A meeting of the Council of Governors will be held at 10.00 am on Wednesday 22 February 2012, in Room 9 & 10, Education Centre, Queen Elizabeth Hospital

**AGENDA**

1. **Apologies for Absence**

2. **To Sign the Attendance Register**

3. **Annual Review of the Declarations of Interest:**
   - To receive the declarations of interest of:
     - i) Mrs A Ellinson, Mrs G Huthart and Mr K White, newly elected public governors
     - ii) the annual review of Council of Governors interests

4. **Chairman’s Business**

5. **Minutes of the Previous Meeting**
   - To approve the minutes of the previous meeting of the Council of Governors held on Wednesday 16 November 2011

6. **Matters Arising from the Minutes**

**Corporate Briefings:**

7. **Chief Executive’s Briefing**
   - To receive the Chief Executive’s routine briefing report

8. **Finance and Activity Performance**
   - To receive a report on the Trust’s current performance, presented by the Director of Finance and Information

9. **Complaints, Litigation, Incident and PALS (CLIPA) Report Summary**
   - To receive a summary report from the Head of Corporate Risk on the Complaints, Litigation, Incident and PALS Report

**Governor and Member Business:**

10. **Membership Development Working Group**
    - To receive a progress report on the work of the Membership Group, presented by the Chairman of the Group

11. **Council of Governors’ 2011 Appraisal**
    - To receive the results of the governors’ appraisal survey, presented by the Trust Secretary
<table>
<thead>
<tr>
<th></th>
<th><strong>Membership Feedback</strong></th>
<th><strong>Verbal</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>For governors to feedback on events attended and activities undertaken, and to report any queries or comments received</td>
<td></td>
</tr>
</tbody>
</table>

**Items for Approval:**

<table>
<thead>
<tr>
<th></th>
<th><strong>Constitution:</strong></th>
<th><strong>Enclosure</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>13</td>
<td>To approve the amendments of the Trust’s constitution presented by the Chief Executive</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th><strong>Chair Appointment Process:</strong></th>
<th><strong>Enclosure</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>14</td>
<td>To agree a process and timetable for the Chair appointment process, to be presented by the Chief Executive</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th><strong>Non-Executive Director Re-Appointments:</strong></th>
<th><strong>Enclosure</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>15</td>
<td>To agree a process and timetable for Non-Executive Director re-appointments, to be presented by the Chief Executive</td>
<td></td>
</tr>
</tbody>
</table>

**Items for Information:**

<table>
<thead>
<tr>
<th></th>
<th><strong>Nursing and Midwifery Annual Report:</strong></th>
<th><strong>Enclosure</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>16</td>
<td>To be presented by the Director of Nursing, Midwifery and Quality</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th><strong>Standing Orders and Standing Financial Instructions</strong></th>
<th><strong>Enclosure</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>17</td>
<td>To receive, for information, the Standing Orders and SFIs, presented by the Director of Finance and Information</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th><strong>Date and Time of Next Meeting</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>18</td>
<td>The next meeting of the Council of Governors will be held on Wednesday 23rd May 2012 at 10.00 am in Rooms 9 &amp; 10, Education Centre</td>
</tr>
</tbody>
</table>
GATESHEAD HEALTH NHS FOUNDATION TRUST

Declaration of Governor Interests

Background:

The Constitution of Gateshead Health NHS Foundation Trust requires all Governors to declare interests which are material and relevant to the Council of Governors.

Following the recent elections, Mrs Anna Ellinson and Mrs G Huthart, elected governors for Central Gateshead, and Mr Ken White, elected governor for Western Gateshead have declared their interests.

The declared interests of Mrs Ellinson, Mrs Huthart and Mr White are overleaf.

Recommendation:

The Council of Governors is asked to note and record in the minutes the declared interests of Mrs Anna Ellinson, Mrs G Huthart and Mr Ken White.

Mrs D Scorer
Trust Secretary
**NAME:** Mrs Anna Ellinson

<table>
<thead>
<tr>
<th><strong>Directorships, including non-executive Directorships held in private companies or PLCs (with the exception of dormant companies)</strong></th>
<th><strong>None</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ownership, or part ownership, of private Companies, businesses or consultancies likely or possibly seeking to do business with the NHS</strong></td>
<td><strong>Partner in family business (I Ellinson &amp; Co.)</strong></td>
</tr>
<tr>
<td><strong>Majority or controlling shareholdings in organisations likely or possibly seeking to do business with the NHS</strong></td>
<td><strong>None</strong></td>
</tr>
<tr>
<td><strong>A position of authority in a charity or voluntary body in the field of health and social care</strong></td>
<td><strong>Beth Jacob Youth Group Chasdei Raizel</strong></td>
</tr>
<tr>
<td><strong>Any connection with a voluntary or other body contracting the NHS services</strong></td>
<td><strong>Management Board of Labrint Healthy Living Centre</strong></td>
</tr>
<tr>
<td><strong>To the extent not covered in the declarations above, any connections with an organisation, entity or company considering entering into or having entered into a financial arrangement with the Trust but not limited to, lenders or banks</strong></td>
<td><strong>None</strong></td>
</tr>
</tbody>
</table>

**OTHER COMMENTS:**

DATE SIGNED 9th January 2012
**DECLARATION OF GOVERNOR INTERESTS**

**NAME:** Mrs Gillian Huthart

<table>
<thead>
<tr>
<th>Description</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Directorships, including non-executive Directorships held in private companies or PLCs (with the exception of dormant companies)</td>
<td>None</td>
</tr>
<tr>
<td>Ownership, or part ownership, of private Companies, businesses or consultancies likely or possibly seeking to do business with the NHS</td>
<td>None</td>
</tr>
<tr>
<td>Majority or controlling shareholdings in organisations likely or possibly seeking to do business with the NHS</td>
<td>None</td>
</tr>
<tr>
<td>A position of authority in a charity or voluntary body in the field of health and social care</td>
<td>None</td>
</tr>
<tr>
<td>Any connection with a voluntary or other body contracting the NHS services</td>
<td>None</td>
</tr>
<tr>
<td>To the extent not covered in the declarations above, any connections with an organisation, entity or company considering entering into or having entered into a financial arrangement with the Trust but not limited to, lenders or banks</td>
<td>None</td>
</tr>
</tbody>
</table>

**OTHER COMMENTS:**

DATE SIGNED 9\textsuperscript{th} January 2012
### Gateshead Health NHS Foundation Trust

#### Declaration of Governor Interests

<table>
<thead>
<tr>
<th><strong>Name:</strong></th>
<th>Mr Ken White</th>
</tr>
</thead>
</table>

| **Directorships, including non-executive Directorships held in private companies or PLCs (with the exception of dormant companies)** | None |
| **Ownership, or part ownership, of private Companies, businesses or consultancies likely or possibly seeking to do business with the NHS** | None |
| **Majority or controlling shareholdings in organisations likely or possibly seeking to do business with the NHS** | None |
| **A position of authority in a charity or voluntary body in the field of health and social care** | MNDA Treasurer |
| **Any connection with a voluntary or other body contracting the NHS services** | None |
| **To the extent not covered in the declarations above, any connections with an organisation, entity or company considering entering into or having entered into a financial arrangement with the Trust but not limited to, lenders or banks** | None |

**Other Comments:**

**Date Signed:** 9th January 2012
Background:

The Council of Governors last declared their interests at the meeting held in February 2011.

The Trust’s Constitution and the Health and Social Care (Community Standards) Act 2003 require Governors’ interests to be declared, recorded in the minutes of the Governors Meeting and be made available on request to any member who wishes to view the register of interests.

Whilst it is not a requirement of the Constitution, it is good practice to review annually, the interests of Governors.

Attached at Appendix I are the declarations of all Elected and Appointed Governors as at 5th January 2012.

Recommendation:

The Council of Governors is asked to review the declared interests and record in the minutes.
## Elected Governors

<table>
<thead>
<tr>
<th>Forename</th>
<th>Surname</th>
<th>Constituency</th>
<th>Governors’ Interests</th>
<th>Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tom</td>
<td>Bryden</td>
<td>Western</td>
<td>Vice-Chair Sight Service</td>
<td>D</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Vice Chair Gateshead Older People’s Assembly</td>
<td>D</td>
</tr>
<tr>
<td>Paul</td>
<td>Hopkinson</td>
<td>Western</td>
<td>J.P Hopkinson</td>
<td>B</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Trustee – Fighting All Cancers Together (FACT)</td>
<td>D</td>
</tr>
<tr>
<td>Mary</td>
<td>Summers</td>
<td>Western</td>
<td>None</td>
<td></td>
</tr>
<tr>
<td>Paul</td>
<td>Tinnion</td>
<td>Western</td>
<td>Chair of Board of Cestria Community Housing Association Ltd</td>
<td>A</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Executive Committee – Foundation Trust Governors’ Association</td>
<td>A</td>
</tr>
<tr>
<td>Ken</td>
<td>White</td>
<td>Western</td>
<td>Treasurer MDNA</td>
<td>D</td>
</tr>
<tr>
<td>Ann</td>
<td>Atkinson</td>
<td>Central</td>
<td>None</td>
<td></td>
</tr>
<tr>
<td>Audrey</td>
<td>Clark</td>
<td>Central</td>
<td>None</td>
<td></td>
</tr>
<tr>
<td>Anna</td>
<td>Ellinson</td>
<td>Central</td>
<td>Partner in family business (I Ellinson &amp; Co.)</td>
<td>B</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Beth Jacob Youth Group Chasdei Raizel</td>
<td>D</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Management Board of Labrint Healthy Living Centre</td>
<td>E</td>
</tr>
<tr>
<td>Jim</td>
<td>Holmes</td>
<td>Central</td>
<td>Director Lyndhurst Bowling Club Ltd</td>
<td>A</td>
</tr>
<tr>
<td>Gillian</td>
<td>Huthart</td>
<td>None</td>
<td>None</td>
<td></td>
</tr>
<tr>
<td>Mary</td>
<td>Richards</td>
<td>Central</td>
<td>None</td>
<td></td>
</tr>
<tr>
<td>Louise</td>
<td>Wright</td>
<td>Central</td>
<td>None</td>
<td></td>
</tr>
<tr>
<td>Brian</td>
<td>Hewitt</td>
<td>Eastern</td>
<td>None</td>
<td></td>
</tr>
<tr>
<td>Margaret</td>
<td>Jobson</td>
<td>Eastern</td>
<td>None</td>
<td></td>
</tr>
<tr>
<td>Bill</td>
<td>Lee</td>
<td>Eastern</td>
<td>School governor – Lingey House Primary School and South Street Primary School</td>
<td>D</td>
</tr>
<tr>
<td>Nicola</td>
<td>Downes</td>
<td>Patient</td>
<td>None</td>
<td></td>
</tr>
<tr>
<td>Faye</td>
<td>Butler</td>
<td>Staff</td>
<td>None</td>
<td></td>
</tr>
<tr>
<td>Sam</td>
<td>Dae</td>
<td>Staff</td>
<td>None</td>
<td></td>
</tr>
<tr>
<td>Elaine</td>
<td>Shanks</td>
<td>Staff</td>
<td>None</td>
<td></td>
</tr>
<tr>
<td>Kath</td>
<td>Sharp</td>
<td>Staff</td>
<td>None</td>
<td></td>
</tr>
<tr>
<td>Ian</td>
<td>Stafford</td>
<td>Staff</td>
<td>None</td>
<td></td>
</tr>
<tr>
<td>First Name</td>
<td>Surname</td>
<td>Stakeholder Organisation</td>
<td>Position Held</td>
<td>Governors' Interests</td>
</tr>
<tr>
<td>------------</td>
<td>-------------</td>
<td>-------------------------------------------</td>
<td>--------------------</td>
<td>-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
</tbody>
</table>
| Alan       | Baty        | Gateshead PCT                            | Chairman           | Gateshead Housing Company
Newcastle Airport LA Holding Company
Rowlands Gill Live At Home
Chopwell and Blackhall Mill Live At Home                                                                                                                                | A        |
| John       | Hamilton    | Gateshead Council                        | Councillor         |                                                                                                                                                                                                                       | A        |
|            |             |                                           |                    | D                                                                                                                                                                                                                     | D        |
| Kath       | McCourt     | Northumbria University                    | Dean               | Chair – R.C.N
Employed by Northumbria University                                                                                                                                                                                               | D        |
| James      | Miller      | GVOC                                      | Management Committee Member | None                                                                                                                                                                                                                 | E        |
| Mark       | Pearce      | Newcastle University                     | Reader in Lifecourse Epidemiology | None                                                                                                                                                                                                                 |          |
| Aron       | Sandler     | Gateshead Jewish Community Council        |                    | Director of a number of companies not linked with healthcare (names of companies TBC)                                                                                                                                 | A        |
| Richard    | Thorold     | Gateshead College                        | Principal/CEO      | Director of Team Valley Links                                                                                                                                                                                       | F        |
| Jessica    | Leighton    | Gateshead Youth Council                  | GYA Chair          | None                                                                                                                                                                                                                 |          |
| Hastings   | Ndlovu      | Gateshead Diversity Forum                | Forum Member       | None                                                                                                                                                                                                                 |          |

**Key to interests declared:**

A: Directorships, including non-executive Directorships held in private companies or PLCs (with the exception 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 shareholdings in organisations likely or possibly seeking to do business with the NHS

D: A position of authority in a charity or voluntary body in the field of health and social care

E: Any connection with a voluntary or other body contracting the NHS services

F: To the extent not covered in the declarations above, any connections with an organization, entity or company considering entering into or having entered into a financial arrangement with the Trust but not limited to, lenders or banks
# COUNCIL OF GOVERNORS

Minutes of a meeting of the Council of Governors held at 10.00 am on **Wednesday 16th November 2011**, in Room 9 & 10, Education Centre, Queen Elizabeth Hospital

## PART I

### Present:

<table>
<thead>
<tr>
<th>Name</th>
<th>Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr PJ Smith</td>
<td>Chairman</td>
</tr>
<tr>
<td>Mrs A Atkinson</td>
<td>Public Governor – Central</td>
</tr>
<tr>
<td>Mr T Bryden</td>
<td>Public Governor – Western</td>
</tr>
<tr>
<td>Mrs F Butler</td>
<td>Staff Governor</td>
</tr>
<tr>
<td>Cllr J Hamilton</td>
<td>Appointed Governor</td>
</tr>
<tr>
<td>Ms P Hobson</td>
<td>Appointed Governor</td>
</tr>
<tr>
<td>Mr J Holmes</td>
<td>Public Governor – Central</td>
</tr>
<tr>
<td>Mr P Hopkinson</td>
<td>Public Governor – Western</td>
</tr>
<tr>
<td>Mrs M Jobson</td>
<td>Public Governor – Eastern</td>
</tr>
<tr>
<td>Mr B Lee</td>
<td>Public Governor – Eastern</td>
</tr>
<tr>
<td>Professor K McCourt</td>
<td>Appointed Governor</td>
</tr>
<tr>
<td>Mrs M Richards</td>
<td>Public Governor – Central</td>
</tr>
<tr>
<td>Mr A Sandler</td>
<td>Appointed Governor</td>
</tr>
<tr>
<td>Mrs K Sharp</td>
<td>Staff Governor</td>
</tr>
<tr>
<td>Mr RJ Smith</td>
<td>Public Governor – Central</td>
</tr>
<tr>
<td>Mrs M Summers</td>
<td>Public Governor – Western</td>
</tr>
<tr>
<td>Mr P Tinnion</td>
<td>Public Governor – Western</td>
</tr>
<tr>
<td>Mrs B Wilson</td>
<td>Public Governor – Central</td>
</tr>
<tr>
<td>Mrs L Wright</td>
<td>Public Governor – Central</td>
</tr>
</tbody>
</table>

### In Attendance:

<table>
<thead>
<tr>
<th>Name</th>
<th>Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dr D Beaumont</td>
<td>Medical Director</td>
</tr>
<tr>
<td>Mr M Brown</td>
<td>Non-Executive Director</td>
</tr>
<tr>
<td>Dr J Bryson</td>
<td>Non-Executive Director</td>
</tr>
<tr>
<td>Dr A Fairbairn</td>
<td>Non-Executive Director</td>
</tr>
<tr>
<td>Mr K Godfrey</td>
<td>Deputy Medical Director</td>
</tr>
<tr>
<td>Cllr M Graham</td>
<td>Non-Executive Director</td>
</tr>
<tr>
<td>Mr P Harding</td>
<td>Director of Estates &amp; Risk Management</td>
</tr>
<tr>
<td>Mrs L Hodgson</td>
<td>Director of Finance &amp; Information</td>
</tr>
<tr>
<td>Mrs H Lloyd</td>
<td>Deputy Director of Nursing</td>
</tr>
<tr>
<td>Mr R Simpson</td>
<td>Non-Executive Director</td>
</tr>
<tr>
<td>Mrs D Scorer</td>
<td>Trust Secretary</td>
</tr>
<tr>
<td>Mr RA Smith</td>
<td>Director of Operations</td>
</tr>
<tr>
<td>Mrs J Williamson</td>
<td>Membership Co-ordinator</td>
</tr>
</tbody>
</table>

### Apologies:

<table>
<thead>
<tr>
<th>Name</th>
<th>Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mrs A Clark</td>
<td>Public Governor – Central</td>
</tr>
<tr>
<td>Mr B Hewitt</td>
<td>Public Governor – Eastern</td>
</tr>
<tr>
<td>Mrs JEA Hickey</td>
<td>Non-Executive Director</td>
</tr>
</tbody>
</table>
AGENDA

Item | Discussion and Action Points | Action by
--- | --- | ---
G/11/50 | **CHAIRMAN’S BUSINESS:** The Chairman opened the meeting by asking if anyone present had any revisions to their declared interests. He informed the group that this would be the last meeting for Mr RJ Smith, public governor, and thanked him for his contributions over his terms in office. The Chairman explained that Dr Mark Pearce has replaced Professor Ashley Adamson as the appointed governor from Newcastle University. He informed the group that the next seminar for Governors will be held on Wednesday 7th December from 10.00 am which replaces the date from October which was cancelled due to low attendance. |

G/11/51 | **MINUTES OF THE PREVIOUS MEETING:** The minutes of the previous meeting of the Annual Members’ Meeting held on Wednesday 28th September 2011 were approved as a correct record. |

G/11/52 | **MATTERS ARISING FROM THE MINUTES:**

G/11/42 | Mr R Smith, public governor, raised a query regarding receipt of election papers. Mrs J Williamson, Membership Co-ordinator, confirmed that the papers will be distributed to members who qualify to vote on 21st November 2011. Mr P Hopkinson, public governor, asked if governors whose tenure is due to expire now automatically receive a nomination form. Mrs Williamson confirmed that this is correct. |

G/11/53 | **CHIEF EXECUTIVE’S BRIEFING:** Mrs L Hodgson, Director of Finance and Information, presented the Chief Executive’s briefing report in the absence of Mr ID Renwick. She began her report by giving an update on the NHS reforms and informed the group that the number of Strategic Health Authorities had been reduced from 10 down to four from 3rd October 2011. As previously reported, Mr Ian Dalton has been appointed as Chief Executive of the new SHA covering the North East, North West and Yorkshire and Humberside. |
<table>
<thead>
<tr>
<th>Agenda Item</th>
<th>Discussion and Action Points</th>
<th>Action by</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mrs Hodgson informed the group that the Annual Plan Stage 2 review is now complete. The process has been a helpful one, providing the Trust with a new focus to the work of the efficiency programme and strategic direction.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>She then stated that the reports from the unannounced CQC visits had been received, informing the group that they are an absolute credit to the hard work and commitment of staff across the organisation. The Trust has not been subject to any improvement action as a result of the visits; which is a unique outcome locally. Mrs Hodgson, on behalf of the Board, thanked staff for their role in this fantastic set of outcomes.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mrs Hodgson continued her report stating that UNISON had recently announced its’ members’ vote in favour of industrial action. The scheduled date is Wednesday 30th November and the Trust is currently working on plans to ensure that the high quality patient care safety is maintained.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mrs Hodgson then gave an update on the current corporate objectives. She explained that work continues on the Emergency Care Centre after agreement to include the Walk In Centre. Mr P Harding, Director of Estates and Risk Management, reported that the completion date is July 2014.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mrs Hodgson reported that work remains on-going towards the relocation of services from Dunston Hill, and is anticipated that the work will be completed in the Spring of 2012.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>She informed the group that the Board of Directors approved the business case for the reform of Acute Paediatric Pathways. The public consultation process is due imminently, with the new model being proposed would be implemented from 1st April 2012, depending upon the outcome of the consultation.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mrs Hodgson concluded her report by informing the group that the Trust recently had two finalists in the Nursing Times Awards 2011.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Chairman then informed the group that Mr RA Smith, Director of Operations, would be retiring at the end of the year. He expressed his thanks to Mr Smith for his long service and enormous contribution to the Trust.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mr B Lee, public governor, asked if the plans for the Emergency Care Centre would be available for the public to view. Mr P Harding, Director of Estates and Risk Management, confirmed that the plans would be made public.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>After further discussion, it was:</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>RESOLVED:</strong> to receive the report for information</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**G/11/54**  **FINANCE AND ACTIVITY PERFORMANCE:**

Mrs L Hodgson, Director of Finance and Information, presented a progress report on the Trust's financial performance at the end of September 2011.

She reviewed the paper, agenda item 8, informing the Council of Governors of
<table>
<thead>
<tr>
<th>Agenda Item</th>
<th>Discussion and Action Points</th>
<th>Action by</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>the summary financial headlines.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>She reported that activity continues to be ahead of plan for elective, day cases, non elective and outpatients with procedures, whilst A&amp;E and outpatient new and follow up cases are behind plan.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Mrs Hodgson gave details to the group on the Trust's income and expenditure and the position against the financial plan.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>She concluded her report by stating that the performance is still positive with the Trust's financial risk rating of 4 for September which is above the original planned rating of 3.</td>
<td></td>
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<tr>
<td></td>
<td>Councillor J Hamilton, appointed governor, asked how the staffing overspend on bank staff would be dealt with. Mrs Hodgson reported that discussions had taken place with the Divisional Managers and that staffing had to be increased due to the split in care between Dunston Hill and Ward 17 on the QE site but that this will decrease once the care is all on one site. Mrs Hodgson stated that Mrs H Lloyd, Deputy Director of Nursing and Midwifery, is currently working with divisional managers to look at off duties and to establish where the peaks are.</td>
<td></td>
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<tr>
<td></td>
<td>In response to a question from Mr J Holmes, public governor, regarding Oasis, Mrs Hodgson informed the group that the Trust still needs to engage Oasis to deliver the contractual activity, however a tender for the third party provider will be started soon which it is hoped will reduce the long term cost. She also reported that Dr D Beaumont, Medical Director, is currently discussing extra clinical work with the medical consultant staff, which if successful, would also reduce the use of Oasis.</td>
<td></td>
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<td></td>
<td>Mr P Tinnion, public governor, raised his concern over the CRP levels in Medicine &amp; Elderly and Surgery. Mrs Hodgson reported that she had met with the divisional managers for the two divisions and savings have been identified for Medicine which will show at the end of the financial year.</td>
<td></td>
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<td></td>
<td>After further discussion, it was:</td>
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<tr>
<td></td>
<td><strong>RESOLVED:</strong> to receive the report for information</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>G/11/55</th>
<th>CARE QUALITY COMMISSION REGULATORY INSPECTIONS:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mrs H Lloyd, Deputy Director of Nursing and Midwifery, gave a presentation on the regulatory inspections recently carried out by the Care Quality Commission (CQC).</td>
<td></td>
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<tr>
<td></td>
<td>She began her presentation by informing the group that the visits were unannounced and took place to review the Trust's compliance against registration. Mrs Lloyd stated that the overall judgement was that the Trust is fully compliant with all the standards reviewed.</td>
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<tr>
<td></td>
<td>Mrs Lloyd gave details on the five outcomes that the Trust was measured against and the evidence that was used.</td>
<td></td>
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<tr>
<td>Agenda Item</td>
<td>Discussion and Action Points</td>
<td>Action by</td>
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<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
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<tr>
<td></td>
<td>She then gave a summary of the positive comments received by the patients on the day, reporting that no negative comments were received.</td>
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<td></td>
<td>Mrs Lloyd outlined the observations and gave details of the main components of the report.</td>
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<tr>
<td></td>
<td>She concluded her presentation by informing the group that an action plan had been developed which includes strengthening processes for clinical supervision, improving individualised care planning in Mental Health Units and increased emphasis on the co-ordinator role to achieve timely discharge.</td>
<td></td>
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<tr>
<td></td>
<td>Overall, the outcomes are extremely positive; the Trust has been assessed as fully compliant against all of the outcome standards reviewed, and has no improvement actions at either site. This is an excellent outcome, unique in the context of the local patch, and is further testament to the quality of care provided by the Trust and the commitment of staff.</td>
<td></td>
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<tr>
<td></td>
<td>After further discussion, it was:</td>
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<tr>
<td></td>
<td><strong>RESOLVED:</strong> receive the reports for information</td>
<td></td>
</tr>
<tr>
<td>G/11/56</td>
<td><strong>MEMBERSHIP DEVELOPMENT WORKING GROUP:</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Mr J Holmes, public governor and Chairman of the group, drew attention to the paper, agenda item 10, and appendices which gave an in-depth analysis of the membership position to 31st October 2011.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>He outlined the work that the group had recently undertaken and once again appealed for more assistance from other governors.</td>
<td></td>
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<tr>
<td></td>
<td>After further discussion, it was:</td>
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<tr>
<td></td>
<td><strong>RESOLVED:</strong> to receive the report for information</td>
<td></td>
</tr>
<tr>
<td>G/11/57</td>
<td><strong>MEMBERSHIP FEEDBACK:</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Mrs M Jobson, public governor, reported that she had recently attended a Governors and Senior Managers Engagement event which focussed on equality and diversity.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Mrs K Sharp, staff governor, reported that she, along with Mr I Stafford, staff governor, had recently met with the fraud team to look at how to communicate fraud related issues with staff.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Mr I Stafford, staff governor, informed the group that he, along with other members of staff, had recently began to conduct ward collaborative visits. These visits are going well.</td>
<td></td>
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<tr>
<td></td>
<td>Mrs B Wilson, public governor, gave an in-depth update of the recent FTGA event that she had attended with Mr P Tinnion, public governor, gave details of</td>
<td></td>
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<tr>
<td>Agenda Item</td>
<td>Discussion and Action Points</td>
<td>Action by</td>
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<tr>
<td>-------------</td>
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<tr>
<td></td>
<td>the presentations, breakout sessions and discussions that took place.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Mrs M Summers, public governor, gave an update on the Safeguarding Adults committee that she is a member of along with Mr B Hewitt, public governor. She gave details of the committee’s responsibilities and reported that she had attended an excellent training session.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Mrs M Richards, public governor, reported that the Privacy and Dignity group that she is part of had recently changed its title to Privacy Experience and Dignity Steering Group. This gives the group a widened brief.</td>
<td></td>
</tr>
<tr>
<td>G/11/58</td>
<td><strong>ELECTION UPDATE:</strong></td>
<td></td>
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<tr>
<td></td>
<td>Mrs J Williamson, Membership Co-ordinator gave an update on the election process.</td>
<td></td>
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<tr>
<td></td>
<td>She reported that 15 nominations had been received for the four constituencies: five for western, three for eastern, six for central and one for staff.</td>
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<tr>
<td></td>
<td>The central, western and eastern constituencies will have a ballot to decide on the governor representatives.</td>
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<td></td>
<td>The staff constituency was uncontested with Mr S Dae being re-elected unopposed for three years and one vacancy remaining.</td>
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<td></td>
<td>The voting packs would be distributed by the ERBS to all central, western and eastern members on Monday 21st November. The closing date for receipt of ballot papers is 14th December, with the results being announced at 12.00 noon on 15th December.</td>
<td></td>
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<tr>
<td></td>
<td>After further discussion, it was:</td>
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<td></td>
<td><strong>RESOLVED:</strong> to receive the report for information</td>
<td></td>
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<tr>
<td>G/11/59</td>
<td><strong>CALENDAR OF EVENTS 2012:</strong></td>
<td></td>
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<tr>
<td></td>
<td>Mrs J Williamson, Membership Co-ordinator, presented to the group the calendar of events for 2012.</td>
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<td></td>
<td>By the end of 2011, the full Council of Governors will have met four times. It was proposed that the Council of Governors meetings for 2012 would take place as follows all at 10.00 am:</td>
<td></td>
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<tr>
<td></td>
<td>▪ Wednesday 22nd February</td>
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<td></td>
<td>▪ Wednesday 23rd May</td>
<td></td>
</tr>
<tr>
<td></td>
<td>▪ Wednesday 26th September</td>
<td></td>
</tr>
<tr>
<td></td>
<td>▪ Wednesday 21st November</td>
<td></td>
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<tr>
<td></td>
<td>She drew the group’s attention to the other events planned for 2012.</td>
<td></td>
</tr>
<tr>
<td>Agenda Item</td>
<td>Discussion and Action Points</td>
<td>Action by</td>
</tr>
<tr>
<td>-------------</td>
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</tr>
<tr>
<td></td>
<td>After further discussion, it was:</td>
<td></td>
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<tr>
<td></td>
<td><strong>RESOLVED:</strong> to agree the Calendar of Events for 2012</td>
<td></td>
</tr>
<tr>
<td>G/ 11/ 60</td>
<td><strong>CONSTITUTION:</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>The Chairman informed the group that the constitution amendments had been approved at previous Council of Governors meetings. However, the quorum of three quarters of the Council of Governors was not met so the amendments to the constitution could not be approved.</td>
<td></td>
</tr>
<tr>
<td>G/ 11/ 61</td>
<td><strong>DATE AND TIME OF NEXT MEETING:</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>RESOLVED:</strong> that the next meeting of the Council of Governors be held at 10.00 am on Wednesday 22nd February 2012 in the Education Centre, Queen Elizabeth Hospital</td>
<td></td>
</tr>
<tr>
<td>G/ 11/ 62</td>
<td><strong>EXCLUSION OF THE PRESS AND PUBLIC:</strong></td>
<td></td>
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<tr>
<td></td>
<td><strong>RESOLVED:</strong> to exclude the press and public from the remainder of the meeting due to the confidential nature of the business to be discussed</td>
<td></td>
</tr>
</tbody>
</table>

**UNCONFIRMED**
GATESHEAD HEALTH NHS FOUNDATION TRUST

Finance and Activity Report - December 2011
EXECUTIVE SUMMARY

The attached paper provides a summary of performance against plan for activity, income and expenditure as at December 2011.

Activity

December continues the trends of previous months with activity ahead of plan for elective, day cases, non elective, and outpatients with procedures, whilst A&E, outpatient new and non elective excess beddays are behind plan. The plan and its phasing have been agreed in line with PCT commissioning intentions for South of Tyne & Wear Commissioning Consortia and other PCT’s.

Income

The cumulative clinical income to December is above plan for all points of delivery with the exception of new outpatients and non elective excess bed days which are below plan. Other Non-NHS clinical income is below plan as is SLA income which is due to under performance on TSS although this has again improved on the previous month. Non-clinical income in the Divisions continues to be above plan. Income from Gateshead PCT is now over recovered by £1,786k and the Commissioners are continuing discussions with the Trust with regards to managing activity back to contracted levels by the year-end.

Total over-recovery of income against plan at Month 9 is £2,188.8k.

Expenditure

At month 9 the Trust is showing an over spend on total operating expenses of £2,615.7k with all of the clinical divisions overspending against plan as detailed in the table in section 8 of the report. The expenditure variance has seen a favourable movement of £1,900k this month, due to the allocation of non-recurrent Reserve balances to divisions and as a contribution to outstanding CRP positions.

Total cumulative overspend against expenditure plans at Month 9 is £1,853.2k

Summary against Plan

The Trust had a planned surplus of £2,692.7k at month 9. The actual position is a surplus of £3,028.3k resulting in a favourable variance against plan of £335.6k.

Statement of Position

The cash position for December has reduced by £491.7k to £17,231.1k, partly due to increased capital expenditure. The Deferred Income balance has increased by £1,472.2k to £9,399.1k, reflecting unused income in relation to the Emergency Care Scheme.

Performance against plan

The Trust submitted its annual plan to Monitor in May 2011 and the table in section 9 shows performance against the plan. The performance against the plan at December 2011 is showing a favourable variance of £1,066.0k. The financial risk indicators introduced in the Compliance Framework are detailed in section 9.3. The financial risk rating (FRR) for December 2011 is a 4, which is above the original planned rating of 3. We anticipate that the Trust will continue to maintain a FRR of at least 3 over the next 12 months.

Forecast Outturn

A detailed forecast outturn based on month 9 actual income and expenditure, adjusted for known pressures over the winter period and extrapolated expenditure to the year end has been included in section 10 of this report. Prior to impairments, exceptional items and other non-operating expenditure, the Trust is forecasting a surplus of £4.1m. It is estimated that impairments of £850k and other non-operating costs,
including exceptional items of £1.1m, will impact expenditure at the year-end resulting in a surplus of £2.2m.

**Summary & Balanced Scorecard**

This paper provides the Council of Governors with details of Finance and Activity Performance to the end of Month 9 (31st December 2011).

<table>
<thead>
<tr>
<th>Ref</th>
<th>1. Activity and Clinical Income</th>
<th>Activity (Var)</th>
<th>Amount £ (Var)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1</td>
<td>Clinical Activity/Income (In month)</td>
<td>Ø</td>
<td>Ø</td>
</tr>
<tr>
<td>1.1</td>
<td>Clinical Activity/Income (YTD)</td>
<td>9</td>
<td>9</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Ref</th>
<th>6. Summary Financial Performance</th>
<th>In Month</th>
<th>YTD (£000’s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.1</td>
<td>Net I &amp; E (Surplus) / Deficit</td>
<td>(3,028.3)</td>
<td></td>
</tr>
<tr>
<td>6.1</td>
<td>Net I &amp; E (Surplus) / Deficit - Variance</td>
<td>(335.6)</td>
<td></td>
</tr>
<tr>
<td>6.1.1</td>
<td>Private Patient Cap %</td>
<td>0.3%</td>
<td></td>
</tr>
<tr>
<td>6.2</td>
<td>Cash Position</td>
<td>17,231</td>
<td></td>
</tr>
<tr>
<td>6.3</td>
<td>BPPC - 30 days (on £)</td>
<td>97.8%</td>
<td>96.4%</td>
</tr>
<tr>
<td>6.3</td>
<td>BPPC - 30 days (count in month)</td>
<td>96.9%</td>
<td>96.7%</td>
</tr>
<tr>
<td>6.4</td>
<td>Trust Summary CRP removed from budget</td>
<td>7,572</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Monitor Financial Risk Rating</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Ref</th>
<th>8. Net Divisional Position</th>
<th>In Month (£000’s)</th>
<th>YTD (£000’s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.1</td>
<td>Clinical Support and Screening Services</td>
<td>(42)</td>
<td>136</td>
</tr>
<tr>
<td>8.2</td>
<td>Medicine and Elderly</td>
<td>(686)</td>
<td>708</td>
</tr>
<tr>
<td>8.3</td>
<td>Surgical Services</td>
<td>(251)</td>
<td>2,803</td>
</tr>
<tr>
<td>8.4</td>
<td>Womens and Childrens Services</td>
<td>(39)</td>
<td>287</td>
</tr>
<tr>
<td>8.5</td>
<td>Non-Clinical Services</td>
<td>(158)</td>
<td>(1,385)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Ref</th>
<th>6.4 &amp; 8. Divisional CRP achieved</th>
<th>Achieved (£000’s)</th>
<th>Balance (£000’s)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Assessment, Diagnostic and Screening Services</td>
<td>1,563</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Clinical Support</td>
<td>847</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Medicine and Elderly</td>
<td>1,694</td>
<td>769</td>
</tr>
<tr>
<td></td>
<td>Surgical Services</td>
<td>248</td>
<td>2,261</td>
</tr>
<tr>
<td></td>
<td>Womens and Childrens Services</td>
<td>259</td>
<td>457</td>
</tr>
<tr>
<td></td>
<td>Non-Clinical and Corporate Services</td>
<td>1,880</td>
<td>(107)</td>
</tr>
<tr>
<td></td>
<td>Trust Wide Initiatives</td>
<td>1,081</td>
<td>(1,081)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Ref</th>
<th>Key Financial Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Delivery of efficiency programme</td>
</tr>
<tr>
<td></td>
<td>Cost pressures and inflation in excess of planned for levels</td>
</tr>
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<td></td>
<td>Economic downturn</td>
</tr>
<tr>
<td></td>
<td>Payment by Results tariff - technical changes, CQUIN, casemix &amp; activity levels</td>
</tr>
<tr>
<td></td>
<td>Gateshead PCT ability to deliver Resource Releasing Initiatives and manage demand</td>
</tr>
<tr>
<td></td>
<td>Compliance Framework impact - continued achievement of planned Financial Risk</td>
</tr>
<tr>
<td></td>
<td>Equal Pay Claims</td>
</tr>
<tr>
<td></td>
<td>Delivery of capital investment plans, including the Emergency Care Centre</td>
</tr>
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<td></td>
<td>Utilisation of the Estate</td>
</tr>
<tr>
<td></td>
<td>Commissioning for Quality and Innovation</td>
</tr>
<tr>
<td></td>
<td>Private Patient Income - cap set at 0.3% of turnover, changes in services not reflected in the cap</td>
</tr>
</tbody>
</table>

**KEY**

- Significant risk of non delivery
- Medium risk of non delivery
- Low risk of non delivery
1. **Activity & Clinical Income**

Total Operating Income is shown below analysed by source, including a detailed breakdown of NHS Clinical Income by commissioner.

### 1.1 Clinical & SLA Income Analysis - December 2011

<table>
<thead>
<tr>
<th></th>
<th>2011/2012 Revised Budget</th>
<th>2011/2012 Budget To Date</th>
<th>Actual to Date (Inc CQUIN)</th>
<th>Variance</th>
<th>Prev. Month Variance</th>
<th>NOTE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£000's</td>
<td>£000's</td>
<td>£000's</td>
<td>£000's</td>
<td>£000's</td>
<td></td>
</tr>
<tr>
<td><strong>Clinical Income (by Commissioner)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Operating Income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Contracted Activity</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gateshead</td>
<td>(124,554.7)</td>
<td>(92,673.6)</td>
<td>(94,459.8)</td>
<td>(1,786.2)</td>
<td>(1,937.0)</td>
<td></td>
</tr>
<tr>
<td>Gateshead Community Commissioning</td>
<td>(266.4)</td>
<td>(201.1)</td>
<td>(113.0)</td>
<td>88.1</td>
<td>29.4</td>
<td></td>
</tr>
<tr>
<td>Gateshead MSK</td>
<td>(116.1)</td>
<td>(87.0)</td>
<td>(96.0)</td>
<td>(9.0)</td>
<td>(18.6)</td>
<td></td>
</tr>
<tr>
<td>Sunderland Teaching</td>
<td>(14,088.9)</td>
<td>(10,450.5)</td>
<td>(11,128.7)</td>
<td>(678.2)</td>
<td>(542.8)</td>
<td></td>
</tr>
<tr>
<td>County Durham</td>
<td>(6,378.5)</td>
<td>(4,749.4)</td>
<td>(4,661.4)</td>
<td>88.0</td>
<td>65.4</td>
<td></td>
</tr>
<tr>
<td>South Tyneside</td>
<td>(5,159.6)</td>
<td>(3,846.6)</td>
<td>(4,188.6)</td>
<td>(314.9)</td>
<td>(337.1)</td>
<td></td>
</tr>
<tr>
<td>Yorkshire SHA - BCSP Hub</td>
<td>(1,102.9)</td>
<td>(894.6)</td>
<td>(827.9)</td>
<td>68.7</td>
<td>66.7</td>
<td></td>
</tr>
<tr>
<td>Yorkshire SHA - BCSP Centre</td>
<td>(217.0)</td>
<td>(162.8)</td>
<td>(162.8)</td>
<td>0.0</td>
<td>0.0</td>
<td></td>
</tr>
<tr>
<td>NHS Screening Breast</td>
<td>(296.2)</td>
<td>(222.1)</td>
<td>(222.1)</td>
<td>(0.0)</td>
<td>(0.0)</td>
<td></td>
</tr>
<tr>
<td>Northumberland Care Trust</td>
<td>(1,572.4)</td>
<td>(1,162.5)</td>
<td>(1,246.2)</td>
<td>(83.9)</td>
<td>(52.4)</td>
<td></td>
</tr>
<tr>
<td>Norscore</td>
<td>(1,984.6)</td>
<td>(1,488.5)</td>
<td>(1,428.9)</td>
<td>59.6</td>
<td>71.0</td>
<td></td>
</tr>
<tr>
<td>Yorkshire and Humber SCG</td>
<td>(2,634.3)</td>
<td>(1,975.8)</td>
<td>(1,975.8)</td>
<td>0.0</td>
<td>0.0</td>
<td></td>
</tr>
<tr>
<td>Newcastle</td>
<td>(1,716.3)</td>
<td>(1,275.0)</td>
<td>(1,413.4)</td>
<td>(138.6)</td>
<td>(155.5)</td>
<td></td>
</tr>
<tr>
<td>North Tyneside</td>
<td>(811.8)</td>
<td>(600.1)</td>
<td>(642.3)</td>
<td>(42.2)</td>
<td>(51.0)</td>
<td></td>
</tr>
<tr>
<td>Cumbria</td>
<td>(803.0)</td>
<td>(589.6)</td>
<td>(550.0)</td>
<td>39.6</td>
<td>54.0</td>
<td></td>
</tr>
<tr>
<td>Overseas</td>
<td>(9.5)</td>
<td>(5.8)</td>
<td>(4.9)</td>
<td>(4.6)</td>
<td>(4.7)</td>
<td></td>
</tr>
<tr>
<td>Darlington PCT</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Gateshead Distinction Awards</td>
<td>(144.7)</td>
<td>(108.5)</td>
<td>(108.5)</td>
<td>0.0</td>
<td>0.0</td>
<td></td>
</tr>
<tr>
<td>Dept Of Health</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NHS North East</td>
<td>(120.0)</td>
<td>(90.0)</td>
<td>(90.0)</td>
<td>0.0</td>
<td>0.0</td>
<td></td>
</tr>
<tr>
<td>SHA Drugs Pool</td>
<td>(797.6)</td>
<td>(566.0)</td>
<td>(440.6)</td>
<td>125.3</td>
<td>48.1</td>
<td></td>
</tr>
<tr>
<td><strong>Non-Contracted Activity</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NCA - England</td>
<td>(1,026.4)</td>
<td>(727.9)</td>
<td>(525.0)</td>
<td>202.9</td>
<td>150.8</td>
<td></td>
</tr>
<tr>
<td>NCA - Scotland</td>
<td>(61.7)</td>
<td>(45.1)</td>
<td>(13.0)</td>
<td>32.1</td>
<td>32.4</td>
<td></td>
</tr>
<tr>
<td>NCA - Wales</td>
<td>(6.8)</td>
<td>(5.0)</td>
<td>(6.8)</td>
<td>(1.8)</td>
<td>(2.5)</td>
<td></td>
</tr>
<tr>
<td>NCA - Ireland</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>(145.5)</td>
<td>(11.1)</td>
<td>(11.3)</td>
<td>(0.2)</td>
<td>(0.6)</td>
<td></td>
</tr>
<tr>
<td>Gateshead Council</td>
<td>(3.0)</td>
<td>(3.0)</td>
<td>(3.0)</td>
<td>0.0</td>
<td>0.0</td>
<td></td>
</tr>
<tr>
<td><strong>Miscellaneous Income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total NHS Clinical Revenue</strong></td>
<td>(163,967.9)</td>
<td>(121,945.4)</td>
<td>(124,373.8)</td>
<td>(2,428.4)</td>
<td>(2,627.5)</td>
<td></td>
</tr>
<tr>
<td>General</td>
<td>(29.2)</td>
<td>0.0</td>
<td>(4.0)</td>
<td>(4.0)</td>
<td>(4.0)</td>
<td></td>
</tr>
<tr>
<td>IVF</td>
<td>(489.3)</td>
<td>(363.8)</td>
<td>(293.8)</td>
<td>70.0</td>
<td>40.1</td>
<td></td>
</tr>
<tr>
<td>Patients Charges</td>
<td>(41.4)</td>
<td>(21.4)</td>
<td>(35.0)</td>
<td>(13.6)</td>
<td>(14.9)</td>
<td></td>
</tr>
<tr>
<td><strong>Total Private Patient Revenue</strong></td>
<td>(559.9)</td>
<td>(385.3)</td>
<td>(333.4)</td>
<td>51.8</td>
<td>20.5</td>
<td>6.1.1</td>
</tr>
<tr>
<td>Other non-NHS clinical revenue (NHS Injury Scheme)</td>
<td>(520.0)</td>
<td>(690.0)</td>
<td>(591.9)</td>
<td>98.1</td>
<td>157.8</td>
<td></td>
</tr>
<tr>
<td><strong>Total Non NHS Clinical Revenue</strong></td>
<td>(520.0)</td>
<td>(680.0)</td>
<td>(591.9)</td>
<td>98.1</td>
<td>157.6</td>
<td></td>
</tr>
<tr>
<td><strong>Other Operating Income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Education and Training</td>
<td>(5,487.8)</td>
<td>(4,159.1)</td>
<td>(4,181.7)</td>
<td>(22.6)</td>
<td>(19.8)</td>
<td></td>
</tr>
<tr>
<td><strong>Total SLA</strong></td>
<td>(1,184.4)</td>
<td>(861.3)</td>
<td>(825.7)</td>
<td>35.7</td>
<td>46.6</td>
<td></td>
</tr>
<tr>
<td><strong>Total Clinical &amp; SLA Income</strong></td>
<td>(172,120.0)</td>
<td>(129,041.2)</td>
<td>(130,306.5)</td>
<td>(2,265.3)</td>
<td>(2,422.5)</td>
<td></td>
</tr>
</tbody>
</table>

% Private Patient Income as a proportion of NHS Clinical Revenue

0.27%
The following table analyses NHS Clinical Income by point of delivery with further analysis in the sections that follow. Excess bed days for elective and non-elective care are detailed in Section 5.4. Other income in the table below relates to income such as excluded devices and drugs, Bowel Screening, Critical Care and diagnostics and as such does not have a directly related activity level. The movement in clinical income is described under Summary Financial Performance in section 6.1.

