

The next meeting in public of the Isle of Wight NHS Trust Board will be held on Wednesday 30<sup>th</sup> January 2013 commencing at 10:15hrs.in the Conference Room, St. Mary's Hospital, Parkhurst Road, NEWPORT, Isle of Wight, PO30 5TG. Staff and members of the public are welcome to attend the meeting. Staff and members of the public are asked to send their questions in advance to [board@iow.nhs.uk](mailto:board@iow.nhs.uk) to ensure that as comprehensive a reply as possible can be given.

## AGENDA

Indicative Timing	No.	Item	Who	Purpose	Enc, Pres or Verbal
10:15	1.	<b>Apologies for Absence</b>	Chair	Receive	Verbal
	2.	<b>Declarations of Interest</b>	Chair	Receive	Verbal
	3.	<b>Confirmation that meeting is Quorate</b> <i>No business shall be transacted at a meeting of the Board of Directors unless one-third of the whole number is present including:</i> <ul style="list-style-type: none"> <li>the Chairman;</li> <li>one Executive Director; and</li> <li>two Non-Executive Directors.</li> </ul>	Chair	Receive	Verbal
	4.	<b>Minutes of Previous Meetings</b> 4.1 To approve the minutes from the meeting of the Isle of Wight NHS Trust Board held on 19 <sup>th</sup> December 2012 and the Schedule of Actions	Chair	Approve	Enc A
	5.	<b>Chairman's Update</b> 5.1 The Chairman will make a statement about recent activity.	Chair	Receive	Verbal
		5.2 Nomination and approval of Non-Executive Director committee chairmen	Chair	Approve	
	6.	<b>Chief Executive's Update</b> 6.1 The Chief Executive will make a statement on recent national, regional and local activity.	CEO	Receive	Pres
		6.2 BIG Discussion Feedback	CEO	Receive	Enc B
		6.3 Patient Story.	EDN&W	Receive	Pres
	7.	<b>Strategy and Business Planning</b> 7.1 FT Programme update.	FTPD	Receive	Enc C
		7.2 Outcome of Foundation Trust public consultation	FTPD	Receive	Pres
		7.3 Radiology Information System, Patient Archiving & Communication System Update	EDS&CD	Receive	Pres
		7.4 Pathology Services Update	EMD	Receive	Pres
	8.	<b>Quality and Performance Management</b> 8.1 Quality / Performance / Workforce / Finance	EDF	Receive	Enc D
		8.2 Trust Board Assurance Walkrounds	EDN&W	Approve	Enc E
		8.3 Staff Story	EDN&W	Receive	Pres
	9.	<b>Innovation and Reform</b> No items under this section			

## 10. Governance and Administration

To receive and approve:

<b>10.1</b> Foundation Trust Self Certification	FTPD	Approve	Enc F
<ul style="list-style-type: none"><li>Comments and recommendations to be sought from Chairs of Quality and Clinical Performance Committee and Finance, Investment and Workforce Committee.</li></ul>			
<b>10.2</b> Corporate Governance Framework	EDF	Approve	Enc G
<ul style="list-style-type: none"><li>Standing Orders,</li><li>Standing Financial Instructions</li><li>Scheme of Reservation and Delegation</li></ul>			
<b>10.3</b> Minutes of the Audit and Corporate Risk Committee held on 11th December 2012	ACRC Chair	Approve	Enc H1
<b>10.4</b> Minutes of the Finance, Investment and Workforce Committee held on 17 <sup>th</sup> December 2012	FI&W Chair	Approve	Enc H2
<b>10.5</b> Minutes of the Quality and Clinical Performance Committee held on 16 <sup>th</sup> January 2013	Q&CP Chair	Approve	Enc H3
<b>10.6</b> Minutes of the Foundation Trust Programme Board held on 18 <sup>th</sup> December 2012.	FTPB Chair	Approve	Enc H4

## 11. Board sitting as Corporate Trustee

<b>11.1</b> To approve the Charitable Funds Annual Report and Accounts for 2011-12	CFC Chair	Approve	Enc I
<b>11.2</b> To approve the Terms of Reference of the Charitable Funds committee.	CFC Chair	Approve	Enc J
<b>11.3</b> To approve the minutes of the meeting of the Charitable Funds committee held on 18 <sup>th</sup> December 2012.	CFC Chair	Approve	Enc K

## 12. Questions from the Public (notified in advance – see above)

Chair

## 13. Any Other Business

Chair

## 14. Issues to be covered in private.

Chair

The meeting may need to move into private session to discuss issues which are considered to be 'commercial in confidence' or business relating to issues concerning individual people (staff or patients). On this occasion the Chairman will ask the Board to resolve:

*'That representatives of the press, and other members of the public, be excluded from the remainder of this meeting having regard to the confidential nature of the business to be transacted, publicity on which would be prejudicial to the public interest', Section 1(2), Public Bodies (Admission to Meetings) Act 1960.*

Three items which will be discussed and considered for approval in private due to their 'commercial in confidence' nature are:

- Approval of updated plans for the Radiology Information System (RIS), Patient Archiving & Communication System (PACS)
- Approval of the business case for the Pathology Consortium
- Approval of the Integrated Business Plan and supporting strategies

The Chairman or Chief Executive will indicate if there are any other issues which may be discussed in private without entering into detail about them. Members of the public, the press and members of staff will then be asked to leave the room.

## 16. Date of Next Meeting:

- 12.1** The next meeting of the Isle of Wight NHS Trust Board to be held in public is on Wednesday 27<sup>th</sup> February 2013 in the Conference Room at St. Mary's Hospital, Newport, Isle of Wight, PO30 5TG.

# TRUST BOARD

## SCHEDULE OF ACTIONS TAKEN FROM THE MINUTES

Date of Meeting: 19 December 2012

Date	Type of Meeting	Minute Number	Raised by	Action Required	Who	Action Taken	Date Closed
19/12/2012	In public	12/088	JM	Correction to NED [JM] title in minutes of 28/11/2012	Board Admin	Completed or in progress	30/01/2013
19/12/2012	In public	12/089	CP	Action sheets to be appended to all minutes provided to Board	Board Admin	Completed or in progress	30/01/2013
19/12/2012	In public	12/093	SJ	Training for "patient story" employee to be organised together with better use made of Parkinson's link nurse	AEDN/EDN		
19/12/2012	In public	12/093	SW	QCPC to provide response to Board on the issue raised in "patient story"	EDN		
19/12/2012	In public	12/095	PT	QCPC to report to Board on better systems and processes around pressure ulcers and on analysis of complaints data	SW		
19/12/2012	In public	12/095	PT	Detailed breakdown of financial figures to be provided to FIWC	EDF		
19/12/2012	Seminar	2	JM	Policy to be produced for Trust-wide use regarding referral of patients to consultants/other Trusts and the recording of decisions	EMD		
19/12/2012	Seminar	2	SW	Internal benchmarking to be reviewed	HCGRM		
19/12/2012	Seminar	3	PT	Risk and Assurance training to be included in 8 January Board Seminar programme	HCGRM	Completed or in progress	08/01/2013
19/12/2012	Seminar	3	PT	Corporate diary to be produced	Board Admin	Completed or in progress	30/01/2013
19/12/2012	Seminar	4	SW	QCPC and MHASC to produce forward plan for Shackleton	QCPC		

# BIG Discussion Feedback



By 2014 we are required by the Government to be an NHS Foundation Trust.

We are making important decisions about how we proceed and we want all staff to be part of that discussion. To be an independent viable organisation - both financially and in the services we provide - we wanted to know what you think could be changed for the better over the next 12 months and where you think we need to be in five years time. Between 30th July

and 15th September 2012 over 1,000 staff and volunteers contributed over 1,500 ideas and comments to the BIG Discussion. Thank you for taking part.

Feedback fell into seven areas:

1. Strategy
2. Leadership, Management, Communications & Training
3. Estates and Equipment
4. Procurement, Finance and IT
5. Operational Capacity and staffing
6. Bureaucracy, Processes and Patient Focus
7. Staff Health and Wellbeing



There was so much feedback and this document doesn't contain responses to all of the thousands of individual comments. We will revisit all the contributions in time but I hope that you'll find this feedback document reflects what all of us talked about during what has been a great exercise, one that we will repeat in 2013. The conversation will continue! But I don't want you to wait until then to tell me what you think. Please take every opportunity to provide feedback on what we're doing and how we're doing it.

**Karen Baker**  
Chief Executive



*On the improvement journey...*

*...achieving the standards required to become an NHS Foundation Trust*



# Were you part of the BIG Discussion?

# BIG Discussion Feedback

# STRATEGY

<i><b>We talked about ...</b></i>	<i><b>What has happened ...</b></i>
We want to stay as an integrated organisation.	Integration is a key theme of our strategy. We believe our patients will get the best service from us by being as integrated as possible.
We want to become more integrated with the Island's GP surgeries making sure there is better communication with our colleagues in primary care and improved pathways for patients.	Community based staff such as District Nurses and Occupational Therapists now have designated practices. We are all working to align services to the Island's three GP localities. To really make this work Doctors could also be aligned to support these groups which will improve communication and team working, by breaking down traditional models of care.
Why don't we build a nursing home or retirement village?	This is a great idea! This now features in the Trust's long term plans. It may need to be undertaken with a private sector partner.
Why can't we become a centre of excellence for elderly and dementia care?	This is in the Business Plan. We are proud of our dementia services but there is still work to be done; to gain national recognition for the work you're doing and to become a centre of excellence requires a reputation in this area to be established. We need to tell people about the great work you're doing!
<i><b>We talked about...</b></i>	<i><b>Work in progress ...</b></i>
We could also manage social care to help our patients get out of hospital sooner.	Other places in the UK with a similar size and demographic makeup to us, such as Torbay, have done this really successfully. Discussions with Isle of Wight Council about such a possibility are underway and they are seeking agreement to take this forward.
Why can't we have patient pathways that stretch across social care, secondary care and general practice?	The Trust has joined the Clinical Commissioning Group (CCG) and the Council on a joint programme to deliver just that. It is called 'My Life, A Full Life'. It is beginning to work across the NHS, Local Authority, CCG and other organisations such as the third sector to make sure people are at the heart of everything we do.
Why can't we have staff rotations with mainland units to share knowledge and skills?	This will build on existing arrangements such as the Trauma Network and a relationship with busier mainland departments. More of these opportunities are needed to ensure you can keep up to date and have the opportunity to learn and gain experience which comes from working with others.
<i><b>We talked about...</b></i>	<i><b>However ...</b></i>
Are we sure that Foundation Trust is the right model for us on the Isle of Wight?	A lot of work has been undertaken to look at the best way forward for the Trust. Foundation Trust status provides considerable benefits to us including being masters of our own destiny and a greater access to capital (£). It is also the only way we can maintain and grow the benefits we give to our patients by us being an integrated trust with a '4 in 1 model' with acute, community, mental health and ambulance all working together for our patients.



# BIG Discussion Feedback

## LEADERSHIP, MANAGEMENT, COMMUNICATIONS AND TRAINING

<i><b>We talked about...</b></i>	<i><b>What has happened...</b></i>
Train for “interdependence” – (less them and us) – Trust, listening skills and leadership.	An “interdependence Day” for senior managers has been run. Further events like this including workshops on “The Speed of Trust”, and Seven Habits in various flexible formats are available. These should create more interdependent working; better communication; higher levels of trust between directorates, departments and colleagues.
Review necessity of elements of mandatory training.	All mandatory training subject specialists have been challenged to establish which staff groups really need the training. Training Passports have been adjusted accordingly. This will save many hours of staff time – and it’s an ongoing process: please keep challenging and reviewing the Training Needs Analysis to make sure mandatory training is maintained.
Training for work / life balance, resilience and dealing with stress.	New Resilience Workshops, aimed at supporting staff to stay robust in difficult times have been introduced. This will help staff to cope with change and challenging events.
Encourage holding people to account, and don’t promote underperformers’	Our Senior Leadership Programme has been redesigned and we’re working on a programme targeted at supporting Clinical Staff with managerial roles. This will produce leaders with the confidence to ‘hold to account’ consistently across the Trust and take a stronger line on managing underperformance.
<i><b>We talked about...</b></i>	<i><b>Work in progress ...</b></i>
Develop Business & Finance Skills and an understanding of what our business is and how much it costs.	The Finance and Contracts team will be offering half-day workshops on these topics. From January 2013 the Service Line Reporting programme will help us understand how much our services cost and how much income they generate will also be rolled out in 2013.
Create the opportunity for staff to shadow roles between Directorates.	During January 2013 we are scoping the creation of a Shadowing Scheme across the Trust which will enable staff to get experience of other services and will support an individual’s personal development.
Flatten the organisational structure and reduce the number of managerial posts, giving clinicians more authority and influence	Changes to the Executive Director structure have recently been made. We are now looking at the possibilities of structuring the organisation differently to enable it to operate with less managerial posts, taking into account any impact on services and quality. We hope to make any changes during Spring 2013.
<i><b>We talked about...</b></i>	<i><b>However ...</b></i>
Staff to pay a deposit for training, return on completion.	We’ve looked at this, along with possibly charging for training if staff leave the organisation within a year of completing training. However the administrative burden would not be justified by the small return and staff may be deterred from accessing important training.
Review all services to make sure they are cost effective.	This is already a key part of the Trust’s 5 Year Integrated Business Plan (IBP). Schemes are underway within all Directorates; the challenge is to implement what is already planned.

# BIG Discussion Feedback

## ESTATES AND EQUIPMENT

<i><b>We talked about...</b></i>	<i><b>What has happened...</b></i>
Increase car parking	The Estates Team applied at the end of 2012 for planning permission for up to 200 additional spaces on the agricultural land adjacent to the top of the St. Mary's Hospital site. The capital funding within the 2012/13 programme is approved. Planning permission was granted on 8th January 2012 and building work will commence on 4 <sup>th</sup> February this year. By April 2013 we expect to be able to provide additional spaces for staff at the top of the site and staff spaces around the site will be redesignated for patient and visitor use.
Provide designated parking spaces for Pool cars	Staff using Pool cars and returning to St. Mary's site several times on a daily basis were searching for a space. Locations around the St. Mary's site were identified and spaces designated for Pool cars.
Remove fencing in an area by estates and make available for parking	When all works are completed on the adjacent buildings the fencing will be removed and the space made available for parking.
Provide new lifts in the main hospital	New modern lifts will reduce the number of times the lifts are inoperable and improve patient satisfaction. A business case and capital funding has been identified in the 2013/14 plan. The procurement process has been started and the new lifts will be completed in 2013.
Move contractor portakabins from the front of the hospital	The works will be completed by the end of March 2013 after which they will be removed. For future building works we will consider placing temporary works offices at the back of the hospital.
<i><b>We talked about...</b></i>	<i><b>Work in progress ...</b></i>
Make the visitors car parks pay on exit to ease the stress on visitors	The feasibility and cost of 'pay on exit' is being reviewed with the car parking management contractor with a view to making changes by 31/3/13.
Provide designated parking spaces for lease cars	The number of lease cars and the spaces that would be required is being reviewed. This will be completed by March this year. The impact on other staff of losing these spaces needs to be considered.
Subsidised bus fares for staff	The Facilities Team are meeting with the commercial director of Southern Vectis to see if this is something they could offer. Southern Vectis have been piloting a reduced face scheme between Newport and Northwood.
Don't use the clinical waste van to do moves	The Facilities Team are undertaking a review in January of what other vehicles could be used.
We could make a lot more of our assets such as hiring out bits of the estate, providing transport services, etc..	The Executive Director of Strategy and Commercial Development is looking at how we can generate income from our assets such as our estates and specialist services. This review is expected to be completed by April 2013.

# BIG Discussion Feedback


## ESTATES AND EQUIPMENT Continued...

<i><b>We talked about...</b></i>	<i><b>What has happened...</b></i>
We spend money on buildings not fit for purpose	There is not enough capital available to replace all the buildings we would like and the revenue implications of a new build are significant given the financial position. Unfortunately this means that sometimes we have to put in place 'short term fixes' that address important issues. As a successful Foundation Trust we would have additional opportunities to access capital funding to address Directorate priorities.
Our space is not fit for purpose. Excellent examples of new facilities but more are required	Your feedback during the BIG Discussion has helped the Trust to develop a five year plan that prioritises facilities identified by the Clinical Directorates as needing replacement. In 2013/14 we will have around £7m capital funding and as a successful Foundation Trust we would have opportunities to access additional capital funding.
<i><b>We talked about...</b></i>	<i><b>However ...</b></i>
Relocate the Intensive Care Unit (ICU) to the ground floor	This has not featured as a priority in Clinical Directorate plans and the revenue implications of this proposal would be significant.
Don't tender out car parking again	It is important that we achieve best value for money from our car parking arrangements. We will be tendering the contract when the current arrangement with CP Plus ends. We use an external contractor because they have the expertise and there would be reputational implications for the Trust if we issued car parking penalty notices to patients, visitors and staff. The fees charged to patients, visitors and staff provide the Trust with income of which approximately half covers the cost of maintaining the car parks and hospital security. The other half helps to pay for health services.



# BIG Discussion Feedback

## PROCUREMENT, FINANCE AND IT

<i>We talked about...</i>	<i>What has happened...</i>
<p>Have one IT system for patient information</p> 	<p>The Integrated Services Information System (ISIS) is a major Trust IT programme, supported by Logica, which will join up our patient level information systems. This includes the ability to order pathology (Spring 2013) and radiology (Autumn 2013) services. Look for the ISIS symbol (shown left) on the intranet home page for more information.</p>
<p>Somehow make it possible to access hospital emails and intranet information from home - as not always possible to do it in working hours</p>	<p>This can be done now for staff where their manager agrees there is a need. One way is via a 'VPN' connection that requires a laptop and kit. Whilst this incurs a cost it gives access to network drives and Trust systems beyond just e-mail. Separately some staff can access externally hosted systems via the internet using secure login and password arrangements. Staff can also register for a secure NHS.net e-mail address but this cannot be directly linked to the Trust e-mail system. These mechanisms enable more staff to work remotely, particularly in times of poor weather, such as snow or ferry cancellations, when some staff can't make it to their place of work.</p>
<p>Modernise IT across the whole Trust</p>	<p>For a period of time there was significant under investment in IT and information systems. Over the last five years the Trust has invested allot, including £2.3m this year (2012/13). The rolling replacement programme replaces some £300,000 of PCs each year.</p>
<p>Some of the ward desktop PCs are now too cluttered therefore slow.</p>	<p>Users can help performance by keeping their profiles to a minimum. If you are unsure how to do this, please contact IT training.</p>
<i>We talked about...</i>	<i>Work in progress ...</i>
<p>The Shared Business Service (SBS) and the Trusts's procurement arrangements are complex and difficult to use.</p>	<p>We have held a number of drop-in sessions, workshops and training sessions over the last two years to support individuals through the procurement process. We will make sure these continue to be publicised widely to enable all staff involved in the procurement process to take advantage of the help and support that is available. If there is a specific problem you can either contact the helpdesk on ext 3418 or talk directly to the procurement team.</p>
<p>Have one IT system which can be assessed by professionals providing a service for children with disabilities and their families.</p>	<p>There is a large piece of work being undertaken at the moment on the PARIS IT system which will see the joining up of lots of community based information systems. We would really like to see further integration with systems outside of our organisation giving all professionals access to the information they need. This will be an area that the ISIS programme would look to address in the future.</p>

# BIG Discussion Feedback

## OPERATIONAL CAPACITY, STAFFING AND HEALTHY EATING (BOTH PATIENTS AND STAFF)

<i><b>We talked about...</b></i>	<i><b>What has happened...</b></i>
We should start planning for the winter season sooner	Winter planning for 2012/13 started this year in early Summer. Flu campaigns, working out what capacity we need, along with building up our community and preventative services such as home antibiotics were in place for the winter season. The new 'Home from Hospital' team was introduced to support patients back to their homes swiftly, reducing the number of patients in the hospital waiting for packages of care, freeing up beds for those who are acutely unwell. However next year we want to start planning even earlier. Planning for 2013/14 is already underway, drawing on the lessons we are learning during this winter season.
Can we introduce a set of short stay beds to improve patient flow for patients who don't need to be admitted but may need further tests or a little more time to get back on their feet?	We know that some patients don't need to be admitted and that sometimes people are brought into places like the Medical Assessment and Admission Unit (MAAU) who could be treated in a different way. These patients then stay in hospital longer than necessary and create pressure on beds. The building work in A&E, due for completion this year, is creating two Clinical Decision Unit beds to address this issue. This will stop patients who don't need to be admitted getting into the hospital system but will allow us more time to run extra tests or to find them additional support before discharge.
Could vacant outpatient slots created by people who Do Not Attend (DNAs) be used by staff waiting for appointments?	A great idea. The Occupational Health team have put this in place so that if they know of staff members waiting for appointments they can work with the clinical and booking teams to put them in cancelled clinic slots where possible. This means staff waiting for appointments can be seen quicker and clinic slots won't be wasted – just make sure Occupational Health know.
<i><b>We talked about...</b></i>	<i><b>Work in progress ...</b></i>
Some of you felt that we should open more inpatient beds at St Mary's	The strategy for the Isle of Wight's health economy is to deliver more health care in community based settings and prevent admissions to St. Mary's. Community stroke teams and district nursing teams have been increased to enable this to happen. However we know that inpatient beds need to be flexed throughout the year to meet increased demand. The DoH's Emergency Care Intensive Support Team recent review suggested we needed to switch some of our medical wards to short stay MAUAU style beds. They also felt we could improve our length of stay, that we could do improve the flow of patients throughout our services and getting better at discharge planning would really help. An Improving Patient Flow project is being set up to look at these areas. In our strategy that we want to explore the market for running our own nursing home, creating different types of beds.
Why can't we run all our services 24/7 – not just A&E but outpatient clinics as well	It would be fantastic if we could operate all our services 24/7. However as a small organisation this isn't always affordable. We can however do a lot more to extend and flex working times across the hospital to increase access to services for patients. We are moving to three session days, meaning more clinics will be available in evening times.

