

Code of Governance 2014/15 – Version 3

Code	Code Provision	Trust Position	Evidence	Comply/ Explain	Improvement Opportunities
A	LEADERSHIP				
A.1.	<p>The Role of the Board of Directors – Main Principles</p> <p>a. Every NHS foundation trust should be headed by an effective board of directors, since the board is collectively responsible for the exercise of the powers and the performance of the NHS foundation trust.</p> <p>b. The general duty of the board of directors, and of each director individually, is to act with a view to promoting the success of the organisation so as to maximise the benefits for the members of the trust as a whole and for the public.</p>				
A.1.1	<ul style="list-style-type: none"> • The board of directors should meet sufficiently regularly to discharge its duties effectively. • There should be a formal schedule of matters specifically reserved for decision by the board of directors. • The schedule of matters reserved for the board of directors should include a clear statement detailing the roles and responsibilities of the council of governors (as described in A5). • The statement should also describe how any disagreements between the council of governors and the board of directors will be resolved. 	<p>The Board meets eight times per year. Meetings are held in public.</p> <p>The Board’s Terms of Reference and those of its committees clearly state which matters must be determined by the Board and which have been delegated to committees or the Chief Executive.</p> <p>The Work Plan (Schedule of Business) includes all matters for discussion by the Board.</p> <p>The Annual Report states how the Board of Directors and Council of Governors operate, including a high-</p>	<ul style="list-style-type: none"> • BoD Minutes • Terms of Reference • Board Work Plan (currently being reviewed) • Reservation of Powers and Scheme of Delegation (currently being reviewed) • Standing Orders (currently being reviewed) • Constitution (currently 	Comply	<p>Review TORs</p> <p>Finalise Board Work Plan for 2015/16</p> <p>Finalise the Standing Orders, Reservation of Powers and Scheme of Delegation and Constitution reviews</p>

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	<ul style="list-style-type: none"> The annual report should include this schedule of matters or a statement of how the board of directors and the council of governors operate, including a summary of the types of decisions to be taken by each of the boards and which are delegated to the executive management of the board of directors. These arrangements should be kept under review at least annually. 	<p>level statement of which types of decisions are taken by the Board/Council of Governors.</p> <p>Matters reserved for the Board are included in the Trust’s Standing Orders and Schedule of Matters.</p> <p>The roles and responsibilities of Governors are contained in the Trust’s Constitution.</p> <p>The Trust Constitution includes a statement relating to the handling of disputes.</p> <p>The arrangements listed above will be reviewed annually.</p>	<p>being reviewed)</p> <ul style="list-style-type: none"> Annual Report 		
A.1.2	<ul style="list-style-type: none"> The annual report should identify the chairman, the deputy chairman (where there is one), the chief executive, the senior independent director (see A.4.1) and the chairman and members of the nominations, audit and remuneration committees. It should also set out the number of meetings of the board and those committees and individual attendance by directors. 	<p>The annual report will identify the chair, deputy chair, chief executive, senior independent director and the chair and members of the nomination, audit and remuneration committees.</p> <p>Records are kept of the number of meetings of the Board of Directors, audit committee and nominations committee and these are recorded on the minutes.</p>	<ul style="list-style-type: none"> Annual Report Minutes of Meetings. Attendance Monitoring Report 	Comply	None
A.1.3	<ul style="list-style-type: none"> The board of directors should make available a statement of the objectives of the NHS foundation trust showing how it intends to balance the interests of patients, the local community and other stakeholders and use 	<p>The Board has agreed five strategic aims and progress will be monitored via the Chief Executive’s Assurance Report to each Board meeting and the Integrated Performance Report (IPR)</p>	<ul style="list-style-type: none"> Strategic Aims Annual Plan Annual Report CoG Meetings 	Comply	Further integration of the IPR

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	<p>this as the basis for its decision-making and forward planning.</p>	<p>and BAF.</p> <p>The Trust publishes an Annual Plan which contains details of its vision and strategy.</p> <p>The Trust engages with stakeholders through its governors and members and through other external partnerships.</p>	<ul style="list-style-type: none"> • BoD Meetings • Membership Seminars 		
A.1.4	<ul style="list-style-type: none"> • The board of directors should ensure that adequate systems and processes are maintained to measure and monitor the NHS foundation trust’s effectiveness, efficiency and economy as well as the quality of its healthcare delivery. • The board should regularly review the performance of the NHS foundation trust in these areas against regulatory and contractual obligations and approved plans and objectives. 	<p>The Board reviews the Trust’s performance at each of its meetings via the CEO Assurance Report and the IPR.</p> <p>The Finance Committee reviews in detail financial performance on behalf of Board.</p> <p>The Quality Committee reviews in detail the quality of the delivery of services on behalf of Board.</p> <p>The Board approves the quarterly monitoring report for submission to Monitor.</p> <p>Reports from ‘external’ bodies e.g. Care Quality Commission are routinely reviewed by Quality Committee and the Board.</p>	<ul style="list-style-type: none"> • CEO Assurance Report • IPR • Finance Committee Minutes • Audit Committee Minutes • Quality Committee Minutes • BoD Minutes published on the Website • Quarterly Monitoring Return to Monitor • Board Development Sessions • Quality Accounts 	Comply	Further integration of the IPR
A.1.5	<ul style="list-style-type: none"> • The board of directors should ensure that relevant metrics, measures, milestones and accountabilities are developed and agreed so as to understand and assess progress and 	<p>The Board regularly reviews its performance against regulatory requirements as part of the CEO Assurance Report and IPR and</p>	<ul style="list-style-type: none"> • CEO Assurance Report • IPR • BoD Minutes 	Comply	Further integration of the IPR

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	<p>delivery of performance. Where appropriate, and in particular in high risk or complex areas, independent advice, for example, from the internal audit function, should be commissioned by the board of directors to provide an adequate and reliable level of assurance.</p>	<p>annually adopts a small set of key performance indicators ('the strategic and compliance reporting measures') which it uses to monitor progress against strategic and operational priorities.</p>	<ul style="list-style-type: none"> • Finance Committee Minutes • Audit Committee Minutes • Quality Committee Minutes • Risk Committee Minutes 		
A.1.6	<ul style="list-style-type: none"> • The board of directors should report on its approach to clinical governance and its plan for the improvement of clinical quality in accordance with guidance set out by the Department of Health, NHS England, the Care Quality Commission and Monitor. The board should record where, within the structure of the organisation, consideration of clinical governance matters occurs. 	<p>The Board receives reports on areas of clinical governance via the CEO Assurance Report.</p> <p>The Board's clinical governance plans are monitored by the Quality Committee.</p> <p>Divisional Quality Dashboards and a comprehensive list of exception reports are presented to the Quality Committee in line with an annual schedule agreed by the committee. All these reports are available to all Board members. The Quality Committee is charged with providing assurance to the Board that clinical quality is at the highest possible level.</p>	<ul style="list-style-type: none"> • CEO Assurance Report • Reservation of Powers and Scheme of Delegation (currently being reviewed) • Clinical Governance Reports • Risk Committee Minutes • Quality Committee Minutes • Audit Committee Minutes • BoD Minutes 	Comply	Finalise the Reservation of Powers and Scheme of Delegation review
A.1.7	<ul style="list-style-type: none"> • The chief executive, as the accounting officer, should follow the procedure set out by Monitor for advising the board of directors and the council of governors, and for recording and submitting objections to decisions considered or taken by the boards in matters of propriety or regularity, and on 	<p>The chief executive is fully aware of his responsibilities as accounting officer and follows the procedure set out in the NHS Foundation Trust Accounting Officer Memorandum.</p>	<ul style="list-style-type: none"> • Annual Report and Accounts • Audit Committee Minutes 	Comply	None

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	issues relating to the wider responsibilities of the accounting officer for economy, efficiency and effectiveness.				
A.1.8	<ul style="list-style-type: none"> The board of directors should establish the constitution and standards of conduct for the NHS foundation trust and its staff in accordance with NHS values and accepted standards of behaviour in public life, which include the principles of selflessness, integrity, objectivity, accountability, openness, honesty and leadership (The Nolan Principles). 	Included in Terms of Reference, Standing Orders and Standards of Business Conduct.	<ul style="list-style-type: none"> BoD TOR Standards of Business Conduct (currently being reviewed) Standing Orders (currently being reviewed) Fit and Proper Persons Declarations 	Comply	Finalise the Reservation of Powers and Scheme of Delegation and Standards of Business Conduct Policy reviews
A.1.9	<ul style="list-style-type: none"> The board of directors should operate a code of conduct that builds on the values of the NHS foundation trust and reflects high standards of probity and responsibility. The board of directors should follow a policy of openness and transparency in its proceedings and decision making unless this conflicts with a need to protect the wider interests of the public or the NHS foundation trust (including commercial-in-confidence matters) and make clear how potential conflicts of interests are dealt with. 	<p>The Board of Directors operates a Code of Conduct which is based on the Nolan Principles.</p> <p>Board of Directors meetings are held in public.</p> <p>Board meeting reports are posted on the Trust’s website.</p>	<ul style="list-style-type: none"> CoG Agendas BoD Agendas Standards of Business Conduct (currently being reviewed) Standing Orders (currently being reviewed) Fit and Proper Persons Declarations 	Comply	Finalise the Standing Orders and Standards of Business Conduct Policy reviews

