

Agenda Item No

Meeting Audit Committee

Date 24th February 2015

Title Code of Governance

Executive Summary

- *Why is this paper going to the Committee*
- *To summarise the main points and key issues that the Committee should focus on including risk, compliance priorities, cost and penalty implications, KPI's, Trends and Projections, conclusions and proposals*

Monitor's Code of Governance provides guidance to NHS foundation trusts to help deliver effective corporate governance.

A revised code was published in December 2013 with changes reflecting the new regulatory landscape and changes to the UK Corporate Governance Code. This Code was amended slightly in July 2014 to address errors and ensure consistency with other guidance.

This report contains the following:

1. A list of the declarations required for the Annual Report
2. An update on the actions required for compliance with the Code as identified in the paper presented to the Audit Committee in February 2014.
3. Appendix D provides a detailed review of compliance with the Code - the July 2014 updates are highlighted in red

Next steps/future actions

Clearly identify what will follow i.e. future KPI's, assurance requirements

Audit Committee members are asked to note the update on the trust's position against the code and to note the actions required for full compliance

Discuss		Receive	
Approve		Note	

Prepared by	Esther Steel Trust Secretary	Presented by	Esther Steel Trust Secretary
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This Report Covers (please tick relevant boxes)

Strategy	Financial Implications	
Performance	Legal Implications	✓
Quality	Regulatory	✓
NHS constitution rights and pledges	Equality Impact Assessed	
For Information	Confidential	

Introduction

The NHS Foundation Trust Code of Governance (the Code) was first published in 2006 and was revised in 2010 and again 2013 to reflect the significant regulatory change as a result of the 2012 Act and changes to the UK Corporate Governance Code issued in 2012. Further changes to correct errors and ensure consistency with guidance elsewhere was published in July 2014. The changes made in July 2014 are highlighted in red in the full Code included in Appendix D of this report.

Disclosure requirements

To meet the requirements of “comply or explain” each trust must comply with each of the provisions of the code (which in some cases will require a statement or information to be required in the annual report) or, where appropriate, explain in each case why the trust has departed from the Code.

NHS foundation trusts are required to provide a specific set of disclosures to meet the requirements of the NHS Foundation Trust Code of Governance, which should be submitted as part of the Annual Report. A list of these disclosures which will be included in the trust’s annual report is included in Appendix A. Appendix B includes a list of supporting information that should be made publicly available, at present although all this information is available it could be made easier to access - a new section of the website will be developed to publish these disclosures in one place

Declaration of compliance

The trust is compliant with all provisions of the code.

A detailed review of the Code in 2014 identified several actions required in order to be fully compliant with the Code - an update on these actions is included at Appendix C of this report. Many of these actions are required on an annual basis and have been incorporated into the routine cycle of business.

Recommendations

Audit Committee members are asked to:

1. Note the list of disclosures required in the annual report
2. Note the progress on actions required to ensure full compliance with the code.

Appendices

- A List of supporting explanations to be included in the Annual Report
- B List of supporting information publicly available
- C Update on actions required as a result of the full review of compliance against the Code in 2014
- D Full review of the Code - changes made in July 2014 highlighted in red.

Appendix A - supporting explanation required in the annual report

A1.1	<p>A statement to describe how any disagreements between the council of governors and the board of directors will be resolved.</p> <p>The annual report should include this schedule of matters or a summary 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.</p>
A1.2	<p>The annual report should identify the chairperson, the deputy chairperson (where there is one), the chief executive, the senior independent director (see A.4.1) and the chairperson 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>
A.5.3	<p>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.</p>
B.1.1	<p>The board of directors should identify in the annual report each nonexecutive director it considers to be independent, with reasons where necessary.</p>
B.1.4.	<p>The board of directors should include in its annual report a description of each director's skills, expertise and experience. Alongside this, in the annual report, the board should make a clear statement about its own balance, completeness and appropriateness to the requirements of the NHS foundation trust.</p>
B.2.10	<p>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.</p>
B.3.1	<p>A chairperson'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.</p>
B.5.6	<p>Governors should canvass the opinion of the trust's members and the public, and for appointed governors the body they represent, on the NHS foundation trust's forward plan, including its objectives, priorities and strategy, and their views 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>
B.6.1	<p>The board of directors should state in the annual report how performance evaluation of the board, its committees, and its directors, including the chairperson, has been conducted.</p>
B.6.2	<p>Where an external facilitator is used for reviews of governance, Where there has been external evaluation of the board and/or governance of the trust, the external facilitator should be identified and a statement made as to whether they have any other connection with the trust.</p>
C.1.1	<p>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</p>

	<p>accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for patients, regulators and other stakeholders to assess the NHS foundation trust's performance, business model and strategy. There should be a statement by the external auditor about their reporting responsibilities.</p> <p>Directors should also explain their approach to quality governance in the Annual Governance Statement (within the annual report).</p>
C.2.1	The annual report should contain a statement that the board has conducted a review of the effectiveness of its system of internal controls.
C.2.2	<p>A trust should disclose in the annual report:</p> <ol style="list-style-type: none"> a) if it has an internal audit function, how the function is structured and what role it performs; or b) 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.
C.3.5	If the council of governors does not accept the audit committee's recommendation on the appointment, reappointment or removal of an external auditor, 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.
C.3.9	<p>A separate section of the annual report should describe the work of the committee in discharging its responsibilities. The report should include:</p> <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 services, the value of the non-audit services provided and an explanation of how auditor objectivity and independence are safeguarded.
D.1.3	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 of whether or not the director will retain such earnings.
E.1.4.	Contact procedures for members who wish to communicate with governors and/or directors should be made clearly available in the annual report.
E.1.5	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 members' opinions and consultations.
E.1.6	The board of directors should monitor how representative the NHS foundation trust's membership is and the level and effectiveness of member engagement and report on this in the annual report.

Appendix B - supporting information to be made publicly available - this requirement can be met by making supporting information available on request and on the website.

Provision	Requirement	
A1.3	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 this as the basis for its decision-making and forward planning.	Included in strategic plan
B.1.4	A description of each director's expertise and experience, with a clear statement about the board of director's balance, completeness and appropriateness.	Included in annual report and on the internet
B.2.10	The main role and responsibilities of the nominations committee should be set out in publicly available, written terms of reference.	Available on request
B.3.2	The terms and conditions of appointment of non-executive directors.	Available on request
C.3.3	The main role and responsibilities of the audit committee should be set out in publicly available, written terms of reference.	Available on request
D.2.1	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 as to whether they have any other connection with the NHS foundation trust.	Available on request.
E.1.1	The board of directors should make available a public document that sets out its policy on the involvement of members, patients and the local community at large, including a description of the kind of issues it will consult on.	Included in the annual report
E.1.4	Contact procedures for members who wish to communicate with governors and/or directors should be made clearly available to members on the NHS foundation trust's website	Available on the website Moved to previous section - ie annual report requirement

Appendix C - Full review of the Code of Governance

Provision	Action required	Who	When	Comments	
A.4.2	Non Execs to meet to appraise the Chairman's performance	ES	May 2014	Completed but remains an annual requirement - included in planning schedule	
A.5.6	Review Council of Governors/Board of Directors engagement policy	ES	April 14	Completed - scheduled for three year review	
B.2.10	after review publish terms of reference for nomination and remuneration committee on the internet	ES	March 14	Completed	
B.4.2	Agree position with regard to Chairman's role in evaluation of Executive Directors	Board	Feb 14	Complete - the Chairman has a role to play in reviewing and agreeing with each director their training and development needs as they relate to their role on the board	
B.6.3.	Senior independent director to lead the performance evaluation of the Chairman	MH	May 14	Completed but remains an annual requirement - included in planning schedule	
B.6.5	Review of council of governor effectiveness	ES	Oct 14	Completed but remains an annual requirement - included in planning schedule	
C.3.2	Consult with governors on the Audit Committee terms of reference	ES	Sept 14	Complete	
C.3.4	Council of Governors focus on audit Sept 2014	ES	Sept 14	Complete	
C.3.8	review raising concerns policy to ensure the policy sufficient to cover the code provision			Complete however further review required following recent publication of guidance on whistleblowing from Francis	