# BIG Discussion Feedback

## BUREAUCRACY, PROCESSES AND PATIENT FOCUS (EXCL HEALTHY EATING)

<i>We talked about...</i>	<i>What has happened...</i>
There is a lot bureaucracy at Ward level which takes time away from patient care.	Staff have been working on implementing the Productive Ward initiative. It is estimated that this frees up 10% of nurses time from a variety of tasks so that more time can be spent with patients. If you have other ideas please let your manager and colleagues know, come up with a plan or an alternative and submit it to your Associate Director.
Patients should be made to feel welcome when they come to a Ward or visit the hospital – signage is really poor	Making patients feel welcome is everyones business, no matter where we work or what job we do. The ‘Lets Show We Care’ ( <a href="http://www.iow.nhs.uk/wecare">www.iow.nhs.uk/wecare</a> ) initiative sets out our expectations and values on making patients feel welcomed including simple things like always making eye contact when patients or visitors come onto a ward. Patient Experience Officers (PEOs) are now located on the front desk in the main hospital and we will look at how we can improve the signage and information to patients around the St Mary’s site and elsewhere. Board members are visiting areas on a regular basis now and these are issues they are looking for.
Giving feedback should be easy and encouraged.	Patient feedback boxes, which enable patients to ‘vote’ with a token on whether they would recommend our services or not, are being piloted. The new ‘Friends and Family’ test has also been trialled on the Hospedia bedside telephone and entertainment terminals. Patient feedback is also encouraged via the NHS Choices website ( <a href="http://www.nhs.uk">www.nhs.uk</a> ) which is monitored on a regular basis.
<i>We talked about...</i>	<i>Work in progress ...</i>
Are we sure we have the right staffing profiles / ratios for staff to patients on the wards?	A number of reviews of staffing to patient ratios have been conducted over the past few years. Initial feedback on our most recent Care Quality Commission inspection did not identify any issues in this area. However, the new Executive Director of Nursing is reviewing staff to patient ratios and will ask colleagues from other hospitals to support us with this – we can always learn from others. We will also try to be more open and transparent with staff about how staff to patient ratios is calculated.

Were you part of the BIG Discussion?

# BIG Discussion Feedback

## STAFF HEALTH AND WELLBEING

<i><b>We talked about...</b></i>	<i><b>What has happened...</b></i>
You wanted to see more healthy food options available to staff in the Full Circle Restaurant.	There is now clearer labelling in place to help staff make healthy choices at the Full Circle Restaurant. The Health & Wellbeing Group are working on our commitment to the 'Workplace Wellbeing Charter' to see what else we can do to support healthy choices for staff such as providing information on the salt, sugar and fat content of food/menu options. A survey to help identify what foods people want and when will enable staff to be involved in menu development. It will also look at shift patterns and healthy choices in the vending machines.
Staff at St. Mary's would be encouraged to take exercise by improving shower and changing facilities.	The Health & Wellbeing Group are putting together a capital bid for showers and lockers. It will encourage health and well being and promote exercise.
Create a reward for 100% attendance or 0% sickness.	In 2013 we are implementing awards for long service. Whilst acknowledging that some absence/sickness is inevitable we will review whether we can incorporate rewards for attendance and/or zero sickness into our policies.
<i><b>We talked about...</b></i>	<i><b>Work in progress ...</b></i>
'Create a health and well being centre or a gym or a 'trim trail'	The Health and Wellbeing Group are scoping a capital bid to 'reclaim' the social club for health and wellbeing use and the creation of a 'green gym'.
Create smoking shelters.	The possibilities of a capital bid to create smoking shelters on the edges of the St. Mary's Hospital site are being considered. Everyone - staff, patients and visitors - have opinions on this issue. We need to have a proper debate about what we as an organisation will do in the future. This will be taken forward, with our colleagues in the Clinical Commissioning Group and the Public Health Team, over the next few months so that we reach a reasoned conclusion.
<i><b>We talked about...</b></i>	<i><b>However ...</b></i>
Don't pay staff for the first five days of sickness.	This contravenes current UK legislation. We can encourage staff to follow existing policy but we cannot ignore the law.

### And finally you said ....

The BIG Discussion...? This shouldn't be a one off! Let's **KEEP** the conversation going.....!

***“The BIG Discussion: the conversation continues...”***

Look out for news on when the next exercise will be running in 2013.....



## REPORT TO THE TRUST BOARD ON 30 JANUARY 2013

<b>Title</b>	FOUNDATION TRUST PROGRAMME UPDATE
<b>Sponsoring Director</b>	Foundation Trust Programme Director
<b>Author(s)</b>	Foundation Trust Programme Director
<b>Purpose</b>	To note.
<b>Previously considered by (state date):</b>	
Acute Clinical Directorate Board	
Audit and Corporate Risk Committee	
Charitable Funds Committee	
Community Health Directorate Board	
Executive Board	
Foundation Trust Programme Board	
Mental Health Act Scrutiny Committee	
Nominations Committee (Shadow)	
Planned Directorate Board	
Finance, Investment and Workforce Committee	
Quality & Clinical Governance Committee	
Remuneration Committee	
<b>Staff, stakeholder, patient and public engagement:</b>	
<p>A programme of internal and external stakeholder engagement has been initiated and is ongoing to deliver change within the organisation and generate the support required across the locality and health system to deliver a sustainable FT. Briefing sessions have been undertaken with Patients Council, the Ambulance service, Isle of Wight County Press and Health and Community Wellbeing Scrutiny Panel. A formal public consultation on becoming an NHS Foundation Trust has been undertaken.</p>	
<b>Executive Summary:</b>	
<p>This paper provides an update on work to achieve Foundation Trust status by April 2014.</p> <p>The key points covered include:</p> <ul style="list-style-type: none"> <li>• Progress update</li> <li>• Communications and stakeholder engagement activity</li> <li>• Key risks</li> </ul>	
<b>Related Trust objectives</b>	<b>Sub-objectives</b>
Reform	9 - Develop our FT application in line with the timetable agreed with DH & SHA
<b>Risk and Assurance</b>	CSF9, CSF10
<b>Related Assurance Framework entries</b>	Board Governance Assurance Framework within BAF
<b>Legal implications, regulatory and consultation requirements</b>	A 12 week public consultation is required and concluded on 11 January 2013.
<b>Action required by the Board:</b>	
(i) Note this progress update report	
<b>Date</b>	23 January 2013



**ISLE OF WIGHT NHS TRUST**  
**NHS TRUST BOARD MEETING WEDNESDAY 30 JANUARY 2013**  
**FOUNDATION TRUST PROGRAMME UPDATE**

1. **Purpose**

To update the Trust Board on the status of the Foundation Trust Programme.

2. **Background**

The requirement to achieve Foundation Trust status for NHS provider services has been mandated by Government. All NHS Trusts in England must be established as, or become part of, a NHS Foundation Trust by a target date of April 2014.

3. **Communications and Stakeholder Engagement**

The public consultation period closed on 11 January 2013. In the region of 40 engagement meetings and events have been undertaken with service users, the voluntary sector, County, town and parish councils, other key partners and staff. Key issues that have been raised include the age threshold for eligibility to become a member and stand for election to the Council of Governors, whether an off-Island Governor should be included, whether prisoners are eligible for membership/governor roles and staff constituencies. There is broad support for the continuation of an integrated healthcare service provider for the Island. A *Consultation response and staff engagement* report has been produced to address the issues raised and subsequent decisions taken. This will be submitted to the SHA as Appendix 4 to the Integrated Business Plan. On 30 January 2013 a presentation on the outcome of the consultation will also be made to this Trust Board meeting. A separate membership recruitment campaign is scheduled for launch in early February 2013.

The third FT Journey day involving the Trust's management community was held on the 21 January 2013. The day was focused around achieving the appropriate organisational culture and behaviours to be a successful FT and workshops were also undertaken around Clinical Quality Governance, realising benefits from the ISIS programme and FT Governance arrangements. Feedback with respect to the 'Big Discussion' staff engagement exercise was also addressed. The Chief Executive outlined the key issues that were raised and the action that had been taken to date.

4. **Programme Plan**

An update to the *Guide for Applicants* was published by Monitor on 8 January 2013. The new guidance identifies that as a new applicant we will be Monitor's lowest priority in the 'batching' process behind mergers, deferrals and postponements and our application could be delayed by up to 6 months, or more depending on Monitor's capacity. Given that approximately 100 Trusts are still in existence and in 2012/13 only 2 trusts have been authorised by Monitor there are likely to be implications for our overall timeline:

*Monitor's priority will be to assess applicants in line with our capacity. In general, we will prioritise applicants to the first available assessment slots as follows:*

- *first priority to assessment of mergers or risk rating significant transactions;*
- *second priority to deferrals reactivating their application;*
- *third priority to postponements reactivating their application; and*
- *fourth priority to new applicants*

*When there is a high number of transactions or deferrals/postponements, the time period between referral and commencement of the assessment process will be*

*delayed until the next available time slot. We aim to minimise delays to assessment starts; the maximum delay to the start of an assessment would normally be six months. Where the number of applicants referred to Monitor is not in excess of the available time slots the assessment will start immediately and a batching checklist is completed as part of the assessment kick-off meeting. In cases where significant issues arise from the batching review Monitor may decide to move the applicant to a later group to allow the trust sufficient time to address those issues prior to Monitor starting the assessment. In other cases, where a slot is available and no issues are found, the assessment may start immediately.*

Appendix 1 identifies our previous timeline against the revised position. It should be noted that the 'float' previously included to accommodate any delays up to the April 2014 deadline has now been used.

The Programme Plan is attached at Appendix 2. Eleven activities have been marked complete since the last report. A focused product delivery plan was also produced for January to manage complexities around delivery of the various products required for submission on 31 January alongside the IBP.

#### Products for submission 31 January 2013

There are a number of products that are required for submission to the SHA on 31 January 2013 these include:

- Integrated Business Plan
- Appendix 1 - Long Term Financial Model
- Appendix 2 – Governance Rationale
- Appendix 3 – Model Core Constitution [with legal sign off]
- Appendix 4 – Consultation response and staff engagement
- Appendix 5 – Membership Strategy
- Supporting Strategies: IT, Workforce, Estate

By the time of this meeting these products will have been received and reviewed by the FT Programme Board and a verbal update on the outcome will be provided.

#### Self-certification

Four returns have now been submitted to the SHA. These monthly returns form the basis for discussions at monthly Single Operating Model (SOM) oversight meetings with the SHA. The outturn for last month's Governance Risk Rating (GRR) was 1.5 as forecast. This significantly improved on the previously reported position and moved us to AMBER/GREEN status, maintaining a positive trajectory towards achieving the compliance levels required by Monitor.

With respect to embedding the process and ensuring business continuity, the process management document has been approved by the FT Programme Board.

#### Quality Governance Framework – Third Party Review

KPMG were commissioned to undertake a formal third party assessment against Monitor's Quality Governance Framework required as part of the application process. The assessment has now been undertaken and the verbal feedback received suggests we will achieve the required Quality Governance assessment score to maintain our trajectory. The KPMG report will be available by the time of this Board meeting and an update will be given on this. The Quality Governance Framework action plan will be used to drive further improvement.

#### Historical Due Diligence Stage 2 (HDD2)

Grant Thornton commenced the stage 2 assessment on 14 January 2013. Interviews have been undertaken with a selection of executive and non-executive directors and the

draft report is scheduled to be provided to the Chief Executive and Chairman on 28 January 2013.

#### Board to Board with NHS South of England

Work is underway to prepare for the Board to Board meeting with NHS South of England on 1 March 2013. This meeting will be the final gateway in the SHA-led Trust Development Phase of the programme.

#### FT Governance

The Head of Communications and Engagement has attended Council of Governors meetings in Basingstoke and Guildford to help shape our understanding of the broader role of the Council of Governors in FT governance arrangements. We have also gained more detailed understanding as we have developed our Governance rationale and Constitution. The governance workshop at the recent FT Journey day was attended by members of the Patients' Council and has also helped to clarify the role that Governors could play in the effective governance of the FT. Links have been established with Governor representatives in other FTs and we hope that in the near future we can arrange for a presentation and question and answer session to be delivered locally.

### 5. Key Risks

The constrained timeframe in which the organisation is attempting to achieve FT status remains a significant threat to the application by giving rise to capacity and sustainability issues.

The various assessments that the Trust has been subject to (HDD, BGAF, QGF) have initiated activity to develop and augment governance arrangements required to meet FT standards. Although arrangements have been put in place where required, the maturity of these arrangements still leave the Trust exposed to related risks as the requisite time required to embed new arrangements has not been available. The outcome of the QGF third party assessment indicates that some of the new arrangements have been embedded sufficiently. However, this view will need to be triangulated by the HDD assessment.

Our continued performance against the Governance Risk Rating demonstrates the ability of the organisation to reprioritise and refocus capacity effectively – in December we achieved a score of 0 (GREEN). However, the Trust's unique breadth of service provision continues to be a key risk to the application as we are subject to more performance indicators across our Governance Risk Rating and therefore have a lower threshold for underperformance than single service Trusts. Early indications are that we will struggle to maintain this score for January 2013.

Given the significant pressures on capacity the products required for submission to the SHA are on target. However, this reflects a significant degree of goodwill and resilience from key officers.

Risks to delivery have been documented and assessed and will continue to be highlighted to the FT Programme Board.

#### Recommendation

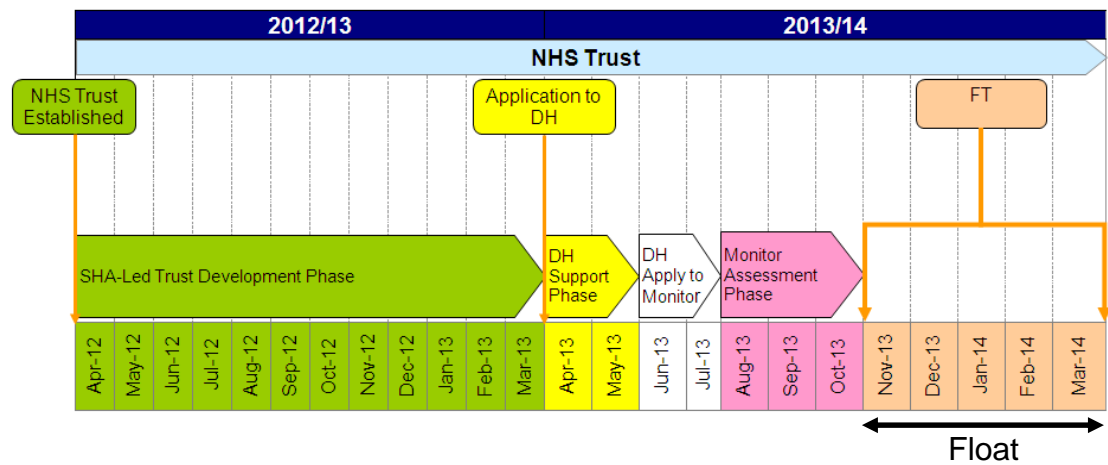
It is recommended that the Board:

- (i) Note this update report

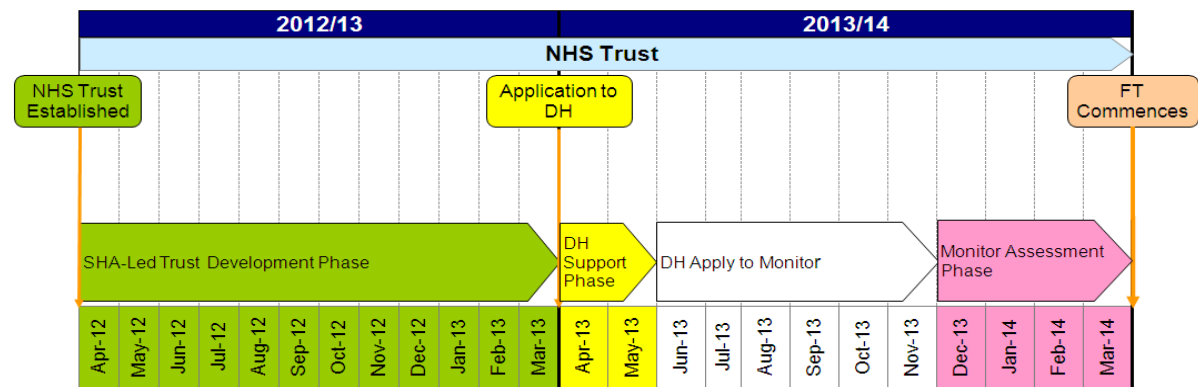
**Mark Price**  
**Foundation Trust Programme Director**  
**23 January 2013**

Overview of the FT application process

1 – Pre-January 2013



2 – From January 2013



# Isle of Wight NHS Trust Board Performance Report 2012/13

December 2012

Title	Isle of Wight NHS Trust Board Performance Report 2012/13	
Sponsoring Director	Chris Palmer (Executive Director of Finance) Tel: 534462 email: Chris.Palmer@iow.nhs.uk	
Author(s)	Iain Hendey (Assistant Director of Performance Information and Decision Support) Tel: 822099 ext 5352 email: Iain.Hendey@iow.nhs.uk	
Purpose	To update the Trust Board on progress against key performance measures and highlight risks and the management of these risks.	
Previously considered by (state date):		
	Acute Clinical Directorate Board	N/A
	Audit and Corporate Risk Committee	N/A
	Charitable Funds Committee	N/A
	Community Health Directorate Board	N/A
	Executive Board	
	Foundation Trust Programme Board	
	Finance, Investment & Workforce Committee	22/01/2013
	Mental Health Act Scrutiny Committee	N/A
	Nominations Committee (Shadow)	N/A
	Planned Directorate Board	N/A
	Quality & Clinical Performance Committee	16/01/2013
	Remuneration Committee	N/A
Staff, stakeholder, patient and public engagement:		
Executive Summary:		
This paper sets out the key performance indicators by which the Trust is measuring its performance within 2012/13. A more detailed executive summary of this report can be found on page 2.		
Related Trust objectives		Sub-objectives
Quality, Innovation, Productivity, Prevention, Reform		1) Improve the experience and satisfaction of patients, carers, partners and staff. 3) Continuously develop and implement our Business Plan. 4) Redesign our workforce so people of the right skills & capabilities are in the right places to deliver our plans. 5) Improve value for money and generate a surplus. 6) Develop our estate and technology to improve the quality and value of the services we provide. 7) Improve services & achieve objectives by creating and working within robust strategic commercial partnerships. 8) Develop our relationships with key stakeholders to improve our patient services & collectively deliver a sustainable local health system. 9) Develop our Foundation Trust application in line with the timetable set out in our agreement with the SHA. 10) Develop our organisational culture, processes and capabilities to be a thriving FT dedicated to our patients.
Risk and Assurance		Delivery of financial, operational performance and strategic objectives, FT application, CQC ratings
Related Assurance Framework entries		2.21 - HCAI ; 1.1 - complaints trends ; 2.22 - Mixed sex accommodation ; 3.8 - key national targets ; 5.15 / 5.44 - CIP schemes ; 6.3 / 6.4 - capital expenditure
Legal implications, regulatory and consultation		None
Action required by the Board:		
The Trust Board is asked to receive the Performance Report and the exception reports provided for indicators that are either 'red' in month, or at risk year to date		
Date	Wednesday 30th January 2013	



### Patient Safety, Quality & Experience:

Overall performance against our key safety and quality indicators is satisfactory although there are a number of areas highlighted that are still not meeting the target. Most notable concerns are:

Pressure ulcers, the numbers of grade 3 & 4 pressure ulcers rose in month and overall we have not seen the required reduction.