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A.1.10	The NHS foundation trust should arrange appropriate insurance to cover the risk of legal action against its directors.	<p>The Directors have cover under Schedules 4 & 5 of NHS Litigation Authority Liabilities to Third Parties Scheme (LTPS).</p> <p>Additional Directors and Officers insurance has been commissioned from a commercial insurance provider.</p>	<ul style="list-style-type: none"> • NHS Litigation Authority LTPS • Insurance Policy 	Comply	
A.2	Division of Responsibilities – Main Principle				
A.2.1	<p>a</p> <p>There should be a clear division of responsibilities at the head of the NHS foundation trust between the chairing of the board of directors and the council of governors and the executive responsibility for the running of the NHS foundation trust’s affairs. No one individual should have unfettered powers of decision.</p> <ul style="list-style-type: none"> • The division of responsibilities between the chairman and chief executive should be clearly established, set out in writing and agreed by the board of directors. 	The division of responsibilities between the Chair and Chief Executive is clearly established and has been formally set out in writing and agreed by the Board.	<ul style="list-style-type: none"> • Chair and Chief Executive Job Descriptions • Summary of Chair and Chief Executive Responsibilities • Induction Pack for BoD and CoG 	Comply	Summary of Chair and Chief Executive Responsibilities document to be reviewed by the BOD
A.2.2	<ul style="list-style-type: none"> • The roles of chairman and chief executive must not be undertaken by the same individual. 	The roles of the Chair and Chief Executive are undertaken by different individuals.	<ul style="list-style-type: none"> • Annual Report • Trust Website 	Comply	None

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<p>A.3 a</p>	<p>The Chairman – Main Principle</p> <p>The chairman is responsible for leadership of the board of directors and the council of governors, ensuring their effectiveness on all aspects of their role and leading on setting the agenda for meetings.</p>				
<p>A.3.1</p>	<ul style="list-style-type: none"> The chairman should, on appointment by the council of governors, meet the independence criteria set out in B1.1. A chief executive should not go on to be the chairman of the same NHS FT. 	<p>On appointment the Chair met the independence criteria.</p>	<ul style="list-style-type: none"> Annual Report Standing Orders (currently being reviewed) Register of Interests 	<p>Comply</p>	<p>Finalise the Standing Orders review</p>
<p>A4 a</p>	<p>Non Executive Directors – Main Principle</p> <p>As part of their role as members of a unitary board, non-executive directors should constructively challenge and help develop proposals on strategy. Non-executive directors should also promote the functioning of the board as a unitary board.</p>				
<p>A.4.1</p>	<ul style="list-style-type: none"> In consultation with the council of governors, the board should appoint one of the independent non-executive directors to be the senior independent director, to provide a sounding board for the chairman and to serve as an intermediary for the 	<p>Tony Shaw was appointed as Senior Independent Director in 2013. The role is outlined in the Terms of Reference of the Board and complies with the Code. The Board has agreed that the SID will not normally be the</p>	<ul style="list-style-type: none"> Nomination Committee Minutes CoG Minutes Constitution (dispute resolution) 	<p>Comply</p>	<p>None</p>

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	<p>other directors as necessary.</p> <ul style="list-style-type: none"> The senior independent director should be available to governors if they have concerns that contact through the normal channels of chairman, chief executive or finance director or trust secretary has failed to resolve or for which such contact is inappropriate. The senior independent director could be the deputy chairman. 	Deputy Chair.	<ul style="list-style-type: none"> Annual Report TOR 		
A.4.2	<ul style="list-style-type: none"> The chairman should hold meetings with the non-executive directors without the executives present. Led by the SID, the NEDs should meet without the chairman present, at least annually, to appraise the chairman’s performance, and on other such occasions as are deemed appropriate. 	<p>The Non-Executive Directors meet without the Executive Directors on a monthly basis.</p> <p>The NEDs hold a meeting at least annually chaired by the SID without the Chair present to discuss the Chair’s appraisal process/performance and objectives.</p>	<ul style="list-style-type: none"> NEDs’ Minutes Nominations Committee Minutes CoG Minutes Chair’s Appraisal 	Comply	None
A.4.3	<ul style="list-style-type: none"> Where directors have concerns that cannot be resolved about the running of the NHSFT or a proposed action, they should ensure that their concerns are recorded in the board minutes. On resignation, a director should provide a written statement to the chairman for circulation to the board, if they have any such concerns. 	<p>Formal minutes are taken of all Board level discussions and action lists produced.</p> <p>An automated exit questionnaire will be issued in accordance with the current process managed by human resources.</p>	<ul style="list-style-type: none"> BoD Minutes BoD Action Lists Exit Questionnaire and Interview as appropriate 	Comply	None

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<p>A5</p> <p>a</p> <p>b</p> <p>c</p>	<p>Governors – Main Principles</p> <p>The council of governors has a duty to hold the NEDs individually and collectively to account for the performance of the board of directors. This includes ensuring the board of directors acts so that the FT does not breach the conditions of its licence. It remains the responsibility of the board of directors to design and then implement agreed priorities, objectives and the overall strategy of the NHS FT.</p> <p>The council of governors is responsible for representing the interests of NHS FT members and the public and staff in the governance of the NHS FT. Governors must act in the best interests of the NHS FT and should adhere to its values and code of conduct.</p> <p>Governors are responsible for regularly feeding back information about the trust, its vision and its performance to members and the public and the stakeholder organisations that either elected or appointed them. The trust should ensure governors have appropriate support to help them discharge this duty.</p>				
<p>A.5.1</p>	<ul style="list-style-type: none"> The council of governors should meet sufficiently regularly to discharge its duties. Typically the council of governors would be expected to meet as a full council at least four times per year. Governors should, where practicable, make every effort to 	<p>The Council of Governors meet formally at least four times per year.</p> <p>In cases of non-attendance, action is taken to address this informally prior to seeking a formal resolution through the Constitution</p>	<ul style="list-style-type: none"> CoG Minutes Attendance Monitoring Report Contact with individual Governors followed by 	<p>Comply</p>	<p>Finalise the Constitution review</p>

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	attend the meetings of the council of governors. The NHS foundation trust should take appropriate steps to facilitate attendance.		<p>formal letter</p> <ul style="list-style-type: none"> Constitution (currently being reviewed) 		
A.5.2	<ul style="list-style-type: none"> The council of governors should not be so large as to be unwieldy. The council of governors should be of sufficient size for the requirements of its duties. The roles, structure, composition, and procedures of the council of governors should be reviewed regularly as described in provision D.2.2. 	<p>The composition of the Council of Governors comprises 34 Governors, which is deemed a sufficient size for the requirements of its duties.</p> <p>The CoG have Terms of Reference</p>	<ul style="list-style-type: none"> CoG Minutes CoG TOR Constitution (currently being reviewed) 	Comply	Finalise the Constitution review
A.5.3	<ul style="list-style-type: none"> The annual report should identify the members of the council of governors, including a description of the constituency or organisation that they represent, whether they were elected or appointed, and the duration of their appointments. The annual report should also identify the nominated lead governor. A record should be kept of the number of meetings of the board and the attendance of individual governors and it should be made available to members on request. 	<p>The Annual Report identifies Governors, their constituency or organisation they represent, whether they were elected or appointed and the duration of their appointment.</p> <p>The Annual Report identifies the Lead Governor.</p> <p>A record is maintained of Governors' attendance at meetings.</p>	<ul style="list-style-type: none"> Annual Report COG minutes Attendance Monitoring Report 	Comply	None
A.5.4	<ul style="list-style-type: none"> The roles and responsibilities of the council of governors should be set out in a written document. This statement should include a clear explanation of the responsibilities of the council of governors towards members and other stakeholders and how governors will seek their views and inform them. 	<p>The roles and responsibilities of the Council of Governors are set out in the Constitution and Terms of Reference.</p> <p>Governors also receive an Induction Pack providing information about their role and the Trust.</p>	<ul style="list-style-type: none"> CoG TOR Constitution (currently being reviewed) Governor Induction Pack Governor Training 	Comply	Finalise the Constitution review