**Operating Income Analysis by POD**

<table>
<thead>
<tr>
<th>Clinical Income (by Point of Delivery)</th>
<th>Activity YTD</th>
<th>Activity Actual YTD</th>
<th>Activity YTD Variance (Plan-Actual)</th>
<th>Activity YTD Variance (Prev. Month-Actual)</th>
<th>Income Plan YTD</th>
<th>Income Actual to Date (Inc CQUIN)</th>
<th>Income Variance (Plan - Actual)</th>
<th>Income Variance (Plan - Month)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A&amp;E (Attendances)</td>
<td>48,471</td>
<td>47,537</td>
<td>(934)</td>
<td>(745)</td>
<td>(4,584.6)</td>
<td>(4,733.5)</td>
<td>(148.6)</td>
<td>(205.7)</td>
</tr>
<tr>
<td>Daycase</td>
<td>15,111</td>
<td>16,956</td>
<td>1,845</td>
<td>1,566</td>
<td>(9,842.1)</td>
<td>(11,424.4)</td>
<td>(1,582.3)</td>
<td>(1,389.2)</td>
</tr>
<tr>
<td>Elective Long Stay</td>
<td>3,986</td>
<td>4,137</td>
<td>151</td>
<td>107</td>
<td>(11,485.1)</td>
<td>(12,038.9)</td>
<td>(552.8)</td>
<td>(503.9)</td>
</tr>
<tr>
<td>Elective XBD</td>
<td>633</td>
<td>995</td>
<td>362</td>
<td>388</td>
<td>(157.6)</td>
<td>(209.3)</td>
<td>(517.8)</td>
<td>(496.6)</td>
</tr>
<tr>
<td>Non Elective</td>
<td>18,933</td>
<td>20,168</td>
<td>1,235</td>
<td>1,085</td>
<td>(32,663.6)</td>
<td>(32,874.7)</td>
<td>(211.1)</td>
<td>(288.1)</td>
</tr>
<tr>
<td>Non Elective XBD</td>
<td>5,057</td>
<td>4,707</td>
<td>(350)</td>
<td>(1,176)</td>
<td>(1,170.9)</td>
<td>(1,080.9)</td>
<td>90.4</td>
<td>269.7</td>
</tr>
<tr>
<td>Outpatient New</td>
<td>36,161</td>
<td>34,860</td>
<td>(1,301)</td>
<td>(583)</td>
<td>(6,963.0)</td>
<td>(6,689.5)</td>
<td>273.6</td>
<td>134.5</td>
</tr>
<tr>
<td>Outpatient Follow Up</td>
<td>110,960</td>
<td>111,510</td>
<td>541</td>
<td>1,400</td>
<td>(10,594.4)</td>
<td>(10,826.9)</td>
<td>(232.5)</td>
<td>(331.1)</td>
</tr>
<tr>
<td>Procedures</td>
<td>11,105</td>
<td>11,953</td>
<td>849</td>
<td>875</td>
<td>(2,217.3)</td>
<td>(2,504.5)</td>
<td>(287.1)</td>
<td>(265.1)</td>
</tr>
<tr>
<td>Others</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(42,265.8)</td>
<td>(41,991.9)</td>
<td>273.9</td>
<td>0.9</td>
</tr>
<tr>
<td><strong>Total Clinical Income</strong></td>
<td>250,427</td>
<td>252,823</td>
<td>2,396</td>
<td>2,917</td>
<td>(121,945.4)</td>
<td>(124,373.8)</td>
<td>(2,428.4)</td>
<td>(2,627.5)</td>
</tr>
</tbody>
</table>

(Note - CQUIN is now included in each Point of Delivery)

2. **A&E Activity**

In December activity in A&E was below plan and the cumulative year to date position is 934 attendances under plan (1.9%). Income has continued to over recover in December with a cumulative year to date over recovery of £149k (3.2%). Activity in low value attendances was down by 340 attendances (30.1%) in the month (6,288 year to date) but offset by increases in other more complex attendances. The variation was investigated and was found to be partly as a result of a shift in case-mix and partly due to the move to HRG4 and the increased granularity of the coding of A&E episodes.

The graph below depicts monthly activity variation against activity baseline.

![A&E Activity vs Baseline Variance 2011/12](image)

Total activity to date for December is up on the trend for this time last year.

3. **Elective & Day Case**

This includes long stay elective income and day case activity but excludes Excess Bed Days which are analysed separately in section 5.4.

In December, total elective activity (based on discharge activity) is over plan this month by 349 spells (18.2%) with the cumulative year to date position over plan by 1,996 spells (10.5%). In December long stay elective is above plan by 44 spells (10.1%) with a cumulative year to date position of 151 spells (3.8%).
above plan. Day cases activity in December is above plan by 305 spells (20.5%) with a cumulative year to date position of 1,845 spells (12.2%).

Total planned elective income is over recovered by £228.2k (9.8%) in December and year to date income remains over plan by £2,135k (10.0%). Reclassification of a range of outpatients into daycases (predominately chemotherapy and pain management) has led to an increase in Daycase baselines.

The graph below depicts elective spell performance, including Day Case activity, but excludes excess bed days.

The main specialties contributing towards the over performance in day cases procedures continue to be Clinical Haematology, General Surgery, Urology, Trauma and Orthopaedics and Gastroenterology.

4 Non Elective Care

This excludes Excess Bed Days which are analysed separately in section 5.4.

Total non-elective activity in December was above plan by 151 spells (6.4%) with a cumulative year to date position of 1,235 spells (6.5%) above plan. Non elective income in December is below plan at £84.9k (2.0%) with a cumulative year to date position of £211.1k (0.6%) over plan.

An analysis at specialty level shows some significant variances with over activity in General Medicine of 1,459 spells (16.5%) and General Surgery of 420 spells (20.6%) above plan being offset by underperformance in A&E of 363 spells (69.0%), Paediatrics of 292 spells (9.0%) and Obstetrics of 15 spells (0.8%).

The graph below depicts non-elective spell performance.
5 Other Activity

5.1 Outpatient Activity

For December, Outpatient activities are below plan by 2,083 attendances or 11.7%. New activity is down by 750 attendances or 17.9%, follow-up appointments are down against plan by 1,306 attendances or 10.5% and outpatients with procedures are down against plan by 27 attendances or 2.2%.

5.2 Consultant Outpatient Activity Cumulative as at December

- Consultant led attendances are 830 (0.8%) below plan
- New attendances – 1,405 (4.3%) below plan
- Follow up attendances – 242 (0.3%) below plan
- National Tariff procedures – 818 (15.6%) above plan

5.3 Non Consultant Led (Nurse Led) Attendances Cumulative as at December

- Nurse Led attendances are 918 (1.8%) above plan
- New attendances – 104 (2.8%) above plan
- Follow up attendances – 784 (1.9%) above plan
- Local tariff procedures – 31 (0.5%) above plan

The table below highlights both the in-month and year to date position.

<table>
<thead>
<tr>
<th>Outpatients Summary</th>
<th>Month of Dec</th>
<th>Year To Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Plan</td>
<td>Actual</td>
</tr>
<tr>
<td>Consultant Led New</td>
<td>3,753</td>
<td>3,053</td>
</tr>
<tr>
<td>Consulted Led Follow up</td>
<td>7,899</td>
<td>7,013</td>
</tr>
<tr>
<td>Nat. Procedures</td>
<td>581</td>
<td>624</td>
</tr>
<tr>
<td>Total Consultant Led</td>
<td>12,234</td>
<td>10,690</td>
</tr>
<tr>
<td>Non Consultant Led New</td>
<td>430</td>
<td>360</td>
</tr>
<tr>
<td>Consulted Led Follow up</td>
<td>4,513</td>
<td>4,093</td>
</tr>
<tr>
<td>Local. Procedures</td>
<td>653</td>
<td>583</td>
</tr>
<tr>
<td>Total Non Consultant Led</td>
<td>5,595</td>
<td>5,056</td>
</tr>
<tr>
<td>Total</td>
<td>17,829</td>
<td>15,746</td>
</tr>
<tr>
<td>Procedures New</td>
<td>1,234</td>
<td>1,207</td>
</tr>
<tr>
<td>Consulted Led Follow up</td>
<td>4,183</td>
<td>3,433</td>
</tr>
<tr>
<td>Local. Procedures</td>
<td>12,412</td>
<td>11,106</td>
</tr>
<tr>
<td>Total</td>
<td>17,829</td>
<td>15,746</td>
</tr>
</tbody>
</table>

5.4 Excess Bed Days

Overall, excess bed days are over performing against plan by 835 days (160.5%) for the month of December whilst elective excess bed days are over performing against plan by 10 days (13.6%), and non-elective excess bed days are over performing against plan by 826 days (183.5%). Year to date position shows an over performance on elective bed days of 362 (57.1%) and under performance on non elective of 350 (6.9%).

5.5 Day Care

As at December, Palliative Medicine is under plan by 6 attendances (10.3%) whilst Psycho-geriatrics and Geriatric Medicine under-perform by 209 (45.5%) and 86 (42.8%) attendances respectively which is a deterioration over the previous month’s position. The year to date position is under plan by 84 attendances (12.6%) for Palliative Medicine, 1156 attendances (25.6%) for Psycho-geriatrics and 478 attendances (26.6%) for Geriatric Medicine.

5.6 High Cost/Live Bed Days

In December high cost bed days are under plan by 780 bed days (15.4%). Income is down against plan by £117.3k (6.5%), with under performance in Old Age Psychiatry, SCBU and Geriatric Medicine partially
offset by over performance in Critical Care. The year to date position (below) shows continuing under performance in all specialties.

### Live Bed Days for High Cost Specialities

**Financial Year to Date 2011-12**

<table>
<thead>
<tr>
<th>Nov-11</th>
<th>Activity</th>
<th>Income (£)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Plan</td>
<td>Actual</td>
</tr>
<tr>
<td>192 - Critical Care</td>
<td>3,271</td>
<td>3,243</td>
</tr>
<tr>
<td>422 - Neonatology (SCBU)</td>
<td>2,346</td>
<td>1,784</td>
</tr>
<tr>
<td>430 - Geriatric Medicine</td>
<td>27,635</td>
<td>25,321</td>
</tr>
<tr>
<td>715 - Psycho-geriatrics</td>
<td>9,878</td>
<td>9,355</td>
</tr>
<tr>
<td>Total</td>
<td>43,130</td>
<td>39,703</td>
</tr>
</tbody>
</table>

5.7 **CQUIN (Commissioning for Quality and Innovation)**

The High Quality Care for All Framework made a proportion of the providers’ income conditional on the delivery of key targets on quality and innovation. This is known as a CQUIN payment (Commissioning for Quality and Innovation) and the Trust has an agreed schedule with the PCT which sets out indicators to achieve the level of 1.5% of income. CQUIN income is shown included within each Point of Delivery. As at December our estimation of the percentage of the CQUIN scheme achieved is 1.32% up from our previous estimate of 1.28%. There are ranges of information flows and patient surveys which due to timing do not fit into a normal monthly reconciliation process. These are being actively worked on and once agreed are likely to further increase the percentage compliance.
### 6. Summary Financial Performance

#### Statement of Comprehensive Income - December 2011

<table>
<thead>
<tr>
<th>Draft Opening Annual Plan</th>
<th>Current Annual Budget</th>
<th>Budget To Date</th>
<th>Actual to Date</th>
<th>Variance (Budget - Actual)</th>
<th>Prev. Month Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011/2012</td>
<td>2011/2012</td>
<td>2011/2012</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>£000's</td>
<td>£000's</td>
<td>£000's</td>
<td>£000's</td>
<td>£000's</td>
</tr>
</tbody>
</table>

#### Operating

##### Operating Income

- **A&E (attendances)**    
- **Elective Income (Long Stay)(inc. xbd)** 
- **Daycases** 
- **Non-Elective Income (inc. xbd)** 
- **Outpatients (New, Follow Up & Proc)** 
- **Other** 

**Total NHS Clinical Revenue**: £121,945.4 (2012: £124,373.8) (2013: £2,428.4) (2014: £2,627.5)

- **Private Patient Revenue**: £2,152.3 (2012: £2,159.3) (2013: £7.0) (2014: 157.6)
- **Other non-NHS clinical revenue**: £1,020.0 (2012: £1,020.0) (2013: £1,020.0) (2014: £1,020.0)

**Total Operating Income**: £133,998.0 (2012: £137,757.5) (2013: £1,239.5) (2014: £1,359.6)

##### Operating Expenses

- **Drugs**: £8,836.6 (2012: £8,836.6) (2013: £937.8) (2014: 142.0)
- **Clinical Supplies**: £12,720.3 (2012: £12,720.3) (2013: £2,309.4) (2014: 1208.5)
- **Non-Clinical Supplies**: £9,988.8 (2012: £9,988.8) (2013: £1,020.0) (2014: 1208.5)


- **Employee Benefits, Permanent Staff**: £1,236.3 (2012: £1,236.3) (2013: £1,236.3) (2014: 1208.5)
- **Employee Benefits, Agency + Contract Staff**: £2,309.4 (2012: £2,309.4) (2013: £2,309.4) (2014: 1208.5)

**Total Employee Benefits Expenses**: £9,366.0 (2012: £9,366.0) (2013: £9,366.0) (2014: 1208.5)

- **Cost Improvement Programme (Divisional)** 
  - 2011/2012: £1,189.4 (2012: £1,189.4) (2013: £1,189.4) (2014: 3,124.7)
- **Reserves**: £3,074.7

**Total Operating Expenses**: £129,614.0 (2012: £129,614.0) (2013: £1,239.5) (2014: £1,359.6)

- **(Profit)/Loss from Operations**: £8,143.5 (2012: £8,143.5) (2013: £1,239.5) (2014: £1,359.6)

#### Non-Operating

- **Finance Income**: £1,567.0 (2012: £1,567.0) (2013: £1,567.0) (2014: £1,567.0)
- **Other Non - Operating Income (PCT)** 
- **Other Non-Operating Income ( Profit on Disposal )**: £1,020.0 (2012: £1,020.0) (2013: £1,020.0) (2014: £1,020.0)

**Total Non-Operating Income**: £1,020.0 (2012: £1,020.0) (2013: £1,020.0) (2014: £1,020.0)

- **Interest Payable**: £1,020.0 (2012: £1,020.0) (2013: £1,020.0) (2014: £1,020.0)
- **Interest Expense on Finance Leases**: £1,020.0 (2012: £1,020.0) (2013: £1,020.0) (2014: £1,020.0)
- **Depreciation and Amortisation**: £1,020.0 (2012: £1,020.0) (2013: £1,020.0) (2014: £1,020.0)

**Total Non-Operating Expenses**: £1,020.0 (2012: £1,020.0) (2013: £1,020.0) (2014: £1,020.0)

- **(Surplus) Deficit After Tax from Continuing Operations**: £8,143.5 (2012: £8,143.5) (2013: £1,239.5) (2014: £1,359.6)

#### Total Income

- **Total Income**: £133,998.0 (2012: £137,757.5) (2013: £1,239.5) (2014: £1,359.6)

#### Total Expenses

- **Total Expenses**: £133,998.0 (2012: £137,757.5) (2013: £1,239.5) (2014: £1,359.6)

- **EBITDA**: £8,143.5 (2012: £8,143.5) (2013: £1,239.5) (2014: £1,359.6)
### Statement of Position - December 2011

<table>
<thead>
<tr>
<th></th>
<th>2010/2011</th>
<th>2011/2012</th>
<th>2011/2012</th>
<th>2011/2012</th>
<th>Variance - Prior Month</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>March 2011</td>
<td>November 2011</td>
<td>December 2011</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Actual to Date</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>£000's</td>
<td>£000's</td>
<td>£000's</td>
<td>£000's</td>
<td>£000's</td>
</tr>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Non-Current Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intangible Assets, Net</td>
<td>99,908.4</td>
<td>105,321.0</td>
<td>103,271.3</td>
<td>104,042.5</td>
<td>771.2</td>
</tr>
<tr>
<td>Property, Plant and Equipment, Net</td>
<td>3,621.1</td>
<td>3,361.0</td>
<td>3,571.4</td>
<td>3,588.8</td>
<td>15.2</td>
</tr>
<tr>
<td>Total Non Current Assets</td>
<td>103,529.6</td>
<td>108,682.0</td>
<td>106,844.9</td>
<td>107,631.3</td>
<td>786.4</td>
</tr>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inventories</td>
<td>1,905.0</td>
<td>1,805.0</td>
<td>2,058.5</td>
<td>2,224.0</td>
<td>165.5</td>
</tr>
<tr>
<td>Trade and Other Receivables, Net</td>
<td>4,655.3</td>
<td>4,933.0</td>
<td>6,748.1</td>
<td>6,966.0</td>
<td>248.8</td>
</tr>
<tr>
<td>Prepayments</td>
<td>1,172.5</td>
<td>1,193.0</td>
<td>1,796.5</td>
<td>1,669.4</td>
<td>(127.1)</td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>17,872.0</td>
<td>20,395.0</td>
<td>17,722.8</td>
<td>17,231.1</td>
<td>(491.7)</td>
</tr>
<tr>
<td>Accrued Income</td>
<td>147.1</td>
<td>147.0</td>
<td>401.6</td>
<td>420.0</td>
<td>18.5</td>
</tr>
<tr>
<td>Total Current Assets</td>
<td>25,752.0</td>
<td>28,473.0</td>
<td>28,727.5</td>
<td>28,540.5</td>
<td>(186.9)</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred Income</td>
<td>5,545.5</td>
<td>3,900.0</td>
<td>7,926.9</td>
<td>9,399.1</td>
<td>1,472.2</td>
</tr>
<tr>
<td>Provisions</td>
<td>1,879.1</td>
<td>1,034.0</td>
<td>1,057.9</td>
<td>1,058.4</td>
<td>0.4</td>
</tr>
<tr>
<td>Current Tax Payables</td>
<td>2,290.7</td>
<td>2,291.0</td>
<td>2,359.4</td>
<td>2,283.3</td>
<td>(76.1)</td>
</tr>
<tr>
<td>Trade and Other Payables</td>
<td>6,390.4</td>
<td>8,404.0</td>
<td>5,955.5</td>
<td>5,910.9</td>
<td>(44.6)</td>
</tr>
<tr>
<td>Other Financial Liabilities(Discounts)</td>
<td>3,243.0</td>
<td>3,093.0</td>
<td>3,566.0</td>
<td>3,736.3</td>
<td>(170.3)</td>
</tr>
<tr>
<td>Other Financial Liabilities(Finance Leases)</td>
<td>58.4</td>
<td>100.0</td>
<td>56.8</td>
<td>29.0</td>
<td>(27.9)</td>
</tr>
<tr>
<td>Other Liabilities (PDC Dividend)</td>
<td>3,243.0</td>
<td>3,093.0</td>
<td>3,566.0</td>
<td>3,736.3</td>
<td>(170.3)</td>
</tr>
<tr>
<td>Total Current Liabilities</td>
<td>19,407.1</td>
<td>18,822.0</td>
<td>21,421.7</td>
<td>23,165.7</td>
<td>1,744.1</td>
</tr>
<tr>
<td><strong>Net Current Assets (Liabilities)</strong></td>
<td>6,344.9</td>
<td>9,651.0</td>
<td>7,305.8</td>
<td>5,374.8</td>
<td>(1,931.0)</td>
</tr>
<tr>
<td><strong>Non-Current Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provisions</td>
<td>3,006.4</td>
<td>2,335.0</td>
<td>3,151.2</td>
<td>3,151.2</td>
<td>0.0</td>
</tr>
<tr>
<td>Loans Non Commercial FTFF</td>
<td>0.0</td>
<td>10,000.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Other Financial Liabilities(Finance Leases)</td>
<td>355.2</td>
<td>224.0</td>
<td>300.0</td>
<td>300.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Other Financial Liabilities (Lennartz)</td>
<td>1,239.6</td>
<td>980.0</td>
<td>1,239.6</td>
<td>1,239.6</td>
<td>0.0</td>
</tr>
<tr>
<td>Total Non-Current Liabilities</td>
<td>4,601.2</td>
<td>13,539.0</td>
<td>4,690.8</td>
<td>4,690.8</td>
<td>0.0</td>
</tr>
<tr>
<td><strong>Total Assets Employed</strong></td>
<td>105,273.3</td>
<td>104,794.0</td>
<td>109,459.8</td>
<td>108,315.2</td>
<td>(1,144.6)</td>
</tr>
<tr>
<td><strong>Tax Payers’ and Others’ Equity</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Minority Interest</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxpayers Equity</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public Dividend capital</td>
<td>99,515.2</td>
<td>99,515.0</td>
<td>99,515.2</td>
<td>99,515.2</td>
<td>0.0</td>
</tr>
<tr>
<td>Retained Earnings (Accumulated Losses)</td>
<td>(12,208.0)</td>
<td>(12,743.0)</td>
<td>(8,048.9)</td>
<td>(9,179.6)</td>
<td>(1,130.8)</td>
</tr>
<tr>
<td>Donated Asset Reserve</td>
<td>522.9</td>
<td>579.0</td>
<td>550.4</td>
<td>536.8</td>
<td>(13.8)</td>
</tr>
<tr>
<td>Other Reserves</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revaluation Reserve</td>
<td>17,344.2</td>
<td>17,344.0</td>
<td>17,344.1</td>
<td>17,344.1</td>
<td>0.0</td>
</tr>
<tr>
<td>Miscellaneous Other Reserves</td>
<td>99.0</td>
<td>99.0</td>
<td>99.0</td>
<td>99.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Total Other Reserves</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Taxpayers Equity</strong></td>
<td>105,273.3</td>
<td>104,794.0</td>
<td>109,459.8</td>
<td>108,315.2</td>
<td>(1,144.6)</td>
</tr>
<tr>
<td><strong>Total Assets Employed</strong></td>
<td>105,273.3</td>
<td>104,794.0</td>
<td>109,459.8</td>
<td>108,315.2</td>
<td>(1,144.6)</td>
</tr>
</tbody>
</table>

### 6.1 Summary Financial Performance

At the end of December the Statement of Comprehensive Income is showing a net operating surplus of £3,028.3k year to date which is a £335.6k favourable variance against plan. Total operating income is showing a surplus against budget of £3,759.5k, with clinical contract income (NHS clinical revenue) showing a surplus of £2,428.4k.

The net position against divisional budgets income & expenditure is showing an over spend of £2,548.8k mainly due to unachieved CRP. A detailed divisional position is shown in section 8 and progress against the CRP plan in section 6.4.

This month, all Consultant budgets across the Divisions have been rebased to include a vacancy factor of 98.05% rather than the previous level of 95.5%. This increased funding brings them in to line with the other medical budgets and so ensures consistency.
6.1.1 Private Patient Income

At the end of month 9, the Trust’s income from private sources stands at 0.27% of relevant income, which is in line with our statutory private patient cap of 0.3%. The majority of this is IVF income. The Trust will continue to monitor this value to ensure the private patient income does not exceed the cap, limiting activity if necessary.

6.2 Cash/Debtors

The actual cash position for December 2011 was £17.2m with an unfavorable movement of £491.7k from November 2011. Debtor balances have increased in total by £247.8k this month due to an increase in NHS accrued income in line with associated increases in activity.

<table>
<thead>
<tr>
<th>Organisation</th>
<th>Nature Of Deposit</th>
<th>Interest Rate</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lloyds</td>
<td>Fixed Term 95 Days</td>
<td>1.35%</td>
<td>£3,002,774</td>
</tr>
<tr>
<td>Lloyds</td>
<td>Fixed Term ( To 16th March 2012 )</td>
<td>1.50%</td>
<td>£3,000,000</td>
</tr>
<tr>
<td>RBS</td>
<td>Fixed Term ( To 21st March 2012 )</td>
<td>1.40%</td>
<td>£3,000,000</td>
</tr>
<tr>
<td>Santander</td>
<td>Fixed Term ( To 17th January 2012 )</td>
<td>1.50%</td>
<td>£3,000,000</td>
</tr>
<tr>
<td>Citibank</td>
<td>Bank</td>
<td></td>
<td>£4,999,470</td>
</tr>
<tr>
<td>Lloyds</td>
<td>Bank</td>
<td></td>
<td>£163,869</td>
</tr>
<tr>
<td>Cash in hand</td>
<td>Petty Cash, Franking Machines, un-presented cheques and unbanked deposits</td>
<td></td>
<td>£64,987</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td><strong>£17,231,100</strong></td>
</tr>
</tbody>
</table>

The graph below shows the movement in cash position over December 2011:
6.3 Creditors & Better Payments Practice Code

In the month current liabilities have increased by £1,744.1k, including increases of £1,472.2k relating to Deferred Income (mainly income related to the Emergency Care build as a result of scheme slippage), Accruals £170.3k and £249.6k on PDC Dividend. These are offset by small decreases in Tax payables and other payables.

The Trust is complying with the request from Monitor to pay non-NHS, local small to medium-sized suppliers within 10 days to support the economy at this time. Performance against the Better Payments Practice Code (30 days) is currently excellent as a result and is as follows:

<table>
<thead>
<tr>
<th>2011/12</th>
<th>% Bills Paid</th>
</tr>
</thead>
<tbody>
<tr>
<td>Month</td>
<td>Volume</td>
</tr>
<tr>
<td>April</td>
<td>98.7%</td>
</tr>
<tr>
<td>May</td>
<td>96.7%</td>
</tr>
<tr>
<td>June</td>
<td>96.2%</td>
</tr>
<tr>
<td>July</td>
<td>96.7%</td>
</tr>
<tr>
<td>August</td>
<td>96.1%</td>
</tr>
<tr>
<td>September</td>
<td>95.4%</td>
</tr>
<tr>
<td>October</td>
<td>96.9%</td>
</tr>
<tr>
<td>November</td>
<td>97.0%</td>
</tr>
<tr>
<td>December</td>
<td>96.9%</td>
</tr>
<tr>
<td>Total Cumulative</td>
<td>96.7%</td>
</tr>
</tbody>
</table>

6.4 CRP (Cost Reduction Programme)

The Trust Cost Reduction Programme for 2011/12 is monitored on a monthly basis with Divisions to achieve a total CRP of £9.871m. The table below shows progress against this target to date, the ‘Total Removed’ indicates the annual amount removed from the 2011/12 budgets.

<table>
<thead>
<tr>
<th></th>
<th>Target CRP (£000’s)</th>
<th>Total Removed (£000’s)</th>
<th>Balance Remaining (£000’s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assessment, Diagnostics and Screening Services</td>
<td>1,563</td>
<td>1,563</td>
<td>-</td>
</tr>
<tr>
<td>Clinical Support</td>
<td>847</td>
<td>847</td>
<td>-</td>
</tr>
<tr>
<td>Medicine and Elderly</td>
<td>2,463</td>
<td>1,694</td>
<td>769</td>
</tr>
<tr>
<td>Surgical Services</td>
<td>2,509</td>
<td>248</td>
<td>2,261</td>
</tr>
<tr>
<td>Womens and Childrens Services</td>
<td>716</td>
<td>259</td>
<td>457</td>
</tr>
<tr>
<td>Non Clinical and Corporate Services</td>
<td>1,773</td>
<td>1,880</td>
<td>(107)</td>
</tr>
<tr>
<td>Trust Wide Initiatives</td>
<td>-</td>
<td>1,081</td>
<td>(1,081)</td>
</tr>
<tr>
<td>Total</td>
<td>9,871</td>
<td>7,572</td>
<td>2,299</td>
</tr>
</tbody>
</table>
As at December, budgets of £7.572m have been removed as contributions towards the Cost Reduction Programme. The divisions are continuing to progress on other measures to achieve the recurrent balance.

The ‘Trust Wide Initiatives’ line shows the inclusion of non-recurrent allocation of slipped Reserve balances, as a central contribution to the outstanding positions, which was approved by the Central Team.

7. Non-Current Assets

Capital additions have increased to £7.4m as at December. The main areas of increase in December are Backlog Maintenance (£52k), Emergency Care (£192k), Palliative Care (£699k) Wheelchair Services (£30k) and Pager replacement (£46k).

8. Divisional Budgets

Divisional Income and Expenses Analysis - December 2011
At the end of the December delegated budgets showed a net over-spend of £2,548.8k. All of the clinical divisions are overspent at Month 9 with all non-clinical divisions under spent.

The financial positions for the Divisions, together with a commentary, are as follows:

8.1 **Clinical Support & Screening Services** (£136.1k deficit)

**Discussion of the Current Financial Position**

The £41.5k favourable move in month is mainly due to the trust wide Consultant budget uplift to reduce the vacancy factor from 95.5% to 98.05% backdated to April 2011. The other favourable move in month is within Breast Screening, mainly due to slippage on Digital equipment. These favourable moves are slightly offset by smaller adverse moves in Radiology, Outpatients general non pay spend and a one off charge for the new Robot Interface within Pharmacy. The outstanding CRP balance has now been achieved and actioned in month on a non recurrent basis.

Cumulatively the Division is reporting an overspend position of £136.1k. In general the Division is performing well against budget however pressures are ongoing in Pathology due to the revision of the Haematology SLA with CHS, which is still under negotiation, and over performance against the NHS Blood contract. Outpatients non pay spend continues to be a pressure and while this is assumed to be due to the level of clinics within the Department, work is planned to substantiate that the spend is relative to service creep. Some ‘one off’ pressures also contribute to the overspend position; Endoscopy is reporting an over-spend mainly due to the one off charge from South Tyneside for work done during July and August and Pharmacy is reporting an overspend mainly due to a one off charge for Robot Interface. The Annual CRP Target for the Division is £1,563k and the Division has achieved all of the balance for 2011-12.

**Future Action Points**

The Annual CRP target is £1,563k the Divisions have identified £550k Recurrent and £1,013k Non Recurrent. Plans are being worked through to identify recurrent schemes, which include staffing restructure, Centralisation of Booking, Equipment Rationalisation and Review of SLAs. The Division is continuing to establish accurate and robust forecast out-turn positions for year end, this has now been included within the Dashboard reporting.
8.2 **Medicine and Elderly** (£707.8k deficit)

**Discussion of the Current Financial Position**

Staffing is currently overspent by £84.7k which is a favourable movement of £160.3k on the previous month. This overspend is in relation to £221.0k for Nursing, this being offset by underspends elsewhere in the Division relating mainly to Senior Medical of £49.0k where additional funding allocated this month has resulted in a positive movement of £100.1k, and Junior Medical which is currently underspent by £107.3k due to vacant posts. In addition, Medical and Surgical Equipment is currently underspent by £29.8k with other non pay items overspending by £24.4k. The CRP target for the Division is £2,463.3k of which £1,693.8k has been actioned to date (£539.6k recurrent and £400.0k non recurrent actioned this month), the shortfall being reflected in the deficit reported above.

The full CRP target however, has been identified recurrently and is fully achieved as at April 2012.

**Future Action Points**

The Division continues to investigate potential areas of efficiency in 2011/12 and future years. Bank staff spend continues to be actively monitored.
8.3 **Surgical Services** (£2,802.9k deficit)

**Discussion of the Current Financial Position**

The Surgical Services Division has moved favourably in December by £250.9k, this is due to non recurrent funding of £750k being placed in the prosthetics budget and consultant budget uplift to reduce the vacancy factor from 95.5% to 98.05%. Despite the favourable move in month the division continues to have adverse moves in Medical and Nursing staff caused through sickness, maternity and waiting list payments. The unachieved efficiency plan also contributes to the overspend by £175k per month.

The CRP target for the Division is £2,509k and £228k has been actioned year to date, the shortfall being reflected in the deficit reported above.

**Future Action Points**

The division is constantly working with Finance and other departments to implement their efficiency plan and a large amount of schemes are dependent on gaining efficiencies and more Direct Clinical Activity from the consultants.

---

8.4 **Women and Children’s Services** (£287.3k deficit)

**Discussion of the Current Financial Position**

The adverse move in month of £38.6k is due to a move of £34k relating to unachieved CRP and adverse moves on Medical and Surgical supplies in both Maternity and IVF.

The CRP target for the Division is £716k and £259k has been actioned to date, the shortfall being reflected in the deficit reported above.

**Future Action Points**

Women’s and Childrens are constantly reviewing their current position and shall soon be able to move forward with the redesigned pathway in Maternity which should contribute towards the efficiency plan.
8.5 **Non Clinical Services** (£1,385.4k surplus)

**Discussion of the Current Financial Position**

All Non Clinical Services are under spending: Chief Executive by £34.2k, Estates and Risk Management by £119.1k, Finance and Information by £473.8k, Health Development by £209.5k, Nursing and Midwifery by £75.0k and Operations by £473.8k.

The CRP target for non-clinical areas totals £1,773k, and £1,880k has been achieved year to date, resulting in an over-recovery of £107k. £701.2k of this is non-recurrent however and the non-clinical Divisions are actively pursuing plans to achieve the remaining recurrent balance of £508.6k from April 2012.

**Future Action Points**

The remaining outstanding CRP balances are currently under discussion within the non-clinical areas and plans are in place to address the remaining balances.
Whole Time Equivalents

An analysis of Whole Time Equivalents (WTE) for Month 9 shows that the actual WTE for the month is lower than the budgeted WTE with a difference of 190 WTE.

<table>
<thead>
<tr>
<th>Month</th>
<th>WTE (Budget)</th>
<th>WTE (Contracted)</th>
<th>WTE (Actual)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apr-11</td>
<td>3,000</td>
<td>3,000</td>
<td>3,000</td>
</tr>
<tr>
<td>May-11</td>
<td>3,000</td>
<td>3,000</td>
<td>3,000</td>
</tr>
<tr>
<td>Jun-11</td>
<td>3,000</td>
<td>3,000</td>
<td>3,000</td>
</tr>
<tr>
<td>Jul-11</td>
<td>3,000</td>
<td>3,000</td>
<td>3,000</td>
</tr>
<tr>
<td>Aug-11</td>
<td>3,000</td>
<td>3,000</td>
<td>3,000</td>
</tr>
<tr>
<td>Sep-11</td>
<td>3,000</td>
<td>3,000</td>
<td>3,000</td>
</tr>
<tr>
<td>Oct-11</td>
<td>3,000</td>
<td>3,000</td>
<td>3,000</td>
</tr>
<tr>
<td>Nov-11</td>
<td>3,000</td>
<td>3,000</td>
<td>3,000</td>
</tr>
<tr>
<td>Dec-11</td>
<td>3,000</td>
<td>3,000</td>
<td>3,000</td>
</tr>
<tr>
<td>Jan-12</td>
<td>3,000</td>
<td>3,000</td>
<td>3,000</td>
</tr>
<tr>
<td>Feb-12</td>
<td>3,000</td>
<td>3,000</td>
<td>3,000</td>
</tr>
<tr>
<td>Mar-12</td>
<td>3,000</td>
<td>3,000</td>
<td>3,000</td>
</tr>
</tbody>
</table>

9. Monitor

The Trust has submitted its annual plan to Monitor and the final report on the stage 2 review has been received. The Trust is now being monitored against the plan submitted in May 2011.

9.1 Financial Risk Rating

The table below shows the Financial Risk Rating at the end of December being a 4 which is an improvement on the planned risk rating of 3. As at the end of December, the variance against the Monitor plan is a favourable variance of £1,066.0k.

<table>
<thead>
<tr>
<th>Underlying performance</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA Margin rating</td>
<td>3</td>
</tr>
<tr>
<td>EBITDA % of plan achieved rating</td>
<td>5</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Financial Efficiency</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Return on assets rating</td>
<td>5</td>
</tr>
<tr>
<td>IS Surplus margin rating</td>
<td>4</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liquidity</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Liquidity days rating</td>
<td>4</td>
</tr>
</tbody>
</table>

| Financial Risk Rating       | 4     |
The Compliance Framework 2011/12 states that the Trust must self-certify that the Board anticipates that the Trust will continue to maintain a Financial Risk Rating (FRR) of at least 3 over the next 12 months. The table below shows the FRR for the current quarter 3, and quarter 4 of 2011/12 as well as quarters 1, 2 and 3 of 2012/13. The figures for 2011/12 are based on the subsequent quarter of the original plan for 2011/12.

The table below shows that we anticipate that the Trust will continue to maintain a financial risk rating of at least 3 over the next 12 months.

### Financial Risk Rating Analysis

<table>
<thead>
<tr>
<th>Underlying performance</th>
<th>ANNUAL PLAN 2011-12</th>
<th>Q3 2011-12</th>
<th>Q4 2011-12</th>
<th>Q1 2012-13</th>
<th>Q2 2012-13</th>
<th>Q3 2012-13</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA Margin rating</td>
<td>25%</td>
<td>2</td>
<td>3</td>
<td>3</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Achievement of plan</td>
<td>EBITDA % of plan achieved rating</td>
<td>10%</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Financial Efficiency</td>
<td>Return on assets rating</td>
<td>20%</td>
<td>3</td>
<td>5</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>IS Surplus margin rating</td>
<td>20%</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Financial Efficiency</td>
<td>4</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Liquidity</td>
<td>(Liquidity days rating</td>
<td>25%</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
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<tr>
<td>Weighted Average Rating</td>
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<td>3.4</td>
<td>4.1</td>
<td>3.9</td>
<td>3.2</td>
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<tr>
<td>Limit due to overriding rules</td>
<td></td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Financial Risk Rating</td>
<td></td>
<td>3</td>
<td>4</td>
<td>4</td>
<td>3</td>
<td>3</td>
</tr>
</tbody>
</table>

9.2 December Performance against the Plan submitted to Monitor

The income and expenditure position for December can be seen in the table on the following pages. This shows a £3,028.3k surplus which gives rise to a favourable variance of £1,066.0k against the Monitor year to date plan.

It should be noted that the template sent by Monitor for recording Quarter 3 information has been amended by Monitor from previous submissions to incorporate presentational changes relating to donated income and grants. The effect of these changes is currently being worked through, and any variation to the position described in this paper will be fully reported to the Board via a tabled paper.

9.3 Compliance Framework Financial Risk Indicators

The revised Compliance Framework includes various national targets and standards that Monitor use as triggers to identify whether a trust is at risk of breaching its terms of authorisation. The Compliance Framework includes a set of proposed financial risk indicators which are designed to highlight the potential for any future material financial risk. Where Monitor believes that one or more of these indicators are present, they will consider whether an earlier meeting to discuss them is appropriate. Following this meeting, Monitor may request the preparation of plans, or the provision of other assurances as to the Trust’s capacity to mitigate the potential risk. The use of the indicators will not form part of the formal regulatory framework or Monitor’s approach to the potential use of its statutory powers of intervention.

These indicators have been included as a new sheet in the Quarterly Monitoring to Monitor. For the current quarter, two indicators have been triggered by the Compliance Framework, requiring further reporting, as shown below.
Please note that if the status of an indicator is left blank it is deemed that the Trust has no significant risk in that category and it is where the indicator is ‘TRUE’ that risk is present, hence the highlighting of these in red.

<table>
<thead>
<tr>
<th>Compliance Framework Indicator</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unplanned decrease in (quarterly) EBITDA margin in two consecutive quarters</td>
<td></td>
</tr>
<tr>
<td>Quarterly self-certication by trust that FRR may be less than 3 in the next 12 months</td>
<td></td>
</tr>
<tr>
<td>FRR 2 for any one quarter</td>
<td></td>
</tr>
<tr>
<td>Working capital facility (WCF) agreement includes default clause.</td>
<td></td>
</tr>
<tr>
<td>Debtors more than 90 days past due account for more than 5% of total debtor balances</td>
<td>TRUE</td>
</tr>
<tr>
<td>Creditors more than 90 days past due account for more than 5% of total creditor balances</td>
<td>TRUE</td>
</tr>
<tr>
<td>Two or more changes in Finance Director in a twelve month period</td>
<td></td>
</tr>
<tr>
<td>Interim Finance Director in place over more than one quarter end</td>
<td></td>
</tr>
<tr>
<td>Quarter end cash balance less than 10 days of operating expenses</td>
<td></td>
</tr>
<tr>
<td>Capital expenditure is less than 75% of plan for the year to date</td>
<td></td>
</tr>
<tr>
<td>Capital expenditure is greater than 125% of plan for the year to date</td>
<td></td>
</tr>
</tbody>
</table>

Debtors > 90 Days

Total debtors over 90 days now amount to £387k, of which £320k are NHS debtors and £67k are non-NHS debtors.

Within NHS debtors we have £106k which relates to Telford & Wrekin PCT for a long stay patient in critical care and £166k relating to outstanding invoices with South Tyneside FT.

Creditors > 90 days

Total creditors over 90 days now amount to £601k, of which £563k are NHS creditors and £38k are non-NHS creditors.

Within NHS creditors £562k relates to the service level agreement for Occupational Therapy which is currently in dispute and being discussed by the relevant Chief Executives.

