legal advice and services providing that any legal firm or partnership commissioned by the Trust is regulated by the Law Society for England and Wales for the conduct of their business (or by the Bar Council for England and Wales in relation to the obtaining of Counsel's opinion) and are generally recognised as having sufficient expertise in the area of work for which they are commissioned.

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

- (m) where allowed and provided for in the Capital Investment Manual.

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

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

**17.5.4 Fair and Adequate Competition**

Where the exceptions set out in SFI Nos. 17.1 and 17.5.3 apply, the 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 two firms/individuals, having regard to their capacity to supply the goods or materials or to undertake the services or works required.

**17.5.5 List of Approved Firms**

The Trust shall ensure that the firms/individuals invited to tender (and where appropriate, quote) are among those on approved lists. Where in the opinion of the Director of Finance it is desirable to seek tenders from firms not on the approved lists, the reason shall be recorded in writing to the Chief Executive (see SFI 17.6.8 List of Approved Firms).

**17.5.6 Building and Engineering Construction Works**

Competitive Tendering cannot be waived for building and engineering construction works and maintenance (other than in accordance with Concode) without Departmental of Health approval.

**17.5.7 Items which subsequently breach thresholds after original approval**

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 Trust record.

**17.6 Contracting/Tendering Procedure**

**17.6.1 Invitation to tender**

- (i) All invitations to tender shall state the date and time as being the latest time for the receipt of tenders.
- (ii) All invitations to tender shall state that no tender will be accepted unless:
  - (a) submitted in a plain sealed package or envelope bearing a pre-printed label supplied by the Trust (or the word "tender" followed by the subject to which it relates) and the latest date and time for the receipt of such tender addressed to the Chief Executive or nominated Manager;
  - (b) that tender envelopes/ packages shall not bear any names or marks indicating the sender. The use of courier/postal services must not identify the sender on the envelope or on any receipt so required by the deliverer.
- (iii) Every tender for goods, materials, services or disposals shall embody such of the NHS Standard Contract Conditions as are applicable.
- (iv) Every tender for building or engineering works (except for maintenance work, when Estmancode guidance shall be followed) shall embody or be in the terms of the current edition of one of the Joint Contracts Tribunal Standard Forms of Building Contract or Department of the Environment (GC/Wks) Standard forms of contract amended to comply with concode; or, when the content of the work is primarily engineering, the General Conditions of Contract recommended by the Institution of Mechanical and Electrical

Engineers and the Association of Consulting Engineers (Form A), or (in the case of civil engineering work) the General Conditions of Contract recommended by the Institute of Civil Engineers, the Association of Consulting Engineers and the Federation of Civil Engineering Contractors. These documents shall be modified and/or amplified to accord with Department of Health guidance and, in minor respects, to cover special features of individual projects.

#### 17.6.2 **Receipt and safe custody of tenders**

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

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

#### 17.6.3 **Opening tenders and Register of tenders**

- (i) As soon as practicable after the date and time stated as being the latest time for the receipt of tenders, they shall be opened by two senior officers/managers designated by the Chief Executive and not from the originating department.
- (ii) A member of the Trust Board will be required to be one of the two approved persons present for the opening of tenders estimated above £[49,999]The rules relating to the opening of tenders will need to be read in conjunction with any delegated authority set out in the Trust's Scheme of Delegation.
- (iii) The 'originating' Department will be taken to mean the Department sponsoring or commissioning the tender.
- (iv) The involvement of Finance Directorate staff in the preparation of a tender proposal will not preclude the Director of Finance or any approved Senior Manager from the Finance Directorate from serving as one of the two senior managers to open tenders.
- (v) All Executive Directors/members will be authorized to open tenders regardless of whether they are from the originating department provided that the other authorized person opening the tenders with them is not from the originating department.

The Trust's Company Secretary will count as a Director for the purposes of opening tenders.

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

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

- (viii) Incomplete tenders, i.e. those from which information necessary for the adjudication of the tender is missing, and amended tenders i.e., those amended by the tenderer upon his own initiative either orally or in writing after the due time for receipt, but prior to the opening of other tenders, should be dealt with in the same way as late tenders. (Standing Order No. 17.6.5 below).

#### 17.6.4 **Admissibility**

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

#### 17.6.5 **Late tenders**

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

#### 17.6.6 **Acceptance of formal tenders (See overlap with SFI No. 17.7)**

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

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 recorded and documented in the contract file, and the reason(s) for not accepting the lowest tender clearly stated.



- (iii) No tender shall be accepted which will commit expenditure in excess of that which has been allocated by the Trust and which is not in accordance with these Instructions except with the authorization of the Chief Executive.
- (iv) 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) that best value for money was achieved.
- (v) All tenders should be treated as confidential and should be retained for inspection.

#### 17.6.7 **Tender reports to the Trust Board**

Reports to the Trust Board will be made on an exceptional circumstance basis only.

#### 17.6.8 **List of approved firms (see SFI No. 17.5.5)**

##### (a) **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 Trust is satisfied. All suppliers must be made aware of the Trust's terms and conditions of contract.

##### (b) **Building and Engineering Construction Works**

- (i) Invitations to tender shall be made only to firms included on the approved list of tenderers compiled in accordance with this Instruction or on the separate maintenance lists compiled in accordance with Estmancode guidance (Health Notice HN(78)147).
- ii) 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 Equality Act 2010.
- iii) 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.

##### (c) **Financial Standing and Technical Competence of Contractors**

The Director of Finance may make or institute any enquiries he deems 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.

#### 17.6.9 **Exceptions to using approved contractors**

If in the opinion of the Chief Executive and the Director of Finance 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.

## **17.7 Quotations: Competitive and non-competitive**

### **17.7.1 General Position on quotations**

Quotations are required where formal tendering procedures are not adopted and where the intended expenditure or income exceeds, or is reasonably expected to exceed £5000k but not exceed £25,000

### **17.7.2 Competitive Quotations**

- (i) Quotations should be obtained from at least 3 firms/individuals based on specifications or terms of reference prepared by, or on behalf of, the Trust.
- (ii) Quotations should be in writing unless the Chief Executive or his nominated officer determines that it is impractical to do so in which case quotations may be obtained by telephone. Confirmation of telephone quotations should be obtained as soon as possible and the reasons why the telephone quotation was obtained should be set out in a permanent record.
- (iii) All quotations should be treated as confidential and should be retained for inspection.
- (iv) The Chief Executive or his nominated officer should evaluate the quotation and select the quote which gives the best value for money. If this is not the lowest quotation if payment is to be made by the Trust, or the highest if payment is to be received by the Trust, then the choice made and the reasons why should be recorded in a permanent record.

### **17.7.3 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.

### **17.7.4 Quotations to be within Financial Limits**

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

## 17.8 Authorization of Tenders and Competitive Quotations

Providing all the conditions and circumstances set out in these Standing Financial Instructions have been fully complied with, formal authorization and awarding of a contract may be decided by the following staff to the value of the contract as follows. All figures **exclusive** of VAT.

Designated budget holders	up to	£25,000
Directors	up to	£50,000
Chief Executive	up to	£100,000
FSC	up to	£1,000,000
Trust Board	<b>over</b>	£1,000,000

These levels of authorization may be varied or changed and need to be read in conjunction with the Trust Board's Scheme of Delegation. Formal authorization must be put in writing. In the case of authorization by the Trust Board this shall be recorded in their minutes.

## 17.9 Instances where formal competitive tendering or competitive quotation is not required

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

- (a) the Trust shall use the NHS Supply Chain 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 Trust does not use the NHS Supply Chain - where tenders or quotations are not required, because expenditure is below £5000, the Trust shall procure goods and services in accordance with procurement procedures approved by the Director of Finance.

## 17.10 Business Development Opportunity Assessment

**The following limits should be applied when considering business development opportunity assessments.**

Estimated Annual Value All figures exclusive of VAT.	Decision on expression of interest	Decision on pre qualifying questionnaire stage (or equivalent)
Below £100,000	Director	Director in consultation with Chief Executive
Between 100k and 500k	Director in consultation with Chief Executive	Managing Director
Between £500 and £1million	Chief Executive in consultation with the Chairman	FSC
Over 1M	Finance and Strategy Committee	Board

#### **17.11 Private Finance for capital procurement (see overlap with SFI No. 24)**

The Trust should normally market-test for PFI (Private Finance Initiative funding) 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 Trust.
- (d) The selection of a contractor/finance company must be on the basis of competitive tendering or quotations.

#### **17.12 Compliance requirements for all contracts**

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

- (a) The Trust's Standing Orders and Standing Financial Instructions;
- (b) EU Directives and other statutory provisions;
- (c) any relevant directions including the Capital Investment Manual, Estatecode 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 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 Trust.

#### **17.13 Personnel and Agency or Temporary Staff Contracts**

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

#### **17.14 Healthcare Services Agreements (see overlap with SFI No. 18)**

Service agreements with NHS providers for the supply of healthcare services shall be drawn up in accordance with the NHS Act 2006 and administered by the Trust. Service agreements are not contracts in law and therefore not enforceable by the courts. However, a contract with a Foundation Trust, being a PBC, is a legal document and is enforceable in law.

The Chief Executive shall nominate officers to commission service agreements with providers of healthcare in line with a commissioning plan approved by the Board.

### **17.15 Disposals (See overlap with SFI No. 26)**

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 his nominated officer;
- (b) obsolete or condemned articles and stores, which may be disposed of in accordance with the supplies policy of the Trust;
- (c) items to be disposed of with an estimated sale value of less than £5000, 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.

### **17.16 In-house Services**

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

17.16.2 In all cases where the Board 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 Finance representative. For services having a likely annual expenditure exceeding £100,000, a non-officer member should be a member of the evaluation team.

17.16.3 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.

17.16.4 The evaluation team shall make recommendations to the Board.

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

### **17.17 Applicability of SFIs on Tendering and Contracting to funds held in trust (see overlap with SFI No. 29)**

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

## **18. NHS SERVICE AGREEMENTS FOR PROVISION OF SERVICES (see overlap with SFI No. 17.14)**

### **18.1 Contracts**

- 18.1.1 The Chief Executive, as the Accountable Officer, is responsible for ensuring the Trust enters into suitable contracts with service commissioners for the provision of NHS services.

All contracts should aim to implement the agreed priorities contained within the Annual Plan 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:

- the standards of service quality expected;
- the relevant national service framework (if any);
- the provision of reliable information on cost and volume of services;
- the NHS National Performance Assessment Framework;
- that contracts build where appropriate on existing Joint Investment Plans;
- that contracts are based on integrated care pathways.

## **18.2 Involving Partners and jointly managing risk**

A good contract 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 Trust works with all partner agencies involved in both the delivery and the commissioning of the service required. The contract will apportion responsibility for handling a particular risk to the party or parties in the best position to influence the event and financial arrangements should reflect this. In this way the Trust can jointly manage risk with all interested parties.

## **18.3 Reports to Board on Actual and Forecast Income**

The Chief Executive, as the Accountable Officer, will need to ensure that regular reports are provided to the Board detailing actual and forecast income

# **19. TERMS OF SERVICE, ALLOWANCES AND PAYMENT OF MEMBERS OF THE TRUST BOARD AND EXECUTIVE COMMITTEE AND EMPLOYEES**

## **19.1 Remuneration Committee (see overlap with SO No. 4)**

- 19.1.1 In accordance with Standing Orders the Board shall establish a Remuneration and Terms of Service Committee, with clearly defined terms of reference, specifying which posts fall within its area of responsibility, its composition, and the arrangements for reporting. (See NHS guidance contained in the Higgs report.)

- 19.1.2 The Committee will:

- (a) advise the Board about appropriate remuneration and terms of service for the Chief Executive, other officer members employed by the Trust and other senior employees including:
  - (i) all aspects of salary (including any performance-related elements/bonuses);
  - (ii) provisions for other benefits, including pensions and cars;
  - (iii) arrangements for termination of employment and other contractual terms;

- (b) make such recommendations to the Board on the remuneration and terms of service of officer members of the Board (and other senior employees) to ensure they are fairly rewarded for their individual contribution to the Trust - having proper regard to the Trust's circumstances and performance and to the provisions of any national arrangements for such members and staff where appropriate;
  - (c) monitor and evaluate the performance of individual officer members (and other senior employees);
  - (d) advise on and oversee appropriate contractual arrangements for such staff including the proper calculation and scrutiny of termination payments taking account of such national guidance as is appropriate.
- 19.1.3 The Committee shall report in writing to the Board the basis for its recommendations. The Board shall use the report as the basis for their decisions, but remain accountable for taking decisions on the remuneration and terms of service of officer members. Minutes of the Board's meetings should record such decisions.
- 19.1.4 The Board will consider and need to approve proposals presented by the Chief Executive for the setting of remuneration and conditions of service for those employees and officers not covered by the Committee.
- 19.1.5 The Trust will pay allowances to the Chairman and Non Executive Directors of the Board in accordance with instructions issued by the Secretary of State for Health.
- 19.2 Funded Establishment**
- 19.2.1 The manpower plans incorporated within the annual budget will form the funded establishment.
- 19.2.2 The funded establishment of any department may not be varied without the approval of the Chief Executive.
- 19.3 Staff Appointments**
- 19.3.1 No officer or Member of the Trust Board 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 authorized to do so by the Chief Executive;
  - (b) within the limit of their approved budget and funded establishment.
- 19.3.2 The Board will approve procedures presented by the Chief Executive for the determination of commencing pay rates, condition of service, etc, for employees.
- 19.4 Processing Payroll**
- 19.4.1 The Director of Finance is responsible for:
- (a) specifying timetables for submission of properly authorized time records and other notifications;
  - (b) the final determination of pay and allowances;
  - (c) making payment on agreed dates;
  - (d) agreeing method of payment.
- 19.4.2 The Director of Finance will issue instructions regarding:

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

19.4.3 Appropriately nominated managers have delegated responsibility for:

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

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

## **19.5 Contracts of Employment**

19.5.1 The Board shall delegate responsibility to an officer for:

- (a) ensuring that all employees are issued with a Contract of Employment in a form approved by the Board and which complies with employment legislation;
- (b) dealing with variations to, or termination of, contracts of employment.



