

**The NHS Foundation Trust Code of Governance  
1st April 2009 – 31st March 2010**

Code ref	Code requirement – Trust position (brackets refer to Annual Report 2008/09)	Comply or Explain
<b>A.1 – the Board of Directors</b>	<b>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</b>	
A.1.1	<ul style="list-style-type: none"> <li>• The Board meets on a monthly basis to discharge its duties effectively.</li> <li>• There is a formal schedule of matters reserved for the Board which is identified in the Annual Business Calendar.</li> <li>• The formal schedule of matters reserved for the Board is complemented with a clear statement detailing the roles and responsibilities of the Council of Governors.</li> <li>• There is a statement explaining how disagreements between the Board and the Council will be resolved.</li> <li>• The Annual Report includes a statement about how the Board and Council operate, including a high-level statement of which types of decisions are to be taken by the Board and the Council and which decisions are to be delegated to the management by the Board.</li> <li>• Matters reserved for the Board are included in the Trust’s Standing Orders/Standing Financial Instructions/Scheme of Reservation and Delegation.</li> <li>• The roles and responsibilities of Governors are contained in the Trust’s Constitution.</li> <li>• The Constitution includes a statement relating to the handling of disputes.</li> </ul>	<p><b>Comply</b></p> <p><b>Comply</b></p> <p><b>Comply</b></p> <p><b>Comply</b></p> <p><b>Comply</b></p> <p><b>Comply</b></p> <p><b>Comply</b></p> <p><b>Comply</b></p> <p><b>Comply</b></p>

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A.1.2	<ul style="list-style-type: none"> <li>• The Annual Report identifies the Chairman (Beverly Lester), Deputy Chairman (Paul Olive), Chief Executive (Aidan Kehoe), Senior Independent Director (Michael Brown) and the Chairmen and members of the Nominations, Audit and Remuneration Committees.</li> <li>• Records are kept of the number of meetings of the Board of Directors and the attendance of individual directors which is available to the Council of Governors upon request.</li> <li>• Records are kept of the number of meetings of the Audit Committee and Nominations Committee and these are identified in the Annual Report.</li> <li>• This information is supplied to the Council of Governors upon request.</li> </ul>	<p style="color: green; margin: 0;"><b>Comply</b></p> <p style="color: green; margin: 0;"><b>Comply</b></p> <p style="color: green; margin: 0;"><b>Comply</b></p> <p style="color: green; margin: 0;"><b>Comply</b></p>
A.1.3	<ul style="list-style-type: none"> <li>• The Chairman meets regularly with the Non-Executive Directors without the Executive Directors present.</li> <li>• The Non-Executive Directors meet annually without the Chairman, chaired by the SID, to evaluate the Chairman's performance, as part of a process, which is agreed with the Council, for appraising the Chairman and on such other occasions as are deemed appropriate.</li> <li>• The Non-Executive Directors also attend the Audit Committee without the Chairman.</li> <li>• The Council of Governors has agreed that the Nominations Committee will evaluate the Chairman's performance and agree objectives and that the Nominations Committee will provide feedback to the Council of Governors.</li> </ul>	<p style="color: green; margin: 0;"><b>Comply</b></p> <p style="color: green; margin: 0;"><b>Comply</b></p> <p style="color: green; margin: 0;"><b>Comply</b></p> <p style="color: green; margin: 0;"><b>Comply</b></p>
A.1.4	<ul style="list-style-type: none"> <li>• The Board has made available (upon request and on the website and in the Annual Plan) a statement of the Trust's objectives, showing how it intends to balance the interests of patients, the local community and other stakeholders, and to use this as the basis for its decision making and forward planning.</li> </ul>	<p style="color: green; margin: 0;"><b>Comply</b></p>
A.1.5	<ul style="list-style-type: none"> <li>• The Board ensures that adequate systems and processes are maintained to</li> </ul>	<p style="color: green; margin: 0;"><b>Comply</b></p>

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	<p>measure and monitor the Trust's effectiveness, efficiency and economy as well as the quality of its healthcare delivery.</p> <ul style="list-style-type: none"> <li>• The Board regularly reviews the Trust's performance in these areas against regulatory requirements and approved plans and objectives.</li> <li>• The Board ensures that relevant metrics, measures, milestones and accountabilities are developed and agreed in order to understand and assess progress and delivery of performance.</li> <li>• The Board reviews the Trust's performance at each of its monthly meetings based on a Business Monitoring Report.</li> <li>• Reports from 'external' bodies e.g. Healthcare Commission are also routinely reviewed and monitored.</li> </ul>	<p><b>Comply</b></p> <p><b>Comply</b></p> <p><b>Comply</b></p> <p><b>Comply</b></p>
A.1.6	<ul style="list-style-type: none"> <li>• The Board reports on its approach to clinical governance and its plans for the improvement of clinical quality in accordance with guidance set out by the Department of Health, the Care Quality Commission and Monitor.</li> <li>• The Board of Directors receives annually a Clinical Governance Annual Report and Annual Plan.</li> <li>• The Board's clinical governance plans are prepared by the Trust's Clinical Governance Committee.</li> <li>• The Trust's integrated governance framework, which permeates the organisation, facilitates the achievement of improving clinical standards.</li> </ul>	<p><b>Comply</b></p> <p><b>Comply</b></p> <p><b>Comply</b></p> <p><b>Comply</b></p>
A.1.7	<ul style="list-style-type: none"> <li>• Board meetings are comprehensively and accurately minuted and include concerns raised by Directors.</li> </ul>	<p><b>Comply</b></p>
A.1.8	<ul style="list-style-type: none"> <li>• The Chief Executive is fully aware of his responsibilities as Accounting Officer and follows the procedure as set out in the NHS Foundation Trust Accounting Officer Memorandum for advising the Board and the Council and for recording</li> </ul>	<p><b>Comply</b></p>