<table>
<thead>
<tr>
<th></th>
<th>Opening Annual Plan</th>
<th>2011/2012</th>
<th>2011/2012</th>
<th>2011/2012</th>
<th>VARIANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£000’s</td>
<td>£000’s</td>
<td>£000’s</td>
<td>£000’s</td>
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</tr>
<tr>
<td><strong>Operating</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Income</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A&amp;E (attendances)</td>
<td>(6,006.4)</td>
<td>(4,584.8)</td>
<td>(4,733.5)</td>
<td>(148.6)</td>
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</tr>
<tr>
<td>Elective Income (Long Stay) (incl. xbd)</td>
<td>(16,051.2)</td>
<td>(11,643.7)</td>
<td>(12,248.2)</td>
<td>(604.5)</td>
<td></td>
</tr>
<tr>
<td>Day Cases</td>
<td>(13,159.1)</td>
<td>(9,842.1)</td>
<td>(11,424.4)</td>
<td>(1,582.3)</td>
<td></td>
</tr>
<tr>
<td>Non-Elective Income (incl. xbd)</td>
<td>(45,963.8)</td>
<td>(33,834.8)</td>
<td>(33,955.0)</td>
<td>(120.2)</td>
<td></td>
</tr>
<tr>
<td>Outpatients (New and Follow up)</td>
<td>(26,449.7)</td>
<td>(20,148.8)</td>
<td>(20,020.9)</td>
<td>127.9</td>
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</tr>
<tr>
<td>Other</td>
<td>(85,073.0)</td>
<td>(41,096.0)</td>
<td>(41,991.9)</td>
<td>(895.9)</td>
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</tr>
<tr>
<td><strong>Total NHS Clinical Revenue</strong></td>
<td>(162,703.0)</td>
<td>(121,150.3)</td>
<td>(124,373.8)</td>
<td>(2,223.5)</td>
<td></td>
</tr>
<tr>
<td>Private Patient Revenue</td>
<td>(460.0)</td>
<td>(345.0)</td>
<td>(333.4)</td>
<td>11.6</td>
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</tr>
<tr>
<td>Other non-NHS clinical revenue</td>
<td>(1,020.0)</td>
<td>(765.0)</td>
<td>(591.9)</td>
<td>173.1</td>
<td></td>
</tr>
<tr>
<td><strong>Total Non NHS Clinical Revenue</strong></td>
<td>(1,480.0)</td>
<td>(1,110.0)</td>
<td>(925.4)</td>
<td>184.6</td>
<td></td>
</tr>
<tr>
<td>Education and Training Income</td>
<td>(5,619.0)</td>
<td>(4,214.3)</td>
<td>(4,181.7)</td>
<td>32.6</td>
<td></td>
</tr>
<tr>
<td>Misc. Other Operating Income</td>
<td>(6,293.0)</td>
<td>(4,719.8)</td>
<td>(8,276.6)</td>
<td>(3,556.9)</td>
<td></td>
</tr>
<tr>
<td><strong>Total Other Operating Income</strong></td>
<td>(11,912.0)</td>
<td>(8,934.0)</td>
<td>(12,458.3)</td>
<td>(3,524.3)</td>
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<tr>
<td><strong>Total Operating Income</strong></td>
<td>(176,095.0)</td>
<td>(131,194.3)</td>
<td>(137,757.5)</td>
<td>(6,563.2)</td>
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<tr>
<td>Operating Expenses</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Drugs</td>
<td>10,448.0</td>
<td>7,699.0</td>
<td>8,836.6</td>
<td>1,137.6</td>
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<tr>
<td>Clinical Supplies</td>
<td>16,842.0</td>
<td>11,972.0</td>
<td>12,720.3</td>
<td>748.3</td>
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<tr>
<td>Non-Clinical Supplies</td>
<td>11,700.0</td>
<td>8,469.0</td>
<td>9,998.8</td>
<td>1,529.8</td>
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</tr>
<tr>
<td><strong>Total Raw Materials &amp; Consumables</strong></td>
<td>38,990.0</td>
<td>28,140.0</td>
<td>31,555.7</td>
<td>3,415.7</td>
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<td>Employee Benefits, Permanent Staff</td>
<td>116,377.0</td>
<td>87,797.0</td>
<td>88,454.4</td>
<td>657.4</td>
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<td>Employee Benefits, Agency + Contract Staff</td>
<td>1,567.0</td>
<td>1,222.0</td>
<td>2,309.4</td>
<td>1,087.4</td>
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<tr>
<td><strong>Total Employee Benefits Expense</strong></td>
<td>117,944.0</td>
<td>89,019.0</td>
<td>90,763.7</td>
<td>1,744.7</td>
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<tr>
<td>Education and training expense</td>
<td>989.0</td>
<td>741.8</td>
<td>426.3</td>
<td>(315.5)</td>
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<td>Consultancy Expense</td>
<td>161.0</td>
<td>120.8</td>
<td>122.3</td>
<td>1.5</td>
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<tr>
<td>Misc. other Operating expenses</td>
<td>9,366.0</td>
<td>6,760.0</td>
<td>6,746.0</td>
<td>(34.0)</td>
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<tr>
<td><strong>Total Operating Expenses</strong></td>
<td>167,451.0</td>
<td>124,801.5</td>
<td>129,614.0</td>
<td>4,812.5</td>
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<tr>
<td>(Profit)/Loss from Operations</td>
<td>(8,644.0)</td>
<td>(8,392.8)</td>
<td>(8,143.5)</td>
<td>(1,750.7)</td>
<td></td>
</tr>
<tr>
<td><strong>Non Operating</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-Operating Income</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finance Income</td>
<td>(150.0)</td>
<td>(112.5)</td>
<td>(130.5)</td>
<td>(18.0)</td>
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<tr>
<td>Other Non - Operating Income (PCT)</td>
<td>(2,230.0)</td>
<td>(1,672.5)</td>
<td>(473.0)</td>
<td>1,199.5</td>
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<tr>
<td><strong>Total Finance Income</strong></td>
<td>(2,380.0)</td>
<td>(1,785.0)</td>
<td>(603.5)</td>
<td>1,181.5</td>
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<tr>
<td>Other Non-Operating Income</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Non-Operating Income (Profit on Disposal)</td>
<td></td>
<td>(10.8)</td>
<td>(10.8)</td>
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<td></td>
</tr>
<tr>
<td><strong>Total Non-Operating Income</strong></td>
<td>(2,380.0)</td>
<td>(1,785.0)</td>
<td>(614.3)</td>
<td>1,170.7</td>
<td></td>
</tr>
<tr>
<td>Non-Operating Expenses</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest Payable on Non-commercial borrowings</td>
<td>213.0</td>
<td>106.5</td>
<td>0.0</td>
<td>(106.5)</td>
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<tr>
<td>Interest Expense on Finance Leases</td>
<td>56.0</td>
<td>42.0</td>
<td>9.7</td>
<td>(32.3)</td>
<td></td>
</tr>
<tr>
<td>Depreciation and Amortisation</td>
<td>3,526.0</td>
<td>2,644.5</td>
<td>2,675.1</td>
<td>30.6</td>
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</tr>
<tr>
<td>Depreciation and Amortisation - assets held under finance leases</td>
<td>189.0</td>
<td>141.8</td>
<td>0.0</td>
<td>(141.8)</td>
<td></td>
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<tr>
<td>PDC dividend expense</td>
<td>3,041.0</td>
<td>2,280.8</td>
<td>2,246.8</td>
<td>(33.9)</td>
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</tr>
<tr>
<td><strong>Total Finance Costs [for non-financial activities]</strong></td>
<td>7,025.0</td>
<td>5,215.5</td>
<td>4,931.7</td>
<td>(283.8)</td>
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</tr>
<tr>
<td>Other Non-Operating Expenses</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Non-Operating expenses</td>
<td></td>
<td>114.3</td>
<td>114.3</td>
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</tr>
<tr>
<td>Restructuring Costs</td>
<td>235.0</td>
<td>235.0</td>
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<td></td>
</tr>
<tr>
<td>Impairment</td>
<td>4,945.0</td>
<td>1,000.0</td>
<td>448.5</td>
<td>(551.5)</td>
<td></td>
</tr>
<tr>
<td><strong>Total Non-Operating Expenses</strong></td>
<td>11,970.0</td>
<td>6,215.5</td>
<td>5,725.5</td>
<td>(486.5)</td>
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</tr>
<tr>
<td>(Surplus) / Deficit After Tax from Continuing Operations</td>
<td>946.0</td>
<td>(1,962.3)</td>
<td>(3,028.3)</td>
<td>(1,066.0)</td>
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<tr>
<td><strong>Total Income</strong></td>
<td>(178,475.0)</td>
<td>(132,979.3)</td>
<td>(138,371.8)</td>
<td>(5,392.5)</td>
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<tr>
<td><strong>Total Expenses</strong></td>
<td>179,421.0</td>
<td>131,017.0</td>
<td>135,343.5</td>
<td>4,326.5</td>
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</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>(8,644.0)</td>
<td>(8,392.8)</td>
<td>(8,143.5)</td>
<td>(1,750.7)</td>
<td></td>
</tr>
</tbody>
</table>
The table below shows the forecast outturn position.

<table>
<thead>
<tr>
<th>Income &amp; Trust Financing</th>
<th>Trust Financing</th>
<th>Sub Total Clinical</th>
<th>Sub Total Non Clinical</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>£000's</td>
<td>£000's</td>
<td>£000's</td>
<td>£000's</td>
<td>£000's</td>
</tr>
<tr>
<td>Actual as at Dec</td>
<td>F'cast Actual Out Turn</td>
<td>Actual as at Dec</td>
<td>F'cast Actual Out Turn</td>
<td>Actual as at Dec</td>
</tr>
<tr>
<td>----------------------------</td>
<td>-----------------</td>
<td>--------------------</td>
<td>------------------------</td>
<td>-------</td>
</tr>
<tr>
<td>Operating Income</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A&amp;E (attendances)</td>
<td>(4,733.5)</td>
<td>(6,311.3)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electrolyte Income (Long Stay)(inc. xbd)</td>
<td>(12,249.2)</td>
<td>(16,322.1)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Daycases</td>
<td>(11,424.4)</td>
<td>(15,232.5)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-Electrolyte Income (inc. xbd)</td>
<td>(33,950.0)</td>
<td>(46,065.3)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Outpatients (New, Follow Up &amp; Proc)</td>
<td>(20,020.9)</td>
<td>(25,462.6)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>(41,961.9)</td>
<td>(55,671.7)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total NNS Clinical Revenue</td>
<td>(124,373.8)</td>
<td>(165,065.6)</td>
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<td></td>
</tr>
<tr>
<td>Private Patient Revenue</td>
<td>(333.4)</td>
<td>(444.6)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other non-NHS clinical revenue</td>
<td>(591.9)</td>
<td>(789.3)</td>
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</tr>
<tr>
<td>Total Non NNS Clinical Revenue</td>
<td>(925.4)</td>
<td>(1,233.8)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Income</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Education and Training Income</td>
<td>(4,181.7)</td>
<td>(5,575.6)</td>
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<td></td>
</tr>
<tr>
<td>Divisional Income &amp; Deferred Income</td>
<td>- 200.0)</td>
<td>(1,500.0)</td>
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<tr>
<td>SLA Income</td>
<td>(825.7)</td>
<td>(1,100.9)</td>
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</tr>
<tr>
<td>Total Operating Income</td>
<td>(130,306.5)</td>
<td>(172,775.9)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Expenses</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Drugs</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clinical Supplies</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-Clinical Supplies</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Raw Materials &amp; Consumables</td>
<td>0.0</td>
<td>0.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee Benefits, Permanent Staff</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee Benefits, Agency + Contract Staff</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Employee Benefits Expenses</td>
<td>0.0</td>
<td>0.0</td>
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<tr>
<td>Consulting Expense</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Miscellaneous Operating expenses</td>
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<td>120.0</td>
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</tr>
<tr>
<td>Other Operating expenses</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Operating Expenses</td>
<td>0.0</td>
<td>0.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit/Loss from Operations</td>
<td>(130,306.5)</td>
<td>(172,775.9)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-Operating Income</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finance Income</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Non - Operating Income (PCT)</td>
<td>(473.0)</td>
<td>(480.6)</td>
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<td></td>
</tr>
<tr>
<td>Non-Operating Income (Transfers from Don.)</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ass. Res.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Non-Operating Income ( Profit on Disposal )</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Non-Operating Income</td>
<td>0.0</td>
<td>0.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-Operating Expenses</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest Payable</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest Expense on Finance Leases</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and Amortisation</td>
<td>-</td>
<td>1,059.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Finance Costs [for non-financial activities]</td>
<td>0.0</td>
<td>0.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Before Impairment</td>
<td>(130,306.5)</td>
<td>(172,775.9)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Non-Operating Expenses</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Impairment Losses</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restructuring Costs</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Non-Operating Expenses</td>
<td>0.0</td>
<td>0.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total After Impairment</td>
<td>(130,306.5)</td>
<td>(172,775.9)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Forecast Position 2011-12</td>
<td>(2,178.1)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The forecast outturn position has been calculated and shows a surplus position of £2.178m, which is a favourable variance of £3.1m against the plan (£0.95m deficit). The Divisions have forecast their positions based on month 9 actual income and expenditure and have taken into consideration known adjustments for the winter period and other known expenditure and income for the remainder of the year. Included in the position are estimates for depreciation, PDC and other non-operating income and expenditure.

Forecast income assumes a continuation of the current level of activity with adjustments for known contractual issues around CROP, CAMHS and Palliative Care Medicine and an allowance for a reduction in clinical work in progress due to shorter lengths of stay across the Trust and a reduced number of beds.

The expenditure forecast assumes that an estimate for pay costs associated with the restructuring of Divisions is accounted for as an exceptional cost under non-operating expenses.

No assumptions can be made around the release of provisions at this stage so nothing is included for this.

Deferred Income has been assumed to have a favourable effect of £1.3m on the forecast position, and Impairment Losses have been revised down to £850k from the previous month’s estimate of £2.1m.

It is critical that expenditure continues to be managed very carefully to avoid any unnecessary costs and that CRP plans are delivered recurrently.

11 Recommendations

The Council of Governors is asked to note the reported financial performance at 31st December 2011.

Mrs. Lynne Hodgson
Director of Finance & Information
GATESHEAD HEALTH NHS FOUNDATION TRUST

Complaints, Litigation, Incident and PALS (CLIPA) Report

Introduction

It was agreed at the Council of Governors meeting in November 2010, that the group would receive regular Complaints, litigation, incident and PALS (CLIPA) reports.

The attached report provides an executive summary and organisational learning report from 1st April to 30th September 2011

Recommendation

The Council of Governors is asked to receive the report for information.

Angela O’Brien
Head of Corporate Risk
Complaints, litigation, incident and PALS (CLIPA) report

1 April – 30 September 2011
Council of Governors
22 February 2012
Executive summary

Complaints

- The Trust received 85 formal complaints during the six month period (one subsequently withdrawn and one suspended whilst the complainant gathers additional information); this is an increase of 4% over the previous period
- 64% were responded to within 25 days
- All complaints were acknowledged within 3 working days – consistent with previous period of 100%
- In reviewing the details of the complaints there has been no discernible trend identified

![Complaints chart](chartimage)

![Main reasons for complaints chart](chartimage)
Requests for review by the Health Service Ombudsman

During the period there were 2 requests for complaints/clinical files made by the Health Service Ombudsman; one relating to 2009/10 and one relating to 2011/12.

The Health Service Ombudsman has declined the request for a review in relation to the 2011/12 case and is still carrying out the assessment in relation to the 2009/10 file.

Learning from complaints

As a result of complaints being raised, the following actions have been taken:

- A carers pathway for patients with learning disabilities, including guidelines for staff, has been introduced with comments and suggestions from the complainant based on her knowledge and perspective from caring for her son.

- A Pain Assessment Tool, devised for people with learning disabilities and dementia, is being trialled on wards 14, 21 and 9. It looks at how a person presents when settled and well/unwell, highlighting non verbal and verbal signs the person may exhibit when in pain or distress. A Pain Specialist Nurse in the Trust is helping with this.

- A patient with short term memory loss went home without the relative who was accompanying him after an endoscopy. Departmental documentation has been amended to ask patients about both physical or mental health changes. Mental health records can be requested, with the patient’s permission, if there have been any changes.

Litigation

During the period:

- 4 clinical claims were settled
- 5 non clinical claims were settled
- 20 clinical claims were received
- 6 non clinical claims were received
- 13 requests for reports were received from the coroner
- 9 staff were required to attend inquests
- 14 reports were requested
Incidents

• The National Patient Safety Agency encourage the reporting of incidents and view high levels of reporting as demonstrating the existence of a safety culture within an organisation.
• The division of Medicine & Elderly will show high levels of incidents given the nature of the patients; the majority of incidents are slips, trips and falls due to medical condition. A falls work stream is looking at measures to reduce patient falls.
• There were 3562 incidents reported of which 396 were “community attributable” pressure damage. The total incidents reported showed an increase of 4% over the previous 6 months
• Of those, 90% had been given final approval at 3 January 2012.
• 63% were classified as ‘no harm’ which is slightly higher than the previous period at 62%
• 336 or 9% were “near miss” incidents – a decrease from 12% over the previous 6 months.

The top 3 incidents for the trust show patient personal accident/incident remaining the most frequently occurring incident.

1. Patient personal accident/incident (791) - 699 of which were slips, trips and falls due to a medical condition
2. Abusive, violent, disruptive or self-harming behaviour
3. Implementation of care including pressure ulcer – there were also 396 community attributable pressure ulcers recorded which have been excluded from these figures

There were 132 incidents reported by medical staff i.e. 3.7% of the total number of incidents.
There were 2452 incidents reported by nursing staff i.e. 69% of the total number of incidents.
Learning from Root Cause Analysis (RCA)

Using RCA, issues can be identified and any lessons learned can be shared.

Case 1: Faecal Calprotectin results with incorrect calculation: incorrect results given to patients.

Lessons learned: The lessons learned from the RCA included:

- Bench book recording details of all changes made in development of new procedures;
- Second person to double check calculation levels when programming new analyser's or switching a test from one analyser to another
- Quality control of whole process and not just parts of it. Where this is not available, specimen exchange schemes with other users should be introduced at the earliest opportunity.
- When tests are being switched from one analyser to another, the test should continue to be run on the previous analyser and the new analyser concurrently.
- Development of Pathology wide Standard Operating Procedure (SOP) to cover introduction of a new assay or piece of equipment into the laboratory.

**Case 2**: Patient caught between bed and wall when Primo air wave mattress placed on high/low bed.

**Lessons learned**: Primo mattress is not suitable for use on a high/low bed. Information circulated in Medical Devices incidents summary report, incorporated into mandatory training sessions and a SafeCare Alert will be issued.

**Case 3**: Power loss to server room

**Lessons learned**: By-pass switch rewired correctly. Incoming supply redesigned to prevent possibility of back feed to incoming distribution boards. System load requirements reassessed together with the redundancy system as currently a simple communication failure between the two UPS units would result in both units switching off line. Maintenance records for system autonomy and load test profiles, including checklists have been reviewed.

**Patient Advice and Liaison Service (PALS)**

- There were 705 enquires made to PALS: 591 of which related to GHNFT with the remaining 114 relating to other trusts or statutory and voluntary organisations.
- The enquires related to 929 areas of concern

![PALS enquiries July 09 - Sept 11](image-url)
PALS aim to resolve concerns quickly and directly helping to improve the patient experience.

78% of PALS enquiries for this period were resolved within 24 hours. Two issues were referred to formal complaints for further investigation with the agreement of the enquirer.

**Learning from PALS enquiries**

- Letters relating to replacement wigs to include the opening times of the cashiers office.
- Trust has no facilities for patients to recharge mobile phones. Maintenance Supervisor advised that they are happy to test equipment brought into hospital by patients and ward staff can, at their discretion, call log this request.
- Concern regarding the lack of services to patients admitted to hospital out of hours that have palliative care needs. MAU have identified 2 qualified Palliative Care link nurses to work with the Palliative Care team to specifically look at how things can be improved out of hours.
- Appointment letters for Women’s Health amended to include a sentence advising patients which gate they should come to when attending Women’s Health.
- Lady concerned that information in the leaflet she was given following surgery is inaccurate and the wording is to be amended to clarify the circumstances when a catheter may be inserted.
Aggregation of claims, complaints PALS enquiries and incidents

The aggregated graph below shows claims, complaints, PALS enquiries and incidents by clinical group.

Activity, complaints, claims, incidents and PALS enquiries

To help to put the numbers of incidents, complaints, concerns and claims into perspective, the chart below shows them against the level of activity in admissions/out-patient attendances for the period April 2009 – Sept 2012. It is recognised that this is a crude comparison; the quarterly performance report to the Trust Board gives a more detailed picture of activity. With the wide range of values it is considered that a further split of the complaints, claims and PALS enquiries between in-patient, out-patients and divisions to compare against per 100 bed days would further limit ability to draw meaningful comparisons.

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Qu1</td>
<td>Qu2</td>
<td>Qu3</td>
</tr>
<tr>
<td>Total admissions</td>
<td>11826</td>
<td>9949</td>
<td>10924</td>
</tr>
<tr>
<td>Out patients - new</td>
<td>19602</td>
<td>19791</td>
<td>19168</td>
</tr>
<tr>
<td>Out patients – f/u</td>
<td>65251</td>
<td>64784</td>
<td>60545</td>
</tr>
<tr>
<td>Total complaints</td>
<td>61</td>
<td>48</td>
<td>36</td>
</tr>
<tr>
<td>Total incidents</td>
<td>2027</td>
<td>1876</td>
<td>1864</td>
</tr>
<tr>
<td>Total claims</td>
<td>28</td>
<td>17</td>
<td>14</td>
</tr>
<tr>
<td>Total PALS</td>
<td>267</td>
<td>242</td>
<td>214</td>
</tr>
</tbody>
</table>

In 2009/2010 Qu 1 shows some correlation between the activity and the number of complaints and incidents. In 2010/2011 there is limited correlation with Qu2 showing the highest number of out-patient follow-up and complaints. Quarter 2 of 2011/12 i.e. July – September shows shows the highest correlation in 2011/12 but this may change as the year progresses.

Claims are not tracked against activity as the date the claim is received may well be a number of years after the perceived event.
GATESHEAD HEALTH NHS FOUNDATION TRUST

Membership Strategy Sub Group Update

1. Current Membership

Information on membership numbers is presented at each meeting and reviewed by the group. This includes breakdowns by age, gender and ethnicity.

The total number of members at 31st January 2012 was 11,756. A graph showing membership growth is overleaf as Appendix 1.

2. Recent Work

The group has taken part in the following activities:
- discussed possible venues for future recruitment events
- continued to work towards the objectives and actions detailed in the Membership Strategy
- continued to attend recruitment events as detailed in the calendar of recruitment events for 2010/11
- agreed a recruitment calendar for 2012/13 (attached as Appendix 2)

3. Recruitment Events

<table>
<thead>
<tr>
<th>Date</th>
<th>Venue</th>
<th>Attendees</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>10/11/2011</td>
<td>Civic Centre</td>
<td>Ann Atkinson, Margaret Jobson, Bill Lee and Jim Holmes</td>
<td>58</td>
</tr>
<tr>
<td>24/11/2011</td>
<td>OPD</td>
<td>Ann Atkinson and Margaret Jobson</td>
<td>35</td>
</tr>
<tr>
<td>19/01/2012</td>
<td>Civic Centre</td>
<td>Ann Atkinson, Margaret Jobson, Bill Lee, Jim Holmes and Ian Stafford</td>
<td>54</td>
</tr>
<tr>
<td>01/02/2012</td>
<td>Leisure Centre</td>
<td>Ann Atkinson and Margaret Jobson</td>
<td>42</td>
</tr>
</tbody>
</table>

3. Next Steps/ Future Plans

The next steps/future plans for the group are to:
- encourage all members of the Council of Governors to become involved in recruitment
- re-arrange events that had to be cancelled due to lack of support
- continue to work with all governors towards the objectives and actions detailed in the Membership Strategy
- continue to promote membership at various locations throughout Gateshead

Mr Jim Holmes
Public Governor and Chairman of the Membership Strategy Sub Group
Appendix 1

Monthly Totals
as at 31st January 2012
### Membership Recruitment Events 2012/13

This is a list of dates, times and venues where Membership Information Stands have been organised. Could you please inform Joanne Williamson on 0191 4453713 if you are able to attend any dates?

<table>
<thead>
<tr>
<th>Month</th>
<th>Events</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>April 2012</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- OPD – 12th April 2012 – 9.30 am to 12.30 pm</td>
</tr>
<tr>
<td></td>
<td>- Gateshead Leisure Centre – 26th April 2012 – 10.00 am to 2.00 pm</td>
</tr>
<tr>
<td><strong>May 2012</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Civic Centre – 3rd April 2012 – 10.00 am to 2.00 pm</td>
</tr>
<tr>
<td></td>
<td>- OPD – 17th May 2012 – 9.30 am to 12.30 pm</td>
</tr>
<tr>
<td><strong>June 2012</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- OPD – 14th June 2012 – 9.30 am to 12.30 pm</td>
</tr>
<tr>
<td></td>
<td>- Gateshead Leisure Centre – 28th June 2012 – 10.00 am to 2.00 pm</td>
</tr>
<tr>
<td><strong>July 2012</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Ryton Summer Festival – 5th July 2012 – 11.00 am to 5.00 pm</td>
</tr>
<tr>
<td></td>
<td>- OPD – 12th July 2012 – 9.30 am to 12.30 pm</td>
</tr>
<tr>
<td></td>
<td>- Civic Centre – 25th July 2012 – 10.00 am to 2.00 pm</td>
</tr>
<tr>
<td><strong>September 2012</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- OPD – 6th September 2012 – 9.30 am to 12.30 pm</td>
</tr>
<tr>
<td></td>
<td>- Gateshead Leisure Centre – 20th September 2012 – 10.00 am to 2.00 pm</td>
</tr>
<tr>
<td><strong>October 2012</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Civic Centre – 4th October 2012 – 10.00 am to 2.00 pm</td>
</tr>
<tr>
<td></td>
<td>- OPD – 25th October 2012 – 9.30 am to 12.30 pm</td>
</tr>
<tr>
<td><strong>November 2012</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Gateshead Leisure Centre – 8th November 2012 – 10.00 am to 2.00 pm</td>
</tr>
<tr>
<td></td>
<td>- OPD – 29th November 2012 – 9.30 am to 12.30 pm</td>
</tr>
<tr>
<td><strong>December 2012</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Civic Centre – 6th December 2012 – 10.00 am to 2.00 pm</td>
</tr>
<tr>
<td></td>
<td>- OPD – 13th December 2012 – 9.30 am to 12.30 pm</td>
</tr>
<tr>
<td><strong>January 2013</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- OPD – 17th January 2013 – 9.30 am to 12.30 pm</td>
</tr>
<tr>
<td></td>
<td>- Gateshead Leisure Centre – 31st January 2012 – 10.00 am to 2.00 pm</td>
</tr>
<tr>
<td><strong>February 2013</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- OPD – 7th February 2013 – 9.30 am to 12.30 pm</td>
</tr>
<tr>
<td></td>
<td>- Civic Centre – 28th February 2012 – 10.00 am to 2.00 pm</td>
</tr>
<tr>
<td><strong>March 2013</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Gateshead Leisure Centre – 14th March 2012 – 10.00 am to 2.00 pm</td>
</tr>
<tr>
<td></td>
<td>- OPD – 28th March 2013 – 9.30 am to 12.30 pm</td>
</tr>
</tbody>
</table>
GATESHEAD HEALTH NHS FOUNDATION TRUST

Council of Governors’ 2011 Appraisal

Introduction

Monitor’s Code of Governance states that “led by the Chairman, the board of governors should periodically assess their collective performance. The board of governors should use this process to review its roles, structure, composition and procedures, taking into account emerging best practice”.

The appraisal questionnaire used for the Council of Governors was circulated to the 25 governors in post at the time (September 2011).

Sixteen governors chose to complete the appraisal.

Detailed Results

1. Role and Responsibilities

Figure 1: Do you have a clear understanding of the role of the governor?

<table>
<thead>
<tr>
<th>Response</th>
<th>Number of Replies</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>8</td>
<td>50%</td>
</tr>
<tr>
<td>Mostly</td>
<td>7</td>
<td>44%</td>
</tr>
<tr>
<td>Sometimes</td>
<td>1</td>
<td>6%</td>
</tr>
</tbody>
</table>

Figure 2: Do you feel you understand the objectives of the Trust?

<table>
<thead>
<tr>
<th>Response</th>
<th>Number of Replies</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>8</td>
<td>50%</td>
</tr>
<tr>
<td>Mostly</td>
<td>7</td>
<td>44%</td>
</tr>
<tr>
<td>Not answered</td>
<td>1</td>
<td>6%</td>
</tr>
</tbody>
</table>
**Figure 3: Do you feel that you are able to make a meaningful contribution to the Trust?**

<table>
<thead>
<tr>
<th>Answer</th>
<th>Number of Replies</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>8</td>
<td>50%</td>
</tr>
<tr>
<td>Mostly</td>
<td>3</td>
<td>19%</td>
</tr>
<tr>
<td>Sometimes</td>
<td>5</td>
<td>31%</td>
</tr>
</tbody>
</table>

**Governor Comments:**

Family commitments prevent me from possibly being a member of more sub-committees. Not driving is a drawback as I do not attend events at the QE eg Medicine for Members.

There is sometimes a tension between being a member of staff and a staff governor. As a member of staff I make a meaningful contribution but I’m not sure that I do as a staff governor as there is still some ambiguity around the role.

This is a time-consuming role if done properly. Sometimes, I do not have the time available that I would like to give to the role.

Feel like I’m still learning

Ill health (but hopefully improving)

---

**Figure 4: Do you believe you are able to represent the views of members generally?**

<table>
<thead>
<tr>
<th>Answer</th>
<th>Number of Replies</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>8</td>
<td>50%</td>
</tr>
<tr>
<td>Mostly</td>
<td>5</td>
<td>31%</td>
</tr>
<tr>
<td>Sometimes</td>
<td>3</td>
<td>19%</td>
</tr>
</tbody>
</table>
## If not, how can this be improved?

**Governor Comments:**

I feel that only people who know me are aware I am a governor and so members do not approach me with their views - good or bad. Could a list of governors be included periodically in the newsletter.

I don’t feel I formally represent the views of staff because there is not a robust mechanism in place for engagement with them. Sometimes I am able to represent the views of a small pocket of staff.

It would be difficult to assert this when I have very little contact with the vast majority of members. Solutions to this problem have been discussed a number of times.

Difficult to gather views - no one comes forward and asks questions etc.

Difficult to represent views of all the staff. Hard to get the role understood. Misunderstanding between union rep/governor role from staff.

More Meetings with members

## What Works Well and Why?

**Governor Comments:**

I'm not sure what works well for the staff governors. We meet with the CEO which is valuable and we attend departmental staff meetings when we can.

Communication is very good as is honesty and openness. Questions and answers around table at meetings

Free and open discussion within the Council meetings

Well structured governors meetings. Feel like everyone belongs to trust (this has been mentioned by non-staff Govs)

Briefings by executives because they are succinct

Membership Strategy Group due to hard work of a few governors.

Governors on hospital committees (better understanding)

Contributions (some) to governor meetings

Training for those who turn up

Medicine for Members - Educational and contact with members

Membership recruitment and talking to local people about the Trust
What requires further development?

**Governor Comments:**

More involvement with members to find out their views, but how to achieve this is as “meeting members” not well attended.

Raising the profile of staff governors. Improving clarity and reducing ambiguity around the role. Better mechanisms to formally interact with staff members.

On-going training.

More time for fuller discussions

Mentorship of new governors staff or public

Gathering views from staff members

More governors involved in recruitment. More contact with membership. Integration with board membership.

More use of the magazine

2. Agendas & Papers for meetings

**Figure 5: Do you receive them in time to prepare for the meeting?**

<table>
<thead>
<tr>
<th>Answer</th>
<th>Number of Replies</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>12</td>
<td>75%</td>
</tr>
<tr>
<td>Mostly</td>
<td>1</td>
<td>6%</td>
</tr>
<tr>
<td>Sometimes</td>
<td>3</td>
<td>19%</td>
</tr>
</tbody>
</table>

**Governor Comments:**

There is not enough time to read the papers as sometimes they only arrive a couple of days before.
Figure 6: Do they contain sufficient information to allow you to participate in discussions?

<table>
<thead>
<tr>
<th>Answer</th>
<th>Number of Replies</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>14</td>
<td>87%</td>
</tr>
<tr>
<td>Mostly</td>
<td>2</td>
<td>13%</td>
</tr>
</tbody>
</table>

Figure 7: Are they too detailed?

<table>
<thead>
<tr>
<th>Answer</th>
<th>Number of Replies</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sometimes</td>
<td>9</td>
<td>60%</td>
</tr>
<tr>
<td>Mostly</td>
<td>6</td>
<td>40%</td>
</tr>
</tbody>
</table>

Figure 8: Is there information missing that you feel you should be receiving? If yes, please comment:

<table>
<thead>
<tr>
<th>Answer</th>
<th>Number of Replies</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>1</td>
<td>8%</td>
</tr>
<tr>
<td>No</td>
<td>11</td>
<td>92%</td>
</tr>
</tbody>
</table>
**Governor Comments:**

Not sure. Don’t think so, although we might not be aware of what information is missing if we don’t know its relevance.

**Assessment of Board Members**

**What Works Well and Why?**

**Governor Comments:**

Information they contain

Structure and time management. Encouraged to ask questions. Friendly atmosphere

Financial Briefings

Most things are working well due to efforts in setting up Foundation Trust and natural development

Papers received in good time

Information they contain

Structure and time management. Encouraged to ask questions. Friendly atmosphere

**What requires further development?**

**Governor Comments:**

Minutes and agendas for meetings should be circulated a lot sooner to give time to prepare for meeting.

Explanations regarding some items

Time for governors to digest information prior to each meeting (staff govs in particular).

Need papers earlier in order to review them and get chance to digest information

Strategies for motivating members. Keeping up with new NHS/Monitor developments
3. Effective meetings

Figure 9: Does the agenda allow sufficient time for discussion of issues?

<table>
<thead>
<tr>
<th>Answer</th>
<th>Number of Replies</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>4</td>
<td>27%</td>
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<tr>
<td>Mostly</td>
<td>10</td>
<td>66%</td>
</tr>
<tr>
<td>Sometimes</td>
<td>1</td>
<td>7%</td>
</tr>
</tbody>
</table>

Figure 10: Does the Chair ensure that everyone has an opportunity to contribute?

<table>
<thead>
<tr>
<th>Answer</th>
<th>Number of Replies</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>13</td>
<td>87%</td>
</tr>
<tr>
<td>Mostly</td>
<td>2</td>
<td>13%</td>
</tr>
</tbody>
</table>

Figure 11: Is the timing of meetings generally convenient for you? If not please comment in the box below.

<table>
<thead>
<tr>
<th>Answer</th>
<th>Number of Replies</th>
<th>Percentage</th>
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</thead>
<tbody>
<tr>
<td>Yes</td>
<td>13</td>
<td>81%</td>
</tr>
<tr>
<td>Mostly</td>
<td>2</td>
<td>13%</td>
</tr>
<tr>
<td>Sometimes</td>
<td>1</td>
<td>6%</td>
</tr>
</tbody>
</table>
### Figure 12: Do you believe that the time set aside for meetings is adequate?

<table>
<thead>
<tr>
<th>Answer</th>
<th>Number of Replies</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>8</td>
<td>57%</td>
</tr>
<tr>
<td>Mostly</td>
<td>6</td>
<td>43%</td>
</tr>
</tbody>
</table>

### What Works Well and Why?

**Governor Comments:**

- Meets the mandatory requirements.
- Chair is good at controlling meetings and timings generally work very well.
- Governors discuss amongst themselves various problems affecting public.
- That the Chair listens to all views.
- Effective participation by those who want to contribute.
- Well defined agendas.

### What requires further development?

**Governor Comments:**

- Formal meetings still have an element of being communicated at without any real interaction.
- Time for governors to chat around a table on an informal basis.
- Time for discussion with different sections.
- Making senior department managers understand the importance of staff governors especially in these times.
- Governor only meetings informal/formal.
- More input.
When is the most convenient time for the meeting to be held?

**Governor Comments:**
The present timings are convenient for me but should change be required I could still attend.

**Daytime am.**

**Mornings.**

Very dependant of work load and being able to attend.

**No change.**

**Mornings.**

The present timings are convenient for me but should change be required I could still attend.

**Daytime am.**

**Mornings.**

4. Contribution to Strategy

Figure 13: Do you believe that the governors as a whole are able to influence the direction of future strategy?

<table>
<thead>
<tr>
<th>Answer</th>
<th>Number of Replies</th>
<th>Percentage</th>
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</thead>
<tbody>
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<td>Yes</td>
<td>3</td>
<td>23%</td>
</tr>
<tr>
<td>Mostly</td>
<td>5</td>
<td>38%</td>
</tr>
<tr>
<td>Sometimes</td>
<td>3</td>
<td>23%</td>
</tr>
<tr>
<td>No</td>
<td>1</td>
<td>8%</td>
</tr>
<tr>
<td>Don’t Know</td>
<td>1</td>
<td>8%</td>
</tr>
</tbody>
</table>

**Governor Comments:**
Because all governors cannot attend every meeting it would be wrong to think they could influence all board strategy decisions.
Figure 14: Do you believe the Trust responds to needs and preferences of stakeholders especially local communities?

<table>
<thead>
<tr>
<th>Answer</th>
<th>Number of Replies</th>
<th>Percentage</th>
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</thead>
<tbody>
<tr>
<td>Yes</td>
<td>8</td>
<td>67%</td>
</tr>
<tr>
<td>Mostly</td>
<td>3</td>
<td>25%</td>
</tr>
<tr>
<td>Don't Know</td>
<td>1</td>
<td>8%</td>
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</table>

Governor Comments:
Yes but not as a result of Governor input.

Figure 15: Do you feel that you have sufficient information to hold the Board of Directors to account for the performance of the Trust?

<table>
<thead>
<tr>
<th>Answer</th>
<th>Number of Replies</th>
<th>Percentage</th>
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</thead>
<tbody>
<tr>
<td>Yes</td>
<td>5</td>
<td>38%</td>
</tr>
<tr>
<td>Mostly</td>
<td>7</td>
<td>54%</td>
</tr>
<tr>
<td>Sometimes</td>
<td>1</td>
<td>8%</td>
</tr>
</tbody>
</table>

What Works Well and Why?

Governor Comments:
That the Governors are listened to.
Strategy explained in “lay mans terms” by Ian/Peter.

What requires further development?

Governor Comments:
Governors to be more aware of the needs and preferences of their local communities for me to be able to answer yes, where would I find this information?
Open discussions re-problems regarding public.

**How could the Chair/Trust help improve the effectiveness of the Governors?**

**Governor Comments:**
More informal meetings with chair and directors.

To ask Governors for items they wish to have placed on the agenda.

**5. Communication**

**Figure 16:** Do you believe that the Trust communicates effectively with your constituency/stakeholder organisation?

<table>
<thead>
<tr>
<th>Answer</th>
<th>Number of Replies</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>7</td>
<td>54%</td>
</tr>
<tr>
<td>Mostly</td>
<td>5</td>
<td>38%</td>
</tr>
<tr>
<td>Sometimes</td>
<td>1</td>
<td>8%</td>
</tr>
</tbody>
</table>

**Figure 17:** Do you feel there is more governors could do to understand the needs of service users? If yes, what ideas do you have?

<table>
<thead>
<tr>
<th>Answer</th>
<th>Number of Replies</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>4</td>
<td>29%</td>
</tr>
<tr>
<td>Mostly</td>
<td>2</td>
<td>14%</td>
</tr>
<tr>
<td>Sometimes</td>
<td>2</td>
<td>14%</td>
</tr>
<tr>
<td>No</td>
<td>4</td>
<td>29%</td>
</tr>
<tr>
<td>Don’t Know</td>
<td>2</td>
<td>14%</td>
</tr>
</tbody>
</table>
Governor Comments:

I believe generally there is a lack of interest from most service users - like a church - its there for the “use of”.

Get a lot more involved with the Trust, but this comes back to personal restraints.

More contact with service users.

Governors to have more meetings with members.

**Figure 18: Do you believe that you have sufficient interaction with the Directors of the Trust?**

<table>
<thead>
<tr>
<th>Answer</th>
<th>Number of Replies</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
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<td>7</td>
<td>50%</td>
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<td>4</td>
<td>29%</td>
</tr>
<tr>
<td>No</td>
<td>2</td>
<td>14%</td>
</tr>
<tr>
<td>Don’t Know</td>
<td>1</td>
<td>7%</td>
</tr>
</tbody>
</table>

Governor Comments:

As a member of staff and as a Governor.

**Figure 19: Do you feel that there is a good relationship between the Board of Directors and Council of Governors?**

<table>
<thead>
<tr>
<th>Answer</th>
<th>Number of Replies</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>10</td>
<td>72%</td>
</tr>
<tr>
<td>Mostly</td>
<td>3</td>
<td>21%</td>
</tr>
<tr>
<td>Don’t Know</td>
<td>1</td>
<td>7%</td>
</tr>
</tbody>
</table>
How might it be improved, if you think it needs to be:

**Governor Comments:**
An elected member/s could be the COG’s spokesperson on the Board of Directors

---

**Figure 20:** Do you believe that the Trust currently provides the appropriate level of support for you to carry out your role? If not, what more could be done?

<table>
<thead>
<tr>
<th></th>
<th>Answer</th>
<th>Number of Replies</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Yes</td>
<td>7</td>
<td>54%</td>
</tr>
<tr>
<td></td>
<td>Mostly</td>
<td>4</td>
<td>31%</td>
</tr>
<tr>
<td></td>
<td>Sometimes</td>
<td>2</td>
<td>15%</td>
</tr>
</tbody>
</table>

---

**Governor Comments:**
It would have been helpful if when I was appointed Governor that I had a mentor to advise me.

It is difficult to identify what support is needed as a staff governor, or what the expectations are of the staff members and the Board.

Communication is excellent.

With staffing pressures and workloads it is difficult to get the time to carry out the role effectively/as in meeting with staff etc.

---

**What Works Well and Why?**

**Governor Comments:**
Visits to various departments and being allowed on the coal face.

Study days give governors a chance to air their views and opinions.

Some of the staff governors have difficulty being released for the sessions that are held.

---

**What requires further development?**

**Governor Comments:**
As a public governor I only see the Directors at the quarterly meetings. Your suggestion for informal meetings could be beneficial as they don’t know me either.
Understanding role and expectations of staff governor.

More governors to attend meetings and dates sometimes adjusted to suit a good number.

**How would you improve the effectiveness of the Governors?**

**Governor Comments:**

Possibly more seminars and workshops to inform us of the day to day workings of the Trust. I realise some Governors won’t have time as they do work.

Interaction and communication with members.

Directors to discuss with more governors not just a selective few.

Having an independent meeting of governors under Trust Chairman.

More Training.

**General Comments:**

In addition to making comments in relation to each statement the appraisal tool allows for general comments to be made. Those general comments were:

I do find the role of public governor rewarding but the first years are about finding your role, then being able to make a worthwhile contribution. Becoming a member of the sub-committees is very helpful as then you realise just how much work goes into making the Trust work and the commitment to patient care. The Western constituency is a fair distance from the Queen Elizabeth where the majority of Members meetings – ie Medicine for Members are held. Do you think having maybe one at the Blaydon Walk in Centre would encourage members from this area? We need to do more to give information to them.

As a Governor it would be impossible to be “au fait” with every aspect of the Trust or indeed to attend every event and meeting. However, I feel the current system works very well as with anything of this nature there is always a continual learning curve.

On the whole I think the governors are coping well and learning all the time about the hospital trust.

**Conclusion:**

This is a positive appraisal of the work of the Council of Governors in 2011.

In those areas where negative responses have been received a range of work has been included in an action plan which is attached as Appendix A.

The Council of Governors is invited to receive this report and discuss the analysis and action plan provided within the paper.
## Council of Governors’ 2011 Appraisal - Action Plan

<table>
<thead>
<tr>
<th>Actions</th>
<th>Progress</th>
<th>Actioned by</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Include a list of Governors names and photos regularly in Newsletter</td>
<td>New Governors will be added to January 2012 newsletter followed by one Constituency each issue</td>
<td>JW</td>
<td>January 2012</td>
</tr>
<tr>
<td>More use of Trust Magazine</td>
<td>Current review of Membership Newsletter to include suggestions from recent Membership Newsletter Audit.</td>
<td>JW</td>
<td>January 2012</td>
</tr>
<tr>
<td>No robust mechanism for staff governors to engage with staff</td>
<td>Staff Governors to meet with Interim Head of Communication to discuss strategy</td>
<td>PF</td>
<td>December 2011</td>
</tr>
<tr>
<td>Raising the profile of staff governors. Improving clarity and reducing ambiguity around the role.</td>
<td>As above.</td>
<td>PF</td>
<td>December 2011</td>
</tr>
<tr>
<td>Little contact with the vast majority of members</td>
<td>Following a presentation to the Council of Governors in November 2012, a plan is in place for Governors to begin to communicate with Members on a number of Trust priorities beginning December 2012</td>
<td>DS</td>
<td>December 2011</td>
</tr>
<tr>
<td>Difficult to gather views – no one comes forward and asks questions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>More involvement with members.</td>
<td>Following a presentation to the Council of Governors in November 2012, a plan is in place for Governors to begin to communicate with Members on a number of Trust priorities beginning December 2011</td>
<td>DS</td>
<td>December 2011</td>
</tr>
<tr>
<td>Having a Medicine for Members event in the West within Blaydon Walk in Centre.</td>
<td>There is a plan to hold an event in January 2012 in the Blaydon Primary Care Centre specifically for Members in the West.</td>
<td>DS</td>
<td>January 2012</td>
</tr>
<tr>
<td>On going training</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Actions</td>
<td>Progress</td>
<td>Actioned by</td>
<td>Date</td>
</tr>
<tr>
<td>------------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------</td>
<td>-------------</td>
<td>---------------</td>
</tr>
<tr>
<td>More seminars and workshops</td>
<td>The Trust currently arrange one development day and four workshops a year. These events are poorly attended by Governors.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mentorship of new Governors staff or public</td>
<td>New Governors elected in December 2011 will be buddied with one of our more experienced Governors.</td>
<td>DS</td>
<td>January 2012</td>
</tr>
<tr>
<td>More Governors involved in recruitment.  More contact with membership.</td>
<td>Staff Governor papers are now delivered by hand.</td>
<td>DS/J W</td>
<td>November 2011</td>
</tr>
<tr>
<td>Not enough time to read papers as they only arrive a couple of days before.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strategies for motivating members requires further development.</td>
<td>New Strategy for Membership in conjunction with Paul Frank, Interim Head of Communication and Interim Patient, Carer and Public Involvement to begin in December 2011.</td>
<td>DS/PF</td>
<td>Dec 2011</td>
</tr>
<tr>
<td>Governors need to be aware of the needs and preferences of their local communities.</td>
<td>As above</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Governors only meeting informal/formal</td>
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<td></td>
<td></td>
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<tr>
<td>More informal meetings with Chair and Directors</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Integration with Board Membership</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Governors to be asked for agenda items for Council of Governors.</td>
<td></td>
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</tbody>
</table>
Background:

The Trust’s Terms of Authorisation, which includes the Constitution, were adopted by the Council of Governors at its meeting held on 13 January 2005 and subsequently reviewed in September 2006 and February 2008.

A Governor/Non-Executive working group met in November 2010 to consider and agree areas of the Constitution for review and revision.

Process:

The process taken to review the constitution has included:

- establishing a Governor/Non-Executive group to review
- discussion at the Council of Governors in November 2010 to consider and approve the review
- presentation for approval at the Council of Governor meetings in February 2011, and November 2011. The Constitution was not approved due to the requisite number of governors not being present at both meetings.

Feedback on Proposed Amendments/Revisions:

As a result of the feedback from the Council of Governors at its meeting in November, the Trust and the working group has agreed the following amendments:

- **Maximum Term of Office**

  Section 7.9.1(c), 7.9.2(c), 7.9.3(c), 7.9.4(c), 7.9.5(c), and 7.9.6(c), shall be amended to read:

  - may not hold office for longer than nine **consecutive** years;

- **Calling of Meetings of the Council of Governors**

  The Council of Governor’s Meeting held in September will become the Trust’s Annual General Meeting of the Board of Governors/Annual Members Meeting which will incorporate the receipt by governors of the Trust’s Annual Accounts, any report of the auditor on them and the annual report.