## **20. NON-PAY EXPENDITURE**

### **20.1 Delegation of Authority**

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

20.1.2 The Chief Executive will set out:

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

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

### **20.2 Choice, Requisitioning, Ordering, Receipt and Payment for Goods and Services (see overlap with Standing Financial Instruction No. 17)**

#### **20.2.1 Requisitioning**

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

#### **20.2.2 System of Payment and Payment Verification**

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

20.2.3 The Director of Finance will:

- (a) advise the Board regarding the setting of thresholds above which quotations (competitive or otherwise) or formal tenders must be obtained; and, once approved, the thresholds should be incorporated in Standing Orders and Standing Financial Instructions and regularly reviewed;
- (b) prepare procedural instructions or guidance within the Scheme of Delegation on the obtaining of goods, works and services incorporating the thresholds;
- (c) be responsible for the prompt payment of all properly authorized accounts and claims;
- (d) be responsible for designing and maintaining a system of verification, recording and payment of all amounts payable. The system shall provide for:
  - (i) A list of Board employees (including specimens of their signatures) authorized to certify invoices.
  - (ii) Certification that:
    - goods have been duly received, examined and are in accordance with specification and the prices are correct;
    - work done or services 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 authorizations have been obtained;
  - the account is arithmetically correct;
  - the account is in order for payment.
- (iii) A timetable and system for submission to the Director of Finance of accounts for payment; provision shall be made for the early submission of accounts subject to cash discounts or otherwise requiring early payment.
- (iv) Instructions to employees regarding the handling and payment of accounts within the Finance Department.
- (e) be responsible for ensuring that payment for goods and services is only made once the goods and services are received. The only exceptions are set out in SFI No. 21.2.4 below.

#### 20.2.4 **Prepayments**

Prepayments are only permitted where exceptional circumstances apply. In such instances:

- (a) Prepayments are only permitted where the financial advantages outweigh the disadvantages (i.e. cash flows must be discounted to NPV using the National Loans Fund (NLF) rate plus 2%).
- (b) The appropriate officer 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 Trust if the supplier is at some time during the course of the prepayment agreement unable to meet his commitments;
- (c) The Director of Finance will need to be satisfied with the proposed arrangements before contractual arrangements proceed (taking into account the EU public procurement rules where the contract is above a stipulated financial threshold);
- (d) The budget holder is responsible for ensuring that all items due under a prepayment contract are received and they must immediately inform the appropriate Director or Chief Executive if problems are encountered.

#### 20.2.5 **Official orders**

Official Orders must:

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

#### 20.2.6 **Duties of Managers and Officers**

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

- (a) all contracts (except as otherwise provided for in the Scheme of Delegation), leases, tenancy agreements and other commitments which may result in a liability are notified to the Director of Finance in advance of any commitment being made;
- (b) contracts above specified thresholds are advertised and awarded in accordance with EU 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;
- (d) no order shall be issued for any item or items to any firm which has made an offer of gifts, reward or benefit to directors or employees, other than:
  - (i) isolated gifts of a trivial character or inexpensive seasonal gifts, such as calendars;
  - (ii) conventional hospitality, such as lunches in the course of working visits;

**(This provision needs to be read in conjunction with Standing Order No. 6 and the principles outlined in the national guidance contained in HSG 93(5) "Standards of Business Conduct for NHS Staff");**

- (e) no requisition/order is placed for any item or items for which there is no budget provision unless authorized by the Director of Finance on behalf of the Chief Executive;
- (f) all goods, services, or works are ordered on an official order except works and services executed in accordance with a contract and purchases from petty cash;
- (g) verbal orders must only be issued very exceptionally - by an employee designated by the Chief Executive and only in cases of emergency or urgent necessity. These must be confirmed by an official order and clearly marked "Confirmation Order";
- (h) orders are not split or otherwise placed in a manner devised so as to avoid the financial thresholds;
- (i) goods are not taken on trial or loan in circumstances that could commit the Trust to a future uncompetitive purchase;
- (j) changes to the list of employees and officers authorized to certify invoices are notified to the Director of Finance;
- (k) purchases from petty cash are restricted in value and by type of purchase in accordance with instructions issued by the Director of Finance;
- (l) petty cash records are maintained in a form as determined by the Director of Finance.

20.2.7 The Chief Executive and Director of Finance shall ensure that the arrangements for financial control and financial audit of building and engineering contracts and property transactions comply with the guidance contained within CONCODE and ESTATECODE. The technical audit of these contracts shall be the responsibility of the relevant Director.

### **20.3 Joint Finance Arrangements with Local Authorities and Voluntary Bodies (see overlap with Standing Order No. 9.1)**

20.3.1 Payments to local authorities and voluntary organisations made under the powers of section 256 of the 2006 NHS Act **shall** comply with procedures laid down by the Director of Finance which shall be in accordance with these Acts. (See overlap with Standing Order No. 9.1)

## **21. EXTERNAL BORROWING**

21.1.1 The Director of Finance will advise the Board concerning the Trust's ability to pay dividend on, and repay Public Dividend Capital and any proposed new borrowing, within the limits set by the Department of Health. The Director of Finance is also responsible for reporting periodically to the Board concerning the PDC debt and all loans and overdrafts.

21.1.2 The Board will agree the list of employees (including specimens of their signatures) who are authorized to make short term borrowings on behalf of the Trust. This must contain the Chief Executive and the Director of Finance.

21.1.3 The Director of Finance must prepare detailed procedural instructions concerning applications for loans and overdrafts.

21.1.4 All short-term borrowings should be kept to the minimum period of time possible, consistent with the overall cashflow position, represent good value for money, and comply with the latest guidance from the Department of Health.

21.1.5 Any short-term borrowing must be with the authority of two members of an authorized panel, one of which must be the Chief Executive or the Director of Finance. The Board must be made aware of all short term borrowings at the next Board meeting.

21.1.6 All long-term borrowing must be consistent with the plans outlined in the annual plan and be approved by the Trust Board.

## **22.2 INVESTMENTS**

22.2.1 Temporary cash surpluses must be held only in such public or private sector investments as notified by the Secretary of State and authorized by the Board.

22.2.2 The Director of Finance is responsible for advising the Board on investments and shall report periodically to the Board concerning the performance of investments held.

22.2.3 The Director of Finance will prepare detailed procedural instructions on the operation of investment accounts and on the records to be maintained.

## **23. FINANCIAL FRAMEWORK**

23.3.1 The Director of Finance should ensure that members of the Board are aware of the Financial Framework. This document contains directions which the Trust must follow. It also contains directions to Strategic Health Authorities regarding resource and capital allocation and funding to Trust's. The Director of Finance should also ensure that the direction and guidance in the framework is followed by the Trust.

## **24. CAPITAL INVESTMENT, PRIVATE FINANCING, FIXED ASSET REGISTERS AND SECURITY OF ASSETS**

### **24.1 Capital Investment**

24.1.1 The Chief Executive:

- (a) shall ensure that there is an adequate appraisal and approval process in place for determining capital expenditure priorities and the effect of each proposal upon business plans;
- (b) is responsible for the management of all stages of capital schemes and for ensuring that schemes are delivered on time and to cost;
- (c) shall ensure that the capital investment is not undertaken without confirmation of purchaser(s) support and the availability of resources to finance all revenue consequences, including capital charges.

24.1.2 For every capital expenditure proposal the Chief Executive shall ensure:

- (a) that a business case (in line with the guidance contained within the *Capital Investment Manual*) is produced setting out:
  - (i) an option appraisal of potential benefits compared with known costs to determine the option with the highest ratio of benefits to costs;
  - (ii) the involvement of appropriate Trust personnel and external agencies;
  - (ii) appropriate project management and control arrangements;
- (b) that the Director of Finance has certified professionally to the costs and revenue consequences detailed in the business case.

24.1.3 For capital schemes where the contracts stipulate stage payments, the Chief Executive will issue procedures for their management, incorporating the recommendations of "Estatecode".

24.1.4 The Director of Finance shall assess on an annual basis the requirement for the operation of the construction industry tax deduction scheme in accordance with Inland Revenue guidance.

24.1.5 The Director of Finance shall issue procedures for the regular reporting of expenditure and commitment against authorized expenditure.

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

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

- (a) specific authority to commit expenditure;
- (b) authority to proceed to tender ( see overlap with SFI No. 17.6);
- (c) approval to accept a successful tender (see overlap with SFI No. 17.6).

The Chief Executive will issue a scheme of delegation for capital investment management in accordance with "Estatecode" guidance and the Trust's Standing Orders.

24.1.7 The Director of Finance shall issue procedures governing the financial management, including variations to contract, of capital investment projects and valuation for accounting purposes. These procedures shall fully take into account the delegated limits for capital schemes included in Annex C of HSC (1999) 246.

## **24.2 Private Finance (see overlap with SFI No. 17.10)**

24.2.1 The Trust should normally test for PFI when considering capital procurement. When the Trust proposes to use finance which is to be provided other than through its Allocations, the following procedures shall apply:

- (a) The Director of Finance shall demonstrate that the use of private finance represents value for money and genuinely transfers significant risk to the private sector.
- (b) Where the sum involved exceeds delegated limits, the business case must be referred to the Department of Health or in line with any current guidelines.
- (c) The proposal must be specifically agreed by the Board.

### **24.3 Asset Registers**

24.3.1 The Chief Executive is responsible for the maintenance of registers of assets, taking account of the advice of the Director of Finance concerning the form of any register and the method of updating, and arranging for a physical check of assets against the asset register to be conducted once a year.

24.3.2 Each Trust shall maintain an asset register recording fixed assets. The minimum data set to be held within these registers shall be as specified in the *Capital Accounting Manual* as issued by the Department of Health.

24.3.3 Additions to the fixed asset register must be clearly identified to an appropriate budget holder and be validated by reference to:

- (a) properly authorized and approved agreements, architect's certificates, supplier's invoices and other documentary evidence in respect of purchases from third parties;
- (b) stores, requisitions and wages records for own materials and labour including appropriate overheads;
- (c) lease agreements in respect of assets held under a finance lease and capitalised.

24.3.4 Where capital assets are sold, scrapped, lost or otherwise disposed of, their value must be removed from the accounting records and each disposal must be validated by reference to authorization documents and invoices (where appropriate).

24.3.5 The Director of Finance shall approve procedures for reconciling balances on fixed assets accounts in ledgers against balances on fixed asset registers.

24.3.6 The value of each asset shall be indexed to current values in accordance with methods specified in the *Capital Accounting Manual* issued by the Department of Health.

24.3.7 The value of each asset shall be depreciated using methods and rates as specified in the *Capital Accounting Manual* issued by the Department of Health.

24.3.8 The Director of Finance of the Trust shall calculate and pay capital charges as specified in the *Capital Accounting Manual* issued by the Department of Health.

### **24.4 Security of Assets**

24.4.1 The overall control of fixed assets is the responsibility of the Chief Executive.

24.4.2 Asset control procedures (including fixed assets, cash, cheques and negotiable instruments, and also including donated assets) must be approved by the Director of Finance. This procedure shall make provision for:

- (a) recording managerial responsibility for each asset;
- (b) identification of additions and disposals;
- (c) identification of all repairs and maintenance expenses;

- (d) physical security of assets;
  - (e) periodic verification of the existence of, condition of, and title to, assets recorded;
  - (f) identification and reporting of all costs associated with the retention of an asset;
  - (g) reporting, recording and safekeeping of cash, cheques, and negotiable instruments.
- 24.4.3 All discrepancies revealed by verification of physical assets to fixed asset register shall be notified to the Director of Finance.
- 24.4.4 Whilst each employee and officer has a responsibility for the security of property of the Trust, it is the responsibility of Board members 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. Any breach of agreed security practices must be reported in accordance with agreed procedures.
- 24.4.5 Any damage to the Trust's premises, vehicles and equipment, or any loss of equipment, stores or supplies must be reported by Board members and employees in accordance with the procedure for reporting losses.
- 24.4.6 Where practical, assets should be marked as Trust property.

## **25. STORES AND RECEIPT OF GOODS**

### **25.1 General position**

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

### **25.2 Control of Stores, Stocktaking, condemnations and disposal**

- 25.2.1 Subject to the responsibility of the Director of Finance for the systems of control, overall responsibility for the control of stores shall be delegated to an employee by the Chief Executive. The day-to-day responsibility may be delegated by him to departmental employees and stores managers/keepers, subject to such delegation being entered in a record available to the Director of Finance. The control of any Pharmaceutical stocks shall be the responsibility of a designated Pharmaceutical Officer; the control of any fuel oil and coal of a designated estates manager.
- 25.2.2 The responsibility for security arrangements and the custody of keys for any stores and locations shall be clearly defined in writing by the designated manager/Pharmaceutical Officer. Wherever practicable, stocks should be marked as health service property.
- 25.2.3 The Director of Finance shall set out procedures and systems to regulate the stores including records for receipt of goods, issues, and returns to stores, and losses.
- 25.2.4 Stocktaking arrangements shall be agreed with the Director of Finance and there shall be a physical check covering all items in store at least once a year.
- 25.2.5 Where a complete system of stores control is not justified, alternative arrangements shall require the approval of the Director of Finance.