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			Sessions		
			<ul style="list-style-type: none"> Membership Strategy 		
A.5.5	<ul style="list-style-type: none"> The chairman is responsible for leadership of both boards (A.2) but the governors themselves have a responsibility to make the arrangements work and should take the lead in inviting the chief executive to their meetings and inviting attendance by other executives and non-executives as appropriate. In these meetings other board members may raise questions of the chairman or his deputy or any other director present at the meeting about the affairs of the NHS foundation trust. 	<p>All Board Members attend meetings of the Council of Governors.</p> <p>Assurance reports from the CEO are made available to the Council of Governors via the Board Agenda, enabling the governors to monitor the performance of the Board.</p> <p>Meetings of the Board of Directors and Council of Governors are held on the same day.</p>	<ul style="list-style-type: none"> CoG Minutes BoD Minutes BoD Agendas 	Comply	None
A.5.6	<ul style="list-style-type: none"> The council of governors should establish a policy for engagement with the board of directors for those circumstances when they have concerns about the performance of the board of directors, compliance with the terms of authorisation or the other matters related to the general wellbeing of the NHS foundation trust. The council of governors should consider the advantages of there being a senior independent director on the board of directors (see A.3.3). 	<p>The Constitution includes a statement relating to the handling of disputes.</p> <p>Tony Shaw was appointed as the Trust's Senior Independent Director in 2013.</p>	<ul style="list-style-type: none"> Constitution (currently being reviewed) CoG Minutes 	Comply	Finalise the Constitution review
A.5.7	<ul style="list-style-type: none"> The council of governors should ensure its interaction and relationship with the board of directors is appropriate and effective, in particular, by agreeing the availability and 	<p>Assurance reports from the CEO are made available to the Council of Governors via the Board Agenda, enabling the governors to monitor the</p>	<ul style="list-style-type: none"> BoD Agendas BoD Minutes CoG Minutes 	Comply	None

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	timely communication of relevant information, discussion and the setting in advance of meeting agendas and use, where possible, of clear, unambiguous language.	performance of the Board. Governors receive Chair/Governor Bulletins on an ad-hoc basis detailing key issues.	<ul style="list-style-type: none"> Chair/Governor Bulletins 		
A.5.8	<ul style="list-style-type: none"> The council of governors should only exercise its power to remove the chairman or any non-executive directors after exhausting all other means of engagement with the board of directors. 	The Trust has a dispute resolution section within the Constitution.	<ul style="list-style-type: none"> Constitution (currently being reviewed) 	Comply	Finalise the Constitution review
A.5.9	<ul style="list-style-type: none"> The council of governors should receive and consider other appropriate information required to enable it to discharge its duties, for example, clinical statistical data and operational data. 	The Council of Governors receives full public Board papers including the Chief Executive’s Assurance Report and to enable it to discharge its duties.	<ul style="list-style-type: none"> BoD Agendas Annual Plan Quality Accounts Annual Report 	Comply	None
B	EFFECTIVENESS				
B1	The Composition of the Board – Main Principle				
a	The board of directors and its committees should have the appropriate balance of skills, experience, independence and knowledge of the NHSFT to enable them to discharge their respective duties and responsibilities effectively.				
B.1.1	<ul style="list-style-type: none"> The board of directors should identify in the 	All Non-Executive Directors are	<ul style="list-style-type: none"> Annual Report 	Comply	None

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	<p>annual report each NED it considers to be independent. The board should determine whether the director is independent in character and judgement and whether there are relationships or circumstances which are likely to affect, or could appear to affect the director’s judgement. The board of directors should state its reasons if it determines that a director is independent despite the existence of relationships or circumstances which may appear relevant to its determination.</p>	<p>considered to be independent and this will be stated in the Trust’s Annual Report.</p>	<ul style="list-style-type: none"> • Register of interests • Fit and Proper Persons Declarations 		
B.1.2	<ul style="list-style-type: none"> • At least half the board, excluding the chairman, should comprise non-executive directors determined by the board to be independent. 	<p>The Board comprises 7 Non-Executive Directors, excluding the Chair, and 7 voting Executive Directors.</p>	<ul style="list-style-type: none"> • Annual Report • Standing Orders (currently being reviewed) • Constitution(currently being reviewed) • BoD Minutes 	Comply	<p>Finalise the Standing Orders and Constitution reviews</p>
B.1.3	<ul style="list-style-type: none"> • No individual should hold, at the same time, positions of director and governor of NHS foundation trusts. 	<p>The Constitution prevents an individual holding office as both Director and Governor at the same time.</p>	<ul style="list-style-type: none"> • Constitution (currently being reviewed) • Fit and Proper Persons Declarations 	Comply	<p>Finalise the Constitution review</p>
B.1.4	<ul style="list-style-type: none"> • The board of directors should include in its annual report a description of each director’s expertise and experience. Alongside this in the annual report, the board should make a clear statement about its own balance, completeness and 	<p>The Annual Report includes a description of each Director’s expertise and experience and a statement about the Board’s balance, completeness and appropriateness to the Trust’s requirements.</p>	<ul style="list-style-type: none"> • Annual Report 	Comply	<p>None</p>

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	appropriateness to the requirements of the NHS foundation trust. Both statements should also be available on the NHS foundation trust’s website.				
B2	Appointments to the Board – Main Principle				
a	There should be a formal, rigorous and transparent procedure for the appointment of new directors to the board. Directors of NHSFTs must be fit and proper to meet the requirements of the general conditions of the provider licence.				
B.2.1	<ul style="list-style-type: none"> The nominations committee or committees, with external advice as appropriate, are responsible for the identification and nomination of executive and non-executive directors. The nominations committee should give full consideration to succession planning, taking into account the future challenges, risks and opportunities facing the NHSFT and the skills and expertise required within the board of directors to meet them. 	<p>The Nominations Committee of the Council of Governors and the Remuneration Committee of the Board of Directors have given full consideration to the size and composition of the Non-Executive Directors and Executive Directors respectively.</p> <p>The Nominations Committee and Remuneration Committee are involved in the appointment and re-appointment of Non-Executive Directors and Executive Directors respectively.</p>	<ul style="list-style-type: none"> Nominations Committee Minutes Remuneration Committee Minutes CoG Minutes BoD Minutes Succession Planning and Talent Management Report 	Comply	Further embedding of the Succession Planning and Talent Management Report
B.2.2	<ul style="list-style-type: none"> Directors on the board of directors and governors on the council of governors should meet the fit and proper persons test described in the provider licence. For the purpose of the licence and application 	The Board of Directors and Council of Governors are required to meet the “fit and proper” persons test set out in the Trust’s Constitution.	<ul style="list-style-type: none"> Constitution (currently being reviewed) Fit and Proper Persons Declarations 	Comply	Finalise the Constitution review

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	<p>criteria, “fit and proper” personas are defined as those without certain recent criminal convictions and director disqualifications, and those who are not bankrupt (undischarged). In exceptional circumstances and at Monitor’s discretion, an exemption to this may be granted. Trusts should also abide by the updated guidance from the CQC regarding appointments to senior positions in organisations subject to CQC regulations.</p>				
B.2.3	<ul style="list-style-type: none"> • There may be one or two nominations committees. If there are two committees, one will be responsible for considering nominations for executive directors and the other for non-executive directors (including the chairman). • The nominations committee(s) should regularly review the structure, size and composition of the board of directors and make recommendations for changes where appropriate. • In particular, the nominations committee(s) should evaluate at least annually the balance of skills, knowledge and experience on the board of directors and, in the light of this evaluation, prepare a description of the role and capabilities required for appointment of both executive and non-executive directors, including the chairman. 	<p>The Nominations Committee is responsible for considering nominations for NED roles and the Remuneration Committee is responsible for considering nominations for ED roles.</p>	<ul style="list-style-type: none"> • Nominations Committee Minutes • Remuneration Committee Minutes • CoG Minutes • Hogan Skills Inventories 	Comply	None
B.2.4	<ul style="list-style-type: none"> • The chairman or an independent non-executive director should chair the 	<p>The Nominations Committee is chaired by the Trust Chair, except for</p>	<ul style="list-style-type: none"> • Nominations Committee 	Comply	None