  Annex 2 section 1.3 will therefore be amended to read:

  - Meetings of the Council of Governors shall be held at least four times each year inclusive of an Annual General Meeting/Annual Members Meeting, at times and places that the Council of Governors may determine.
• **Rules of Procedure for Members Meetings**

  This annex will be removed as it is not relevant, and does not reflect the guidance provided by Monitor in the Model Core Constitution (2008).

• **Succession Planning**

  Annex 4 – Figure 3 – Succession Planning – to be removed as no longer relevant.

• **Approval Process**

  Section 19.2 shall be amended to read “No proposals for amendment of this Constitution will be put to the Independent Regulator unless it has been approved by three quarters of the Council of Governors in attendance at any meeting of the Governors”.

  A revised copy of the Constitution reflecting all of the above changes is attached as Appendix 1 to this paper.

**Recommendation:**

The Council of Governors is asked to:

  i) approve the insertions in **blue** and deletions in **red** and struck out to the Constitution identified in the attached draft document

  ii) agree that the revised constitution should be forwarded to Monitor for formal approval

  iii) note that the existing Constitution will remain in place until confirmation is received from Monitor that the revised Constitution is approved.

**Mr ID Renwick**

Chief Executive
Gateshead Health NHS Foundation Trust

(A Public Benefit Corporation)

Constitution

2012

Amendments in Blue
Deletions in Red
# Table of Contents

<table>
<thead>
<tr>
<th>Paragraph</th>
<th>Page</th>
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<tbody>
<tr>
<td>1</td>
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<td>Definitions</td>
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<td>Instruments etc</td>
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<td>Amendment of the Constitution</td>
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<td>Annex 1</td>
<td>23</td>
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<td>Public Constituencies of the Trust</td>
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<td>Practice and Procedure for Meetings</td>
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<td><strong>Rules of Procedure for Members Meetings (to be deleted)</strong></td>
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<td>Annex 4-3</td>
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<tr>
<td>The Rules for Elections</td>
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<td>Annex 5-4</td>
<td>54</td>
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<tr>
<td>Governor’s Code of Conduct</td>
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</table>
Unless the contrary intention appears or the context otherwise requires, words or expressions contained in this constitution bear the same meaning as in the 2003 Act.

References in this constitution to legislation include all amendments, replacements, or re-enactments made.

References to legislation include all regulations, statutory guidance or directions.

Headings are for ease of reference only and are not to affect interpretation.

Words importing the masculine gender only shall include the feminine gender; words importing the singular shall include the plural and vice-versa.

1. Definitions

1.1 In this Constitution:-

"the 2003 Act" means the Health and Social Care (Community Health and Standards) Act 2003;

“the 1977 Act” means the National Health Service Act 1977;

“applicant NHS Trust” means the NHS Trust which made the application to become an NHS Foundation Trust;

“area of the Trust” means the area consisting of all the areas specified in Annex 1 as an area for a Public Constituency;

“Board of Directors” means the Board of Directors as constituted in accordance with this Constitution;

“Council of Governors” means the Council of Governors as constituted in accordance with this Constitution;

"Director" means a Director on the Board of Directors;

“Financial year” means:

(a) the period beginning with the date on which the Trust is authorised and ending with the next 31st March; and

(b) each successive period of twelve months beginning with 1st April.

“Independent Regulator” means the Regulator for the purposes of Part I of the 2003 Act;

“Local Authority Governor” means a Member of the Council of Governors appointed by one or more Local Authorities whose area includes the whole or part of an area specified in Annex 1 as an area for a Public Constituency;

"Member" means a Member of the Trust;

“other partnership Governor” means a Member of the Council of Governors appointed by a partnership organisation other than a Primary Care Trust or university providing a medical or dental school to the Trust specified in paragraph 7.3;
“PCT Governor” means a Member of the Council of Governors appointed by a Primary Care Trust for which the Trust provides goods or services;

“Public Governor” means a Member of the Council of Governors elected by the Members of the Public Constituency;

“Patient Governor” means a Member of the Council of Governors elected by the Members of the Patient Constituency;

"Secretary" means the Secretary of the Trust or any other person appointed to perform the duties of the Secretary of the Trust, including a joint, assistant or deputy Secretary;

“Staff Governor” means a Member of the Council of Governors elected by the Members of the Staff Constituency

“the Trust” means the Gateshead Health NHS Foundation Trust;

2. Name

2.1 The name of this Trust is to be “Gateshead Health NHS Foundation Trust”.

3. Principal Purpose

3.1 The Trust’s principal purpose is the provision of goods and services for the purposes of the Health Service in England.

4. Other Purposes

4.1 The purpose of the Trust (as required by the 2003 Act) is to provide goods and services for purposes related to the provision of health care in accordance with its statutory duties and the terms of the Independent Regulator’s authorisation.

4.2 The Trust may also carry on activities other than those mentioned above subject to any restrictions in the Independent Regulator’s authorisation. These activities must be for the purpose of making additional income available to facilitate the Trust’s principal purpose better.

4.3 The function of the Trust is to provide goods and services, including education and training, research, accommodation and other facilities, for purposes related to the provision of health care.

5. Powers

5.1 The Trust is to have all the powers of an NHS Foundation Trust as set out in the 2003 Act, subject to the terms of authorisation.

6. Members

6.1 The Trust is to initially have five Membership Constituencies, namely:

(a) Three “Public Constituencies”;

(b) One “Staff Constituency”

(c) One “Patient Constituency”
6.2 Public Constituencies:

6.2.1 The Trust will have three Public Constituencies (Western, Central and Eastern Gateshead). Members of the Public Constituencies are to be individuals who live in the area of the Trust which is listed in Annex 1:

(a) who live in the area specified in for that Constituency (in the corresponding entry in column 2 of Annex 1);

(b) who are not eligible to become a Member of the staff Constituency and are not Members of any other Constituency or otherwise disqualified for Membership under paragraph 6.4; and

subject to clause 6.3 below, have each made an application for membership to the Trust.

6.2.2 The minimum number of Members required for each Public Constituency is to be the number given for that Constituency in column 3 of Annex 1 of the Public Constituencies.

6.3 Staff Constituency:

The Staff Constituency is to be divided into one Constituency.

6.3.1 Members of the Trust who are Members of the Staff Constituency are to be individuals:

(a) who are employed under a contract of employment by the Trust; or

(b) who are not so employed but who nevertheless exercise functions for the purposes of the Trust; and

(c) who satisfy the minimum duration requirements set out in paragraph 3(3) of Schedule 1 to the 2003 Act, that is to say:

(i) in the case of individuals described at (a) above:

(aa) who are employed by the Trust under a contract of employment which has no fixed term or a fixed term of at least 12 months, or

(bb) who have been continuously employed by the Trust for at least 12 months;

(ii) in the case of individuals described at (b) above, who have exercised the functions for the purposes of the Trust for a continuous period of 12 months; and

(d) who are not disqualified for Membership under paragraph 6.4 below; and who have been invited by the Trust to become a Member of that Constituency and have not informed the Trust that they do not wish to do so.

6.3.2 The minimum number of Members required for the Staff Constituency is 2,000.

6.3.3 A person who is eligible to be a Member of the Staff Constituency (see paragraph 6.3.1 above) may not become or continue as a Member of any Constituency other than the staff Constituency.
6.4 Patient Constituency:

6.4.1 Members of the Trust who are Members of the Patient Constituency are to be:

(a) Individuals who live outside the area of the Trust which is listed in Annex 1.

(b) Individuals who are over the age of 16 years and have at any time during the 7 years immediately preceding the date of their application attended any of the Trust’s hospitals as a patient.

(c) Individuals who have attended any of the Trust’s hospitals as a carer of a patient within the 7 years immediately preceding the date of their application for membership and had domestic responsibility for the care of the patient once they have received their treatment from the Trust (other than an individual providing care in pursuance of a contract (including a contract of employment) or as a volunteer for a voluntary organisation.

Those individuals who are eligible for membership of the Trust by reason of the previous provisions are referred to collectively as the Patient Constituency.

6.4.2 The minimum number of Members required for the Patient Constituency is to be the number given for that Constituency in column 3 of Annex 1 of the Public Constituencies.

6.5 Disqualification for Membership:

6.5.1 A person may not be a Member of the Trust if they are under 16 years of age.

6.5.2 It is the responsibility of Members to ensure their eligibility and not the Trust, but if the Trust is on notice that a Member may be disqualified from Membership, they shall carry out all reasonable enquiries to establish if this is the case.

6.6 Termination of Membership:

6.6.1 A Member shall cease to be a Member if he/she:

(a) resigns by notice to the Trust Secretary;

(b) ceases to fulfil the requirements of paragraph 6.2 or 6.3;

(c) they die;

(d) is disqualified from membership under paragraph 6.5.

6.7 Voting at Governor Elections:

6.7.1 A person may not vote at an election for a Public Governor unless within the specified period he/she has made a declaration in the specified form stating the particulars of his/her qualification to vote as a Member of the constituency, identifying the section for which he/she is a Member, for which an election is being held. It is an offence knowingly or recklessly to make such a declaration which is false in a material particular.

7. Council of Governors

7.1 The Trust is to have a Council of Governors. It is to consist of Public Governors, Staff Governors, PCT Governors, Local Authority Governors, Patient Governors, and other Partnership Governors.
7.2 The Council of Governors of the Trust is to include:

(a) 16 Public Governors
(b) 6 staff Governors
(c) 1 PCT Governor
(d) 1 Local Authority Governor
(e) 7 partnership Governors
(f) 1 Patient Governor

The aggregate number of Public and Patient Governors together, comprise more than half the total Membership of the Council.

7.3 The only organisations specified as partnership organisations that may appoint a Member of the Council of Governors are Newcastle University, Northumbria University, Gateshead College, Gateshead Voluntary Organisation Council (voluntary partner), Gateshead Jewish Community Council, Gateshead Diversity Forum and Gateshead Youth Assembly.

7.4 Public Governors:

7.4.1 Members of the Public Constituency may elect any of their number to be a Public Governor.

7.4.2 If contested, the election must be by secret ballot.

7.4.3 The Election Scheme including the specified forms of and periods for declarations to be made by candidates standing for office and Members as a condition of voting and the process if the election is uncontested, is set out in Annex 4, Part 4.

7.4.4 A person may not stand for election to the Council as a Public Governor unless, within the period specified in Annex 4, Part 4, he/she has made a declaration in the form specified in that Part of that Annex of his/her qualification to vote as a Member of the Public Constituency for which the election is being held and is not prevented from being a Member of the Council by paragraph 8 to Schedule 1 of the 2003 Act or paragraph 7.12 below (disqualification). It is an offence to knowingly or recklessly make a declaration under section 36 of the 2003 Act which is false in a material particular.

7.4.5 Paragraph 6.7.1 (voting at Governor elections) applies.

7.5 Staff Governors:

7.5.1 Members of the staff Constituency may elect any of their number to be a staff Governor.

7.5.2 If contested, the election must be by secret ballot.

7.5.3 The Election Scheme, including the process if the election is uncontested, is set out in Annex 4, Part 4.

7.6 PCT Governors:

7.6.1 Gateshead Primary Care Trust is authorised to appoint one PCT Governor pursuant to a process agreed by the Primary Care Trust and the Trust. Where a
PCT Governor post falls vacant, the PCT will appoint another Governor within three months of the Trust Secretary having received notification that the post is vacant.

7.7 Local Authority Governors

7.7.1 Gateshead Council are authorised to appoint one Local Authority Governor pursuant to a process agreed by that Local Authority and the Trust. Where a Local Authority Governor post falls vacant, the Local Authority will appoint another Governor within three months of the Trust Secretary having received notification that the post is vacant.

7.8 Other Partnership Governors:

7.8.1 Newcastle University, Northumbria University, Gateshead College and Gateshead Voluntary Organisation Council, Gateshead Jewish Community Council, Gateshead Diversity Council, and Gateshead Youth Assembly are authorised to appoint one Governor each pursuant to a process agreed by those organisations and the Trust. Where a Partnership Governor post falls vacant, the relevant organisation will appoint another Governor within three months of the Trust Secretary having received notification that the post is vacant.

7.9 Terms of Office:

7.9.1 Public Governors:

(a) may hold office for a period of three years;
(b) are eligible for re-election at the end of that period;
(c) may not hold office for longer than nine consecutive years;
(d) cease to hold office if they cease to be a Member of the Public Constituency to which they are elected.

7.9.2 Staff Governors:

(a) may hold office for a period of three years;
(b) are eligible for re-election at the end of that period;
(c) may not hold office for longer than nine consecutive years;
(d) cease to hold office if they cease to be a Member of the staff Constituency.

7.9.3 PCT Governors:

(a) may hold office for a period of three years;
(b) are eligible for reappointment at the end of that period;
(c) may not hold office for longer than nine consecutive years;
(d) cease to hold office if the sponsoring primary care Trust withdraws its sponsorship of them.

7.9.4 Local Authority Governors:

(a) may hold office for a period of three years;
(b) are eligible for reappointment at the end of that period;
(c) may not hold office for longer than nine **consecutive** years;
(d) cease to hold office if the sponsoring Local Authority withdraws its sponsorship of them.

7.9.5 **Other Partnership Governors:**

(a) may hold office for a period of three years;
(b) are eligible for reappointment at the end of that period;
(c) may not hold office for longer than nine **consecutive** years;
(d) cease to hold office if the sponsoring partnership organisation withdraws its sponsorship of them.

7.9.6 **Patient Governors:**

(a) may hold office for a period of three years;
(b) are eligible for reappointment at the end of that period;
(c) may not hold office for longer than nine **consecutive** years;
(d) cease to hold office if they cease to be a Member of the Patient Constituency to which they are elected.

7.10 **Termination of Tenure:**

7.10.1 A Governor may resign from that office at any time during the term of that office by giving notice in writing to the Trust Secretary.

7.10.2 If a Governor fails to attend three consecutive meetings of the Council of Governors, his/her tenure of office is to be immediately terminated unless the other Governors are satisfied that:

(a) the absence was due to a reasonable cause; and

(b) he/she will be able to start attending meetings of the Trust again within such a period, as they consider reasonable.

7.10.3 A Governor’s tenure of office may be terminated if he/she declines to submit to a CRB check and/or if the Council of Governors reasonably considers, after due consideration in accordance with the procedures set out in its standing orders, and the requirements of Annex 5:4 Code of Conduct, that he/she is unfit to discharge the functions of a Governor.

7.11 **Disqualification**

7.11.1 A person may not become or continue as a Governor of the Trust if:

(a) in the case of a staff Governor or public Governor, he/she ceases to be a member of the constituency he/she represents;
(b) in the case of a PCT Governor, Local Authority Governor or other partnership Governor, the sponsoring PCT, Local Authority, or partnership organisation withdraw their sponsorship of him/her;

(c) he/she has been adjudged bankrupt or his/her estate has been sequestrated and in either case he/she has not been discharged;

(d) he/she has made a composition or arrangement with, or granted a trust deed for, his/her creditors and has not been discharged in respect of it;

(e) he/she has within the preceding five years been convicted in the British Islands of any offence, and a sentence of imprisonment (whether suspended or not) for a period of three months or more (without the option of a fine) was imposed on him/her;

(f) he/she has within the preceding two years been dismissed, from any paid employment for misconduct with a health service body;

(g) he/she is a person whose tenure of office as the chairman or as a member or director of a health service body has been terminated on the grounds that his/her appointment is not in the interests of the health service, for non attendance at meetings, or for non-disclosure of a pecuniary/non-pecuniary interest;

(h) he/she is an Executive or Non-Executive Director of the Trust, or a Governor, Non-Executive Director, Chairman, Chief Executive officer of another NHS Trust;

(i) he/she has had his/her name removed, by a direction under section 46 of the 1977 Act from any list prepared under Part II of that Act, and has not subsequently had his/her name included in such a list;

(j) he/she is incapable by reason of mental disorder, illness or injury of managing and administering his/her property and affairs;

(k) he/she has failed to comply with the required standard of behaviour as per the Trust policy for withholding treatment from violent and abusive patients;

(l) he/she has been placed on the Registers of schedule 1 Offenders pursuant to the Sex Offenders Act 1977 and/or the Children & Young Person Act 1933;

(m) he/she fails to abide by the constitution as set out in this document;

(n) in the case of a staff Governor who has been suspended from duties for any reason, they will also be suspended from their role as Governor for the duration of their suspension;

(o) he/she is under 16 years of age;

(p) he/she has failed to undertake the required training for Governors;

(q) 3/4 of all governors agree, they can exclude anyone so disqualified from standing from re-election to be a governor of the Foundation Trust for up to a maximum of 5 years. Any such exclusion will take immediate effect and must then be confirmed in writing to the person excluded within 15 working days. At the end of an exclusion period, the exclusion must be explicitly reconsidered if the person so excluded indicates to the Trust Secretary that they wish to stand again for election to become a governor of the
Foundation Trust. If the exclusion is then reaffirmed, the reasoning and length of exclusion should be given in writing to the person excluded and also included in the public papers of the Council of Governors.

7.11.2 Where a person has been elected or appointed to be a Governor and he/she becomes aware that he/she is disqualified for appointment under paragraph 7.11.1, he/she shall notify the Trust Secretary in writing of such disqualification. If it comes to the notice of the Trust Secretary at the time of his/her appointment or later that the Governor is so disqualified, he/she shall immediately declare that the person in question is disqualified and notify him/her in writing to that effect.

Upon receipt of any such notification, that person’s tenure of office, if any, shall be terminated and he/she shall cease to act as a Governor.

7.12 Vacancies:

7.12.1 Where membership of the Council of Governors ceases for one of the reasons set out in paragraphs 7.10 or 7.11 above or through death in service:

(a) public and staff Governors shall be replaced at the next annual election in accordance with the relevant Electoral Scheme set out in Annex 4; 3

(b) should the vacancy affect the quorum or representation of a constituency for a period exceeding six months, a by-election shall be held in accordance with the relevant Electoral Scheme set out in Annex 4; 3

(c) PCT, Local Authority and Partnership Governors shall be replaced in accordance with the processes agreed pursuant to paragraphs 7.6 to 7.8

7.13 Roles and Responsibilities of Governors:

7.13.1 The roles and responsibilities of the Governors are:

(a) At a General meeting:

(i) to appoint or remove the Chairman and the other Non-Executive Directors. The initial Chairman appointed by the Council of Governors is to be the Chairman of the applicant NHS Trust if he/she wishes to be appointed. The other initial Non-Executive Directors appointed by the Council of Governors are, so far as possible, to be Non-Executive Directors (other than the Chairman) of the applicant Trust who wish to be appointed. The removal of a Non-Executive Director requires the approval of three-quarters of all the Council of Governors;

(ii) to decide the remuneration and allowances, and the other terms and conditions of office, of the Non-Executive Directors;

(iii) to appoint or remove the Trust’s auditor at a general meeting of the Board;

(iv) to be presented with and consider the annual accounts, any report of the auditor on them and the annual report;

(b) to approve (by a majority of the Council of Governors voting) an appointment (by the Chairman and Non-Executive Directors) of the Chief
Executive other than the initial Chief Executive of the Trust appointed in pursuance of paragraph 19(6) of Schedule 1 to the 2003 Act;

(c) to give the views of the Council of Governors to Directors for the purposes of the preparation (by the Directors) of the document containing information as to the Trust’s forward planning in respect of each financial year to be given to the Independent Regulator;

(d) to respond as appropriate when consulted by the Directors;

(e) to carry out other duties as agreed with Directors from time to time.

7.14 Expenses:

7.14.1 The Trust may pay travelling and other expenses to Governors at such rates as it decides. The Board of Directors will consider appropriate rates taking independent financial advice before implementing such rates. These rates will be published in the Trust’s annual report.

7.14.2 The remuneration and allowances for Non-Executive Directors are to be set by the Council of Governors (after taking independent advice) and are also to be published in the Trust’s annual accounts.

7.15 Remuneration:

7.15.1 Governors are not to receive remuneration.

7.16 Meetings:

7.16.1 The Chairman of the Trust or, in his/her absence, another Non-Executive Director will preside at meetings of the Council of Governors. The Chairman or Non-Executive Director may have a casting vote, provided that he/she may not exercise that casting vote if he/she is conflicted on an issue. If this is the case, the Council of Governors shall elect a public Governor from their number to preside over the meeting who shall exercise the casting vote.

7.16.2 Meetings of the Council of Governors are to be open to members of the public except in the following circumstances:

(a) during the consideration of any material or discussion in relation to a named person employed by or proposed to be employed by the Trust;

(b) during the consideration of any material or discussion in relation to a named person who is or has been or is likely to become a patient of the Trust or a carer in relation to such patient;

(c) during the consideration of any matter, which, by reason of its nature, the Council is satisfied, should be dealt with on a confidential basis.

7.16.3 Members of the Council of Governors will only receive patient and staff identifiable level information where the Council of Governors has satisfied itself that this is necessary for it to be able to meet its responsibilities and duties.

7.16.4 The Council of Governors is to meet at least twice a year.

7.16.5 At a general meeting in September, the Council of Governors is to receive and consider the annual accounts, any report of the auditor on them, and the annual report.
7.16.6 The Council of Governors will adopt its own standing orders for its practice and procedure, in particular for its procedure at meetings (including general meetings), but these shall be in accordance with Annex 2.

7.16.7 A Governor elected to the Council by the Public Constituency, or the staff Constituency may not vote at a meeting of the Council unless, at least 10 working days before the meeting he/she has made a declaration in the form specified stating which Constituency he/she is a Member of and is not prevented from being a Member of the Council under this Constitution.

7.16.8 The form referred to in paragraph 7.16.7 is provided in Annex 4.3.

7.17 Committees and sub-committees:

7.17.1 The Council of Governors may appoint committees consisting of its Members to assist it in carrying out its functions. A committee appointed under this paragraph may appoint a sub-committee.

7.17.2 These committees or sub-committees may call upon outside advisers to help them in their tasks.

7.18 Declaration of Interests of Governors:

7.18.1 Declaration of Interests:

If a Governor has a pecuniary or non-pecuniary interest, whether direct or indirect, in any contract, proposed contract or other matters which are under consideration by the Council of Governors, he/she shall disclose that to the rest of the Council of Governors as soon as he/she is aware of it. The Council of Governors shall adopt standing orders specifying the arrangements for excluding Governors from discussion or consideration of the contract or other matter, as appropriate.

7.18.2 For avoidance of doubt, interests that should be disclosed include, but are not limited to:

(a) directorships, including Non-Executive directorships held in private companies or PLCs with the exception of those of dormant companies;

(b) ownership, part ownership or directorship of private companies, business or consultancies likely or possibly seeking to do business with the NHS;

(c) majority or controlling shareholdings in organisations likely or possibly seeking to do business with the NHS;

(d) a position of authority in a charity or voluntary organisation in the field of health and social care;

(e) any connection with a voluntary or other organisation in the field of health and social care;

(f) to the extent not covered above, any connections with an organisation, entity or company considering entering into or having entered into a financial arrangement with the Trust, including but not limited to, lenders or banks

7.18.3 If a Governor has any doubt about the relevance or materiality of an interest, the Governor shall discuss this with the Chairman.
7.18.4 At the time the interests are declared, they shall be recorded in the minutes of the Council of Governors meeting as appropriate. Any changes of interests of a Governor shall be officially declared at the next meeting of the Council as appropriate, following the change occurring. It is the obligation of the Governor to inform the Trust Secretary in writing within seven days of becoming aware of the existence of a relevant or material interest. The Trust Secretary will amend the register within three working days.

7.18.5 Directorships of companies in 7.18.2 (a) above or in companies likely or possibly seeking to do business with the NHS in 7.18.2 (b) above should be published in the Council's annual report. The information should be kept up to date for inclusion in succeeding annual reports.

8 Board of Directors:

8.1 The Trust is to have a Board of Directors. It is to consist of Executive and Non-Executive Directors.

8.2 The Board is to include:

(a) the following Non-Executive Directors:

(i) a Chairman;

(ii) seven other Non-Executive Directors;

(b) the following Executive Directors:

(i) a Chief Executive;

(ii) a Finance Director;

(iii) five other Executive Directors, one of whom is to be a registered medical practitioner or a registered dentist (within the meaning of the Dentists Act 1984) and another of whom is to be a registered nurse or registered midwife.

8.3 Subject to paragraph 8.3.1 below, only a Member of the Public Constituency or Patient Constituency is eligible for appointment as a Non-Executive Director.

8.3.1 Paragraph 8.3 above does not apply to the appointment of any initial Non-Executive Director in pursuance of paragraph 19 of Schedule 1 to the 2003 Act.

8.4 Subject to the provisions in paragraph 8.5.1 regarding initial appointments, Non-Executive Directors are to be appointed in accordance with a process that may include open competition. This process will be agreed by the Council of Governors.

8.4.1 The validity of any act of the Trust is not affected by any vacancy among the Directors or by any defect in the appointment of any Director.

8.5 Terms of Office:

8.5.1 The Chairman and the Non-Executive Directors are to be appointed for a period of office in accordance with the terms and conditions of office decided by the Council of Governors at a general meeting.

8.5.2 The Chief Executive (and accounting officer) shall hold offices for a period in accordance with the terms and conditions of office decided by the relevant committee of Non-Executive Directors; (or, pending the establishment of such a
committee, in accordance with the terms and conditions decided by the applicant NHS Trust Board of Directors). The appointment requires the approval of the Council of Governors.

8.5.3 The Executive Directors, other than the Chief Executive shall hold office for a period in accordance with the terms and conditions decided by the relevant committee of Non-Executive Directors; (or, pending the establishment of such a committee, in accordance with the terms and conditions decided by the applicant NHS Trust Board of Directors).

8.6 Disqualification:

8.6.1 A person may not be a Director of the Trust if:

(a) he/she has been adjudged bankrupt or his/her estate has been sequestrated and in either case he/she has not been discharged;

(b) he/she has made a composition or arrangement with, or granted a Trust deed for, his/her creditors and has not been discharged in respect of it;

(c) he/she has within the preceding five years been convicted in the British Islands of any offence, and a sentence of imprisonment (whether suspended or not) for a period of three months or more (without the option of a fine) was imposed on him/her;

(d) in the case of a Non-Executive Director, he/she no longer satisfies paragraph 8.3.

(e) he/she is a person whose tenure of office as a Chairman or as a Member or Director of a Health Service body has been terminated on the grounds that his/her appointment is not in the interests of public service, for non attendance at meetings, or for non-disclosure of a pecuniary/non-pecuniary interest;

(f) he/she has within the preceding two years been dismissed, from any paid employment for misconduct with a Health Service body;

(g) he/she is an Executive Director of the Trust, or a Governor, Non-Executive Director, Chairman, Chief Executive officer of another NHS Trust;

(h) he/she is incapable by reason of mental disorder, illness or injury of managing and administering his/her property and affairs;

(i) he/she brings the Board of Directors or any of its Member organisations into disrepute;

(j) he/she has failed to comply with the required standard of behaviour as per the Trust policy for withholding treatment from violent and abusive patients;

(k) he/she has had his name removed, by a direction under section 46 of the 1977 Act from any list prepared under Part II of that Act, and has not subsequently had his/her name included in such a list;

(l) he/she has been placed on the Registers of schedule 1 Offenders pursuant to the Sex Offenders Act 1977 and/or the Children & Young Person Act 1933;

(m) he/she fails to abide by the Constitution as set out in this document;

(n) he/she is under 16 years of age;

(o) he/she has failed to undertake the required training for Directors.
8.7 **Roles and Responsibilities:**

8.7.1 The powers of the Trust are to be exercisable by the Board of Directors on its behalf.

8.7.2 Any of those powers may be delegated to a committee of Directors or to an Executive Director.

8.7.3 A committee of Non-Executive Directors established as an audit committee is to monitor, review and carry out such other functions as may be delegated to it by the Board.

8.7.4 It is for the Chairman and Non-Executive Directors to appoint (subject to the approval of the Council of Governors) or remove the Chief Executive (and accounting officer). The initial Chief Executive (and accounting officer) is to be the chief officer of the applicant NHS Trust if he/she wishes to be appointed.

8.7.5 It is for a committee consisting of the Chairman, the Chief Executive (and accounting officer) and other Non-Executive Directors to appoint or remove the Executive Directors.

8.7.6 It is for the Governors at a meeting of the Council of Governors to appoint or remove the Chairman or other Non-Executive Director/s. The removal of the Chairman or a Non-Executive Director requires the approval of three-quarters of the Council of Governors.

8.7.7 The Trust is to establish a committee of Non-Executive Directors to decide the remuneration and allowances, and the other terms and conditions of office, of the Executive Directors (Remuneration Committee). Pending the establishment of such a committee, Executive Directors of the applicant NHS Trust appointed to the Trust will be appointed on their current terms and conditions at the point at which the Trust is established.

8.7.8 The Directors, having regard to the views of the Council of Governors, are to prepare the information as to the Trust’s forward planning in respect of each financial year to be given to the Independent Regulator.

8.7.9 The Directors are to present to the Council of Governors at a general meeting the annual accounts, any report of the auditor on them, and the annual report.

8.7.10 The functions of the Trust under sub-paragraphs (a) and (b) of paragraph 14.6 below are delegated to the Chief Executive as accounting officer.

9 **Meetings of Directors**

9.1 The Board of Directors, in consultation with the Council of Governors, is to adopt Standing Orders covering the proceedings and business of its meetings. These are to include setting a quorum for meetings, both of Executive and Non-Executive Directors. The proceedings shall not however be invalidated by any vacancy of its Membership, or defect in a Director’s appointment.

9.2 The Chairman may have a casting vote, provided that he/she may not exercise it if he/she is conflicted on an issue. If this is the case the meeting of the Board of Directors shall be presided over by another Non-Executive Director and that Non-Executive Director shall exercise the casting vote provided he/she is not conflicted on that issue.
10 Declaration of Interest of Directors

The functions of the Trust under sub-paragraphs (a) and (b) of paragraph 14.6 below are delegated to the Chief Executive as accounting officer.

10.1 Declaration of Interests:

If a Director has a pecuniary or non-pecuniary interest, whether direct or indirect, in any contract, proposed contract or other matter which is under consideration by the Board, he/she shall disclose that to the rest of the Board as soon as he/she is aware of it. The Board of Directors, in consultation with the Council of Governors, shall adopt Standing Orders specifying the arrangements for excluding Directors from discussion or consideration of the contract or other matter, as appropriate.

10.1.1 For avoidance of doubt, interests that should be disclosed include, but are not limited to:

(a) directorships, including Non-Executive directorships held in private companies or PLCs with the exception of those of dormant companies;

(b) ownership, part ownership or directorship of private companies, business or consultancies likely or possibly seeking to do business with the NHS;

(c) majority or controlling share holdings in organisations likely or possibly seeking to do business with the NHS;

(d) a position of authority in a charity or voluntary organisation in the field of health and social care;

(e) any connection with a voluntary or other organisation in the field of health and social care;

(f) to the extent not covered above, any connections with an organisation, entity or company considering entering into or having entered into a financial arrangement with the Trust, including but not limited to, lenders or banks.

10.1.2 If a Director has any doubt about the relevance or materiality of an interest, the Director shall discuss this with the Chairman.

10.1.3 At the time the interests are declared, they shall be recorded in the minutes of the Board of Directors meeting as appropriate. Any changes of interests of a Director shall be officially declared at the next meeting of the Board as appropriate, following the change occurring. It is the obligation of the Director to inform the Trust Secretary in writing within seven days of becoming aware of the existence of a relevant or material interest. The Trust Secretary will amend the register within three working days.

10.1.4 Directorships of companies in 10.1.1 (a) above or in companies likely or possibly seeking to do business with the NHS in 10.1.1 (b) above should be published in the Council’s annual report. The information should be kept up to date for inclusion in succeeding annual reports.

11 Registers

11.1 The Trust is to have:

(a) a register of Members showing, in respect of each Member, the Constituency and where there are classes within it, the class to which he belongs;
(b) a register of Members of the Council of Governors;

(c) a register of interests of the Council of Governors;

(d) a register of Directors;

(e) a register of interests of the Directors.

11.2 The Trust Secretary will set out and agree the format of the Members register with the Council of Governors. The register will list names and Constituency for each Member. The Trust Secretary will be responsible for making arrangements for additions and removals from the register. The register will be reviewed annually for completeness and accuracy.

The Trust Secretary will also set out and agree the format of the register of Governors and their interests and will be responsible for additions and removals from the register.

The Trust Secretary will also set out and agree the format of the register of Directors and their interests and will be responsible for additions and removals from the register.

11.3 The Trust is to send to the Independent Regulator a list of the persons who were first elected or appointed:

(a) the Members of the Council of Governors;

(b) the Directors.

12 Public Documents

12.1 The following documents of the Trust are to be available for inspection by Members of the public free of charge at all reasonable times –

(a) a copy of the current Constitution;

(b) a copy of the current authorisation;

(c) a copy of the latest annual accounts and of any report of the auditor on them;

(d) a copy of the latest annual report;

(e) a copy of the latest information as to its forward planning;

(f) a copy of any notice given under Section 23 of the 2003 Act (Regulator’s notice to failing NHS Foundation Trust).

12.2 Any person who requests it is to be provided with a copy or extract from any of the above documents.

12.3 The registers mentioned in paragraph 11(1) above are also to be made available for inspection by Members of the public, except in circumstances prescribed by regulations made under the 2003 Act; and, so far as those registers are required to be available:

(a) they are to be available free of charge at all reasonable times;

(b) a person who requests it is to be provided with a copy of or extract from them.

12.4 If the person requesting a copy or extract is not a Member of the Trust, the Trust may impose a reasonable charge for providing the copy or extract.
12.5 In compliance with Public Benefit Corporation (Register of Members) Regulations 2004:

(a) that in line with European Community Law and the Data Protection Act 1998, the Trust shall ensure that members are made aware of their right to object to their personal data being disclosed to the general public through the register;

(b) that the Trust secretary shall ensure that such regulations only restrict access by the public to the members’ register and do not prevent an individual having access to the full register of members if this is necessary for them to carry out legitimate statutory functions. For example the Returning Officer for elections to the Council of Governors.

13 Auditor

13.1 The Trust appoint an auditor and will provide the auditor with every facility and all information, which he/she may reasonably require for the purposes of his functions under Part 1 of the 2003 Act.

13.2 A person may only be appointed auditor if he/she (or in the case of a firm each of its Members) is a Member of one or more of the bodies referred to in paragraph 23(4) of Schedule 1 to the 2003 Act.

13.3 Appointment of the auditor by the Council of Governors is covered in paragraph 7.13.1, and monitoring of the auditor’s function by a committee of Non-Executive Directors is covered in paragraph 8.7.3.

13.4 An officer of the Audit Commission may be appointed with the agreement of the Commission.

13.5 The auditor is to carry out his/her duties in accordance with Schedule 5 to the 2003 Act and in accordance with any directions given by the Independent Regulator on standards, procedures and techniques to be adopted.

14 Accounts

14.1 The Trust is to keep accounts in such form as the Independent Regulator may with the approval of the Treasury direct.

14.2 The accounts are to be audited by the Trust’s auditor.

14.3 The following documents will be made available to the Comptroller and Auditor General for examination at his request:

(a) the accounts;

(b) any records relating to them; and

(c) any report of the auditor on them.

14.4 The Trust (through its Chief Executive and accounting officer) is to prepare, in respect of each financial year annual accounts in such form as the Independent Regulator may with the approval of the Treasury direct.

14.5 In preparing its annual accounts, the Trust is to comply with any directions given by the Independent Regulator with the approval of the Treasury as to:

(a) the methods and principles according to which the accounts are to be prepared;
14.6 The Trust must:

(a) lay a copy of the annual accounts, and any report of the auditor on them, before Parliament; and

(b) once it has done so, send copies of those documents to the Independent Regulator.

15 Annual reports and forward plans

15.1 The Trust is to prepare annual reports and send them to the Independent Regulator.

15.2 The reports are to give:

(a) information on any steps taken by the Trust to secure that (taken as a whole) the actual Membership of its Public Constituency is representative of those eligible for such Membership; and

(b) any other information the Independent Regulator requires.

15.3 The Trust is to comply with any decision the Independent Regulator makes as to:

(a) the form of the reports;

(b) when the reports are to be sent to it;

(c) the periods to which the reports are to relate.

15.4 The Trust will give information as to its forward planning in respect of each financial year to the Independent Regulator. This information is to be prepared by the Directors, who must have regard to the views of the Council of Governors (paragraph 8.7.7 above).

16 Indemnity

16.1 Members of the Council of Governors and Board of Directors who act honestly and in good faith will not have to meet out of their personal resources any personal civil liability which is incurred in the execution or purported execution of their Board functions, except where they have acted recklessly. Any costs arising in this way will be met by the Trust. The Trust may purchase and maintain insurance against this liability.

17 Instruments etc

17.1 A document purporting to be duly executed under the Trust’s seal or to be signed on its behalf is to be received in evidence and, unless the contrary is proved, taken to be so executed or signed.

17.2 The Trust is to have a seal, but this is not to be affixed except under the authority of the Board of Directors.

18 Dispute Resolution Procedures

18.1 The Trust is to establish appropriate dispute resolution procedures with its employees, contractors and Members. These are to be approved by the Board of Directors and ratified by the Council of Governors.

18.2 The Trust Secretary shall be the custodian of membership documentation and the membership database. The Trust Secretary shall be responsible for dealing with queries
or disputes regarding membership with a right of appeal to a committee of the Council of Governors convened for this purpose, whose decision shall be final and binding.

18.3 In the event of a dispute between the Council of Governors and the Board of Directors, the Council and Board shall meet and attempt to resolve the dispute by negotiation. If agreement cannot be reached then, subject to paragraph 18.4, the dispute shall be referred to the Chairman, whose decision shall be final.

18.4 In the event that a dispute is referred to the Chairman under paragraph 18.3 and the Chairman considers that he/she has a perceived or real interest in the outcome of that dispute and the dispute would be better resolved externally, then the Chairman may refer the dispute for resolution by arbitration.

18.5 All other disputes shall be referred in the first instance to the Chief Executive who will deal with them in accordance with an appropriate dispute resolution procedure.

19 Amendment of the Constitution

19.1 The Trust may make amendments to this Constitution with the approval of the Independent Regulator.

19.2 No proposals for amendment of this Constitution will be put to the Independent Regulator unless it has been approved by three quarters of the Council of Governors in attendance at any meeting of the Governors.

19.3 Subject to clause 20.1 this Constitution will be reviewed by the Council of Governors no sooner than the expiry of one year from the date of approval of the previous revisions and no later than two years from such date.

20 Dissolution of the Trust

20.1 The Trust may not be dissolved except by order of the Secretary of State for Health, in accordance with the 2003 Act.

21 Mergers

21.1 Mergers between Foundation Trusts may only take place following a majority vote of Members at a Members’ meeting.

21.2 An application may be made jointly by:

(a) an NHS Foundation Trust; and

(b) another NHS Foundation Trust or an NHS Trust

to the Regulator for authorisation of the dissolution of the Trusts and the transfer of some or all of their property and liabilities to a new NHS Foundation Trust established under the 2003 Act.
22 Foundation Trust Head Office

22.1 The Foundation Trust Head Office may be contacted:

Trust Secretary
Trust Headquarters
Queen Elizabeth Hospital
Sheriff Hill
Gateshead
NE9 6SX

Tel: 0191 4820000 or 0191 4453713
Fax: 0191 4826001

Email: foundation.enquiries@ghnt.nhs.uk

Website: www.gatesheadhealth.nhs.uk
## Public Constituencies Of The Trust

<table>
<thead>
<tr>
<th>Name of Constituency</th>
<th>Area</th>
<th>Minimum number of Members</th>
<th>Number of Governors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Western Gateshead</td>
<td>The Western area will consist of Prudhoe, Crawcrook &amp; Greenside, Chopwell &amp; Rowlands Gill, Winlaton &amp; High Spen, Blaydon, Ryton, Crookhill &amp; Stella, Whickham North, Whickham South &amp; Sunniside, Dunston &amp; Teams, Dunston Hill &amp; Whickham East.</td>
<td>600</td>
<td>6</td>
</tr>
<tr>
<td>Central Gateshead</td>
<td>The Central area will consist of Lamesley, Birtley, Lobley Hill &amp; Bensham, Bridges, Saltwell, Deckham, Low Fell, Chowdene, High Fell Chester-Le-Street, Ouston and Pelton, Washington.</td>
<td>700</td>
<td>7</td>
</tr>
<tr>
<td>Eastern Gateshead</td>
<td>The Eastern area will consist of Felling, Windy Nook &amp; Whitehills, Pelaw &amp; Heworth, Wardley and Leam Lane and parts of Jarrow &amp; Hebburn.</td>
<td>300</td>
<td>3</td>
</tr>
<tr>
<td>Patient Constituency</td>
<td>Users of the Trust’s services residing out with the above areas.</td>
<td>100</td>
<td>1</td>
</tr>
</tbody>
</table>
Annex 2

PRACTICE AND PROCEDURE FOR MEETINGS

1 Meetings of the Council of Governors

1.1 Admission of the Public and the Press:

It is proposed that all meetings will be held in public unless the Council of Governors decides otherwise in relation to part of a meeting for reasons of confidentiality. The Chairman may exclude any member of the public from a meeting if they are interfering with or preventing the proper conduct of the meeting.

The Chairman (or vice-chairman) shall give such directions as she/he thinks fit in regard to the arrangements for meetings and accommodation of the public and representatives of the press such as to ensure that the Council’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.

1.2 Nothing in these Standing Orders shall require the Council of Governors to allow members of the public or representatives of the press to record proceedings in any manner whatsoever, other than writing, or to make any oral report of proceedings as they take place without the prior agreement of the Council of Governors.

1.3 Calling meetings:

Meetings of the Council of Governors shall be held at least four times each year, inclusive of an Annual General Meeting, at times and places that the Council of Governors may determine.

Ordinary meetings of the Council of Governors shall be held at such times and places as the Council may determine.

1.4 The Chairman may call a meeting of the Council of Governors at any time. If the Chairman refuses to call a meeting after a requisition for that purpose, signed by at least one-third of the whole number of Governors, has been presented to him/her, or if, without so refusing, the Chairman does not call a meeting within seven days after such requisition has been presented to him, at the Trust’s Headquarters, such one third or more Governors may forthwith call a meeting.

1.5 Notice of meetings:

Before each meeting of the Council of Governors, a notice of the meeting, specifying the business proposed to be transacted at it, and signed by the Chairman or by an officer of the Trust authorised by the Chairman to sign on his behalf shall be issued to every Governor, or sent by post to the usual place of residence of such Governor, so as to be available to him at least five clear working days before the meeting.

1.6 Lack of service of the notice on any Governor shall not affect the validity of a meeting.

1.7 In the case of a meeting called by Governors in default of the Chairman, the notice shall be signed by those Governors and no business shall be transacted at the meeting other than that specified in the notice.

1.8 Failure to serve such a notice on more than three Governors will invalidate the meeting. A notice shall be presumed to have been served at the time at which the notice would be delivered in the ordinary course of the post.
1.9 Setting the agenda:

The Council of Governors may determine that certain matters shall appear on every agenda for a meeting of the Council of Governors and shall be addressed prior to any other business being conducted. (Such matters may be identified within these Standing Orders or following subsequent resolution shall be listed in an Appendix to the Standing Orders).

1.10 A Governor desiring a matter to be included on an agenda shall make his/her request in writing to the Chairman at least five clear days before the meeting, subject to Standing Order 1.5. Requests made less than five days before a meeting may be included on the agenda at the discretion of the Chairman.

1.11 Chairman of meeting:

At any meeting of the Trust, the Chairman, if present, shall preside. If the Chairman is absent from the meeting another Non-Executive Director, shall preside. If the Chairman is absent from a meeting temporarily on the grounds of a declared conflict of interest, the public Governors present shall choose.

1.12 Annual public meeting:

The Trust will publicise and hold an annual public meeting in accordance with the NHS Trusts (Public Meetings) Regulations 1991 (SI(1991)482).

1.13 Notices of motion:

A Governor of the Trust desiring to move or amend a motion shall send a written notice thereof at least ten clear days before the meeting to the Chairman, who shall insert in the agenda for the meeting all notices so received subject to the notice being permissible under the appropriate regulations. This paragraph shall not prevent any motion being moved during the meeting, without notice on any business mentioned on the agenda subject to Standing Order 1.7.

1.14 Withdrawal of motion or amendments:

A motion or amendment once moved and seconded may be withdrawn by the proposer with the concurrence of the seconder and the consent of the Chairman.

1.15 Motion to rescind a resolution:

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

1.16 Motions:

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

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

- an amendment to the motion
- the adjournment of the discussion or the meeting
that the meeting proceed to the next business (*)

the appointment of an ad hoc committee to deal with a specific item of business

that the motion be now put (*)

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

No amendment to the motion shall be admitted if, in the opinion of the Chairman of the meeting, the amendment negates the substance of the motion.

1.18 Chairman's ruling:

Statements of Governors made at meetings of the Trust shall be relevant to the matter under discussion at the material time and the decision of the Chairman of the meeting on questions of order, relevance, regularity and any other matters shall be observed at the meeting.