- 25.2.6 The designated Manager/Pharmaceutical Officer shall be responsible for a system approved by the Director of Finance for a review of slow moving and obsolete items and for condemnation, disposal, and replacement of all unserviceable articles. The designated Officer shall report to the Director of Finance any evidence of significant overstocking and of any negligence or malpractice (see also overlap with SFI No. 25 Disposals and Condemnations, Losses and Special Payments). Procedures for the disposal of obsolete stock shall follow the procedures set out for disposal of all surplus and obsolete goods.

### **25.3 Goods supplied by NHS Supply Chain**

- 25.3.1 For goods supplied via the NHS Supply Chain central warehouses, the Chief Executive shall identify those authorized to requisition and accept goods from the store. The authorized person shall check receipt against the delivery note before forwarding this to the Director of Finance who shall satisfy himself that the goods have been received before accepting the recharge.

## **26. DISPOSALS AND CONDEMNATIONS, LOSSES AND SPECIAL PAYMENTS**

### **26.1 Disposals and Condemnations**

#### **26.1.1 Procedures**

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

- 26.1.2 When it is decided to dispose of a Trust asset, the Head of Department or authorized deputy will determine and advise the Director of Finance of the estimated market value of the item, taking account of professional advice where appropriate.

- 26.1.3 All unserviceable articles shall be:

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

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

### **26.2 Losses and Special Payments**

#### **26.2.1 Procedures**

The Director of Finance must prepare procedural instructions on the recording of and accounting for condemnations, losses, and special payments.

- 26.2.2 Any employee or officer discovering or suspecting a loss of any kind must either immediately inform their head of department, who must immediately inform the Chief Executive and the Director of Finance or inform an officer charged with responsibility for responding to concerns involving loss. This officer will then appropriately inform the Director of Finance and/or Chief Executive. Where a criminal offence is suspected, the Director of Finance must immediately inform the



police if theft or arson is involved. In cases of fraud and corruption or of anomalies which may indicate fraud or corruption, the Director of Finance must inform the relevant LCFS and CFSMS regional team in accordance with Secretary of State for Health's Directions.

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

- 26.2.3 For losses apparently caused by theft, arson, neglect of duty or gross carelessness, except if trivial (less than £500) the Director of Finance must immediately notify:
- (a) the Board,
  - (b) the External Auditor.
- 26.2.4 Within limits delegated to it by the Department of Health, the Board shall approve the writing-off of losses.
- 26.2.5 The Director of Finance shall be authorized to take any necessary steps to safeguard the Trust's interests in bankruptcies and company liquidations.
- 26.2.6 For any loss, the Director of Finance should consider whether any insurance claim can be made.
- 25.2.7 The Director of Finance shall maintain a Losses and Special Payments Register in which write-off action is recorded.
- 26.2.8 No special payments exceeding delegated limits shall be made without the prior approval of the Department of Health.
- 26.2.9 All losses and special payments must be reported to the Audit Committee at every meeting.

## **27. INFORMATION TECHNOLOGY**

### **27.1 Responsibilities and duties of the Director of Finance**

- 27.1.1 The Director of Finance, who is responsible for the accuracy and security of the computerised financial data of the Trust, shall:
- (a) devise and implement any necessary procedures to ensure adequate (reasonable) protection of the Trust's data, programs and computer hardware for which the Director is responsible from accidental or intentional disclosure to unauthorized persons, deletion or modification, theft or damage, having due regard for the Data Protection Act 1998;
  - (b) ensure that adequate (reasonable) controls exist over data entry, processing, storage, transmission and output to ensure security, privacy, accuracy, completeness, and timeliness of the data, as well as the efficient and effective operation of the system;
  - (c) ensure that adequate controls exist such that the computer operation is separated from development, maintenance and amendment;
  - (d) ensure that an adequate management (audit) trail exists through the computerised system and that such computer audit reviews as the Director may consider necessary are being carried out.
- 27.1.2 The Director of Finance shall need to ensure that new financial systems and amendments to current financial systems are developed in a controlled manner and thoroughly tested prior to implementation. Where this is undertaken by another organisation, assurances of adequacy must be obtained from them prior to implementation.

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

## **27.2 Responsibilities and duties of other Directors and Officers in relation to computer systems of a general application**

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

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

## **27.3 Contracts for Computer Services with other health bodies or outside agencies**

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

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

## **27.4 Risk Assessment**

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

## **27.5 Requirements for Computer Systems which have an impact on corporate financial systems**

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

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

## **28. PATIENTS' PROPERTY**

28.1 The Trust has a responsibility to provide safe custody for money and other personal property (hereafter referred to as "property") handed in by patients, in the possession of unconscious or confused patients, or found in the possession of patients dying in hospital or dead on arrival.

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

## **29. FUNDS HELD ON TRUST**

### **29.1 Corporate Trustee**

- (1) Standing Order No. 2.8 outlines the Trust's responsibilities as a corporate trustee for the management of funds it holds on trust, along with SFI 4.8.3 that defines the need for compliance with Charities Commission latest guidance and best practice.
- (2) The discharge of the Trust's corporate trustee responsibilities are distinct from its responsibilities for exchequer funds and may not necessarily be discharged in the same manner, but there must still be adherence to the overriding general principles of financial regularity, prudence and propriety. Trustee responsibilities cover both charitable and non-charitable purposes.

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

### **29.2 Accountability to Charity Commission and Secretary of State for Health**

- (1) The trustee responsibilities must be discharged separately and full recognition given to the Trust's dual accountabilities to the Charity Commission for

charitable funds held on trust and to the Secretary of State for all funds held on trust.

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

### **29.3 Applicability of Standing Financial Instructions to funds held on Trust**

- (1) In so far as it is possible to do so, most of the sections of these Standing Financial Instructions will apply to the management of funds held on trust. (See overlap with SFI No 17.16).
- (2) 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.

### **30. ACCEPTANCE OF GIFTS BY STAFF AND LINK TO STANDARDS OF BUSINESS CONDUCT (see overlap with SO No. 6 and SFI No. 21.2.6 (d))**

The Director of Finance shall ensure that all staff are made aware of the Trust policy on acceptance of gifts and other benefits in kind by staff. This policy follows the guidance contained in the Department of Health circular HSG (93) 5 'Standards of Business Conduct for NHS Staff' and is also deemed to be an integral part of these Standing Orders and Standing Financial Instructions (see overlap with SO No. 6).

### **31. PAYMENTS TO INDEPENDENT CONTRACTORS**

Not applicable to NHS Trust's

### **32. RETENTION OF RECORDS**

- 32.1 The Chief Executive shall be responsible for maintaining archives for all records required to be retained in accordance with Department of Health guidelines.
- 32.2 The records held in archives shall be capable of retrieval by authorized persons.
- 32.3 Records held in accordance with latest Department of Health guidance shall only be destroyed at the express instigation of the Chief Executive. Detail shall be maintained of records so destroyed.

### **33. RISK MANAGEMENT AND INSURANCE**

#### **33.1 Programme of Risk Management**

The Chief Executive shall ensure that the Trust has a programme of risk management, in accordance with current Department of Health assurance framework requirements, which must be approved and monitored by the Board.

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.

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 (SIC) within the Annual Report and Accounts as required by current Department of Health guidance.

### **33.2 Insurance: Risk Pooling Schemes administered by NHSLA**

The Board shall decide if the Trust will insure through the risk pooling schemes administered by the NHS Litigation Authority 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.

### **33.3 Insurance arrangements with commercial insurers**

33.3.1 There is a general prohibition on entering into insurance arrangements with commercial insurers. There are, however, **three exceptions** when Trust's may enter into insurance arrangements with commercial insurers. The exceptions are:

- (1) Trust's may enter commercial arrangements for **insuring motor vehicles** owned by the Trust including insuring third party liability arising from their use;
- (2) where the 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
- (3) 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 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 Trust's powers to enter into commercial insurance arrangements the Finance Director should consult the Department of Health.

### **33.4 Arrangements to be followed by the Board in agreeing Insurance cover**

- (1) Where the Board decides to use the risk pooling schemes administered by the NHS Litigation Authority the Director of Finance shall ensure that the arrangements entered into are appropriate and complementary to the risk management programme. The Director of Finance shall ensure that documented procedures cover these arrangements.
- (2) Where the Board decides not to use the risk pooling schemes administered by the NHS Litigation Authority for one or other of the risks covered by the schemes, the Director of Finance 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 Finance 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.
- (3) All the risk pooling schemes require Scheme members to make some contribution to the settlement of claims (the 'deductible'). The Director of Finance should ensure documented procedures also cover the management of claims and payments below the deductible in each case.

<b>REPORT TITLE:</b> List of Officers Authorised to Affix Trust Seal and Financial Procedures		<b>AGENDA ITEM:</b> 7		
<b>SUBMITTED TO:</b> Trust Board	<b>DATE OF MEETING:</b> 1 <sup>st</sup> April 2011	<b>PURPOSE OF REPORT:</b> For approval		
<b>AUTHOR &amp; DESIGNATION:</b> David Hawkins, Director of Finance and IM&T	<b>DIRECTOR LEAD:</b> David Hawkins, Director of Finance and IM&T	<b>PRESENTED BY:</b> David Hawkins, Director of Finance and IM&T		
<p><b>EXECUTIVE SUMMARY:</b> The HRCH Audit Committee reviewed the Standing Orders, Reservation and Delegation of Powers and Standing Financial Instructions for Hounslow and Richmond Community Healthcare (HRCH) NHS Trust at its meeting of 10<sup>th</sup> March 2011. The Committee recommended Trust Board approval. Following this the financial procedures have been updated in the following areas:</p> <p>(i): Officers authorised to affix Trust seal; (ii): Financial Procedure update re inviting tenders, receiving tenders and opening tenders.</p>				
<p><b>RECOMMENDATIONS:</b> The Board is asked to approve:</p> <ul style="list-style-type: none"> <li>• The list of officers authorised to fix the Trust seal and sign documents on behalf of the Trust;</li> <li>• The list of officers authorised to invite tenders, receive tenders and open tenders.</li> </ul>				
<p><b>FOR FURTHER INFORMATION CONTACT:</b></p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> <p><b>Name:</b> David Hawkins</p> <p><b>Email Address:</b> david.hawkins@hrch.nhs.uk</p> <p><b>Tel. No:</b> 020 8973 3014</p> </td> <td style="width: 50%; vertical-align: top;"> <p><b>Title:</b> Director of Finance and IM&amp;T</p> <p><b>Postal Address:</b> Thames House, 180 High Street, Teddington</p> <p><b>Document/File Location:</b></p> </td> </tr> </table>			<p><b>Name:</b> David Hawkins</p> <p><b>Email Address:</b> david.hawkins@hrch.nhs.uk</p> <p><b>Tel. No:</b> 020 8973 3014</p>	<p><b>Title:</b> Director of Finance and IM&amp;T</p> <p><b>Postal Address:</b> Thames House, 180 High Street, Teddington</p> <p><b>Document/File Location:</b></p>
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## **Hounslow and Richmond Community Healthcare NHS Trust**

### **Officers Authorised to Affix Seal/Sign Documents on behalf of the Trust**

#### **1. Officers authorised to affix Seal (refer to Financial Standing Order 8.2)**

Richard Tyler	Chief Executive
David Hawkins	Director of Finance and IM&T
Rachael Moench	Director of Human Resources & OD
Jo Manley	Director of Operations
Siobhan Gregory	Director of Quality and Clinical Excellence

#### **2. Officers authorised to sign documents (refer to Financial Standing Order 8.4)**

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

Richard Tyler	Chief Executive
David Hawkins	Director of Finance and IM&T
Rachael Moench	Director of Human Resources & OD
Jo Manley	Director of Operations
Siobhan Gregory	Director of Quality and Clinical Excellence

## Hounslow and Richmond Community Healthcare NHS Trust

### Financial Procedures Update

#### 1. Officers authorised to invite tenders (refer to Financial Standing Order 17.6.1)

Richard Tyler	Chief Executive
David Hawkins	Director of Finance and IM&T
Rachael Moench	Director of Human Resources & OD
Jo Manley	Director of Operations
Siobhan Gregory	Director of Quality and Clinical Excellence
Heather Mitchell	Associate Director of Estates

#### 2. Officers authorised to receive tenders (refer to Financial Standing Order 17.6.2)

Richard Tyler	Chief Executive
David Hawkins	Director of Finance and IM&T
Rachael Moench	Director of Human Resources & OD
Jo Manley	Director of Operations
Siobhan Gregory	Director of Quality and Clinical Excellence
Heather Mitchell	Associate Director of Estates
Louise Burkill	PA to Chief Executive
Lyn Jones	PA to Director of Operations/Director of Finance and IM&T
Henrietta Adjei Nartey	PA to Director of Quality and Clinical Excellence
Tracey Woods	PA to Director of Human Resources & OD
TBC	Company Secretary

#### 3. Officers authorised to open tenders (refer to Financial Standing Order 17.6.3)

Richard Tyler	Chief Executive
David Hawkins	Director of Finance and IM&T
Rachael Moench	Director of Human Resources & OD
Jo Manley	Director of Operations
Siobhan Gregory	Director of Quality and Clinical Excellence
Heather Mitchell	Associate Director of Estates
Douglas Fuller	Assistant Director of Estates & Facilities
Diane Pearson	Assistant Director of Finance
TBC	Company Secretary



**AGENDA ITEM 8****REPORT TITLE:****BOARD COMMITTEE STRUCTURE AND TERMS OF REFERENCE****SUBMITTED TO:**

TRUST BOARD

**DATE OF MEETING:**1<sup>st</sup> April 2011**PURPOSE OF REPORT:**

DECISION

**AUTHOR & DESIGNATION:**Kate Wilkins, Interim  
Governance Lead**DIRECTOR LEAD:**Director of Quality and Clinical  
Excellence, Siobhan Gregory**PRESENTED BY:**Director of Quality and Clinical  
Excellence, Siobhan Gregory**EXECUTIVE SUMMARY:**

Following the implementation of the revised committee structure in July 2010, it was agreed that the arrangements be reviewed after 6 months of the new structure being put in place; the following report provides the initial review.