Appendix C - Full review of the Code of Governance

D.1.1 D.1.4 D.2.2	ensure nomination and remuneration committee terms of reference reflect the requirements of this provisions	ES	March 2014	complete	
E.1.1	review membership and engagement strategy to ensure detail regarding consultation is included	ES	Sept 14	complete	
E.1.6	Board to receive membership report agree frequency (report within annual plan/annual report)	ES	May 14	Complete - membership to Board within annual report plus quarterly to Council of Governors	
E.2.1	review schedule of third party bodies	ES	May 14	complete	
E.2.2	establish annual review process for stakeholder effectiveness	MW	Sept 14	To be addressed in actions agreed following internal audit review	

Appendix C - Full review of the Code of Governance

CODE	CODE PROVISION	TRUST POSITION	EVIDENCE	comply
A	LEADERSHIP			
A.1.	The Board of Directors			
A.1a	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.			
A.1b	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.			
A.1.1	<p>The board of directors should meet sufficiently regularly to discharge its duties effectively.</p> <p>There should be a schedule of matters specifically reserved for its decision.</p> <p>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 Section B). This statement should also describe how any disagreements between the council of governors and the board of directors will be resolved.</p> <p>The annual report should include this schedule of matters or a summary 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.</p> <p>These arrangements should be kept under review at least annually.</p>	<p>The Board meets in public at least ten times a year, in addition to this regular strategy and development sessions are held.</p> <p>The annual report will state how the Board of Directors and Council of Governors operate, including a high-level statement of which types of decisions are taken by each. This statement will be shared with Governors at the March 2014 Governor meeting</p> <p>Matters reserved for the Board are included in the Trust's Standing Orders and Scheme of Delegation which were approved by the Board.</p> <p>The roles and responsibilities of governors is contained in the Trust's constitution, the constitution was revised during 2013 to take account of changes in the Health Act</p> <p>The Foundation Trust Constitution includes a statement relating to the handling of disputes</p>	<ul style="list-style-type: none"> • BoD minutes • BoD workplan • Annual Report • Scheme of Delegation • Standing Orders • Constitution 	✓
A.1.2	The annual report should identify the chairperson, the deputy chairperson (where there is one), the chief executive, the senior independent director (see A.4.1) and	The annual report will identify the chairman, deputy chairman, chief executive, senior independent director and the chairmen and members of the	<ul style="list-style-type: none"> • Annual report 	✓

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	<p>the chairperson and members of the nominations, audit and remuneration committees.</p> <p>It should also set out the number of meetings of the board and those committees and individual attendance by directors.</p>	<p>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, a summary of meeting attendance will be included in the annual report.</p>		
A.1.3	<p>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 this as the basis for its decision making and forward planning</p>	<p>The Trust publishes an Annual Plan which contains details of its vision and strategy. In addition to this a five year strategy was published in September 2013</p> <p>The Trust engages with stakeholders through its governors and members and through other partnerships such as Healthwatch</p>	<ul style="list-style-type: none"> • Annual Plan • Five year strategy 	✓
A.1.4	<p>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.</p> <p>The board should regularly review the performance of the NHS foundation trust in these areas against regulatory requirements and approved plans and objectives.</p>	<p>The Board have undertaken a comprehensive review of the systems and processes in place to monitor the Trust's performance.</p> <p>During 2012 and 2013 the Trust commissioned a range of external reviews to assess quality, corporate and financial governance.</p> <p>Actions to address the recommendations in these reports have been agreed and in most cases implemented, these actions include a new integrated performance report and improved financial governance.</p>	<ul style="list-style-type: none"> • New integrated performance report • PwC report on implementation of KPMG recommendations • Board minutes • Index of Board papers • Board Development sessions • Audit Committee minutes • Quality Assurance Committee minutes 	✓
A.1.5	<p>The board of directors should ensure that relevant metrics, measures, milestones and accountabilities are</p>	<p>See A.1.4.</p>	<ul style="list-style-type: none"> • 	✓

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	<p>developed and agreed so as to understand and assess progress and delivery of performance. Where appropriate, and in particular in high risk or complex areas, independent advice should be commissioned by the board of directors to provide an adequate and reliable level of assurance.</p>			
A.1.6	<p>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 DH, NHS England, the CQC and Monitor.</p> <p>The board should record where, within the structure of the organisation, consideration of clinical governance matters occurs.</p>	<p>The approach to Clinical Governance was reviewed in 2013 by Deloitte LLP.</p> <p>A new Quality strategy was approved in January 2014</p> <p>A new Risk Management strategy was approved in January 2014</p> <p>The Trust has a Clinical Governance and Quality Committee which is chaired by the Medical Director, this committee reports to the Quality Assurance Sub-committee</p>	<ul style="list-style-type: none"> • Quality strategy • Risk strategy • Minutes of Clinical Governance and Quality Committee • The Annual report will include a section on clinical governance 	✓
A1.7.	<p>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 board of directors in matters of propriety or regularity, and on issues relating to the wider responsibilities of the accounting officer for economy, efficiency and effectiveness.</p>	<p>The Chief Executive is aware of the guidance.</p>	<ul style="list-style-type: none"> • Minutes of BoD meetings 	✓
A.1.8	<p>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 includes the principles of selflessness, integrity, objectivity,</p>	<p>Included in the constitution and in the Code of Conduct for Directors and Governors</p>	<ul style="list-style-type: none"> • Code of conduct 	✓

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CODE	CODE PROVISION	TRUST POSITION	EVIDENCE	comply
	accountability, openness, honesty and leadership (<i>The Nolan Principles</i>).			
A.1.9	<p>The board of directors should operate a code of conduct that builds on the values of the NHS foundation trust and reflect high standards of probity and responsibility.</p> <p>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>	<p>The Board of Directors have signed a code of conduct which is based on the spirit of the Nolan Principles.</p> <p>Board meetings are held in public with minutes and papers published on the internet.</p> <p>All agendas include declaration of interests as a standing agenda item.</p>	<ul style="list-style-type: none"> • Signed codes of conduct • Board minutes • Register of interests 	✓
A.1.10	<p>The NHS foundation trust should arrange appropriate insurance to cover the risk of legal action against its directors.</p> <p>Assuming the governors have acted in good faith and in accordance with their duties, and proper process has been followed, the potential for liability for the council should be negligible. Governors may have the benefit of an indemnity and/or insurance from the trust. While there is no legal requirement for trusts to provide an indemnity or insurance for governors to cover their service on the council of governors, where an indemnity or insurance policy is given, this can be detailed in the trust's constitution.</p>	<p>The Trust currently has NHSLA cover which covers Directors and Officers liabilities</p> <p>Additional Directors and Officers insurance has been commissioned from a commercial insurance provider.</p> <p>Insurance is not provided for the Council of Governors</p>	<ul style="list-style-type: none"> • NHSLA policies • Insurance policy 	✓
A.2	Division of Responsibilities			
A.2a	There should be a clear division of responsibilities at the head of the NHS foundation trust between the chairing of the boards 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.			

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A.2.1	The division of responsibilities between the chairperson and chief executive should be clearly established, set out in writing and agreed by the board of directors.	The division of responsibilities between the chairman 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 	✓
A.2.2	The roles of chairperson and chief-executive must not be undertaken by the same individual	Noted	Has not arisen	✓
A.3	The Chairperson			
	The chairperson 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.			
A.3.1	The chairperson should on appointment meet the independence criteria set out in A.3.1. A chief executive should not go on to be chairperson of the same NHS foundation trust.	On appointment the chairman met the independence criteria	Statement of independence of Non Executives in the Annual Report	✓
A.4	Non-executive Directors			
A.4	As part of their role as members of a unitary board, non-executive directors should constructively challenge and help develop proposals on strategy. Nonexecutive directors should also promote the functioning of the board as a unitary board.			
A.4.1	<p>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 chairperson and to serve as an intermediary for the other directors when necessary.</p> <p>The senior independent director should be available to governors if they have concerns that contact through the normal channels of chairperson, chief executive, finance director or trust secretary has failed to resolve, or for</p>	In March 2013 the Council of Governors approved the appointment of Dr Mark Harrison as Senior Independent Director. Dr Harrison is also the deputy Chairman of the Trust	<ul style="list-style-type: none"> Council of Governor minutes Constitution (dispute resolution) 	✓

