

**NON-EXECUTIVE DIRECTORS  
OF BOLTON NHS FOUNDATION TRUST  
TERMS AND CONDITIONS**

**Name:**

**Date of Appointment:**

*These are the terms and conditions under which your appointment has been made. It is important that you read these carefully and contact the Associate Director of Employment Services if you should have any queries.*

- 1. Statutory Basis for Appointment** – Non-Executive Directors hold a statutory office under the National Health Service and Community Care Act 1990. Your appointment does not create any contract of service between yourself and the NHS Foundation Trust.
- 2. Employment Law** – The appointments are not within the jurisdiction of Employment Tribunals. Neither is there any entitlement for compensation for loss of office through employment law.
- 3. Term of Appointment** – The appointment will commence on **xxx** initially for a six month period, subject to a satisfactory formal review. Thereafter the period of office will run for the 3 year period until **xxx**.
- 4. Reappointment** – Non-Executive Directors are eligible for reappointment at the end of their period of office, but they have no right to be re-appointed. The Council of Governors will consider any request for reappointment. If re-appointed this would be for a maximum of three further years.
- 5. Termination of Employment** – Non-Executive Directors are asked to give as much notice as possible if they wish to resign from their post in order to allow for any replacement process to begin.

The Trust may terminate your term of office if any of the following conditions apply:

- i) If it is of the opinion that it is not in the interests of the health service that you should continue to hold office.
- ii) If you do not properly comply with the requirements of the regulations with regard to pecuniary interests in matters under discussion at meetings of the Trust (e.g. a failure to disclose such an interest).

The following list provides examples of matters which may indicate to the Trust that it is no longer in the interests of the health service that an appointee

continues in office. The list is not intended to be exhaustive or definitive; the Trust will consider each case on its merits, taking account of all relevant factors.

- a) If an annual appraisal or sequence of appraisals is unsatisfactory.
- b) If the Non-Executive Director no longer enjoys the confidence of the Chair.
- c) If the Non-Executive Director fails to ensure that the Board monitors the performance of the Trust in an effective way.
- d) If the Non-Executive Director fails to deliver work against pre-agreed targets incorporated within their annual objectives.
- e) If the Non-Executive Director fails to attend three consecutive meetings of the Board of Directors without good reason.
- f) If there is a terminal break down in essential relationships e.g. between a Non-Executive Director and the rest of the Board.
- g) When a new Chair is appointed to a Board he/she will be expected to review the objectives of all Board members and may at the time of their next appraisal, make recommendation to the Trust regarding their continued appointment.
- h) The decision to remove a Non-Executive Director from office will be subject to a three quarters majority of membership of the Council of Governors present at the meeting.

In addition to these conditions, Monitor (the Independent Regulator) may terminate the appointment of both Chair and Non-Executive Director.

#### **6. A Non-Executive Director may not continue in office if:**

- a) They are a member of the Council of Governors or a Director or Governor of any other NHS body.
- b) They have been adjudged bankrupt or their estate has been sequestrated and in either case they have not been discharged.
- c) They have made a composition or arrangement with, or granted a Trust deed for, their creditors and have not been discharged in respect of it.
- d) They have within the preceding five years been convicted in the British Islands of any offence, and a sentence of imprisonment (whether suspended or not) for a period of three months or more (without the option of a fine) was imposed.
- e) They are the subject of a disqualification order made under the Company Directors Disqualification Act 1986.
- f) They have within the preceding two years been dismissed otherwise than by reason of redundancy, from any paid employment with a health service body.
- g) They have failed without reasonable cause to fulfil any training requirement established by the Board of Directors, or
- h) They have failed to sign and deliver to the Secretary a statement in the form required by the Board of Directors confirming acceptance of the code of conduct for Directors.

**7. Remuneration** – As a consequence of the appointment, appointees are entitled under the NHS Act 2006 to be remunerated for so long as the appointee continues to hold office as a non-Executive Director. The entitlement to receive remuneration is only in relation to the period for which the appointee holds office. There is no entitlement to compensation for loss of office and appointees are not entitled to any pension, bonus or other benefits. Current rates of remuneration

are determined by the Council of Governors, as recommended by the Remuneration Committee, and will be stated during the recruitment and selection process. Non-Executive Directors will be reimbursed at a rate of £12000 per annum, paid through monthly instalments. There is a separate £2000 payment for the role of Vice Chair and a further £2000 as Chair of the Audit Committee. There is no entitlement to compensation for loss of office.

8. **Tax and National Insurance** – Remuneration is taxable under Schedule E, and subject to Class I National Insurance contributions. Any queries on these arrangements should be taken up with the Inspector of Taxes or the Contributions Agency respectively. This post does not fall within the remit of the NHS Pensions Scheme
9. **Allowances** – Non Executive Directors are also eligible to claim reasonable and properly documented expenses and allowances, in accordance with the Trust's expenses policy, for travel and subsistence costs necessarily incurred on NHS Trust business. Expenses claimed by individual Board members are published quarterly.
10. **Time commitment** – The Non-executive Director will normally be expected to devote a minimum of 3 days per month to their Board responsibilities. This may be during the working day or in the evening according to the requirements of the Trust. Appointees are expected to undertake an additional number of days as part of the induction process. Appointees' attendance may be required at any of the following:
  - i. meetings of the Board of Directors
  - ii. committees of the Trust Board and wider Trust
  - iii. any relevant training and/or induction sessions
  - iv. representing the Trust at multi-agency events and meetings.
11. **Annual Appraisal** – Continuation of the role of Non-Executive Director is subject to a satisfactory annual appraisal with the Chairman of the Trust. Foundation Trust Governors and other stakeholders may also be asked to contribute to the appraisal process
12. **Public Speaking** – On matters affecting the work of the Trust, Non-Executive Directors should not make political speeches or engage in other political activities.
13. **Conflict of Interest** – All NHS boards are required to adopt the Codes of Conduct and Accountability. The codes require board members to declare on appointment any business interests, position of authority in a charity or voluntary body in the field of health and social care, and any connection with bodies contracting for NHS services. These must be entered into a register which is available to the public.
14. **Indemnity** – The Trust is empowered to indemnify against personal liability which may occur in certain circumstances whilst carrying out duties. Personal effects are not covered by any Trust insurance. The Trust has Directors' liability insurance and it is intended to maintain such cover for the full term of the appointment.

**15. Confidentiality** – During the undertaking of your duties, information regarding patients and their illness, or staff employed by the Trust may come to light. Such information is confidential and should not be divulged to anyone who does not have the right to this information. Unauthorised disclosure will lead to the immediate termination of office.

Attention is also drawn to the requirements, under both legislation and regulation, as to the disclosure of price sensitive information, consequently, Non-Executive Directors should avoid making any statements that might risk a breach of these requirements without prior clearance from the Chairman or Secretary to the Board.

Signed on behalf of Bolton NHS Foundation Trust

..... Date .....

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I have read and understand the terms and conditions relating to my appointment as Non-Executive Director and agree to abide by these regulations.

Signed ..... Date .....

Please complete and return one copy of these terms and conditions to Paul Henshaw, ESC Manager, N Block