Furthermore the inaugural board is also required to approve the terms of reference of the following committees: Audit Committee; Charitable Funds Committee; Finance and Strategy Committee, Human Resources Committee; Integrated Governance Committee and Remuneration Committee.

These terms of reference have been incorporated into the review and the Board is asked to approve these.

**RECOMMENDATIONS:**

That the Board:

1. Agree the structure of the board committees as laid out at appendix A of the report
2. Approve the terms of reference of the following committees as laid out at appendix B of the report: Audit Committee; Charitable Funds Committee; Finance and Strategy Committee, Human Resources Committee; Integrated Governance Committee and Remuneration Committee.
3. Note that a further report, on the various sub-committees will presented to the next meeting of the Board.
4. Agree that if required a further review be commenced once the requirements for Community Foundation Trust status become clearer. In any case all terms of reference to be reviewed April 2012.

## 1. Introduction

1.1 In July 2010, the Community Healthcare Board approved a new committee structure and associated terms of reference. At the same time it was agreed that the structure be reviewed after 6 months of its implementation. The following report is a review of the structure.

## 2. Methodology

2.1 In January 2011, all Directors were written to and asked to comment on the structure. Furthermore the Chairman, Steve Swords, asked that board committees (Audit, Human Resources, Finance and Strategy Committee and Integrated Governance Committee) review their own terms of reference.

2.2 When comments have been received, they have been incorporated into the report.

## 3. Review

### 3.1 Board Committee Structure

The revised structure is attached is attached at appendix A.

### 3.2 General Comments

No comments have been received concerning the board committee structure. All terms of reference have been updated to reflect the fact that committees now report to HRCH NHS Trust Board (rather than the Community Healthcare Board).

### 3.3 Charitable Funds Committee to be created.

**Rationale:** A Charitable Funds Committee will be required from the 1<sup>st</sup> April 2011. This requirement has been approved by the Audit Committee at its January meeting. The Charitable Funds Committee will report directly to the Board. The proposed terms of reference are incorporated at Appendix B.

## 4. Board Committees - Terms of reference.

The updated terms of reference are all attached at appendix B. Changes are shown as track changes or in italics.

**4.1 Audit Committee:** No comments received from the Audit Committee. Some minor changes have been made to reflect the fact that the Audit Committee should, in respect of the Board Assurance Framework (BAF) ensure that there is an appropriate spread of strategic objectives. The Chair of the Audit Committee has approved this amendment.

**4.2 Finance and Strategy Committee (FSC)** The Chair of the FSC (Judith Rutherford) has confirmed that members of this committee are happy with the current terms of reference. Changes however have been made to incorporate the levels of approvals etc as previously agreed by the Board and Audit Committee.

**4.3 Human Resources Committee:** The Human Resources Committee have considered their terms of reference and have updated them accordingly.

**4.4 Integrated Governance Committee:** Changes to the terms of reference of the IGC are proposed and these are indicated in italics. These clarify the difference between the QSC and IGC

and ensure that if an integrated governance annual report is produced that this is signed off by the IGC.

**4.4.1 Quarterly reporting:** It is also proposed that the IGC and QSC move to meeting quarterly to fit better with the quarterly reporting of the BAF. Furthermore following the Board Seminar on the Board Assurance Framework further changes have been made to the terms of reference. These have been agreed with the Chair of the IGC, Carol Cole.

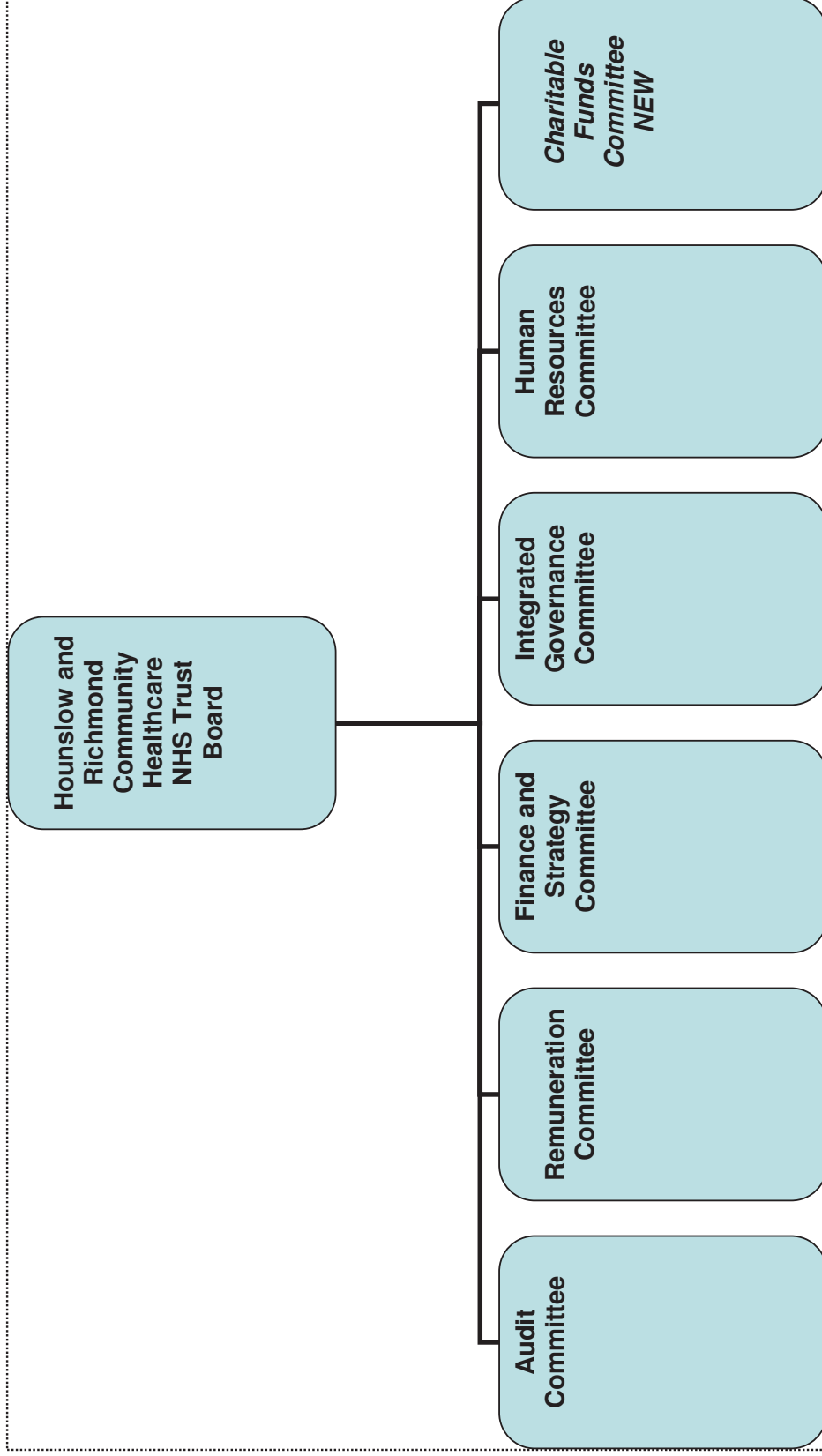
**4.5 Remuneration Committee:** No changes are proposed.

**4.6 Quality and Sub Committee (QSC):** Although the QSC is not a board committee, as it is integral to the governance structure the board is also asked to approve the QSC's terms of reference. Changes are shown in italics.

**Rationale:** The proposed changes make the relationship between the IGC and QSC clearer and reduce the possibility of overlap.

## **5. Integrated Governance Committee – Associated Sub Committees' Structure**

The changes to these committees' terms of reference will be reported to the next meeting of the IGC and then reported to the Board. Revisions will also be proposed to this element of the governance structure. These include the creation of a dedicated Patients' Complaints Review Group and significant changes to the Patient Experience Group and Risk Management Working Group.



## **AUDIT COMMITTEE (AC)**

### **Committee Role:**

The role of the Audit Committee is to conclude on the adequacy and effective operation of the organisation's overall internal control system, including gaining assurance that the system is effectively supported by all the sub-committees of the Board.

### **Authority:**

The Audit Committee is authorised by the Board 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 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 if it considers this necessary.

### **Responsibilities:**

The Audit Committee will advise *and assure* the Board on:

#### **Governance, Risk Management and Internal Control**

The processes for risk, control and financial governance

The accounting policies and the accounts of the organisation

- the planned activity and results of both internal and external audit
- adequacy of management response to issues identified by audit activity
- assurances relating to the corporate governance requirements for the organisation

In carrying out this work the Committee will primarily draw on the work of Internal Audit, External Audit and other sub-committees to the Board, but will not be limited to these functions. The committee will satisfy itself that duplications and omissions are avoided between sub-committees in respect of risk management and internal control. It will also seek evidence that:

- there are codes of conduct in place and policies and arrangements to monitor compliance and policies for ensuring compliance with relevant regulatory and legal requirements
- there is a counter fraud policy that is subject to regular review and is clearly communicated throughout the organisation
- there is a local counter fraud specialist function that reports to the Audit Committee
- there are policies and procedures for all work related to fraud and corruption as set out in Secretary of State Directions and as required by the Counter Fraud and Security Management Service.

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

### **Internal Audit**

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

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

### **External Audit**

The Committee shall review the work and findings of the External Auditor appointed by the Audit Commission 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, as far as the Audit commission's rules permit
- 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 co-ordination, as appropriate, with other External Auditors in the local health economy
- discussion with the External Auditors of their local evaluation of audit risks and assessment of the organisation
- review of External Audit reports, including agreement of the annual audit letter before submission to the Board and any work carried outside the annual audit plan, together with the appropriateness of management responses

### **Financial Reporting**

The committee shall review the organisation's financial accounting and reporting arrangements in particular it will ensure that:

- HRCH produces annual accounts in accordance with relevant standards and timetables, supported by comprehensive working papers;

and evidence that:

- all accounts are compiled in accordance with statutory and professional reporting standards
- all accounts are prepared and approved in accordance with relevant timetables
- all accounts are supported by timely and comprehensive working papers
- the auditor gives an unqualified 'true and fair' accounts opinion
- the organisation promotes external accountability;

by ensuring that:

- key reports are available to the public in appropriate formats and contain information which is understandable by member of the public
- changes in, and compliance with, accounting policies and practices are approved and monitored.

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

### **Other Assurance Functions**

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

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

In addition, the Committee will review the work of other committees within the organisation, whose work can provide relevant assurance to the Audit Committee's own scope of work. This will particularly include the Integrated Governance Committee.

In reviewing the work of the Integrated Governance Committee, and issues around clinical and other risk management, the Audit Committee will wish to satisfy themselves on the assurance that can be gained from the clinical audit function

### **Board Assurance Framework (BAF)**

*The Audit Committee will review the Board Assurance Framework process at least annually to ensure that there is an appropriate spread of strategic objectives; that there are no major omissions and to seek assurance that the process has been appropriately managed.*

### **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 organisation (e.g. clinical audit) as they may be appropriate to the overall arrangements.

### **Membership:**

Three Non Executive Directors as follows:

Pablo Lloyd  
Judith Rutherford  
Ajay Mehta

### **Chair:**

Pablo Lloyd

### **In attendance:**

Director of Finance and IM&T, David Hawkins  
Director of Quality and Clinical Excellence, Siobhan Gregory (as required)

**Internal Auditors:**

Nick Atkinson and /or Joe Aslam (RSM Tenon Internal Audit)  
Darianne Garrett and /or Colin Edwards (RSM Tenon Counter Fraud)  
External Auditor – Audit Commission (TBC)

At least once a year the committee will meet privately with the internal auditors and ensure the external auditors have the right of direct access to the Audit Committee Chairman as necessary.

**LINKs representatives**

Two Local Involvement Networks (LINKs) representatives one each from Hounslow and Richmond.  
Richmond – Maureen Chatterly  
Hounslow – TBC

Only members of the committee have the right to attend committee meetings. However, other Non Executive Directors may choose to attend and other individuals, such as the Managing Director and other internal and external representatives may be requested to attend all or part of the meeting as necessary.

**Quorum:**

The quorum shall be two Non Executive Directors. A duly convened meeting of the committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the committee

**Secretariat:**

The Audit Committee will be provided with a secretariat function by the Board Secretary.