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	<p>which such contact is inappropriate.</p> <p>The senior independent director could be the deputy chairperson.</p>			
A.4.2	<p>The chairperson should hold meetings with the non-executive directors without the executives present.</p> <p>Led by the senior independent director, the nonexecutive directors should meet without the chairperson present, at least annually, to appraise the chairperson's performance, and on other such occasions as are deemed appropriate.</p>	<p>During 2013/14 the Chairman met with Non Executives without the Execs present on several occasions to update on the strategic direction of the Trust and as a nomination and remuneration committee to discuss executive performance and appointments.</p>	<ul style="list-style-type: none"> • Remuneration committee minutes • Emails available to evidence meetings 	✓
A.4.3	<p>Where directors have concerns that cannot be resolved about the running of the NHS foundation trust or a proposed action, they should ensure that their concerns are recorded in the board minutes.</p> <p>On resignation, a director should provide a written statement to the chairperson for circulation to the board, if they have any such concerns.</p>	<p>On-going individual responsibility all directors to note.</p> <p>No such concerns during the reporting period</p>	<ul style="list-style-type: none"> • Minutes of Board meetings 	✓
A.5. Governors				
A.5a	<p>The council of governors has a duty to hold the non-executive directors individually and collectively to account for the performance of the board of directors. This includes ensuring the board of directors acts so that the foundation trust 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 foundation trust.</p>			
A.5b	<p>The council of governors is responsible for representing the interests of NHS foundation trust members and the public and staff in the governance of the NHS foundation trust.</p> <p>Governors must act in the best interests of the NHS foundation trust and should adhere to its values and code of conduct.</p>			
A.5c	<p>Governors are responsible for regularly feeding back information about the trust, its vision and its performance to members and the public and the</p>			

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	<p>stakeholder organisations that either elected or appointed them.</p> <p>The trust should ensure governors have appropriate support to help them discharge this duty.</p>			
A.5.1	<p>The council of governors should meet sufficiently regularly to discharge its duties.</p> <p>Typically the council of governors would be expected to meet as a full council at least four times a year. Governors should, where practicable, make every effort to attend the meetings of the council of governors. The NHS foundation trust should take appropriate steps to facilitate attendance.</p>	<p>The Council of Governors meets formally six times a year. Meetings are scheduled at a time and location convenient for the majority of governors.</p> <p>In cases of non-attendance steps are taken to address this informally prior to seeking a formal resolution through the constitution</p>	<ul style="list-style-type: none"> • Council of Governor minutes 	✓
A.5.2	<p>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.</p> <p>The roles, structure, composition, and procedures of the council of governors should be reviewed regularly as described in provision B.6.5.</p>	<p>There are 37 seats on the Council of Governors, 3 of these are currently vacant.</p> <p>The structure of the Council of Governors was reviewed during 2014 - minor changes were made</p>	<ul style="list-style-type: none"> • Council of Governor minutes 	✓
A.5.3.	<p>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.</p> <p>The annual report should also identify the nominated lead governor.</p> <p>A record should be kept of the number of meetings of the council and the attendance of individual governors and it should be made available to members on request.</p>	<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 Governors chose not to have a lead governor and instead have nominated the chairs of the three sub committees to share these responsibilities.</p> <p>A record is kept of governors' attendance at meetings</p>	<ul style="list-style-type: none"> • Annual Report 	✓
A.5.4.	<p>The roles and responsibilities of the council of governors</p>	<p>The roles and responsibilities of the Council of</p>	<ul style="list-style-type: none"> • Constitution 	✓

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	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 keep them informed.	Governors are set out in the constitution and include preparation and review of the Foundation Trust's membership strategy. Governors also receive a "Governor Handbook" providing information about their role and the Trust.	<ul style="list-style-type: none"> • Governor "job description" • Governor handbook • Governor training sessions 	
A.5.5	<p>The chairperson is responsible for leadership of both the board of directors and the council of governors (see A.3) but the governors also 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.</p> <p>In these meetings other members of the council of governors may raise questions of the chairperson or his/her deputy, or any other relevant director present at the meeting about the affairs of the NHS foundation trust.</p>	The Council of Governors has issued a standing invitation to all Board members to attend its meetings	<ul style="list-style-type: none"> • Minutes of Council of Governor meetings 	✓
A.5.6	<p>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 new provider licence or other matters related to the overall wellbeing of the NHS foundation trust.</p> <p>The council of governors should input into the board's appointment of a senior independent director (see A.4.1).</p>	<p>The Foundation Trust Constitution includes a statement relating to the handling of disputes</p> <p>A Council of Governors/Board of Directors engagement policy was approved in June 2009</p>	<ul style="list-style-type: none"> • Council of Governors/Board of Director Engagement Policy 	✓
A.5.7.	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 timely communication of relevant information, discussion and the setting in advance of meeting agendas and, where	<p>Regular information provided to the Council of Governors.</p> <p>Jan 2013 Governor meeting time spent in discussion with Governors regarding provision of information.</p>	<ul style="list-style-type: none"> • Governor meeting papers • Council of Governor minutes 	✓

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CODE	CODE PROVISION	TRUST POSITION	EVIDENCE	comply
	possible, using clear, unambiguous language.			
A.5.8.	<p>The council of governors should only exercise its power to remove the chairperson or any non-executive directors after exhausting all means of engagement with the board of directors.</p> <p>The council should raise any issues with the chairperson with the senior independent director in the first instance.</p>	The Trust has an engagement policy and a dispute resolution section within the Constitution.	<ul style="list-style-type: none"> • Has not arisen 	✓
A.5.9.	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 receive the integrated performance report prior to the meeting; this information is presented to the Governors during the meeting with the opportunity to question and challenge.	<ul style="list-style-type: none"> • Governor minutes and papers 	✓
A.5.10	The council of governors has a statutory duty to hold the non-executive directors individually and collectively to account for the performance of the board of directors.	The Governors are aware of this duty and have spent time in training sessions discussing how this duty should be discharged	<ul style="list-style-type: none"> • Training session records • Council of Governor minutes 	✓
A.5.11	<p>The 2006 Act, as amended, gives the council of governors a statutory requirement to receive the following documents.</p> <p>These documents should be provided in the annual report as per the NHS Foundation Trust Annual Reporting Manual:</p> <p>(a) the annual accounts;</p> <p>(b) any report of the auditor on them; and</p> <p>(c) the annual report.</p>	Governors received the annual report, the annual accounts and the report of the auditor at the Annual Members Meeting in November 2013	<ul style="list-style-type: none"> • Minutes and papers of Annual Members Meeting 	✓
A.5.12	The directors must provide governors with an agenda	Agenda and papers for Board meetings are sent to	<ul style="list-style-type: none"> • 	✓

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CODE	CODE PROVISION	TRUST POSITION	EVIDENCE	comply
	<p>prior to any meeting of the board, and a copy of the approved minutes as soon as is practicable afterwards.</p> <p>There is no legal basis on which the minutes of private sessions of board meetings should be exempted from being shared with the governors. In practice, it may be necessary to redact some information, for example, for data protection or commercial reasons.</p> <p>Governors should respect the confidentiality of these documents.</p>	<p>Governors a week before the Board meeting and are published on the internet.</p> <p>From January 2014 for an initial period of three months Governors have been invited to attend the private board meeting as observers and are provided with a full set of papers.</p> <p>Although minutes of previous private board meetings have not been circulated to governors, governors are aware that these minutes are available for them should they require.</p>		
A.5.13	<p>The council of governors may require one or more of the directors to attend a meeting to obtain information about performance of the trust's functions or the directors' performance of their duties, and to help the council of governors to decide whether to propose a vote on the trust's or directors' performance.</p>	<p>All directors have a standing invitation to attend council meetings. In practice all attend unless unable to do so as a result of annual leave or a conflicting appointment</p>	<ul style="list-style-type: none"> Minutes of the Council of Governors 	✓
A.5.14	<p>Governors have the right to refer a question to the independent panel for advising governors. More than 50% of governors who vote must approve this referral.</p> <p>The council should ensure dialogue with the board of directors takes place before considering such a referral, as it may be possible to resolve questions in this way.</p>	<p>Governors are aware of this right however the need to make a referral has not arisen in this reporting period</p>	<ul style="list-style-type: none"> Governor training sessions and governor handbook 	✓
A.5.15	<p>Governors should use their new rights and voting powers from the 2012 Act to represent the interests of members and the public on major decisions taken by the board of directors.</p> <p>These new voting powers require:</p> <ul style="list-style-type: none"> More than half of the members of the board of 	<p>Changes to the constitution in November 2013 made in accordance with this requirement.</p> <p>Constitution amended to define significant transactions.</p> <p>Voting on transactions and private income has not</p>	<ul style="list-style-type: none"> Constitution 	✓