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	and submitting objections to decisions considered or taken by the Board or the Council in matters of propriety or regularity and on issues relating to the wider responsibilities of the Accounting Officer for economy, efficiency and effectiveness.	
A.1.9	<ul style="list-style-type: none"> <li>• The Board has established the values and standards of conduct for the Trust and its staff in accordance with NHS values and accepted standards of behaviour in public life which includes The Nolan Principles.</li> <li>• The Trust's Standing Orders/Standing Financial Instructions/ Scheme of Reservation and Delegation includes the Board's code of conduct which is based on the spirit of the Nolan Principles (SFIs – Appendices B and C).</li> </ul>	<p><b>Comply</b></p> <p><b>Comply</b></p>
A.1.10	<ul style="list-style-type: none"> <li>• The Board operates a code of conduct that builds on the values of the Trust and reflects high standards of probity and responsibility.</li> <li>• The Board follows a policy of openness and transparency in its proceeding and decision making unless this conflicts with a need to protect the wider interests of the public or the Trust and makes clear how potential conflicts of interests are dealt with.</li> <li>• The Trust's Standing Orders/Standing Financial Instructions/ Scheme of Reservation and Delegation includes the Board's code of conduct and code of practice on openness (SFIs – Appendix B).</li> </ul>	<p><b>Comply</b></p> <p><b>Comply</b></p> <p><b>Comply</b></p>
A.1.11	<ul style="list-style-type: none"> <li>• Appropriate insurance is in place, via Hempsons Solicitors, to cover the risk of legal action against directors.</li> </ul>	<b>Comply</b>
<b>A.2 – Chairman and Chief Executive</b>	<b>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 governors and the executive responsibility for the running of the NHS foundation trust's business. No one individual should have unfettered powers of decision</b>	
A.2.1	<ul style="list-style-type: none"> <li>• The division of responsibilities between the Chairman and Chief Executive is</li> </ul>	<b>Comply</b>

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	defined in their contract. The Chief Executive's duties and responsibilities are also clearly identified in the job description during the recruitment process.	
A.2.2	<ul style="list-style-type: none"> <li>• The Chairman meets the independence criteria as outlined in A.3.1.</li> <li>• The Chief Executive will not become Chairman of the Trust.</li> </ul>	<b>Comply</b>
<b>A.3 - Balance and Independence of the Board of Directors</b>	<b>The Board of Directors should include a balance of executive and non-executive directors (and in particular independent non-executive directors) such that no individual or small group of individuals can dominate the Board's decision taking. All directors should be able to exercise one full vote, with the chairman having a second casting vote on those occasions where a decision is tied.</b>	
A.3.1	<ul style="list-style-type: none"> <li>• The Board of Directors has confirmed that all of its Non-Executive Directors are considered to be independent and has stated this in the Trust's Annual Report (page 43 - tbc).</li> <li>• The need has not arisen where independent judgement has been required.</li> </ul>	<b>Comply</b>  <b>Comply</b>
A.3.2	<ul style="list-style-type: none"> <li>• The Board comprises six Non-Executive Directors, excluding the Chairman, all of whom are considered independent. The Board also comprises six Executive Directors.</li> </ul>	<b>Comply</b>
A.3.3	<ul style="list-style-type: none"> <li>• The Board has appointed a SID (not the Deputy Chairman). Both appointments were made prior to FT status and therefore prior to the establishment of the Council of Governors. The existing process for NED appointments will be applied to any future appointments of the SID and the Deputy Chairman.</li> </ul>	<b>Comply</b>
A.3.4	<ul style="list-style-type: none"> <li>• The Annual Report includes a description of each director's expertise and experience (pages 45-49 - tbc). This information is also on the Trust's website at <a href="http://www.bfwhospitals.nhs.uk/about/board.asp">www.bfwhospitals.nhs.uk/about/board.asp</a></li> <li>• The Annual Report includes a clear statement from the Board about its own balance, completeness and appropriateness to the requirements of the Trust (page 43 – tbc).</li> </ul>	<b>Comply</b>  <b>Comply</b>