**Reports to:**

The minutes of Audit Committee meetings shall be formally recorded and submitted to the Board. The Chair of the Committee shall draw the Board's attention to issues that the Committee feel require disclosure to the full Board, or executive action.

The Committee will submit a comprehensive report on the committee's activities to the Board on an annual basis.

**Receives reports from:**

*The committee will receive reports from the IGC and other committees on request.*

**Meeting frequency:**

The committee shall meet four times a year at appropriate times within the reporting cycle.

**Date of inaugural meeting/ terms of reference review**

These terms of reference were approved in April 2011.



## **CHARITABLE FUNDS COMMITTEE**

The Trust shall establish a Charitable Funds committee to oversee funds deemed to be used for charitable purposes within the organisations

### **Committee Purpose**

The committee will:

1. Act as Trustees for the Trust's Charitable Funds
2. Ensure donated funds and assets are properly accounted for.
3. Take decisions on expenditure of funds. Requests for expenditure up to £500 to be authorised by a manager and approved by either the Chairman or the Director of Finance. Applications for expenditure between £501 and £3,000 to be approved by at least two Non Executive Director members of the Committee. Requests for over £3,000 to be approved by the committee.
4. Ensure that the process is reviewed at least annually.
5. Identify further resources of funds.

### **Reports to:**

The committee will report to the Board.

### **Receives reports from:**

N/A

### **Membership:**

Ajay Mehta  
Judith Rutherford  
Steve Swords

### **Chair:**

TBC

### **In attendance:**

Representatives of the Director of Finance will attend as required.

### **Quorum:**

The quorum shall be 2 members.

### **Meeting frequency:**

The committee will meet four times a year or as required.

### **Date of inaugural meeting/Terms of reference review**

These terms of reference were approved on the 1<sup>st</sup> April 2011 and are due for review 1<sup>st</sup> April 2012.

## **FINANCE AND STRATEGY COMMITTEE (FSC)**

### **Committee role:**

The Finance and Strategy Committee will oversee the strategic and financial and business development of the organisation.

### **Authority:**

The FSC has been delegated the following authorities via the Trust's Standing orders, reservation and delegation of powers and standing financial instructions

- i. To advise on approval of individual contracts of a capital or revenue nature amounting to, or likely to amount to over £1,000,000 (exclusive of VAT) per annum.
- ii. The approval of individual contracts of a capital or revenue nature amounting to, or likely to amount to under £1,000,000k per annum
- iii. To advise the Board on decisions to introduce or discontinue provider services activity or operation, albeit at all times acting in accordance with SLAs and any formal consultation requirements, where the gross annual income or expenditure is in excess of £100,000.
- iv. To approve decisions to introduce or discontinue provider services activity or operation, albeit at all times acting in accordance with SLAs and any formal consultation requirements, where the gross annual income or expenditure does not exceed £100,000.

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 if it considers this necessary.

### **Committee responsibilities:**

The committee will:

#### Strategy

- i. Oversee and monitor progress against the strategy for achieving organisational objectives
- ii. Consider and assess the potential impact of local/ national policies and standards on the organisations' strategy
- iii. Identify strategic risks and ensure these are included in the Board Assurance Framework
- iv. Review the five year strategic plan and ensure it is refreshed as necessary
- v. Oversee the production of the annual plan
- vi. Consider and recommend actions in relation to the end state of the organisation

## Finance

- i. Provide assurance to the Board regarding the achievement of financial balance, including the achievement against cost improvement programs
- ii. Oversee the development of the medium term financial strategy

## Business Development

- i. To evaluate emerging commissioning plans and the potential opportunities for the organisation
- ii. To consider and sign off business cases for new service developments
- iii. To consider and sign off business cases for service disinvestment
- iv. Consider any matters of commercial confidence in relation to the provision of clinical services

## Business Development Opportunity Assessments

The following limits will be applied when considering business development opportunity assessments

<b>Estimated Annual Value – All figures exclusive of VAT</b>	<b>Decisions on expression of interest</b>	<b>Decision on pre qualifying questionnaire state (or equivalent)</b>
Between £500 and £1million	Chief Executive in consultation with the Chairman	FSC
Over 1M	Finance and Strategy Committee	Board

## **Membership:**

CHB Chairman, Steve Swords  
Non Executive Director, Pablo Lloyd  
Non Executive Director, Judith Rutherford  
Managing Director, Richard Tyler  
Director of Finance and IM&T, David Hawkins  
Director of Operations, Jo Manley  
Director of HR & OD, Rachael Moench

Chair: Non Executive Director, Judith Rutherford

### *In attendance:*

Two representatives from LINK - one each from Hounslow and Richmond.  
Richmond – Paul Pegden Smith  
Hounslow – Lew Gray  
Any Non Executive Director may choose to attend the committee.  
Other individuals may be invited to attend all or part of the meeting as necessary.

## **.Quorum:**

The quorum shall be 3 members, one of which must be a non-executive director.

A duly convened meeting of the committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the committee.

**Secretariat:**

The secretariat function will be provided by the PA to the Chairman and Chief Executive, Louise Burkill

**Reports to:**

The minutes of the FSC will be submitted to the Trust Board. The Chair of the committee shall draw the Board's attention to issues that the Committee feel require disclosure to the full Board, or executive action.

The Committee will submit a comprehensive report on the committee's activities to the Board on an annual basis.

**Meeting frequency:**

The FSC will meet at least four times a year.

**Date of inaugural meeting/Terms of reference review:**

These terms of reference were approved in April 2011 and will be reviewed annually. The next review to be April 2012.

## **HUMAN RESOURCES COMMITTEE**

### **Committee Role:**

The purpose of the Human Resource Committee is to provide strategic direction in moving forward the organisations Human Resource agenda and to continually review the organisations approach to ensure it has a workforce that has the capacity and capability to be able to deliver revised models of care.

### **Committee responsibilities:**

- (a) To ensure that the workforce implications of all service redesign issues are taken into consideration in strategic workforce plans, providing assurance that the organisation has sufficient and appropriate capability, skills and capacity in place across all services. This will also include the approval of the annual workforce plan.
- (b) To agree / consider, monitor & review Human Resources and Organisational Development Strategies that focus on the steps that need to be taken to enable HRCH to meet its objectives. Strategies will include the HR Strategy, the Learning and Development Strategy and plan and the Healthy Workplace Strategy.
- (c) To oversee and monitor the introduction and implementation of the relevant risk management and assurance processes with regards to Human Resources, including the CQC standards.
- (d) To assess the potential impact of local/national policies/standards across HRCH and develop plans/strategies to ensure a high quality effective Human Resource service is delivered.
- (e) To monitor and review the development of internal service level agreements ensuring equitable distribution of corporate resources to meet key strategic targets and statutory compliance.
- (f) To oversee the future tendering and potential outsourcing of HR functions including the Occupational Health Service.
- (g) To review the Staff Survey results from across all staff groups and ensure that appropriate remedial action is implemented.
- (h) To consider and approve for ratification to the Board all HR policies following full consultation and agreement of the JNCC.
- (i) To monitor and review the development of HR performance management reports ensuring the implementation of remedial action on relevant national and local targets such as sickness absence, equality and diversity, turnover and vacancy rates.
- (j) To provide assurance to the HRCH Equalities Group (formal name to be approved) that the organisation is compliant with equalities legislation in relation to employment matters.
- (k) To monitor and review the implementation of the internal communication and staff engagement strategy.
- (l) To monitor and review risks, as appropriate, relating to Human Resources issues

### **Membership:**

2 Non-Executive Directors  
1 Managing Director – Richard Tyler  
1 Director of Operations – Jo Manley  
1 Director of Finance – Dave Hawkins  
1 Director of Quality and Clinical Excellence – Siobhan Gregory  
1 Director of HR & OD – Rachael Moench

**Chair:** Ajay Mehta (Non Executive Director)

**In attendance:**

Two LINks representatives one each from Hounslow and Richmond.  
Richmond – Batcho Notay  
Hounslow – TBC

There will be a number of officer attendees to cover the range of Human Resource issues. These include the Staff Side Chair and 2 senior members of the Human Resource & Organisational Development Department.

The Board may co-opt additional members pertinent to the purpose of the Human Resource Committee.

**Quorum:**

The quorum shall be four, of which one member must be a Non-Executive Director.

**Reports to:**

HRCH NHS Trust Board

**Meeting frequency:**

The committee will meet at least quarterly.

**Date of inaugural meeting/Terms of reference review:**

These committee terms of reference due to be approved at the July 2010 board. Next due for review July 2011.

## INTEGRATED GOVERNANCE COMMITTEE (IGC)

### Committee Role:

The IGC will provide the Board with assurance in respect of risk and quality (patient experience, clinical effectiveness and patient safety) issues.

On behalf of the Board, the IGC will oversee the development of integrated governance i.e. the 'Systems and Processes by which Trusts lead, direct and control their functions in order to achieve organisational objectives, safety and quality of services, in a way which relates to the wider community and partner organisations'.

The IGC will ensure achievement of high standards of governance on behalf of the CHB.

### Committee Responsibilities:

The IGC will:

- 1. Review the establishment and maintenance of an effective system of governance, risk management and internal control, and to provide assurance in relation to the following areas: clinical governance; information governance, risk management and the safeguarding agenda.*
- 2. Oversee governance, risk management and internal control systems to ensure that Trust's services deliver safe, high quality, patient-centred care.*
3. Identify key risks for the Board by reviewing the *Trust* Risk Register and Board Assurance Framework (BAF)
4. Develop a work programme for reviewing in detail the risks to each of the key objectives on the BAF.
- 5. Ensure that appropriate Directors are involved in and take responsibility for their entries on the BAF.*
- 6. Monitor implementation of action plans against the risks on the BAF.*
7. Consider exception reports and monitor risks of 15 and over, referred to it by the Quality and Safety Committee.
8. Review annually and amend if required the terms of reference of the Quality and Safety Committee (QSC) and report any changes to the Board.
9. Receive exception reports from the Quality and Safety Committee.
10. *Annually* review and approve the Integrated Governance Strategy, Annual Safeguarding Report and Risk Management Strategy.
11. Measure the organisation against the Integrated Governance Maturity Index.
12. Review declarations made to external bodies, such as the CQC, Connecting for Health or the NHSLA, in detail and provide assurance to the board as to their accuracy.
13. Monitor action plans submitted to external bodies and ensure that actions are completed.
- 14. Review the Integrated Governance Annual Report, if one is produced, and recommend approval to the Trust Board*
15. Review the governance structure at least annually and report any relevant findings to the Board.

**Reports to:**

HRCH NHS Trust Board

**Receives reports from:**

Quality and Safety Sub-Committee

**Membership:**

Carol Cole (NED)  
Siobhan Gregory, Director of Quality and Clinical Excellence  
Steve Swords (NED)  
*Board Secretary*  
*Assistant Director of Quality and Clinical Excellence, Debra Daly*  
*Chief Executive, Richard Tyler*

**Chair:**

Carol Cole (Non Executive Director)

**In attendance:**

2 LINKs representatives – one each from Hounslow and Richmond LINKs or a substitute.  
Currently Paul Pegden Smith (Richmond) and Lew Grey (Hounslow).

The committee can, at its discretion, request attendance by any director or associate director or other senior members of staff as it sees fit.

**Quorum:**

The quorum shall be 2 members including an NED.

**Meeting frequency:**

The IGC will meet at least *quarterly*.

The IGC may call extraordinary meetings at its discretion.

**Date of inaugural meeting/Terms of reference review**

These terms of reference were created in July 2010 and reviewed in April 2011. They are due for review in April 2012.



## REMUNERATION COMMITTEE - TERMS OF REFERENCE

### A. ROLE

- 1.To ensure that there is a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors.
- 2.To determine levels of remuneration that are sufficient to attract, retain and motivate directors of the quality required to run an NHS Trust successfully but to avoid paying more than necessary for this purpose.
- 3.To address the poor performance of executive directors and avoid rewarding poor performance
4. Directors will not be allowed to attend if their own pay is being discussed.

### B. RESPONSIBILITIES

1. To advise the HRCH Board in respect of setting appropriate remuneration and terms of service for the HRCH Chief Executive and all other HRCH executive directors. Appropriate remuneration includes all aspects of salary including any performance-related elements/bonuses and any allowances, provisions for other benefits, including pensions and cars, as well as arrangements for termination of employment and other contractual terms.
2. To monitor and evaluate the performance of executive directors; to ensure executive directors are fairly rewarded for their individual contribution to the organisation, having proper regard to the organisations' circumstances and performance and to the provision of any national arrangements for such staff where appropriate.
3. To be responsible for establishing the selection criteria, selecting appointing and setting any terms of reference for any remuneration consultants who advise the committee.
4. To consider what compensation commitments (including pension contributions and all other elements) their directors' terms of appointment would entail in the event of early termination.
- 5.To advise on and oversee appropriate contractual arrangements for executive directors,
- 6.To examine terms in general including the proper calculation and scrutiny of termination payments taking into account such national guidance as is appropriate.
7. To make available the committee's terms of reference and review these annually or as necessary.

### Reports to:

The committee will consult the Chief Executive and/or Chairman about their proposals relating to the remuneration of executive directors.

The committee will report in writing to the Trust Board the basis for its recommendations.