Healthcare Acquired infections remain a concern as we are currently above our trajectory for both MRSA and Cdiff. 1 new case of C-Diff reported in December.

Finally the number of complaints is high compared to last year. Plans are in place to address this issue.

### Workforce:

The total pay bill was below plan for December but is still above plan YTD, the number of FTEs in post is also slightly higher than plan. Agency staff pay is above planned levels.

Sickness absence is very slightly above plan and any specific problem areas are identified and challenged at directorate performance review meetings.

### Operational Performance:

Only two operational targets were not achieved in December. The first High Risk TIA fully investigated and treated within 24 hours did not meet our very challenging locally extended target of 90%. It should be noted however our performance is well above the national target which is currently 60%. The benchmarking report this month also shows that we are better than national average in this indicator.

The Second target we did not meet in December was a newly developed target to assess our data quality. Actions will be developed to address this once further investigation has been undertaken.

On a positive note all cancer targets were achieved in December.

As stated the benchmarking report this month focuses on key national performance targets and illustrates how our performance compares with the national position.

### Finance & Efficiency:

Overall we remain on track against our financial plan and we still anticipate achieving at year end. Our Monitor Financial Risk Rating remains 3.

Monthly Performance meetings continue for each directorate with Exec Directors (Medical, Nursing, Finance and HR) to review performance.

Separate Monthly Finance meetings to be reinstated to provide a more detailed Finance review. Monthly CIP monitoring meetings held with directorates, PMO, Finance and HR. Monthly Capital Investment Group meetings held with Facilities, Finance and directorates. Additional weekly "special measures" review meetings now held with Planned directorate to monitor and review action plans on CIP delivery and recovery of overspend.

### General:

This month there are two new sections to the report. The first provides an assessment of data quality, the focus is on the quality of data submitted to SUS using the comparisons made by the Information Centre. Our intention is to develop this further to take account of local DQ measures. The second update is a new section that focusses on a specific area with the aim of triangulating a range of metrics across workforce, finance, operational performance and quality. This month's focus provides the board with the Data triangulation and Performance on a Page for the Acute Directorate.

## Balanced Scorecard







To achieve the highest possible clinical standards for our patients in terms of outcomes, safety and experience						
Patient Safety, Quality & Experience	Annual Target	Actual Performance	YTD	Month Trend	12/13 Forecast	
Summary Hospital-level Mortality Indicator (SHMI)*	1.0856	1.0734	Q3	1.0734		1.0734
Hospital Standardised Mortality Ratio (HSMR)	TBC		11/12	107		TBC
Patients admitted that develop a grade 3 or 4 pressure ulcer	TBC	0.49%	Dec-12	TBC	↘	TBC
Level 1 & 2 CAHMS seen within 18 weeks referral to treatment	100%	100%	Dec-12		↗	100%
Improving nutrition and meal times	100%	TBC		TBC		TBC
Number of children 16 or under admitted to an Adult MH Ward	0	0	Dec-12	0	↔	0
Inpatients >75 wll be screened for dementia within 72 hours	90%	95.60%	Dec-12	90.90%		TBC
28 Day readmission rate in MH	9%	14%	Nov-12		↗	TBC
MRSA	1	0	Dec-12	2	↔	TBC
C.Diff	13	1	Dec-12	11	↘	TBC
Clinical Incidents (Major/Catastrophic) resulting in harm	TBC	5	Dec-12	59		TBC
Falls - resulting in significant injury	24	0	Dec-12	11	↗	<24
VTE	90%	93.81%	Dec-12	92.78%	↗	>90%
Delivering C-Section	20%	18.95%	Dec-12	20.40%	↗	<21%
Normal Vaginal Deliveries	65%	81.05%	Dec-12	68.59%	↗	>65%
Breast Feeding	75%	75.79%	Dec-12	73.64%	↗	>75%
Formal Complaints	299	23	Dec-12	282	↗	>299
Patient Satisfaction (Net Promoter Score)						
Mixed Sex Accommodation	0	0	Dec-12	15	↔	15

To develop our people, culture and workforce competencies to implement our vision and clinical strategy						
Workforce	In Month Target	Actual Performance	YTD	Month Trend	12/13 Forecast	
Total workforce SIP (FTEs)	2,668.0	2,712.0	Dec-12	n/a	↘	
Total pay costs (inc flexible working) (£000)	£9,731	£9,673	Dec-12	£87,427	↗	£85,729
Agency staff use (FTE)	181.1	90	Dec-12	1431.2	↘	1648.2
Agency staff pay (£000)	£320	£522	Dec-12	£5,612	↘	£1,582
Staff absences	3.0%	3.26%	Dec-12	3.49%	↘	3%
Staff Turnover	5%	0.47%	Dec-12	5.09%	↗	
Mandatory Training	80%	66%	Dec-12	66%	↗	
Appraisal Monitoring	100%	3.0%	Dec-12	64.9%	↘	
Employee Relations Cases	0	119	Dec-12	519		

To build the resilience of our services and organisation						
Operational Performance	Annual Target	Actual Performance	YTD	Month Trend	12/13 Forecast	
Emergency Care 4 hour Standards	95%	95.32%	Dec-12	95.28%	↘	>95%
Ambulance Category A Calls % < 8 minutes	75%	76.02%	Dec-12	76.93%	↘	>75%
Ambulance Category A Calls % < 19 minutes	95%	98.11%	Dec-12	97.49%	↘	>95%
Stroke patients (90% of stay on Stroke Unit)	80%	96.77%	Dec-12	86.00%	↘	
High risk TIA fully investigated & treated within 24 hours	90%	85.71%	Dec-12	71.35%	↗	
Breast Cancer Referrals Seen <2 weeks*	93%	95.10%	Dec-12	92.70%	↗	93%
Cancer Patients receiving subsequent Chemo/Drug <31 days*	98%	100.00%	Dec-12	99.59%	↔	100%
Cancer Patients receiving subsequent surgery <31 days*	94%	100.00%	Dec-12	97.55%	↗	>94%
Cancer Patients treated after screening referral <62 days*	90%	100.00%	Dec-12	100.00%	↔	100%
Cancer Patients treated after consultant upgrade <62 days*	85%	100.00%	Dec-12	100.00%	↔	100%
Cancer diagnosis to treatment <31 days*	96%	100.00%	Dec-12	98.88%	↗	>96%
Cancer urgent referral to treatment <62 days*	85%	96.97%	Dec-12	91.69%	↗	>85%
Cancer patients seen <14 days after urgent GP referral*	93%	93.93%	Dec-12	93.47%	↗	
RTT-% of admitted patients who waited 18 weeks or less	90%	94.33%	Nov-12		↗	>90%
RTT: % of non-admitted patients who waited 18 weeks or less	95%	97.85%	Nov-12		↘	>95%
RTT % of incomplete pathways within 18 weeks	92%	95.53%	Nov-12		↗	>92%
No. Patients waiting > 6 weeks for diagnostic	100	4	Dec-12	6	↘	<10
% .Patients waiting > 6 weeks for diagnostic	1%	0.4%	Dec-12		↘	0.1%
Elective Activity (Spells) (M8 target - 726)	8551	818	Nov-12	6,125	↗	
Non Elective Activity (Spells) (M8 target - 1,140)	13,199	1,137	Nov-12	9,039	↘	
Outpatient Activity (Attendances) (M8 target - 11,682)	137,505	12,856	Nov-12	98,409	↗	
Data Quality	2	5.5	Nov-12	n/a	↔	

To improve the productivity and efficiency of the trust, building greater financial sustainability						
Finance & Efficiency	Annual Target	Actual Performance	YTD	Month Trend	12/13 Forecast	
Acheivement of financial plan	£500k	100%	Dec-12	100%	↔	£500k
Underlying performance	£500k	100%	Dec-12	100%	↔	£500k
Net return after financing	0.50%	N/A	Dec-12	1%	↔	
I&E surplus margin net of dividend	=>1	N/A	Dec-12	TBC	-	
Liquidity ratio days	=>15	TBC	Dec-12	63	↗	
Monitor Financial risk rating	3	3	Dec-12	3	↔	
Capital Expenditure as a % of YTD plan	=>75%	N/A	Dec-12	52%	↘	
Quarter end cash balance (days of operating expenses)	=>10	12	Dec-12	90	↗	
Debtors over 90 days as a % of total debtor balance	=<5%	N/A	Dec-12	22%	↗	
Creditors over 90 days as a % of total creditor balance	=<5%	N/A	Dec-12	0%	↔	
Recurring CIP savings achieved	100%	N/A	Dec-12	55%	↗	
Total CIP savings achieved	100%	N/A	Dec-12	103%	↘	
Contract Penalties	TBC		Dec-12			
Theatre utilisation	83%	81.51%	Nov-12	83.70%	↗	
Cancelled operations on day of / after admission	0.42%	0.70%	Nov-12	0.71%	↘	
Average LOS Elective (non-same day)	TBC	3.06	Dec-12	3.07		
Average LOS Non Elective (non-same day)	TBC	8.23	Dec-12	7.86	↗	
Outpatient DNA Rate	TBC	8.17%	Dec-12	7.70%	↘	
Emergency Readmissions within 30 days	TBC	7.02%	Dec-12	6.2%	↗	
Daycase Rate	0.75	0.74	Nov-12	0.75	↗	
Project Management - Due milestones met	80%	68%	Dec-12	89%	↘	

*\*Cancer measures for December are provisional figures*

Delivering or exceeding Target		Improvement on previous month	
Underachieving Target		No change to previous month	
Failing Target		Deterioration on previous month	

## Highlights

- No new cases of MRSA
- No Falls resulting in significant injury during December
- C-Section Delivery is below target for the month
- Excellent performance for Stroke Patients 90% of stay on Stroke unit sustained
- Breast Cancer referrals seen within 2 weeks achieved in month
- Cancer 31 Day subsequent Surgery achieved 100%
- All Cancer targets achieved in month

## Lowlights

- Pressure Ulcers increased
- 1 new case of C-Diff
- Complaints
- Significant improvement in High Risk TIA but still below extended target
- Data Quality
- Capital expenditure (invoices paid)
- Debtors over 90 days

# Isle of Wight NHS Trust Board Performance Report 2012/13

December 2012

## Pressure Ulcers

### Analysis: *Quality Account Priority: Prevention & Management of Pressure Ulcers*

KPI No	KPI Description	Frequency	Year	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
1	Percentage of patients admitted who develop a pressure ulcer grade 2 and above	Monthly		1.05%	0.80%	0.56%	1.34%	1.26%	0.86%	1.08%	1.22%	1.18%			
2	Prevalence of pressure ulcers grade 2 and above, in the hospital setting on a month by month basis	Monthly		4.68%	3.43%	0.48%	1.83%	1.33%	1.33%	2.60%	0.87%	0.50%			
3	Reduce the number of patients with grade 3 and 4 pressure ulcers by 25% based on 2011/12 baseline	Monthly	2011/12	0.17%	0.66%	0.43%	0.26%	0.25%	0.16%	0.33%	0.32%	0.34%	0.38%	0.28%	0.08%
			2012/13	0.15%	0.00%	0.37%	0.09%	0.34%	0.19%	0.54%	0.26%	0.49%			

### Commentary

Overall prevalence of patients with pressure ulcers fell last month, indicating that there were less patients at any one time on the wards with pressure ulcers acquired whilst in hospital. Overall incidence of patients acquiring pressure ulcers during admission fell slightly, but the numbers of the most serious grade 3 and 4 pressure ulcers rose disappointingly.

The Nutrition and Tissue Viability Service is now visiting all wards on a weekly basis to support ward areas in the correct reporting of pressure ulcers, correct allocation of equipment and prompt recognition of patients at serious risk of skin breakdown. There is also ongoing work to ensure that the quality of care planning in this area improves to ensure that patients' needs are being met effectively.



### Commentary:

#### Clostridium difficile

The Trust has had 1 case of C.difficile in December 2012; the total has increased to 11 YTD.

Work commenced in September on improving compliance with hand hygiene training requirements, ensuring the right anti-microbials are prescribed, and the ward environments are rated as green for infection control.

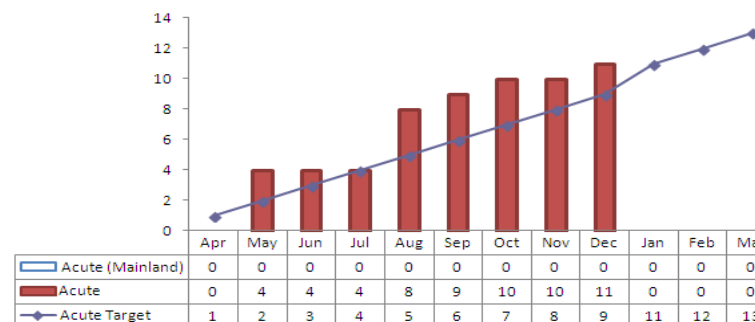
There has been a marked improvement in the environmental audits, data for the hand hygiene training is being collated at time of report, and antimicrobial prescribing and administering

#### MRSA Bacteraemia

There were no new MRSA bacteraemia cases in December 2012

### Analysis:

Acute Target - Acute Acquired Cases (Cumulative)



MRSA	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	YTD
Acute Target	1	0	0	0	0	0	0	0	0	0	0	0	1
Actual	0	1	0	0	0	1	0	0	0				2

### Action Plan:

### Person Responsible:

### Date:

### Status:

All cases continue to be subject to root cause analysis to identify actions necessary to ensure the trajectory remains achieved. A risk register entry for this target is being prepared by the DIPC in conjunction with the infection prevention and control team.

Acting Executive  
Director of Nursing

Ongoing

An external review was undertaken by Prof. Janice Stevens on 19th November and a report and recommendations has been received. An action plan is being generated and this will be recommended by the Quality and Clinical Performance Committee in January.

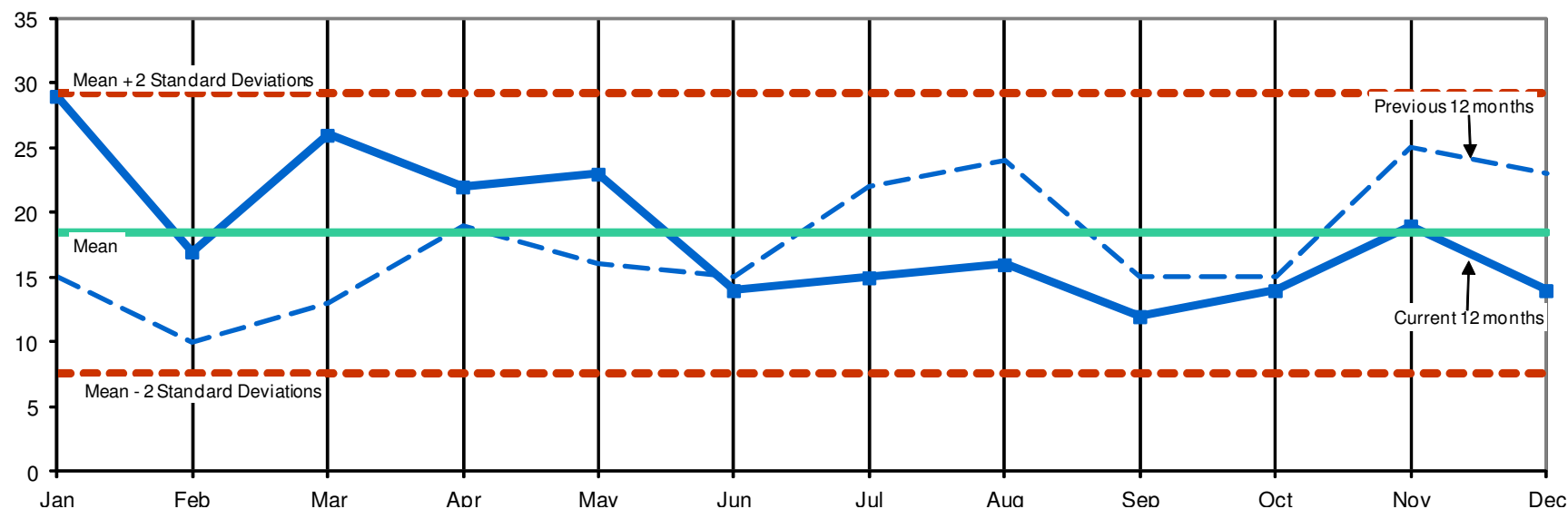
Acting Executive  
Director of Nursing

Jan-13

In progress

## Analysis:

KPI No	KPI Description	Frequency	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
1	Number of Slips, Trips & Falls Resulting in Injury	Monthly	22	23	14	15	16	12	14	19	14			
2	Number of Slips, Trips & Falls Resulting in Serious Injury	Monthly	3	0	2	0	2	2	1	3	0			



## Commentary

This indicator looks at the proportion of slips/trips/falls that have resulted in serious or extreme injury.

The Trust should be aiming for no slips/trips/falls that result in serious or extreme injury

During December 12 there were 66 slips/trips/falls reported and of these, 14 resulted in injury and none were Major or Catastrophic.

\*Figures correct at time of producing this report, however may change at future date due to re-grading of incident - earlier figures have been updated, since reporting in previous reports.

### Commentary:

There were 23 provider complaints received in December 2012 (35 previous month).

From the primary subjects it can be seen that there was an increase of 2 in the number of complaints about staff attitude.

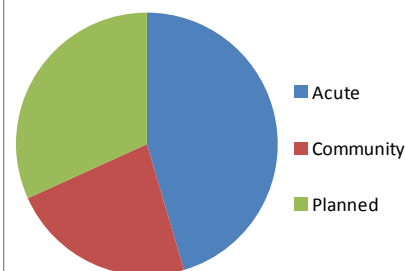
The number of complaints relating to nursing care has increased by 5 whilst those regarding clinical care have seen a decrease of 4.

The Trust needs to continue to focus on managing concerns effectively at a local level to ensure that less are escalated to the formal NHS Complaints Process.