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	committee(s).	discussions relating to his own position in which case the committee will be chaired by the SID. The Remuneration Committee is chaired by an independent NED.	<p>Minutes</p> <ul style="list-style-type: none"> • Remuneration Committee Minutes • CoG Minutes 		
B.2.5	<ul style="list-style-type: none"> • The governors should agree with the nominations committee a clear process for the nomination of a new chairman and non-executive directors. Once suitable candidates have been identified the nominations committee should make recommendations to the council of governors. 	<p>The CoG approved the recommendations of the Nominations Committee for the appointment process of the Chair and his reappointment in 2015.</p> <p>The process for appointment/ reappointment of NEDs is undertaken by the Nominations Committee and CoG, as terms of office expire.</p>	<ul style="list-style-type: none"> • Nominations Committee Minutes • CoG Minutes 	Comply	None
B.2.6	<ul style="list-style-type: none"> • Where an NHS foundation trust has two nominations committees, the nominations committee responsible for the appointment of non-executive directors should consist of a majority of governors. • If only one nominations committee exists, when nominations for non-executives, including the appointment of a chairman or a deputy chairman, are being discussed, there should be a majority of governors on the committee and also a majority governor representation on the interview panel. 	<p>The Trust has a Nominations Committee responsible for the appointment of the Chair/NEDs which consists of a majority of Governors. The interview panel for the appointment of the Chair included a majority of Governors.</p>	<ul style="list-style-type: none"> • Nominations Committee Minutes • CoG Minutes 	Comply	None
B.2.7	<ul style="list-style-type: none"> • When considering the appointment of non-executive directors, the council of governors 	In making its recommendation to the Council of Governors regarding the	<ul style="list-style-type: none"> • Nomination Committee 	Comply	None

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	should take into account the views of the board of directors on the qualifications, skills and experience required for each position.	appointment of new Non-Executive Directors, the Nominations Committee takes account of the views of the Board of Directors.	<p>Minutes</p> <ul style="list-style-type: none"> Nominations Committee Terms of Reference Process for Appointment including Discussion Panels 		
B.2.8	<ul style="list-style-type: none"> The annual report should describe the process followed by the council of governors in relation to appointments of the chairman and non-executive directors 	The Annual Report describes the process followed by the CoG for the appointment of the Chair and NEDs.	<ul style="list-style-type: none"> Annual Report 	Comply	None
B.2.9	<ul style="list-style-type: none"> An independent external adviser should not be a member of, or have a vote on, the nominations committee(s). 	Independent external advisors are not members of the Nominations Committee and do not have a vote.	<ul style="list-style-type: none"> Nominations Committee Minutes Remuneration Committee Minutes 	Comply	None
B.2.10	<ul style="list-style-type: none"> A separate section of the annual report should describe the work of the nominations committee(s), including the process it has used in relation to board appointments. The main role and responsibilities of the nominations committee should be set out in publicly available, written terms of reference. 	The Annual Report describes the work of the Nominations Committee and Remuneration Committee and the Terms of Reference of the committees can be accessed by the public upon request.	<ul style="list-style-type: none"> Annual Report Nominations Committee Terms of Reference Remuneration Committee Terms of Reference Trust Website 	Comply	None
B3	Commitment – Main Principle All directors should be able to allocate sufficient				

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	time to the NHSFT to discharge their responsibilities effectively.				
B.3.1.	<ul style="list-style-type: none"> For the appointment of a chairman, the nominations committee should prepare a job specification defining the role and capabilities required including an assessment of the time commitment expected, recognising the need for availability in the event of emergencies. A chairman’s other significant commitments should be disclosed to the council of governors before appointment and included in the annual report. Changes to such commitments should be reported to the council of governors as they arise, and included in the next annual report. No individual, simultaneously whilst being a chairman of an NHSFT, should be the substantive chairman of another NHSFT. 	<p>The Chair’s terms and conditions of appointment are available for inspection upon request.</p> <p>The expected time commitment is set out in the terms and conditions of service and, in accepting the appointment, the Chair confirms that he is able to allocate sufficient time to the role.</p> <p>Other significant appointments on the part of those recommended for Chair and Non-Executive Directorship are made known to Governors prior to appointment and are reported in the Annual Report.</p>	<ul style="list-style-type: none"> Chair’s Terms and Conditions of Appointment Nom Com Minutes CoG Minutes Register of Interests Annual Report 	Comply	<p>Review of Appointment Letter detailing terms and conditions of service due to the F&FPT.</p>
B.3.2	<ul style="list-style-type: none"> The terms and conditions of appointment of Non-executive directors should be made available to the council of governors. The letter of appointment should set out the expected time commitment. NEDs should undertake that they will have sufficient time to meet what is expected of them. Their other significant commitments should be 	<p>Non-Executive Directors’ terms and conditions of appointment are available to the CoG upon request.</p> <p>The expected time commitment is set out in the terms and conditions of service and, in accepting the appointment, Non-Executive Directors confirm that they are able to allocate</p>	<ul style="list-style-type: none"> Non Executive Director Terms and Conditions of Appointment Nom Com Minutes CoG Minutes Register of Interests 	Comply	<p>Review of Appointment Letter detailing terms and conditions of service due to the F&FPT.</p>

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	disclosed to the council of governors before appointment with a broad indication of the time involved and the council of governors should be informed of subsequent changes.	sufficient time to the role. Other significant appointments on the part of those recommended for Non-Executive Directorship are made known to Governors prior to appointment and are reported in the Annual Report.	<ul style="list-style-type: none"> Annual Report 		
B.3.3	<ul style="list-style-type: none"> The board of directors should not agree to a full-time executive director taking on more than one non-executive directorship of an NHS foundation trust or another organisation of comparable size and complexity, nor the chairmanship of such an organisation. 	One Executive Director holds one Non-Executive Directorship of another organisation.	<ul style="list-style-type: none"> Directors Register of Interests Fit and Proper Persons Declarations 	Comply	None
B4	Development – Main Principle All directors and governors should receive appropriate induction on joining the board of directors or the council of governors and should regularly update and refresh their skills and knowledge. Both directors and governors should make every effort to participate in training that is offered.				
B.4.1	<ul style="list-style-type: none"> The chairman should ensure that new directors and governors receive a full and tailored induction on joining the board or the council of governors. As part of this, directors should seek out opportunities to engage with stakeholders, including patients, clinicians and other staff. Directors should also have access, at the NHSFT's 	An induction programme for new Directors and Governors is in place including local and Trust wide.	<ul style="list-style-type: none"> Induction Programmes Training Programmes Appraisal Process 	Comply	Review the induction packs for Directors and Governors

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	expense, to training courses and/or materials that are consistent with their individual and collective development programme.				
B.4.2.	<ul style="list-style-type: none"> The chairman should regularly review and agree with each director their training and development needs as they relate to their role on the board. 	NEDs have an annual appraisal process conducted by the Chair which includes identification of training and development needs related to their individual portfolios/ roles.	<ul style="list-style-type: none"> NEDs Appraisals Nominations Committee Minutes CoG Minutes 	Comply	Further alignment of the appraisal to the Nolan Principles
B5	<p>Information and Support – Main Principle</p> <p>The board of directors and the council of governors should be supplied in a timely manner with relevant information in a form and of a quality appropriate to enable them to discharge their respective duties. Statutory requirements on the provision of information from the board of directors to the council of governors are provided in your statutory duties: a reference guide for NHS foundation trust governors.</p>				
B.5.1	<ul style="list-style-type: none"> The board of directors and the council of governors should be provided with high quality information appropriate to the respective functions of the boards and relevant to the decisions they have to make. The board of directors and the council of governors should agree their respective information needs with the executive directors through the chairman. The information for the boards should be concise, objective, accurate and timely, and 	<p>The Board of Directors reviews Trust performance information via the IPR at its meetings.</p> <p>The Council of Governors receives appropriate supporting information to enable it to fulfil its role.</p> <p>The Chief Executive provides regular performance information updates and attends CoG meetings.</p> <p>There are clear guidelines for Board</p>	<ul style="list-style-type: none"> BoD Agendas BoD Minutes CoG Agendas CoG Minutes 	Comply	None

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	<p>it should be accompanied by clear explanations of complex issues.</p> <ul style="list-style-type: none"> The board of directors should have complete access to any information about the NHS foundation trust that it deems necessary to discharge its duties, including access to senior management and other employees. 	<p>reports in terms of presentation including number of pages, executive summary and summary cover sheet.</p> <p>The Board of Directors has access to senior management and other employees as appropriate.</p>			
B.5.2	<ul style="list-style-type: none"> The board of directors, and in particular non-executive directors, may reasonably wish to challenge assurances received from the executive management. They need not seek to appoint a relevant adviser for each and every subject area that comes before the board of directors, although they should wherever possible ensure that they have sufficient information and understanding to enable challenge and to take decisions on an informed basis. When complex or high risk issues arise the first course of action should normally be to encourage further and deeper analysis to be carried out, in a timely manner, within the NHS foundation trust. On occasion, non-executives may reasonably decide that external assurance is appropriate. 	<p>The Board of Directors seeks assurance directly and through its committees by requiring the CEO and EDs to provide assurance reports. On occasions the Board and its committees invite senior staff to provide presentations to the Board.</p> <p>Non-Executive Directors have the opportunity to request external assurance as appropriate.</p>	<ul style="list-style-type: none"> BoD Agendas BoD Minutes External Assurance Reports, for example, CQC, PWC, KPMG, Deloitte 	Comply	None
B.5.3	<ul style="list-style-type: none"> The board should ensure that directors, especially non-executive directors, have access to independent professional advice, at the NHS foundation trust's expense, where they judge it necessary to discharge their responsibilities as directors. Decisions to appoint an external adviser 	<p>Independent advice may be sought by the Board of Directors as appropriate.</p> <p>Independent external sources of advice can include the Trust's External Auditors and Internal Auditors.</p> <p>Directors undergo annual appraisal</p>	<ul style="list-style-type: none"> BoD Minutes External/Internal Audit Reports Board Development Programme 	Comply	None