### Membership:

Three Non Executive directors (including the Trust Chairman)  
Steve Swords  
Judith Rutherford

NED vacancy – TBA

**Chair:**

The Trust Chairman – Steve Swords

**In attendance:**

Director of Human Resources – Rachael Moench  
Director of Finance – David Hawkins  
Managing Director – Richard Tyler

**NOTE: Directors MUST NOT attend if their own pay is being discussed.**

**Quorum:**

The quorum of the committee shall be 2 members

**Frequency:**

The committee will meet twice a year or as required

**Terms of reference review:**

These terms of reference were created in October 2010 and reviewed in April 2011. The next review is due April 2012.

## **QUALITY AND SAFETY COMMITTEE (QSC)**

**Committee Purpose:** The sub-committee is responsible for reviewing progress on all aspects of clinical governance, risk and safety. This will include patient safety, patient experience and clinical effectiveness,

### **Committee responsibilities:**

The committee will:

1. Oversee the assessment and inter-relationship of risks across departmental risk registers
2. Review *risks of 12 and over on the Trust Risk Register* and refer risks of 15 and over to the Integrated Governance Committee (IGC).
3. Receive exception reports from its various sub-committees identifying risks; monitoring these and ensuring that their associated action plans are implemented - informing the IGC/CBH of any significant lapses, areas of concern or indeed areas of good practice.
4. Identify themes reported by its sub-committees and share learning as appropriate
5. To advise on the QUIP (Quality, Innovation, Productivity and Prevention) issues
6. Approve the TORs of its sub-committees and report their approval to the IGC.
7. Following a recommendation from the PRG approve the policy on policies
8. Inform the IGC, via the minutes, of the policies that have been approved by the Policy Ratification Group
9. Following the dissolution of the time limited PRG take on its roles and responsibilities.

### **Reports to:**

The Integrated Governance Committee.

### **Receives reports from the following sub-committees and working groups:**

Clinical Audit and Effectiveness (CAEC) Working Group  
Clinical Leaders Forum (CLF)  
Essential Standards (CQC and NHSLA) Working Group  
Health and Safety Sub Committee  
Infection Prevention and Control (IC) Sub Committee  
Information Governance (Info Gov)  
Patient Involvement and Experience (PIE) Working Group  
Policy ratification (PR) Group  
Risk Management Sub Committee (RMC)  
Safeguarding (SG) Sub Committee

### **Membership:**

The Chair of each of the above sub-committees will be a member of the committee as follows:

Chair of IC and SG, Director of Quality and Clinical Excellence (DQCE) – Siobhan Gregory

*Chair of the Information Governance Committee – Board Secretary*  
Chair of Risk Management Sub Committee, Head of Clinical Audit and Risk, Jacqui Kade  
Director of Operations - Jo Manley  
Head of Infection Prevention and Control - Nicola Sirin  
Chair of Medical Devices Group – Ann Stratton  
Assistant Director Quality and Clinical Excellence, Debra Daly

**Chair:**

Siobhan Gregory or her nominated deputy.

**In attendance:**

The sub committee can, at its discretion, request attendance by any director or associate director or other senior members of staff as it sees fit.

Associate and Assistant Directors will routinely be sent the agenda and can attend the meeting.

*A representative from each of Hounslow and Richmond LINKs.*

**Quorum:** The quorum shall be 4.

**Meeting frequency:** The sub-committee will meet quarterly. Urgent meetings can be called at the request of the Chair.

**Review:** These terms of reference were approved in April 2011. The terms of reference will be reviewed annually. The next scheduled review to be April 2011.

Hounslow and Richmond   
Community Healthcare  
NHS Trust

<b>REPORT TITLE:</b>		<b>AGENDA ITEM 9</b>
<b>TRUST POLICIES</b>		
<b>SUBMITTED TO:</b> Trust Board	<b>DATE OF MEETING:</b> 1 April 2011	<b>PURPOSE OF REPORT:</b> Decision
<b>AUTHOR &amp; DESIGNATION:</b> David Lee, Integrated Business Planner	<b>DIRECTOR LEAD:</b> Siobhan Gregory, Director of Quality and Clinical Excellence	<b>PRESENTED BY:</b> Siobhan Gregory, Director of Quality and Clinical Excellence
<b>EXECUTIVE SUMMARY:</b>  This report presents a number of key Trust policies for consideration by the Board.		
<b>RECOMMENDATIONS:</b>  The Board is asked to  <ol style="list-style-type: none"> <li>1. agree to adopt the policies set out in section 2.1, subject to the provisos specified</li> <li>2. agree to receive a further report on committee review and development of Trust policies at the May Board meeting</li> </ol>		
<b>FOR FURTHER INFORMATION CONTACT:</b>		
<b>Name:</b> David Lee	<b>Title:</b> Integrated Business Planner	
<b>Email Address:</b> <a href="mailto:david.lee@hrch.nhs.uk">david.lee@hrch.nhs.uk</a>	<b>Postal Address:</b> Thames House, 180 High Street, Teddington	
<b>Tel. No:</b> 0208 973 3132	<b>Document/File Location:</b>	

## **TRUST POLICIES**

### **1.0 Introduction**

1.1 An important element of the governance agenda is a consistent and systematic approach to the delivery of patient care and the processes that underlie these. The consistency, appropriateness and implementation of policies, protocols, procedures and guidelines are essential tools in the delivery of high quality care.

1.2 Hounslow and Richmond Community Healthcare operated with policies covering the whole range of the community health services activities. As the host PCT, where possible HRCH adopted NHS Richmond policies. However there are a significant number of staff currently working to either NHS Richmond or NHS Hounslow policies dependent on service needs and availability. Work is ongoing to continue to align and standardise policies across HRCH. This work will be monitored via the Integrated Governance Committee. A priority list was adopted during 2010/11 resulting in a substantial number of policies developed specific to HRCH. These policies now need adoption by Hounslow and Richmond Community Healthcare NHS Trust to ensure continuity of practice and that sufficient governance arrangements are in place.

1.3 The proposal covers clinical policies including information governance and HR policies. Clinical protocols, guidelines or standard operating procedures are not included.

### **2.0 Policies for approval and adoption**

2.1 There are a range of policies that require Board approval. A set of key policies has been identified for priority approval. They are listed in the table below.

#### **CLINICAL (Lead SG)**

- Clinical supervision
- Consent to examination or treatment
- Development approval and implementation of patient group directives
- Immunisation
- Infection prevention and control (including MRSA)
- Medical devices
- Medicines reconciliation
- Patient access
- Safeguarding Adults
- Safeguarding Children

#### **ESTATES (Lead JM)**

- Energy and carbon strategy
- Legionella
- Waste Management

#### **GOVERNANCE (Lead SG)**

- Access to Health Records
- Complaints
- Conflict of Interest
- Counter fraud
- Development and management of policy documents

Freedom of Information

Information Governance

- Acceptable Use of Trust IT Systems
- Data Protection and Confidentiality
- Email Etiquette
- Information Governance Policy
- Information Lifecycle
- Information Security
- Laptop Use – Corporate User
- Laptop Use – Departmental Shared
- Records Management
- Registration Authority
- Safe Haven

- Obtaining legal advice
- Register of Gifts and hospitality
- Risk management
- Serious incidents

**HR (Lead RM)**

- Alcohol and substance misuse
- Annual leave
- Appeals
- Dress code
- Disciplinary Policy
- Grievance Policy
- Joint negotiation consultative committee agreement
- Management of workplace stress
- Mandatory training
- Maternity, paternity and adoption leave
- Organisational change
- Recruitment and selection
- Recognition Agreement
- Sickness absence

2.3 These policies are all available for review prior to the Board meeting by Board members on request from David Lee. In a number of cases, the Board is asked to adopt the policy with the proviso that a final version will need to be reformatted with the new Trust logo and with appropriate updated references to the Trust. The final version will be signed off by the appropriate Director prior to circulation and publication on the Trust intranet. Overall responsibility for Trust policies will be held by the Quality and Clinical Excellence directorate, with the exception of HR policies.

2.4 A basic principle behind the policies put forward for approval is to achieve a single organisation wide policy across Hounslow and Richmond. This approach does not apply to contractually related HR policies.

2.5 Other policies will require updating on a more substantive basis, for example in relation to committee changes or revisions required due to new guidance. The policy development process will continue to be taken forward through governance and committee structures and it is proposed that a further report will be presented for assurance to the May meeting of the Trust Board.

<b>REPORT TITLE:</b>  <b>STANDARDS OF BUSINESS CONDUCT AND CONFLICTS OF INTEREST POLICY</b>		<b>AGENDA ITEM:</b>  10
<b>SUBMITTED TO:</b>  TRUST BOARD	<b>DATE OF MEETING:</b>  1 <sup>st</sup> April 2011	<b>PURPOSE OF REPORT:</b>  Decision
<b>AUTHOR &amp; DESIGNATION:</b>  David Lee, Integrated Business Planner	<b>DIRECTOR LEAD:</b>  Richard Tyler, Chief Executive	<b>PRESENTED BY:</b>  Richard Tyler, Chief Executive
<b>EXECUTIVE SUMMARY:</b>  This policy is intended to put in place safeguards regarding business conduct and conflicts of interest in line with best practice.		
<b>RECOMMENDATIONS:</b>  The Board is asked to formally adopt the standards of business conduct and conflicts of interest policy (including hospitality, gifts and sponsorship policy).		
<b>Name:</b> David Lee		<b>Title:</b> Integrated Business Planner
<b>Email Address:</b> <a href="mailto:david.lee@hrch.nhs.uk">david.lee@hrch.nhs.uk</a>		<b>Telephone number :</b> 020 8973 3132
<b>Has an Equality Impact Assessment (EIA) been completed?</b> EIAs should be undertaken to quality assure existing services; when changes are being made to a policy or service or as part of a staff reorganisation. Further information on EIAs is available from the corporate affairs office. If an EIA has been completed please attach to the report.		
<b>EIA Completed:</b> This is a standard policy on business conduct	<b>Y/N or Not Applicable</b>  NA	
<b>Legal or Financial Implications:</b> None specific		
<b>CQC Evidence:</b> Yes	If so which regulation does it apply to 16	



**HOUNSLOW AND RICHMOND COMMUNITY HEALTHCARE NHS TRUST  
STANDARDS OF BUSINESS CONDUCT AND CONFLICTS OF INTEREST POLICY  
(INCLUDING HOSPITALITY, GIFTS AND SPONSORSHIP POLICY)**

**APRIL 2011**

**Standards of business conduct and conflicts of interest policy (including hospitality, gifts and sponsorship policy)**

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## 1. Introduction

This policy sets out clear and robust procedures for Hounslow and Richmond Community Healthcare NHS Trust (the Trust) to ensure that all staff are aware of the process for declaring conflicts of interest and the process for declaring or gaining approval for hospitality, gifts and sponsorship.

## 2. Purpose of the Policy

This policy is intended to:

- Ensure staff are aware of the need to act impartially in all of their work
- Protect all staff against the possibility of accusations of corruptive practice
- Uphold the established principles of business conduct within the NHS and the public sector
- Uphold the reputation of the Trust and its staff in the way it conducts its business
- Uphold the principles of openness.

## 3. Scope

This policy applies to all employees of HRCH; contracted third parties (including agency staff) students/trainees, secondees and other staff on placement with HRCH and staff of partner organisations with approved access, collectively referred to as “staff” throughout this policy.

## 4. Accountability

The intention of this policy is to maintain the highest standards of probity and to provide assurance that any relationships entered lead to clear benefit for the NHS, and that they represent value for money.

HRCH requires all members of staff to observe the 7 Nolan principles of public life (from the first report of the Committee on Standards in Public Life):

- **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.

NHS guidance requires that the Trust maintains a register of hospitality, gifts and sponsorship. Such a register should record any offer, receipt of provision of hospitality and gifts and will be subject to annual review by the Audit Committee of the Trust. The register will be held by the Board Secretary and will be displayed on the Trust's website.

## **5. Conflicts of Interests**

- 5.1 A conflict of interest arises when an individual's work for the Trust could be affected by a personal interest or personal association. Employees and other individuals who come within the scope of this policy are entitled to manage their own affairs in privacy. However, the work of each individual, as outlined above, connected to the Trust must be carried out in an environment which is free from any suggestion of improper influence. None of the individuals concerned should exploit or appear to exploit to their personal advantage any personal or professional relationships with an individual or associated organisation. They must ensure that at all times they operate in a way which is demonstrably above criticism.
- 5.2 The Trust must be told of all cases where an employee, or his or her close relative or associate, has a controlling and/or significant financial interest in a business including a private company, public sector organisation, or voluntary organisation or any other organisation, which does or may compete for an NHS contract to supply either goods or services to the Trust or any other NHS organisation.
- 5.3 Adherence to this policy is mandatory in order to identify and manage current or potential conflicts which may arise between the interests of the Trust and the personal interests, associations and relationships of individuals carrying out work for the Trust. Any breach of this policy will be treated as a disciplinary offence and may result in dismissal.
- 5.4 Failure to adhere to this policy may constitute the criminal offence of fraud, as an individual could be gaining unfair advantages or financial rewards for himself or a family member / friend or associate. Anyone who suspects that a relevant interest may not have been declared should report it to the Local Counter Fraud Specialist and/or the Board Secretary.
- 5.5 It is the responsibility of all staff to ensure that they are not placed in a position which risks, or appears to risk, conflict between their private interests and their Trust duties. This primary responsibility applies to all NHS staff, whether they commit NHS resources directly or indirectly.
- 5.6 Individuals are not required to declare all associations they may have outside the Trust, only those which relate to or could impact on the activities of the Trust. Individuals should register all relevant interests and should declare any relevant interest when dealing with or discussing a matter to which it is pertinent. Relevant interests may include both financial and non-financial interests. The test of relevance is whether the interest might reasonably be thought by the public to affect the way in which an individual discharges his or her duties. The test therefore is not whether an individual's actions will be influenced by the interest but whether the public might reasonably think that this may be the case.
- 5.7 Only current interests need to be declared but it is possible that on occasions a past interest will or could influence present behaviour. Individuals should assess the

relevance and necessity to divulge this information, seeking guidance from the Board Secretary if required, as this interest may also need to be declared.