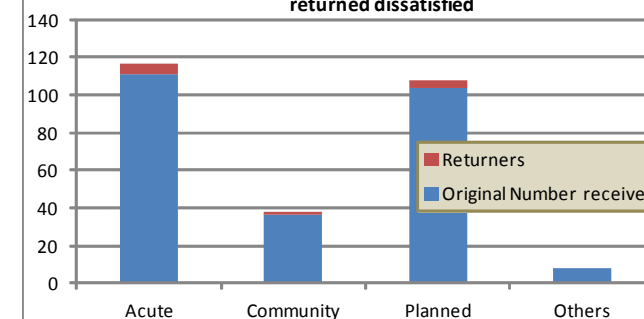
**Analysis:** Table showing complaints by primary subject:

Primary Subject	Dec 2011	Nov 2012	Dec 2012	CHANGE	RAG rating
Clinical Care	7	11	7	-4	↓
Nursing Care	2	1	6	5	↑
Staff Attitude	2	4	6	2	↑
Communication	1	5	0	-5	↓
Outpatient Appointment Delay / Cancellation	0	6	0	-6	↓
Inpatient Appointment Delay / Cancellation	0	2	0	-2	↓
Admission / Discharge / Transfer Arrangements	1	2	0	-2	↓
Aids and appliances, equipment and premises	0	0	0	0	→
Transport	1	3	0	-3	↓
Consent to treatment	0	0	0	0	→
Failure to follow agreed procedure	0	0	0	0	→
Hotel services (including food)	0	1	0	-1	↓
Patients status/discrimination (e.g. racial, gender)	0	0	0	0	→
Privacy & Dignity	0	0	2	2	↑
Other	0	0	2	2	↑

Complaints By Directorate - December 12



Complaints received Apr 12 to date including those who returned dissatisfied



### Action Plan:

We are looking at making the Patient Experience Officers more visible in order to be more accessible to patients, therefore dealing with concerns immediately, to support the reduction in those that escalate to formal complaints.

As part of the change in how we work, we will be looking at the PEOs supporting and educating staff in dealing and managing the concerns.

### Person Responsible:

Executive Director of Nursing & Workforce  
/ Provider Quality Manager

Executive Director of Nursing & Workforce  
/ Provider Quality Manager

### Date:

Jan-13

Jan-13

### Status:

Ongoing

Ongoing

### Commentary:

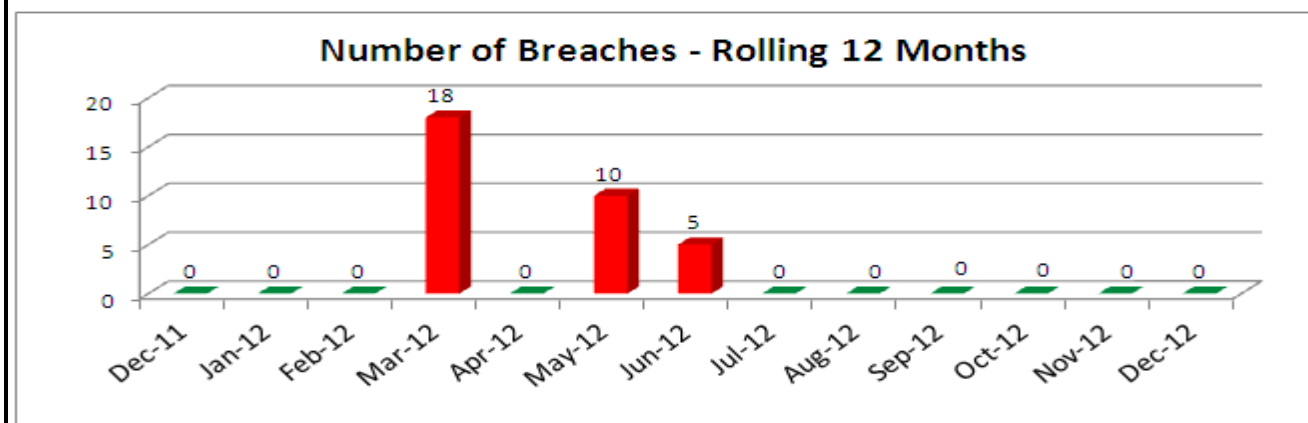
For the sixth consecutive month there have been no single sex accommodation breaches.

We continue to achieve zero tolerance for mixed sex accommodation despite significant pressures on bed and infection control challenges. We are reviewing how we utilise our side rooms to best effect in accordance with best practice guidance.

The Bed Management Team continue to provide excellent support during potentially difficult times coordinating patient flow and meeting our mixed sex accommodation targets.

### Analysis:

Graph showing mixed sex accommodation breaches trend



### Action Plan:

### Person Responsible:

### Date:

### Status:

### Commentary:

Performance continues to fluctuate in both of these key stroke KPIs, with occasional months where the target is not achieved. Actions are underway to ensure sustainable delivery of these targets.

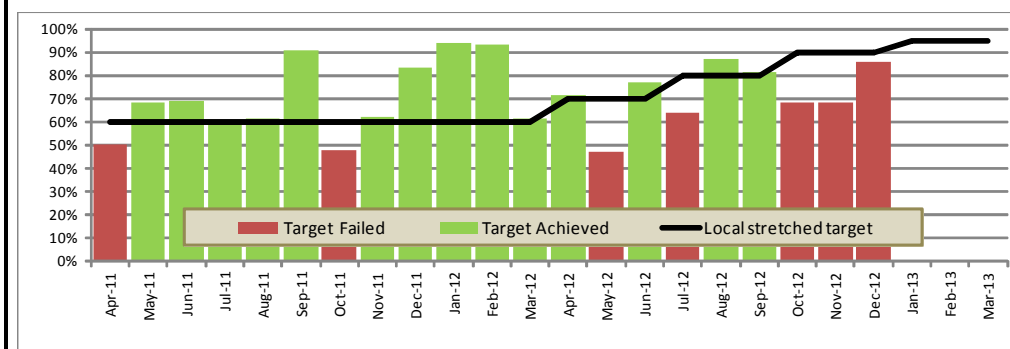
### Proportion of people with high-risk TIA fully investigated and treated within 24 hours:

The trust is meeting the National target for this indicator of 60%

Of the 2 breaches this month, 1 was due to a delayed referral and 1 due to being unable to contact the patient.

### Analysis:

Proportion of people with high-risk TIA fully investigated and treated within 24 hours:



### Action Plan:

Patients declining appointments - Requires guidance from National Stroke Network about how to resolve this, as it felt it is unachievable due to patient decline of appointment and small numbers seen on the IOW.

Frequent deviance from identified TIA pathway which can lead to delay in referral - Action Lead(s) conduct monthly data analysis to monitor compliance with pathway and liaise with medical team as appropriate to improve compliance.

Ambulance service to commence direct referrals to TIA Clinic

### Person Responsible:

Clinical Lead for Stroke

Clinical Lead for Stroke

Clinical Lead for Stroke / Clinical Practice Development Officer (Ambulance)

### Date:

Ongoing

07/09/2012

Feb-13

### Status:

13.8.2012: Leaflets now available, posters developed in GP surgeries, nurse reiterates the importance of the patient attending the appointment  
13.8.2012: Initial contact made by Clinical Lead for Stroke for request of guidance

17/12/12 Audit ongoing. JJ and PIDs working with Regional Stroke data analyst to look at whole years figures and develop action plan from this

19.11.2012: The Clinical Practice Development Officer is currently looking in to best method of receiving referrals. PGD for Aspirin under development. Stroke & TIA recognition training already undertaken by all ambulance personnel. 17/12/12. proposal developed. meeting with commissioners on 8/1/13 to discuss impact on Ambulance service. To take proposal to CCG in January. Probable 6 month pilot to identify impact on current resources



# Isle of Wight NHS Trust Board Performance Report 2012/13

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## Data Quality

### Commentary:

The information centre carry out an analysis of the quality of provider data submitted to SUS. They review 3 main data sets - Admitted Patient Care, Outpatients and A&E.

Based on this analysis there are a number of areas within each data set where we show as having invalid records in excess of the national average. One area of particular concern is the high proportion of records with an invalid Ethnic category in the OP & A&E datasets as this is the focus of a national target.

### Analysis:

Total APC General Episodes: 20,749

Data Item	Invalid Records	Provider % Valid	National % Valid
NHS Number	368	98.2%	99.0%
Patient Pathway	5990	0.2%	55.3%
Treatment Function	0	100.0%	99.8%
Main Specialty	0	100.0%	100.0%
Reg GP Practice	2	100.0%	99.9%
Postcode	5	100.0%	99.9%
PCT of Residence	19	99.9%	99.2%
Commissioner	47	99.8%	99.3%
Primary Diagnosis	1533	92.6%	98.5%
Primary Procedure	0	100.0%	99.5%
Ethnic Category	0	100.0%	98.2%
Neonatal Level of Care	0	100.0%	98.8%
Site of Treatment	0	100.0%	95.7%
HRG4	1535	92.6%	98.3%

Total Outpatient General Episodes: 107,215

Data Item	Invalid Records	Provider % Valid	National % Valid
NHS Number	831	99.2%	99.0%
Patient Pathway	98731	0.0%	55.3%
Treatment Function	0	100.0%	99.8%
Main Specialty	0	100.0%	100.0%
Reg GP Practice	2	100.0%	99.9%
Postcode	6	100.0%	99.9%
PCT of Residence	5	100.0%	99.2%
Commissioner	30	100.0%	99.3%
First Attendance	0	100.0%	98.5%
Attendance Indicator	1	100.0%	99.5%
Referral Source	1097	99.0%	98.5%
Referral Rec'd Date	1097	99.0%	99.5%
Attendance Outcome	55	99.9%	98.5%
Priority Type	1097	99.0%	99.5%
OP Primary Procedure	0	100.0%	98.2%
Ethnic Category	41903	60.9%	98.8%
Site of Treatment	0	100.0%	95.7%
HRG4	5	100.0%	98.3%

Total A&E Attendances: 29,790

Data Item	Invalid Records	Provider % Valid	National % Valid
NHS Number	771	97.4%	99.0%
Registered GP Practice	16	99.9%	55.3%
Postcode	7	100.0%	99.8%
PCT of Residence	58	99.8%	100.0%
Commissioner	297	99.0%	99.9%
Attendance Disposal	361	98.8%	99.9%
Patient Group	1	100.0%	99.2%
First Investigation	463	98.4%	99.3%
First Treatment	1948	93.5%	98.5%
Conclusion Time	315	98.9%	99.5%
Ethnic Category	14193	52.4%	98.2%
Departure Time	247	99.2%	98.8%
Department Type	0	100.0%	95.7%
HRG4	606	98.0%	98.3%

#### Key:

● % valid is equal to or greater than the national rate

● % valid is up to 0.5% below the national rate

● % valid is more than 0.5% below the national rate

### Action Plan:

### Person Responsible:

### Date:

### Status:

Undertake a detailed review of the information provided by the Information Centre and compare with our local data sources.

Identify and implement 'quick wins'

Develop a detailed action plan to improve quality of data submitted to SUS.

Head of Information / Asst. Director - PIDS

Mar - 13

Ongoing

# Isle of Wight NHS Trust Board Performance Report 2012/13

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## Workforce – Key Performance Indicators

Measure	Period	Month Target/Plan	Month Actual	In Month Variance	RAG rating	In Month Final RAG Rating	Trend from last month
Workforce FTE	Dec-12	2668	2712	44	!		↑
Workforce Variable FTE	Dec-12	181	90	-91	✓		↓
Workforce Total FTE	Dec-12	2849	2802	-48	✓	✓	↔

	Period	Month Target/Plan	Month Actual	In Month Variance	RAG rating	Year-to Date Final RAG Rating	
<b>Finance</b>							
In Month Staff In Post Paybill	Dec-12	£9,644	£9,155	-£489	✓		↑
In Month CIP	Dec-12	-£233	-£4	£229			↓
Total In Month Staff In Post Paybill	Dec-12	£9,411	£9,151	-£260			↓
In Month Variable Hours	Dec-12	£320	£522	202	✗		↓
In Month Total Paybill	Dec-12	£9,731	£9,673	-59	✓		↑
Year-to Date Paybill	Dec-12	£85,729	£87,427	1,698	✗	✗	

Sickness Absence	Period	Month Target/Plan	Month Actual	RAG Rating
In Month Absence Rate	Dec-12	3%	3.26%	!

Key			
✓	Green - On Target		
!	Amber - Mitigating/corrective action believed to be achievable		
✗	Red - Significant challenge to delivery of target		

### Action:

All data is monitored with the Finance team, weekly, fortnightly and monthly. Extraordinary meetings are held with Clinical Directorates to discuss variances and courses of action. The HR Directorate is closely monitoring and supporting clinical directorates with their workforce plans, in particular their control over their spend of variable hours. This will form the basis of the summary workforce actions and plans for this month to enhance progress and monitoring individual schemes. Significant action has been taken by directorates to reduce hours spend.

### Data Source:

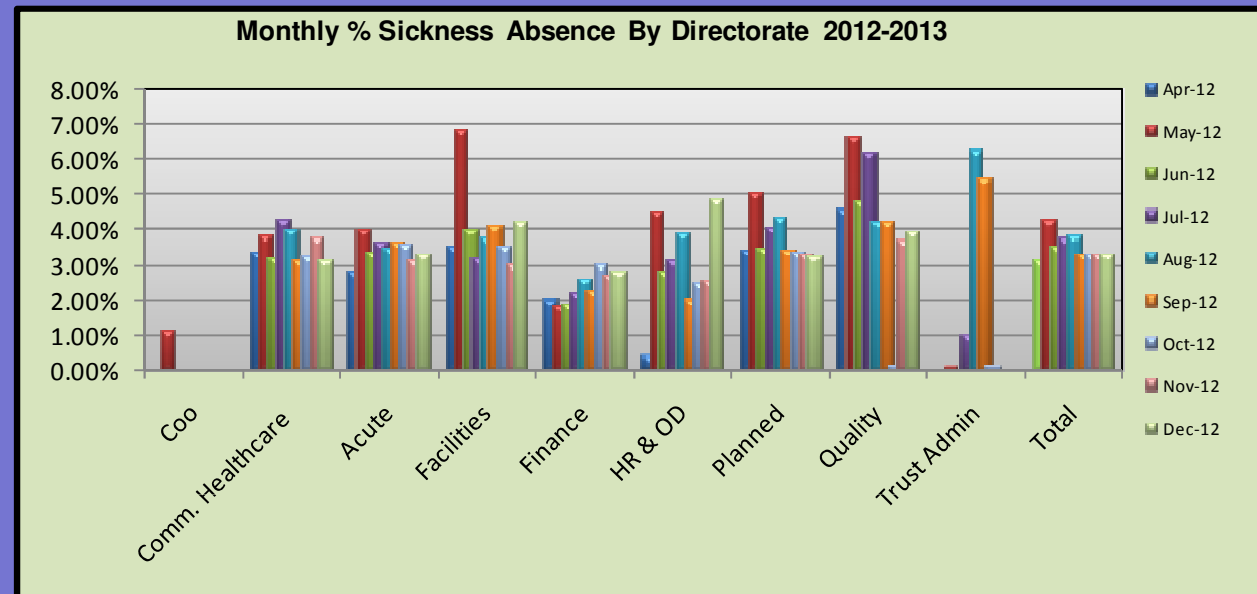
FTE data, and Absence data, all taken directly from ESR, Financial Data, provided by Finance

### Commentary:

Detailed Analysis of all long term sickness absence is sent to Occupational Health, Health & Safety and Back Care. Associate Directors, Quality and Finance are also informed.

Actions are followed up at Performance Review and Directorate Meetings.

Short term absence is being addressed by the introduction of the Bradford Score.


















Action	Person Responsible	Date	Directorate monitoring
Actively promoting Bradford Score System training currently underway, focussing on areas with high absence rates, to encourage a timely return to work. Any issues referred to Occupational Health Department for review. Occupational Health are trying to reduce referral times.	Departmental Managers	Ongoing	Acute
Community Directorate is starting to work with Bradford Score to identify short term absence – actively managing long term sickness	Departmental Managers	Ongoing	Community
HR are working closely with Planned to ensure Mandatory refresher training on sickness is carried out, alongside a two week focus on holding absence review meetings – (triggered from 3 episodes in 3 months sickness absence) and a RTW audit for compliance by matrons / general managers.	Departmental Managers/HR	Ongoing	Planned

# Isle of Wight NHS Trust Board Performance Report 2012/13

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## Key Performance Indicators Month 9

Performance Area	Commentary	RAG Rating In Month	RAG Rating YTD	RAG Rating Full Year Forecast
<b>Financial Risk Rating</b>	<ul style="list-style-type: none"> <li>Overall Ratings unchanged from prior month, overall rating of 3 after normalisation adjustments.</li> </ul>	Green 	Green 	Green 
<b>Summary</b>	<ul style="list-style-type: none"> <li>I&amp;E position on plan in the month (£42k surplus vs £42k plan). YTD £375k surplus vs YTD plan £374k. Year end forecast of £500k surplus on plan.</li> </ul>	Green 	Green 	Green 
<b>Cost Improvement Programme (CIP)</b>	<ul style="list-style-type: none"> <li>Month - CIPs of £1473k vs plan of £1438k. YTD have delivered £5,256k against a plan of £5,123k. £381k of banked CIPs have been brought forward in the month.</li> </ul>	Green 	Green 	Green 
<b>Working Capital &amp; Treasury</b>	<ul style="list-style-type: none"> <li>Cash 'in-hand' and 'at-bank' is £12,183k.</li> </ul>	Green 	Green 	Green 
<b>Capital</b>	<ul style="list-style-type: none"> <li>Capital plan currently £15.2m. All capital now allocated for 12-13. YTD spend £5.6m.</li> </ul>	Amber / Green 	Amber / Green 	Amber / Green 

**Commentary:** Monthly Performance meetings continue for each directorate with Exec Directors (Medical, Nursing, Finance and HR) to review performance. Monthly Capital Investment Group meetings held with Facilities, Finance and directorates. Weekly financial review meetings held with Planned directorate to monitor and review action plans on CIP delivery and recovery of overspend.

# Isle of Wight NHS Trust Board Performance Report 2012/13

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## Income & Expenditure – Key Highlights

(in £'000)	Month			YTD			Full Year		
	Budget	Actual	Actual v Budget (+ over / - under)	Budget	Actual	Actual v Budget (+ over / - under)	Budget	Forecast	Forecast v Budget (+ over / - under)
<b>I&amp;E by subjective:</b>									
<b>Income</b>									
Income - Patient Care Revenue	12,183	12,188	5	110,805	110,689	(116)	147,713	148,216	503
Acute	318	256	(62)	2,866	3,617	750	3,821	4,821	1,000
Planned	255	176	(79)	2,494	3,100	606	3,191	3,999	808
Community	264	277	13	2,214	2,340	127	2,879	3,048	169
Corporate	411	592	181	4,136	4,425	289	5,442	5,729	287
Reserves	-	-	-	-	-	-	-	-	-
<b>Total Income</b>	13,431	13,490	59	122,515	124,171	1,656	163,047	165,813	2,766
<b>Pay</b>									
Acute	2,865	3,010	146	25,640	26,509	869	34,255	35,212	957
Planned	2,688	2,623	(65)	23,557	24,508	951	31,261	32,546	1,285
Community	2,737	2,683	(54)	23,712	23,786	74	31,476	31,660	184
Corporate	1,442	1,357	(85)	12,820	12,624	(195)	17,207	16,714	(493)
Reserves	-	-	-	-	-	-	-	-	-
<b>Total Pay</b>	9,731	9,673	(59)	85,729	87,427	1,698	114,199	116,131	1,932
<b>Non-Pay</b>									
Acute	988	892	(95)	8,801	8,807	7	10,852	10,861	9
Planned	796	769	(27)	6,713	7,846	1,133	8,306	9,468	1,161
Community	391	317	(74)	3,692	3,340	(352)	5,032	4,562	(470)
Corporate	1,868	1,797	(71)	16,236	16,376	140	21,540	21,674	133
Reserves	(385)	(0)	384	971	-	(971)	2,618	2,618	-
<b>Total Non-Pay</b>	3,658	3,775	117	36,413	36,370	(43)	48,348	49,182	834
<b>Net Surplus / (Loss)</b>	<b>42</b>	<b>42</b>	<b>1</b>	<b>374</b>	<b>375</b>	<b>1</b>	<b>500</b>	<b>500</b>	<b>1</b>
<b>EBITDA</b>	<b>42</b>	<b>41</b>	<b>(1)</b>	<b>375</b>	<b>364</b>	<b>(11)</b>	<b>501</b>	<b>502</b>	<b>1</b>
<b>EBITDA (adjusted for rent)</b>	<b>844</b>	<b>843</b>	<b>0</b>	<b>7,591</b>	<b>7,580</b>	<b>0</b>	<b>10,122</b>	<b>10,123</b>	<b>1</b>
<b>CIP's</b>	<b>1,438</b>	<b>1,473</b>	<b>35</b>	<b>5,123</b>	<b>5,256</b>	<b>133</b>	<b>7,271</b>	<b>7,383</b>	<b>112</b>
<b>Reserves</b>							<b>7,317</b>	<b>2,618</b>	<b>(4,698)</b>
<b>Transitional Funding</b>							<b>6,061</b>	<b>4,699</b>	<b>(1,362)</b>

### Overall Position:

The Month 9 surplus of £42k and YTD surplus of £375k is on plan. The full year forecast is to achieve our planned surplus of £500k. The primary assumption in the forecast is to achieve full CIP savings target of £7,270k, plus additional funding to cover some costs already incurred, e.g. SHA support for FT programme of £250k

**Income** - Income in the month is £59k higher than plan and include accruals for funding to be received from SHA for the FT programme (£250k) off set by lower income than budget in Acute and Planned. YTD income is higher than plan by £1,698k as RTA income and NCA income is higher than plan.