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CODE	CODE PROVISION	TRUST POSITION	EVIDENCE	comply
	<p>directors who vote and more than half of the members of the council of governors who vote to approve a change to the constitution of the NHS foundation trust.</p> <ul style="list-style-type: none"> • More than half of governors who vote to approve a significant transaction. • More than half of all governors who vote to approve an application by a trust for a merger, acquisition, separation or dissolution. • More than half of governors who vote, to approve any proposal to increase the proportion of the trust's income earned from non-NHS work by 5% a year or more. For example, governors will be required to vote where an NHS foundation trust plans to increase its non-NHS income from 2% to 7% or more of the trust's total income. • Governors to determine together whether the trust's non-NHS work will significantly interfere with the trust's principal purpose, which is to provide goods and services for the health service in England, or its ability to perform its other functions. <p>NHS foundation trusts are permitted to decide themselves what constitutes a "significant transaction" and may choose to set out the definition(s) in the trust's constitution. Alternatively, with the agreement of the governors, trusts may choose not to give a definition, but this would need to be stated in the constitution</p>	<p>been required in this period however governors are aware of this statutory duty</p>		
<p>B EFFECTIVENESS</p>				
<p>B.1.</p>	<p>The Composition of the Board</p>			

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CODE	CODE PROVISION	TRUST POSITION	EVIDENCE	comply
B.1.	The board of directors and its committees should have the appropriate balance of skills, experience, independence and knowledge of the NHS foundation trust to enable them to discharge their respective duties and responsibilities effectively.			
B.1.1	<p>The board of directors should identify in the annual report each non-executive director it considers to be independent.</p> <p>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.</p> <p>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, including if the director:</p> <ul style="list-style-type: none"> • has been an employee of the NHS foundation trust within the last five years; • has, or has had within the last three years, a material business relationship with the NHS foundation trust either directly, or as a partner, shareholder, director or senior employee of a body that has such a relationship with the NHS foundation trust; • has received or receives additional remuneration from the NHS foundation trust apart from a director's fee, participates in the NHS foundation trust's performance-related pay scheme, or is a member of the NHS foundation trust's pension scheme; • has close family ties with any of the NHS 	The Board of Directors has confirmed that all of its non-executive directors are considered to be independent and will state this in the Trust's annual report	<ul style="list-style-type: none"> • Annual Report • Register of interests 	✓

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CODE	CODE PROVISION	TRUST POSITION	EVIDENCE	comply
	foundation trust’s advisers, directors or senior employees; <ul style="list-style-type: none"> • holds cross-directorships or has significant links with other directors through involvement in other companies or bodies; • has served on the board of the NHS foundation trust for more than six years from the date of their first appointment; or • is an appointed representative of the NHS foundation trust’s university medical or dental school. 			
B1.2	At least half the board of directors, excluding the chairperson, should comprise non-executive directors determined by the board to be independent.	The composition of the Board is set out in the constitution. This requires the number of Executive Directors not to outnumber the number of Non-executive Directors including the Chairman with the Chairman having a casting vote if appropriate. During 2013/14 with on-going changes to the Board the Trust was compliant with this clause however when the Board is up to full complement we will need to explain our Board composition under comply or explain.	<ul style="list-style-type: none"> • Board composition will be reported in the Annual Report 	✓
B.1.3	No individual should hold, at the same time, positions of director and governor of any NHS foundation trust.	Restriction included in the constitution annex 3	<ul style="list-style-type: none"> • Constitution • Register of interests 	✓
B.1.4.	The board of directors should include in its annual report a description of each director’s skills, expertise and experience. Alongside this, in the annual report, the board should make a clear statement about its own balance, completeness and appropriateness to the requirements of	Annual report disclosure requirement. Statement about the balance, appropriateness and completeness of the Board on the internet Director biographies on the internet.	<ul style="list-style-type: none"> • Annual report • internet 	✓

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CODE	CODE PROVISION	TRUST POSITION	EVIDENCE	comply
	<p>the NHS foundation trust.</p> <p>Both statements should also be available on the NHS foundation trust’s website.</p>			
B.2	Appointments to the board			
	There should be a formal, rigorous and transparent procedure for the appointment of new directors to the board. Directors of NHS foundation trusts must be “fit and proper” to meet the requirements of the general conditions of the provider licence.			
B.2.1	<p>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 NHS foundation trust and the skills and expertise required within the board of directors to meet them.</p>	<p>The Nomination and Remuneration Committee will regularly review the structure, size and composition of the Board of Directors and give full consideration to succession planning</p>	<ul style="list-style-type: none"> • Remuneration Committee minutes 	✓
B.2.2	<p>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 criteria, “fit and proper” persons are defined as those without certain recent criminal convictions and director disqualifications, and those who are not bankrupt (un-discharged).</p> <p>In exceptional circumstances and at Monitor's discretion an exemption to this may be granted.</p> <p>Trusts should also abide by the updated guidance from the CQC regarding appointments to senior positions in organisations subject to CQC regulations</p>	<p>Included in pre-appointment and pre-election checklists.</p> <p>On election governors sign a declaration to confirm that they are not exempt by reason of any of the criteria listed.</p> <p>DBS checks are carried out on all new staff</p> <p>Additional checks for Directors to ensure requirements of Fit and Proper Persons test are complied with</p>	<ul style="list-style-type: none"> • Appointment checklists • Governor declaration of eligibility 	✓

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CODE	CODE PROVISION	TRUST POSITION	EVIDENCE	comply
B.2.3	<p>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 nonexecutive directors (including the chairperson).</p> <p>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 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 chairperson.</p>	<p>The trust has two remuneration and nomination committees – one for executive and one for non-executive directors.</p> <p>The requirements are included in the terms of reference for these committees</p>	<ul style="list-style-type: none"> nomination and remuneration committee minutes 	✓
B.2.4	<p>The chairperson or an independent non-executive director should chair the committee(s). In the case of appointments of non-executive directors or the chairperson, a governor should chair the committee</p> <p>At the discretion of the committee, a governor can chair the committee in the case of appointments of non-executive directors or the chairman.</p>	<p>Both nomination and remuneration committees are chaired by the Chairman.</p> <p>The change to the code with regard to a governor chair when considering appointments of non-executive directors has been noted</p>	<ul style="list-style-type: none"> Remuneration Committee minutes Governor nomination and remuneration committee minutes 	✓
B.2.5	<p>The governors should agree with the nominations committee a clear process for the nomination of a new chairperson and non-executive directors.</p> <p>Once suitable candidates have been identified the nominations committee should make recommendations to the council of governors.</p>	<p>The approved process was followed in 2013 for the re-appointment of two new Non-Executive Directors and the formal appointment of the Chairman (previously appointed by Monitor)</p>	<ul style="list-style-type: none"> Council of Governor minutes Governor nomination and remuneration committee minutes 	✓

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CODE	CODE PROVISION	TRUST POSITION	EVIDENCE	comply
B.2.6.	<p>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.</p> <p>If only one nominations committee exists, when nominations for non-executives, including the appointment of a chairperson or a deputy chairperson, are being discussed, there should be a majority of governors on the committee and also a majority governor representation on the interview panel.</p>	Bolton NHSFT has two nomination and remuneration committees, the committee responsible for the appointment of non-executive directors consists of a majority of governors.	<ul style="list-style-type: none"> • Governor nomination and remuneration committee minutes 	✓
B.2.7.	When considering the appointment of non-executive directors, the board of governors should take into account the views of the board of directors on the qualifications, skills and experience required for each position.	In making its recommendation/s re the appointment of non-executive directors to the Council of Governors the remuneration and nominations committee take account of the views of the Board of Directors.	<ul style="list-style-type: none"> • Nomination and remuneration committee terms of reference and minutes 	✓
B.2.8.	The annual report should describe the process followed by the board of governors in relation to appointments of the chairperson and non-executive directors.	The Annual Report describes the process to appoint the Non-Exec Directors. The Interim Chairman was appointed by Monitor in August 2008; in May 2013 the Governors approved his appointment for a further two years	<ul style="list-style-type: none"> • Annual report 	✓
B.2.9.	An independent external advisor should not be a member of or have a vote on the nominations committee.	External advice has been sought during appointments, the advisors have not been members of or had a vote on the nominations committee	<ul style="list-style-type: none"> • Nomination and Remuneration minutes 	✓
B.2.10	<p>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.</p> <p>The main role and responsibilities of the nominations committee should be set out in publicly available, written</p>	<p>The annual report will describe the work of the nominations committees.</p> <p>Both nomination and remuneration committees have written terms of reference which are available</p>	<ul style="list-style-type: none"> • Annual Report • Nomination and Remuneration Committee terms of 	✓