- 5.8 All Board members must complete and sign a declaration of interest form annually. These will be recorded and available on the Trust 's website for inspection. All Board members must update their declaration of interests form as and when their interests change.
- 5.9 All members of staff involved in the development of relationships with private sector partners must declare any prior interest in terms of previous sponsorship or other relationships with the individual companies in question.
- 5.10 Whilst it is appropriate for individuals who have declared an interest to continue to be involved in the development of a specific scheme, it may not be appropriate for them to be involved in the decision on the selection of preferred partners or in any tendering and subsequent selection process. This includes possible conflict where an individual's relatives or associates have a financial interest in a business which might compete for a contract to supply goods or services to the Trust .
- 5.11 Interests should be declared on the form shown as **Appendix 1** and submitted to the Board Secretary. Copies should be provided (where appropriate) to employees' line managers.
- 5.12 It is impossible to prescribe a comprehensive set of rules on interests but some examples are set out below:

#### **Example 1**

Expectation of future employment with a particular company / organisation. Individuals should not give, or appear to give, advice or take decisions that might be influenced by the hope or expectation of future employment. This is to ensure that the company / organisation involved does not gain an unfair advantage over its competitors. They should report an approach or offer of employment covered by these rules to their line manager.

#### **Example 2**

This could include (depending on their significance) trusteeships, unpaid functions, membership of voluntary organizations, or the non-financial interest of a spouse, partner or close relative. (However, it is accepted that individuals may not always be aware of the relevant interests of a family member).

## 6. Hospitality

- 6.1 Hospitality, provided it is normal and reasonable in the circumstances, may be accepted but must always be declared. Some approaches may be at a personal level where an individual receives hospitality (eg. a working lunch), a gift or sponsorship from a company or an individual.
- 6.2 All hospitality, gifts and sponsorship accepted or declined should be declared to the Board Secretary using the form supplied, as **Appendix 2**. The declaration needs to be submitted within 1 week of the event giving rise to the declaration (except in cases where the value exceeds £25 and prior approval is required).

## 7. Casual Gifts

- 7.1 Under the Prevention of Corruption Acts 1906 to 1916 it is an offence for employees to accept any gifts or consideration as an inducement or reward for
- . doing, or refraining from doing, anything in their official capacity; or
  - showing favour or disfavour to any person in their official capacity.
- 7.2 Under the Prevention of Corruption Acts 1906 to 1916, any money, gift or consideration received by an employee in public service from a person or organisation holding or seeking to obtain a contract will be deemed by the courts to have been received corruptly unless the employee proves to the contrary. A breach of the provisions of these Acts may render staff liable to prosecution.
- 7.3 **Appendix 2** must be used for declaring all hospitality offered, but excluding small items such as pens and calendars not exceeding £25 in value. However, gifts should be declared if several small gifts worth a total of over £100 are received from the same or closely related source in a 12 month period.
- 7.4 It is also acceptable to receive other small value items, for example from a patient or relative in appreciation of the treatment and care received, or seasonal items, if it is made clear to the offerer that it is accepted on behalf of the Department or Service (and indeed is shared with colleagues), or it is donated to the Trust 's Charitable Fund or another charity associated with the NHS.
- 7.5 In cases of doubt, advice must be sought from your line manager and in no case must the value of the gift exceed the £25 limit without prior approval of your line manager.
- 7.6 Any other offers of personal gifts should be politely declined.

## 8. Cash

- 8.1 Under no circumstances must staff accept personal gifts of cash, even below the £25 threshold. It is permissible for staff to accept cash donations to the Trust 's charitable funds, subject to a receipt being issued and the cash being banked through the Trust's financial systems.

## 9. Individual Sponsorship

- 9.1 Sponsorship for individual staff attendance at relevant conferences and courses is acceptable, but only where permission is sought in advance from your line manager. The Trust must be satisfied that acceptance will not compromise purchasing

decisions in any way. As a general rule sponsorship arrangements involving the Trust should be at a corporate rather than individual level. **Appendix 2** must be completed and submitted.

### **Example 1**

A manufacturer of specialist equipment offers to sponsor a nurse post in the Trust . The Trust should not accept the sponsorship if it would require the nurse to recommend the sponsor's in preference to other clinically appropriate appliances, nor if it requires the Trust to recommend patients to use a particular dispensing service or withhold information about other products.

### **Example 2**

A manufacturer offers to pay the travelling costs or accommodation costs for clinicians invited to a conference to view medical products. Only clinicians with a specific interest in the products should attend and the travel costs incurred should be paid for by the Trust .

## **10. Commercial Sponsorship**

- 10.1 The Trust believes that the pharmaceutical and other health care industries have a significant role to play in improving the health of the population, and that in principle, it is therefore right to work in collaboration with the industry where there is a mutual benefit.
- 10.2 The Trust believes that it is appropriate to seek opportunities for maximising the availability of resources for the NHS from companies for core activities such as evaluation of services, guideline development, education, audit and research, provided that this is within an agreed code of conduct.
- 10.3 Limited financial and management resources make the potential availability of financial and other support from external organisations (and in particular private sector companies) highly attractive to NHS Trusts. The pharmaceutical industry in particular has strong desire to work in collaboration with the NHS. However, this must be considered against the industry's need to make profit which could potentially prejudice decision making and independence. There is no reason why such collaboration should not be to mutual advantage but this can only occur within the context of suitable controls.
- 10.4 All commercial sponsorship requests for approval should be submitted on **Appendix 3** to the Board Secretary who will act as coordinator and be responsible for ensuring that the Chief Executive is notified of all such circumstances.
- 10.5 Proposals will not be approved where there is any direct or indirect conflict of interest with the role of the Trust or any individuals. However, where the benefit to the sponsoring organisation is limited to general relationship building, sharing of information or profile raising this will not, in itself, be a disqualifying factor. Where the sponsoring organisation has products or services which could benefit directly from the project under consideration (even if there are also competing products available) then their support should be declined.
- 10.6 All drug companies entering into a relationship with the Trust must undertake to comply with the Association of the British Pharmaceutical Industry Code of Practice. The company should not be enabled to use the Trust as a "loss-leader" site by

providing free or very cheap drugs, materials or equipment which is not their intention to continue to supply to the population on an ongoing basis except if this is done as a research/evaluation project. In such cases a detailed proposal is to be provided for approval by the relevant committee.

- 10.7 Collaboration should be on the basis of a written agreement about the role of the company, resources they intend to supply, eg personnel, materials, equipment, food, drink, meeting room, drugs etc. **Appendix 4**, a Commercial Sponsorship Agreement Pro forma, should be completed.
- 10.8 Clear written agreements will be established before any relationships are entered into. The potential advantage of the proposal to the company and the Trust should be made explicit and clearly stated.
- 10.9 The Trust will maintain a record of all support (direct or indirect financial or non-financial benefit) received from companies in relation to the activities of the Trust (excluding direct suppliers). The Board Secretary will maintain a register, which will be available on the Trust's website.
- 10.10 Financial support and sponsorship must be acknowledged on printed documents, educational meetings, and in reports of joint work.

#### **Example 1**

Offer from a company to provide for training of staff. The Trust should be careful to ensure that staff are not pressurised by sponsors of training, to alter their own activity to accord with sponsors' wishes, where these are not backed up by appropriate evidence. Training provided by industry may be above board if it is unbiased and has mutual benefit for both the Trust and the sponsoring company, is evidence based and the hospitality is appropriate. However participants should assess whether they may be influenced unduly and also bear in mind what benefits the company might derive (e.g. exposure to NHS, professional contacts, potential allies to use later, names of who to influence) often without the participants realising.

#### **Example 2**

A manufacturer of a particular type of Nicotine Replacement Therapy offers to provide their product at a reduced rate. This arrangement is acceptable **provided that** there is a clear clinical view that these products are appropriate to particular patients **and** there is no obligation to also prescribe these products to other patients for whom an alternative product would be at least as beneficial.

#### **Example 3**

A pharmaceutical company offers to provide starter packs at a discounted price. This type of sponsorship is acceptable, but should always be declared in order to avoid any suspicion that subsequent prescribing might be inappropriate and linked to the provision of starter packs.



## **11. Seeking Commercial Sponsorship**

11.1 All proposals would be required to follow the procedure set out below:

- Identification of projects potentially suitable for external sponsorship;
- Submission of details of projects to the Board Secretary;
- The Executive Team agree which projects are suitable and select suitable companies to approach (normally, a minimum of three companies to be approached for any one project);
- Direct approach to selected companies asking them to provide sponsorship for the proposed project. Total funding could be sought from one company, or partial funding from a number of companies;
- On a case-by-case basis, approval sought from the Executive Team, to the proposal, prior to final signing with the company(ies) concerned; if time constraints apply the Chief Executive or the Director of Finance may approve the proposal but the Chief Executive must give final sign off to all proposals exceeding £5,000;
- Completion of **Appendix 4**;
- Monitoring of all projects approved under this process by the Audit Committee at its formal meeting.

11.2 All proposals would be required to conform to the following principles:

- Compliance with this policy;
- Compliance with the code of conduct of the Association of the British Pharmaceutical Industry;
- Projects must not result in personal financial gain or benefit for any Trust employee;
- Projects must not favour the products of one company over any other, unless there is clear and well documented impartial evidence of superior efficacy, and/or financial benefits to the health community;
- Clear legal advice will be sought from the Trust 's in-house Legal Services Department in respect of any contractual terms offered by a potential sponsor;
- In all cases the Trust will ensure that the use of the Trust name and intellectual material by a potential sponsor is explicitly forbidden (unless clearly agreed by the Trust Board).

## **12 Role of the Audit Committee**

The Audit Committee will receive and review periodic reports of sponsorship and other similar relationships entered into with companies, including the monetary value of the agreement. They may then wish to review the policy and suggest amendments in due course.

APPENDIX 1

**HOUNSLOW AND RICHMOND COMMUNITY HEALTHCARE NHS TRUST BOARD REGISTER OF INTERESTS**

Name and position	Any Executive or Non-Executive Directorship of a company	An interest* or position held in any firm, company or business which is trading with the Trust or likely to be considered a potential trading partner with the Trust	An interest in an organisation providing health and social care services to the NHS	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 Trust including but not limited to lenders or banks

**GIFTS AND HOSPITALITY**

Any offers of hospitality, personal gifts (other than inexpensive items, such as pens/calendars etc) and sponsorship should be declared. Gifts of over £25 in value and offers of hospitality and sponsorship should be authorised by your line manager and for gifts, personal hospitality or sponsorship over the value of £200, authorisation from the Chief Executive must be sought.

**Authorisation must be PRIOR to acceptance (except in the case of acceptance of a working lunch).**

Name .....

Job Title .....

Directorate  
.....

**Details of Benefit**

Name of Organisation or individual providing benefit  
.....

Nature and purpose of benefit  
.....  
.....

Estimated value .....

Other Information  
.....  
.....

**Decision of Person Offered Benefit**

Declined  Accepted

**Authorisation** (By Line Manager/Chief Executive) (Sums over £200 must be authorised by the Chief Executive)

Yes  No

Reason for non authorisation

.....  
.....  
.....

If hospitality, sponsorship or a gift has been accepted, please have this form authorised by your line manager

Line Manager's Name.....

Line Manager's Signature.....

Date.....

Signature of person making the Declaration:

..... Dated .....

**APPENDIX 3**

**COMMERCIAL SPONSORSHIP REQUESTS**

The following form must be completed by the Trust manager proposing to enter into the arrangement. It must be submitted **in advance** to the Board Secretary.

Name of Person Organising the Event		
Directorate		
Description of event/arrangements for which sponsorship is proposed		
Date of event		
Venue of event		
Number of attendees		
Costs		
Hire of Venue		
Speakers		
Catering per head		
Other costs (specify)		
Total Cost of event/publication		
<b>Name of Sponsors</b>	<b>Business of Sponsors</b>	<b>Value of Sponsorship</b>
Would this event /publication go ahead without sponsorship Yes <input type="checkbox"/> No <input type="checkbox"/>		
Other supporting information (please attach separate sheet if necessary)		

**Meeting organiser should retain a copy of this form and a copy to be supplied to Sponsor**

<b>Declaration of Director</b>	
I believe the above sponsorship arrangements adhere to the Standards of Business Conduct and Conflicts of Interest Policy (including hospitality, gifts and sponsorship policy) in place at the date of signature of this form.	
Signed	Name
Job Title	Date
<b>ACTION</b>	
Signature Board Secretary	
Signature (Chief Executive) for significant projects and those with a value of over £5,000)	
Date approval granted or refusal issued	
Date applicant informed of decision	
Comments (if any)	

### Guidance Notes

1. Sponsorship may be used only if there are benefits to the health community such as for "one-off" events, publications, staffing or education. For example:
  - It is designed to allow reasonable refreshments to be provided at a training event and meet the reasonable expenses of an external speaker;
  - To meet a proportion of the costs of producing publicity material on a subject not directly related to the sponsor's business;
  - A prize for a health promotion competition or a prize that appears in a publication that promotes health.
2. Forms should normally be submitted in advance and only in very exceptional circumstances may be submitted retrospectively. Any retrospective submission must be accompanied by a full explanation as to why the submission has been made retrospectively.
3. Completed forms will be held and a register will be kept by the Board Secretary for submission to the Audit Committee on an annual basis. One purpose of the monitoring will be to ensure that financial support is being shared amongst a variety of partners.
4. The Board Secretary will inform applicants once approval for the sponsorship is granted or if there are any problems with the proposal.
5. For more substantial or ongoing arrangements, including those where the individual amounts are less than £5,000 but the total commitment may in the future exceed £5,000 the pro forma should be accompanied by a detailed proposal for accepting the

**Meeting organiser should retain a copy of this form and a copy to be supplied to Sponsor**

sponsorship. This should include the “value added” a sponsor would bring, the benefits to the sponsor and an option appraisal of any alternative(s). This should be sent to the Board Secretary who will submit it to the next available meeting of the Audit Committee or Trust Board, whichever is the sooner. This may **NOT** be submitted retrospectively.