**Pay** - In month total pay is under spent by £59k primarily due to under spends in Planned, Community and Corporate. Acute is overspend by £146k in month due to accruals for high levels of sickness experienced during the Christmas and new year period and ongoing locum arrangements. The YTD pay overspend of £1,698k is mainly due to the Bank and Locum costs incurred in Acute and Planned.

**Non Pay** - The overspend of £117k in the month is due to the full year effect CIPs brought forward in the month being lower than the previous month by £384k. In month the directorates are lower than plan by £267k but Planned YTD overspend of £1,133k is a concern and reviewed weekly.

**Reserves** - Negative budgeted n month reserves due to timing differences of non PbR drugs funding, Mental health volume growth reserve, and EMH.

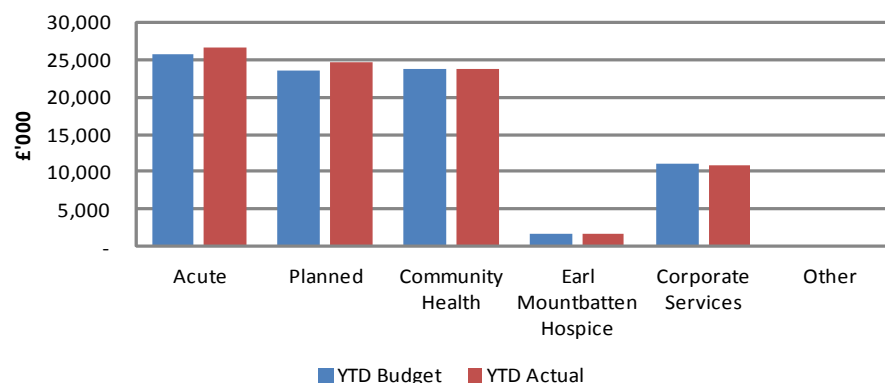
**CIP** - CIPs achieved in the month exceeded plan by £35k. Further analysis is provided on the CIP analysis page.

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## Income & Expenditure – Pay Analysis

**YTD Pay - Budget vs Actual Month 9**

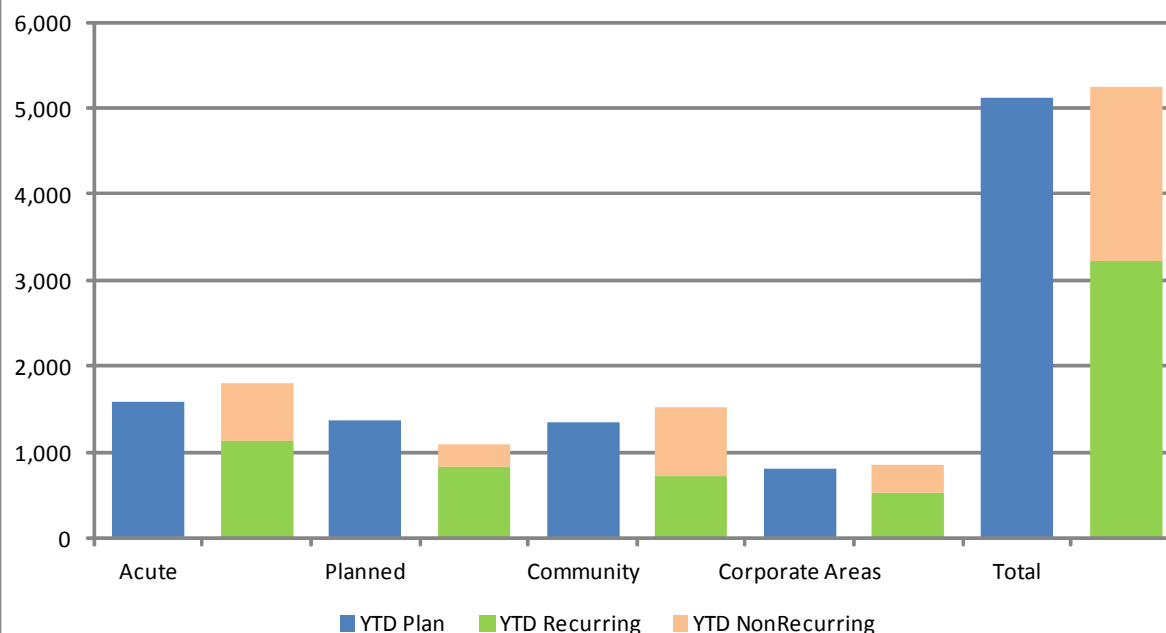


(in £'000)	Month			YTD			Full Year		
	Budget	Actual	Actual v Budget (+ over / - under)	Budget	Actual	Actual v Budget (+ over / - under)	Budget	Forecast	Forecast v Budget (+ over / - under)
<b>Pay</b>	-	-	-	-	-	-	-	-	-
Acute	2,865	3,010	146	25,640	26,509	869	34,255	35,212	957
Planned	2,688	2,623	(65)	23,557	24,508	951	31,261	32,546	1,285
Community	2,737	2,683	(54)	23,712	23,786	74	31,476	31,660	184
Corporate	1,442	1,357	(85)	12,820	12,624	(195)	17,207	16,714	(493)
Reserves	-	-	-	-	-	-	-	-	-
<b>Total Pay</b>	<b>9,731</b>	<b>9,673</b>	<b>(59)</b>	<b>85,729</b>	<b>87,427</b>	<b>1,698</b>	<b>114,199</b>	<b>116,131</b>	<b>1,932</b>

Commentary: The graph and the table above show a total adverse YTD variance against pay budgets of £1,698k at month 9 and small underspend of £59k in the month. The YTD pay overspend is primarily due to bank & agency costs, Locum costs, unachieved vacancy factor (YTD budget £1,402) and unachieved Pay CIPs. Medics recruitment is an ongoing concern and is now identified on the risk register. Both Acute and Planned directorates are incurring high Locum costs. However, it is encouraging to see Planned and Community with an in month favourable variance of £65k and £54k respectively.

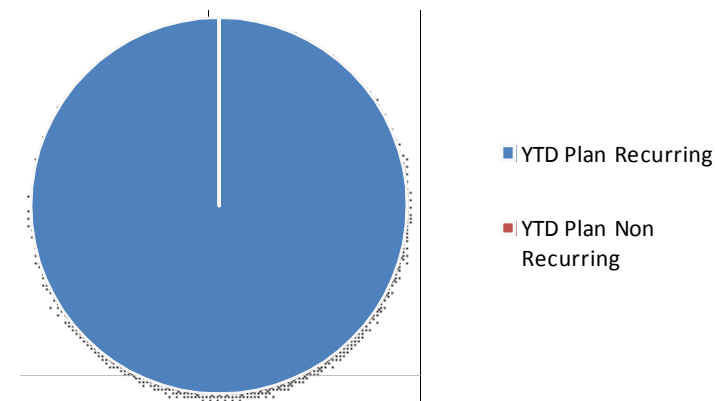
Action Plan	Person responsible	Date	Committee monitoring delivery
A project is currently underway to review the rates of bank staff to encourage more bank workers to join the Trust and reduce the amount of Agency staff used	Hilary Salisbury / Sarah Johnston	Ongoing	Finance Investment & Workforce committee
Detailed review of the Paybill discussed at Monthly Directorate Performance Reviews	Senior HR Managers / Associate Directors	Monthly	Finance Investment & Workforce committee
Detailed analysis of variable hours usage	Workforce Planning & Information Manager	Ongoing	Finance Investment & Workforce committee
Recruitment Scrutiny of all vacancies	Senior HR Manager / Resourcing Manager	Ongoing	Finance Investment & Workforce committee

### IOW NHS Trust - CIP YTD Plan vs YTD Achieved

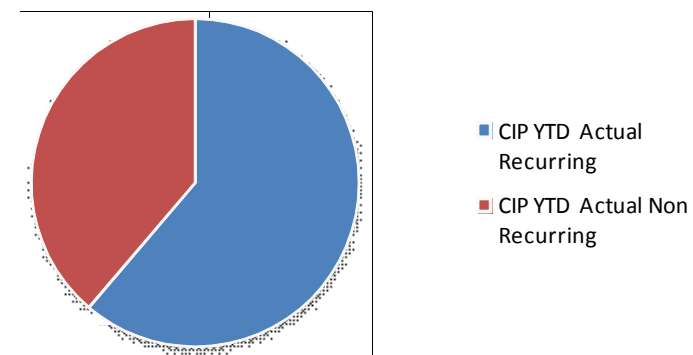


The YTD CIP achievement of £5,256k was higher than the target of £5,123k by £133k. The YTD achievement includes the recognition of £381k from future months. A significant improvement with CIP forecast to be £112k over the full year plan.

### CIP Status - Year to date Plan in 000's



### CIP Status - YTD Actual in 000's





# Isle of Wight NHS Trust Board Performance Report 2012/13

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## Cost Improvement Programme – CIP by Directorate

Cost Centre	Year to date (£'000)						Annual (£'000)					Next Year (£'000)
Directorate	Plan	Actual - Rec	Actual - Non Rec	Full Year Impact	Actual - Total	Variance	Plan	Forecast - Rec	Forecast - Non Rec	Forecast - Total	Variance	Risk of CIP c/fwd
Acute	1,589	972	652	169	1,792	203	2,273	2,056	215	2,271	(1)	216
Planned	1,373	779	268	48	1,095	(278)	2,035	1,762	268	2,030	(5)	273
Community Health	1,349	575	810	139	1,524	175	1,880	1,316	671	1,987	107	564
Unidentified CIP	0	0	0	0	0	0		0	0	0	0	0
Facilities	378	257	122	19	398	20	504	334	122	456	(48)	170
Finance & IM&T	194	80	144	-57	166	(28)	259	94	224	318	59	165
Human Resources	130	65	41	23	129	(1)	173	132	41	173	0	41
Trust Admin	52	52	0	21	73	21	70	70	0	70	0	0
Quality & Clinical Standards	42	42	0	14	56	14	56	56	0	56	0	0
Chief Operating Officer	17	17	0	6	22	6	22	22	0	22	0	0
<b>Grand Total</b>	<b>5,123</b>	<b>2,838</b>	<b>2,037</b>	<b>381</b>	<b>5,256</b>	<b>133</b>	<b>7,271</b>	<b>5,842</b>	<b>1,541</b>	<b>7,383</b>	<b>112</b>	<b>1,429</b>

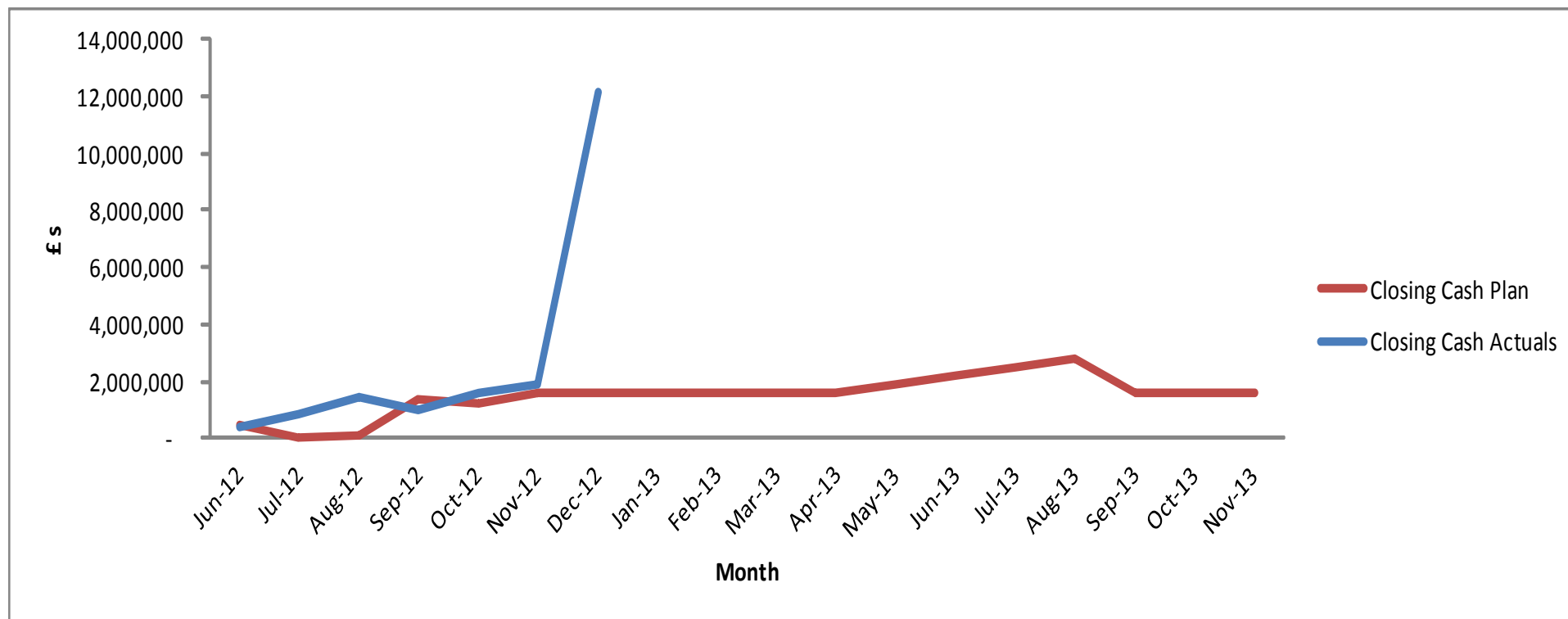
### Commentary:

As at month 9, the YTD CIP plan was overachieved by £133k. The Planned Directorate continue to be the major non-achiever YTD. The overall year end forecast is for an over achievement of the full year plan of £7,271k by £112k. This is dependent on a positive outcome from recent funding requests to commissioners. At this stage, the forecast non-recurring CIPs is £1,541k and the risk of carry forward if not mitigated is £1,429k. This is expected to be offset by the full year effect of recurring plans implemented part way through 12/13 and additional plans.

# Isle of Wight NHS Trust Board Performance Report 2012/13

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*Balance Sheet / Working Capital - Cashflow*



## Commentary:

At the end of December, cash in hand and at bank exceeded the planned balance of £1.9m by £10.2m leaving a closing cash balance of £12.1m. This is due to the year end balance sheet cash settlement being made by the PCT at the end of December. The majority of this cash will be returned to the PCT in January when the rental on property will be paid.

# Isle of Wight NHS Trust Board Performance Report 2012/13

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## Capital Programme – Capital Schemes

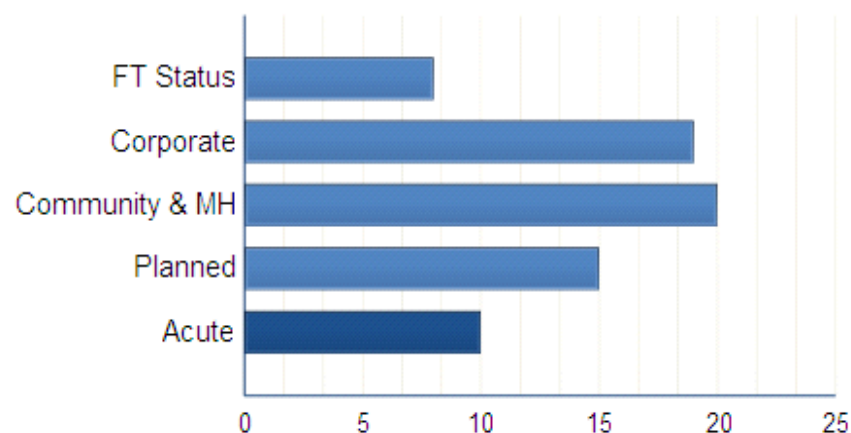
Capital Scheme	Annual Plan / Budget	YTD Spend	Full Year Cost Balance
	£'000	£'000	£'000
<b>Minor Schemes =&lt;£250k</b>	<b>1,893</b>	<b>320</b>	<b>1,573</b>
<b>Major Schemes &gt; £250k:</b>			
<b>Commitments b/fwd from 2011/12</b>	<b>1,957</b>	<b>1,492</b>	<b>465</b>
<b>Statutory Compliance: Backlog and fire safety</b>	<b>2,014</b>	<b>999</b>	<b>1,015</b>
<b>Backlog high/ medium risk</b>	<b>140</b>	<b>135</b>	<b>5</b>
<b>Helipad</b>	<b>1,453</b>	<b>527</b>	<b>926</b>
<b>Accident and Emergency refurbishment</b>	<b>1,303</b>	<b>458</b>	<b>845</b>
<b>Pathology Refurbishment</b>	<b>1,288</b>	<b>342</b>	<b>946</b>
<b>Development of the Hub - Communication Centre</b>	<b>608</b>	<b>557</b>	<b>51</b>
<b>Frontline Ambulances x3</b>	<b>542</b>	<b>115</b>	<b>427</b>
<b>Overflow Car Park</b>	<b>489</b>		<b>489</b>
<b>Old HSDU Refurb (Phase 1)</b>	<b>477</b>		<b>477</b>
<b>North Block Fire Alarms</b>	<b>364</b>	<b>76</b>	<b>288</b>
<b>Shackleton Newchurch Move</b>	<b>324</b>		<b>324</b>
<b>East Cowes Project</b>	<b>316</b>	<b>345</b>	<b>-29</b>
<b>Fire Stopping Sevenacres</b>	<b>272</b>	<b>81</b>	<b>191</b>
<b>Replacement of Mortuary Fridges</b>	<b>249</b>	<b>10</b>	<b>239</b>
<b>Trust Electronic Data Storage Infrastructure</b>	<b>360</b>		<b>360</b>
<b>IT replacement and GP IT</b>	<b>1,151</b>	<b>191</b>	<b>960</b>
<b>Gross Outline Capital Plan</b>	<b>15,200</b>	<b>5,648</b>	<b>9,552</b>

### Commentary:

Main Hospital Lifts are no longer deliverable by year end therefore in the Capital Plan as commitment into 13.14 (£280k)  
 All schemes expected to be delivered by year end  
 All capital now allocated for 12.13  
 Endoscopy Decontamination removed from schemes this year and needs to be reviewed. £296k reinvested  
 Contingency Cases for Changes being completed should there be any slippage by Acute & Community Directorates

### Analysis:

Total risks registered 72



Rank	Risk Title	Directorate	Type	Score
1	REPROVISION OF SHACKLETON HOUSE DEMENTIA UNIT (BAF 6.10)	COMMH	QCE	25
2	ENDOSCOPY NEW BUILD (BAF 6.10)	PLANND	QCE	25
3	LOW STAFFING LEVELS OF OCCUPATIONAL THERAPISTS ON THE REHABILITATION	COMMH	PATEXP	20
4	VACANCIES IN ADULT SPEECH & LANGUAGE THERAPY TEAM	COMMH	PATSAF	20
5	VACANT CONSULTANT PHYSICIAN POSTS	ACUTE	QCE	20
6	LOW STAFFING LEVELS WITHIN OCCUPATIONAL THERAPY ACUTE TEAM (BAF	COMMH	PATSAF	20
7	IMPLEMENTATION OF PRODUCTIVE COMMUNITY SERVICES (BAF 3.8)	COMMH	GOVCOM	20
8	HEATING IN NICU (BAF 2.22)	PLANND	PATSAF	20
9	LEADERSHIP (BAF: 4.9)	CORPRI	GOVCOM	20
10	ORGANISATIONAL FINANCIAL RISK (BAF: 5.26 & 9.67)	CORPRI	GOVCOM	20
11	RISK DUE TO BED CAPACITY PROBLEMS (BAF 2.22 & 6.12)	ACUTE	PATSAF	20
12	RISK OF NOT ACHIEVING THE A&E 4 HOUR TARGET (BAF 3.8)	ACUTE	QCE	20
13	BLOOD SCIENCES OUT-OF-HOURS STAFFING (BAF 4.4)	ACUTE	QCE	20
14	FIRE COMPARTMENTS - CAUSE AND EFFECT OF FIRE ALARM SYSTEM (BAF 6.4)	CORPRI	GOVCOM	20
15	FAILING PIT SYSTEM (BAF 6.4)	COMMH	PATSAF	20
16	MANDATORY TRAINING (BAF 10.13)	CORPRI	GOVCOM	20
17	END OF CURRENT PACS CONTRACT 2013 (BAF 6.10)	ACUTE	GOVCOM	20

### Commentary

The risk register is reviewed monthly both at Directorate Boards and relevant Trust Board sub-committee meetings

All risks on the register have agreed action plans with responsibilities and timescales allocated.