1.19 Voting:

Save where all public Governors present are unanimous in opposing a motion, every question at a meeting shall be determined by a majority of the votes of the Governors present and voting on the question and, in the case of any equality of votes, the person presiding shall have a second or casting vote. In the event that a motion is opposed by all public Governors present, that motion shall not be passed.

1.20 All questions put to the vote shall, at the discretion of the Chairman of the meeting, be determined by oral expression or by a show of hands. A paper ballot may also be used if a majority of the Governors present so request.

1.21 If at least one-third of the Governors present so request, the voting (other than by paper ballot) on any question may be recorded to show how each Governor present voted or abstained.

1.22 If a Governor so requests, his/her vote shall be recorded by name upon any vote (other than by paper ballot).

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

1.24 Minutes:

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

1.25 No discussion shall take place upon the minutes except upon their accuracy or where the Chairman considers discussion appropriate. Any amendment to the minutes shall be agreed and recorded at the next meeting.

1.26 Minutes shall be circulated in accordance with Governors' wishes. Where providing a record of a public meeting the minutes shall be made available to the public (required by the Code of Practice on Openness in the NHS).

1.27 Suspension of Standing Orders:

Except where this would contravene any statutory provision or any direction made by the Secretary of State and/or the Independent Regulator, any one or more of the Standing Orders may be suspended at any meeting, provided that at least two-thirds of the Council of
Governors are present, including one staff Governor and one public Governor, and that a majority of those present vote in favour of suspension.

1.28 A decision to suspend Standing Orders shall be recorded in the minutes of the meeting.

1.29 A separate record of matters discussed during the suspension of Standing Orders shall be made and shall be available to the Governors.

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

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

1.32 **Variation and amendment of Standing Orders:**

These Standing Orders shall be amended only if:

- a notice of motion under Standing Order 1.14 has been given; and
- no fewer than half the total of the Trust’s public Governors vote in favour of amendment; and
- at least two-thirds of the Governors are present; and
- the variation proposed does not contravene a statutory provision or direction made by the Secretary of State.

1.33 **Record of attendance:**

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

1.34 **Quorum:**

No business shall be transacted at a meeting of the Council of Governors unless at least one-third of the whole number of the Governors are present including on or after the operational date at least nine Public Governors plus three other Governors.

1.35 If a Governor has been disqualified from participating in the discussion on any matter and/or from voting on any resolution by reason of the declaration of a conflict of interest he/she 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 and the decision to that effect shall be recorded.

2. **Committees**

2.1 **Appointment of committees:**

Subject to such directions as may be given by the Secretary of State and/or any requirements of the Independent Regulator, the Council of Governors may and, if directed by him/her, shall appoint committees of the Council of Governors, consisting wholly or partly of Governors.

2.2 A committee appointed may, subject to such directions as may be given by the Secretary of State or the Council of Governors appoint sub-committees consisting wholly or partly of members of the committee (whether or not they include Governors).

2.3 The Standing Orders of the Trust, as far as they are applicable, shall apply with appropriate alteration to meetings of any committees or sub-committee established by the Council of Governors.
2.4 Each such committee or sub-committee shall have such terms of reference and powers and be subject to such conditions (as to reporting back to the Council of Governors), as the Council of Governors shall decide. Such terms of reference shall have effect as if incorporated into the Standing Orders.

2.5 Committees may not delegate their executive powers to a sub-committee unless expressly authorised by the Council of Governors.

2.6 Confidentiality:

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

2.7 A Governor or a member of a committee shall not disclose any matter reported to the Council of Governors or otherwise dealt with by the committee, notwithstanding that the matter has been reported or action has been concluded, if the Council of Governors or committee shall resolve that it is confidential.

3. Declarations of interests and register of interests

3.1 Declaration of interests:

The Trust’s constitution requires Governors to declare interests which are relevant and material to the Council of Governors of which they are a member. All existing Governors should declare such interests. Any Governors appointed subsequently should do so on appointment.

3.2 For avoidance of doubt, interests that should be disclosed include, but are not limited to:

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 organisations likely or possibly seeking to do business with the NHS.

d) A position of authority in a charity or voluntary organisation in the field of health and social care.

e) Any connection with a voluntary or other organisation contracting for NHS services.

f) to the extent not covered above, any connections with an organisation, entity or company considering entering into or having entered into a financial arrangement with the Trust, including but not limited to, lenders or banks.

3.3 If Governors have any doubt about the relevance of an interest, this should be discussed with the Chairman.

3.4 At the time Governors’ interests are declared, they should be recorded in the Council of Governors minutes of the relevant meeting. Any changes in interests should be declared at the next Council of Governors’ meeting following the change occurring.

3.5 Governors’ directorships of companies likely or possibly seeking to do business with the NHS should be published in the Council of Governors’ annual report. The information should be kept up to date for inclusion in succeeding annual reports.
During the course of a Council of Governors’ meeting, if a conflict of interest is established, the Governor concerned should withdraw from the meeting and play no part in the relevant discussion or decision.

Register of interests:

The Trust Secretary will ensure that a Register of Interests is established to record formally declarations of interests of Governors. In particular the Register will include details of all directorships and other relevant and material interests which have been declared by Governors.

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.

The Register will be available to the public and the Trust Secretary will take reasonable steps to bring the existence of the Register to the attention of the local population and to publicise arrangements for viewing it.

Disability of Governors in proceedings on account of pecuniary interest

Subject to the following provisions of this Standing Order, if a Governor has any pecuniary interest, direct or indirect, in any contract, proposed contract or other matter and is present at a meeting of the Council of Governors at which the contract or other matter is the subject of consideration, he 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.

The Independent Regulator may, subject to such conditions as he may think fit to impose, remove any disability imposed by this Standing Order in any case in which it appears to him in the interests of the National Health Service that the disability shall be removed.

The Council of Governors shall exclude a Governor from a meeting of the Trust while any contract, proposed contract or other matter in which he/she has a pecuniary interest, is under consideration.

Any expenses payable to a Governor shall not be treated as a pecuniary interest for the purpose of this Standing Order.

For the purpose of this Standing Order the Chairman or a Governor shall be treated, as having indirectly a pecuniary interest in a contract, proposed contract or other matter, if:

(a) he/she, or a nominee of his, is a director of a company or other body, not being a public body, with which the contract was made or is proposed to be made or which has a direct pecuniary interest in the other matter under consideration; or

(b) he/she is a partner of, or is in the employment of a person with whom the contract was made or is proposed to be made or who has a direct pecuniary interest in the other matter under consideration;

and in the case of married persons living together the interest of one spouse shall, if known to the other, be deemed for the purposes of this Standing Order to be also an interest of the other.

A Governor shall not be treated as having a pecuniary interest in any contract, proposed contract or other matter by reason only:

(a) of his membership of a company or other body, if he/she has no beneficial interest in any securities of that company or other body;
(b) of an interest in any company, body or person with which he is connected which is so remote or insignificant that it cannot reasonably be regarded as likely to influence a Governor in the consideration or discussion of or in voting on, any question with respect to that contract or matter.

4.7 Where a Governor:

(a) has an indirect pecuniary interest in a contract, proposed contract or other matter by reason only of a beneficial interest in securities of a company or other body; and

(b) the total nominal value of those securities does not exceed £5,000 or one-hundredth of the total nominal value of the issued share capital of the company or body, whichever is the less; and

(c) if the share capital is of more than one class, the total nominal value of shares of any one class in which he has a beneficial interest does not exceed one-hundredth of the total issued share capital of that class;

this Standing Order shall not prohibit him/her from taking part in the consideration or discussion of the contract or other matter or from voting on any question with respect to it without prejudice however to his/her duty to disclose his/her interest.
Rules of Procedure for Members Meetings

1. Authority and Amendment of these Rules

These rules of procedures shall be agreed at the first meeting of the Council of Governors for use at members’ meetings. They may only be amended at the Annual General meeting (AGM). Suggested amendments are to be made in writing to the Secretary at least 21 days in advance of the AGM.

2. Members’ Meetings

Members’ meetings shall, except in exceptional circumstances be held in accordance with the Constitution. The Council of Governors shall determine the dates, times and places of such meetings. In determining the meeting arrangements, the Council of Governors shall take into account accessibility issues for members.

3. Eligibility to Attend

Every Member registered by the Trust shall be entitled to participate in at least two meetings per year, one of these will be a formal Annual General Members’ meeting. Proof of membership to the satisfaction of the Secretary or their representative will be required. Members of the Council of Governors, officials and such other persons as may be authorised by the Board of Directors may attend such meetings.

4. Notice of Meetings

Formal notice of any members’ meetings shall set out the agenda for the meeting and shall be posted to members or displayed in conspicuous places within the Trust not less than fourteen days before the date of such meetings. Formal notice of such meetings shall also be given by such other means, as the Council of Governors shall from time to time determine. In addition informal notice of meetings and the timetable for submitting motions and amendments shall be published in members publications wherever possible in order to give members as much advance notice as possible.

5. Quorum

In accordance with the constitution, a members’ meeting may proceed to business if twenty individual members are present within thirty minutes after the time fixed for the meeting.

6. Voting

In accordance with the Constitution every member registered who is present shall have one vote. Except in the case of elections for Governors, where voting shall be by secret ballot, voting shall be by show of hands unless one-third of the members present demand a ballot or the Council of Governors so decide after giving due notice of its intention. No proxies shall be admissible.

7. Chairman

The Chairman shall act as Chairman at Annual members meetings or in his absence another Non-Executive Director nominated by the Chairman if possible. The ruling of the Chairman on any matter of procedure or a point of order shall be final.
8. **Agenda**

The agenda shall set out the business to be conducted at the meeting. The agenda for the annual meeting will be agreed at the preceding meeting of the Council of Governors. No business other than set out in the agenda, subject to any members’ motion being received shall be considered at any members meeting. Draft minutes of the previous meeting will be circulated with meeting papers for approval as a specific agenda item.

9. **Order of Voting**

Where members’ meetings are held in more than one location, the meeting at each location shall vote upon any amendment to an original motion appearing on the agenda and, if there is more than one amendment to any motion, in the order in which such amendments appear on the agenda, and shall then vote upon the original motion. The issue shall be decided by a majority of the total votes cast at all meetings and if there is a majority in favour of the motion and/or one or more amendments, that which receives the highest number of votes in favour shall be declared carried.

10. **Motions**

   a) **Submission**

      Any motion for consideration at any members’ meeting shall be received in writing signed by five members submitted to the Secretary at the Trust’s registered office by 4.00pm, twenty-one days prior to the meeting. It shall be included in the notices as set out in paragraph 4 above. Any amendment to any motion shall be signed in the same way and shall be received by the Secretary at the registered office by 4.00pm, ten working days prior to the meeting. An amended agenda shall be circulated prior to the meeting.

   b) **Proposal and seconding**

      A motion or amendment should be formally proposed and seconded at the meeting. Any of the signatories may propose or second the motion or amendment at any meeting where it appears on the agenda. In the event of such a member not being available to attend such a meeting the member may appoint another member to propose or second.

11. **Rejection of Motions and Amendments**

    Acceptance of motions or amendments shall be at the discretion of the Council of Governors, and may be disqualified if they:

     (a) may result in publicity which could unjustifiably diminish confidence in the Trust; or

     (b) are defamatory or infer censure of any group or individual; or

     (c) concern matters of day-to-day management which lie within the discretion of management or the Board of Directors; or

     (d) do not relate directly to the affairs of the Trust; or

     (e) are in substantially the same terms as a motion which has been considered at a meeting held during the preceding eighteen months.

    No amendment shall be accepted which is not relevant to the motion and no member shall propose or second more than one amendment to any motion.

    In the event of rejection a member may appeal to the Council of Governors. The Council of Governors may at its discretion submit an amendment for the consideration of members to any motion received.
12. Reports from Governors and Directors

A member may ask a Governor or Director any question through the Chairman without notice upon a report from a Governor or Director, or other officer of the Trust, when that item is being received or under consideration by the members. Unless the Chairman decides otherwise no statements will be made other than those which are strictly essential to define the question, which should last no longer than three minutes. A member who has put such a question may also put one supplementary question but only if the supplementary question arises directly out of the reply given. The Chairman may reject any question from any member if in his or her opinion the question is substantially the same as a question, which has already been put to that meeting or a previous meeting of members.

13. Speaking Rights

When discussing any other motions, no mover of a proposal shall speak for more than five minutes except by prior agreement with the Chair (to be arranged through the Secretary). No speaker apart from the mover of a proposal shall speak more than once on the same question. A maximum of two members, in addition to the mover, may speak in support of the motion if required. These speakers must be drawn from the members who have submitted the motion in accordance with Rule 10a.

14. Right of Reply

A reply is allowed to the mover of an original motion, but not to the mover of an amendment. After the mover has commenced his/her reply, no other member shall speak to the question.

15. Scrutineers

At least two members shall be appointed at the beginning of the meeting to act as scrutineers in the event of any voting.
Gateshead Health NHS Foundation Trust
(Council of Governors)
Rules for the Conduct of Elections for
Public and staff Governors

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_________________________________________________________
Part 1 - Interpretation

1. Interpretation

(1) In these rules, unless the context otherwise requires:

“corporation” means the public benefit corporation subject to this constitution;

“election” means an election by a constituency, or by a class within a constituency, to fill a vacancy among one or more posts on the council of governors;

“the regulator” means the Independent Regulator for NHS foundation trusts; and

“the 2003 Act” means the Health and Social Care (Community Health and Standards) Act 2003.

(2) Other expressions used in these rules and in Schedule 1 to the Health and Social Care (Community Health and Standards) Act 2003 have the same meaning in these rules as in that Schedule.

Part 2 - Timetable for election and initial election succession planning

2. Timetable

The proceedings at an election shall be conducted in accordance with the following timetable.

<table>
<thead>
<tr>
<th>Proceeding</th>
<th>Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Publication of notice of election</td>
<td>Not later than the fortieth day before the day of the close of the poll.</td>
</tr>
<tr>
<td>Final day for delivery of nomination papers to returning officer</td>
<td>Not later than the twenty eighth day before the day of the close of the poll.</td>
</tr>
<tr>
<td>Publication of statement of nominated candidates</td>
<td>Not later than the twenty seventh day before the day of the close of the poll.</td>
</tr>
<tr>
<td>Final day for delivery of notices of withdrawals by candidates from election</td>
<td>Not later than twenty fifth day before the day of the close of the poll.</td>
</tr>
<tr>
<td>Notice of the poll</td>
<td>Not later than the fifteenth day before the day of the close of the poll.</td>
</tr>
<tr>
<td>Close of the poll</td>
<td>By 5.00pm on the final day of the election.</td>
</tr>
</tbody>
</table>

DELETE

The Initial Elections Succession planning

In order to retain the skills and plan appropriate succession, for the initial elections only each year one third of the Council of Governors will surrender their termination of office to introduce a triennial cycle.

See table over:
### Figure 3 — Succession planning

<table>
<thead>
<tr>
<th>Number of Governors</th>
<th>Area</th>
<th>Term of Office</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Western Gateshead</td>
<td>3 years</td>
</tr>
<tr>
<td>3</td>
<td>Central Gateshead</td>
<td>3 years</td>
</tr>
<tr>
<td>1</td>
<td>Eastern Gateshead</td>
<td>3 years</td>
</tr>
<tr>
<td>Total = 6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Western Gateshead</td>
<td>2 Years</td>
</tr>
<tr>
<td>2</td>
<td>Central Gateshead</td>
<td>2 Years</td>
</tr>
<tr>
<td>1</td>
<td>Eastern Gateshead</td>
<td>2 Years</td>
</tr>
<tr>
<td>Total = 5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Western Gateshead</td>
<td>1 Year</td>
</tr>
<tr>
<td>2</td>
<td>Central Gateshead</td>
<td>1 Year</td>
</tr>
<tr>
<td>1</td>
<td>Eastern Gateshead</td>
<td>1 Year</td>
</tr>
<tr>
<td>Total = 5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Staff</td>
<td>3 years</td>
</tr>
<tr>
<td>2</td>
<td>Staff</td>
<td>2 Years</td>
</tr>
<tr>
<td>2</td>
<td>Staff</td>
<td>1 Year</td>
</tr>
<tr>
<td>Total = 6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Patient Constituency</td>
<td>3 years</td>
</tr>
<tr>
<td>Total = 4</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

3. **Computation of time**

   (1) In computing any period of time for the purposes of the timetable -

   (a) a Saturday or Sunday;
   (b) Christmas day, Good Friday, or a bank holiday, or
   (c) a day appointed for public thanksgiving or mourning,

   shall be disregarded, and any such day shall not be treated as a day for the purpose of any proceedings up to the completion of the poll, nor shall the returning officer be obliged to proceed with the counting of votes on such a day.

   (2) In this rule, “bank holiday” means a day which is a bank holiday under the Banking and Financial Dealings Act 1971 in England and Wales.

### Part 3 - Returning officer

4. **Returning officer**

   (1) Subject to rule 64, the returning officer for an election is to be appointed by the corporation.

   (2) Where two or more elections are to be held concurrently, the same returning officer may be appointed for all those elections.

5. **Staff**

   Subject to rule 64, the returning officer may appoint and pay such staff, including such technical advisers, as he or she considers necessary for the purposes of the election.

6. **Expenditure**

   The corporation is to pay the returning officer:

   (a) any expenses incurred by that officer in the exercise of his or her functions under these rules,
   (b) such remuneration and other expenses as the corporation may determine.
7. Duty of co-operation

The corporation is to co-operate with the returning officer in the exercise of his or her functions under these rules.

Part 4 - Stages Common to Contested and Uncontested Elections

8. Notice of election

The returning officer is to publish a notice of the election stating:

(a) the constituency, for which the election is being held,
(b) the number of members of the council of governors to be elected from that constituency,
(c) the details of any nomination committee that has been established by the corporation,
(d) the address and times at which nomination papers may be obtained;
(e) the address for return of nomination papers and the date and time by which they must be received by the returning officer,
(f) the date and time by which any notice of withdrawal must be received by the returning officer,
(g) the contact details of the returning officer, and
(h) the date and time of the close of the poll in the event of a contest.

9. Nomination of candidates

(1) Each candidate must nominate themselves on a single nomination paper.

(2) The returning officer:

(a) is to supply any member of the corporation with a nomination paper, and
(b) is to prepare a nomination paper for signature at the request of any member of the corporation,

but it is not necessary for a nomination to be on a form supplied by the returning officer.

10. Candidate’s particulars

(1) The nomination paper must state the candidate's:

(a) full name,
(b) contact address in full, and
(c) constituency, or class within a constituency, of which the candidate is a member.

11. Declaration of interests

The nomination paper must state:

(a) any financial interest that the candidate has in the corporation, and
(b) whether the candidate is a member of a political party, and if so, which party,

and if the candidate has no such interests, the paper must include a statement to that effect.

12. Declaration of eligibility

The nomination paper must include a declaration made by the candidate:

(a) that he or she is not prevented from being a member of the council of governors by paragraph 8 of Schedule 1 of the 2003 Act or by any provision of the constitution; and,
(b) for a member of the public or patient constituency, of the particulars of his or her qualification to vote as a member of that constituency, or class within that constituency, for which the election is being held.

13. Signature of candidate

The nomination paper must be signed and dated by the candidate, indicating that:

(a) they wish to stand as a candidate,
(b) their declaration of interests as required under rule 11, is true and correct,
(c) their declaration of eligibility, as required under rule 12, is true and correct, and
(d) that they will abide by the Governors Code of Conduct at Annex 5 of the constitution.

14. Decisions as to the validity of nomination

(1) Where a nomination paper is received by the returning officer in accordance with these rules, the candidate is deemed to stand for election unless and until the returning officer:

(a) decides that the candidate is not eligible to stand,
(b) decides that the nomination paper is invalid,
(c) receives satisfactory proof that the candidate has died, or
(d) receives a written request by the candidate of their withdrawal from candidacy.

(2) The returning officer is entitled to decide that a nomination paper is invalid only on one of the following grounds:

(a) that the paper is not received on or before the final time and date for return of nomination papers, as specified in the notice of the election,
(b) that the paper does not contain the candidate’s particulars, as required by rule 10;
(c) that the paper does not contain a declaration of the interests of the candidate, as required by rule 11,
(d) that the paper does not include a declaration of eligibility as required by rule 12, or
(e) that the paper is not signed and dated by the candidate, as required by rule 13.

(3) The returning officer is to examine each nomination paper as soon as is practicable after he or she has received it, and decide whether the candidate has been validly nominated.

(4) Where the returning officer decides that a nomination is invalid, the returning officer must endorse this on the nomination paper, stating the reasons for their decision.

(5) The returning officer is to send notice of the decision as to whether a nomination is valid or invalid to the candidate at the contact address given in the candidate’s nomination paper.

15. Publication of statement of candidates

(1) The returning officer is to prepare and publish a statement showing the candidates who are standing for election.

(2) The statement must show:

(a) the name, contact address, and constituency or class within a constituency of each candidate standing, and
(b) the declared interests of each candidate standing,

as given in their nomination paper.

(3) The statement must list the candidates standing for election in alphabetical order by surname.
(4) The returning officer must send a copy of the statement of candidates and copies of the nomination papers to the corporation as soon as is practicable after publishing the statement.

16. Inspection of statement of nominated candidates and nomination papers

(1) The corporation is to make the statements of the candidates and the nomination papers supplied by the returning officer under rule 15(4) available for inspection by members of the public free of charge at all reasonable times.

(2) If a person requests a copy or extract of the statements of candidates or their nomination papers, the corporation is to provide that person with the copy or extract free of charge.

17. Withdrawal of candidates

A candidate may withdraw from election on or before the date and time for withdrawal by candidates, by providing to the returning officer a written notice of withdrawal which is signed by the candidate and attested by a witness.

18. Method of election

(1) If the number of candidates remaining validly nominated for an election after any withdrawals under these rules is greater than the number of members to be elected to the council of governors, a poll is to be taken in accordance with Parts 5 and 6 of these rules.

(2) If the number of candidates remaining validly nominated for an election after any withdrawals under these rules is equal to the number of members to be elected to the board of governors, those candidates are to be declared elected in accordance with Part 7 of these rules.

(3) If the number of candidates remaining validly nominated for an election after any withdrawals under these rules is less than the number of members to be elected to council of governors, then:

(a) the candidates who remain validly nominated are to be declared elected in accordance with Part 7 of these rules, and

(b) the returning officer is to order a new election to fill any vacancy which remains unfilled, on a day appointed by him or her in consultation with the corporation.

Part 5 - Contested elections

19. Poll to be taken by ballot

(1) The votes at the poll must be given by secret ballot.

(2) The votes are to be counted and the result of the poll determined in accordance with Part 6 of these rules.

20. The ballot paper

(1) The ballot of each voter is to consist of a ballot paper with the persons remaining validly nominated for an election after any withdrawals under these rules, and no others, inserted in the paper.

(2) Every ballot paper must specify:

(a) the name of the corporation,

(b) the constituency, or class within a constituency, for which the election is being held,

(c) the number of members of the Council of Governors to be elected from that constituency,

(d) the names and other particulars of the candidates standing for election, with the details and order being the same as in the statement of nominated candidates,

(e) instructions on how to vote,
(f) if the ballot paper is to be returned by post, the address for its return and the date and time of the close of the poll, and
(g) the contact details of the returning officer.

(3) Each ballot paper must have a unique identifier.

(4) Each ballot paper must have features incorporated into it to prevent it from being reproduced.

21. The declaration of identity (public constituency)

(1) In respect of an election for a public constituency a declaration of identity must be issued with each ballot paper.

(2) The declaration of identity is to include a declaration:

(a) that the voter is the person to whom the ballot paper was addressed,
(b) that the voter has not marked or returned any other voting paper in the election, and
(c) for a member of the public, of the particulars of that member’s qualification to vote as a member of the constituency for which the election is being held.

(3) The declaration of identity is to include space for:

(a) the name of the voter,
(b) the address of the voter,
(c) the voter’s signature, and
(d) the date that the declaration was made by the voter.

(4) The voter must be required to return the declaration of identity together with the ballot paper.

(5) The declaration of identity must caution the voter that, if it is not returned with the ballot paper, or if it is returned without being correctly completed, the voter’s ballot paper may be declared invalid.

Action to be taken before the poll

22. List of eligible voters

(1) The corporation is to provide the returning officer with a list of the members of the constituency for which the election is being held who are eligible to vote by virtue of rule 26 as soon as is reasonably practicable after the final date for the delivery of notices of withdrawals by candidates from an election.

(2) The list is to include, for each member, a mailing address where his or her ballot paper is to be sent.

23. Notice of poll

The returning officer is to publish a notice of the poll stating:

(a) the name of the corporation,
(b) the constituency, for which the election is being held,
(c) the number of members of the Council of Governors to be elected from that constituency,
(d) the names, contact addresses, and other particulars of the candidates standing for election, with the details and order being the same as in the statement of nominated candidates,
(e) that the ballot papers for the election are to be issued and returned, if appropriate, by post,
(f) the address for return of the ballot papers, and the date and time of the close of the poll, and
(g) the address and final dates for applications for replacement ballot papers, and
(h) the contact details of the returning officer.

24. **Issue of voting documents by returning officer**

(1) As soon as is reasonably practicable on or after the publication of the notice of the poll, the returning officer is to send the following documents to each member of the corporation named in the list of eligible voters:

   (a) a ballot paper and ballot paper envelope,
   (b) a declaration of identity (if required),
   (c) information about each candidate standing for election, pursuant to rule 59 of these rules, and
   (d) a covering envelope.

(2) The documents are to be sent to the mailing address for each member, as specified in the list of eligible voters.

25. **Ballot paper envelope and covering envelope**

(1) The ballot paper envelope must have clear instructions to the voter printed on it, instructing the voter to seal the ballot paper inside the envelope once the ballot paper has been marked.

(2) The covering envelope is to have:

   (a) the address for return of the ballot paper printed on it, and
   (b) pre-paid postage for return to that address.

(3) There should be clear instructions, either printed on the covering envelope or elsewhere, instructing the voter to seal the following documents inside the covering envelope and return it to the returning officer:

   (a) the completed declaration of identity if required, and
   (b) the ballot paper envelope, with the ballot paper sealed inside it.

**The poll**

26. **Eligibility to vote**

An individual who becomes a member of the corporation on or before the closing date for the receipt of nominations by candidates for the election, is eligible to vote in that election.

27. **Voting by persons who require assistance**

(1) The returning officer is to put in place arrangements to enable requests for assistance to vote to be made.

(2) Where the returning officer receives a request from a voter who requires assistance to vote, the returning officer is to make such arrangements as he or she considers necessary to enable that voter to vote.

28. **Spoilt ballot papers**

(1) If a voter has dealt with his or her ballot paper in such a manner that it cannot be accepted as a ballot paper (referred to a “spoilt ballot paper”), that voter may apply to the returning officer for a replacement ballot paper.

(2) On receiving an application, the returning officer is to obtain the details of the unique identifier on the spoilt ballot paper, if he or she can obtain it.
(3) The returning officer may not issue a replacement ballot paper for a spoilt ballot paper unless he or she:

   (a) is satisfied as to the voter’s identity, and
   (b) has ensured that the declaration of identity, if required, has not been returned.

(4) After issuing a replacement ballot paper for a spoilt ballot paper, the returning officer shall enter in a list (“the list of spoilt ballot papers”):

   (a) the name of the voter, and
   (b) the details of the unique identifier of the spoilt ballot paper (if that officer was able to obtain it), and
   (c) the details of the unique identifier of the replacement ballot paper.

29. Lost ballot papers

(1) Where a voter has not received his or her ballot paper by the fourth day before the close of the poll, that voter may apply to the returning officer for a replacement ballot paper.

(2) The returning officer may not issue a replacement ballot paper for a lost ballot paper unless he or she:

   (a) is satisfied as to the voter’s identity,
   (b) has no reason to doubt that the voter did not receive the original ballot paper, and
   (c) has ensured that the declaration of identity if required has not been returned.

(3) After issuing a replacement ballot paper for a lost ballot paper, the returning officer shall enter in a list (“the list of lost ballot papers”):

   (a) the name of the voter, and
   (b) the details of the unique identifier of the replacement ballot paper.

30. Issue of replacement ballot paper

(1) If a person applies for a replacement ballot paper under Rule 28 or 29 and a declaration of identity has already been received by the returning officer in the name of that voter, the returning officer may not issue a replacement ballot paper unless, in addition to the requirements imposed Rule 28(3) or 29(2), he or she is also satisfied that that person has not already voted in the election, notwithstanding the fact that a declaration of identity if required has already been received by the returning officer in the name of that voter.

(2) After issuing a replacement ballot paper under this rule, the returning officer shall enter in a list (“the list of tendered ballot papers”):

   (a) the name of the voter, and
   (b) the details of the unique identifier of the replacement ballot paper issued under this rule.

31. Declaration of identity for replacement ballot papers (public constituency)

(1) In respect of an election for a public constituency a declaration of identity must be issued with each replacement ballot paper.

(2) The declaration of identity is to include a declaration:

   (a) that the voter has not voted in the election with any ballot paper other than the ballot paper being returned with the declaration, and
   (b) of the particulars of that member’s qualification to vote as a member of the public for which the election is being held.
(3) The declaration of identity is to include space for:

(a) the name of the voter,
(b) the address of the voter,
(c) the voter’s signature, and
(d) the date that the declaration was made by the voter.

(4) The voter must be required to return the declaration of identity together with the ballot paper.

(5) The declaration of identity must caution the voter that if it is not returned with the ballot paper, or if it is returned without being correctly completed, the replacement ballot paper may be declared invalid.

Procedure for receipt of envelopes

32. Receipt of voting documents

(1) Where the returning officer receives a:

(a) covering envelope, or
(b) any other envelope containing a declaration of identity if required, a ballot paper envelope, or a ballot paper,

before the close of the poll, that officer is to open it as soon as is practicable; and Rules 33 and 34 are to apply.

(2) The returning officer may open any ballot paper envelope for the purposes of rules 33 and 34, but must make arrangements to ensure that no person obtains or communicates information as to:

(a) the candidate for whom a voter has voted, or
(b) the unique identifier on a ballot paper.

(3) The returning officer must make arrangements to ensure the safety and security of the ballot papers and other documents.

33. Validity of ballot paper

(1) A ballot paper shall not be taken to be duly returned unless the returning officer is satisfied that it has been received by the returning officer before the close of the poll, with a declaration of identity if required that has been correctly completed, signed, and dated.

(2) Where the returning officer is satisfied that paragraph (1) has been fulfilled, he or she is to:

(a) put the declaration of identity if required in a separate packet, and
(b) put the ballot paper aside for counting after the close of the poll.

(3) Where the returning officer is not satisfied that paragraph (1) has been fulfilled, he or she is to:

(a) mark the ballot paper “disqualified”,
(b) if there is a declaration of identity accompanying the ballot paper, mark it as “disqualified” and attach it the ballot paper;
(c) record the unique identifier on the ballot paper in a list (the “list of disqualified documents”); and
(d) place the document or documents in a separate packet.
34. **Declaration of identity but no ballot paper (public constituency):**

Where the returning officer receives a declaration of identity if required but no ballot paper, the returning officer is to:

(a) mark the declaration of identity “disqualified”,
(b) record the name of the voter in the list of disqualified documents, indicating that a declaration of identity was received from the voter without a ballot paper; and
(c) place the declaration of identity in a separate packet.

35. **Sealing of packets**

As soon as is possible after the close of the poll and after the completion of the procedure under rules 33 and 34, the returning officer is to seal the packets containing:

(a) the disqualified documents, together with the list of disqualified documents inside it,
(b) the declarations of identity if required,
(c) the list of spoilt ballot papers,
(d) the list of lost ballot papers,
(e) the list of eligible voters, and
(f) the list of tendered ballot papers.

**Part 6 - Counting the votes**

36. **Arrangements for counting of the votes**

The returning officer is to make arrangements for counting the votes as soon as is practicable after the close of the poll.

37. **The count**

(1) The returning officer is to:

(a) count and record the number of ballot papers that have been returned, and
(b) count the votes according to the provisions in this Part of the rules.

(2) The returning officer, while counting and recording the number of ballot papers and counting the votes, must make arrangements to ensure that no person obtains or communicates information as to the unique identifier on a ballot paper.

(3) The returning officer is to proceed continuously with counting the votes as far as is practicable.

**Fpp38 Rejected ballot papers**

(1) Any ballot paper:

(a) which does not bear the features that have been incorporated into the other ballot papers to prevent them from being reproduced,
(b) on which votes are given for more candidates than the voter is entitled to vote,
(c) on which anything is written or marked by which the voter can be identified except the unique identifier, or
(d) which is unmarked or rejected because of uncertainty,

shall, subject to paragraphs (2) and (3) below, be rejected and not counted.

(2) Where the voter is entitled to vote for more than one candidate, a ballot paper is not to be rejected because of uncertainty in respect of any vote where no uncertainty arises, and that vote is to be counted.
(3) A ballot paper on which a vote is marked:

   (a) elsewhere than in the proper place,
   (b) otherwise than by means of a clear mark,
   (c) by more than one mark,

is not to be rejected for such reason (either wholly or in respect of that vote) if an intention that
the vote shall be for one or other of the candidates clearly appears, and the way the paper is
marked does not itself identify the voter and it is not shown that he or she can be identified by it.

(4) The returning officer is to:

   (a) endorse the word “rejected” on any ballot paper which under this rule is not to be counted,
       and
   (b) in the case of a ballot paper on which any vote is counted under paragraph (2) or (3)
       above, endorse the words “rejected in part” on the ballot paper and indicate which vote or
       votes have been counted.

(5) The returning officer is to draw up a statement showing the number of rejected ballot papers
under the following headings:

   (a) does not bear proper features that have been incorporated into the ballot paper,
   (b) voting for more candidates than the voter is entitled to,
   (c) writing or mark by which voter could be identified, and
   (d) unmarked or rejected because of uncertainty,

and, where applicable, each heading must record the number of ballot papers rejected in part.

Fpp39. Equality of votes

Where, after the counting of votes is completed, an equality of votes is found to exist between any
candidates and the addition of a vote would entitle any of those candidates to be declared elected, the
returning officer is to decide between those candidates by a lot, and proceed as if the candidate on
whom the lot falls had received an additional vote.

Part 7 – Final proceedings in contested and uncontested elections

Fpp40. Declaration of result for contested elections

(1) In a contested election, when the result of the poll has been ascertained, the returning officer is
to:

   (a) declare the candidate or candidates whom more votes have been given than for the other
       candidates, up to the number of vacancies to be filled on the council of governors from
       the constituency, for which the election is being held to be elected,
   (b) give notice of the name of each candidate who he or she has declared elected:
       (i) where the election is held under a proposed constitution pursuant to powers
           conferred on the Gateshead Health NHS Foundation Trust section 4(4) of the
           2003 Act, to the chairman of the NHS Trust, or
       (ii) in any other case, to the chairman of the corporation; and
   (c) give public notice of the name of each candidate whom he or she has declared elected.

(2) The returning officer is to make:

   (a) the total number of votes given for each candidate (whether elected or not), and
   (b) the number of rejected ballot papers under each of the headings in rule fpp39(5),

available on request.
41. **Declaration of result for uncontested elections**

In an uncontested election, the returning officer is to as soon as is practicable after final day for the delivery of notices of withdrawals by candidates from the election:

(a) declare the candidate or candidates remaining validly nominated to be elected,
(b) give notice of the name of each candidate who he or she has declared elected to the chairman of the corporation, and
(c) give public notice of the name of each candidate who he or she has declared elected.

Part 8 – **Disposal of documents**

42. **Sealing up of documents relating to the poll**

(1) On completion of the counting at a contested election, the returning officer is to seal up the following documents in separate packets:

(a) the counted ballot papers,
(b) the ballot papers endorsed with "rejected in part",
(c) the rejected ballot papers, and
(d) the statement of rejected ballot papers.

(2) The returning officer must not open the sealed packets of:

(a) the disqualified documents, with the list of disqualified documents inside it,
(b) the declarations of identity,
(c) the list of spoilt ballot papers,
(d) the list of lost ballot papers,
(e) the list of eligible voters, and
(f) the list of tendered ballot papers.

(3) The returning officer must endorse on each packet a description of:

(a) its contents,
(b) the date of the publication of notice of the election,
(c) the name of the corporation to which the election relates, and
(d) the constituency, or class within a constituency, to which the election relates.

43. **Delivery of documents**

Once the documents relating to the poll have been sealed up and endorsed pursuant to Rule 49, the returning officer is to forward them to the chair of the corporation.

44. **Forwarding of documents received after close of the poll**

Where:

(a) any voting documents are received by the returning officer after the close of the poll, or
(b) any envelopes addressed to eligible voters are returned as undelivered too late to be resent, or
(c) any applications for replacement ballot papers are made too late to enable new ballot papers to be issued,

the returning officer is to put them in a separate packet, seal it up, and endorse and forward it to the chairman of the corporation.
45. Retention and public inspection of documents

(1) The corporation is to retain the documents relating to an election that are forwarded to the chair by the returning officer under these rules for one year, and then, unless otherwise directed by the regulator, cause them to be destroyed.

(2) With the exception of the documents listed in Rule 53(1), the documents relating to an election that are held by the corporation shall be available for inspection by members of the public at all reasonable times.

(3) A person may request a copy or extract from the documents relating to an election that are held by the corporation, and the corporation is to provide it, and may impose a reasonable charge for doing so.

46. Application for inspection of certain documents relating to an election

(1) The corporation may not allow the inspection of, or the opening of any sealed packet containing:

   (a) any rejected ballot papers, including ballot papers rejected in part,
   (b) any disqualified documents, or the list of disqualified documents,
   (c) any counted ballot papers,
   (d) any declarations of identity, or
   (e) the list of eligible voters,

by any person without the consent of the Regulator.

(2) A person may apply to the Regulator to inspect any of the documents listed in (1), and the Regulator may only consent to such inspection if it is satisfied that it is necessary for the purpose of questioning an election pursuant to Part 11.

(3) The Regulator's consent may be on any terms or conditions that it thinks necessary, including conditions as to:

   (a) persons,
   (b) time,
   (c) place and mode of inspection,
   (d) production or opening,

and the corporation must only make the documents available for inspection in accordance with those terms and conditions.

(4) On an application to inspect any of the documents listed in paragraph (1):

   (a) in giving its consent, the regulator, and
   (b) and making the documents available for inspection, the corporation,

must ensure that the way in which the vote of any particular member has been given shall not be disclosed, until it has been established:

   (i) that his or her vote was given, and
   (ii) that the regulator has declared that the vote was invalid.

Part 9 – Death of a candidate during a contested election

Fpp47.Countermand or abandonment of poll on death of candidate

(1) If, at a contested election, proof is given to the returning officer’s satisfaction before the result of the election is declared that one of the persons named or to be named as a candidate has died, then the returning officer is to:
(a) countermand notice of the poll, or, if ballot papers have been issued, direct that the poll be abandoned within that constituency or class, and
(b) order a new election, on a date to be appointed by him or her in consultation with the corporation, within the period of forty days, computed in accordance with Rule 3 of these rules, beginning with the day that the poll was countermanded or abandoned.

(2) Where a new election is ordered under paragraph (1), no fresh nomination is necessary for any candidate who was validly nominated for the election where the poll was countermanded or abandoned but further candidates shall be invited for that constituency or class.

(3) Where a poll is abandoned under paragraph (1)(a), paragraphs (4) to (7) are to apply.

(4) The returning officer shall not take any step or further step to open envelopes or deal with their contents in accordance with Rules 33 and 34, and is to make up separate sealed packets in accordance with Rule 35.

(5) The returning officer is to:
   (a) count and record the number of ballot papers that have been received, and
   (b) seal up the ballot papers into packets, along with the records of the number of ballot papers.

(6) The returning officer is to endorse on each packet a description of:
   (a) its contents,
   (b) the date of the publication of notice of the election,
   (c) the name of the corporation to which the election relates, and
   (d) the constituency, or class within a constituency, to which the election relates.

(7) Once the documents relating to the poll have been sealed up and endorsed pursuant to paragraphs (4) to (6), the returning officer is to deliver them to the chairman of the corporation, and Rules 52 and 53 are to apply.

Part 10 – Election expenses and publicity

Election expenses

48. Election expenses

Any expenses incurred, or payments made, for the purposes of an election which contravene this Part are an electoral irregularity, which may only be questioned in an application to the regulator under Part 11 of these rules.

49. Expenses and payments by candidates

A candidate may not incur any expenses or make a payment (of whatever nature) for the purposes of an election, other than expenses or payments that relate to:

   (a) personal expenses,
   (b) travelling expenses, and expenses incurred while living away from home, and
   (c) expenses for stationery, postage, telephone, internet (or any similar means of communication) and other petty expenses, to a limit of £100.
50. **Election expenses incurred by other persons**

(1) No person may:

   (a) incur any expenses or make a payment (of whatever nature) for the purposes of a candidate's election, whether on that candidate's behalf or otherwise, or
   (b) give a candidate or his or her family any money or property (whether as a gift, donation, loan, or otherwise) to meet or contribute to expenses incurred by or on behalf of the candidate for the purposes of an election.

(2) Nothing in this rule is to prevent the corporation from incurring such expenses, and making such payments, as it considers necessary pursuant to Rules 58 and 59.

**Publicity**

51. **Publicity about election by the corporation**

(1) The corporation may:

   (a) compile and distribute such information about the candidates, and
   (b) organise and hold such meetings to enable the candidates to speak and respond to questions,

as it considers necessary.

(2) Any information provided by the corporation about the candidates, including information compiled by the corporation under Rule 59, must be:

   (a) objective, balanced and fair,
   (b) equivalent in size and content for all candidates,
   (c) compiled and distributed in consultation with all of the candidates standing for election, and
   (d) must not seek to promote or procure the election of a specific candidate or candidates, at the expense of the electoral prospects of one or more other candidates.

(3) Where the corporation proposes to hold a meeting to enable the candidates to speak, the corporation must ensure that all of the candidates are invited to attend, and in organising and holding such a meeting, the corporation must not seek to promote or procure the election of a specific candidate or candidates at the expense of the electoral prospects of one or more other candidates.

52. **Information about candidates for inclusion with voting documents**

(1) The corporation must compile information about the candidates standing for election, to be distributed by the returning officer pursuant to Rule 24 of these rules.

(2) The information must consist of:

   (a) a statement submitted by the candidate of no more than 150 words, and
   (b) a photograph of the candidate

53. **Meaning of “for the purposes of an election”**

(1) In this part, the phrase “for the purposes of an election” means with a view to, or otherwise in connection with, promoting or procuring a candidate’s election, including the prejudicing of another candidate’s electoral prospects; and the phrase “for the purposes of a candidate’s election” is to be construed accordingly.
The provision by any individual of his or her own services voluntarily, on his or her own time, and free of charge is not to be considered an expense for the purposes of this part.

Part 11 – Questioning elections and the consequence of irregularities

54. Application to question an election

(1) An application alleging a breach of these rules, including an electoral irregularity under Part 10, may be made to the regulator.

(2) An application may only be made once the outcome of the election has been declared by the returning officer.

(3) An application may only be made to the Regulator by:
   (a) a person who voted at the election or who claimed to have had the right to vote, or
   (b) a candidate, or a person claiming to have had a right to be elected at the election.

(4) The application must:
   (a) describe the alleged breach of the rules or electoral irregularity, and
   (b) be in such a form as the Regulator may require.

(5) The application must be presented in writing within twenty-one days of the declaration of the result of the election.

(6) If the Regulator requests further information from the applicant, then that person must provide it as soon as is reasonably practicable:
   (a) the Regulator shall delegate the determination of an application to a person or persons to be nominated for the purpose of the Regulator.
   (b) the determination by the person or persons nominated in accordance with Rule 61(7) shall be binding on and shall be given effect by the corporation, the applicant and the members of the constituency including all the candidates for the election to which the application relates.
   (c) the Regulator may prescribe rules of procedure for the determination of an application including costs.

Part 12 – Miscellaneous

55. Secrecy

(1) The following persons:
   (a) the returning officer,
   (b) the returning officer’s staff,

must maintain and aid in maintaining the secrecy of the voting and the counting of the votes, and must not, except for some purpose authorised by law, communicate to any person any information as to:
   (i) the name of any member of the corporation who has or has not been given a ballot paper or who has or has not voted,
   (ii) the unique identifier on any ballot paper,
   (iii) the candidate(s) for whom any member has voted.

(2) No person may obtain or attempt to obtain information as to the candidate(s) for whom a voter is about to vote or has voted, or communicate such information to any person at any time, including the unique identifier on a ballot paper given to a voter.
(3) The returning officer is to make such arrangements as he or she thinks fit to ensure that the individuals who are affected by this provision are aware of the duties it imposes.

56. Prohibition of disclosure of vote

No person who has voted at an election shall, in any legal or other proceedings to question the election, be required to state for whom he or she has voted.

57. Disqualification

A person may not be appointed as a returning officer, or as staff of the returning officer pursuant to these rules, if that person is:

(a) a member of the corporation,
(b) an employee of the corporation,
(c) a director of the corporation, or
(d) employed by or on behalf of a person who has been nominated for election.