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	<p>should be the collective decision of the majority of non-executive directors. The availability of independent external sources of advice should be made clear at the time of appointment.</p>	<p>and have access to training courses and/or materials consistent with identified personal development needs.</p> <p>A development programme for Governors was delivered in 2015 with external support.</p> <p>The Council of Governors is supported by the Foundation Trust Secretary.</p>	<ul style="list-style-type: none"> • Nominations Committee Minutes • Remuneration Committee Minutes • CoG Development Programme Report and Action Plan. 		
B.5.4	<ul style="list-style-type: none"> • Committees should be provided with sufficient resources to undertake their duties. The board of directors should also ensure that the council of governors is provided with sufficient resources to undertake its duties, with such arrangements agreed in advance. 	<p>Committees are structured and have annual work plans that are fully resourced.</p> <p>The Council of Governors has a structured work programme to support Governors in fulfilling their duties.</p>	<ul style="list-style-type: none"> • Committee Minutes and Work Plans • CoG Minutes and Work Plans 	Comply	
B.5.5	<ul style="list-style-type: none"> • Non-executive directors should consider whether they are receiving the necessary information in a timely manner and feel able to raise appropriate challenge of recommendations of the board, in particular making full use of their skills and experience gained both as a director of the trust and also in other leadership roles. They should expect and apply similar standards of care and quality in their role as a non-executive director of an NHSFT as they would in other similar roles. 	<p>EDs work collectively to ensure information is provided to NEDs in a timely manner.</p> <p>Board effectiveness has been reviewed and board level challenge by NEDs has been independently assessed.</p> <p>The key focus of the Board is quality and safety.</p>	<ul style="list-style-type: none"> • BoD Minutes • Internal Audit Report on Well-led 	Comply	Implementation of the Internal Audit Report on Well-led

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B.5.6	<ul style="list-style-type: none"> Governors should canvass the opinion of the trust’s members and the public, and for appointed governors the body they represent, on the NHSFT’s forward plan, including its objectives, priorities and strategy, and their view should be communicated to the board of directors. The annual report should contain a statement as to how this requirement has been undertaken and satisfied. 	<p>Governors have been engaged in the forward plan including objectives, priorities and strategy through meetings and presentations.</p> <p>The Annual Report includes details about the Governors’ engagement in the forward plan.</p>	<ul style="list-style-type: none"> CoG Agenda CoG Minutes Annual Plan Annual Report Quality Accounts Membership Strategy 	Comply	Review of Membership Strategy
B.5.7	<ul style="list-style-type: none"> Where appropriate the board of directors should consider and take account of the views of the council of governors on the NHS foundation trust’s forward plan in a timely manner and communicate to the council of governors where their views have been incorporated in the NHS foundation trust’s plans, and, if not, the reasons for this. 	<p>Discussion on the Trust’s plans takes place at meetings of the Board of Directors and the Council of Governors.</p> <p>Governors are involved in committees that are tasked with developing forward plans.</p>	<ul style="list-style-type: none"> BoD Minutes CoG Minutes 	Comply	None
B6 a b c	<p>Evaluation – Main Principles</p> <p>The board of directors should undertake a formal and rigorous annual evaluation of its own performance and that of its committees and individual directors.</p> <p>The outcomes of the evaluation of the executive directors should be reported to the board of directors. The chief executive should take the lead on the evaluation of the executive directors.</p> <p>The council of governors, which is responsible for the appointment and re-appointment of non-executive directors, should take the lead on</p>				

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d	<p>agreeing a process for the evaluation of the chairman and the non-executive directors, with the chairman and the non-executives. The outcomes of the evaluation of the non-executive directors should be agreed with them by the chairman. The outcomes of the evaluation of the chairman should be agreed by him or her with the senior independent director. The outcomes of the evaluation of the non-executive directors and the chairman should be reported to the governors. The governors should bear in mind that it may be desirable to use the senior independent director to lead the evaluation of the chairman.</p> <p>The council of governors should assess its own collective performance and its impact on the NHSFT.</p>				
B.6.1	<ul style="list-style-type: none"> The board of directors should state in the annual report how performance evaluation of the board, its committees and its directors, including the chairman, has been conducted, bearing in mind the desirability for independent assessment, and the reason why the NHS foundation trust adopted a particular method of performance evaluation. 	<p>A Well-led Review was undertaken in 2014/15, with positive outcomes, and action plans developed to ensure implementation of recommendations within agreed timescales.</p>	<ul style="list-style-type: none"> Annual Report Internal Audit Report on Well-led 	<p>Comply</p>	<p>Implementation of the Internal Audit Report on Well-led</p>
B.6.2	<ul style="list-style-type: none"> Evaluation of the boards of NHS foundations trusts should be externally facilitated at least every three years. The evaluation needs to be carried out against the board leadership and governance framework set out by 	<p>A Well-led Review was undertaken in 2014/15 by KPMG</p>	<ul style="list-style-type: none"> Internal Audit Report on Well-led 	<p>Comply</p>	<p>To liaise with Monitor to clarify if it satisfies the 'externally</p>

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	Monitor. The external facilitator should be identified in the annual report and a statement made as to whether they have any other connection to the trust.				facilitated' review Implementation of the Internal Audit Report on Well-led
B.6.3	<ul style="list-style-type: none"> The senior independent director should lead the performance evaluation of the chairman, within a framework agreed by the council of governors, and taking into account the views of directors and governors. 	The SID conducted the annual appraisal of the Chair, taking into account the views of directors and governors, and provided a report to the Nominations Committee and Council of Governors.	<ul style="list-style-type: none"> Nominations Committee Minutes CoG Minutes 	Comply	None
B.6.4	<ul style="list-style-type: none"> The chairman, with the assistance of the board secretary, if applicable, should use the performance evaluations as the basis for determining individual and collective professional development programmes for non-executive directors relevant to their duties as board members. 	<p>The outcome of the annual appraisal process for the Chair and Non-Executives Directors was reported to, and approved by, the Council of Governors.</p> <p>The personal objectives, including development needs for NEDs are set by the Chair on an annual basis.</p>	<ul style="list-style-type: none"> Appraisal Process Nominations Committee Minutes CoG Minutes 	Comply	None
B.6.5	<ul style="list-style-type: none"> Led by the chairman, the council of governors should periodically assess their collective performance and they should regularly communicate to members details on how they have discharged their responsibilities, including their impact and effectiveness on: <ul style="list-style-type: none"> - holding the non-executive directors individually and collectively to account for the performance of the board of directors. - communicating with their member 	<p>The work of the Council of Governors is regularly reported to members via the members' newsletter and by members' events.</p> <p>Governors hold membership events to act as a two- way communication with members in addition to the newsletter.</p>	<ul style="list-style-type: none"> Members' Newsletters Membership Seminars CoG Minutes 	Comply	None

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	<p>constituencies and the public and transmitting their views to the board of directors.</p> <ul style="list-style-type: none"> - contributing to the development of forward plans of NHSFTs. <ul style="list-style-type: none"> • The council of governors should use this process to review its roles, structure, composition and procedures, taking into account emerging best practice. 				
B.6.6	<ul style="list-style-type: none"> • There should be a clear policy and a fair process for the removal from the council of any governor who consistently and unjustifiably fails to attend the meetings of the council of governors or has an actual or potential conflict of interest which prevents the proper exercise of their duties. This should be shared with governors. In addition it may be appropriate for the process to provide for removal from the council of governors where behaviours or actions of a governor or group of governors may be incompatible with the values and behaviours of the NHS foundation trust. • Where there is any disagreement as to whether the proposal for removal is justified, an independent assessor agreeable to both parties should be requested to consider the evidence and conclude whether the proposed removal is reasonable or otherwise. 	<p>The Constitution sets out the arrangements for the removal of a Governor from the Council.</p>	<ul style="list-style-type: none"> • Constitution (currently being reviewed) • Fit and Proper Persons Declarations 	Comply	Finalise the Constitution review