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	<ul style="list-style-type: none"> <li>This information is also on the Trust's website at <a href="http://www.bfwhospitals.nhs.uk/about/board.asp">www.bfwhospitals.nhs.uk/about/board.asp</a></li> </ul>	<b>Comply</b>
A.3.5	<ul style="list-style-type: none"> <li>The Constitution prevents an individual holding office as both director and governor at the same time (page 52 - tbc).</li> </ul>	<b>Comply</b>
<b>B.1 – The Board of Governors</b>	<p><b>Every NHS foundation trust will have a Board of Governors which is responsible for representing the interests of NHS foundation trust members, and partner organisations in the local health economy in the governance of the NHS foundation trust. Governors must act in the best interests of the NHS foundation trust and should adhere to its values and code of conduct. The board of governors should hold the board of directors to account for the performance of the trust, including ensuring the board of directors acts so that the foundation trust does not breach the terms of its authorisation. Governors are responsible for regularly feeding back information about the trust, its vision and its performance to the constituencies and the stakeholder organisations that either elected or appointed them.</b></p>	
B.1.1	<ul style="list-style-type: none"> <li>The Council of Governors meets formally four times per year, although the Constitution indicates a minimum of three meetings, to discharge its duties effectively.</li> <li>Attendance of the Governors is included in the minutes of the Council of Governors Meetings.</li> <li>The Foundation Trust Secretary maintains a register of attendance.</li> </ul>	<b>Comply</b>  <b>Comply</b>  <b>Comply</b>
B.1.2	<ul style="list-style-type: none"> <li>The Council of Governors comprises 31 Governors which is sufficient for the requirements of its duties (although there are currently 4 vacancies).</li> <li>The roles, structure, composition and procedures of the Council of Governors are identified in the Trust's Constitution which is reviewed regularly and at least annually.</li> </ul>	<b>Comply</b>  <b>Comply</b>

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	<ul style="list-style-type: none"> <li>• The role of the Council of Governors was considered by a Sub-Committee of the Council of Governors in May 2008 and its objectives agreed.</li> <li>• Led by the Chairman, the Council of Governors will review, at its meeting in May 2009, the implementation of their objectives in order to assess their collective performance on how they have discharged their responsibilities.</li> </ul>	<p style="color: green; margin: 0;"><b>Comply</b></p> <p style="color: green; margin: 0;"><b>Comply</b></p>
B.1.3	<ul style="list-style-type: none"> <li>• The Annual Report identifies Governors, their constituency or organisation they represent, whether they were elected or appointed and the duration of their appointment (pages 39 – 42 - tbc).</li> <li>• A record is kept of the number of meetings of the Council and the attendance of individual Governors, details of which can be made available to members upon request.</li> </ul>	<p style="color: green; margin: 0;"><b>Comply</b></p> <p style="color: green; margin: 0;"><b>Comply</b></p>
B.1.4	<ul style="list-style-type: none"> <li>• The roles and responsibilities of the Council of Governors are set out in the Trust's Constitution (pages 76 – 77) and include a clear explanation of the responsibilities of the Council towards members and other stakeholders and how Governors will seek their views and inform them.</li> </ul>	<p style="color: green; margin: 0;"><b>Comply</b></p>
B.1.5	<ul style="list-style-type: none"> <li>• At each of their meetings, the Council of Governors receive and consider appropriate information to enable them to discharge their duties, for example, finance report, business monitoring report, complaints report.</li> </ul>	<p style="color: green; margin: 0;"><b>Comply</b></p>
B.1.6	<ul style="list-style-type: none"> <li>• The Chairman of the Trust chairs both the Board of Directors Meetings and the Council of Governors Meetings.</li> <li>• The Chief Executive, Deputy Chief Executive and Director of Operations attend all meetings of the Council of Governors and, in addition, other Executive Directors attend as required.</li> <li>• Governors are able to raise questions of the Chairman (or deputy) or any other</li> </ul>	<p style="color: green; margin: 0;"><b>Comply</b></p> <p style="color: green; margin: 0;"><b>Comply</b></p> <p style="color: green; margin: 0;"><b>Comply</b></p>

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	<p>director present at the meeting about the affairs of the Trust.</p> <ul style="list-style-type: none"> <li>• NEDs attend the Council of Governors Meetings on a rolling programme.</li> <li>• At these meetings, the Governors are given the opportunity to raise questions of the Chairman or Deputy Chairman or any other Director present about the affairs of the Trust.</li> </ul>	<p><b>Comply</b> <b>Comply</b></p>
B.1.7	<ul style="list-style-type: none"> <li>• The Trust's Constitution includes a statement relating to the handling of disputes (page 66) and there are arrangements in place via the SID for engagement with the Board of Directors when Governors have concerns about the Board's performance, compliance with its terms of authorisation or welfare of the Trust.</li> <li>• The Governors are aware of the advantages of there being a SID on the Board of Directors.</li> </ul>	<p><b>Comply</b></p> <p><b>Comply</b></p>
B.1.8	<ul style="list-style-type: none"> <li>• The Council of Governors is clear about its role and that of the Board of Directors.</li> <li>• The Executive Directors ensure timely communication of relevant information to the Council of Governors at formal meetings and the annual business calendar ensures that meeting agendas are planned in advance.</li> <li>• A nominated Link Governor has been appointed by the Council of Governors.</li> <li>• The Council has to date expressed no concerns that would warrant escalation to Monitor as the Trust has not breached its terms of authorisation.</li> <li>• The Governors have acknowledged the overall responsibility of the Board of Directors for running the Trust.</li> <li>• The Council of Governors has not needed to exercise its power to remove the Chairman or any of the Non-Executive Directors.</li> </ul>	<p><b>Comply</b></p> <p><b>Comply</b></p> <p><b>Comply</b> <b>Comply</b></p> <p><b>Comply</b></p> <p><b>Comply</b></p>
<b>C – Appointments</b>	<b>The 2003 Act (now 2006 Act) presents how appointments to the Board are to be made. There should be a formal,</b>	