58. Delay in postal service through industrial action or unforeseen event

If industrial action, or some other unforeseen event, results in a delay in:

(a) the delivery of the documents in Rule 24, or
(b) the return of the ballot papers and declarations of identity,

the returning officer may extend the time between the publication of the notice of the poll and the close of the poll, with the agreement of the Regulator.
PART 1

In undertaking the role of Governor of Gateshead Health NHS Foundation Trust, at a personal level, Governors will:

1. respect that Gateshead Health NHS Foundation Trust is an apolitical organisation;
2. if they are a member of any trade union, political party of other organisation, recognise that should they be elected, they will not be representing those organisations (or the views of those organisations) but will be representing the constituency that elected them;
3. be honest and act with integrity at all times;
4. accept responsibilities for their own actions;
5. show their commitment to working as a team member by working with all their colleagues in the NHS and the wider community;
6. seek to ensure that the membership of the constituency they represent is properly informed and able to influence services;
7. seek to ensure that no-one is discriminated against because of their religion, belief, race, colour, gender, marital status, disability, sexual orientation, age, social and economic status or national origin;
8. uphold the seven principles of public life as detailed by the Nolan Committee (see Part 4).

As part of Gateshead Health NHS Foundation Trust Council of Governors, Governors will:

9. actively support the vision and aims of Gateshead Health NHS Foundation Trust in developing as a successful NHS Foundation Trust;
10. contribute to the work of the Council of Governors in order for it to fulfil its role as defined in the Trust’s constitution;
11. recognise that the Council of Governors exercises collective decision-making;
12. acknowledge that, other than when attending meetings and events as a Governor, they have no rights or privileges over any other member;
13. recognise that the Council of Governors does not exercise a managerial role within Gateshead Health NHS Foundation Trust
14. value and respect all colleagues and members of staff and the opinions of individuals;
15. recognise and help the Council of Governors to balance the priorities across the full range of health needs of those we serve;
16. respect the confidentiality of information they receive in their role as a Governor;
17. act with integrity and objectivity and in the best interests of Gateshead Health NHS Foundation Trust, without any expectation of personal benefit;
18. attend meetings of the Council of Governors, member meetings and training events, on a regular basis;

19. conduct themselves in a manner that reflects positively on Gateshead Health NHS Foundation Trust;

20. abide by the Trust’s policies and procedures, including its standing orders and standing financial instructions. Trust policies and procedures also cover equity regarding sex, disability and other types of discrimination.

PART 2 – ELIGIBILITY

Potential Governors (members wishing to stand for election) will openly declare to the Trust matters which would affect their eligibility under paragraph 7.11.1 of the constitution.

Where a person has been elected or appointed to be a Governor and he/she becomes aware that he/she is disqualified for appointment under paragraph 7.11.1, of the constitution he/she shall notify the Trust Secretary in writing of such disqualification.

If it comes to the notice of the Trust Secretary at the time of his/her appointment or later that the Governor is so disqualified, he/she shall immediately declare that the person in question is disqualified and notify him/her in writing to that effect.

Upon receipt of any such notification, that person’s tenure of office, if any, shall be terminated and he/she shall cease to act as a Governor.

PART 3 – CONFLICTS OF INTEREST

It is very important that Council Governors act and are seen to act in accordance with high standards of public office. Governors should not use their role to gain media or public attention in order to advance their personal, business or party political interests.

If a Governor has a pecuniary interest, whether direct or indirect, in any contract, proposed contract or other matters which are under consideration by the Council of Governors, he/she shall disclose that to the rest of the Council of Governors as soon as he/she is aware of it. The Council of Governors shall adopt standing orders specifying the arrangements for excluding Governors from discussion or consideration of the contract or other matter, as appropriate

Under the constitution all conflicts of interest must be declared.

PART 4 - THE SEVEN PRINCIPLES OF 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.

These principles apply to all aspects of public life.

Gateshead Health NHS Foundation Trust
Governors Code of Conduct
GATESHEAD HEALTH NHS FOUNDATION TRUST (the “Trust”)

WRITTEN RESOLUTION

of a

PUBLIC BENEFIT CORPORATION

In accordance with the constitution of the Trust, the Council of Governors of the Trust propose that the following resolution is passed:

RESOLUTION

As a resolution requiring approval from three quarters of the Council of Governors:

THAT, the constitution of the Trust set out in the document attached to this resolution be and is hereby approved and adopted as the constitution of the Trust in substitution for and to the exclusion of the existing constitution of the Trust.

Dated: 22 February 2012

AGREEMENT

Please read the notes at the end of this document before signifying your agreement to the resolution.

We, the undersigned, comprising the Council of Governors of the Trust, and being persons entitled to vote on the above resolution, irrevocably agree to such resolution:

<table>
<thead>
<tr>
<th>Name of Governor</th>
<th>Signature</th>
<th>Date of Signature</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ann Atkinson</td>
<td></td>
<td></td>
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<tr>
<td>Alan Baty</td>
<td></td>
<td></td>
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<tr>
<td>Tom Bryden</td>
<td></td>
<td></td>
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<tr>
<td>Faye Butler</td>
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<td>Audrey Clark</td>
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<td>Sam Dae</td>
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<tr>
<td>Nicola Downes</td>
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<td>Anna Ellinson</td>
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<td>John Hamilton</td>
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<tr>
<td>Brian Hewitt</td>
<td></td>
<td></td>
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<tr>
<td>Jim Holmes</td>
<td></td>
<td></td>
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</tbody>
</table>
Attachments: Proposed constitution
NOTES

1. Governors who wish to agree to such resolution should signify their agreement by signing and returning this document to Gateshead Health NHS Foundation Trust, marked for the attention of Mrs D Scorer, Trust Secretary.

   If you do not agree to the resolution, you do not need to do anything; you will not be deemed to agree if you fail to reply.

2. If sufficient agreement is not received by 21 March 2012 then this resolution will lapse and governors will not be able to indicate agreement after that date. If you agree to the resolution, please ensure your agreement reaches us before that date.

3. Once you have indicated your agreement to the resolution, you may not revoke your agreement.

4. If you are signing this document on behalf of a person under a power of attorney or other authority please send a copy of the relevant power of attorney or authority when returning this document.
Purpose of the Report

This paper makes recommendations to the Council of Governors with regard to agreeing the process for the appointment of a Chair from 1st July 2012.

Background

The current Chairman’s term of office expires on 30th June 2012. In the context of Monitor’s Code of Governance, he is eligible to seek re-appointment from 1st July 2012. At the time of writing, it is unclear as to whether Mr. Smith intends to stand for re-appointment. However, whether he does or not, the Trust needs to have an agreed process for the appointment of a Chair.

Appointment Process

The Trust has not been in the position of appointing a Chair since being licensed as an NHS Foundation Trust. We do, however, have an agreed process for externally advertised Non-Executive Director (NED) appointments (see Appendix 1 overleaf). It is envisaged that a process to appoint a Chair requiring an external recruitment process would follow similar lines and timescales.

Appointing the Chair and NEDs is one of the core functions of the Governors. In the past, this responsibility has been delegated to the Governors Remuneration Committee. It is therefore proposed that the Council of Governors gives delegated responsibility to the Committee to consider this matter in detail at its next scheduled meeting (March 2011), and to oversee the appropriate recruitment process.

Recommendations

The Council of Governors is recommended to authorise the Governor’s Remuneration Committee to:

- Agree a process and timetable for the recruitment of a Chair requiring external advert;
- Oversee the process for the appointment of a Chair with effect from 1st July 2012.

Ian Renwick
Chief Executive
February 2012
## PROPOSED PROCESS

<table>
<thead>
<tr>
<th>Step</th>
<th>Description</th>
<th>Lead</th>
<th>Timescale</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Job description and person specification to be revised/updated on instruction of the Chair of the Governor’s Remuneration Committee. Trust Secretary will be supported by the Head of Personnel.</td>
<td>DS/KF</td>
<td>Week 1</td>
</tr>
<tr>
<td>2</td>
<td>Advert drafted and prepared</td>
<td>KF</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Advert approved</td>
<td>CofG Rem Committee</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Interview date and arrangements agreed and arranged. Panel confirmed</td>
<td>KF</td>
<td>Week 2</td>
</tr>
<tr>
<td>5</td>
<td>Advert placed in appropriate media with 3 week timescale</td>
<td>IDR/KF</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Shortlisting</td>
<td>Interview Panel</td>
<td>Week 6</td>
</tr>
<tr>
<td>7</td>
<td>Candidates advised of interview arrangements</td>
<td>KF</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>References requested</td>
<td>KF</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Interview</td>
<td>KF</td>
<td>Week 7/8</td>
</tr>
<tr>
<td>10</td>
<td>Successful candidate advised of offer of post subject to employment checks and Council of Governor approval</td>
<td>RT/IDR</td>
<td>Within 24 hours of interview</td>
</tr>
<tr>
<td>11</td>
<td>Paper prepared for Council of Governors to approve appointment subject to satisfactory employment checks</td>
<td>IDR/KF</td>
<td>Within 3 days of interview</td>
</tr>
<tr>
<td></td>
<td></td>
<td>CofG</td>
<td>Ratified at May CofG meeting</td>
</tr>
</tbody>
</table>
GATESHEAD HEALTH NHS FOUNDATION TRUST

NON EXECUTIVE DIRECTOR APPOINTMENTS 2012

Purpose of the Report

This paper makes recommendations to the Council of Governors with regard to making Non-Executive Director appointments in the 2012 round.

Background

Further to recommendations made by the Council of Governors at its meeting in February 2009, and the subsequent meeting of the Governors Remuneration Committee, NED appointments are staggered such that at least two expire on 30th June each year. The table below indicates the current position with regard to the terms of office of the NED team:

<table>
<thead>
<tr>
<th>NED</th>
<th>Date of Expiry (30th June)</th>
<th>Term in Office (at date of expiry)</th>
</tr>
</thead>
<tbody>
<tr>
<td>M. Brown</td>
<td>2012</td>
<td>7 years 0 months</td>
</tr>
<tr>
<td>M. Graham</td>
<td></td>
<td>7 years 6 months</td>
</tr>
<tr>
<td>A. Fairbairn</td>
<td></td>
<td>3 years 0 months</td>
</tr>
<tr>
<td>F. Major</td>
<td>2013</td>
<td>7 years 6 months</td>
</tr>
<tr>
<td>R. Simpson</td>
<td></td>
<td>7 years 6 months</td>
</tr>
<tr>
<td>J. Hickey</td>
<td>2014</td>
<td>9 years 6 months</td>
</tr>
<tr>
<td>J. Bryson</td>
<td></td>
<td>3 years 0 months</td>
</tr>
</tbody>
</table>

This facilitates succession planning and mitigates against the risks presented to the Trust as a consequence of turnover amongst NEDs. As is indicated above, the terms of office of Mitch Brown, Malcolm Graham and Andrew Fairbairn expire on 30th June 2012.

Non-Executive Director Appointment Process

Following discussion at the CoG in previous appointments rounds, the Governors Remuneration Committee has discussed and agreed a generic process for the re-appointment/appointment of NED posts (Appendix A).

Should the Trust need to launch an external NED recruitment process, the necessary process and timeline is attached at Appendix B. In order to complete the formal process in time for ratification by the Council of Governors meeting in May, the Governor’s Remuneration Committee will need to be convened before the week commencing 26th March 2012.

It is recommended that this process is implemented for the 2012 round. This would be overseen by the Governors Remuneration Committee, although its recommendations would need to be ratified by the full Council of Governors.
Recommendations

The Council of Governors is recommended to:

- agree to adopt the NED re-appointment/appointment process developed by the Governor’s Remuneration Committee;
- authorise the Governor’s Remuneration Committee to oversee the process for the appointment of a Non-Executive Directors in the 2012 round.

Ian Renwick
Chief Executive
February 2012
NED Term of Office due to expire

NED eligible for re-appointment?¹

NED specialist background still relevant?²

Higher priority for NED specialist input to Board of Directors?²

Individual seeking re-appointment?

Chair can confirm satisfactory performance appraisal and personal objectives met?³

Re-appointment supported by Chair/CEO?

Re-appointment supported by Council of Governors on recommendation of Rem. Cttee?³

Re-appointment approved and Term of Office agreed

Feedback to individual by Chair
Action NED recruitment process
Notes

1 This is subject to the requirements of paragraph C.2.2 of Monitor’s Code of Governance:

“Non-executive directors, including the chairman, should be appointed by the council of governors for specified terms subject to re-appointment thereafter at intervals of no more than three years and to the 2006 Act provisions relating to the removal of a director. The chairman should confirm to governors that, following formal performance evaluation, the performance of the individual proposed for re-election continues to be effective and to demonstrate commitment to the role. Any term beyond six years (e.g. two three-year terms) for a non-executive director should be subject to particularly rigorous review, and should take into account the need for progressive refreshing of the board. Non-executive directors may in exceptional circumstances serve longer than six years (e.g. two three-year terms following authorisation of the NHS foundation trust), but subject to annual re-appointment. Serving more than six years could be relevant to the determination of a non-executive director’s independence (as set out in provision A.3.1).”

Note: Notwithstanding what is implied at para. C.2.2, there is no maximum term of office specified in the Code of Governance.

2 Subject to discussion and recommendation by the Board of Directors in accordance with paragraph C.3 of Monitor’s Code of Governance:

“The board of directors is responsible for ensuring ongoing compliance by the NHS foundation trust with its terms of authorisation, its constitution, mandatory guidance issued by Monitor, relevant statutory requirements and contractual obligations. In so doing, it should ensure it retains the necessary skills within its board of directors, and puts in place appropriate succession planning.”

3 The Governor’s Remuneration Committee should be provided with a summary of the individual’s past three years’ appraisals to assist their decision making. In addition, the Chair of the Governors Remuneration Committee will hold informal discussions with Governors who have regular exposure to NEDS in business meetings.
# APPENDIX B

PROPOSED PROCESS

<table>
<thead>
<tr>
<th>Step</th>
<th>Description</th>
<th>Lead</th>
<th>Timescale</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Job description and person specification to be revised/updated on instruction of the Chair of the Council of Governors. Trust Secretary will be supported by the Head of Personnel.</td>
<td>PJS/DS/KF</td>
<td>Week 1</td>
</tr>
<tr>
<td>2</td>
<td>Advert drafted and prepared</td>
<td>KF</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Advert approved</td>
<td>CofG Rem Committee</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Interview date and arrangements agreed and arranged. Panel confirmed</td>
<td>KF</td>
<td>Week 2</td>
</tr>
<tr>
<td>5</td>
<td>Advert placed in appropriate media with 3 week timescale</td>
<td>IDR/KF</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Shortlisting</td>
<td>Interview Panel</td>
<td>Week 6</td>
</tr>
<tr>
<td>7</td>
<td>Candidates advised of interview arrangements</td>
<td>KF</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>References requested</td>
<td>KF</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Interview</td>
<td>KF</td>
<td>Week 7/8</td>
</tr>
<tr>
<td>10</td>
<td>Successful candidate advised of offer of post subject to employment checks and Council of Governor approval</td>
<td>PJS/IDR</td>
<td>Within 24 hours of interview</td>
</tr>
<tr>
<td>11</td>
<td>Paper prepared for Council of Governors to approve appointment subject to satisfactory employment checks</td>
<td>IDR/KF</td>
<td>Within 3 days of interview</td>
</tr>
<tr>
<td></td>
<td></td>
<td>CofG</td>
<td>Ratified at May CofG meeting</td>
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</tbody>
</table>
1. Introduction

Gateshead Health NHS Foundation Trust Nursing and Midwifery Directorate launched the Nursing and Midwifery Strategy 2011-2013 in January 2011. The strategy was aligned to the values set out in the Trust vision:

“To place the patient at the centre of everything we do providing a focus for everyone to deliver the best, high quality, person centred care underpinned by sound values and commitment to collaborative working with both staff and stakeholders.”

It was developed in consultation with nurses and midwives in the Trust and is built on the success of the previous Nursing and Midwifery Strategy that supported nurses and midwives to develop innovative and creative ways of working in the pursuit of nursing and midwifery excellence, in line with local and national agendas.

The aims of the strategy are:

- Strengthen the contribution of nurses and midwives in delivering excellence in care and improved health outcomes
- Embrace national and local drivers and staff opinions to deliver high quality, safe care in the 21st century
- Focus on a high quality, safe environment where patients feel respected and involved by compassionate and competent nurses and midwives.

The Nursing and Midwifery Strategy was officially launched at Gateshead Health Nursing and Midwifery conference on International Nurses’ Day, 12th May, 2011. Following the launch of the strategy a comprehensive action plan was developed to ensure the coordination and delivery of the key objectives of the strategy; this resulted in the development of the Care Quality Assurance Framework and Care Quality Accreditation Programme. In addition, the Nursing and Midwifery Professional Forum was established to monitor the delivery of this framework and provide the Board with assurance.

2. Care Quality Assurance Framework

In order to ensure patient safety, standards of care, public confidence and professionalism, all nurses and midwives must act in the patient’s best interests. As outlined in the strategy, there are a number of national initiatives to support and deliver high quality and safe care. Whilst all of these initiatives have quality at the centre there was a general consensus that there was significant duplication in these initiatives. This led to a lack of focus, duplication of work and potential information overload for frontline staff. The Nursing and Midwifery Strategy gave a commitment to rationalise national imperatives into a meaningful framework to support quality improvement in clinical practice. Following a consultation, discussion with senior nursing staff and a review of relevant literature, the Care Quality Assurance Framework was developed in
order to meet this objective. The driver diagram over page illustrates the development of this framework.

This Framework considered all of the current drivers both locally and nationally, and identified the current enabling strategies. All of the current and expected priorities were pulled into one overarching framework with four key work streams to set the direction for nursing and midwifery for the next two years. The title represents our commitment to the quality of patient care and demonstrates the clear links to external requirements. The four main work streams within the Trust Care Quality Assurance Framework are:

- Clinical Care
- Patient Safety
- Patient Experience
- Workforce

Each of these work streams has a number of programmes of work with an identified nursing lead(s), working group, Terms of Reference and action plan. The working groups may be either led by the nursing lead (due to the nursing/midwifery focus) or be part of an integrated Trust wide group where the nursing lead is responsible for representing nursing on the group and providing feedback to wider nursing community. The progress and delivery of outcomes is monitored through the Nursing and Midwifery Professional Forum; there is a clear reporting system in place for the next two years. This forms the basis of our assurance framework to ensure the delivery of safe, effective, high quality care.

The engagement of staff all levels is centred on the Trust Vision. Matrons, Ward and Department Sisters, Nurse Practitioners and Educational/Clinical Band 6 Away Days provide the platform to operationalise the framework from ward to board. The Ward/Department Care Quality Accreditation Programme identifies outcome measures, monitors progress and recognises and rewards excellence.

The table below provides an overview of the four work streams and sets out the details of the associated programmes of work within each work stream. It includes the nursing leads, established groups and identifies key links with other work within the Trust.
<table>
<thead>
<tr>
<th>Work Stream</th>
<th>Programme of Work</th>
<th>Nursing Lead</th>
<th>Group</th>
<th>Links</th>
</tr>
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<tbody>
<tr>
<td><strong>Clinical Care</strong></td>
<td>Bladder, Bowel and Continence Care</td>
<td>Lorraine Montgomery Claire Egglestone</td>
<td>Integrated Continence Steering Group</td>
<td>New group established for 2012</td>
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<tr>
<td></td>
<td>Prevention and Management of Pressure Ulcers</td>
<td>Nichola Russell</td>
<td>Weekly Pressure Damage Ward Sister Meetings</td>
<td>SafeCare, Band 6 Clinical leads work programme</td>
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<tr>
<td></td>
<td>Prevention and Management of Pain</td>
<td>Gillian Appleby Carmel Majmudar</td>
<td>Link group as previous Essence of Care group</td>
<td>Band 6 Clinical leads work programme</td>
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<td></td>
<td>Record Keeping and Care Standards</td>
<td>Carmel Majmudar Claire Dodds</td>
<td>Integrated group with Communication and customer care</td>
<td>Communication and Customer Care</td>
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<td>Food and Drink</td>
<td>Madeleine Lee</td>
<td>Link group as previous Essence of Care group</td>
<td>Collaborative catering reviews</td>
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<td>Dementia / Delirium/Depression</td>
<td>Judith Gibson Debbie Bowman</td>
<td>Dementia Steering group to be established</td>
<td>Mental Health Committee</td>
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<td>Personal Hygiene &amp; Self Care</td>
<td>Debbie Bowman Claire Dodds</td>
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<td>Health and well being</td>
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<td>Promoting Health and Wellbeing</td>
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<td>End of Life</td>
<td>Chris Crone Carolyn Harper</td>
<td>Integrated End of Life Steering group</td>
<td>New group established in 2011</td>
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<tr>
<td><strong>Patient Safety</strong></td>
<td>Policies, Procedures, Guidelines</td>
<td>Hilary Lloyd Sue Blackburn</td>
<td>Marsden User group</td>
<td>New group established for 2012</td>
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<td>Deteriorating Patient</td>
<td>Bev Wilkinson Mike Bunn</td>
<td>Resuscitation and Deteriorating patient group</td>
<td>SafeCare</td>
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<td>Falls</td>
<td>Chris Crone Julie Ward</td>
<td>Link group as previous Essence of Care group</td>
<td>Band 6 Clinical leads work programme</td>
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<td>Safe Discharge from Hospital</td>
<td>Lindsey Surtees</td>
<td>Hospital Discharge Group</td>
<td>SafeCare</td>
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<tr>
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<td>Infection Prevention and Control / Care Environment</td>
<td>Viv Atkinson</td>
<td>Infection Prevention and Control Committee</td>
<td>PEAT</td>
</tr>
<tr>
<td></td>
<td>Safeguarding Adults and Children</td>
<td>Anne Davies Kate McCluskey</td>
<td>Safeguarding Committee</td>
<td></td>
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<tr>
<td><strong>Medicines Management</strong></td>
<td><strong>Carmel Majmudar</strong>&lt;br&gt;<strong>Una Jones</strong></td>
<td><strong>Medicines Governance Committee</strong></td>
<td><strong>Band 6 Clinical leads work programme</strong></td>
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<td></td>
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<tr>
<td><strong>Respect and Dignity</strong></td>
<td><strong>Hilary Lloyd</strong>&lt;br&gt;<strong>Faye Butler</strong></td>
<td><strong>Patient Experience and Dignity</strong>&lt;br&gt;<strong>Steering group</strong></td>
<td><strong>New group established in 2011</strong>&lt;br&gt;<strong>SafeCare</strong>&lt;br&gt;<strong>PCPI</strong></td>
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<tr>
<td><strong>Patient Feedback</strong>&lt;br&gt;<strong>MSA</strong></td>
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<td></td>
<td><strong>PCPI</strong>&lt;br&gt;<strong>Patient Experience and Dignity</strong>&lt;br&gt;<strong>Group</strong></td>
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<tr>
<td><strong>Carers</strong></td>
<td><strong>Chris Crone</strong>&lt;br&gt;</td>
<td><strong>Caring for Carers Group</strong></td>
<td><strong>CLIPA</strong></td>
<td></td>
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<td><strong>Learning from Complaints &amp; PALs</strong>&lt;br&gt;</td>
<td><strong>Hilary Lloyd</strong></td>
<td>&lt;br&gt;</td>
<td><strong>CLIPA</strong></td>
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<tr>
<td><strong>Disability</strong>&lt;br&gt;<strong>Learning Disability</strong>&lt;br&gt;</td>
<td><strong>Hilary Lloyd</strong>&lt;br&gt;<strong>Julie Ward</strong>&lt;br&gt;</td>
<td><strong>Disability Forum</strong>&lt;br&gt;</td>
<td><strong>LD Partnership Board</strong>&lt;br&gt;<strong>PDSI Partnership Board</strong></td>
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<td><strong>Maternity Care</strong>&lt;br&gt;</td>
<td><strong>Gill Thompson</strong>&lt;br&gt;<strong>Joanne Crawford</strong>&lt;br&gt;</td>
<td><strong>Integrated group with Record Keeping and Care Standards</strong>&lt;br&gt;</td>
<td><strong>Record Keeping and Care Standards</strong>&lt;br&gt;<strong>Education and Training</strong></td>
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</tr>
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<td><strong>Communication</strong>&lt;br&gt;<strong>Customer Care</strong>&lt;br&gt;</td>
<td><strong>Claire Dodds</strong>&lt;br&gt;<strong>Carmel Majmudar</strong>&lt;br&gt;</td>
<td><strong>Integrated group with Record Keeping and Care Standards</strong>&lt;br&gt;</td>
<td><strong>Record Keeping and Care Standards</strong>&lt;br&gt;<strong>Education and Training</strong></td>
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<td><strong>Productive Ward/Theatre</strong>&lt;br&gt;</td>
<td><strong>Joanne Coleman</strong>&lt;br&gt;<strong>Carol Muwanga</strong>&lt;br&gt;</td>
<td><strong>Productive Ward Group</strong>&lt;br&gt;<strong>TPOT</strong>&lt;br&gt;</td>
<td><strong>LEAN Operational group</strong></td>
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<td><strong>Leadership</strong>&lt;br&gt;</td>
<td><strong>Hilary Lloyd</strong>&lt;br&gt;<strong>Gillian Appleby</strong>&lt;br&gt;<strong>Bev Wilkinson</strong>&lt;br&gt;<strong>Joanne Crawford</strong>&lt;br&gt;</td>
<td><strong>Leadership Review Group</strong>&lt;br&gt;</td>
<td><strong>Education and Training</strong></td>
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<td><strong>Hilary Lloyd</strong>&lt;br&gt;<strong>Janet Thompson</strong>&lt;br&gt;</td>
<td><strong>Practice Development</strong>&lt;br&gt;</td>
<td><strong>Band 6 Clinical leads work programme</strong></td>
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<td><strong>Enabling Framework and Succession Planning</strong>&lt;br&gt;</td>
<td><strong>Sue Blackburn</strong>&lt;br&gt;<strong>Gillian Appleby</strong>&lt;br&gt;</td>
<td><strong>Professional Education Group</strong>&lt;br&gt;</td>
<td><strong>Professional Education Group</strong></td>
<td></td>
</tr>
</tbody>
</table>
| Well Workforce  
Improving working lives | Julie Orr | Health and Wellbeing Group | Education and Training |
|--------------------------|----------|-----------------------------|------------------------|
| Mentorship              
Preceptorship            | Sue Blackburn  
Claire Calladine | Professional Education Group | IPLC                   |
| Core Skills Development inc. HCA  
Development             | Sue Blackburn  
Janet Thompson | Professional Education Group | IPLC                   |
| CPD                     | Sue Blackburn | Professional Education Group | IPLC                   |
3. Energising for Excellence

More recently, the Department of Health has developed ‘Energise for Excellence in Care’ (E4E) which is an overarching quality framework for nurses and midwives which aims to support the delivery of safe and effective care, creating positive patient and staff experiences that build-in momentum and sustainability. The framework aims to bring together tools, techniques and policies from national and local level into one central portal on the DH website. In many ways it is not dissimilar to Gateshead Care Quality Assurance Framework. As our framework has been developed and informed by our Nursing and Midwifery Strategy (2011) and SafeCare Strategy (2010) it is our intention to continue with our framework with due consideration of E4E as appropriate. The E4E DH framework is illustrated below:

4. Achievements in 2011

Much of the good work that has been delivered in 2011 with regard to the delivery of the work streams within the Care Quality Assurance Framework has already been presented across the Trust in a number of different formats and meetings. To highlight some of the excellent work our nursing and midwifery teams have delivered we have provided a summary of two of the programmes of work from each work streams for clinical care and patient safety.
4.1 Clinical Care: Prevention and Management of Pressure Ulcers

Led by the Tissue Viability Team, nursing teams have developed a continuous improvement programme for pressure damage that has enabled us to develop a robust system for data capture and validation of practice. Commitment from Ward Sisters and Matrons has enabled the success of weekly pressure damage meetings to share good practice; present ward compliance against 5 Key Quality Indicators; develop targeted work on key priorities identified from RCAs and audits of clinical practice and implement changes in practice to improve care for patients. Developments include Safeguarding Adults and Skin Damage Protocol; targeted training; tracking system for all patients; review of equipment and rapid response to deterioration in Trust attributed damage by completion of a full RCA and action plan presented to the Director and Deputy Director of Nursing and Midwifery. This has resulted in a steady and consistent reduction of harm caused to patients by pressure damage.

4.2 Clinical Care: Food and Drink

Led by the Nutrition Specialist Nurse, nursing teams have delivered a number of key improvements in ensuring our patients receive a high standard of care around nutrition and hydration. The wards have implemented red jug lids and red beakers for patients who are identified as needing assistance with eating and drinking. This was to complement red place mats which were already in place. Targeted areas, such as elderly care have implemented snack rounds and the availability of full fat milk and butter. Select wards have reintroduced hot breakfasts in acknowledgement that this is the most important meal of the day for elderly frail patients. This has resulted in a reduction in referrals to the dietician. Adjustments to the altered textured diets ensured Gateshead was one of the first Trusts to meet the new nutrition standards set in April 2011. Housekeepers have ensured that staff, patients and carers are fully informed around nutrition and hydration by the use of nutrition boards in prominent places. Collaborative nutrition ward reviews by catering, dietetics and senior nurses have ensured that high standards are maintained at the frontline delivery.

4.3 Patient Safety: Falls

The Practice Development Team and Clinical Leads have worked in collaboration with SafeCare to develop and implement a programme of improvement work to achieve a reduction in the number of falls in the Trust by 10% and similarly to reduce the number of falls resulting in harm by 10%. These included a baseline audit to identify gaps in practice and areas for improvement; staff education and training; an event to spread good practice and best practice bulletins. Ward based clinical leads are the identified Falls Champions and lead on key improvements in their area of work.

The work was focused on the ‘Four Basics’ of falls prevention:

- Assessment of the risk of falls on admission
- Avoidance of unnecessary hypnotic or sedatives
- Ensuring patients have appropriate footwear
- Ensuring nurse call bell are within easy reach.
Skid resistant slipper socks were implemented for patients who do not have their own appropriate footwear and these have been very well received. Tools such as Falling Stars, Memory Boxes and Safety Cross Boards are currently being rolled out to clinical areas. The Falls Risk Assessment Tool has been improved. The SBAR handover tool now incorporates falls risk. A Post Falls Protocol is now in place for Medical wards. Bed and chair alarms are being tested and ward staff are undertaking training and competency based assessments for falls. A poster presentation reflecting this work has been accepted at the prestigious Institute for Health Innovation Conference in 2012.

4.4. Patient Safety: Safeguarding

Delivering safe services to vulnerable individuals is essential to ensure that the most vulnerable people are supported appropriately. The past year Safeguarding processes have been significantly developed in the Trust. This has resulted in greater awareness amongst staff providing services to vulnerable adults. The Safeguarding Adults Committee has been established and meets bi-monthly. The work of the group includes ensuring best practice is adhered to and the implementation of robust reporting and monitoring. The Trust was inspected by the CQC in July 2011 and the effectiveness of our safeguarding was assessed. The feedback was very positive and there were no recommendations for safeguarding. The Safeguarding Vulnerable Adults Policy has been re-written in line with the Department of Health “No Secrets” guidance. The Safeguarding Pressure Damage Protocol has been piloted within the Trust; this ensures that a concern around the management of pressure damage and the possibility of neglect is directed to the safeguarding process, via the Tissue Viability Team. The in house referral process has been streamlined and well advertised to provide a swifter response to Cause for Concern forms. A joint SafeCare event was held in September 2011, between Safeguarding Adults and Children, to highlight the benefits of joint working, especially with the most complex cases.

Training is delivered by the SafeCare Matron and the Training and Development Nurse for Mental Health. Alerter training sessions are held on a monthly basis for all front line staff and this has been well attended to date. Real time audit continues by way of reviewing staff knowledge, practice and recognition of safeguarding issues and abuse.

5. Patient Experience

The Patient Experience Strategy was developed in collaboration with SafeCare in 2011 and the existing Privacy and Dignity group was re launched as the Patient Experience and Dignity Steering group with a new focus and remit to support the development and implementation of this strategy. The aim of the group is to drive the patient experience agenda and it has developed a programme of work with identified key priorities to ensure that patients remain at the heart of all that we do. The excellent work from the Caring for Carers Group and the Disability Forum will be presented at this Steering Group. In addition, the group will monitor the progress of the real time patient experience feedback project work and to evaluate the impact and outcomes of improvement measures, as well as, compliance with single sex accommodation requirements.
The Dignity Conference in June 2011 was a huge success. The high profile speakers together with the Twisting Ducks Theatre group ensured evaluations were excellent. Plans for the 2012 conference are progressing well.

6. Workforce

One of the most important aspects of delivering the Nursing and Midwifery Strategy is ensuring that we have a nursing and midwifery workforce with the skills, knowledge and competence to provide the best care for our patients.

“High quality care can only be delivered by a nursing and midwifery workforce that attracts and retains high quality recruits, is educated to be competent and compassionate, and undergoes continuing professional development.”

(DoH 2010)

The principles of lifelong learning and a commitment to it are fundamental to a skilled and knowledgeable workforce. A supportive culture, supported by strong and visible leadership at all levels is essential. The Nursing and Midwifery “Enabling Framework” has been developed to identify the core education and training requirements for each level of staff and to provide a range of learning and development opportunities to enable staff to realise their potential through a supportive framework. The Framework also supports succession and career planning, and is underpinned by the CONTACT appraisal process. A number of initiatives to support both formal and workplace learning in relation to the key areas identified in the Care Quality Framework and Enabling Framework are highlighted over page.
ENABLING FRAMEWORK FOR NURSES, MIDWIVES AND HEALTHCARE ASSISTANTS

Core Skills
- NVQ Apprenticeships level II and III
- Literacy & Numeracy
- Widening Participation
- Secondment to Nurse Training
- In House Development

Healthcare Assistants
- Pre-registration Curriculum
- Learning Environment
- Mentors
- Placements

Preparation for practice

Student Nurse

Staff Nurse
Band 5
- 0-12 months Preceptorship
  - AWBL
  - Accelerated progression
- 12 months onwards CPD
  - CBA's
  - In-house programmes
  - Mentorship
  - Introduction to leadership and management.
  - Degree level study

Practitioner

Specialist Practitioner
Clinical and Management roles

Lead/Advanced Practitioner
Clinical and Management roles

Band 6
Education/Clinical Practice Lead Role
CPD
CBA's
Progress toward graduate status
Kaleidoscope

Band 7
Preceptorship support.
CPD
CBA's
RCN Leadership Programme.
Master classes
In-house programmes
Trust Band 7 away days
Graduate status

Band 8
CPD
Master classes
Away days
MSc Level Study

Agreed Personal Development Plan –
 Undertake supported learning and development
Joint evaluation of applied learning and development
Joint review of work against the role requirements

Gateshead Health
NHS Foundation Trust
6.1 Skills Development

A competency based assessment framework has been developed for core practical skills relevant to nurses, midwives and healthcare assistants across the organisation supported by evidence based workbooks or e-learning tools. Each nurse will be issued with a core skills proforma which will be reviewed each year at appraisal to ensure that skills are being maintained and updates undertaken as required. A total of fifteen competency based assessments have been identified and four have been developed:

- Physiological observations and EWS
- Administration of medicines
- Phlebotomy
- Mechanical Thrombo-prophylaxis

Workshops for Healthcare Assistants and newly qualified staff nurses have been developed and delivered to support the deteriorating patient work programme in relation to the Early Warning Score track and trigger system.

20 nurses have undertaken an accredited Clinical Skills Course to support clinical skills development for the planned Emergency Care Centre, and the Emergency Ward Response Team.

Purchase of an e-learning tool, Safe – Medicate, which focuses on medicines calculations, has been implemented as part of medicines management assessment for newly qualified nurses, and nurses with identified development needs in this area of practice.

6.2 Away Days

The development of Ward and Department Sisters, Matrons and Nurse Practitioners is essential to the delivery of high quality, safe care. This has been achieved through the delivery of away days with an agenda that focuses on the key responsibilities within the role: leadership, professional responsibilities, clinical care and staff development. The evaluations have been very positive, in particular by providing an opportunity to share key professional and organisational messages, share practice and experiences, and plan for future service development.

6.3 Preceptorship

The value of preceptorship has long been recognised. It is supported by CONTACT appraisal and structured processes are in place to support newly qualified nurses and midwives to manage the transition from student to qualified practitioner. It has been further supported by the introduction of a Preceptorship Portfolio which clearly identifies and supports the acquisition of the core skills and knowledge outlined in the Enabling Framework, which include completing identified competency based assessments and Safe-Medicate E-Learning Tool. The benefits of preceptorship include the development of confidence and competence, provision of peer support, a clear understanding of the role and responsibility. It enables managers to identify staff who may be in difficulty at an early stage, as well as having a positive impact upon recruitment and retention.
6.4 Continuing Professional Development (CPD) and Academic Progression

Locally 2012 will see the move to degree level registration for nurses and midwives. A scoping exercise has been undertaken to determine the number of graduate nurses already employed. This will be used to support Ward and Department Sisters to develop an action plan which will provide equitable access to academic study for their staff. This highlights the need for investment in CPD to ensure that all current registered nurses have the opportunity to attain a relevant degree.

In order to maximise the CPD contract, in consultation with Ward and Department Sisters, we have identified six core clinical modules to support the delivery of the Care Quality Assurance Framework. This is to ensure that nursing teams have the skills and knowledge, through academic study, to meet the needs of both the individual and the service.

6.5 Health Care Assistants

Health Care Assistants are a key feature of the nursing and midwifery workforce and it is essential that they have the skills and knowledge to ensure patient safety, excellent clinical care and a quality patient experience. We have worked with OD and Training to develop a robust system for training. A training needs analysis was undertaken to establish the current qualification levels of HCAs and to identify any skills gaps. Following this a decision was made that all HCAs are required to attain the Level 2 qualification in Health and Social Care (NVQ2). The NVQ awards in November celebrated the success of some HCAs and demonstrated the benefits that this training can bring to both the individual and the organisation. 9 HCAs’ successfully completed full Level 2 qualification and 12 were successful at Level 3. We have 28 HCAs on the Level 2 apprenticeship framework and 26 HCAs’ who have achieved a Level 2 NVQ, studying Level 1 literacy and numeracy.

6.6 Young Modern Apprentices

In September 2011 the Trust recruited seven young people into Health Care Assistant Apprenticeship positions. These temporary training positions were designed to provide young people who had an interest in pursuing a career in healthcare to develop obtain knowledge, skills and experience in the area. The apprentices have been placed within various wards and departments including; A+E, Maternity, Elderly Care, Paediatrics, Mental Health and Medical Wards.

7. Care Quality Accreditation Programme

Nurses and Midwives across the wards and departments complete a range of assessments and audit tools to provide information of how they meet standards in practice, but these have sometimes been fragmented and un-coordinated. The Care Quality Accreditation Programme provides wards and departments with a co-ordinated set of standards that provide information in relation to quality and safety, identified through key drivers including Essence of Care, High Impact Actions, Nurse Sensitive Outcome Indicators and the Care Quality Commission. The standards reflect the 4 domains that have been identified as key to the delivery of quality care and reflect the Care Quality Assurance Framework:
- **Domain 1** - Workforce
- **Domain 2** - Patient Safety
- **Domain 3** - Clinical Care
- **Domain 4** - Patient Experience

Each domain contains a set of standard statements and gives examples of the evidence required to evaluate performance. It provides ward to board assurance, as well as recognising and rewarding the provision of "excellence as standard".

The standards were distributed to the wards and departments in October 2011. Wards and Departments are busy working towards completing the standards and the plan is for Wards and Departments to be assessed in 2012.

8. **Nursing and Midwifery Professional Forum**

The Nursing and Midwifery Professional Forum was established in 2011 to provide a reporting and monitoring structure for the Nursing and Midwifery Strategy. The purpose of the Forum is to provide strategic direction and oversee the implementation of the Nursing and Midwifery Strategy. It aims to maximise the contribution of all nursing and midwifery staff in delivering patient centred care and service improvements in order to achieve high quality, safe and effective care for patients, carers and relatives. It provides a professional forum for discussion, approval and dissemination of information. It monitors the development of the Nursing and Midwifery workforce in the skills, capacity and flexibility to meet the current and future service demands, and comply with relevant regulatory and professional standards. Most importantly it provides assurance through the monitoring of the delivery of the Care Quality Assurance Framework work streams, agreeing priorities and ensuring efficient and effective use of resources.

9. **Clinical Visits**

In 2011 the Director and Deputy Director of Nursing and Midwifery undertook weekly clinical visits to all Ward and Departments areas; this involved meeting with the Ward Sister and nursing staff and discussing key issues around the four key work streams in the Assurance Framework. Further visits were conducted with all Nurse Practitioners and Specialist Nurses. This clear and visible leadership provides further assurance to the Board on the monitoring and delivery of quality nursing practice.

10. **Nursing Times Awards**

We are delighted to report that two of our nurses were finalists at the prestigious Nursing Times Awards. Aileen Rooney, Critical Care Nurse Practitioner for her work on rehabilitation after critical illness, and Caroline Sherlock, Cardiology Nurse Practitioner for her work on developing cardiology services, were short listed to the final few out of a record 850 entries across the country. Attendance at the awards ceremony in London made everyone feel like a winner.

11. **Midwifery 2020: Delivering Expectations**

The Challenges in the Nursing & Midwifery Strategy 2011-2013 for Midwives was influenced by the "Midwifery 2020, Delivering Expectations' (DH 2010). It set out to develop an informed vision to guide the contribution of midwives to achieve a quality cost effective maternity service across the UK. In addition, local challenges were developed.
11.1 Meeting Women's Needs

Midwifery 2020 promotes the vision of midwives taking the roles 'lead professional' and 'coordinator of care'. At Gateshead this model has been evident for a number of years, with midwives being leads and partners in low and high risk case loads. In 2011 we have reviewed the model of acute maternity care and developed an efficient effective pathway through the service to improve the quality of women centred care. Re-designed access to maternity care and a new 24/7 assessment /triage unit with ultrasound services has enable women to have dedicate one to one care in labour. Community teams have been reorganised to provide two high quality teams, home visits have changed in order to develop women led drop in clinics. This is to stop unnecessary home visits and provide appropriate care to women and their families who require contact at more suitable times.

11.2 Midwife's role in public health and addressing health inequalities

The roles of specialist midwives was restructured taking into account the changing focus on the local population and service development required to support local inequalities. This has introduced specialists focusing on obesity, smoking, infant feeding and perinatal mental health. A high risk midwife focuses on the midwifery contribution to women in high risk obstetric care. In addition to Specialist Midwives, the unit has employed an Infant Feeding Peer Support Health Care Assistant who provides advice and support to all women.

11.3 Promoting normal birth and providing one to one midwifery in labour

Promoting normal birth is one of the Chief Nursing Officers 'High Impact Actions”. The unit has had a normal birth group for several years, but within the last 12 months has seen many of the plans put into action, including the ability to review and triage women in an appropriate environment, removing telephone triage, outpatient reviews and assessments from the delivery suite so that the delivery suite staff can support and empower women to move, cope and achieve normal deliveries. As the new assessment unit develops new pathways and resources will be introduced.

11.4 Developing Midwives

Development opportunities continue within the service as 2 Midwives complete the post graduate certificate in ultrasound and 4 midwives complete the examination of the newborn qualification. The focus on working in partnership with staff has been a focus of 2011, investing time and resources in Away Days with all levels of staff. The result was extremely positive raising morale, improving relations and setting team objectives.

11.5 Measuring the Contribution Midwives Make

The systematic measurement of quality and safety is vital to drive improvements and maintain standards. Within the existing service quality is measured continually, through clinical governance and risk management. Clinical audit is ongoing to provide evidence that guidelines and standards are
adhered to. These are evident in standards presented to the NHSLA CNST. In 2010-2011 the maternity department achieved level 3. In 2011 we participated in the Foundation Trust Network (FTN) Maternity Benchmarking. The exercise provided assurance that quality was high in the majority of areas as well as highlighting some areas that could be improved. An action plan was completed providing the department with a portfolio of new quality measures. These were collated and populated a clinical dashboard; this is reported monthly to the divisional SafeCare by exception.

12. Plans for 2012
The plan for 2012 is to complete the delivery of the Nursing and Midwifery Strategy 2011-2013. The Director and Deputy Director of Nursing and Midwifery have considered the drivers and areas for consideration for 2012 and agreed the key priorities for the work streams. These are illustrated in the diagram below:

13. Summary
This report has provided an update on the achievements of the strategy to date. It demonstrates the strategic direction and contribution of nursing and midwifery to patient care in the Trust and the expectations outlined in the Trust Vision and provides the board with assurance.

14 Recommendations
The Board is requested to receive this report.

Gillian MacArthur
Hilary Lloyd
Director of Nursing and Midwifery  Deputy Director of Nursing and Midwifery
GATESHEAD HEALTH NHS FOUNDATION TRUST

Standing Orders and Standing Financial Instructions

Introduction:

The Trust is required to regularly review the Standing Orders and Standing Financial Instructions of the organisation and update them for current legislative requirements.

Attached is a revised document which has been amended to reflect requirements of the Bribery Act and the new electronic tendering process.

Recommendation:

The Council of Governors is asked to receive the Standing Orders and Standing Financial Instructions for information.