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<p>B7 a</p>	<p>Re-Appointment of Directors and Re-Election of Governors – Main Principle</p> <p>All NEDs and elected governors should be submitted for re-appointment or re-election at regular intervals. The performance of executive directors of the board should be subject to regular appraisal and review. The council of governors should ensure planned and progressive refreshing of the non-executive directors.</p>				
<p>B.7.1</p>	<ul style="list-style-type: none"> • In the case of re-appointment of non-executive directors, 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. 	<p>The Constitution states the terms of office and re-appointment arrangements of Non-Executive Directors by the Council of Governors.</p> <p>The Chair provided confirmation to the Nominations Committee of satisfactory performance for all Non-Executive Directors including those due for re-appointment.</p> <p>There is on-going annual appraisal of Non-Executive Directors by the Chair and of the Chair by the Senior Independent Director.</p> <p>None of the existing NEDs have served more than six years on the Board.</p>	<ul style="list-style-type: none"> • Constitution (currently being reviewed) • Non-Executive Director Terms and Conditions of Service • Nominations Committee Minutes • CoG Minutes • Chair and NED appraisal reports. 	<p>Comply</p>	<p>Finalise the Constitution review</p>

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B.7.2	<ul style="list-style-type: none"> Elected governors must be subject to re-election by the members of their constituency at regular intervals not exceeding three years. The names of governors submitted for election or re-election should be accompanied by sufficient biographical details and any other relevant information to enable members to take an informed decision on their election. This should include prior performance information. 	<p>The Constitution provides for regular elections for public and staff governors.</p> <p>Election information events are held for members prior to each election.</p> <p>Attendance records of Governors are reported within the Annual Report.</p>	<ul style="list-style-type: none"> Constitution (currently being reviewed) Elections Process Annual Report Annual Members’ and Public Meeting Minutes 	Comply	Finalise the Constitution review
B8 a	<p>Resignation of Directors – Main Principle</p> <p>The board of directors is responsible for ensuring on-going compliance by the NHSFT with its licence, 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 and directors and works with the council of governors to ensure there is appropriate succession planning.</p>				
B.8.1	<ul style="list-style-type: none"> The remuneration committee should not agree to an executive member of the board leaving the employment of an NHS 	n/a	<ul style="list-style-type: none"> Remuneration Committee Minutes 	Comply	None

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	<p>foundation trust, except in accordance with the terms of their contract of employment, including but not limited to service of their full notice period and/ or material reductions in their time commitment to the role, without the board first having completed and approved a full risk assessment.</p>		<ul style="list-style-type: none"> Annual Report 		
C	ACCOUNTABILITY				
C.1.	<p>Financial, Quality and Operational Reporting – Main Principle</p> <p>The board of directors should present a fair, balanced and understandable assessment of the NHSFT’s position and prospects.</p>				
C.1.1	<ul style="list-style-type: none"> The directors should explain in the annual report their responsibility for preparing the annual report and accounts and state that they consider the annual report and accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for patients, regulators and other stakeholders to assess the NHSFT’s performance, business model and strategy. There should be a statement by the external 	<p>The Annual Report explains Directors’ responsibility for preparing the Annual Report and Accounts including that they are fair, balanced and understandable.</p> <p>The Annual Report is forwarded in draft to lay readers to ensure that it is understandable and provides the right level of information for patients.</p> <p>The Annual Report will also include a</p>	<ul style="list-style-type: none"> Annual Report Directors’ Statement Annual Governance Statement Annual Report 	Comply	None

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	<p>auditor about their reporting responsibilities.</p> <ul style="list-style-type: none"> • Directors should also explain their approach to quality governance in the Annual Governance Statement (within the annual report) 	<p>statement by the auditors about their reporting responsibilities.</p> <p>The Annual Governance Statement is included in the Annual Report.</p>			
C.1.2	<ul style="list-style-type: none"> • The directors should report that the NHS foundation trust is a going concern, with supporting assumptions or qualifications as necessary. 	<p>The Annual Report will include a statement from Directors that the Foundation Trust is a going concern.</p>	<ul style="list-style-type: none"> • Finance Committee Minutes • BoD Minutes • Annual Report 	Comply	None
C.1.3	<ul style="list-style-type: none"> • At least annually, the board of directors should set out clearly its financial and operating objectives for the NHS foundation trust and disclose sufficient information, both quantitative and qualitative, of the NHS foundation trust’s business and operations, including clinical outcome data, to allow members and governors to evaluate its performance. Further requirements are included in the NHSFT Annual Reporting Manual. 	<p>The Trust has an established annual planning cycle that includes Governor involvement.</p> <p>The Board of Directors presents information, both quantitative and qualitative, of the Trust’s business and operations to the Council of Governors.</p>	<ul style="list-style-type: none"> • Annual Plan • CoG Minutes • Annual Report • Quality Accounts • CEO Assurance Report 	Comply	None
C2	<p>Risk Management and Internal Control – Main Principles</p> <p>The board of directors is responsible for determining the nature and extent of the significant risks it is willing to take in achieving its strategic objectives. The board should maintain sound risk management systems.</p> <p>The board of directors should maintain a sound</p>				
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	system of internal control to safeguard patient safety, public and private investment, the NHS foundation trust’s assets, and service quality. The board should report on internal control through the Annual Governance Statement (formerly the SIC) in the annual report.				
C.2.1	<ul style="list-style-type: none"> The board of directors should maintain continuous oversight of the effectiveness of the NHSFT’s risk management and internal control systems and should report to members and governors that they have done so. A regular review should cover all material controls, including financial operational and compliance controls. 	<p>The Board has a robust system for risk management including the BAF and CRR, Risk Committee monitoring of key corporate and strategic risks and an escalation framework.</p> <p>Internal auditors include an annual review of risk management within their IA plans.</p>	<ul style="list-style-type: none"> BAF/CRR Risk Committee Minutes Audit Committee Minutes BoD Minutes CEO Assurance Report 	Comply	None
C.2.2	<ul style="list-style-type: none"> A trust should disclose in the annual report <ol style="list-style-type: none"> If it has an internal audit function, how the function is structured and what role it performs or <ol style="list-style-type: none"> If it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes. 	<p>The Annual Report confirms that the Trust has a robust internal audit function that reports via the Trust’s Audit Committee against the agreed IA plan.</p>	<ul style="list-style-type: none"> Annual Report Audit committee Minutes IA Plan IA Reports 	Comply	None
C3	Audit Committee and Auditors – Main Principle The board of directors should establish formal and transparent arrangements for considering how they should apply the corporate reporting and risk management and internal control principles and for				

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	maintaining an appropriate relationship with the NHS foundation trust's auditors				
C.3.1	<ul style="list-style-type: none"> The board must establish an audit committee composed of at least three members who are all independent non-executive directors. The board should satisfy itself that the membership of the audit committee has sufficient skills to discharge its responsibilities effectively, including ensuring that at least one member of the audit committee has recent and relevant financial experience. The chairman of the trust should not chair or be a member of the audit committee. He can, however, attend meetings by invitation as appropriate. 	<p>The Trust's audit committee comprises a core membership of three independent Non-Executive Directors.</p> <p>The Non-Executive Director who chairs the Audit Committee has recent and relevant financial experience.</p> <p>The Chair is not a member of the Audit Committee nor has he been invited.</p>	<ul style="list-style-type: none"> Audit Committee Minutes Annual Report of the Audit Committee Audit Committee Terms of Reference Annual Report 	Comply	None
C.3.2	<ul style="list-style-type: none"> The main role and responsibilities of the audit committee should be set out in publically available, written terms of reference. The council of governors should be consulted on the terms of reference, which should be reviewed and refreshed regularly. It should include details of how it will: <ul style="list-style-type: none"> monitor the integrity of the financial statements of the NHS foundation trust, 	<p>The Audit Committee's Terms of Reference are regularly reviewed by the Audit Committee and Board and clearly set out its main role and responsibility.</p> <p>The Chair of the Audit Committee attends Council of Governors meetings on a rotational basis with other NEDs.</p> <p>The NED responsible for chairing the Audit Committee presents his</p>	<ul style="list-style-type: none"> Audit Committee Terms of Reference Audit Committee Agenda Audit Committee Minutes Audit Committee Work Plan CoG Minutes 	Explain	The CoG will be consulted on the Audit Committee ToR at their meeting on 29.4.15 and at regular intervals thereafter.