**Meeting organiser should retain a copy of this form and a copy to be supplied to Sponsor**

**COMMERCIAL SPONSORSHIP AGREEMENT PRO FORMA,**

To: .....

Name of Company: .....

Details of Event:  
.....  
.....

Thank you for agreeing to sponsor the above event to be held on (date)  
.....at (venue):.....

**Terms and Conditions of Sponsorship**

Sponsorship is accepted on the understanding that:

1. The course organiser retains overall control of the event outlined above;
2. The sponsor does not have a right to formally present teaching or research materials;
3. The sponsor does not use any intellectual property of HRCH NHS Trust
4. Any stand the sponsor uses to promote products is to be outside the main meeting room where practical;
5. The sponsor will remove all promotional materials and vacate the main meeting room prior to the main meeting commencement;
6. The Sponsor adheres to the Code of Conduct of the Association of the British Pharmaceutical Industry.

**Details of Sponsorship (eg room hire, food, speakers):**

.....  
.....  
.....

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**Please confirm that the terms detailed above are accepted**

Signed .....Date.....

Print Name .....

Position.....

**Meeting organiser should retain a copy of this form and a copy to be supplied to Sponsor**



<b>REPORT TITLE:</b>  <b>CODE OF CONDUCT AND CODE OF ACCOUNTABILITY</b>		<b>AGENDA ITEM:</b>  11
<b>SUBMITTED TO:</b>  TRUST BOARD	<b>DATE OF MEETING:</b>  1 <sup>ST</sup> April 2011	<b>PURPOSE OF REPORT:</b>  Decision
<b>AUTHOR &amp; DESIGNATION:</b>  David Lee, Integrated Business Planner	<b>DIRECTOR LEAD:</b>  Richard Tyler, Chief Executive	<b>PRESENTED BY:</b>  Richard Tyler, Chief Executive
<p><b>EXECUTIVE SUMMARY:</b> All board directors of NHS organisations are required, on appointment, to subscribe to the Code of Conduct. 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.</p> <p>The code of accountability for NHS boards is the basis on which NHS organisations should seek to fulfil the duties and responsibilities conferred upon them by the Secretary of State for Health.</p>		
<p><b>RECOMMENDATIONS:</b></p> <p>The Board is asked to formally adopt the Code of Conduct and Code of Accountability</p>		
<b>Name:</b> David Lee		<b>Title:</b> Integrated Business Planner
<b>Email Address:</b> <a href="mailto:david.lee@hrch.nhs.uk">david.lee@hrch.nhs.uk</a>		<b>Telephone number :</b> 020 8973 3132
<p><b>Has an Equality Impact Assessment (EIA) been completed?</b> EIAs should be undertaken to quality assure existing services; when changes are being made to a policy or service or as part of a staff reorganisation. Further information on EIAs is available from the corporate affairs office. If an EIA has been completed please attach to the report.</p>		
<b>EIA Completed:</b> The code has been produced by DH and the Appointments Commission and has been subject to their EIA processes	<b>Y/N or Not Applicable</b>	
<b>Legal or Financial Implications:</b> None specific		
<b>CQC Evidence:</b> Yes	If so which regulation does it apply to 16	

# CODE OF CONDUCT CODE OF ACCOUNTABILITY IN THE NHS

## CODE OF CONDUCT

Public Service Values

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Public Business and Private Gain

Hospitality and Other Expenditure

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## CODE OF CONDUCT FOR NHS BOARDS

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.

### 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.

### 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.

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.

### 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.

### 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.

### 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 that ill-considered actions can damage respect for the NHS in the eyes of the community.

### 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. The Department of Health has issued guidance to NHS organisations about standards of business conduct (ref: HSG(93)5).

### 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.

(Ref: Whistleblowing in the NHS, letter dated 25 July 2003 from the Director of HR in the NHS)

### 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 of NHS organisations are required, on appointment, to subscribe to the Code of Conduct.

Originally published April 1994  
First revision April 2002  
Second revision July 2004

## CODE OF ACCOUNTABILITY FOR NHS BOARDS

This Code of Practice is the basis on which NHS organisations should seek to fulfil the duties and responsibilities conferred upon them by the Secretary of State for Health.

### Status

NHS organisations, such as NHS trusts, primary care trusts, strategic health authorities and special health authorities, are established under statute as corporate bodies so ensuring that they have separate legal personality. Statutes and regulations prescribe the structure, functions and responsibilities of the boards of these bodies and prescribe the way chairs and directors of boards are to be appointed.

### Code of Conduct

All board directors of NHS organisations are required, on appointment, to subscribe to the Code of Conduct. Breaches of this Code of Conduct by the chair or a non-executive director of the board should be drawn to the attention of the appropriate Regional Commissioner of the NHS Appointments Commission.

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

### Statutory Accountability

The Secretary of State for Health has statutory responsibility for the health of the population of England and uses statutory powers to delegate functions to NHS organisations who are thus accountable to the Secretary of State and to Parliament. The Department of Health is responsible for directing the NHS, ensuring national policies are implemented and for the effective stewardship of NHS resources.

NHS trusts provide services to patients (these may be acute services, ambulance services, mental health or other special services, e.g. for children). Other main functions are to:

- ensure services are of high quality and accessible;
- lead the development of new ways of working to fully engage patients and ensure a patient-centred service;

Primary care trusts are expected to identify the health needs of the population, to work to improve the health of the community and to secure the provision of a full range of services. Other main functions are to:

- maintain an effective public health function;
- lead local planning;
- manage and develop primary healthcare services;
- develop and improve local services;
- lead the integration of health and social care; and
- deliver services within their remit.

Strategic health authorities provide strategic leadership to ensure the maintenance of provision and the delivery of improvements in local health and health services by primary care trusts and NHS trusts, within the national framework of developing a patient-centred NHS and supported by effective controls and clinical governance systems. Other main functions for which the Strategic Health Authority is responsible are to:

- lead the development and empowerment of uniformly excellent frontline NHS organisations committed to innovation and improvement;
- consider the overall needs of the health economy across primary, community, secondary and tertiary care, and working with primary care trusts and NHS trusts to deliver a programme to meet these needs;
- performance manage and ensure accountability of local primary care trusts and NHS trusts;
- lead on the creation and development of clinical and public health networks;
- create capacity through the preparation and delivery of strategies for capital investment, information management and workforce development;
- ensure effective networks and joint working exists between NHS organisations for the provision of health and social care; and
- ensure the development and training of an adequate workforce of competent clinical personnel.

NHS trust, primary care trust and strategic health authority finances are subject to external audit by the Audit Commission and, for the value for money element, by the Healthcare Commission.

NHS boards must co-operate fully with the Department of Health, the Audit Commission and the Healthcare Commission when required to account for the use they have made of public funds, the delivery of patient care and other services, and compliance with statutes, directions, guidance and policies of the Secretary of State. The Chief Executive/Permanent Secretary of the Department of Health, as Accounting Officer for the NHS, is accountable to Parliament. The work of the Department of Health and its associated bodies is examined by the House of Commons Health Committee. Its remit is to examine the expenditure, administration and policy of the Department of Health. Two other Parliamentary Committees, the Public Accounts Committee and the Public Administration Select Committee, scrutinise the work of the Department of Health and the health service.

#### The Board of Directors

NHS boards comprise executive directors together with non-executive directors and a chair who are appointed by the NHS Appointments Commission on behalf of the Secretary of State. Together they share corporate responsibility for all decisions of the board. There is a clear division of responsibility between the chair and the chief executive; the chair's role and board functions are set out below; the chief executive is directly accountable to the board for meeting their objectives, and as Accountable Officer, to the Chief Executive of the NHS for the performance of the organisation. Boards are required to meet regularly and to retain full and effective control over the organisation; the chair and non-executive directors are responsible for monitoring the executive management of the organisation and are responsible to the Secretary of State for the discharge of these responsibilities. Strategic health authorities generally provide the line of accountability from local NHS organisations to the Secretary of State for the performance of the organisation. Regional Commissioners of the NHS Appointments Commission will always be available to chairs and non-executive directors on matters of concern to them relating to the personal effectiveness of individual chairs and non-executives.

The duty of an NHS board is to add value to the organisation, enabling it to deliver healthcare and health improvement within the law and without causing harm. It does this by providing a framework of good governance within which the organisation can thrive and grow. Good governance is not restrictive but

an enabling ingredient to underpin change and modernisation.

The role of an NHS board is to:

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

Further details may be obtained from *Governing the NHS: A Guide for NHS Boards* at [www.dh.gov.uk](http://www.dh.gov.uk)

#### The Role of the Chair

The overall role of the chair is one of enabling and leading so that the attributes and specific roles of the executive team and the non-executives are brought together in a constructive partnership to take forward the business of the organisation.

The key responsibilities of the chair are:

- leadership of the board, ensuring its effectiveness on all aspects of its role and setting its agenda;
- ensuring the provision of accurate, timely and clear information to directors;
- ensuring effective communication with staff, patients and the public;
- arranging the regular evaluation of the performance of the board, its committees and individual directors; and
- facilitating the effective contribution of non-executive directors and ensuring constructive relations between executive and non-executive directors.

A complementary relationship between the chair and chief executive is important. The chief executive is accountable to the chair and non-executive directors of the board for ensuring that the board is empowered to govern the organisation and that the objectives it sets are accomplished through effective and

properly controlled executive action. The chief executive should be allowed full scope, within clearly defined delegated powers, for action in fulfilling the decisions of the board.

Further details may be obtained from *Governing the NHS: A Guide for NHS Boards* at [www.dh.gov.uk](http://www.dh.gov.uk).

#### Non-Executive Directors

Non-executive directors are appointed by the NHS Appointments Commission on behalf of the Secretary of State to bring an independent judgement to bear on issues of strategy, performance, key appointments and accountability through the Department of Health to Ministers and to the local community.

The duties of non-executive directors are to:

- constructively challenge and contribute to the development of strategy;
- scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- satisfy themselves that financial information is accurate and that financial controls and systems of risk management are robust and defensible;
- determine appropriate levels of remuneration of executive directors and have a prime role in appointing, and where necessary, removing senior management and in succession planning; and
- ensure the board acts in the best interests of the public and is fully accountable to the public for the services provided by the organisation and the public funds it uses.

Non-executive directors also have a key role in a small number of permanent board committees such as the Audit Committee, Remuneration and Terms of Service Committee, the Clinical Governance Committee and Risk Management Committee.

Further details may be obtained from *Governing the NHS: A Guide for NHS Boards* at [www.dh.gov.uk](http://www.dh.gov.uk).

#### Reporting and Controls

It is the board's duty to present through the timely publication of an annual report, annual accounts and other means, a balanced and readily-understood assessment of the organisation's performance to:

- the Department of Health, on behalf of the Secretary of State

- the Audit Commission and its appointed auditors, and
- the local community.

Detailed financial guidance, including the role of internal and external auditors, issued by the Department of Health must be observed. (Ref: the *NHS Finance Manual* at [www.info.doh.gov.uk/doh/finman](http://www.info.doh.gov.uk/doh/finman)). The Standing Orders of boards should prescribe the terms on which committees and sub-committees of the board may be delegated functions, and should include the schedule of decisions reserved for the board.

#### Declaration of Interests

It is a requirement that chairs and all board directors should declare any conflict of interest that arises in the course of conducting NHS business. All NHS organisations maintain a register of member's interests to avoid any danger of board directors being influenced, or appearing to be influenced, by their private interests in the exercise of their public duties. All board members are therefore expected to declare any personal or business interest which may influence, or may be *perceived* to influence, their judgement. This should include, as a minimum, personal direct and indirect financial interests, and should normally also include such interests of close family members. Indirect financial interests arise from connections with bodies which have a direct financial interest, or from being a business partner of, or being employed by, a person with such an interest.

#### Employee Relations

NHS boards must comply with legislation and guidance from the Department of Health on behalf of the Secretary of State, respect agreements entered into by themselves or on their behalf and establish terms and conditions of service that are fair to the staff and represent good value for taxpayers' money. Fair and open competition should be the basis for appointment to posts in the NHS.

The terms and conditions agreed by the board for senior staff should take full account of the need to obtain maximum value for money for the funds available for patient care. The board should ensure through the appointment of a remuneration and terms of service committee that executive board directors' remuneration can be justified as reasonable. Board directors' remuneration for the NHS organisation should be published in its annual report.

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Second revision July 2004