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CODE	CODE PROVISION	TRUST POSITION	EVIDENCE	comply
	terms of reference.	on the intranet.	reference	
B.2.11..	<p>It is a requirement of the 2006 Act that the chairperson, the other non-executive directors and – except in the case of the appointment of a chief executive – the chief executive, are responsible for deciding the appointment of executive directors.</p> <p>The nominations committee with responsibility for executive director nominations should identify suitable candidates to fill executive director vacancies as they arise and make recommendations to the chairperson, the other non-executive directors and, except in the case of the appointment of a chief executive, the chief executive.</p>	Appointments have been made in accordance with the Code	<ul style="list-style-type: none"> • Nomination and remuneration committee minutes • Board of Director minutes • Recruitment process records 	✓
B.2.12	It is for the non-executive directors to appoint and remove the chief executive. The appointment of a chief executive requires the approval of the board of governors.	The appointment of a Chief Executive was in line with this requirement	<ul style="list-style-type: none"> • Nomination and remuneration committee minutes • Board of Director minutes • Council of Governor minutes • Recruitment process records 	✓
B.2.13	The governors are responsible at a general meeting for the appointment, reappointment and removal of the chairperson and the other non-executive directors.	Process outlined in the constitution; governor role covered in training sessions	<ul style="list-style-type: none"> • Council of Governor minutes 	✓
B.3.	Commitment			

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CODE	CODE PROVISION	TRUST POSITION	EVIDENCE	comply
	All directors should be able to allocate sufficient time to the NHS foundation trust to discharge their responsibilities effectively.			
B.3.1	<p>For the appointment of a chairperson, 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.</p> <p>A chairperson's other significant commitments should be disclosed to the council of governors before appointment and included in the annual report.</p> <p>Changes to such commitments should be reported to the council of governors as they arise, and included in the next annual report.</p> <p>No individual, simultaneously whilst being a chairperson of an NHS foundation trust, should be the substantive chairperson of another NHS foundation trust.</p>	<p>The Chairman was appointed by Monitor in August 2012 and after appropriate consideration was formally reappointed by the council of governors in May 2013.</p> <p>At the time of his appointment by Monitor, the Chairman was also Chair of Milton Keynes NHS FT; this arrangement continued until September 2013 - this will be explained in the Annual Report.</p> <p>The commitments of the Chairman are recorded in the register of interests</p>	<ul style="list-style-type: none"> • Annual report • Register of interests 	Now compliant - will include an explanation for first part of the year
B.3.2.	<p>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.</p> <p>Non-executive directors should undertake that they will have sufficient time to meet what is expected of them.</p> <p>Their other significant commitments should be 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.</p>	<p>Non-executive director terms and conditions of appointment are available for inspection</p> <p>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</p> <p>Other significant appointments on the part of those recommended for non-executive directorship are made known to governors prior to appointment</p>	<ul style="list-style-type: none"> • Non-Executive letters of appointment • Council of Governor minutes • Register of interests 	✓
B.3.3.	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	No full-time executive director holds such non-executive directorships	<ul style="list-style-type: none"> • Directors register of interests 	✓

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CODE	CODE PROVISION	TRUST POSITION	EVIDENCE	comply
	organisation of comparable size and complexity, nor the chairpersonship of such an organisation.			
B.4.	Development			
	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.	<p>The chairperson 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.</p> <p>Directors should also have access, at the NHS foundation trust's expense, to training courses and/or materials that are consistent with their individual and collective development programme.</p>	<p>Induction programmes are individually tailored for new directors; these include visits to engage with other staff and stakeholders.</p> <p>New Foundation Trust governors undergo a training and induction programme which continues throughout their term of office with regular opportunities to engage with stakeholders including but not limited to visits to wards and departments.</p> <p>In 2013/14 joint governor training and induction events were held with neighbouring trusts</p>	<ul style="list-style-type: none"> • Induction programme • Governors training • Governors feedback 	✓
B.4.2	The chairperson should regularly review and agree with each director their training and development needs as they relate to their role on the board.	<p>In practice the Chairman reviews non-executive training and development needs and the CEO reviews the training and development needs of the Executive Directors.</p> <p>Action required for Chair to take formal role in reviewing Exec Director training and development related to their role on the board</p> <p>All directors have an annual appraisal and undertake the appropriate mandatory training for their role</p> <p>In 2013 all Directors participated in 360 reviews facilitated by the GGI, this information has been incorporated in agreed development plans</p>	<ul style="list-style-type: none"> • Appraisals • 360 reviews 	?

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CODE	CODE PROVISION	TRUST POSITION	EVIDENCE	comply
B.4.3	The board has a duty to take steps to ensure that governors are equipped with the skills and knowledge they need to discharge their duties appropriately.	<p>A comprehensive governor training programme is in place including:</p> <ul style="list-style-type: none"> • shared induction with other local trusts • local induction • bi-monthly training sessions for “soft skills” • other training sessions for statutory skills - holding to account, recruitment etc. • option for one to ones at governor request • review of individual training needs agreed between governor and Trust Secretary 	<ul style="list-style-type: none"> • training programme • 	✓
B.5.	Information and Support			
	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.			

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CODE	CODE PROVISION	TRUST POSITION	EVIDENCE	comply
B.5.1.	<p>The board of directors and the council of governors should be provided with high-quality information appropriate to their respective functions and relevant to the decisions they have to make.</p> <p>The board of directors and the council of governors should agree their respective information needs with the executive directors through the chairperson.</p> <p>The information for the boards should be concise, objective, accurate and timely, and it should be accompanied by clear explanations of complex issues.</p> <p>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>	<p>The Board of Directors reviews trust performance information on a monthly basis</p> <p>The Council of Governors receives appropriate supporting information to enable it to fulfil its role.</p>	<ul style="list-style-type: none"> • Board papers and minutes • Council of Governor minutes and papers 	✓
B.5.2	<p>The board of directors and in particular non-executive directors may reasonably wish to challenge assurances received from the executive management.</p> <p>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.</p> <p>On occasion, non-executives may reasonably decide that external assurance is appropriate.</p>	<p>During 2013/14 a mix of internal and external assurance has been used to provide analysis of complex and high risk issues.</p> <p>The position of the Trust has resulted in an increase in the amount of external assurance commissioned.</p>	<ul style="list-style-type: none"> • Internal and external reports providing assurance 	✓

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CODE	CODE PROVISION	TRUST POSITION	EVIDENCE	comply
B.5.3.	<p>The board should ensure that directors, especially non-executive directors, have access to the independent professional advice, at the NHS foundation trust's expense, where they judge it necessary to discharge their responsibilities as directors.</p> <p>Decisions to appoint an external adviser should be the collective decision of the majority of non-executive directors.</p> <p>The availability of independent external sources of advice should be made clear at the time of appointment.</p>	<p>Convention exists that independent advice may be sought by the Board of Directors as appropriate</p>	<ul style="list-style-type: none"> • Board minutes record decisions to appoint external advice • External reports 	✓
B.5.4	<p>Committees should be provided with sufficient resources to undertake their duties.</p> <p>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>	<p>Committees are supported by the relevant executive director, senior manager/s and trust staff</p> <p>The Council of Governors is supported by the Trust Secretary</p>	<ul style="list-style-type: none"> • 	✓
B.5.5	<p>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.</p> <p>They should expect and apply similar standards of care and quality in their role as a non-executive director of an NHS foundation trust as they would in other similar roles.</p>	<p>These areas were covered by the Board evaluations conducted as part of the external governance reviews conducted by KPMG and GGI.</p> <p>Follow up by PwC shows improvement in this area, a new integrated performance report was introduced in October 2013 and improvements have been made in the timeliness of reports.</p>	<ul style="list-style-type: none"> • Board papers and minutes 	✓