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	<p>and any formal announcements relating to the trust’s financial performance, reviewing significant financial reporting judgements contained in them;</p> <ul style="list-style-type: none"> - review the NHS foundation trust’s internal financial controls and, unless expressly addressed by a separate board risk committee composed of independent directors, or by the board itself, review the trust’s internal control and risk management systems; - monitor and review the effectiveness of the NHS foundation trust’s internal audit function, taking into consideration relevant UK professional and regulatory requirements; - review and monitor the external auditor’s independence and objectivity and the effectiveness of the audit process, taking into consideration relevant UK professional and regulatory requirements; - develop and implement policy on the engagement of the external auditor to supply non-audit services, taking into account relevant ethical guidance regarding the provision of non-audit services by the external audit firm; and - report to the council of governors, identifying any matters in respect of 	<p>portfolio of responsibilities and this item is included on the Council of Governors work plan.</p> <p>A statement on engagement of External Auditors on non audit work is contained within the Audit Committee section of the Annual Report.</p> <p>The Audit Committee reviews and agrees the Internal Audit Plan and Internal Audit Reports.</p> <p>The Chair of the Audit Committee provides reports to the Council of Governors on the work and outcomes of the Audit Committee.</p>	<ul style="list-style-type: none"> • Annual Report • Audit Committee Annual Report • CoG Minutes • Risk Committee Minutes • IA Plan • EA Selection Process and Evaluation Panel 		
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	which it considers that action or improvement is needed and making recommendations as to the steps to be taken.				
C.3.3	<ul style="list-style-type: none"> The council of governors should take the lead in agreeing with the audit committee the criteria for appointing, reappointing and removing external auditors. The council of governors will need to work hard to ensure they have the skills and knowledge to choose the right external auditor and monitor their performance. However, they should be supported in this task by the audit committee, which provides information to the governors on the external auditor’s performance as well as overseeing the NHSFT internal financial reporting and internal auditing. 	<p>An Evaluation Panel was established in 2013/14 to appoint new external Auditors to the Trust. A member of the Audit Committee and the Lead Governor were included on the panel.</p>	<ul style="list-style-type: none"> Evaluation Panel Summary Audit Committee Minutes CoG Minutes Constitution (currently being reviewed) 	Comply	Finalise the Constitution review
C.3.4	<ul style="list-style-type: none"> The audit committee should make a report to the council of governors, in relation to the performance of the external auditor, including details such as the quality and value of the work and the timeliness of reporting and fees, to enable the council of governors to consider whether or not to re-appoint them. The audit committee should also make recommendation to the council of governors about the appointment, re-appointment and removal of the external auditor and approve the remuneration and terms of engagement of the external 	<p>A report relating to External Audit Services was submitted to the CoG in March 2014.</p> <p>The CoG formally approved the appointment of PWC as External Auditors until May 2017 with the option to extend the appointment for an additional year until May 2018.</p>	<ul style="list-style-type: none"> Audit Committee Minutes CoG Minutes 	Comply	None

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	auditor.				
C.3.5	<ul style="list-style-type: none"> If the council of governors does not accept the audit committee’s recommendation, the board of directors should include in the annual report a statement from the audit committee explaining the recommendation and should set out reasons why the council of governors has taken a different position. 	The Council of Governors agreed the recommendation to extend the appointment of the External Auditor.	<ul style="list-style-type: none"> CoG Minutes 	Comply	None
C.3.6	<ul style="list-style-type: none"> The NHSFT should appoint an external auditor for a period of time which allows the auditor to develop a strong understanding of the finances, operations and forward plans of the NHSFT. The current best practice is for a three – five year period of appointment. 	The Council of Governors has appointed the External Auditors for a three year period with the option to extend the appointment for four years.	<ul style="list-style-type: none"> CoG Minutes 	Comply	None
C.3.7	<ul style="list-style-type: none"> When the council of governors ends an external auditor’s appointment in disputed circumstances, the chairman should write to Monitor informing it of the reasons behind the decision. 	There has been no disputed circumstances leading to the need to end the External Auditor’s contract.	<ul style="list-style-type: none"> Audit Committee Minutes CoG Minutes 	Comply	None
C.3.8	<ul style="list-style-type: none"> The audit committee should review arrangements that allow staff of the NHS foundation trust and other individuals where relevant, to raise, in confidence, concerns about possible improprieties in matters of financial reporting and control, clinical quality, patient safety or other matters. The audit committee’s objective should be to ensure that arrangements are in place for the proportionate and independent 	<p>The Audit Committee receives regular reports from its Local Counter Fraud Specialist.</p> <p>Staff receive regular communication on fraud awareness form the local counter fraud team about how to raise, in confidence, concerns about possible improprieties.</p> <p>The Trust operates a Whistleblowing</p>	<ul style="list-style-type: none"> Audit Committee Reports Audit Committee Minutes LCFS Communications to Staff Whistleblowing Policy 	Comply	None

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	<p>investigation of such matters and for appropriate follow-up action.</p> <ul style="list-style-type: none"> • This should include ensuring safeguards for those who raise concerns are in place and operating effectively. Such processes should enable individuals or groups to draw formal attention to practices that are unethical or violate internal or external policies, rules or regulations and to ensure that valid concerns are promptly addressed. These processes should also reassure individuals raising concerns that they will be protected from potential negative repercussions. 	<p>Policy to encourage staff to report concerns.</p>			
C.3.9	<ul style="list-style-type: none"> • A separate section of the annual report should describe the work of the committee in discharging its responsibilities. The report should include: <ul style="list-style-type: none"> - The significant issues that the committee considered in relation to financial statements, operations and compliance, and how these issues were addressed. - An explanation of how it has assessed the effectiveness of the external audit process and the approach taken to the appointment or re-appointment of the external auditor, the value of external audit services and information on the length of tenure of the current audit firm and when a tender was last conducted; and - If the external auditor provides non-audit 	<p>The Audit Committee Annual Report includes an explanation about the role and composition of the Audit Committee, financial activities, internal control and risk management systems, effectiveness of the external auditors and internal auditors and a statement about non-audit services.</p>	<ul style="list-style-type: none"> • Audit Committee Annual Report • Annual Report 	Comply	None

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	services, the value of the non-audit services provided and an explanation of how auditor objectivity and independence are safeguarded.				
D	REMUNERATION				
D.1.	<p>The Level of Components of Remuneration – Main Principle</p> <p>Levels of remuneration should be sufficient to attract, retain and motivate directors of quality, and with the skills and experience required to lead the NHSFT successfully, but an NHSFT should avoid paying more than is necessary for this purpose and should consider all relevant and current directions relating to contractual benefits such as pay and redundancy entitlements.</p>				
D.1.1	<ul style="list-style-type: none"> • Any performance-related elements of the remuneration of executive directors should be designed to align their interests with those of patients, service users and taxpayers and to give these directors keen incentives to perform at the highest levels. In designing schemes of performance-related remuneration, the remuneration committee should follow the following provisions: <p>i) The remuneration committee should consider whether the directors should</p>	The Trust does not currently operate a performance related pay scheme or make provision for annual bonuses.	<ul style="list-style-type: none"> • Annual Report • Remuneration Committee Minutes 	Comply	None

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	<p>be eligible for annual bonuses in line with local procedures. If so, performance conditions should be relevant, stretching and designed to match the long term interests of the public and patients.</p> <p>ii) Payouts or grants under all incentive schemes should be subject to challenging performance criteria reflecting the objectives of the NHS foundation trust. Consideration should be given to criteria which reflect the performance of the NHS foundation trust relative to a group of comparator trusts in some key indicators, and the taking of independent and expert advice where appropriate.</p> <p>iii) Performance criteria and any upper limits for annual bonuses and incentive schemes should be set and disclosed.</p> <p>iv) The remuneration committee should consider the pension consequences and associated costs to the NHS foundation trust of basic salary increases and any other changes in pensionable remuneration, especially for directors close to retirement.</p>				
D.1.2	<ul style="list-style-type: none"> Levels of remuneration for the chairman and other non-executive directors should reflect the time commitment and responsibilities of 	<p>The Nomination Committee agreed that there would be zero uplift for all Non-Executive Directors for 2015/16.</p>	<ul style="list-style-type: none"> Nominations Committee Minutes 	Comply	None

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	their roles.				
D.1.3	<ul style="list-style-type: none"> Where an NHS foundation trust releases an executive director for example, to serve as a non-executive director elsewhere, the remuneration disclosures of the annual report should include a statement on whether or not the director will retain such earnings. 	<p>One Executive Director is released from the Trust to serve as a Non-Executive Director of another organisation and a statement about retention of earnings is included in the remuneration disclosures of the Annual Report.</p>	<ul style="list-style-type: none"> Directors Register of Interests Annual Report 	Comply	None
D.1.4	<ul style="list-style-type: none"> The remuneration committee should carefully consider what compensation commitments (including pension contributions and all other elements) their directors' terms of appointment would give rise to in the event of early termination. The aim should be to avoid rewarding poor performance. Contracts should allow for compensation to be reduced to reflect a departing director's obligation to mitigate loss. Appropriate claw-back provisions should be considered in case of a director returning to the NHS within the period of any putative notice. 	<p>The Remuneration Committee is responsible for agreeing Executive Directors' termination arrangements.</p> <p>Guidance on settlement agreements has been agreed by the Remuneration Committee.</p>	<ul style="list-style-type: none"> Remuneration Committee Minutes Supporting Paperwork Guidance on the use of Settlement Agreements 	Comply	None
D2	Procedure – Main Principle				
a	There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No directors should be involved in deciding his or her own remuneration.				