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<b>to the Board</b>	<b>rigorous and transparent procedure for the appointment or election of new members to the Board of Directors. Appointments to the Board of Directors should be made on merit and based on objective criteria. Care should be taken to ensure that appointees have enough time available to devote to the job. This is particularly important in the case of chairmanships. The Board of Directors should satisfy itself that plans are in place for orderly succession of appointments to the Board so as to maintain an appropriate balance of skills and experience within the NHS foundation trust and on the Board</b>	
C.1.1	<ul style="list-style-type: none"> <li>• The composition of the Board of Directors is identified in the Trust's Constitution (page 10).</li> <li>• The Nominations Committee reviews the structure, size and composition of the Board of Directors and makes recommendations for changes as appropriate.</li> <li>• The Nominations Committee gives full consideration to succession planning, taking into account the challenges and opportunities facing the Trust and the skills and expertise required on the Board.</li> </ul>	<p><b>Comply</b></p> <p><b>Comply</b></p> <p><b>Comply</b></p>
C.1.2	<ul style="list-style-type: none"> <li>• There is a nomination process for the identification and nomination of Executive Directors and Non-Executive Directors via the Remuneration Committee and Nominations Committee respectively.</li> <li>• The Remuneration Committee evaluates the balance of skills, knowledge and experience on the Board and prepares a description of the role and capabilities required for a particular appointment to the Board.</li> <li>• The Nominations Committee evaluates the balance of skills, knowledge and experience on the Board and prepares a description of the role and capabilities required for a particular appointment to the Board.</li> </ul>	<p><b>Comply</b></p> <p><b>Comply</b></p> <p><b>Comply</b></p>
C.1.3	<ul style="list-style-type: none"> <li>• The Trust Chairman is chair of the Nominations Committee and the SID is chair of the Remuneration Committee.</li> </ul>	<b>Comply</b>
C.1.4	<ul style="list-style-type: none"> <li>• The Nominations Committee has clear terms of reference for the appointment, re-appointment and removal of the Chair and other Non-Executive Directors,</li> </ul>	<b>Comply</b>

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	<p>based on the Constitution.</p> <ul style="list-style-type: none"> <li>The Remuneration Committee has appointed one Executive Director during 2009/10.</li> </ul>	<b>Comply</b>
C.1.5	<ul style="list-style-type: none"> <li>The Nominations Committee responsible for the appointment of Non-Executive Directors consists of a majority of Governors.</li> <li>In making its recommendation/s regarding the appointment of Non-Executive Directors to the Council of Governors, the Nominations Committee takes into account the views of the Board of Directors on the qualifications, skills and expertise required for each position. This is formalised in the Constitution and the Nominations Committee Terms of Reference.</li> </ul>	<b>Comply</b> <b>Comply</b>
C.1.6	<ul style="list-style-type: none"> <li>The Trust has not yet had to appoint to the position of Chairman but the process is identified in the Constitution and the Nominations Committee Terms of Reference.</li> <li>Other significant commitments on the part of those recommended for Chairman will be disclosed to Governors prior to appointment.</li> <li>The existing Chairman's other significant commitments are shown in the Annual Report (page 45 - tbc).</li> </ul>	<b>Comply</b> <b>Comply</b> <b>Comply</b>
C.1.7	<ul style="list-style-type: none"> <li>Non-Executive Director terms and conditions of appointment are available for inspection.</li> <li>The expected time commitment is set out in the letter of appointment and, in accepting the appointment, Non-Executive Directors confirm that they are able to allocate sufficient time to the role. This was previously undertaken by the Appointments Commission and will, in future, be undertaken by the Trust.</li> <li>Other significant commitments on the part of those recommended for Non-Executive Directorship will be disclosed to Governors prior to appointment.</li> </ul>	<b>Comply</b> <b>Comply</b> <b>Comply</b>