The Shackleton House risk was on the register previously with a risk score of 16 - this has been provisionally increased to 25 following a recent inspection visit . A number of short term and longer term solutions are currently under review in order to mitigate this risk

Take up of mandatory training remains under close scrutiny at performance review meetings and this is helping to improve compliance levels.

# Isle of Wight NHS Trust Board Performance Report 2012/13

December 2012

## Finance – Financial Risk Rating

Criteria	Indicator	Weight	Risk Ratings					Reported Position		Normalised Position		Comments where target not achieved
			5	4	3	2	1	Year to Date	Forecast Outturn	Year to Date	Forecast Outturn	
Underlying performance	EBITDA margin %	25%	11	9	5	1	<1	3	3	3	3	The 12/13 rental figure has been removed from the EBITDA calculation to reflect the position if the assets had been transferred as at 1 April 2012.
Achievement of plan	EBITDA achieved %	10%	100	85	70	50	<50	5	5	5	5	
Financial efficiency	Net return after financing %	20%	>3	2	-0.5	-5	<-5	3	3	3	3	No modification required
	I&E surplus margin %	20%	3	2	1	-2	<-2	1	1	1	1	In 2012/13 the plan is for a surplus of £500k (which only scores 1). In 2013/14 the plan is to achieve a surplus of £1.6m which will yield a score of 3.
Liquidity	Liquid ratio days	25%	60	25	15	10	<10	3	3	3	3	The calculation has been adjusted as if the assets had transferred on 1 April 2012 and that there was a working capital facility of £12m (as confirmed by the SHA calculation) available to the Trust.
Weighted Average		100%						2.8	2.8	2.8	2.8	
Overriding rules								3	3	3	3	
Overall rating								3	3	3	3	

**Note:** No change in Financial Risk Ratings in the month.

# Isle of Wight NHS Trust Board Performance Report 2012/13

December 2012

## Governance Risk Rating

GOVERNANCE RISK RATINGS						Isle of Wight NHS Trust		Insert YES (target met in month), NO (not met in month) or N/A (as appropriate) See separate rule for A&E							
See 'Notes' for further detail of each of the below indicators						Historic Data			Current Data				Board Actions		
Area	Ref	Indicator	Sub Sections	Thresh- old	Weight- ing	Qtr to Mar-12	Qtr to Jun-12	Qtr to Sep-12	Oct-12	Nov-12	Dec-12	Qtr to Dec-12			
Effectiveness	1a	Data completeness: Community services comprising:	Referral to treatment information	50%	1.0		No	No	Yes	Yes	Yes	Yes			
			Referral information	50%											
			Treatment activity information	50%											
	1b	Data completeness, community services: (may be introduced later)	Patient identifier information	50%											
			Patients dying at home / care home	50%											
1c	Data completeness: identifiers MHMDS		97%	0.5		Yes	Yes	N/A	N/A	N/A	N/A				
1c	Data completeness: outcomes for patients on CPA		50%	0.5		Yes	Yes	Yes	Yes	Yes	Yes				
Patient Experience	2a	From point of referral to treatment in aggregate (RTT) – admitted	Maximum time of 18 weeks	90%	1.0		Yes	Yes	Yes	Yes	Yes	Yes			
	2b	From point of referral to treatment in aggregate (RTT) – non-admitted	Maximum time of 18 weeks	95%	1.0		Yes	Yes	Yes	Yes	Yes	Yes			
	2c	From point of referral to treatment in aggregate (RTT) – patients on an incomplete pathway	Maximum time of 18 weeks	92%	1.0		Yes	Yes	Yes	Yes	Yes	Yes			
	2d	Certification against compliance with requirements regarding access to healthcare for people with a learning disability		N/A	0.5		No	No	Yes	Yes	Yes	Yes			
Quality	3a	All cancers: 31-day wait for second or subsequent treatment, comprising :	Surgery	94%	1.0		No	No	Yes	No	Yes	No	Quality and Clinical Performance Ctte to closely monitor delivery of cancer action plans		
			Anti cancer drug treatments	98%											
			Radiotherapy	94%											
	3b	All cancers: 62-day wait for first treatment:	From urgent GP referral for suspected cancer	85%	1.0		Yes	Yes	Yes	Yes	Yes	Yes			
			From NHS Cancer Screening Service referral	90%											
	3c	All Cancers: 31-day wait from diagnosis to first treatment		96%	0.5		Yes	No	Yes	Yes	Yes	Yes			
	3d	Cancer: 2 week wait from referral to date first seen, comprising:	all urgent referrals	93%	0.5		No	No	No	No	Yes	No	Quality and Clinical Performance Ctte to closely monitor delivery of cancer action plans		
for symptomatic breast patients (cancer not initially suspected)			93%						Yes						
3e	A&E: From arrival to admission/transfer/discharge	Maximum waiting time of four hours	95%	1.0		Yes	No	No	Yes	Yes	No	Quality and Clinical Performance Ctte to monitor delivery of improvement activity			
3f	Care Programme Approach (CPA) patients, comprising:	Receiving follow-up contact within 7 days of discharge	95%	1.0		Yes	No	Yes	Yes	Yes	Yes				
		Having formal review within 12 months	95%												

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# Isle of Wight NHS Trust Board Performance Report 2012/13

December 2012

## Governance Risk Rating

Safety	3f	Care Programme Approach (CPA) patients, comprising:	Receiving follow-up contact within 7 days of discharge	95%	1.0		Yes	No	Yes	Yes	Yes	Yes	
			Having formal review within 12 months	95%									
	3g	Minimising mental health delayed transfers of care		≤7.5%	1.0		Yes	Yes	Yes	Yes	Yes	Yes	
	3h	Admissions to inpatients services had access to Crisis Resolution/Home Treatment teams		95%	1.0		No	Yes	Yes	Yes	Yes	Yes	
	3i	Meeting commitment to serve new psychosis cases by early intervention teams		95%	0.5		No	No	Yes	Yes	Yes	Yes	
	3j	Category A call – emergency response within 8 minutes	Red 1	80%	0.5		Yes	No	Yes	Yes	Yes	Yes	
			Red 2	75%			Yes	Yes	Yes	Yes	Yes	Yes	
3k	Category A call – ambulance vehicle arrives within 19 minutes		95%	1.0		Yes	Yes	Yes	Yes	Yes	Yes		
Safety	4a	Clostridium Difficile	Is the Trust below the de minimus	1200%	1.0		Yes	Yes	Yes	Yes	Yes	Yes	Progress against control action plans to be reported to Quality and Clinical Performance Cttee
			Is the Trust below the YTD ceiling	800%			No	No	No	No	No	No	
	4b	MRSA	Is the Trust below the de minimus	600%	1.0		Yes	Yes	Yes	Yes	Yes	Yes	Progress against control action plans to be reported to Quality and Clinical Performance Cttee
			Is the Trust below the YTD ceiling	100%			Yes	No	No	No	No	No	
	CQC Registration												
	A	Non-Compliance with CQC Essential Standards resulting in a Major Impact on Patients		0%	2.0		No	No	No	No	No	No	
	B	Non-Compliance with CQC Essential Standards resulting in Enforcement Action		0%	4.0		No	No	No	No	No	No	
C	NHS Litigation Authority – Failure to maintain, or certify a minimum published CNST level of 1.0 or have in place appropriate alternative arrangements		0%	2.0		No	No	No	No	No	No		
TOTAL						0	4.5	6.5	1.5	1.5	0	2.5	
						G	R	R	AG	AG	G	AR	

### RAG RATING :

GREEN	= Score less than 1
AMBER/GREEN	= Score greater than or equal to 1, but less than 2
AMBER / RED	= Score greater than or equal to 2, but less than 4
RED	= Score greater than or equal to 4



# Isle of Wight NHS Trust Board Performance Report 2012/13

December 2012

## Benchmarking

### Benchmarking of Key National Performance Indicators:

	National Target	National Performance			IW Performance	IW Rank	IW Status	Data Period
		Best	Worst	Average				
RTT:% of admitted patients who waited 18 weeks or less	90%	100%	67%	92.0%	94.3%	48/173	Better than national average	Nov-12
RTT: % of non-admitted patients who waited 18 weeks or less	95%	100%	88%	97.4%	97.9%	94/201	Better than national average	Nov-12
RTT % of incomplete pathways within 18 weeks	92%	100%	70%	94.6%	95.5%	97/201	Better than national average	Nov-12
% Patients waiting > 6 weeks for diagnostic	1%	0%	15%	0.7%	0.1%	90/182	Better than national average	Nov-12
Emergency Care 4 hour Standards	95%	100%	87%	95.7%	95.2%	105/183	Worse than national average	Qtr 3 12/13
Ambulance Category A Calls % < 8 minutes - Red 1	75%	81%	66%	73.1%	81.3%	1/12	Top Quartile	Nov-12
Ambulance Category A Calls % < 8 minutes - Red 2	75%	78%	73%	75.8%	76.0%	8/12	Better than national average	Nov-12
Ambulance Category A Calls % < 19 minutes	95%	98%	93%	96.3%	98.3%	1/12	Top Quartile	Nov-12
Cancer patients seen <14 days after urgent GP referral*	93%	100%	90%	95.4%	93.9%	143/167	Bottom Quartile	Qtr 2 12/13
Cancer diagnosis to treatment <31 days*	96%	100%	89%	98.4%	98.2%	115/170	Worse than national average	Qtr 2 12/13
Cancer urgent referral to treatment <62 days*	85%	100%	57%	87.3%	89.9%	60/173	Better than national average	Qtr 2 12/13
Breast Cancer Referrals Seen <2 weeks*	93%	100%	85%	95.7%	89.8%	136/142	Bottom Quartile	Qtr 2 12/13
Cancer Patients receiving subsequent surgery <31 days*	94%	100%	90%	97.5%	100.0%	=1/159	Top Quartile	Qtr 2 12/13
Cancer Patients receiving subsequent Chemo/Drug <31 days*	98%	100%	90%	99.8%	99.0%	148/153	Bottom Quartile	Qtr 2 12/13
Cancer Patients treated after consultant upgrade <62 days*	85%	100%	0%	93.2%	100.0%	=1/153	Top Quartile	Qtr 2 12/13
Cancer Patients treated after screening referral <62 days*	90%	100%	33%	93.2%	100.0%	=1/146	Top Quartile	Qtr 2 12/13
Stroke patients (90% of stay on Stroke Unit)	80%	100%	65%	86.1%	89.0%	62/151	Better than national average	Qtr 2 12/13
High risk TIA fully investigated & treated within 24 hours	60%	100%	21%	74.5%	76.1%	83/149	Better than national average	Qtr 2 12/13
VTE Risk Assessment	90%	100%	81%	93.8%	92.1%	123/163	Bottom Quartile	Qtr 2 12/13

**Please note:** the numbers quoted in this report will not match the balanced scorecard due to different data periods. All of the information in this section is taken directly from the DH Publication

Key:

Better than National Target = Green  
Worse than National Target = Red

Top Quartile = Green  
Median Range Better than Average = Amber Green  
Median Range Worse than Average = Amber Red  
Bottom Quartile = Red

# Isle of Wight NHS Trust Board Performance Report 2012/13

December 2012

## Performance on a Page – Acute Directorate

### Performance on a Page - Acute Directorate

Governance Risk Rating M08:

0 - G

#### Finance Headlines:

As at M09:

£000

	YTD		Forecast Outturn	
	Org	Directorate	Org	Directorate
Actual vs Budget	498.0	156.2	TBC	TBC
CIP	-398.0	73.0	243.0	228.0

#### Key Performance Indicators:

As at M09:

	Latest Data	In Month		YTD	
		Org	Directorate	Org	Directorate
A&E Waits - Total time in A&E	Dec-12	95.3%	95.3%	95.3%	95.3%
MRSA	Dec-12	0	0	2	1
CDIFF	Dec-12	1	0	11	5
RTT Admitted - % within 18 Weeks	Nov-12	94.3%			
RTT Non Admitted - % within 18 Weeks	Nov-12	97.9%	97.9%		
RTT Incomplete - % within 18 Weeks	Nov-12	95.5%	94.5%		
RTT delivery in all specialties	Nov-12	2	0		
Diagnostic Test Waiting Times	Nov-12	1	0	2	0
Cancer 2 wk GP referral to 1st OP	Dec-12	93.93%		93.53%	
Breast Symptoms 2 wk GP referral to 1st OP	Dec-12	95.12%		92.81%	
31 day second or subsequent (surgery)	Dec-12	100.0%		97.6%	
31 day second or subsequent (drug)	Dec-12	100.0%		99.6%	
31 day diagnosis to treatment for all cancers	Dec-12	100.0%		98.9%	
62 day referral to treatment from screening	Dec-12	100.0%		100.0%	
62 days urgent referral to treatment of all cancers	Dec-12	97.0%		91.9%	
Delayed Transfers of Care	Sep-12	0.10%		0.10%	
Mixed Sex Accommodation Breaches	Dec-12	0	0	15	15
VTE Risk Assessment	Nov-12	92.9%		92.6%	
% of Category A calls within 8 minutes (Red 1)	Dec-12	100.0%	100.0%	77.0%	100.0%
% of Category A calls within 8 minutes (Red 2)	Dec-12	75.6%	75.6%	76.9%	75.6%
% of Category A calls within 19 minutes	Dec-12	98.1%	98.1%	97.5%	98.1%

\*Cancer figures for December are provisional

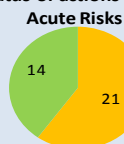
#### Workforce Headlines:

As at M08:

	In Month		YTD	
	Org	Directorate	Org	Directorate
% Sickness Absenteeism	3.28%	3.11%	3.51%	3.40%
FTE vs Budget			-68.7	-9.8
Appraisals			62.7%	54.0%
Agency Cost	TBC	£130,917	TBC	TBC
Agency Usage	TBC	TBC	TBC	TBC

#### Risk Register Summary: As at 01/12/2012

Status of actions for all



Risk Title	Risk Score	Type
Risk due to Bed Capacity Problems	20	PATSAF
Risk of not achieving the A&E 4 hour target	20	QCE
Blood Sciences out-of-hours staffing	20	QCE
End of current PACS contract	20	GOVCOM

#### Case for Change:

No. of Active Case for Change:	Red status	Green Status	% Green Status
24	3	21	88%

Note:

Red status is given to any case for change with an overdue milestone

Information presented is the worst case scenario as updated information may show that some of the actions have been completed.

#### Quality Headlines:

As at M08:

	In Month		YTD	
	Org	Directorate	Org	Directorate
SIRIs	22	1	121	29
Incidents	429	170	3,504	1,170
Complaints	35	14	236	100

#### SLA Performance:

As at M08:

	Activity		Income - £000	
	Actual	Var to Plan	Actual	Var to Plan
Emergency Spells	5,655	398	10,786	936.8
Elective Spells	146	5	229	19.3
Outpatients Attendances	19,912	3,663	3,191	499.3
Total			14,206	1455.4

Overall demand placed on the directorate is above plan, particularly in outpatients (22% above plan M08 YTD). Despite this increased demand workforce indicators remain positive with below target absenteeism (3.39% M09 YTD) and FTE below budget (26.9 M09 YTD). CIP plans also remain on target to deliver above plan (£228k M09 Forecast).

Increased demand also does not appear to be leading to a decline in the majority of performance indicators with almost all being achieved. However, whilst performance remains above target measures are declining in some areas due to pressures in patient flow e.g. Emergency Care 4 hour standard (95.3% 12/13 YTD, 98.3 M09 YTD 11/12).

Increased demand does not appear to be having negative impact on quality indicators. Performance on indicators such as MRSA, C.Diff and Mixed sex accommodation has been maintained from previous months, however, bed capacity issues brought about by increased demand means that these remain focus areas.

Over performance in pay budget (£869k M08) when compared with under performance in FTE numbers are the result of a high use of Locums within the directorate.

*Source: Acute directorate performance review*

## REPORT TO THE TRUST BOARD ON 30<sup>TH</sup> JANUARY 2013

Title	Trust Board Assurance Walkrounds	
Sponsoring Director	Executive Director of Nursing & Workforce	
Author(s)	Executive Director of Nursing & Workforce	
Purpose	To approve a change in process for carrying Board Assurance visits and to approve process for feeding back actions of the visits.	
Previously considered by (state date):		
Acute Clinical Directorate Board		
Audit and Corporate Risk Committee		
Charitable Funds Committee		
Community Health Directorate Board		
Executive Board		14 <sup>th</sup> January 2013
Foundation Trust Programme Board		
Mental Health Act Scrutiny Committee		
Nominations Committee (Shadow)		
Planned Directorate Board		
Quality & Clinical Governance Committee		16 <sup>th</sup> January 2013
Remuneration Committee		
Staff, stakeholder, patient and public engagement:		
Staff engagement has been sought through the Directorate Management Structure.		
Executive Summary:		
<p>Board to Ward assurance is vital if the Executive Board is to be assured the services it delivers result in high level of Safety, Experience and Effectiveness.</p> <p>A more robust approach is required to ensure that areas that are deemed to be in difficulty are responded to and assurance sought by the Trust Board that actions agreed are delivered.</p> <p>The Board to Ward Assurance Visit also provides the opportunity for the Board to be assured of developments that show improvements based on previous observations or work streams.</p> <p>It is envisaged the Board to Ward assurance visits will provide a more structured approach to gaining this assurance ensuring where actions are required, these are fed directly to the board.</p>		
Related Trust objectives		Sub-objectives
Improve Quality		Ensuring excellent standards of Safety, Experience and Effectiveness
Risk and Assurance		Board Assurance Framework Action 10.75
Related Assurance Framework entries		Assurance Framework – 10.75

<b>Legal implications, regulatory and consultation requirements</b>	None
<b>Action required by the Board:</b> Approve the revised process	
<b>Date</b>	15 <sup>th</sup> January 2013

## **SITUATION**

As part of the Monitor Quality Governance Framework (July 2010) there is emphasis placed on;

- The board actively engages patients on quality e.g.; patient feedback is actively sought
- The board takes an active leadership role on quality assurance.

To satisfy itself Quality Governance is being delivered at a service Level, the Trust Board instigated a programme of Trust Board Walkrounds to Departments and Directorates across the IOW NHS Trust.

## **BACKGROUND**

Board walkrounds (Non-Executive and Executive Board Members) offer the opportunity for the Trust Board to link directly with services delivered in all areas of the Organisation. This offers patients, relatives and staff the opportunity to discuss issues directly with the Trust Board. It also provides the opportunity for the Trust Board to seek assurance from all services. Trust Board walkrounds are seen as pivotal in organisations who seek assurance at the point of service delivery. They also demonstrate the Trust Boards leadership commitment of setting a culture to be fostered across the entire organisation.

This document sets out to clarify the purpose of the walkround. It will also describe the process that will be adopted to provide assurance that actions arising from Board walkrounds are tracked and delivered. Where delivery has not been achieved, the existing performance management arrangements will confirm the outstanding actions.