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CODE	CODE PROVISION	TRUST POSITION	EVIDENCE	comply
B.5.6	<p>Governors should canvass the opinion of the trust's members and the public, and for appointed governors the body they represent, on the NHS foundation trust's forward plan, including its objectives, priorities and strategy, and their views should be communicated to the board of directors.</p> <p>The annual report should contain a statement as to how this requirement has been undertaken and satisfied.</p>	<p>A new strategy sub group has been established to provide a forum for governors to communicate the opinions of members and stakeholders to the Board of Directors.</p> <p>A statement will be included in the annual report to describe this process</p>	<ul style="list-style-type: none"> • Strategy subgroup minutes • Annual report 	✓
B.5.7.	<p>Where appropriate, the board of directors should take account of the views of the council of governors on the 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>	<p>The Trust's strategic plans are discussed with governors</p>	<ul style="list-style-type: none"> • Governor meeting minutes 	✓
B.5.8	<p>The board of directors must have regard for the views of the council of governors on the NHS foundation trust's forward plan.</p>	<p>The Trust recognise this statutory requirement - see B5.6 and B5.7 above</p>	<ul style="list-style-type: none"> • Governor minutes 	✓
B 6	Evaluation			
B.6.a	The board of directors should undertake a formal and rigorous annual evaluation of its own performance and that of its committees and individual directors.			
B.6.b	The outcomes of the evaluation of the executive directors should be reported to the board of directors. The chair chief executive should take the lead on the evaluation of the executive directors.			

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CODE	CODE PROVISION	TRUST POSITION	EVIDENCE	comply
B.6c	<p>The council of governors, which is responsible for the appointment and reappointment of non-executive directors, should take the lead on agreeing a process for the evaluation of the chairperson and the non-executives, with the chairperson and the non-executives. The outcomes of the evaluation of the non-executive directors should be agreed with them by the chairperson.</p> <p>The outcomes of the evaluation of the chairperson should be agreed by him or her with the senior independent director.</p> <p>The outcomes of the evaluation of the non-executive directors and the chairperson should be reported to the governors.</p> <p>The governors should bear in mind that it may be desirable to use the senior independent director to lead the evaluation of the chairperson.</p>			
B.6.d	The council of governors should assess its own collective performance and its impact on the NHS foundation trust.			
B.6.1	The board of directors should state in the annual report how performance evaluation of the board, its committees, and its directors, including the chairperson, 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>Independent assessment of performance has been carried out during the reporting year.</p> <p>The Annual report will include a description of the performance evaluation conducted during 2013/14</p>	<ul style="list-style-type: none"> • External reports • Appraisals • Annual report 	✓
B.6.2.	<p>Evaluation of the boards of NHS foundations trusts should be externally facilitated at least every three years.</p> <p>The evaluation needs to be carried out against the board leadership and governance framework set out by Monitor.</p> <p>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.</p>	Externally facilitated evaluation will be carried out in 2015/16; this timescale has been agreed to provide an opportunity to consolidate the actions implemented following the external reviews in 2013 and to fit with the recommended tri-annual approach to Board evaluation)	<ul style="list-style-type: none"> • Paper presented to the Board including this proposal in Sept 2014 	✓
B.6.3.	The senior independent director should lead the performance evaluation of the chairperson, within a framework agreed by the council of governors and taking into account the views of directors and governors.		<ul style="list-style-type: none"> • Governor nomination and remuneration committee 	✓

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CODE	CODE PROVISION	TRUST POSITION	EVIDENCE	comply
B.6.4.	<p>The chairperson, with 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>	<p>Individual development plans are agreed at appraisal. A collective Board development programme has also been agreed</p>	<ul style="list-style-type: none"> • Appraisals • Board development programme 	✓
B.6.5	<p>Led by the chairperson, the council of governors should periodically assess their collective performance and they should regularly communicate to members and the public details on how they have discharged their responsibilities, including their impact and effectiveness on:</p> <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 constituencies and the public and transmitting their views to the board of directors; and • contributing to the development of forward plans of NHS foundation trusts. <p>The council of governors should use this process to review its roles, structure, composition and procedures, taking into account emerging best practice.</p>	<p>A full review of the council of Governor effectiveness is conducted on a bi-annual cycle, the last review was reported in October 2011.</p> <p>A follow up review was due in October 2013 however as a result of elections there was a significant turnover of governors in October 2013 with 13 new governors joining the Council. In light of this a decision was made to defer the full review to April 2014.</p>	<ul style="list-style-type: none"> • 	✓
B.6.6	<p>There should be a clear policy and a fair process, agreed and adopted by the council of governors, 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.</p> <p>In addition, it may be appropriate for the process to</p>	<p>The constitution sets out the arrangements for the removal of a Governor from the Council.</p> <p>Although no Governors have been formally removed several have stepped down following failure to attend the required number of meetings.</p>	<ul style="list-style-type: none"> • constitution 	✓

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CODE	CODE PROVISION	TRUST POSITION	EVIDENCE	comply
	<p>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 determine whether the proposed removal is reasonable or otherwise.</p>			
B.7.	Re-appointment of directors and re-election of governors			
	<p>All non-executive directors and elected governors should be submitted for reappointment 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>			
B.7.1.	<p>In the case of re-appointment of non-executive directors, the chairperson should confirm to the governors that following formal performance evaluation, the performance of the individual proposed for re-appointment continues to be effective and to demonstrate commitment to the role.</p> <p>Any term beyond six years (eg, 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.</p> <p>Non-executive directors may, in exceptional circumstances, serve longer than six years (eg, two three-year terms following authorisation of the NHS foundation trust) but this should be subject to annual re-appointment.</p> <p>Serving more than six years could be relevant to the</p>	<p>The Trust recognises the need for progressive refreshing of the Board. None of the current non-executive directors have served for longer than six years.</p> <p>In 2013/14 two non-executive directors were reappointed for a second three year term, the Chairman confirmed that the two individuals concerned continued to be effective and to demonstrate commitment to the role.</p>	<ul style="list-style-type: none"> • Non-executive appointments 	✓

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CODE	CODE PROVISION	TRUST POSITION	EVIDENCE	comply
	determination of a non-executive's independence.			
B.7.2	<p>Elected governors must be subject to re-election by the members of their constituency at regular intervals not exceeding three years.</p> <p>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>	<p>The constitution provides for regular elections for public, service user/carer and staff governors</p> <p>Elections were carried out in September 2013 in accordance with the constitution and the guidance in the Code.</p>	<ul style="list-style-type: none"> • The constitution • Election material • Annual report 	✓
B.7.3	<p>Approval by the council of governors of the appointment of a chief executive should be a subject of the first general meeting after the appointment by a committee of the chairperson and non-executive directors.</p> <p>All other executive directors should be appointed by a committee of the chief executive, the chairperson and nonexecutive directors.</p>	<p>The Trust appointed a new Chief Executive in July 2013 and again in January 2014 after the withdrawal of the previously appointed candidate. The appointments were approved at a general meeting of the Council of Governors.</p> <p>During 2013/14 a new Director of Nursing and a new Chief Operating Officer were appointed in accordance with the provisions of the code</p>	<ul style="list-style-type: none"> • Nomination and Remuneration papers • Council of Governor minutes 	✓
B.7.4.	<p>Non-executive directors, including the chairperson should be appointed by the council of governors for the specified terms subject to re-appointment thereafter at intervals of no more than three years and subject to the 2006 Act provisions relating to removal of a director.</p>	<p>The constitution states the terms of office and re-appointment arrangements of non-executive directors, by the Council of Governors. This is in line with the provisions of the code</p>	<ul style="list-style-type: none"> • Constitution • Governor nomination and remuneration committee minutes 	✓
B.7.5.	<p>Elected governors must be subject to re-election by the members of their constituency at regular intervals not exceeding three years.</p>	<p>See 7.2 above</p>	<ul style="list-style-type: none"> • See 7.2 above 	✓