Mrs Lynne Hodgson
Director of Finance and Information
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Introduction

Regulatory Framework

Gateshead Health NHS Foundation Trust is a statutory body which became a public benefit Trust on 5 January 2005 following its approval as an NHS Foundation Trust by the Independent Regulator of NHS Foundation Trusts (Independent Regulator) pursuant to the Health and Social Care (Community Health and Standards) Act 2003 (the 2003 Act).

The principal place of business of the Trust is at Queen Elizabeth Hospital, Sheriff Hill, Gateshead, NE9 6SX.

NHS Foundation Trusts are governed by Act of Parliament, mainly the 2003 Act, by their constitutions and by the terms of their authorisation granted by the Independent Regulator (the Regulatory Framework). This Act has now been replaced by the National Health Service Act 2006 (the 2006 Act).

The functions of the Trust are conferred by the Regulatory Framework.

The Regulatory Framework requires the Board of Directors of the Trust to adopt Standing Orders for the regulation of its proceedings and business.

1. Interpretation

1.1 Save as otherwise permitted by law and subject to the Constitution, 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 Trust Secretary).

1.2 Any expression to which a meaning is given in the National Health Service Act 1977, National Health Service and Community Care Act 1990 and other Acts relating to the National Health Service or in the Financial Regulations made under the Acts or in the 2003 and 2006 Acts or regulations made under it shall have the same meaning in this interpretation and in addition:

1.2.1 "Accountable Officer" shall be the officer responsible and accountable for funds entrusted to the Trust. He shall be responsible for ensuring the proper stewardship of public funds and assets. For the Trust this shall be the Chief Executive.

1.2.2 "Board of Directors" and (unless the context otherwise requires) “Board”, means the Chairman, Executive and Non-Executive Directors of the Trust collectively as a body.
1.2.3 "Budget" means a resource, expressed in financial terms, proposed by the Trust for the purpose of carrying out, for a specific period, any or all of the functions of the Trust.

1.2.4 "Chairman of the Board" is the person appointed by the Board of Governors to lead the Council of Governors and Board of Directors 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.

1.2.5 "Chief Executive" means the chief executive officer of the Trust.

1.2.6 "Commissioning" means the process for determining the need for and for obtaining the supply of healthcare and related services by the Trust within available resources.

1.2.7 "Committee" means a committee of the Board of Directors or sub-committee created and appointed by the Trust.

1.2.8 “Constitution” means the constitution of the Trust approved by the Independent Regulator, which describes the operation of the Foundation Trust.

1.2.9 "Committee members" means the directors formally appointed by the Board to sit on or to chair specific committees.

1.2.10 "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.

1.2.11 “Council of Governors” means the body of elected and appointed governors, authorised to be members of the Council of Governors and act in accordance with the constitution.

1.2.12 “COG” means the Council of Governors.

1.2.13 "Director of Finance" means the chief financial officer of the Trust.

1.2.14 "Executive Director" means a Member of the Board of Directors who holds an executive office of the Trust.

1.2.15 “Member” means any person registered as a member of the Trust and authorised to vote in elections to select governors.

1.2.16 "Member of the Board” means an executive or Non-Executive Director. (Member of the Board in relation to the Board of Directors includes its Chairman.)

1.2.17 “Monitor” means the Independent Regulator of NHS Foundation Trusts, a body corporate established by section (1) of the Act.
"Nominated officer" means an officer charged with the responsibility for discharging specific tasks within Standing Orders and Standing Financial Instructions.

"Non-Executive Director" means a Member of the Board of Directors who does not hold an executive office of the Trust.

"Officer" means employee of the Trust or any other person holding a paid appointment or office with the Trust.

“Patient, Quality, Risk and Safety Committee” means a committee whose functions are concerned with the arrangements for the purpose of monitoring and improving the quality of health care for which the Trust has responsibility and the quality of the Trust’s corporate governance.

"SFIs" means Standing Financial Instructions.

"SOs" means Standing Orders.

“Trust” means Gateshead Health NHS Foundation Trust

"Trust Secretary" means a person who may be 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 Regulatory Framework and these Standing Orders.

"Vice-Chairman" means the Non-Executive Director appointed from amongst the Non-Executive Directors as vice-chairman by the Board to take on the Chairman’s duties if the Chairman is absent for any reason.

2. The Board of Directors

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

2.2 All funds received in trust (Charitable funds) shall be held in the name of the Trust as corporate trustee. In relation to funds held on trust, powers exercised by the Trust as corporate trustee shall be exercised separately and distinctly from those powers exercised as a trust.

2.3 Directors acting on behalf of the Trust as a corporate trustee are acting as quasi-trustees. Accountability for charitable funds held on trust is to the Charity Commission.

2.4 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 Reservation of Powers to the Board and have effect as if incorporated into the Standing Orders.

2.5 Composition of the Board – The composition of the Board will be in accordance with the Constitution of the Trust.
2.6 **Appointment of the Chairman and other Directors** – The Chairman and Non-Executive Directors are appointed by the Council of Governors (COG). The COG shall appoint a committee, the Nominations Committee, whose members shall be the Chairman and four governors whose function will be to identify suitable candidates to the COG. The Chief Executive will be appointed or removed by the Non-Executive Directors, subject to approval by the COG. Executive Directors, except for the Chief Executive, will be appointed or removed by a committee whose members shall be the Chairman, the Non-Executive Directors and the Chief Executive.

2.7 **Terms of Office of the Chairman and other Members of the Board** - The regulations setting out the period of tenure of office of the Chairman and other Members of the Board and for the termination or suspension of office of the Chairman and other Members of the Board are contained in the Constitution of the Trust.

2.8 **Appointment and Powers of Vice-Chairman** - Subject to SO 2.10 below, the Chairman and other Members of the Board may appoint one of their number, who is also a Non-Executive Director, to be Vice-Chairman, for such period, not exceeding the remainder of his term as a Member of the Board, as they may specify on appointing him.

2.9 Any Member of the Board so appointed may at any time resign from the office of Vice-Chairman by giving notice in writing to the Chairman. The Chairman and other Members of the Board may thereupon appoint another Member of the Board as Vice-Chairman in accordance with the provisions of SO 2.8.

2.10 Where the Chairman of the Trust has died or has ceased to hold office, or where he has been unable to perform his 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 his 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 his duties, be taken to include references to the Vice-Chairman.

2.11 **Relationship between the Board of Directors and the Council of Governors** – The constitution describes the duties of these two bodies in more detail. In summary the Board of Directors manage the business of the Trust (in accordance with the Constitution), and the Council of Governors appoint the Non-Executive members of the Board (through the Nominations Committee) and decide their remuneration and terms and conditions of office, appoint auditors, and review various periodic reports listed in the constitution, presented to them by the Board. The Council will also represent the views of their constituency, or group, so that the needs of the local health economy are taken into account when deciding the Trust’s strategic direction.

In situations where any conflict arises between the Board of Directors and the Council of Governors, then the decision of the Chair shall normally be final. However there may be circumstances where the Chairman feels unable to decide owing to a conflict of interest. In such a situation, the Senior Independent Director shall be Acting Chair of the Trust.
3. Meetings of the Board

3.1 Calling Meetings - Ordinary meetings of the Board shall be held at such times and places as the Board may determine.

3.2 The Chairman of the Trust may call a meeting of the Board at any time. If the Chairman refuses to call a meeting after a requisition for that purpose, signed by at least one-third of the whole number of the Board of Directors, has been presented to him, or if, without so refusing, the Chairman does not call a meeting within seven days after such requisition has been presented to him at the Trust’s Headquarters, such one third or more of the Board of Directors may forthwith call a meeting.

3.3 In the case of a meeting called by Members of the Board in default of the Chairman, the notice shall be signed by those Members of the Board and no business shall be transacted at the meeting other than that specified in the notice.

3.4 Agendas will be sent to Members of the Board six days before the meeting and supporting papers, whenever possible, shall accompany the agenda, but will certainly be despatched no later than three clear days before the meeting, save in emergency. Failure to serve such a notice on more than three Members of the Board will invalidate the meeting. A notice shall be presumed to have been served one day after posting.

3.5 Setting the Agenda - The Board may determine that certain matters shall appear on every agenda for a meeting and shall be addressed prior to any other business being conducted.

3.6 A Member of the Board desiring a matter to be included on an agenda shall make his request in writing to the Chairman at least 10 clear days before the meeting. The request should include appropriate supporting information. Requests made less than 10 clear days before a meeting may be included on the agenda at the discretion of the Chairman.

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

3.8 Chairman of Meeting - At any meeting of the Board, the Chairman of the Board, if present, shall preside. If the Chairman is absent from the meeting the Vice-Chairman, if there is one and he is present, shall preside. If the Chairman and Vice-Chairman are absent such Non-Executive Director as the Members of the Board present shall choose shall preside.

3.9 If the Chairman is absent temporarily on the grounds of a declared conflict of interest the Vice-Chairman, if present, shall preside. If the Chairman and Vice-Chairman are absent, or are disqualified from participating, such Non-Executive Director as the Members of the Board present shall choose shall preside.

Public Meetings – Before each meeting of the Board or Council of Governors, 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)).

The Trust recognises that it should be as open as possible and to this end will
have its Council of Governors meetings in public. The Trust Board will be
divided into a public and private section.

The public and representatives of the press shall be afforded facilities to attend
all formal meetings of the Council of Governors and public meetings of the
Board.

The Chairman (or Vice-Chairman) shall give such directions as he thinks fit in
regard to the arrangements for Council meetings and Trust Board and
accommodation of the public and representatives of the press such as to
to ensure that the Board and Council’s business shall be conducted without
interruption and disruption and, without prejudice to the power to exclude on
grounds of the confidential nature of the business to be transacted, the public
will be required to withdraw upon the Board resolving as follows:

“That in the interests of public order the meeting adjourn for (the period to be
specified) to enable the Board to complete business without the presence of the
public” (Section 1(8) Public Bodies (Admission to Meetings) Act 1960).

The Trust will fulfill its requirement to hold an annual members meeting within a
reasonable timescale after the end of the financial year at which it will present
its annual report, audited annual accounts and the report made on those
accounts by the auditor (this must not be before the annual report and accounts
have been laid before parliament). An additional public members meeting will
be called if the auditor issues a report in the public interest other than at the end
of the financial year.

3.10 **Notices of Motion** - A Member of the Board desiring to move or amend a
motion shall send a written notice thereof at least 10 clear days before the
meeting to the Chairman, who shall insert in the agenda for the meeting all
notices so received subject to the notice being permissible under the
appropriate regulations. This paragraph shall not prevent any motion being
moved during the meeting, without notice, on any business mentioned on the
agenda.

3.11 **Withdrawal of Motion or Amendments** - A motion or amendment once moved
and seconded may be withdrawn by the proposer with the concurrence of the
seconder and the consent of the Chairman.

3.12 **Motion to Rescind a Resolution** - Notice of motion to amend or rescind any
resolution (or the general substance of any resolution) which has been passed
within the preceding 6 calendar months shall bear the signature of the Member
of the Board who gives it and also the signature of 4 other Board members.
When any such motion has been disposed of by the Board, it shall not be
competent for any member other than the Chairman to propose a motion to the
same effect within 6 months, however the Chairman may do so if he considers it
appropriate.
3.13 **Motions** - The mover of a motion shall have a right of reply at the close of any discussion on the motion or any amendment thereto.

3.14 When a motion is under discussion or immediately prior to discussion it shall be open to a Member of the Board to move:

- an amendment to the motion.
- the adjournment of the discussion or the meeting.
- that the meeting proceed to the next business. (*)
- the appointment of an ad hoc committee to deal with a specific item of business.
- that the motion be now put. (*)

* In the case of sub-paragraphs denoted by (*) above to ensure objectivity motions may only be put by a Member of the Board who has not previously taken part in the debate and who is eligible to vote.

No amendment to the motion shall be admitted if, in the opinion of the Chairman of the meeting, the amendment negates the substance of the motion.

3.15 **Chairman’s Ruling** - Statements of Members of the Board made at meetings of the Board shall be relevant to the matter under discussion at the material time and the decision of the Chairman of the meeting on questions of order, relevancy, regularity and any other matters shall be final.

3.16 **Voting** - Every question at a meeting shall be determined by a majority of the votes of the Chairman of the meeting and Members of the Board present and voting on the question and, in the case of the number of votes for and against a motion being equal, the Chairman of the meeting shall have a second or casting vote.

All questions put to the vote shall, at the discretion of the Chairman of the meeting, be determined by oral expression or by a show of hands. A paper ballot may also be used if a majority of the Members of the Board present so request.

If at least one-third of the Members of the Board present so request, the voting (other than by paper ballot) on any question may be recorded to show how each Member of the Board present voted or abstained.

3.19 If a Member of the Board so requests, his/her vote shall be recorded by name upon any vote (other than by paper ballot).

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

3.21 **Minutes** - The Minutes of the proceedings of a meeting shall be drawn up and submitted for agreement at the next ensuing meeting where they will be signed by the person presiding at it.
3.22 No discussion shall take place upon the minutes except upon their accuracy or where the Chairman considers discussion appropriate. Any amendment to the minutes shall be agreed and recorded at the next meeting.

3.23 Minutes shall be circulated in accordance with Director's wishes. Where providing a public record of a Public meeting, the minutes shall be made available to the public.

3.24 **Suspension of Standing Orders** - Except where this would contravene any statutory provision or any guidance issued by the Independent Regulator, any one or more of the Standing Orders may be waived at any meeting, provided that at least two-thirds of the Board are present, including one Executive Director and one Non-Executive Director, and that a majority of those present vote in favour of suspension.

3.25 A decision to suspend Standing Orders shall be recorded in the minutes of the meeting.

3.26 The Business and Service Development Committee shall review every decision to suspend Standing Orders.

3.27 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 Board.

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

3.29 **Variation and Amendment of Standing Orders** - These Standing Orders shall be amended by the Board of Directors only if:

- a notice of motion under SO 3.12 has been given; and
- no fewer than half the total of the Trust’s Non Executive Directors vote in favour of amendment; and
- at least two-thirds of the Board members are present; and
- the variation proposed does not contravene a statutory provision or direction made by the Independent Regulator.

3.30 **Record of Attendance** - The names of the Chairman and Members of the Board present at the meeting shall be recorded in the minutes.

3.31 **Quorum** - No business shall be transacted at a meeting unless a minimum of 4 members of the Board (including at least one Non-Executive and one Executive Member of the Board) are present. If the Chairman or Member of the Board has been disqualified from participating in the discussion on any matter and/or from other voting on any resolution by reason of the declaration of a conflict of interest, SO 7, he 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. The above requirement for at least one Executive Director to form part of the quorum shall not apply where the Executive
Directors are excluded from a meeting (for example when the Board considers the recommendations of the Remuneration Committee)

4. **Arrangements for the Exercise of Functions by Delegation**

4.1 Subject to the Regulatory Framework and such directions, if any, as may be given by the Independent Regulator, the Board may make arrangements for the exercise, on behalf of the Board, of any of its functions by a committee or sub-committee appointed by virtue of SO 6.1 or 6.2 below, in each case subject to such restrictions and conditions as the Board thinks fit.

4.2 **Emergency Powers** - The powers which the Board has retained to itself within these Standing Orders, SO 2.4, may in emergency be exercised by the Chief Executive and the Chairman after having consulted at least two Non-Executive Directors. The exercise of such powers by the Chief Executive and Chairman shall be reported to the next formal meeting of the Board for noting.

4.3 **Delegation to Committees** - The Board shall agree from time to time to the delegation of executive powers to be exercised by committees, or sub-committees, which it has formally constituted in accordance with directions issued by the Independent Regulator. The constitution and terms of reference of these committees, or sub-committees, and their specific executive powers shall be approved by the Board.

4.4 The Chief Executive shall prepare a Reservation and Delegation of Powers identifying his/her proposals which shall be considered and approved by the Board, subject to any amendment agreed during the discussion. The Chief Executive may periodically propose amendments to the Reservation and Delegation of Powers that shall be considered and approved by the Board as indicated above.

4.5 Nothing in the Reservation and Delegation of Powers 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 statute or the Independent Regulator’s requirements. Outside these regulatory requirements the Director of Finance shall be accountable to the Chief Executive for operational matters.

4.6 The arrangements made by the Board as set out in the Reservation and Delegation of Powers to the Board and Delegation of Powers document shall have effect as if incorporated in these Standing Orders.

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

5. **Senior Independent Director**

5.1 **Concerns of the Board of Governors** - The Senior Independent Director should be available to Members and Governors if they have concerns which
contact through the normal channels of the Trust Chair, Chief Executive or Finance Director has failed to resolve, or for which such contact is inappropriate.

The Senior Independent Director should attend sufficient meetings with Governors to listen to their views in order to help develop a balanced understanding of the issues and concerns of Governors.

The Senior Independent Director should maintain sufficient contact with Governors to understand their issues and concerns.

5.2 **Performance Evaluation**

The Senior Independent Director shall meet with the Trust Chair at least annually to evaluate his performance, as part of a process, which should be agreed with the Board of Governors, for appraising the Trust Chair and on such occasions as are deemed appropriate.

6. **Committees**

6.1 Subject to such directions and guidance as may be issued by the Independent Regulator, the Board may and, if directed by the Independent Regulator, shall appoint committees of the Board, consisting of one or more members of the Board.

6.2 A committee appointed under this regulation may, subject to such guidance as may be given by the Independent Regulator or the Board, appoint sub-committees consisting wholly of members of the committee.

6.3 The Standing Orders of the Board, as far as they are applicable, shall apply with appropriate alteration to meetings of any committees established by the Board. In which case the term “Chairman” is to be read as a reference to the Chairman of the committee as the context permits, and the term “Member of the Board” is to be read as a reference to a member of the committee also as the context permits.

6.4 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 the Regulatory Framework and any direction or guidance issued by the Independent Regulator. Such terms of reference shall have effect as if incorporated into the Standing Orders.

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

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

6.7 Where the Board is required to appoint persons to undertake statutory functions, and where such appointments are to operate independently of the
Board such appointment shall be made in accordance with applicable statute and regulations and with guidance issued by the Independent Regulator.

6.8 The committees and sub-committees established by the Board are:

Audit Committee
Business and Service Development Committee
Charitable Funds Committee
Human Resource Committee
Nomination and Remuneration Committee
Patients, Quality, Risk and Safety Committee
Supply Procurement Committee
Council of Governors Remuneration Committee
Mental Health Committee

The Board shall also establish such other committees as required to discharge the Board's responsibilities.

7. Declaration of Interests and Register of Interests

7.1 Declaration of Interests - The Regulatory Framework requires Board members to declare interests which are relevant and material to the 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.

7.2 Interests which should be regarded as "relevant and material" are to be interpreted in accordance with guidance issued by the Independent Regulator:

(a) Directorships, including Non-Executive directorships held in private companies or public limited companies (with the exception of those of dormant companies).

(b) Ownership or part-ownership of private companies, businesses or consultancies likely or possibly seeking to do business with the NHS.

(c) Majority or controlling share holdings in organisations likely or possibly seeking to do business with the NHS.

(d) A position of trust 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) To the extent not covered above, any connection with an organisation, entity or company considering entering into or having entered into a financial arrangement with the Trust, including but not limited to lenders or banks.

(g) Any other commercial interest in the decision before the meeting.
7.3 At the time Board members' interests are declared; they should be recorded in the Board minutes. Any changes in interests should be declared at the next Board meeting following the change occurring.

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

7.5 During the course of a Board meeting, if a conflict of interest is established, the Member of the Board concerned should withdraw from the meeting and play no part in the relevant discussion or decision.

7.6 There is no requirement for the interests of Board members' spouses or partners to be declared. However SO 7, which is based on the regulations, requires that the interest of Members of the Board's spouses, if living together, in contracts should be declared. Therefore the interests of Board members’ spouses and cohabiting partners should also be regarded as relevant.

7.7 If Board members have any doubt about the relevance or materiality of an interest, this should be discussed with the Chairman. Financial Reporting Standard No 8/ IAS 24 (issued by the Accounting Standards Board/IFRS) 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.

7.8 **Register of Interests** - The Trust Secretary will ensure that a Register of Interests is established to record formally declarations of interests of Board members. In particular the Register will include details of all directorships and other relevant and material interests which have been declared by both Executive and Non-Executive Board members, as defined in SO 7.2.

7.9 These details will be kept up to date by means of a regular review of the Register in which any changes to interests declared during the preceding month will be incorporated.

7.10 The Register will be available to the public and the Chairman will take reasonable steps to bring the existence of the Register to the attention of the local population and to publicise arrangements for viewing it.

7.11 In establishing, maintaining, updating and publicising the Register, the Trust shall comply with all guidance issued from time to time by the Independent Regulator.

8. **Disability of Chairman and Members in Proceedings on Account of Pecuniary Interest**

8.1 Subject to the following provisions of this Standing Order, if the Chairman or another Member of the 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 at which the contract or other matter is the subject of consideration, he 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.

8.2 The Board may exclude the Chairman (or another member of the Board) from a meeting of the Board while any contract, proposed contract or other matter in which he has a pecuniary interest, is under consideration.

8.3 Any remuneration, compensation or allowances payable to the Chairman or a member of the Board by virtue of the 2006 Act (pay and allowances) shall not be treated as a pecuniary interest for the purpose of this Standing Order.

8.4 For the purpose of this Standing Order the Chairman or other Member of the Board shall be treated, subject to SO 7.5, as having indirectly a pecuniary interest in a contract, proposed contract or other matter, if:

(a) he, or a nominee of his, is a director of a company or other body, not being a public body, with which the contract was made or is proposed to be made or which has a direct pecuniary interest in the other matter under consideration; or

(b) he is a partner of, or is in the employment of a person with whom the contract was made or is proposed to be made or who has a direct pecuniary interest in the other matter under consideration;

and in the case of married persons living together the interest of one spouse shall, if known to the other, be deemed for the purposes of this Standing Order to be also an interest of the other.

8.5 The Chairman or a Member of the Board shall not be treated as having a pecuniary interest in any contract, proposed contract or other matter by reason only:

(a) of his membership of a company or other body, if he has no beneficial interest in any securities of that company or other body;

(b) of an interest in any company, body or person with which he is connected as mentioned in SO 7.4 above which is so remote or insignificant that it cannot reasonably be regarded as likely to influence a Member of the Board in the consideration or discussion of or in voting on, any question with respect to that contract or matter.

8.6 Where the Chairman or a Member of the Board has an indirect pecuniary interest in a contract, proposed contract or other matter by reason only of a beneficial interest in securities of a company or other body, and the total nominal value of those securities does not exceed £5,000 or one-hundredth of the total nominal value of the issued share capital of the company body, whichever is the less, and if the share capital is of more than one class, the total nominal value of shares of any one class in which he has a beneficial interest does not exceed one-hundredth of the total issued share capital of that class, this Standing Order shall not prohibit him/her from taking part in the consideration or discussion of the contract or other matter or from voting on any
question with respect to it, without prejudice however to his/her duty to disclose his/her interest.

8.7 The Standing Order applies to a committee or sub-committee and to a joint committee as it applies to the Board and applies to a Member of any such committee or sub-committee as it applies to a Member of the Board.

9. Standards of Business Conduct Policy

The following provisions should be read in conjunction with this document.

9.1 Staff should comply with the Trust’s Code of Conduct and any guidance and directions issued by the Independent Regulator.

9.2 **Interest of Officers in Contracts** - If it comes to the knowledge of an officer of the Trust that a contract in which he has a pecuniary interest, which he is not himself party to, has been, or is proposed to be entered into by the Trust, he shall, at once, give notice in writing to the Trust Secretary of the fact that he is interested therein. In the case of persons living together as partners, the interest of one partner shall, if known to the other, be deemed to be also the interest of that partner.

9.3 An officer should also declare to the Trust Secretary any other employment or business or other relationship of his, or of a cohabiting spouse, that conflicts, or might reasonably be predicted could conflict, with the interests of the Trust. The Trust requires interests, employment or relationships declared, to be entered in a register of interests of staff.

9.4 Interests, employment or relationships so declared by staff shall be entered in a register of interests of staff, to be held and maintained by the Trust Secretary.

9.5 **Canvassing of, and Recommendations by, Members of the Board in Relation to Appointments** - Canvassing of Directors or Governors 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.

9.6 A Member of the Board 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 of the Board from giving written testimonial of a candidate's ability, experience or character for submission to the Trust.

9.7 Informal discussions outside appointments panels or committees, whether solicited or unsolicited, should be declared to the panel or committee.

9.8 **Relatives of Members of the Board or Officers** – Candidates for any Trust appointment shall be advised that, when making their application, they must disclose in writing to the Trust whether to their knowledge they are related to any Director of Senior Officer of the Trust. Failure to disclose such a
relationship shall disqualify a candidate and, if appointed, render him liable to instant dismissal.

9.9 The Chairman and every Member of the Board and officer of the Trust shall disclose to the Chief Executive any relationship between himself and a candidate of whose candidature that Member of the Board or officer is aware. It shall be the duty of the Chief Executive to report to the Board any such disclosure made.

9.10 On appointment, members of the Board (and prior to acceptance of an appointment in the case of officer members) should disclose to the Board whether they are related to any other member of the Board or holder of any office in the Trust.

9.11 Where the relationship to a member of the Board of the Trust is disclosed, the Standing Order headed 'Disability of Chairman and Members of the Board in proceedings on account of pecuniary interest', SO 7, shall apply.

10. Consultation

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

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

(a) the planning of the provision of those services;

(b) the development and consideration of proposals for changes in the way those service are provided; and

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

10.3 Regulation 4(1) of the Local Authority (Overview and Scrutiny Committees Health Scrutiny Functions) Regulations 2002 sets out that the Trust need to consult with the Overview and Scrutiny Committee at a Local Authority where:

(a) the Trust proposes to make an application to the regulator to vary the terms of its authorisation; and

(b) that application, if successful, would result in a substantial variation of the provision by the Trust of protected goods or services in the area of that Local Authority.

11. Tendering and Contract Procedure

11.1 Duty to comply with Standing Orders - The procedure for making all contracts by or on behalf of the Trust shall comply with these Standing Orders (except where SO 3.26 is applied).
11.2 **Contracts** - The Board may enter into contracts on behalf of the Trust within the Regulatory Framework and shall comply with:

(a) these Standing Orders; and

(b) the Trust's Standing Financial Instructions

11.3 **Contracts involving Funds Held on Trust** – Such contracts involving charitable funds shall also comply with:

(a) these Standing Orders; and

(b) the Trust's Standing Financial Instructions

and any further requirements of the Charities Act.

12. **Custody of Seal and Sealing of Documents**

12.1 **Custody of Seal** - The Common Seal of the Trust shall be kept by the Chairman or an officer authorised by him in a secure place.

12.2 **Sealing of Documents** - The Seal of the Trust shall not be fixed to any documents unless the sealing has been authorised by a resolution of the Board or of a committee, thereof or where the Board has delegated its powers.

The seal shall be affixed in the presence of the Chairman and Chief Executive or another Executive Director.

12.3 **Register of Sealing** - An entry of every sealing shall be made and numbered consecutively in a book provided for that purpose, and shall be signed by the persons who shall have approved and authorised the document and those who attested the seal. A report of all these transactions shall be made to the Board annually. (The report shall contain details of the seal number, the description of the document and date of sealing).

13. **Signature of Documents**

13.1 Where the signature of any document will be a necessary step in legal proceedings involving the Trust, it shall be signed by the Chief Executive, unless any enactment otherwise requires or authorises, or the Board shall have given the necessary authority to some other Executive Director for the purpose of such proceedings.

14. **Miscellaneous**

14.1 **Standing Orders to be given to Members of the Board and Officers** - It is the duty of the Chief Executive to ensure that existing members of the Board and officers and all new appointees are notified of and understand their responsibilities within Standing Orders and Standing Financial Instructions. Updated copies shall be issued to staff designated by the Chief Executive. New
designated officers shall be informed in writing and shall receive copies where appropriate of Standing Orders.

14.2 **Documents having the standing of Standing Orders** - Standing Financial Instructions, Constitution and Reservation and Delegation of Powers to the Board shall have effect as if incorporated into Standing Orders.

14.3 **Review of Standing Orders** - Standing Orders shall be reviewed regularly by the Board. The requirement for review extends to all documents having the effect as if incorporated in Standing Orders.

14.4 **Dispute resolution** – Questions and disputes regarding the interpretation of these Standing Orders and the procedure to be followed at meetings of the Board of Directors shall be resolved in accordance with the procedure set out in the Constitution.
STANDING FINANCIAL INSTRUCTIONS
15. STANDING FINANCIAL INSTRUCTIONS

15.1 General

15.1.1 These Standing Financial Instructions (SFIs) are issued in accordance with the Directions issued by Monitor 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).

15.1.2 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 Reservation and Delegation of Powers adopted by the Trust.

15.1.3 These Standing Financial Instructions identify the financial responsibilities which apply to everyone working for the Trust and its constituent organisations including Trading Units. They do not provide detailed procedural advice and should be read in conjunction with the detailed departmental and financial procedure notes. All financial procedures must be approved by the Director of Finance.

15.1.4 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.

15.1.5 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.

15.1.6 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 Finance as soon as possible.

15.1.7 Officers of the Trust should note that the Standing Orders, SFI’s and the Scheme of Delegation, do not contain every legal obligation applicable to the Trust. The Trust and each officer of the Trust must comply with all requirements of legislation (which shall mean any statute, subordinate or secondary legislation, any enforceable community right within the meaning of section 2(1) of the European Community Act 1972 and any applicable judgement of a relevant court of law which is a binding precedent in England), and all guidance and directions binding on the Trust. Legislation, guidance and directions will impose requirements additional to standing orders, SFI’s and the Scheme of Delegation of Powers. All such legislation and binding guidance and directions shall take precedence over
standing orders, SFI’s and the Scheme of Delegation, which shall be interpreted accordingly.

15.2 Responsibilities and delegation

15.2.1 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, Board of Governors and employees as indicated in the Reservation and Delegation of Powers document.

15.2.2 The Board has resolved that certain powers and decisions may only be exercised by the Board in formal session. All other powers have been delegated to such other committees as the Trust has established. See Reservation and Delegation of Powers for full details.

15.2.3 The Chief Executive and Director of Finance

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

Within the Standing Financial Instructions, it is acknowledged that the Chief Executive is ultimately accountable to the Board, and as Accountable Officer, to Monitor, 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.

15.2.4 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.

15.2.5 The Director of Finance

The Director of Finance is responsible for:

(a) implementing the Trust’s financial policies and for coordinating any corrective action necessary to further these policies;

(b) maintaining an effective system of internal financial control including ensuring that detailed financial procedures and systems incorporating the principles of
separation of duties and internal checks are prepared, documented and maintained to supplement these instructions;

(c) ensuring that sufficient records are maintained to show and explain the Trust’s transactions, in order to disclose, with reasonable accuracy, the financial position of the Trust at any time, and, without prejudice to any other functions of the Trust, and employees of the Trust.

Without prejudice to the functions of Directors 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.

15.2.6 **Board Members and Employees**

All members of the Board and employees, 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 Reservation and Delegation of Powers.

15.2.7 **Contractors and their employees**

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

15.2.8 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.

16. **Audit**

16.1 **Audit Committee**

16.1.1 In accordance with Standing Orders, the Board shall formally establish an Audit Committee, with clearly defined terms of reference.
16.2 **Director of Finance**

16.2.1 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;

(d) ensuring that an annual internal audit report is prepared for the consideration of the Audit Committee.

(e) ensuring the requirements of the Bribery Act 2010 are complied with and reported to the audit committee annually. The report must cover:

(i) a clear opinion on the effectiveness of internal control in accordance with Governance Framework 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.

16.2.2 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, member 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 or an employee's control; and

(d) explanations concerning any matter under investigation.

16.3 **Role of Internal Audit**

16.3.1 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.

16.3.2 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.

16.3.3 The Head of Internal Audit Services 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.

16.3.4 The NHS Foundation Trust Accounting Officer Memorandum provides that Internal Audit should accord with the objectives standards and practices set out in the Government Internal Audit Standards, which states that Internal Audit is an independent and objective appraisal service within an organisation.

16.3.5 Internal audit primarily provides an independent and objective opinion to the Accountable Officer, the Board of Directors and the Audit Committee on risk management, control and governance, by measuring and evaluating their effectiveness in achieving the organisation’s agreed objectives. In addition, internal audit’s findings and recommendations are beneficial to line management in the audited areas. Risk management, control and governance comprise the policies, procedures and operations established to ensure the achievement of objectives, the appropriate assessment of risk, the reliability of internal and external reporting and accountability processes, compliance with applicable laws and regulations, and compliance with the behavioural and ethical standards set for the organisation.

16.3.6 Accordingly the Head of Internal Audit shall be accountable to the Director of Finance, and the Audit Committee. The reporting system for Internal Audit shall be agreed between the Director of Finance and the Audit Committee. The annual plan and contractual agreement will be approved by the Audit Committee and shall comply with the guidance on reporting and relationships contained in the Government Internal Audit Standards.

16.4 **External Audit**

16.4.1 The External Auditor is appointed by the Board of Governors on the recommendation of the Audit Committee. The Audit Committee must ensure a cost-
efficient service. If there are any problems relating to the service provided by the External Auditor, then this will be addressed using the contractual mechanisms.

16.4.2 In auditing the accounts, the Auditor must comply with any directions given by the Independent Regulator as to the standards, procedures and techniques to be adopted, in particular the Audit Code for NHS Foundation Trusts.

16.5 **Fraud and Corruption**

16.5.1 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.

16.5.2 The Trust shall nominate a suitable person to carry out the duties of the Local Counter Fraud Specialist as specified by the Department of Health Fraud and Corruption Manual and guidance.

16.5.3 The Local Counter Fraud Specialist shall report to the Trust Director of Finance and shall work with staff in NHS Protect in accordance with the Department of Health Fraud and Corruption Manual.

16.5.4 The Local Counter Fraud Specialist will provide a written report, at least annually, on counter fraud work within the Trust and submit this to the Audit Committee.

16.6 **Security Management**

16.6.1 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.

16.6.2 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.

16.6.3 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).

17. **Business Planning, Budgets, Budgetary Control, and Monitoring**

17.1 **Preparation and Approval of Plans and Budgets**

17.1.1 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 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.

17.1.2 Prior to the start of the financial year, the Director of Finance will, on behalf of the Chief Executive, prepare and submit for approval by the Board of Directors, a
budget which may be subject to change as a result of concluding contracting discussions with commissioners. Such budgets will:

(a) contain a statement of the significant assumptions on which they are based;

(b) contain details of major changes in workload, delivery of services, or resources required:

(c) be produced following discussion with appropriate Budget Holders;

(d) be prepared within the limits of available funds; and

(e) identify potential risks

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

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

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

17.1.6 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.

17.2 Budgetary Delegation

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

(a) the amount of the budget;

(b) the purpose(s) of each budget heading;

(c) individual and group responsibilities;

(d) authority to exercise virement;

(e) achievement of planned levels of service;

(f) the provision of regular reports.

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

17.2.3 Any budgeted funds not required for their designated purpose(s) revert to the immediate control of the Chief Executive, subject to any authorised use of virement.
17.2.4 Non-recurring budgets should not be used to finance recurring expenditure without the authority in writing of the Chief Executive, as advised by the Director of Finance.

17.3 **Budgetary Control and Reporting**

17.3.1 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 authorisation of budget transfers.

17.3.2 Each Budget Holder is responsible for ensuring that:

(a) any likely overspending or reduction of income which cannot be met by virement is not incurred without the 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 authorised subject to the rules of virement;

(c) no permanent employees are appointed without the approval of the Chief Executive other than those provided for within the available resources and manpower establishment as approved by the Board.

17.3.3 The Chief Executive is responsible for identifying and implementing cost improvements and income generation initiatives in accordance with the requirements of the Plan and a balanced budget.
17.4 **Capital Expenditure**

17.4.1 The general rules applying to delegation and reporting shall also apply to capital expenditure. The particular applications relating to capital are contained in SFI 26.

17.5 **Financial Reporting to the Independent Regulator**

17.5.1 The Chief Executive is responsible for ensuring that the appropriate monitoring forms are submitted to Monitor, the Independent Regulator.

18. **Annual Accounts and Reports**

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

   (a) prepare financial returns in accordance with the accounting policies and guidance given by Monitor, the treasury, the Trust’s accounting policies, and generally accepted accounting practice/International Financial Reporting Standards;

   (b) prepare and submit annual financial reports to Monitor certified in accordance with current guidelines;

   (c) submit financial returns to Monitor and lay before Parliament for each financial year in accordance with the prescribed timetable.

18.2 The Trust’s annual accounts must be audited by an auditor appointed by the Board of Governors. The Trust’s audited annual accounts must be presented to a public meeting and made available to the public.

18.3 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 Monitor’s Financial Reporting Manual.

19. **Bank and Government Banking Services (GBS) Accounts**

19.1 **General**

19.1.1 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 issued from time to time by Monitor.

19.1.2 The Board shall approve the banking arrangements.

19.1.3 No member of staff should open any bank account for any Trust or Charitable fund purpose outside of the above arrangements.

19.2 **Bank and GBS Accounts**

19.2.1 The Director of Finance is responsible for:

   (a) bank accounts and GBS accounts;
(b) establishing separate bank accounts for the Trust’s non-exchequer funds;

(c) ensuring payments made from bank or GBS 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.

19.3 Banking Procedures

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

(a) the conditions under which each bank and GBS account is to be operated;

(b) the limit to be applied to any overdraft;

(c) those authorised to sign cheques or other orders drawn on the Trust’s accounts;

(d) an Operating Cash Management Policy to be authorised by the Board and applied where money is to be invested so as to protect the interests of the Trust and to receive higher interest.

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

19.4 Tendering and Review

19.4.1 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.

20. Income, Fees and Charges and Security of Cash, Cheques and other Negotiable Instruments

20.1 Income Systems

20.1.1 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.

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

20.2 Fees and Charges

20.2.1 The Director of Finance is responsible for approving and regularly reviewing the level of all fees and charges other than those determined by the NHS or by Statute. Independent professional advice on matters of valuation shall be taken as necessary.
20.2.2 All employees must inform the Director of Finance of money due arising from transactions which they initiate with, including all contracts, leases, tenancy agreements, private patient undertakings, training events and other transactions.

20.2.3 Where the Trust is offered cash worth more than £5,000, the Director of Finance should be notified to determine the authenticity of the receipt.

20.2.4 The Trust must comply with any private charges cap required under the Terms of Authorisation.

20.3 **Debt Recovery**

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

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

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

20.4 **Security of Cash, Cheques and other Negotiable Instruments**

20.4.1 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.

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

20.4.3 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.

20.4.4 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.

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21. **Tendering and Contracting Procedure**

21.1 **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 SO. 3.26 Suspension of Standing Orders is applied).

21.2 **Legislation and Guidance Governing Public Procurement**

The Trust shall comply with the Public Contracts Regulations 2006, and all relevant EC Directives. Such legislation shall be incorporated into the Trust’s Standing Orders and SFI’s.

21.3 **Reverse eAuctions**

(a) The Trust should have policies and procedures in place for the control of all tendering activity carried out through Reverse eAuctions. The Trust will use, where appropriate, the eAuction facility to conduct e-auctions on its behalf and will determine throughout the year the most appropriate product areas that will achieve the best value by being managed through an eAuction.

(b) The results of the eAuction will be made available in electronic format for scrutiny and ratification using a similar process to that of electronic tenders, and a record will be kept of the full submissions.

21.4 **Capital Investment**

The Trust shall comply as far as is practicable with the requirements of the guidance published on capital investment and Protection of Assets – Guidance for NHS Foundation Trusts in respect of capital investment and estate and property transactions.

21.5 **Formal Competitive Tendering**

21.5.1 **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);
- the disposals of any tangible or intangible property (including equipment, land and intellectual property).
21.5.2 **Health Care Services**

Where the Trust has a requirement to procure healthcare services (and/or other services classed as Part B Services for the purposes of the Public Contracts Regulations 2006) (whether by way of sub-contract or otherwise), the Trust shall consider its duties under the EU Treaty and whether such service requirement should be advertised.

Where the Trust considers that the circumstances require it to advertise for the supply of healthcare services (and/or other services classed as Part B Services for the purposes of the Public Contracts Regulations 2006), Standing Orders and these SFI’s shall apply, as far as they are applicable to the tendering procedure, although at all times the Trust should consider its duties under SFI 22.

21.5.3 **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 the tender limit as specified in the Scheme of Delegation.

(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 SFI 28.

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 nationally negotiated agreements applicable to Foundation Trusts 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 Accounting 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 Board or as delegated to the Supply Procurement Committee.

21.5.4 **Fair and Transparent Competition**

Except where the exceptions set out in SFI 21.5.3 apply and permit the use of a single tender action, the Trust shall ensure that for all invitations to tender, whether regulated by the Public Contracts Regulations 2006 or not, the tender process adopted is fair and transparent and is considered in a fair and transparent manner.

21.5.5 **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.

21.6 **Contracting/Tendering Procedure**

21.6.1 **Electronic Tendering Procedure**

(a) **Invitation to tender**

(i) All invitations to tender on a formal competitive basis shall state the date and time as being the latest time for the receipt of tenders and that no
tender will be considered for acceptance unless submitted through the appropriate process, as instructed within the tender documentation electronically.

(ii) Every tender for goods and services shall embody the adopted contract terms and conditions as appropriate with the contract form required for the specific goods and services.

(b) **Receipt, Safe Custody and Record of Formal Tenders**

(i) An auditable date/time stamp of all actions must be automatically created through the eTendering service. This audit trail will be available for review in real-time.

(ii) Tenders may not be ‘opened’ or supplier information viewed until the pre-defined time and date for opening has passed.

(c) **Opening Formal Tenders**

(i) Electronic Tenders – The Chief Executive (or other officer) will designate and agree a list of officers who will be able to access the electronic tenders and release them once the time and date for opening has passed.

(ii) An auditable log of actions, which may not be edited, will be created including, but not limited to:

**Procurement actions:**

- Time/date stamp of ‘publication’ of tender by buyer
- Time/date stamp of any amendments to a ‘published’ tender (eg if any buyer tender document attachments are added/amended during the process).

(d) Every tender for goods, materials, services or disposals shall contain and comprise appropriate terms and conditions regulating the conduct of the tender, shall contain appropriate terms and conditions on which the contract is to be awarded and shall be substantively based to regulate the provision of the goods, materials, services to be provided or in relation to the disposal.

(e) Every tender for building or engineering works (except for maintenance work, when Estatecode guidance shall be followed) shall contain terms and conditions on which the contract to be awarded and shall be substantively based that shall embody or be in the terms of the current edition of a suitable and recognised industry form of contract, including but not limited to, one of the Joint Contracts Tribunal Standard Forms of Building Contract or the NEC standard forms of contract or Department of the Environment (GC/Wks) standard forms of contract; or, when the content of the work is primarily engineering, the General Conditions of Contract recommended by the Institution of Mechanical and Electrical Engineers and the Association of Consulting Engineers (Form A) or (in the case of civil engineering work) the General Conditions of Contract recommended by the institute of Civil Engineers, the Association of Consulting Engineers and the Federation of
Civil Engineering Contractors. These documents may be modified (in minor respects only), to cover special features of individual projects.

## 21.6.2 Invitation to tender – Manual Process

If the mechanism for tendering through the electronic tender process as defined in 21.6.1 above fails then the following procedures must be adhered to:

(a) All invitations to tender shall state the date and time as being the latest time for the receipt of tenders.

(b) All invitations to tender shall state that no tender will be accepted unless:

(i) submitted in a plain sealed package or envelope bearing a pre-printed label 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;

(ii) 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.

(c) **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.

(d) **Opening tenders and Register of tenders**

(e) 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 one Director and one Senior Manager, designated by the Chief Executive. These managers must not have been involved in the tender process or be from the originating department. The Trust Secretary on behalf of the Chief Executive shall maintain a list of designated officers to open tenders. A copy of this list will be held with the Register of Tenders.

(f) 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 the tender limit. 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 Reservation and Delegation of Powers. This applies to both paper and electronic tenders.

(g) The ‘originating’ Department will be taken to mean the Department sponsoring or commissioning the tender. The tender process will include the
preparation, specification and evaluation of the tender.

(h) 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.

(i) All Executive Directors/members will be authorised to open tenders regardless of whether they are from the originating department provided that the other authorised person opening the tenders with them is not from the originating department.

(j) Every tender received shall be marked with the date of opening and initialled by those present at the opening.

(k) A register shall be maintained by the Chief Executive, or a person authorised by him, to show for each set of competitive tender invitations despatched:

- the subject of the tendering exercise;
- 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.

(l) Incomplete tenders, i.e. those from which information necessary for the adjudication of the tender is missing, and amended tenders i.e., those amended by the tenderer upon his own initiative either orally or in writing after the due time for receipt, but prior to the opening of other tenders, should be dealt with in the same way as late tenders. (SFI 21.6.5).

21.6.3 Admissibility of Tenders

(a) If for any reason the designated officers are of the opinion that the tenders received are not strictly competitive (for example, because their numbers are insufficient or any are amended, incomplete or qualified) no contract shall be awarded without the approval of the Trust Board or under delegated limits as set out in the Standard Operating Procedures for the Supply Procurement Committee.