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	<ul style="list-style-type: none"> <li>The existing Non-Executive Directors' other significant commitments are shown in the Annual Report (page tbc)</li> </ul>	<b>Comply</b>
C.1.8	<ul style="list-style-type: none"> <li>The Annual Report describes the process followed in relation to Chairs and Non-Executive Director appointments (page 55).</li> </ul>	<b>Comply</b>
C.1.9	<ul style="list-style-type: none"> <li>Since authorisation, the Trust has appointed a Director of Nursing (February 2009), a Director of Facilities (March 2009) and a Director of Operations (October 2009) in accordance with the Remuneration Committee Terms of Reference.</li> </ul>	<b>Comply</b>
C.1.10	<ul style="list-style-type: none"> <li>The Constitution provides for the Chief Executive to be appointed and removed by the Non-Executive Directors, with the appointment approved by the Council of Governors (pages 11 – 12).</li> </ul>	<b>Comply</b>
C.1.11	<ul style="list-style-type: none"> <li>No full-time Executive Director holds more than one Non-Executive Directorship of an NHS Foundation Trust or other such organisation.</li> </ul>	<b>Comply</b>
C.1.12	<ul style="list-style-type: none"> <li>There is no independent external advisor on the Nominations Committee.</li> <li>The Annual Report describes the work of the Nominations Committee (page 55 - tbc) and the Remuneration Committee (page 62 - tbc) including the process for Board appointments.</li> </ul>	<b>Comply</b> <b>Comply</b>
<b>C.2 – Re-election</b>	<b>All directors and elected governors should be submitted for re-appointment or re-election at regular intervals. The Board of Directors should ensure planned and progressive refreshing of the Board of Directors</b>	
C.2.1	<ul style="list-style-type: none"> <li>The appointment of the Chief Executive is subject to formal approval by the Council of Governors.</li> <li>The appointment of Executive Directors is subject to formal approval by the Remuneration Committee.</li> <li>Processes are in place for the appointment of the Chief Executive which includes approval by the Remuneration Committee and, subsequently, the Council of Governors.</li> </ul>	<b>Comply</b>  <b>Comply</b>  <b>Comply</b>

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	<ul style="list-style-type: none"> <li>• Processes are in place for the appointment of Executive Directors which includes approval by the Remuneration Committee.</li> <li>• Three Executive Directors have been appointed since authorisation in accordance with the Remuneration Committee Terms of Reference.</li> <li>• A process is in place for the re-appointment of the Chairman and Non-Executive Directors.</li> </ul>	<p style="color: green; margin: 0;">Comply</p> <p style="color: green; margin: 0;">Comply</p> <p style="color: green; margin: 0;">Comply</p>
C.2.2	<ul style="list-style-type: none"> <li>• The Non-Executive Directors, including the Chairman, are appointed for specified terms of three years and are subject to re-appointment thereafter for a maximum of three terms.</li> <li>• The Nominations Committee is responsible for the formal performance evaluation of the Chairman and Non-Executive Directors.</li> <li>• The Constitution states the terms of office and re-appointment arrangements of Non-Executive Directors by the Council of Governors (page – tbc).</li> </ul>	<p style="color: green; margin: 0;">Comply</p> <p style="color: green; margin: 0;">Comply</p> <p style="color: green; margin: 0;">Comply</p>
C.2.3	<ul style="list-style-type: none"> <li>• The Constitution provides for regular elections for public and staff Governors.</li> <li>• The Chairman, at the time of Governor re-elections, will undertake formal performance evaluation.</li> <li>• Election material will include details of the attendance record of Governors seeking re-election.</li> </ul>	<p style="color: green; margin: 0;">Comply</p> <p style="color: green; margin: 0;">Comply</p> <p style="color: green; margin: 0;">Comply</p>
<b>D – Information and Professional Development</b>	<b>The Board of Directors and the Council of Governors should be supplied in a timely manner with information in a form and of a quality appropriate to enable them to discharge their respective duties. All directors and governors should receive induction on joining their Boards and should regularly update and refresh their skills and knowledge.</b>	
D.1.1	<ul style="list-style-type: none"> <li>• An induction programme for new directors has been devised (relevant to their role).</li> <li>• An induction programme for new Governors is in place and is updated on an</li> </ul>	<p style="color: green; margin: 0;">Comply</p> <p style="color: green; margin: 0;">Comply</p>

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	on-going basis.	
D.1.2	<ul style="list-style-type: none"> <li>• Arrangements are in place for independent professional advice to be sought by the Board of Directors as appropriate.</li> <li>• Directors undergo annual appraisal and have access to training courses and/or materials consistent with identified personal development needs.</li> <li>• Committees are supported by the relevant executive director, senior manager/s and Trust staff.</li> <li>• The Board of Directors and Council of Governors are supported by the Foundation Trust Secretary.</li> </ul>	<p style="color: green; margin: 0;">Comply</p> <p style="color: green; margin: 0;">Comply</p> <p style="color: green; margin: 0;">Comply</p> <p style="color: green; margin: 0;">Comply</p>
D.1.3	<ul style="list-style-type: none"> <li>• The Board of Directors and Council of Governors are provided with relevant performance information on a monthly basis, following agreement of their respective information needs with Executive Directors.</li> <li>• The Council of Governors receives appropriate supporting information to enable it to fulfil its role appropriate to respective functions.</li> </ul>	<p style="color: green; margin: 0;">Comply</p> <p style="color: green; margin: 0;">Comply</p>
D 1.4	<ul style="list-style-type: none"> <li>• The Non-Executive Directors have not found it necessary to seek to appoint a relevant adviser to challenge assurances from the Executive Directors.</li> </ul>	<p style="color: green; margin: 0;">Comply</p>
D 1.5	<ul style="list-style-type: none"> <li>• The Governors are consulted on the Trust's Annual Plan via, initially, a sub-group and, latterly, the full Council of Governors.</li> </ul>	<p style="color: green; margin: 0;">Comply</p>
D 1.6	<ul style="list-style-type: none"> <li>• The views of the Governors are taken into account when finalising the Trust's Annual Plan.</li> </ul>	<p style="color: green; margin: 0;">Comply</p>
<b>D.2 – Performance Evaluation</b>	<p><b>The Board of Directors should undertake a formal and rigorous annual evaluation of its own performance and that of its committees and individual directors. The Board should state in the annual report how performance evaluation of the Board, its committees and its individual directors including the chairman, has been conducted, bearing in mind the desirability for independent assessment, and the reason why the foundation trust adopted a particular method of performance evaluation. 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</b></p>	