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D.2.1	<ul style="list-style-type: none"> The board of directors must establish a remuneration committee composed of non-executive directors which should include at least three independent non-executive directors. The remuneration committee should make available its terms of reference, explaining its role and the authority delegated to it by the board of directors. Where remuneration consultants are appointed, a statement should be made available of whether they have any other connection with the NHS foundation trust. 	<p>The Board of Directors’ Remuneration Committee comprises the Chair and all Non-Executive Directors.</p> <p>The Remuneration Committee’s Terms of Reference are available for inspection.</p>	<ul style="list-style-type: none"> Remuneration Committee Terms of Reference 	Comply	None
D.2.2	<ul style="list-style-type: none"> The remuneration committee should have delegated responsibility for setting remuneration for all executive directors, including pension rights and any compensation payments. The committee should also recommend and monitor the level and structure of remuneration for senior management. The definition of ‘senior management’ for this purpose should be determined by the board but should normally include the first layer of management below board level. 	<p>The Remuneration Committee has delegated responsibility for setting all Executive Director and Senior Manager (as determined by the Board) remuneration.</p>	<ul style="list-style-type: none"> Remuneration Committee Terms of Reference Remuneration Committee Minutes Remuneration Committee Annual Report Annual Report 	Comply	None
D.2.3	<ul style="list-style-type: none"> The council of governors is responsible for setting the remuneration of non-executive directors and the chairman. The council of governors should consult external 	<p>The Nominations Committee and Council of Governors fulfil their responsibility to set the remuneration of the Chair and Non-Executive</p>	<ul style="list-style-type: none"> Nominations Committee Minutes CoG Minutes FTN Annual Review of FT 	Comply	None

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	professional advisers to market-test the remuneration levels of the chairman and other non-executives at least once every three years and when they intend to make a large change to the remuneration of a non-executive.	Directors. The Nominations Committee and Council of Governors utilise the FTN Annual Review of FT Board Remuneration.	Board Remuneration.		
E	Relations with stakeholders				
E1	Dialogue with Members, Patients and the Local Community – Main Principle				
a	The board of directors should appropriately consult and involve members, patients and the local community.				
b	The council of governors must represent the interests of trust members and the public.				
c	Notwithstanding the complementary role of the governors in this consultation, the board of directors as a whole has responsibility for ensuring that regular and open dialogue with its stakeholders takes place.				
E.1.1	<ul style="list-style-type: none"> The board of directors should make available a public document that sets out its policy on the involvement of members, patients, clients and the local community at large, including a description of the kind of issues it will consult on. 	The Trust has in place a Membership Strategy and Patient Experience/ Engagement Strategy.	<ul style="list-style-type: none"> Membership Strategy Patient Experience/ Engagement Strategy Annual Report Annual Plan 	Comply	To review the Membership Strategy
E.1.2	<ul style="list-style-type: none"> The board of directors should clarify in writing how the public interests of patients, clients and the local community will be 	Patients are represented throughout the Trust’s governance structure; via membership of our patient panels and	<ul style="list-style-type: none"> CoG Minutes CoG Attendance Monitoring Report 	Comply	None

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	<p>represented, including its approach for addressing the overlap and interface between governors and any local consultative forums already in place (e.g. Local Involvement Networks, the overview and scrutiny committee, the local League of Friends, and staff groups).</p>	<p>attendance as lay representatives on committees, lay reader panel. They are fully integrated into our operational processes.</p> <p>There are NED representatives on all Board committees.</p>	<ul style="list-style-type: none"> • Patient Panels • Lay Reader Panel • Board Committees 		
E.1.3	<ul style="list-style-type: none"> • The chairman should ensure that the views of governors and members are communicated to the board as a whole. The chairman should discuss the affairs of the NHS foundation trust with governors. Non-executive directors should be offered the opportunity to attend meetings with governors and should expect to attend them if requested by governors. 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. 	<p>The Chair routinely reports to the Board of Directors on the work of the Council of Governors.</p> <p>The Chair provides the Council of Governors with an ad-hoc Bulletin on the key issues affecting the Trust.</p> <p>The SID attends at formal CoG meetings.</p>	<ul style="list-style-type: none"> • BoD Minutes • CoG Minutes • Chair’s Board Report • Chair/Governor Bulletin 	Comply	None
E1.4	<ul style="list-style-type: none"> • The board of directors should ensure that the NHS foundation trust provides effective mechanisms for communication between governors and members from its constituencies. Contact procedures for members that wish to communicate with governors and/or directors should be made clearly available to members on the NHS foundation trust’s website and in the annual report. 	<p>The Trust, in conjunction with the Council of Governors, has a programme of member hosted events.</p> <p>The Trust’s website and the regular members’ newsletter provides details of how members can contact their Governor. This information is also published in the Annual Report</p>	<ul style="list-style-type: none"> • CoG Minutes • Membership Seminars • Membership Newsletters • Annual Report • Membership Strategy • Election Seminars 	Comply	To review the Membership Strategy

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E.1.5	<ul style="list-style-type: none"> The board of directors should state in the annual report the steps they have taken to ensure that the members of the board, and in particular the non-executive directors, develop an understanding of the views of governors and members about the NHS foundation trust, for example through attendance at meetings of the council of governors, direct face-to-face contact, surveys of member opinion and consultations. 	<p>The Annual Report will describe how Non-Executive Directors have worked alongside Governors to develop their understanding of the views of Governors</p> <p>The Annual Report includes information about the role of NEDs, Governors and SID.</p> <p>CoG and BoD have been scheduled on the same day to assist Governors and Directors in gaining a better understanding and networking opportunities.</p>	<ul style="list-style-type: none"> Annual Report 	Comply	Further review of joint working between NEDs and Governors
E.1.6	<ul style="list-style-type: none"> The board of directors should monitor how representative the NHS foundation trust's membership is and the level and effectiveness of member engagement. This information should be used to review the trust's membership strategy, taking into account any emerging best practice from the sector. 	<p>The Board of Directors receives regular reports on the representation of the Trust's membership.</p> <p>Work on member engagement is developed by the CoG Membership Committee.</p> <p>The Membership Committee will review the membership strategy in 2015.</p> <p>The Trust engages Capita to conduct an independent assessment of its membership profile on an annual basis.</p>	<ul style="list-style-type: none"> BoD Reports/Minutes CoG Reports/Minutes Membership Reports Membership Committee Minutes Membership Strategy Election Results Capita Report on Membership Profile 	Comply	To review the Membership Strategy
E.2 a	<p>Co-operation with Third Parties with Roles in Relation to NHS Foundation Trusts</p> <p>The board of directors is responsible for ensuring</p>				

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	that the NHS foundation trust co-operates with other NHS bodies, local authorities and other relevant organisations with an interest in the local health economy.				
E.2.1	<ul style="list-style-type: none"> The board of directors should be clear as to the specific third party bodies in relation to which the NHS foundation trust has a duty to co-operate (boards should refer to Appendix E of Monitor’s Compliance Framework for a generic, non-exhaustive list of board of directors). The board of directors should be clear of the form and scope of the co-operation required with each of these third party bodies in order to discharge their statutory duties. 	<p>The Board of Directors has a schedule of the specific third party bodies in relation to which the NHS Foundation Trust has a duty to co-operate.</p>	<ul style="list-style-type: none"> Terms of Authorisation (Part 3 – Section 18) and subsequent updated list Annual Report 	Comply	Review the External Stakeholder list
E.2.2	<ul style="list-style-type: none"> The board of directors should ensure that effective mechanisms are in place to co-operate with relevant third party bodies and that collaborative and productive relationships are maintained with relevant stakeholders at appropriate levels of seniority in each. The board of directors should review the effectiveness of these processes and relationships annually and, where necessary, take proactive steps to improve them. 	<p>All Board members have developed networks within their own areas of responsibility to ensure appropriate co-operation with third party bodies is in place in order to develop and maintain collaborative relationships.</p> <p>External Stakeholders include:-</p> <ul style="list-style-type: none"> Blackpool CCG Fylde & Wyre CCG Lancashire North CCG Local Authorities (Blackpool/ Fylde/Wyre/Lancaster) Lancashire County Council Health Scrutiny Committee 	<ul style="list-style-type: none"> Minutes of External Stakeholder Groups 	Comply	Review the External Stakeholder list

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		<p>(Blackpool)</p> <ul style="list-style-type: none">• Health Scrutiny Committee (Lancashire)• Local Public and Patient Involvement Groups• Health & Well-Being Board (Blackpool)• Health & Well-Being Board (Lancashire)• Lancashire Police• Fire & Rescue Service• MPs			
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