(b) Where only one tender is 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.
21.6.4 **Late tenders**

(a) Tenders received after the due time and date, but prior to the opening of the other tenders, may be considered only if the Chief Executive or his nominated officer decides that there are exceptional circumstances i.e. despatched in good time but delayed through no fault of the tenderer.

(b) Only in the most exceptional circumstances will a tender be considered which is received after the opening of the other tenders and only then if the tenders, that, in the case of the manual procedure have been duly opened, have not left the custody of the Chief Executive or his nominated officer. In the case of both the manual and electronic procedure, the process of evaluation and adjudication must not have been started.

(c) While decisions as to the admissibility of late, incomplete or amended tenders are under consideration, the tender documents shall be kept strictly confidential, recorded, and held in safe custody by the Chief Executive or his nominated officer.

21.6.5 **Acceptance of formal tenders**

(a) Any discussions with a tenderer which are deemed necessary to clarify technical aspects of his tender before the award of a contract will not disqualify the tender.

(b) The lowest tender, if payment is to be made by the Trust, or the highest, if payment is to be received by the Trust, shall be accepted unless there are good and sufficient reasons to the contrary. Such reasons shall be set out in either the contract file, or other appropriate record.

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

(i) experience and qualifications of team members;

(ii) understanding of client’s needs;

(iii) feasibility and credibility of proposed approach;

(iv) ability to complete the project on time.

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

(c) No tender shall be accepted which will commit expenditure in excess of that which has been allocated by the Trust and which is not in accordance with these Instructions except with the authorisation of the Chief Executive.

(d) The use of these procedures must demonstrate that the award of the contract was:
(i) not in excess of the going market rate / price current at the time the contract was awarded;

(ii) that best value for money was achieved.

(e) All tenders should be treated as confidential and should be retained for inspection.

21.6.6 **Tender reports to the Trust Board**

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

21.6.7 **List of approved firms**

(a) **Responsibility for maintaining list**

(i) A manager nominated by the Chief Executive shall on behalf of the Trust maintain lists of approved firms where practicable from whom 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.

(ii) A firm will only be included on an approved list of tenderers if it complies with current VAT registration and insurance, and has a track record of doing so.

(iii) Where a firm is included on an approved list of tenderers, the Trust shall as a condition for inclusion ensure that it is satisfied that when engaging, training, promoting or dismissing employees or in any conditions of employment, that such firm shall not discriminate against any person because of colour, race, ethnic or national origins, religion or belief, age, disability, marital status or sex, and will comply with all relevant legislation including but not limited to, the provisions of the Equal Pay Act 1970 (Amendment) Regulations 2003, the Sex Discrimination Act 1975 (Amendment Regulations 2008, the Race Relations Act 1976 (Amendment) Regulations 2003, the Disability Discrimination Act 2005, the Employment Equality (Age) Regulations 2006, the Race Relations (Amendment) Act 2000, and any amending and/or related legislation or binding guidance.

(iv) Where a firm is included on an approved list of tenderers the Trust shall ensure that it is satisfied that such firm conforms with the requirements of the Health and Safety at Work et Act 1974, the Regulatory Reform (Fire Safety) Order 2005, and any amending and/or other related legislation concerned with fire, 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. As part of any process to identify or review firms for an approved list, firms must provide to the appropriate manager a copy of its health and safety policy, risk assessments, safe
systems at work, together with any licences for other statutory authorities or approvals and evidence of the safety of plant and equipment, when requested.

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

Invitations to tender shall normally be made to firms included on the approved list of tenderers. This will include firms selected on the Department of Health Procure 21 or the Construction Line Contractors list of primary supply chain partners.

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

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

21.6.8 **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.

21.7 **Quotations: Competitive and non-competitive**

21.7.1 **General Position on quotations**

Quotations are required where formal tendering procedures are not adopted and where the intended expenditure or income is in line with the limits identified in the Scheme of Delegation.
21.7.2 **Competitive Quotations**

(a) Quotations should be obtained from at least three firms/individuals based on specifications or terms of reference prepared by, or on behalf of, the Trust.

(b) Quotations should be obtained using the electronic tendering portal or in writing to the Chief Executive or his nominated officer unless it is determined that it is impractical to do so in which case quotations may be obtained verbally. Confirmation of verbal quotations should be obtained as soon as possible and the reasons why the telephone quotation was obtained should be set out in a permanent record.

(c) All quotations should be treated as confidential and should be retained for inspection. 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, or in the electronic system.

21.7.3 **Non-Competitive Quotations**

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

(a) 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;

(b) the supply of goods or manufactured articles of any kind which are required quickly and are not obtainable under existing contracts;

(c) miscellaneous services, supplies and disposals;

(d) single quotations may be obtained where the value of the goods or service is less than the quotation limit as stated in the Delegation of Powers.

(e) where goods or services are for building and engineering works the Director of Estates or nominated officer may approve single quotations where the value is between the quotation and tender limit as stated in the Standard Operating Procedures providing they certify that the first two conditions of this SFI (ie SFI 21.7.3 (a) and (b) apply).

21.7.4 **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 authorisation of either the Chief Executive or Director of Finance.
21.8 **Authorisation of Tenders and Competitive Quotations**

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

Formal authorisation must be put in writing. In the case of authorisation by the Trust Board this shall be recorded in the minutes.

21.9 **Private Finance for Capital Procurement**

When the Board of Directors proposes, or is required to use finance provided by the private sector the following should apply:

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

(b) The Trust must seek all applicable approvals and the requirements of all guidance by the Independent Regulator including Risk Evaluation for Investment Decisions by NHS Foundation Trusts.

(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.

21.10 **Compliance requirements for all contracts**

The Board may only enter into contracts which 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 Accounting Manual, Estatecode and guidance on the Procurement and Management of Consultants;

(d) the same terms and conditions of contract as was the basis on which tenders or quotations were invited;

(e) 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.

21.11 **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.
21.12 **Disposals (See SFI 28)**

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 £500 this figure to be reviewed on a periodic basis;

(d) items arising from works of construction, demolition or site clearance, which should be dealt with in accordance with the relevant contract;

(e) assets required for the provision of mandatory goods and services are protected. They may not be disposed of without the agreement of Monitor.

21.13 **In-house Services**

21.13.1 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.

21.13.2 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. A non-officer member should be a member of the evaluation team.

21.13.3 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.

21.13.4 The evaluation team shall make recommendations to the Board of Directors following any benchmarking process or a market testing exercise carried out pursuant to SFI 21.2.
22. **Contracts for the Provision of Healthcare Services**

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

22.2 The Chief Executive is responsible for negotiating contracts for the provision of services to patients in accordance with the annual Business Plan. In carrying out these functions, the Chief Executive should take into account the advice of the Director of Finance regarding costing and pricing of services, payment terms and conditions and amendments to service agreements.

22.3 Contracts should be so devised as to achieve activity and performance targets, minimise risk, and maximise the Trust’s opportunity to generate income. The Trust will produce a cost tariff in accordance with NHS guidelines.

22.4 The Director of Finance shall ensure that a summary of the Trust’s contracts is reported annually to the Board. The Director of Finance shall also produce regular reports to the Board detailing actual and forecast contract income with a detailed assessment of the variable elements of income.

22.5 Where the Trust enters into a relationship with another organisation for the supply or receipt of other services, whether clinical or non-clinical, the responsible officer should ensure that an appropriate contract is present and signed by both parties.

22.6 All contracts shall be legally binding, shall comply with best costing practice and shall be so devised as to manage contractual risk, in so far as is reasonably achievable in the circumstances of each contract, whilst optimising the Trust’s opportunity to generate income.

22.7 The Chief Executive, as the Accounting Officer, is responsible for ensuring the Trust enters into suitable contracts with Primary Care Trusts and other commissioners for the provision of NHS services.

23. **Terms of Service, Allowances and Payment of Directors and Employees**

23.1 **Remuneration and Terms of Service**

23.1.1 In accordance with Standing Orders SO 6 the Board shall establish two remuneration committees:

(i) **Nominations and Remuneration Committee**

(ii) **Council of Governors Remuneration Committee**

The committees shall have clearly defined terms of reference, specifying which posts fall within its area of responsibility, its composition, and the arrangements for reporting.

The terms of reference will include advice and decisions on the remuneration and terms of service of the Chief Executive and other Executive Directors.
23.1.2 The Nominations and Remuneration Committee will:

(a) ensure an annual review of remuneration, allowances and terms of service is conducted to determine whether an uplift should be awarded and if so, the level of uplift for all employees.

(b) monitor and evaluate the performance of such designated senior staff.

(c) oversee and advise on any severance packages.

(d) review regularly the structure, size and composition (including the skills, knowledge and experience) required of the Board of Directors and agree any changes.

(e) give full consideration to succession planning for senior Trust staff, taking into account the challenges and opportunities facing the Trust and what skills and expertise are therefore needed on the Board in the future.

(f) be responsible for identifying and nominating for the approval of the Board of Directors, candidates to fill Board vacancies as and when they arise.

23.1.3 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.

23.1.4 The Council of Governors’ Remuneration Committee will:

(a) ensure an annual review of remuneration, allowances and terms of service of the Chairman and Non-Executive Directors is conducted.

(b) ensure evaluation of the performance of the Chairman and Non-Executive Directors is undertaken in line with the agreed performance management framework.

23.1.5 The Committee will submit the results of its deliberations to a general meeting of the Council of Governors for ratification of its recommendations.

23.2 Funded Establishment

23.2.1 The manpower plans incorporated within the annual budget will form the funded establishment.

23.2.2 The funded establishment of any department may not be varied without the approval of the Chief Executive. See Reservation and Delegation of Powers for additional information.

23.3 Staff Appointments

23.3.1 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:
23.3.2 The Board will approve procedures presented by the Chief Executive for the determination of commencing pay rates, condition of service, etc, for employees.

23.4 Processing Payroll

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

(a) specifying timetables for submission of properly authorised time records and other notifications;

(b) the final determination of pay and allowances;

(c) making payment on agreed dates;

(d) agreeing method of payment.

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

(a) verification and documentation of data;

(b) the timetable for receipt and preparation of payroll data and the payment of employees and allowances;

(c) maintenance of subsidiary records for pensions, income tax, social security and other authorised deductions from pay;

(d) security and confidentiality of payroll information;

(e) checks to be applied to completed payroll before and after payment;

(f) authority to release payroll data under the provisions of the Data Protection Act;

(g) methods of payment available to various categories of employee and officers;

(h) procedures for payment by cheques or bank credit, 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) 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.

23.4.3 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.

23.4.4 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.

23.5 Contracts of Employment

24.5.1 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.

24. Non-Pay Expenditure

24.1 Delegation of Authority

24.1.1 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.

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

(a) the list of managers who are authorised to place requisitions for the supply of goods and services;

(b) the maximum level of each requisition and the system for authorisation above that level.
24.1.3 The Chief Executive shall set out procedures on the seeking of professional advice regarding the supply of goods and services.

24.2 Choice, Requisitioning, Ordering, Receipt and Payment for Goods and Services

24.2.1 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.

24.2.2 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.

24.2.3 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 Reservation and Delegation of Powers on the obtaining of goods, works and services incorporating the thresholds;

(c) be responsible for the prompt payment of all properly authorised accounts and claims;

(d) be responsible for designing and maintaining a system of verification, recording and payment of all amounts payable. The system shall provide for:

   (i) A list of Trust employees (including specimens of their signatures) authorised to certify invoices.

   (ii) Certification that:

       - goods have been duly received, examined and are in accordance with specification and the prices are correct;

       - work done or services 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 authorised time records, the rates of labour are in accordance with the appropriate rates, the materials have been checked as regards quantity, quality, and price...
and the charges for the use of vehicles, plant and machinery have been examined;

- where appropriate, the expenditure is in accordance with regulations and all necessary authorisations have been obtained;

- the account is arithmetically correct;

- the account is in order for payment.

(iii) A timetable and system for submission to the Director of Finance of accounts for payment; provision shall be made for the early submission of accounts subject to cash discounts or otherwise requiring early payment.

(iv) Instructions to employees regarding the handling and payment of accounts within the Finance Department.

(e) be responsible for ensuring that payment for goods and services is only made once the goods and services are received. The only exceptions are set out in SFI 24.2.4 below.

24.2.4 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 current discount rate); or it is common business practice to pay in advance e.g. annual maintenance contracts, utilities, TV licence.

(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.
24.2.5 Official orders

Official Orders must:

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

24.2.6 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 Reservation and Delegation of Powers), 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) no order shall be issued for any item or items to any firm which has made an offer of gifts, reward or benefit to directors or employees, other than:

(i) isolated gifts of a trivial character or inexpensive seasonal gifts, such as calendars;

(ii) conventional hospitality, such as lunches in the course of working visits;

See Standards of Business Conduct for NHS Staff.

(d) no requisition/order is placed for any item or items for which there is no budget provision unless authorised by the Director of Finance on behalf of the Chief Executive;

(e) 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;

(f) 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";

(g) orders are not split or otherwise placed in a manner devised so as to avoid the financial thresholds;
(h) goods are not taken on trial or loan in circumstances that could commit the Trust to a future uncompetitive purchase;

(i) changes to the list of employees and officers authorised to certify invoices are notified to the Director of Finance;

(j) purchases from petty cash are restricted in value and by type of purchase in accordance with instructions issued by the Director of Finance;

(k) petty cash records are maintained in a form as determined by the Director of Finance.

24.2.7 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.

25. **External Borrowing**

25.1.1 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 commercial borrowing, within the limits set in the Foundation Trust’s authorisation and reviewed annually by Monitor (the Prudential Borrowing Code). The Director of Finance is also responsible for reporting periodically to the Board concerning the PDC and all loans and overdrafts. These reports should include key balance sheet information showing changes to long term debt, PDC and other borrowings (i.e. prudential borrowing). Taken together with the Income & Expenditure report it will show the planned and projected position on interest and capital.

25.1.2 Any application for a loan or overdraft will only be made by the Director of Finance or by an employee acting on his/her behalf, and in accordance with the Reservation and Delegation of Powers.

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

25.1.4 All short-term borrowings should be kept to the minimum period of time possible, consistent with the overall cashflow position. Any short term borrowing requirement in excess of one month must be authorised by the Director of Finance.

25.1.5 All long-term borrowing must be consistent with the Plan and be subject to the limits authorised by Monitor and approved by the Trust Board.

25.1.6 The Director of Finance must ensure compliance with the Prudential Borrowing Code (PBC) set by the Independent Regulator to limit the amount of borrowing for NHS Foundation Trusts. The PBC will determine the prudential borrowing limit beyond which the Trust must not borrow. The limit is imposed by the Independent Regulator in the Terms of Authorisation. The Independent Regulator will review the limit.
25.2 Investments

25.2.1 All cash surpluses must be held in safe harbour institutions in line with the guidance contained in Monitors “Managing Operating Cash in NHS Foundation Trusts”. The Director of Finance will prepare an Operating Cash Management Policy which will be authorised by the Board.

25.2.2 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.

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

25.4 Working Capital Facility

25.4.1 The Board of Directors will ensure that funds are available for short-term cash flow management by negotiating an irrevocable working capital facility with a commercial bank. The value of this facility shall be set by the Board of Directors and shall not exceed the limit set in the Trust’s Terms of Authorisation.


26.1 Capital Investment

26.1.1 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 capital investment is not undertaken without confirmation on the availability of resources to finance all revenue consequences including capital charges;

(d) where applicable support for the scheme is confirmed from commissioners and or Monitor.

26.1.2 For capital expenditure proposals the Chief Executive shall ensure:

(a) that an appropriate business case is produced setting out:

(i) where possible an appropriate option appraisal has been undertaken comparing costs and benefits

(ii) the involvement of appropriate Trust personnel and external agencies, if appropriate
(ii) appropriate project management and control arrangements are in place

(b) that a Director or nominated officer has certified professionally to the costs and revenue consequences detailed in the business case.

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

26.1.4 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 HMRC guidance.

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

26.1.6 The approval of the Trust’s capital programme will require specific additional approvals for each capital scheme to enable:

(a) authorisation to commit expenditure in accordance with these standing orders and within approved budget;

(b) approval to award a contract in accordance with these standing orders.

The Chief Executive will issue a Reservation and Delegation of Powers for capital investment management in accordance with "Estatecode" guidance, Procure 21+ and the Trust’s Standing Orders.

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

26.2 Asset Registers

26.2.1 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.

26.2.2 The 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 Monitor.

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

(a) properly authorised and approved agreements, architect's certificates, supplier’s invoices and other documentary evidence in respect of purchases from third parties;

(b) stores, requisitions and wages records for own materials and labour including appropriate overheads;
(c) lease agreements in respect of assets held under a finance lease and capitalised.

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

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

26.2.6 The value of each asset shall be valued in accordance with methods specified in the Capital Accounting Manual issued by Monitor.

26.2.7 The value of each asset shall be depreciated using methods and rates as specified in the Capital Accounting Manual issued by Monitor.

26.2.8 The Director of Finance of the Trust shall calculate capital charges as specified in the Capital Accounting Manual issued by Monitor.

26.3 **Security of Assets**

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

26.3.2 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.

26.3.3 All discrepancies revealed by verification of physical assets to fixed asset register shall be notified to the Director of Finance.

26.3.4 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.

26.3.5 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.

26.3.6 Where practical, assets should be marked as Trust property.

27. Stores and Receipt of Goods

27.1 General position

27.1.1 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 or net realisable value.

27.2 Control of Stores, Stocktaking, condemnations and disposal

27.2.1 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.

27.2.2 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 Trust property.

27.2.3 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.

27.2.4 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.

27.2.5 Where a complete system of stores control is not justified, alternative arrangements shall require the approval of the Director of Finance.

27.2.6 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 SFI 28 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.

27.3 Goods supplied by NHS Logistics

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

28. Disposals and Condemnations, Losses and Special Payments (See SFI 21.12)

28.1 Disposals and Condemnations

28.1.1 Procedures

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

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

28.1.3 All unserviceable articles shall be:

(a) condemned or otherwise disposed of by an employee authorised for that purpose by the Director of Finance;

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

28.1.4 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.

28.2 Losses and Special Payments

28.2.1 Procedures

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

28.2.2 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
NHS Protect in accordance with Secretary of State for Health’s Directions.

The Director of Finance must notify NHS Protect and the External Auditor of all
frauds.

28.2.3 For losses apparently caused by theft, arson, neglect of duty or gross
carelessness, except if trivial, the Director of Finance must immediately notify:

(a) the Board,

(b) the External Auditor.

28.2.4 The Board shall approve the writing-off of losses. In practice, this will be
delegated to the Audit Committee.

28.2.5 The Director of Finance shall be authorised to take any necessary steps to
safeguard the Trust’s interests in bankruptcies and company liquidations.

28.2.6 For any loss, the Director of Finance should consider whether any insurance claim
can be made.

28.2.7 The Director of Finance shall maintain a Losses and Special Payments Register in
which write-off action is recorded.

28.2.8 All losses and special payments must be reported to the Audit Committee.

29. Information Technology

29.1 Responsibilities and duties of the Director of Finance

29.1.1 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 unauthorised 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.

29.1.2 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.

29.1.3 The Director of Finance with responsibility for 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.

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

29.2.1 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.

29.3 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.

29.4 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.
29.5 **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.

30. **Patients' Property**

30.1 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.

30.2 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 Trust premises, unless it is handed in for safe custody and a copy of an official patients' property record is obtained as a receipt.

30.3 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.

30.4 Separate accounts for patients' moneys, shall be opened and operated under arrangements agreed by the Director of Finance.

30.5 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.
30.6 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.

30.7 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.

31. **Charitable Funds**

31.1 **Corporate Trustee**

(a) SO 2.2 and 2.3 outlines the Trust’s responsibilities as a corporate trustee for the management of funds it holds on trust.

(b) 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.

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.

31.2 **Accountability to Charity Commission**

31.2.1 The trustee responsibilities must be discharged separately and full recognition given to the Trust’s accountability to the Charity Commission for charitable funds held on trust.

31.2.2 The Reservation and Delegation of Powers 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.

31.3 **Applicability of Standing Financial Instructions to Charitable funds**

31.3.1 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 Charitable funds.

31.3.2 The over-riding principle is that the integrity of each Trust must be maintained in accordance with the Charities Acts and recommended practice and statutory and Trust obligations met. Materiality must be assessed separately from Exchequer activities and funds.

31.4 **Charitable Funds Committee**

(a) The Trust shall establish a Charitable Fund Committee with clearly defined terms of reference which:

(i) shall ensure that the Trust’s charitable funds are managed appropriately with regard to the declaration of trust and appropriate legislation, and
(ii) have primary responsibility to the Board of Directors for ensuring that these SFI’s are applied, and where appropriate, closely liaise with the Board of Directors’ legal adviser.

(b) SFI 31 shall be interpreted and applied in conjunction with the rest of these SFI’s subject to modifications contained herein.

(c) The Charitable Funds Committee is responsible for setting the boundary at which the Trust will accept responsibility for donated income.

31.5 **Administration of the charitable funds**

(a) The Charitable Fund Committee will arrange for the proper administration of charitable funds in accordance with their respective terms of trust, and ensure that accounting records are kept in a way that identifies separately the different categories of fund between unrestricted funds, restricted funds and endowment funds, and complies with charities legislation.

(b) The Charitable Fund Committee will produce detailed codes of procedure covering every aspect of the financial management of funds held on trust, for the guidance of Directors and employees.

(c) The Charitable Fund Committee shall periodically review the funds in existence and shall make recommendations to the Board of Directors regarding the potential for rationalisation of such funds as permitted by the declarations of trust and charities legislation.

(d) The Charitable Fund Committee may recommend that additional funds be established where this is consistent with this body’s policy for ensuring the safe and appropriate management of funds, eg designation for specific wards or departments, or the creation of restricted funds to meet the restricted purpose of a donation.

31.6 **Income**

In respect of donations, the Charitable Fund Committee shall provide guidelines to officers of this body as to how to proceed when offered funds. These to include:

(a) the identification of the donor’s intentions;

(b) where possible, the avoidance of new restricted purpose funds;

(c) the avoidance of impossible, undesirable, or administratively difficult objects;

(d) sources of immediate further advice; and

(e) treatment of offers for personal gifts; and

(f) provide secure and appropriate receipting arrangements which shall indicate the funds have been accepted directly into this body’s charitable funds and that the donor’s intentions have been noted and accepted.
31.6.1 In respect of legacies and bequests, the Charitable Fund Committee shall:

(a) provide guidelines to officers of the Trust regarding the receipt of funds/other assets from Executors;

(b) be empowered on behalf of the Trust to negotiate arrangements regarding the administration of a Will with Executors and to discharge them from their duty; and

(c) be directly responsible for the appropriate treatment of all legacies and bequests.

31.6.2 In respect of trading income, the Charitable Fund Committee shall;

(a) be primarily responsible, along with other designated officers, for any trading undertaken by the Trust as corporate trustee; and

(b) be primarily responsible for the appropriate treatment of all funds received from this source.

31.6.3 In respect of investment income, the Charitable Fund Committee shall be responsible for the appropriate treatment of all dividends, interest and other receipts associated with funds held on trust by the Trust as a corporate trustee.

31.7 Fund raising

31.7.1 The Charitable Fund Committee shall:

(a) in respect of legacies and bequests, provide guidelines to officers of the Trust covering any approach regarding the wording of Wills;

(b) after taking appropriate legal and tax advice, deal with all arrangements for fund raising by and/or on behalf of this body, and ensure compliance with all statutes and regulations;

(c) be empowered to liaise with other organisations/persons raising funds for this body, and provide them with an adequate discharge. The Chief Executive (acting under the instructions of the Charitable Fund Committee) shall be the only officer empowered to give approval for such fund raising subject to the over-riding direction of the Board of Directors;

(d) be responsible for alerting the Board of Directors to any irregularities regarding the use of the Trust’s name or its registration numbers; and

(e) be required to advise the Board of Directors on the financial implications of any proposal for fund raising activities which the Trust as corporate trustee may initiate, sponsor or approve.

31.7.2 The Trust’s policy on fund raising requires that:

(a) all those involved in fund raising, whether members of the public or NHS staff, are clear about the implications of their activities and have agreed them
with this body before they commence any appeal to the public, including the action to be taken should the appeal target not be reached;

(b) that the public are not misled about any aspect of an appeal; and

(c) that any appeal with which this body is in any way associated is conducted in conformity with all applicable standards.

31.8 **Investment Management**

The Charitable Fund Committee shall be responsible for all aspects of the management of the investment of charitable funds. The issues on which it shall be required to provide advice to the Board of Directors shall include:

(a) the formulation of investment policy within the powers of the Trust under statute and within its governing instruments to meet its requirements with regard to income generation and the enhancement of capital value;

(b) the appointment of advisers and funds managers. The Charitable Fund Committee will agree the terms of such appointments and the written agreements shall be signed by the Chief Executive;

(c) the use of Trust assets; which shall be appropriately authorised in writing;

(d) the review of the performance of fund managers and advisers; and

(e) the reporting of investment performance.

31.9 **Use of funds**

31.9.1 Authorisation of expenditure from charitable funds will be laid down in the Reservation and Delegation of Powers

31.9.2 The exercise of the Trust’s discretion in the application of charitable funds shall be managed by the Charitable Fund Committee. In doing so, it shall be aware of the following:

(a) the objects of the charitable funds;

(b) the availability of liquid funds;

(c) the powers of delegation available to commit resources as detailed in the Reservation and Delegation of Powers;

(d) the avoidance of use of Exchequer funds to discharge charitable fund liabilities (except where administratively unavoidable), and to ensure that any indebtedness to the Trustee Exchequer funds shall be discharged by charitable funds at the earliest possible time;

(e) that funds are to be spent rather than preserved, subject to the wishes of the donor and the needs of the body and any reserved policy;
(f) the definitions of “charitable purposes” as determined by the charity commission and relevant legislation and case law; and

(g) any restrictions on spending capital.

31.10 **Banking Services**

The Charitable Fund Committee shall advise the Board of Directors and, with its approval, shall ensure that appropriate banking services are available to this body as corporate trustee.

The Trust as corporate trustee shall approve the bank accounts to be used for charitable funds.

31.11 **Reporting**

(a) The Charitable Fund Committee shall ensure that regular reports are made to the Board of Directors with regard to, inter alia, the receipt of funds, investments and the disposition of resources.

(b) The Charitable Fund Committee shall prepare annual accounts in the required manner that shall be submitted to the Board of Directors within agreed timescales.

(c) The Charitable Fund Committee shall prepare an annual trustee’s report and the required returns and to the Charity Commission for adoption by the Board of Directors.

31.12 **Accounting and Audit**

(a) The Charitable Fund Committee shall maintain all financial records to enable the production of reports as above and to the satisfaction of internal and external audit;

(b) The Charitable Fund Committee shall liaise with external audit and provide them with all necessary information.

31.13 **Administration costs**

The Charitable Fund Committee shall identify all costs directly incurred in the administration of charitable funds and, in agreement with the Board of Directors, shall charge such costs to the appropriate charitable fund.

31.14 **Custody of investment certificates and the deeds of properties**

The Director of Finance shall ensure that Investment certificate and deeds of properties are held in a safe and secure location.

31.15 **Legacies**

31.15.1 The Director of Finance shall be authorised to give executors good discharge from their duties.
31.15.2 The Director of Finance, shall be authorised to obtain a grant of probate or make application for letters of administration where the Trust is the beneficiary.

32. **Acceptance of Gifts by Staff and Standards of Business Conduct (See SO 8 and SFI 24.2.6)**

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 SO 8 and SFI 24.2.6).

33. **Retention of Records**

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

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

33.3 Records held in accordance with latest Department of Health guidance ie. Records Management: NHS Code of Practice (2006) shall only be destroyed at the express instigation of the Chief Executive. Detail shall be maintained of records so destroyed.

34. **Risk Management and Insurance**

34.1 **Programme of Risk Management**

The Chief Executive shall ensure that the Trust has a programme of risk management, in accordance with the Governance 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 Monitor

34.2 **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.

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

(a) Where the Board decides to use the risk pooling schemes administered by the NHS Litigation Authority the Director of Estates and Risk Management shall ensure that the arrangements entered into are appropriate and complementary to the risk management programme. The Director of Estates and Risk Management shall ensure that documented procedures cover these arrangements.

(b) 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 Estates and Risk Management 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 Estates and Risk Management will draw up formal documented procedures for the management of any claims arising from third parties and payments in respect of losses which will not be reimbursed.

(c) All the risk pooling schemes require Scheme members to make some contribution to the settlement of claims (the ‘deductible’). The Director of Estates and Risk Management should ensure documented procedures also cover the management of claims and payments below the deductible in each case.
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<tr>
<td>HR ToR</td>
<td>Ensure effective HR strategies are in place</td>
<td>HR Committee</td>
</tr>
<tr>
<td>HR ToR</td>
<td>Development and Implementation of HR Strategy</td>
<td>HR Committee</td>
</tr>
<tr>
<td>HR ToR</td>
<td>Ensure appropriate Trust Wide appraisal system</td>
<td>HR Committee</td>
</tr>
<tr>
<td>HR ToR</td>
<td>Development and approval of all HR policies</td>
<td>HR Committee</td>
</tr>
<tr>
<td>HR ToR</td>
<td>Ensure appropriate arrangements in place for staff involvement</td>
<td>HR Committee</td>
</tr>
<tr>
<td>HR ToR</td>
<td>Ensure effective arrangements in place for the monitoring and management of training</td>
<td>HR Committee</td>
</tr>
<tr>
<td>HR ToR</td>
<td>Oversees compliance with working time regulations</td>
<td>HR Committee</td>
</tr>
<tr>
<td>HR ToR</td>
<td>Approve expenditure plans for training and OD budgets</td>
<td>HR Committee</td>
</tr>
</tbody>
</table>

#### Terms of Service

<table>
<thead>
<tr>
<th>SFI</th>
<th>23.1.2</th>
<th>Advise Board about appropriate remuneration and terms of service for CE, Directors and Employees</th>
<th>Remuneration Committee</th>
<th>CE</th>
</tr>
</thead>
<tbody>
<tr>
<td>SFI</td>
<td>23.1.2.b</td>
<td>Monitor and evaluate the performance of designated senior staff</td>
<td>Remuneration Committee</td>
<td>CE</td>
</tr>
<tr>
<td>SFI</td>
<td>23.1.4</td>
<td>Monitor and evaluate the performance of Chairman and individual officer members</td>
<td>C O G Remuneration Committee</td>
<td></td>
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#### Staff Appointments

<table>
<thead>
<tr>
<th>SFI</th>
<th>23.2.2</th>
<th>Variation of funded establishment within overall budget</th>
<th>HR Committee</th>
<th>Divisional Director, Divisional Manager</th>
</tr>
</thead>
<tbody>
<tr>
<td>SFI</td>
<td>23.2.2</td>
<td>Variation of funded establishment outside of overall budget</td>
<td>BSDC</td>
<td>DoF</td>
</tr>
<tr>
<td>SFI</td>
<td>23.3.1</td>
<td>Engagement, re-engagement, regrading of employees within available budget</td>
<td>Divisional Director, Divisional Manager</td>
<td></td>
</tr>
<tr>
<td>SFI</td>
<td>23.3.1</td>
<td>Engagement, re-engagement, regrading of employees outside of available budget</td>
<td>HR Committee</td>
<td>DoM</td>
</tr>
<tr>
<td>SFI</td>
<td>23.3.2</td>
<td>Approval of procedures for the determination of commencing pay rates, conditions of service, etc</td>
<td>HR Committee</td>
<td>DoM</td>
</tr>
</tbody>
</table>
# Reservation and Delegation of Powers

<table>
<thead>
<tr>
<th>Delegation of Powers</th>
<th>Delegated to</th>
<th>Operational Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Processing of payroll</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SFI 23.4.1 a Specifying timetables for submission of properly authorised time records and other notifications</td>
<td>DoF</td>
<td></td>
</tr>
<tr>
<td>SFI 23.4.1 b Final determination of pay and allowances</td>
<td>DoF</td>
<td></td>
</tr>
<tr>
<td>SFI 23.4.1 c Making payment on agreed dates</td>
<td>DoF</td>
<td></td>
</tr>
<tr>
<td>SFI 23.4.1 d Agreeing method of payment</td>
<td>DoF</td>
<td></td>
</tr>
<tr>
<td>SFI 23.4.2 Issue of instructions around the use and verification of payroll data</td>
<td>DoF</td>
<td></td>
</tr>
<tr>
<td><strong>Finance and Planning</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BSDC ToR Overview of Trust's financial strategy</td>
<td>BSDC</td>
<td>DoF</td>
</tr>
<tr>
<td>BSDC ToR Oversight of annual financial planning and budget setting of the Trust</td>
<td>BSDC</td>
<td>DoF</td>
</tr>
<tr>
<td>BSDC ToR Development of service and business strategies</td>
<td>BSDC</td>
<td>DoF, Divisional Director, Divisional Manager</td>
</tr>
<tr>
<td>BSDC ToR Development of Annual Plan</td>
<td>BSDC</td>
<td>DoF</td>
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<tr>
<td>BSDC ToR Identify business opportunities for the Trust</td>
<td>BSDC</td>
<td>DoF, Divisional Director, Divisional Manager</td>
</tr>
<tr>
<td>BSDC ToR Approve new Business cases in line with agreed strategy</td>
<td>See Financial Delegation Limits</td>
<td></td>
</tr>
<tr>
<td>BSDC ToR Approve budget virement</td>
<td>See Financial Delegation Limits</td>
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<tr>
<td>BSDC ToR Oversee Marketing Strategy</td>
<td>BSDC</td>
<td>DoM</td>
</tr>
<tr>
<td>BSDC ToR Management of performance against National and Local Targets</td>
<td>BSDC</td>
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<tr>
<td>BSDC ToR Oversee development of Estates Strategy</td>
<td>BSDC</td>
<td></td>
</tr>
<tr>
<td>BSDC ToR Approval of Capital Expenditure</td>
<td>See Financial Delegation Limits</td>
<td></td>
</tr>
<tr>
<td>BSDC ToR Oversee the capital programme</td>
<td>DoE</td>
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<tr>
<td><strong>Non Pay Expenditure</strong></td>
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<tr>
<td>24.2.4 Authorisation of prepayments</td>
<td>DoF</td>
<td></td>
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<tr>
<td>24.2.6j Approval of Petty cash limit</td>
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<tr>
<td><strong>External Borrowing</strong></td>
<td></td>
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<tr>
<td>25.1.1 Advise the board on borrowing and payment of PDC</td>
<td>DoF</td>
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<tr>
<td>25.1.4 Approval of short term borrowing</td>
<td>DoF</td>
<td></td>
</tr>
<tr>
<td>Delegation of Powers</td>
<td>Delegated to</td>
<td>Operational Responsibility</td>
</tr>
<tr>
<td>----------------------</td>
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<tr>
<td><strong>SFI 25</strong> Investments</td>
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<tr>
<td><strong>SFI 25.2.2</strong> Advising the Board on investment strategy</td>
<td>DoF</td>
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<tr>
<td><strong>SFI 26</strong> Capital Investment</td>
<td></td>
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<tr>
<td><strong>SFI 26.1.1</strong> Ensuring adequate approval process and investment appraisal systems for all capital projects</td>
<td>CE</td>
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<tr>
<td><strong>SFI 26.1.6 a</strong> Authority to commit capital expenditure in year (post approval of capital programme)</td>
<td>See Financial Delegation limits</td>
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<tr>
<td><strong>SFI 26.1.6 b</strong> Authority to proceed to tender</td>
<td>CE</td>
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<tr>
<td><strong>SFI 26.1.6 c</strong> Approval to accept a successful tender</td>
<td>CE</td>
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<tr>
<td><strong>SFI 26.2</strong> Asset Registers</td>
<td></td>
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<tr>
<td><strong>SFI 26.2.1</strong> Responsible for maintenance of registers of assets</td>
<td>CE</td>
<td>DoF</td>
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<tr>
<td><strong>SFI 26.2.5</strong> Approve procedures for reconciliation of fixed asset balances</td>
<td>DoF</td>
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<tr>
<td><strong>SFI 26.2.8</strong> Calculation of capital charges</td>
<td>DoF</td>
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<tr>
<td><strong>SFI 26.3</strong> Security of assets</td>
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<tr>
<td><strong>SFI 26.3.2</strong> Approval of asset control procedures</td>
<td>DoF</td>
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<tr>
<td><strong>SFI 27</strong> Stores and Receipt of goods</td>
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<td><strong>SFI 27.2.1</strong> Systems of control</td>
<td>CE</td>
<td>DoF</td>
</tr>
<tr>
<td><strong>SFI 27.2.2</strong> Day to day responsibility for stores</td>
<td>Supplies Manager, Pharmacy Manager, Catering Manager, Pathology Manager</td>
<td></td>
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<tr>
<td><strong>SFI 27.2.3</strong> Procedures and systems for regulation of stores</td>
<td>DoF</td>
<td></td>
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<tr>
<td><strong>SFI 27.2.4</strong> Stocktaking arrangements</td>
<td>DoF</td>
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<tr>
<td><strong>SFI 28</strong> Disposals and condemnations, Losses and Special payments</td>
<td></td>
<td></td>
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<tr>
<td><strong>SFI 28.1.1</strong> Preparation of detailed procedures</td>
<td>DoF</td>
<td></td>
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<tr>
<td><strong>SFI 28.1.3 a</strong> Approval of condemnations/disposals</td>
<td>DoF</td>
<td>Supplies Manager/Electronics Manager</td>
</tr>
<tr>
<td><strong>SFI 28.2.2</strong> Notification to NHS Protect and External Audit of frauds</td>
<td>DoF</td>
<td></td>
</tr>
<tr>
<td><strong>SFI 28.2.4</strong> Approval of losses</td>
<td>Audit Committee</td>
<td></td>
</tr>
<tr>
<td>SFI</td>
<td>Delegation of Powers</td>
<td>Delegated to</td>
</tr>
<tr>
<td>-----</td>
<td>----------------------</td>
<td>--------------</td>
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<tr>
<td>28.2.5</td>
<td>Safeguarding of Trust assets in bankruptcies and liquidations</td>
<td>DoF</td>
</tr>
<tr>
<td>28.2.7</td>
<td>Maintenance of losses register</td>
<td>DoF</td>
</tr>
<tr>
<td>29</td>
<td>Information Technology</td>
<td></td>
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<tr>
<td>29.1.1</td>
<td>Responsibility for the accuracy and security of computerised data</td>
<td>DoF</td>
</tr>
<tr>
<td>29.1.3</td>
<td>Publication of Freedom of Information Publication scheme</td>
<td>DoF</td>
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<tr>
<td>29.3</td>
<td>Responsibility for contracts for computer services with other health bodies or outside agencies</td>
<td>BSDC</td>
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<tr>
<td>29.4</td>
<td>Identification of organisational risks arising from the use of IT</td>
<td>DoF</td>
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<tr>
<td>30</td>
<td>Patient's Property</td>
<td></td>
</tr>
<tr>
<td>30.2</td>
<td>Notification to patients/guardians prior to admission of Trust responsibilities and liabilities around patient's property</td>
<td>CE</td>
</tr>
<tr>
<td>31</td>
<td>Charitable Funds</td>
<td></td>
</tr>
<tr>
<td>31.5</td>
<td>Ensuring that each trust fund is appropriately managed</td>
<td>DoF</td>
</tr>
<tr>
<td>31.15.1</td>
<td>Giving executors good discharge from their duties</td>
<td>DoF</td>
</tr>
<tr>
<td>31.15.2</td>
<td>Application to obtain grant of probate</td>
<td>DoF</td>
</tr>
<tr>
<td>33</td>
<td>Retention of Records</td>
<td></td>
</tr>
<tr>
<td>33.1</td>
<td>Maintaining archives for all records required to be retained</td>
<td>CE</td>
</tr>
<tr>
<td>33.3</td>
<td>Authorisation to Destroy of records</td>
<td>CE</td>
</tr>
<tr>
<td>34</td>
<td>Risk Management and Insurance</td>
<td></td>
</tr>
<tr>
<td>34.1</td>
<td>Ensuring that the Trust has a programme of risk management</td>
<td>CE</td>
</tr>
<tr>
<td>PQRS ToR</td>
<td>Co-ordinate activity and ensure effective systems are in place for incidents, complaints, claims</td>
<td>Risk &amp; Patient Quality Committee</td>
</tr>
<tr>
<td>PQRS ToR</td>
<td>Ensure effective systems in place for the distribution and compliance with Safety Action Bulletins</td>
<td>Risk &amp; Patient Quality Committee</td>
</tr>
<tr>
<td>PQRS ToR</td>
<td>Co-ordinate and communicate Risk management activities across the Trust</td>
<td>Risk &amp; Patient Quality Committee</td>
</tr>
<tr>
<td>PQRS ToR</td>
<td>Review, develop and monitor progress towards Risk Management Strategy</td>
<td>Risk &amp; Patient Quality Committee</td>
</tr>
<tr>
<td>PQRS ToR</td>
<td>Delegation of Powers</td>
<td>Delegated to</td>
</tr>
<tr>
<td>----------</td>
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</tr>
<tr>
<td></td>
<td>Oversee compliance with NHSLA Risk Management standards</td>
<td>Risk &amp; Patient Quality Committee</td>
</tr>
<tr>
<td></td>
<td>Commission risk assessments</td>
<td>Risk &amp; Patient Quality Committee</td>
</tr>
<tr>
<td></td>
<td>Oversee Implementation of safeguard initiative</td>
<td>Risk &amp; Patient Quality Committee</td>
</tr>
<tr>
<td></td>
<td>Ensure arrangements are in place to oversee the implementation and monitoring of NICE guidelines, enquiry reports etc</td>
<td>Risk &amp; Patient Quality Committee</td>
</tr>
</tbody>
</table>
## FINANCIAL DELEGATION LIMITS

### Notes
- Board: To receive details from audit committee
- Chairman: All Programme Changes
- Central Team: All Scheme changes over 10% or £50,000 whichever is lower
- Chief Executive: Approval of Annual Capital programme
- Director of Finance: Sign off register
- Director of Estates: General losses >£1k. Sign off register
- Director of Operations: General losses >£10k. Sign off register
- Divisional Director: General losses >£1k.
- Divisional Manager: General losses >£1k.
- Budget Holder: To review all losses in the register and authorise CE & DOF to sign off
- Supplies Procurement Committee: N/A
- Business and Service Development committee: N/A
- Pharmacy/catering/pathology manager: £25,000
- Charitable funds fund manager: £1,000

### Table

<table>
<thead>
<tr>
<th>Role</th>
<th>Capital Expenditure</th>
<th>Non-Pay Revenue Expenditure</th>
<th>Waiving formal tendering arrangements</th>
<th>Business Cases</th>
<th>Orders</th>
<th>Virements</th>
<th>Losses, Compensations &amp; Special Payments</th>
<th>Charitable Expenditure</th>
</tr>
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<tbody>
<tr>
<td><strong>Board</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>To receive details from audit committee</td>
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<tr>
<td>Chairman</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
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<td>Central Team</td>
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<td>Chief Executive</td>
<td>£20,000</td>
<td>£50,000 &lt; £150,000</td>
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<td>Director of Finance</td>
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<td>N/A</td>
<td>£50,000 &lt; £150,000</td>
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<td>£5,000</td>
<td>General losses &gt;£10k. Sign off register</td>
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<td>Director of Estates</td>
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<td>Director of Operations</td>
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<td>N/A</td>
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<tr>
<td>Budget Holder</td>
<td>Within Capital Scheme Budget</td>
<td></td>
<td>No limits within Delegated Budget</td>
<td>N/A</td>
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<td>Audit Committee</td>
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<tr>
<td>Supplies Procurement Committee</td>
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<td>£25,000 &lt; £150,000</td>
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<tr>
<td>Business and Service Development Committee</td>
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<td>£150,000 &lt; £500,000</td>
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<td>Pharmacy/catering/pathology manager</td>
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<td>Charitable funds fund manager</td>
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<td>N/A</td>
<td>£5,000</td>
<td>N/A</td>
<td>£1,000</td>
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</tbody>
</table>
Asset Disposals
Any asset which is not being used, is obsolete and/or beyond repair must be disposed of via the Electronics department. This will then be written out of the asset register in accordance with instructions issued by the Director of Finance.

General disposals - will be disposed of in accordance with the instructions issued by the Director of Finance.

Cheques and Electronic payments - in accordance with the Bank Mandate
All current account payments shall be signed by any one authorised employee. Any payment over £5,000 shall be signed by two authorised signatories.

Petty cash
Small purchases up to the value of £50 may be reclaimed via Petty cash; official orders are not required for these items of small value. Any exceptional claim for petty cash over this limit must be authorised by the Assistant Director of Finance, Deputy Director of Finance or Director of Finance.

Tendering and Quotation Thresholds

| EU Procurement Threshold (applicable from 30th January 2008) | £99,738 (£3,611,319 for works contracts) |
| Formal Tenders | > £25,000 |
| 3 Written/ Electronic Competitive Quotations | £5,000 to £25,000 |
| Single quotation | Less than £5,000 or £5,000 to £25,000 for urgent building and engineering |

All levels of expenditure quoted are the total value of the order, exclusive of VAT.