## The NHS Foundation Trust Code of Governance 1st April 2008 – 31st March 2009

Code ref	Code requirement – Trust position (brackets refer to Annual Report 2008/09)	Comply or Explain
	<p><b>directors. The Council of Governors which is responsible for the appointment and re-appointment of non-executive directors, should take the lead on agreeing a process for the evaluation of the chair and non-executives, with the chairman and the non-executives. The outcomes of the evaluation of the chairman and the non-executives should be agreed by governors. The governors should bear in mind the desirability of using the senior independent director to lead the non-executive directors in the evaluation of the chairman. The Council of Governors should assess its own collective performance and its impact in the NHS Foundation Trust.</b></p>	
D.2.1	<ul style="list-style-type: none"> <li>• The Board has undertaken a formal annual evaluation of its performance.</li> <li>• Individual appraisal and performance development planning is undertaken at least annually.</li> <li>• Arrangements have been made for an external assessment of the Board's functions to be undertaken in 2009/10.</li> <li>• Internal Audit has reviewed the performance of the committees within the corporate governance structure (March 2010). This is undertaken on a two yearly basis.</li> <li>• Evaluation of committee work plans and preparation of annual reports by key governance committees is routinely undertaken.</li> </ul>	<p style="text-align: center;"><b>Comply</b> <b>Comply</b></p> <p style="text-align: center;"><b>Comply</b></p> <p style="text-align: center;"><b>Comply</b></p> <p style="text-align: center;"><b>Comply</b></p>
D.2.2	<ul style="list-style-type: none"> <li>• The Council of Governors has undertaken an assessment of its collective performance via assessment of the implementation of the annual objectives.</li> <li>• The Council of Governors has not undertaken a review of its roles, structure, composition and procedures. This will be part of their future work programme.</li> <li>• Meetings are arranged for Governors/Directors to communicate with their member constituencies. This has been undertaken following the Membership Seminars.</li> </ul>	<p style="text-align: center;"><b>Comply</b></p> <p style="text-align: center;"><b>Comply</b></p> <p style="text-align: center;"><b>Comply</b></p>
D.2.3	<ul style="list-style-type: none"> <li>• The Foundation Trust Secretary maintains a register of Governors' attendance at formal meetings and other meetings/events.</li> </ul>	<p style="text-align: center;"><b>Comply</b></p> <p style="text-align: center;"><b>Comply</b></p>

## The NHS Foundation Trust Code of Governance 1st April 2008 – 31st March 2009

Code ref	Code requirement – Trust position (brackets refer to Annual Report 2008/09)	Comply or Explain
	<ul style="list-style-type: none"> <li>The Constitution sets out the arrangements for the removal of a Governor from the Council.</li> </ul>	
<b>E – Director Remuneration</b>	<b>Levels of remuneration should be sufficient to attract, retain and motivate directors of the quality required to run the NHS foundation trust successfully, but an NHS foundation trust should avoid paying more than is necessary for this purpose</b>	
E.1.1	<ul style="list-style-type: none"> <li>The Trust does not currently operate a performance related pay scheme or make provision for annual bonuses.</li> </ul>	<b>Comply</b>
E.1.2	<ul style="list-style-type: none"> <li>The Council of Governors determines the level of remuneration for the Chairman and other Non-Executive Directors which is reviewed on an annual basis and reflects the time commitment and responsibilities of their roles.</li> </ul>	<b>Comply</b>
E.1.3	<ul style="list-style-type: none"> <li>Remuneration disclosures in the Annual Report have not previously included information on earnings by Executive Directors from Non-Executive Directorships elsewhere as none have previously been declared.</li> </ul>	<b>Comply</b>
E.1.4	<ul style="list-style-type: none"> <li>Termination payments are made in accordance with the provisions set out in the standard NHS Conditions of Service and NHS Pension Scheme as applied to all staff. Each case is considered at the time on its merit.</li> </ul>	<b>Comply</b>
<b>E.2 – Procedure</b>	<b>There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his or her own remuneration.</b>	
E.2.1	<ul style="list-style-type: none"> <li>The Remuneration Committee comprises the Chairman and six Non-Executive Directors, one of whom is the Chairman of the Committee</li> <li>The Committee's terms of reference, which explain the role and the delegated authority, are available upon request.</li> <li>It has not been necessary to appoint remuneration consultants.</li> </ul>	<b>Comply</b> <b>Comply</b> <b>Comply</b>
E.2.2	<ul style="list-style-type: none"> <li>The Remuneration Committee has delegated responsibility for setting all</li> </ul>	<b>Comply</b>