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CODE	CODE PROVISION	TRUST POSITION	EVIDENCE	comply
B.8.	Resignation of Directors			
	The board of directors is responsible for ensuring on-going compliance by the NHS foundation trust 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.			
B.8.1.	The board of directors should not agree to an executive member of the board leaving the employment of an NHS 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.	The Nomination and Remuneration Committee have ensured that where Executive Directors have not served their full notice period satisfactory interim/acting up arrangements have been in place	<ul style="list-style-type: none"> Nomination and Remuneration Committee minutes 	✓
C	ACCOUNTABILITY			
C.1.	The Board of directors should present a fair, balanced and understandable assessment of the NHS foundation Trust's position and prospects.			
C.1.a	The board of directors should present a fair, balanced and understandable assessment of the NHS foundation trust's position and prospects.			
C.1.1	<p>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 NHS foundation trust's performance, business model and strategy.</p> <p>There should be a statement by the external auditor about their reporting responsibilities.</p> <p>Directors should also explain their approach to quality</p>	requirement noted for inclusion in the annual report	<ul style="list-style-type: none"> Annual report 	✓

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CODE	CODE PROVISION	TRUST POSITION	EVIDENCE	comply
	governance in the Annual Governance Statement (within the annual report).			
C.1.2	The directors should report that the NHS foundation trust is a going concern with supporting assumptions or qualifications as necessary.	The annual report will contain a statement from directors that the foundation trust is a going concern	<ul style="list-style-type: none"> • Annual report 	✓
C.1.3	At least annually and in a timely manner, the board of directors should set out clearly its financial, quality and operating objectives for the NHS foundation trust and disclose sufficient information, both quantitative and qualitative, of the NHS foundation trust's business and operation, including clinical outcome data, to allow members and governors to evaluate its performance. Further requirements are included in the NHS Foundation Trust Annual Reporting Manual.	This information is included in the Annual Report and in the Annual plan. In addition to the normal reporting and planning submissions the Trust published a five year strategic plan in September 2013. This was shared with members and governors at the Annual Members' Meeting	<ul style="list-style-type: none"> • Annual report • Annual plan • Five year strategic plan 	✓
C.1.4. a	<p>a. The board of directors must notify Monitor and the council of governors without delay and should consider whether it is in the public's interest to bring to the public attention, any major new developments in the NHS foundation trust's sphere of activity which are not public knowledge, which it is able to disclose and which may lead by virtue of their effect on its assets and liabilities, or financial position or on the general course of its business, to a substantial change to the financial wellbeing, health care delivery performance or reputation and standing of the NHS foundation trust.</p> <p>b. The board of directors must notify Monitor and the council of governors without delay and should consider whether it is in the public interest to bring to public attention all relevant information which is not public</p>	<p>All new developments that might affect the trust's financial or service performance or reputation 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</p> <p>All significant changes that might affect the trust's financial or service performance or reputation are brought to the attention of Monitor and the Council of Governors. As above, consideration is also given by the Board of Directors as to whether such changes should be brought to the attention of the public</p>	<ul style="list-style-type: none"> • Reports to Monitor. • Letters and reports to governors. • Press releases and media items. • Council of Governor, agendas, papers and minutes. • Trust internet • Members newsletter • Minutes of area forums 	✓

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CODE	CODE PROVISION	TRUST POSITION	EVIDENCE	comply
	<p>knowledge concerning a material change in: the NHS foundation trust's financial condition;</p> <p>the performance of its business; and/or the NHS foundation trust's expectations as to its performance which, if made public, would be likely to lead to a substantial change to the financial wellbeing, health care delivery performance or reputation and standing of the NHS foundation trust.</p>			
C.2	Risk management and internal control			
C.2.a	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.			
C.2.b	The board of directors should maintain a sound 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 Statement on Internal Control) in the annual report.			
C.2.1	<p>The board of directors should maintain continuous oversight of the effectiveness of the NHS foundation trust's risk management and internal control systems and should report to members and governors that they have done so in the annual report</p> <p>A regular review should cover all material controls, including financial, operational and compliance controls.</p>	<p>The Board of Directors conducts an annual review of effectiveness of its internal control systems, supported by its internal auditors</p> <p>In addition to this annual review an on-going programme of internal audits reviews controls and assurances</p>	<ul style="list-style-type: none"> • Annual Governance Statement • Internal Audit reports 	✓

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CODE	CODE PROVISION	TRUST POSITION	EVIDENCE	comply
C.2.2	<p>A trust should disclose in the annual report:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) 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 required disclosure will be included in the Annual report	<ul style="list-style-type: none"> • Annual report • Internal audit plan 	✓
C.3	Audit Committee and auditors			
C.3a	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 maintaining an appropriate relationship with the NHS foundation trust's auditors.			
C.3.1	<p>The board of directors should establish an audit committee composed of at least three members who are all independent non-executive directors.</p> <p>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.</p> <p>The chairperson 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 three independent non-executives and is chaired by a non-executive director with recent and relevant financial experience	<ul style="list-style-type: none"> • Audit Committee minutes • Annual Report of the Audit Committee • Audit Committee Terms of reference • CV of Audit Committee Chair 	✓

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CODE	CODE PROVISION	TRUST POSITION	EVIDENCE	comply
C.3.2	<p>The main role and responsibilities of the audit committee should be set out in publicly available, written terms of reference. The council of governors should be consulted on the terms of reference, which should be reviewed and refreshed regularly.</p> <p>It should include details of how it will:</p> <ul style="list-style-type: none"> • Monitor the integrity of the financial statements of the NHS foundation trust, and any formal announcements relating to the trust’s financial performance, reviewing significant financial reporting judgements contained in them; • 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 	<p>The audit committee’s terms of reference are regularly reviewed (at least annually) and clearly set out its main role and responsibility.</p> <p>The Council of governors have not previously been consulted on the terms of reference but these will be shared with governors at their March meeting to meet this provision of the code.</p>	<ul style="list-style-type: none"> • Terms of Reference of Audit Committee • Audit Committee minutes and reports • Finance Committee terms of reference • Annual accounts • Audit Committee Annual report • Reports from Audit Committee to Governor audit subcommittee and full council of governors - minutes from same. 	✓

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CODE	CODE PROVISION	TRUST POSITION	EVIDENCE	comply
	<p>services by the external audit firm; and</p> <ul style="list-style-type: none"> Report to the council of governors, identifying any matters in respect of which it considers that action or improvement is needed and making recommendations as to the steps to be taken. 			
C.3.3	<p>The council of governors should take the lead in agreeing with the audit committee the criteria for appointing, re-appointing and removing external auditors.</p> <p>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 NHS foundation trust's internal financial reporting and internal auditing.</p>	<p>A subcommittee of the Council of Governors was established to work with the Audit Committee on the appointment of new external auditors.</p>	<ul style="list-style-type: none"> Minutes and records relating to the auditor appointment process 	✓
C.3.4	<p>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 to council of governors to consider whether or not to re-appoint them.</p> <p>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 auditor.</p>	<p>The governors appointed KPMG as external auditors in July 2013.</p> <p>The Chair of the Audit Committee and the Director of Finance worked closely with Governors on this appointment and will work with the Governors to ensure the contract is appropriately reviewed.</p> <p>The Council of Governors work plan includes a focus on audit scheduled for September 2014 - this will include presenting the Audit Committee's annual report and conducting a review of the Terms of Reference</p>	<ul style="list-style-type: none"> Papers relating to the appointment of the external auditor 	✓

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CODE	CODE PROVISION	TRUST POSITION	EVIDENCE	comply
C.3.5	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.	Issue has not arisen requirement noted	<ul style="list-style-type: none"> Papers relating to the appointment of the external auditor 	✓
C.3.6.	The NHS foundation trust 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 NHS foundation trust. The current best practice is for a three- to five-year period of appointment.	KPMG were appointed as external auditors in July 2013 for a period of three years from September 2013 to September 2016 with an option to extend for a further two years on an annual basis if appropriate	<ul style="list-style-type: none"> Papers relating to the appointment of the external auditor 	✓
C.3.7.	When the council of governors ends an external auditor's appointment in disputed circumstances, the chairperson should write to Monitor informing it of the reasons behind the decision.	Issue has not arisen requirement noted		✓