## **ASSESSMENT**

Board Walkrounds currently use an announced visit programme based on the 15 step challenge toolkit. The toolkits were co-produced nationally with patients, service users, carers, relatives, volunteers, staff, governors and senior leaders, to help look at care in a variety of settings through the eyes of patients and service users, to help capture what good quality care looks, sounds and feels like. However, the tool doesn't lend itself to non clinical environments. Furthermore the 15 steps lacks the detail required when an assessment of failing ward may be required. It does not support the Executive team to test some of the clinical measures such as falls, or pressure ulcers. In December 2012 the Trust Board identified the need for a process to confirm actions arising from the Trust board walkround, which is formally reported back to the Trust Board during its next session.

## RECOMMENDATIONS

1. The Trust Board walkrounds are replaced with Trust Board Assurance Walk rounds. Although Trust Board is used, these will occur weekly and the tile reflects the membership rather than the monthly meeting.
2. These will be unannounced.
3. Every week a member of the Executive and Non-Executive (where available) membership undertakes a Board Assurance walkround to support our quality, efficiency, and effectiveness improvement programme. This is in addition to the Trust Board visits which occur as part of the Trust Board meeting agenda. They will, however, take the same approach. This is an opportunity for the Trust Board to meet with patients and their families as well as staff, to talk to them about their experiences and the care we provide and to discuss any concerns they may have.
4. Focus of the visits will be on :

Red Clinical Areas	Green Clinical Areas
Red Non-Clinical Areas	Green Non-Clinical Areas

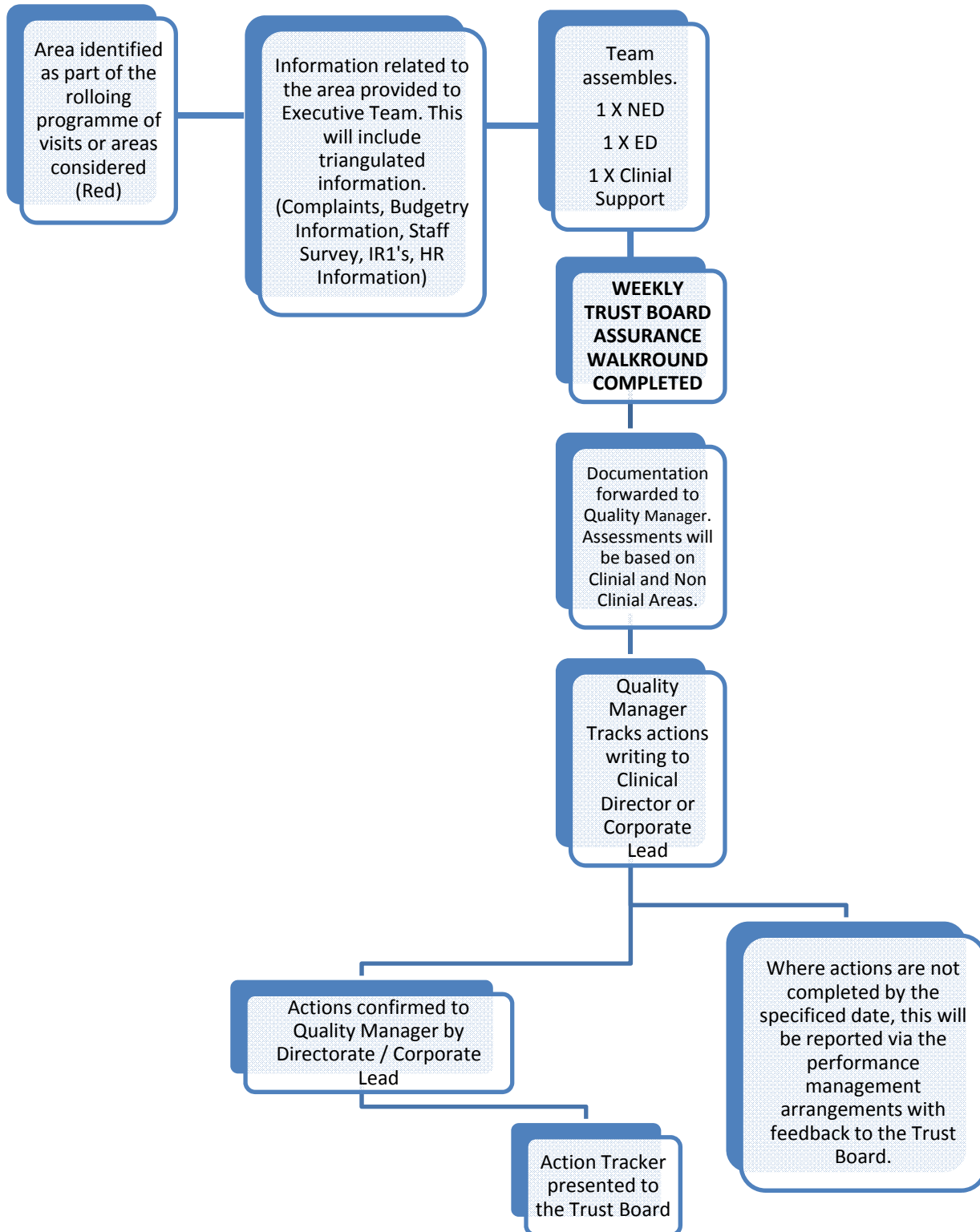
5. The Executive and Non-Executive Directors Diary's will be managed by executive support to ensure visits are scheduled when a Non-Executive Director is in the Trust.
6. Where concerns are raised, we take action to deal with them quickly.
7. The Trust Board Assurance Walkrounds will continue to use the 15 steps approach, whilst a document that seeks to assure areas of concern both clinical and non clinical is developed. Green areas will be visited on Trust Board days
8. A plan of Walkrounds will be coordinated by the Quality Team reporting to the Executive Director of Nursing & Workforce.
9. The areas identified to visit will be agreed between the Executive Director of Nursing & Workforce & the Non Executive Director (NED) Quality & Clinical Performance Committee Chair (QCPC) prior to the walk round, using triangulated information which identifies areas of concern.
10. Executive Directors who lead non clinical services will make recommendations for non clinical areas, thus balance is achieved.
11. Triangulation will occur where there are areas of concern related to;
  - a. Safety
  - b. Effectiveness
  - c. Patient Experience
12. The Trust Board are asked to agree the process outlined in Appendix 1.

**Alan Sheward**

Executive Director of Nursing

15 January 2013





## REPORT TO THE TRUST BOARD FOR CERTIFICATION BY THE CHAIRMAN AND CHIEF EXECUTIVE

<b>Title</b>	Self-certification
<b>Sponsoring Director</b>	Foundation Trust Programme Director
<b>Author(s)</b>	Foundation Trust Programme Management Officer
<b>Purpose</b>	For action
<b>Previously considered by (state date):</b>	
Acute Clinical Directorate Board	
Audit and Corporate Risk Committee	
Charitable Funds Committee	
Community Health Directorate Board	
Finance, Investment and Workforce Committee	22 January 2012
Executive Board	
Foundation Trust Programme Board	
Mental Health Act Scrutiny Committee	
Nominations Committee (Shadow)	
Planned Directorate Board	
Quality & Clinical Performance Committee	16 January 2012
Remuneration Committee	
<b>Staff, stakeholder, patient and public engagement:</b>	
Relevant Executive Directors, professional leads and internal data processors have been consulted and involved in the provision of data/supporting information and the identification of gaps, issues and actions.	
<b>Executive Summary:</b>	
<p>This paper presents the January self-certification return covering December performance data for sign off on behalf of Trust Board by the Chairman and Chief Executive or designated deputies.</p> <p>The key points covered include:</p> <ul style="list-style-type: none"> <li>• Background to the requirement</li> <li>• Assurance</li> <li>• Governance Declaration</li> <li>• Recommendations</li> </ul>	
<b>Related Trust objectives</b>	<b>Sub-objectives</b>
Reform	9 - Develop our FT applications in line with the timetable agreed with DH & SHA
<b>Risk and Assurance</b>	CSF9, CSF10
<b>Related Assurance Framework entries</b>	Board Governance Assurance Framework within BAF
<b>Legal implications, regulatory and consultation requirements</b>	Meeting the requirements of Monitor's <i>Compliance Framework</i> is necessary for FT Authorisation.
<b>Action required by the Board:</b>	
<ul style="list-style-type: none"> <li>(i) Review the self-certification return and Identify any Board action required</li> <li>(ii) Determine whether sufficient assurance has been decided to approve the sign-off of Governance Declaration 2 by the Chairman and Chief Executive</li> </ul>	
<b>Date</b>	23 January 2013

# **ISLE OF WIGHT NHS TRUST**

## **SELF-CERTIFICATION**

### **1. Purpose**

To provide assurance to the Trust Board prior to sign off by the Chairman and Chief Executive of the self-certification document (Appendix 1) for submission to the SHA on 31 January 2013.

### **2. Background**

On 3 August 2012 the SHA launched the Single Operating Model (SOM) - Part 2. The SOM aims to drive a consistent approach across the country and to prepare for the establishment of the NHS Trust Development Authority (NTDA). It is also about driving delivery of the FT pipeline in 2012/13 which is a key year for building the momentum to support the objective for the majority of the remaining NHS Trusts to achieve FT status by 2014.

The SOM requires NHS Trusts to regularly self-certify governance and financial risk ratings on a monthly basis. NHS Trusts are also required to submit a template of quality and contractual information and provide an accurate self assessment against a series of Board statements drawn from the Monitor Compliance Framework. Self-certification will form part of the material for the monthly meetings between the SHA and the NHS Trust. Self-certification from Trust Boards is intended to promote Board ownership of issues and to prepare Trusts for the Monitor approach.

The standard timing for the submission of self-certification declarations from NHS Trusts will be on or before the last working day of each month. As a result of escalation an NHS Trust may be required to provide self-certification or other information on a more frequent basis.

All declarations and self-certification should have been robustly discussed and approved by the Trust Board with the discussion minuted. The self-certification submissions should be signed off on behalf of the Trust Board by the Chair and Chief Executive (or nominated deputies).

The guidance states that self-certifications should be submitted on time and in full. Late, incomplete or inaccurate self-certification will automatically be over-ridden to a red governance risk rating.

According to guidance: 'Where an issue of non-compliance is identified the Trust should submit the relevant Board approved action plan to rectify the issue. In line with the principle of avoiding duplication this would normally be the same level of detail that has been presented to the Board to provide them with assurance that an issue can be rectified. An action plan would normally include a clear timeline, accountable leads and resource requirements. The action plan should allow the Trust Board and the SHA to monitor progress and delivery.'

### **3. Assurance**

The Foundation Trust Programme Management Office (FTPMO) has worked with relevant Executive Directors, PIDS, Finance, Governance, Quality, HR and Clinical Teams to ensure the provision of data/supporting information and the identification of gaps, issues and actions required to provide a sufficient degree of assurance to the Trust Board to enable sign-off of the self-certification return as an accurate representation of the Trust's current status.

Action plans have been requested to ensure that the activity required to improve performance can be monitored and a forecast can be made with respect to the achievement of compliance against the requirements of the self-certification return. Delivery of action plans is monitored as part of the performance review process and where required are submitted to sub-committees for review.

Performance data and Board Statements are considered by Quality and Clinical Performance Committee, Finance, Investment and Workforce Committee and relevant senior officers and Executive Directors. Board Statements are considered with respect to the evidence to support a positive response, contra indicators and threats to current status together with action plans and activity to maintain or improve the current assessed position. The Trust Board may wish to amend the responses to Board Statements based on an holistic view of the complete self-certification return and feedback from Board sub-committee Chairs.

#### **4. Performance Summary and Key Issues**

Performance has improved since the Trust Board considered the last self-certification return in December. The GRR has moved from AMBER/GREEN status to GREEN with indicators for cancer 31 day and 2 week waits (3c and 3d) achieving compliance in line with timeframe outlined within the Cancer Indicators Action Plan. Contractual Data and our Financial Risk Rating remains the same with both areas being compliant overall.

Rolling action plans are in place to address underperformance and deal with underlying issues within realistic timescales to ensure that a focus is maintained on improving performance in all areas and are monitored as part of the performance review process.

Key issues arising from the self-certification return are set out below against the respective self-certification requirements and should inform decisions around the Board Statements and the overall Governance Declaration.

1. Governance Risk Ratings	Score = 0 (GREEN): Improved position.
2. Financial Risk Ratings	Score = 3.0 (GREEN): I&E surplus margin % score = 1 (RED) due to low surplus target for current outturn. Compliant surplus margin planned from 1 April 2013. Assessment based on the assumption that the estate will transfer as planned on 1 April 2013.
3. Contractual Data	GREEN: 7 indicators = GREEN 1 indicator = RED: Penalties arising from coding issues.
4. Financial Risk Triggers	GREEN: 7 indicators = GREEN 2 indicators not applicable at this stage 1 indicator = RED: 4 – 'Debtors > 90 days past due account for more than 5% of total debtor balances' Indicator recovery forecast for 31 January 2012 – date slipped due to finance team capacity and priorities.
5. Quality	3b – Non-elective MRSA off target. 11 – Pressure Ulcers – improved on last month. 13 – Formal Complaints Received – improved on last month, but off target against plan. 15 – Sickness absence off target
6. TFA Progress	Milestone 18 at risk due to volatility of Governance Risk Rating

	indicators. This risk has reduced as trajectory has significantly improved.
7. Board Statements	4 statements not assured (NO): Clinical Quality: 1 Finance: Governance: 11, 12, 14 Controls being implemented to improve assurance. Compliance for 1 and 11 targeted for achievement in January 2013.
8. Governance Declarations	Weaknesses: <ul style="list-style-type: none"> <li>• <i>Clinical Quality</i> - performance against Quality targets, C-Diff breaching trajectory, MRSA breaching annual target</li> <li>• <i>Governance</i> – Compliance with targets; IG toolkit; Trust Board and management capacity and capability</li> </ul>

## 5. **Governance Declaration**

The weaknesses identified above align the Trust's assurance status with Governance Declaration 2:

*At the current time, the board is yet to gain sufficient assurance to declare conformity with all of the Clinical Quality, Finance and Governance elements of the Board Statements.*

## 6. **Recommendations**

It is recommended that the Trust Board:

- (iii) Review the self-certification return and Identify any Board action required
- (iv) Determine whether sufficient assurance has been decided to approve the sign-off of Governance Declaration 2 by the Chairman and Chief Executive

**Mark Price**

Foundation Trust Programme Director  
23 January 2013

## 7. **Appendices**

Appendix 1 – Self-certification Return

## 8. **Supporting Information**

- *Delivering the NHS Foundation Trust Pipeline: Single Operating Model, 3 August 2012*
- *Compliance Framework 2012/13, Monitor, 30 March 2012*

## REPORT TO THE TRUST BOARD ON 30<sup>th</sup> January 2013

<b>Title</b>	Corporate Governance Framework	
<b>Sponsoring Director</b>	Executive Director of Finance	
<b>Author(s)</b>	Head of Corporate Governance & Risk Management Deputy Director of Finance	
<b>Purpose</b>	To approve the latest updates to: 1. Standing Orders, 2. Standing Financial Instructions 3. Scheme of Reservation and Delegation	
<b>Previously considered by (state date):</b>		
Acute Clinical Directorate Board		
Audit and Corporate Risk Committee		30 <sup>th</sup> January 2013
Charitable Funds Committee		
Community Health Directorate Board		
Executive Board		
Foundation Trust Programme Board		
Mental Health Act Scrutiny Committee		
Nominations Committee (Shadow)		
Planned Directorate Board		
Quality & Clinical Governance Committee		
Remuneration Committee		
<b>Staff, stakeholder, patient and public engagement:</b>		
<b>Executive Summary:</b>		
Corporate Governance Framework documentation has been updated following changes to the Board committee structure and the recent Executive restructure.		
<b>Related Trust objectives</b>	<b>Sub-objectives</b>	
Compliance with Corporate Governance requirements.		
<b>Risk and Assurance</b>		
<b>Related Assurance Framework entries</b>		
<b>Legal implications, regulatory and consultation requirements</b>		
<b>Action required by the Board:</b> The Board is requested to review and approve the revised Corporate Governance Framework documentation. Revisions to Standing orders and the Scheme of Reservation and delegation are highlighted for ease of reference.		
<b>Date</b>	22 <sup>nd</sup> January 2013	

## STANDING ORDERS

Document Author	Authorised Signature
Written by: Christine Palmer	Authorised by: Danny Fisher Signed:
Date: December 2012	Date: 30 <sup>th</sup> January 2013
Job Title: Executive Director of Finance	Job Title: Chairman
Effective Date: 1 <sup>st</sup> February 2013	
Approved at: Trust Board meeting	Date Approved:
Reviewed: January 2013	Next Review Date: January 2014



## STANDING ORDERS

### 1 INTRODUCTION

#### 1.1 Statutory Framework

- 1.1.1 The Trust is a statutory body which came into existence on 1st April 2012 under The Isle of Wight NHS (Establishment) Order 2012 (SI 2012/786) (the "**Establishment Order**").
- 1.1.2 The principal place of business of the Trust is South Block, St Mary's Hospital, Parkhurst Road, Newport, Isle of Wight, PO30 5TG ("**Trust Headquarters**").
- 1.1.3 The Trust is governed by the Law, principally the 2006 Act.
- 1.1.4 The functions of the Trust are conferred by the 2006 Act.
- 1.1.5 As a statutory body, the Trust has specified powers to contract in its own name and to act as a corporate trustee. In the latter role it is accountable to the Charity Commission for those funds deemed to be charitable as well as to the Secretary of State.
- 1.1.6 In accordance with Regulation 19(2) of the 1990 Regulations, the Trust has adopted these Standing Orders (SOs) for the regulation of its proceedings and business. The Trust has also adopted Standing Financial Instructions (SFIs) as an integral part of these SOs, setting out the responsibilities of key individuals.

#### 1.2 NHS Framework

- 1.2.1 In addition to the statutory framework set out in SO 1.1 above, the Secretary of State, through the Department of Health (DH) issues further directions and guidance which are binding on the Trust.
- 1.2.2 As required by the Code of Accountability, the Trust has drawn up the Scheme of Delegation (SD). This provides a schedule of decisions reserved to the Board of Directors and ensures that management arrangements are in place to enable responsibility to be clearly delegated.
- 1.2.3 The Code of Conduct makes various requirements concerning Directors' possible conflicts of interest.
- 1.2.4 The Code of Practice on Openness sets out the requirements for public access to information in the NHS. The Freedom of Information Act 2000 promoted greater openness by public authorities, of which the Trust is one. Under the Data Protection Act 1998 members of the public are also able to access their clinical records or any other personal information.

### 1.3 Delegation of Powers

- 1.3.1 The Trust has powers to delegate and make arrangements for delegation. The SOs and SD set out the detail of these arrangements.
- 1.3.2 The Trust's delegated powers are set out in the SD, which has effect as if incorporated into the SOs and SFIs and the defined terms set out in SO 2.9 shall be applicable to the SD.

### 1.4 Integrated Governance

Trust boards of directors are encouraged by the DH to move away from silo governance and develop integrated governance arrangements that will lead to good governance and ensure that decision-making is informed by intelligent information covering the full range of corporate, financial, clinical, information and research governance. Guidance from the DH on the move toward and implementation of integrated governance has been issued and will be incorporated in the Trust's governance arrangements (see Integrated Governance Handbook 2006). Integrated governance will better enable the Board of Directors to take a holistic view of the organisation and its capacity to meet its legal and statutory requirements and clinical, quality and financial objectives resulting in a more cost effective service and more efficient information processes.

## 2 INTERPRETATION AND DEFINITIONS

- 2.1 Unless a contrary intention is evident or the context requires otherwise, words or expressions contained in this SO shall bear the same meaning as in the 2006 Act.
- 2.2 References in this SO to legislation include all amendments, replacements or re-enactments made and include all subordinate legislation made there under.
- 2.3 If there is a conflict between the provisions of this SO and the provisions of any document referred to herein or the Law then the provisions of this SO shall prevail unless the Law requires otherwise.
- 2.4 Words importing the masculine gender only shall include the feminine gender; words importing the singular shall import the plural and vice-versa.
- 2.5 Headings are for ease of reference only and are not to affect interpretation.
- 2.6 All annexes and appendices referred to in this Document form part of it.
- 2.7 References to paragraphs are to paragraphs in this Document save where it expressly states that the reference is to a paragraph in an annex or appendix to this Document.
- 2.8 Save as otherwise permitted by Law, at any meeting of the Board, the Chairman shall be the final authority on the interpretation of the SOs (on which he should be advised by the Chief Executive or Company Secretary).
- 2.9 In this Document:
  - 2.9.1 **"1990 Regulations"** means the National Health Service Trusts (Membership and Procedure) Regulations 1990 (SI 1990/2024).