## The NHS Foundation Trust Code of Governance 1st April 2008 – 31st March 2009

Code ref	Code requirement – Trust position (brackets refer to Annual Report 2008/09)	Comply or Explain
	<p>Executive Director remuneration.</p> <ul style="list-style-type: none"> <li>The Remuneration Committee recommends and monitors the level and structure of remuneration for senior managers for the first layer of management below Board level.</li> </ul>	<b>Comply</b>
E.2.3	<ul style="list-style-type: none"> <li>The Council of Governors fulfils its responsibility to set the remuneration for the Chairman and Non-Executive Directors.</li> <li>The Council of Governors received external professional advice regarding the remuneration levels of the Chairman and Non-Executive Directors in 2009 via the Nominations Committee.</li> </ul>	<b>Comply</b>  <b>Comply</b>
<b>F – Accountability and Audit</b>	<b>The Board of Directors should present a balance and understandable assessment of the NHS foundation trust's position and prospects</b>	
F.1.1	<ul style="list-style-type: none"> <li>The Annual Report explains the directors' responsibility for preparing the accounts and there is a statement by the auditors about their reporting responsibilities.</li> </ul>	<b>Comply</b>
F.1.2	<ul style="list-style-type: none"> <li>The Annual Report contains a statement from directors that the Foundation Trust is a going concern.</li> </ul>	<b>Comply</b>
F.1.3	<ul style="list-style-type: none"> <li>Any major new developments and significant changes which may lead to a substantial change to the financial well-being, healthcare delivery performance or reputation and standing of the Trust are brought to the attention of Monitor and the Council of Governors. Consideration is also given by the Board as to whether such developments should be brought to the attention of the public.</li> </ul>	<b>Comply</b>
F.1.4	<ul style="list-style-type: none"> <li>The Annual Plan sets out clearly its financial and operating objectives, which includes both quantitative and qualitative data of the Trust's business and operations to allow Governors and Members to evaluate its performance.</li> </ul>	<b>Comply</b>

## The NHS Foundation Trust Code of Governance 1st April 2008 – 31st March 2009

Code ref	Code requirement – Trust position (brackets refer to Annual Report 2008/09)	Comply or Explain
<b>F.2 – Internal Control</b>	<b>The Board should maintain a sound system of internal control to safeguard public and private investment, the NHS foundation trust's assets, patient safety and service quality</b>	
F.2.1	<ul style="list-style-type: none"> <li>• The Board of Directors conducts an annual review of effectiveness of its system of internal control, supported by its internal auditors. The review includes all material controls including financial, clinical, operational, compliance and risk management systems.</li> <li>• A Statement of Internal Control is included in the Trust's Annual Report, a copy of which is available to members or accessible via the Trust's website.</li> </ul>	<p style="color: green; margin: 0;"><b>Comply</b></p> <p style="color: green; margin: 0;"><b>Comply</b></p>
<b>F.3 – Audit Committee and Auditors</b>	<b>The Board should establish formal and transparent arrangements for considering how they should apply the financial reporting and internal control principles and for maintaining an appropriate relationship with the NHS foundation trust's auditors</b>	
F.3.1	<ul style="list-style-type: none"> <li>• The Trust's Audit Committee comprises all six Non-Executive Directors and is chaired by a Non-Executive Director with recent and relevant financial experience.</li> </ul>	<p style="color: green; margin: 0;"><b>Comply</b></p>
F.3.2	<ul style="list-style-type: none"> <li>• The Audit Committee's terms of reference are regularly reviewed (at least annually) and clearly set out its main roles and responsibilities.</li> </ul>	<p style="color: green; margin: 0;"><b>Comply</b></p>
F.3.3	<ul style="list-style-type: none"> <li>• The Audit Committee's terms of reference, which explain the role and delegated authority, are available upon request and also via the Trust's website.</li> <li>• The Annual Report describes the work of the Audit Committee.</li> </ul>	<p style="color: green; margin: 0;"><b>Comply</b></p> <p style="color: green; margin: 0;"><b>Comply</b></p>
F.3.4	<ul style="list-style-type: none"> <li>• Arrangements are in place for the Chairman of the Audit Committee and the Trust's External Auditor to attend the Council of Governors Meeting in relation to the appointment, re-appointment and removal of the External Auditor.</li> <li>• The Audit Committee has arrangements in place for independent investigation of concerns raised by staff regarding possible improprieties in matters of financial reporting and control, clinical quality, patient safety or other matters.</li> </ul>	<p style="color: green; margin: 0;"><b>Comply</b></p> <p style="color: green; margin: 0;"><b>Comply</b></p>