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CODE	CODE PROVISION	TRUST POSITION	EVIDENCE	comply
C.3.8	<p>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.</p> <p>The audit committee’s objective should be to ensure that arrangements are in place for the proportionate and independent investigation of such matters and for appropriate follow-up action. 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.</p> <p>These processes should also reassure individuals raising concerns that they will be protected from potential negative repercussions.</p>	<p>The Trust has a raising concerns policy</p> <p>The Audit Committee have previously discussed whistle blowing related issues.</p> <p>PEIP Committee to review new Whistle Blowing recommendations and undertake gap analysis against the 15 standards</p>	<ul style="list-style-type: none"> Raising Concerns Policy Audit committee minutes 	✓
C.3.9	<p>A separate section of the annual report should describe the work of the committee in discharging its responsibilities. The report should include:</p> <p>the significant issues that the committee considered in relation to financial statements, operations and compliance, and how these issues were addressed;</p> <p>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</p>	<p>The required section will be included in the Annual Report</p>	<ul style="list-style-type: none"> Annual Report 	✓

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	<p>tender was last conducted; and</p> <p>if the external auditor provides non-audit services, the value of the non-audit services provided and an explanation of how auditor objectivity and independence are safeguarded.</p>			
D REMUNERATION				
D.1.	<p>The level and make-up of remuneration</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 NHS foundation trust successfully, but an NHS foundation trust 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	<p>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> <ol style="list-style-type: none"> I. The remuneration committee should consider whether the directors should be eligible for annual bonuses in line with local procedure. If so, performance conditions should be relevant, stretching and designed to match the long term interests of the public II. Payouts or grants under all incentive schemes should be subject to challenging performance criteria reflecting the objectives of the NHS 	<p>The trust does not currently operate a performance related pay scheme or make provision for annual bonuses</p>	<ul style="list-style-type: none"> • Nomination and remuneration committee terms of reference and minutes 	✓

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CODE	CODE PROVISION	TRUST POSITION	EVIDENCE	comply
	<p>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	Levels of remuneration for the chairperson and other non-executive directors should reflect the time commitment and responsibilities of their roles.	The Council of Governors has set the level of remuneration for the chairman and other non-executive directors.	<ul style="list-style-type: none"> • Council of governor minutes • Governor nomination and remuneration minutes 	✓
D.1.3	Where an NHS foundation trust releases an executive director 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.	Has not arisen, requirement noted	<ul style="list-style-type: none"> • Directors register of interests 	✓
D.1.4	The remuneration committee should carefully consider what compensation commitments (including pension contributions and all other elements) their directors' terms of appointment would entail in the event of early termination. The aim should be to avoid rewarding poor		<ul style="list-style-type: none"> • Remuneration committee terms of reference 	✓

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	<p>performance.</p> <p>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>			
D.2.	<p>Procedure</p> <p>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.</p>			
D.2.1	<p>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>	<p>The Board of Directors' remuneration committee is composed of all non-executive directors</p> <p>The committee's terms of reference are available</p>	<ul style="list-style-type: none"> • Terms of reference of nomination and remuneration committee • Minutes of nomination and remuneration committee. 	✓
D.2.2	<p>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>	<p>The remuneration committee has delegated responsibility for setting all executive director and senior manager remuneration</p>	<ul style="list-style-type: none"> • Terms of reference of nomination and remuneration committee • Minutes of nomination and remuneration committee. 	✓
D.2.3	<p>The council of governors should consult external professional advisers to market-test the remuneration</p>	<p>The Council of Governors fulfils its responsibility to set the remuneration of the chairman and non-</p>	<ul style="list-style-type: none"> • Council of Governors nomination and 	✓

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CODE	CODE PROVISION	TRUST POSITION	EVIDENCE	comply
	levels of the chairperson 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.	executive directors. In doing so it has access to national data on pay levels	<p>remuneration committee.</p> <ul style="list-style-type: none"> • Full council of governors meeting. • Benchmarked non-executive salary data 	
D.2.4	The council of governors is responsible for setting the remuneration of non-executive directors and the chairperson	The Council of Governors fulfils its responsibility to set the remuneration of the chairman and non-executive directors.	<ul style="list-style-type: none"> • Minutes of council of governors and council of governor remuneration committee. 	✓
E RELATIONS WITH STAKEHOLDERS				
E.1	Dialogue with members, patients and the local community			
E.1.a	The board of directors should appropriately consult and involve members, patients, and the local community.			
E.1.b	The council of governors must represent the interests of trust members and the public			
E.1.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.d	The board of directors should keep in touch with the opinion of members, patients and the local community in whatever ways are most practical and efficient. There should must be a members meeting at least annually.			
E.1.1	The board of directors should make available a public document that sets out its policy on the involvement of members, patients, 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	<ul style="list-style-type: none"> • Membership strategy • Annual Report • Annual Plan 	✓

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CODE	CODE PROVISION	TRUST POSITION	EVIDENCE	comply
E.1.2	The board of directors should clarify in writing how the public interests of patients, clients 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. Local Healthwatch, the overview and scrutiny committee, the local League of Friends, and staff groups).	Patients are represented throughout the trust's governance structure; via membership of our subcommittees they are fully integrated into our operational processes.	<ul style="list-style-type: none"> Minutes and attendance logs of sub committees 	✓
E.1.3	The chairperson should ensure that the views of governors and members are communicated to the board as a whole. The chairperson 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 Board of Directors receive the minutes of the Council of Governors for information; members of the Board regularly attend meetings of the Council of governors.</p> <p>The chairman provides the Council of Governors with a regular report on the work of the Board of Directors. Governors are provided with papers for Board meetings</p>	<ul style="list-style-type: none"> Minutes of Council of Governor meetings 	✓
E.1.4	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's website, and its members' newsletter provides details of how members can contact their governor this information is also be published in the Annual Report</p> <p>Elected governors representing the wards of Bolton attend the local area forums run by Bolton Metropolitan Borough Council to meet Trust members and members of the public.</p>	<ul style="list-style-type: none"> Minutes of Council of Governor meetings Area Forum minutes Membership newsletters Annual Report. Minutes of Membership and Member Communications sub group 	✓

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CODE	CODE PROVISION	TRUST POSITION	EVIDENCE	comply
E.1.5	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 board of governors, direct face-to-face contact, surveys of member opinion and consultations.	The annual report will describe how non-executive directors have developed their understanding of the views of governors and members.	<ul style="list-style-type: none"> Annual Report. 	✓
E.1.6	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>Work on member engagement is being developed and details included in the quarterly membership report prepared</p> <p>Governors also receive and regularly review this information</p>	<ul style="list-style-type: none"> Minutes of Council of Governor meetings Membership reports Election Turnout 	✓
E.1.7.	The board of directors must make board meetings and the annual meeting open to the public. The trust's constitution may provide for members of the public to be excluded from a meeting for special reasons.	Board meetings are open to the public	<ul style="list-style-type: none"> Board notices and agendas 	✓
E.1.8.	The trust must hold annual members' meetings. At least one of the directors must present the trust's annual report and accounts, and any report of the auditor on the accounts, to members at this meeting.	The trust hold an annual members' meeting	<ul style="list-style-type: none"> Annual Members Meeting minutes and papers 	✓
E.2	<p>Co-operation with third parties with roles in relation to NHS Foundation Trusts</p> <p>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.</p>			
E.2.1	The board of directors should maintain a schedule of the specific third party bodies in relation to which the NHS	The Board of Directors has a schedule of the specific third party bodies in relation to which the NHS	<ul style="list-style-type: none"> Schedule of third 	✓

Appendix C - Full review of the Code of Governance

CODE	CODE PROVISION	TRUST POSITION	EVIDENCE	comply
	<p>foundation trust has a duty to co-operate The board of directors should be clear of the form and scope of the co-operation required with each of these bodies in order to discharge their statutory duties.</p>	<p>foundation trust has a duty to cooperate</p>	<p>parties</p>	
E.2.2	<p>The board of directors should ensure that effective mechanisms are in place to co-operate with relevant third party bodies and that collaborative relationships are maintained with relevant stakeholder bodies at appropriate levels of seniority in each.</p> <p>The board should review the effectiveness of these processes and relationships annually and where necessary take proactive steps to improve them.</p>	<p>All Board members have developed networks within their own areas of responsibility to ensure the proper cooperation with third party bodies in order to develop and maintain collaborative relationships</p> <p>Governance reviews conducted during 2013 covered stakeholder relations.</p>	<ul style="list-style-type: none"> • Deloitte review of quality governance 	✓