## The NHS Foundation Trust Code of Governance 1st April 2008 – 31st March 2009

Code ref	Code requirement – Trust position (brackets refer to Annual Report 2008/09)	Comply or Explain
	<ul style="list-style-type: none"> <li>The Audit Committee receives regular reports from its counter fraud service provider.</li> <li>Staff are made aware via the Staff Handbook how to raise, in confidence, concerns about possible improprieties.</li> </ul>	<p><b>Comply</b></p> <p><b>Comply</b></p>
F.3.5	<ul style="list-style-type: none"> <li>The Chairman of the Audit Committee and the Deputy Chief Executive submit a report to the Council of Governors in relation to the performance of the External Auditor.</li> <li>The Council of Governors was involved in the discussion/decision to re-appoint the Trust's External Auditors in August 2009.</li> <li>The Audit Committee recommended to the Council of Governors the re-appointment of the External Auditors and approved the remuneration and terms of engagement.</li> </ul>	<p><b>Comply</b></p> <p><b>Comply</b></p> <p><b>Comply</b></p>
F.3.6	<ul style="list-style-type: none"> <li>The Trust's auditor's appointment has not ended in disputed circumstances to date. However, should this occur, the Chairman would inform Monitor of the reason behind the decision.</li> <li>The Trust ensures the independence of its External Auditors.</li> </ul>	<p><b>Comply</b></p> <p><b>Comply</b></p>
F.3.7	<ul style="list-style-type: none"> <li>The Trust's auditor has not provided non-audit services (consultancy) to the Trust.</li> <li>In respect of this non-audit work the Trust ensured the auditors' independence.</li> </ul>	<p><b>Comply</b></p>
<b>G – Relations with Stakeholders</b>	<b>The Board of Directors should appropriately consult and involve members, patients, clients and the local community. Notwithstanding the complementary role of the governors in this consultation, the Board of Directors as a whole has responsibility for ensuring that satisfactory dialogue with its stakeholders takes place</b>	
G.1.1	<ul style="list-style-type: none"> <li>The Trust has in place a membership strategy which is available on the website for public access.</li> </ul>	<p><b>Comply</b></p>
G.1.2	<ul style="list-style-type: none"> <li>The membership strategy identifies how the public interests of patients, clients</li> </ul>	<p><b>Comply</b></p>

## The NHS Foundation Trust Code of Governance 1st April 2008 – 31st March 2009

Code ref	Code requirement – Trust position (brackets refer to Annual Report 2008/09)	Comply or Explain
	<p>and the local community will be represented, including its approach for addressing the overlap and interface between Governors and any local consultative forums already in place (e.g. overview and scrutiny committee).</p> <ul style="list-style-type: none"> <li>• Patients/service users and carers are represented throughout the Trust's governance structure. They are fully integrated into our operational processes via membership of our sub-committees.</li> </ul>	<b>Comply</b>
G.1.3	<ul style="list-style-type: none"> <li>• The Chairman routinely reports to the Board of Directors on the work of the Council of Governors.</li> <li>• The Council of Governors receives regular reports on the work of the Board of Directors.</li> <li>• Non-Executive Directors, including the SID, regularly attend meetings of the Council of Governors.</li> <li>• The minutes of Board and Council Meetings are available on the website.</li> </ul>	<b>Comply</b> <b>Comply</b> <b>Comply</b> <b>Comply</b>
G.1.4	<ul style="list-style-type: none"> <li>• The Council of Governors is continually developing its programme of member engagement activities, for example, regular membership seminars.</li> <li>• Details of how members can contact their Governors are available on the Trust's website, the Annual Report and the quarterly members' newsletter.</li> </ul>	<b>Comply</b> <b>Comply</b>
G.1.5	<ul style="list-style-type: none"> <li>• The Annual Report includes a statement on the work and activities of the Council of Governors which has helped the Board of Directors to gain an understanding of the Governors' and members' views about the Trust.</li> <li>• Regular attendance at Council of Governors Meetings by Board members ensures that members of the Board develop the views of the Governors.</li> </ul>	<b>Comply</b> <b>Comply</b>
G.1.6	<ul style="list-style-type: none"> <li>• The Board of Directors receives regular reports on the Trust's membership which allows representation and the level/effectiveness of member engagement to be monitored.</li> <li>• The Trust's Membership Strategy is reviewed using information from the regular</li> </ul>	<b>Comply</b> <b>Comply</b>

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Code ref	Code requirement – Trust position (brackets refer to Annual Report 2008/09)	Comply or Explain
	<p>reports.</p> <ul style="list-style-type: none"> <li>• Work on member engagement is being developed and details are included in the members' newsletter.</li> <li>• Governors also receive and regularly review this information.</li> </ul>	<p><b>Comply</b></p> <p><b>Comply</b></p>
<b>G.2 – Cooperation with Third Parties with Roles in Relation to NHS Foundation Trusts</b>	<p><b>The Board of Directors is responsible for ensuring 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</b></p>	
G.2.1	<ul style="list-style-type: none"> <li>• The Board of Directors , via the Audit Committee, maintains a schedule of the specific third party bodies in relation to which the Trust has a duty to co-operate and this is part of the annual declaration (attached).</li> <li>• The Board of Directors is aware of the form and scope of the co-operation required with these bodies in order to discharge its statutory duties.</li> </ul>	<p><b>Comply</b></p> <p><b>Comply</b></p>
G.2.2	<ul style="list-style-type: none"> <li>• All Board members have developed effective mechanisms within their own areas of responsibility to ensure co-operation with relevant third party bodies and have maintained collaborative relationships with relevant stakeholder bodies at various levels.</li> <li>• The Board has reviewed the effectiveness of these processes and relationships, via the declaration which includes feedback from relevant third party bodies as appropriate and practical, and has taken action to make improvements.</li> </ul>	<p><b>Comply</b></p> <p><b>Comply</b></p>

# The NHS Foundation Trust Code of Governance 1st April 2008 – 31st March 2009

Key: **Green: Compliant** **Red: Non-Compliant**