- 2.9.2 **"2006 Act"** means the National Health Service Act 2006.
- 2.9.3 **"Accountable Officer"** means the Chief Executive who is responsible and accountable for the obligations and duties set out in the Accountable Officer Memorandum for NHS Trusts.
- 2.9.4 **"Accountable Officer Memorandum for NHS Trusts"** means the memorandum published by the Secretary of State, and as may be amended, varied or replaced by the Secretary of State from time to time.
- 2.9.5 **"Accounting Standards Board"** means the independent body that issues accounting standards and is part of the Financial Reporting Council including for the avoidance of doubt any successor body.
- 2.9.6 **"Annual Governance Statements"** means the annual governance statement signed by the Accountable Officer on behalf of the Trust that forms part of the annual financial statements for that year. It provides public assurances about the effectiveness of the Trust's system of internal control, and all references to **"AGS"** shall be construed accordingly.
- 2.9.7 **"Assistant / Deputy Director"** means an Officer appointed as such by the Chief Executive who may attend meetings of the Board of Directors but is not a member of the Board of Directors nor entitled to vote.
- 2.9.8 **"Assurance Framework"** means the document published by the DH in March 2003 as amended and updated from time to time.
- 2.9.9 **"Audit and Corporate Risk Committee"** means the Committee established in accordance with SO 5.8 which is known as the Audit and Corporate Risk Committee.
- 2.9.10 **"Bar Council"** means the professional body for barristers in England and Wales including for the avoidance of doubt any successor body established or authorised to perform the statutory duties of the predecessor body.
- 2.9.11 **"Board of Directors"** means collectively the Chairman, the Executive Directors and the Non-Executive Directors of the Trust appointed in accordance with Paragraph 3 of Schedule 4 to the 2006 Act and the 1990 Regulations, and the phrase **"Board"** shall be construed accordingly.
- 2.9.12 **"Bribery Act 2010"** means the Act of Parliament enacted on 8 April 2010.
- 2.9.13 **"British Standard Institution"** means the independent standards organisation registered under company number RC000074.
- 2.9.14 **"Budget"** means a resource, expressed in financial terms, proposed by the Board for the purpose of carrying out, for a specific period, any

or all of the functions of the Trust and the terms "budgetary" and "budgeted" when used in the SFIs shall be construed accordingly.

- 2.9.15 **"Budget Holder"** means the person with delegated authority in accordance with the SFIs or the SD to manage finances (income and expenditure) for a specific area of the Trust.
- 2.9.16 **"Capital Investment Manual"** means the guidance published by the DH in 1994 as amended and updated from time to time.
- 2.9.17 **"Care Quality Commission"** means the independent regulator of all health and adult social care in England including for the avoidance of doubt any successor body established or authorised to perform the statutory duties of the predecessor body.
- 2.9.18 **"Cash Management in the NHS"** means the best practice guidance issued by the NHS bank and endorsed by the DH as amended and updated from time to time.
- 2.9.19 **"Chairman"** means the Non-Executive Director appointed by the Secretary of State in accordance with Paragraph 3 of Schedule 4 of the 2006 Act to lead the Board of Directors and to ensure that it successfully discharges its overall responsibility for the Trust as a whole.
- 2.9.20 **"Charity Commission"** means the regulator of charities in England and Wales including for the avoidance of doubt any successor body established or authorised to perform the statutory duties of the predecessor body.
- 2.9.21 **"Chief Executive"** means the chief executive officer of the Trust.
- 2.9.22 **"Clear Days"** means any day of the week excluding Saturdays, Sundays and the date of posting and receipt.
- 2.9.23 **"Code of Accountability"** means the code of conduct on accountability in the NHS published by the DH in July 2004 as amended and updated from time to time.
- 2.9.24 **"Code of Conduct"** means the code of conduct published by the Trust as amended and updated from time to time.
- 2.9.25 **"Code of Practice on Openness"** means the code of practice on openness in the NHS published by the DH in August 2003 as amended and updated from time to time.
- 2.9.26 **"Code of Practice on Records Management"** means the code of practice on the management of records in the NHS published by the DH in April 2006 as amended and updated from time to time.
- 2.9.27 **"Committee"** means a committee or sub-committee created and appointed by the Trust.
- 2.9.28 **"Committee member"** means person formally appointed by the Board to sit on or to chair specific Committees.

- 2.9.29 **"Company Secretary"** means a person or organisation appointed to act independently of the Board to provide advice on corporate governance issues to the Board and the Chairman, and monitor the Trust compliance with the Law, SOs, SFIs, SD and Secretary of State / the DH guidance and directions.
- 2.9.30 **"Corporate Governance Framework Manual"** means the DH guidance dated 1 April 2003 of that name.
- 2.9.31 **"Contracting and procuring"** means the systems for obtaining the supply of goods, material, manufactured items, services, building and engineering services, works of construction and maintenance and for disposal of surplus and obsolete assets.
- 2.9.32 **"DH"** means the Department of Health;
- 2.9.33 **"Deductible"** has the meaning given to it in SFI 21.6.3.
- 2.9.34 **"Director"** means collectively the Chairman, Executive Directors and Non-Executive Directors.
- 2.9.35 **"Document"** means this document which comprises collectively the SOs, SFIs and SD together with the annexes and appendices attached hereto.
- 2.9.36 **"Establishment Order"** has the meaning set out in SO 1.1.1
- 2.9.37 **"Estatecode"** means the user manual for NHS organisations managing the healthcare estate for current and future use published by DH.
- 2.9.38 **"Executive Director"** means a Director who is either an Officer or is to be treated as an Officer by virtue of Regulation 5 of the 1990 Regulations.
- 2.9.39 **"Executive Director of Finance"** means the chief financial officer of the Trust.
- 2.9.40 **"Finance Directorate"** means the departments overseen and managed by the **Executive** Director of Finance.
- 2.9.41 **"Financial Reporting Council"** means the limited company whose company number is 2486368 including for the avoidance of doubt any successor body established or authorised to perform the statutory duties of the predecessor body.
- 2.9.42 **"Funds Held on Trust"** shall mean those funds which the Trust holds on the date of its establishment, receives on distribution by statutory instrument or chooses subsequently to accept under powers derived under Paragraph 10 of Schedule 4 of the 2006 Act. Such funds may or may not be charitable.

- 2.9.43        "**GBS**" means the Government Banking Services and refers to the banking services shared service provider to the public sector which is part of HM Revenue and Customs including for the avoidance of doubt any successor body.
- 2.9.44        "**General Conditions of Contract**" means the model forms of general conditions of contract, MF/1 and MF/2, issued by IMechE and approved by ACE.
- 2.9.45        "**HOIA**" means the Head of Internal Audit.
- 2.9.46        "**Information Commissioner**" means the United Kingdom's independent authority which promotes access to official information and protects personal information including for the avoidance of doubt any successor body established or authorised to perform the statutory duties of the predecessor body.
- 2.9.47        "**Institute of Mechanical Engineers**" means the professional engineering institution whose registered charity number is 206882, including for the avoidance of doubt any successor body, and all references to "IMechE" shall be construed accordingly.
- 2.9.48        "**Institution of Civil Engineers**" means the representative body for civil engineering whose registered charity number is 210252, including for the avoidance of doubt any successor body, and all references to "ICE" shall be construed accordingly.
- 2.9.49        "**Laws**" means:
- 2.9.49.1      any applicable statute or proclamation or any delegated or subordinate law;
- 2.9.49.2      any enforceable community right within the meaning of section 2(1) European Communities Act 1972;
- 2.9.49.3      any NHS requirement, applicable code of practice, national minimum standard, guidance, direction or determination with which the Trust is bound to comply to the extent that the same are published and publicly available; and
- 2.9.49.4      any applicable judgement of a relevant court of law which is a binding precedent in England and Wales in each case in force in England and Wales.
- 2.9.50        "**Legal Adviser**" means the properly qualified person appointed by the Trust to provide legal advice.
- 2.9.51        "**LCFS**" means the Trust's local counter fraud specialist.
- 2.9.52        "**Losses and Special Payments Register**" means the register maintained by the **Executive** Director of Finance in accordance with SFI 15.2.8.
- 2.9.53        "**LSMS**" means the Trust's local security management specialist.

- 2.9.54 **"Manual for Accounts"** means the document published by the DH as amended and updated from time to time.
- 2.9.55 **"National Loans Fund"** means the fund managed by the Public Works Loan Board in accordance with the Public Works Loans Act 1875 and the National Loans Act 1968.
- 2.9.56 **"NHS Audit Committee Handbook"** means the joint publication by DH and the Healthcare Financial Management Association published in October 2005 as amended and updated from time to time.
- 2.9.57 **"NHS Business Services Authority"** means the special health authority established under the NHS Business Services Authority (Awdurdod Gwasanaethau Busnes y GIG) (Establishment and Constitution) Order 2005 SI (2005/2414) including for the avoidance of doubt any successor body established or authorised to perform the statutory duties of the predecessor body.
- 2.9.58 **"NHS Buying Solutions"** means the national procurement partner for UK public services including for the avoidance of doubt any successor body established or authorised to perform the statutory duties of the predecessor body.
- 2.9.59 **"NHS Counter Fraud and Corruption Manual"** means the manual published by the NHS Protect as amended and updated from time to time.
- 2.9.60 **"NHS Finance Manual"** means the document published by DH in 1999 as amended and updated from time to time.
- 2.9.61 **"NHS Internal Audit Standards"** means the standards published by DH as amended and updated from time to time.
- 2.9.62 **"NHSLA"** means the National Health Service Litigation Authority.
- 2.9.63 **"NHS Operating Framework"** means the most recent guidance for the financial year published by the DH (as amended).
- 2.9.64 **"NHS Performance Assessment Framework"** means the most recent guidance published by the DH as amended and updated from time to time.
- 2.9.65 **"NHS Protect"** means the NHS Protect Service which is a subdivision of the NHS Business Services Authority including for the avoidance of doubt any successor body established or authorised to perform the statutory duties of the predecessor body.
- 2.9.66 **"NHS Reference Costs 2012/13: Collection Guidance"** means the recent guidance published by the DH or such guidance that supersedes it.
- 2.9.67 **"NHS Standard Contract Conditions"** means the standard terms and conditions for the NHS previously published by the NHS purchasing and supply agency but which are now published by the DH.



- 2.9.68 **"NHS Supply Chain"** means the limited company registered with company number 528867 including for the avoidance of doubt any successor body established or authorised to perform the statutory duties of the predecessor body.
- 2.9.69 **"Nominated Officer"** means an Officer charged with the responsibility for discharging specific tasks within the SOs, SD or the SFIs.
- 2.9.70 **"Non-Executive Director"** means a member of the Board of Directors who is not an Officer.
- 2.9.71 **"Officer"** means an employee of the Trust or any other person holding a paid appointment or office with the Trust (including secondees), but for the avoidance of doubt does not include Non-Executive Directors.
- 2.9.72 **"OFT"** means the Operational Fraud Team of the NHS Protect including for the avoidance of doubt any successor body established or authorised to perform the statutory duties of the predecessor body.
- 2.9.73 **"Public Benefit Corporation"** means a Foundation Trust authorised by the independent regulator under Sections 33 or 34 of the 2006 Act.
- 2.9.74 **"Publication Scheme"** has the meaning given to it in SFI 16.3.
- 2.9.75 **"Remuneration and Terms of Service Committee"** means the Committee established in accordance with SO 5.8.
- 2.9.76 **"Reverse eAuctions"** means electronic reverse auctions which is a procurement technique that uses secured internet based technology.
- 2.9.77 **"Scheme of Delegation"** means the Trust's reservation of powers to the Board and delegation of powers and the phrase **"SD"** shall be construed accordingly.
- 2.9.78 **"Secretary of State"** means the Secretary of State for Health.
- 2.9.79 **"SFIs"** means the Trust's Standing Financial Instructions which regulate the conduct of Executive Directors, Non-Executive Directors and Nominated Officers in relation to all financial matters with which they are concerned.
- 2.9.80 **"SLA"** means service level agreements.
- 2.9.81 **"SMD"** means the Trust's Security Management Director appointed in accordance with SFI 2.21.
- 2.9.82 **"Solicitors Regulation Authority"** means the regulatory body for solicitors in England and Wales including for the avoidance of doubt any successor body established or authorised to perform the statutory duties of the predecessor body.

- 2.9.83        **"SOs"** means the Trust's Standing Orders and **"SO"** shall be interpreted accordingly.
- 2.9.84        **"Treasury"** means Her Majesty's Treasury which is the economics and finance ministry for the United Kingdom.
- 2.9.85        **"Trust"** means Isle of Wight NHS Trust established pursuant to the Establishment Order.
- 2.9.86        **"Trust Headquarters"** has the meaning given ascribed to it in SO 1.1.2.
- 2.9.87        **"VAT"** means Value Added Tax as set out in the Value Added Tax Act 1994 at the prevailing rate.
- 2.9.88        **"Vice-Chairman"** means the Non-Executive Director appointed by the Board of Directors to take on the Chairman's duties if the Chairman is absent for any reason.

### **3        THE BOARD OF DIRECTORS: COMPOSITION, TENURE AND ROLE OF DIRECTORS**

#### **3.1        Composition of the Board of Directors**

- 3.1.1        In accordance with Regulation 2(1) of the 1990 Regulations, the Trust shall not have more than 12 Directors, excluding the Chairman<sup>1</sup>, (unless otherwise determined by the Secretary of State and set out in the Establishment Orders or such other communication from the Secretary of State).
- 3.1.2        The Board of Directors shall consist of:
- 3.1.2.1        the Chairman;
- 3.1.2.2        5 other Non-Executive Directors; and
- 3.1.2.3        5 Executive Directors.

#### **3.2        Appointment of Chairman and Directors**

- 3.2.1        The Chairman and Non-Executive Directors shall be appointed by the Secretary of State via **the Department of Health**. The Executive Directors shall be appointed by the relevant committee of the Trust.<sup>2</sup>
- 3.2.2        Disqualification for appointment as Chairman and/or Non-Executive Director is set out in Regulation 11 of the 1990 Regulations.

#### **3.3        Terms of office of the Chairman and Directors**

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<sup>1</sup> Regulation 2(1) of the 1990 Regulations.

<sup>2</sup> Regulation 3(2) of the 1990 Regulations.

The regulations setting out the period of tenure of office, and for the termination or suspension of office, of the Chairman and Non-Executive Directors are set out in Regulations 7 to 10 of the 1990 Regulations.

### **3.4 Appointment and powers of Vice-Chairman**

- 3.4.1 Subject to SO 3.4.2 below, the Directors may appoint a Non-Executive Director to be Vice-Chairman, for such period, not exceeding the remainder of his/her term as a Non-Executive Director, as they may specify on appointing him.
- 3.4.2 Any Non-Executive Director appointed as the Vice-Chairman may at any time resign from the office of Vice-Chairman by giving notice in writing to the Chairman. The Directors may thereupon appoint another Non-Executive Director as Vice-Chairman in accordance with the provisions of SO 3.4.1.
- 3.4.3 In accordance with Regulation 14 of the 1990 Regulations, where the Chairman has died or has ceased to hold office, or where he has been unable to perform his duties as Chairman owing to illness, absence from England or Wales, suspension from office under Regulation 9A of the 1990 Regulations, or any other cause, the Vice-Chairman shall act as Chairman until a new Chairman is appointed or the existing Chairman resumes his duties, as the case may be; and references to the Chairman in these SOs shall, so long as the Chairman is unable to perform his duties, be taken to include references to the Vice-Chairman.

### **3.5 Joint Directors**

- 3.5.1 Subject to Regulation 6 of the 1990 Regulations, where more than one person is appointed jointly to an Executive Director post, those persons shall count as one person for the purposes of SO 3.1.2.3 above.
- 3.5.2 Where the office of an Executive Director is shared jointly by more than one person:
  - 3.5.2.1 either or both of those persons may attend or take part in Board meetings;
  - 3.5.2.2 if both are present at a Board meeting they should cast one vote if they agree;
  - 3.5.2.3 in the case of disagreements no vote should be cast;
  - 3.5.2.4 the presence of either or both of those persons should count as the presence of one person for the purposes of SO 4.11 below.

### **Public Involvement and Consultation**

Section 242 of the 2006 Act requires the Trust to make arrangements for local public involvement and consultation, whether directly or through representatives, in the planning of health services, the development and consideration of proposals for service changes, and decisions affecting the operation of health services.

### 3.6 Role of Directors

3.6.1 The Board of Directors will function as a corporate decision-making body. Executive Directors and Non-Executive Directors will be full and equal members. Their role as Directors will be to consider the key strategic and managerial issues facing the Trust in carrying out its statutory and other functions.

#### 3.6.2 Executive Directors

Executive Directors shall exercise their authority within the terms of these SOs, the SFIs and SD.

#### 3.6.3 Chief Executive

The Chief Executive shall be responsible for the overall performance of the Trust. He is the Accountable Officer for the Trust and shall be responsible for ensuring the discharge of obligations under the SFI and the Accountable Officer Memorandum for NHS Trusts.

#### 3.6.4 Executive Director of Finance

The Executive Director of Finance shall be responsible for the provision of financial advice to the Board of Directors and for the supervision of financial control and accounting systems within the Trust. He shall be responsible along with the Chief Executive for ensuring the discharge of obligations under the SFIs.

#### 3.6.5 Non-Executive Directors

The Non-Executive Directors shall not be granted nor shall they seek to exercise any individual executive powers on behalf of the Trust. They will however, exercise collective authority when acting as members of or when chairing a committee of the Trust which has delegated powers.

#### Chairman

3.6.6 The Chairman shall be responsible for the operation of the Board of Directors and will chair all Board meetings when present. The Chairman must comply with the terms of his appointment and with these SOs.

3.6.7 The Chairman shall liaise with the NHS Appointments Commission over the appointment of Non-Executive Directors and once appointed shall take responsibility either directly or indirectly for their induction, their portfolios of interests and assignments, and their performance.

3.6.8 The Chairman shall work in close harmony with the Chief Executive and shall ensure that key and appropriate issues are discussed by the Board in a timely manner with all the necessary information and advice being made available to the Board to inform, debate and ultimate resolutions.

### 3.7 Corporate role of the Board of Directors

- 3.7.1 All business shall be conducted in the name of the Trust.
- 3.7.2 All funds received in trust shall be held in the name of the Trust as corporate trustee.
- 3.7.3 The powers of the Trust established under statute shall be exercised by the Board meeting in public session except as otherwise provided for in SO 4 below.
- 3.7.4 The Board of Directors shall define and regularly review the functions it exercises on behalf of the Secretary of State.

### **3.8 Scheme of Delegation**

The Board has resolved that certain powers and decisions may only be exercised by the Board in formal session. These powers and decisions are set out in the SD and shall have effect as if incorporated into these SOs. Those powers which the Board has delegated are also contained in the SD.

### **3.9 Lead roles for Directors**

The Chairman will ensure that the designation of lead roles or appointments of Directors as required by DH or as set out in any statutory or other guidance will be made in accordance with that guidance or statutory requirement (e.g. appointing a lead Director with responsibilities for infection control or child protection etc.).

## **4 MEETINGS OF THE TRUST**

### **4.1 Calling Meetings**

- 4.1.1 Ordinary meetings of the Board shall be held at regular intervals at such times and places as the Board may in its absolute discretion determine.
- 4.1.2 The Chairman may call a meeting of the Board of Directors at any time.
- 4.1.3 One-third or more Directors may requisition a meeting in writing. If the Chairman refuses, or fails, to call a meeting within 7 Clear Days of a requisition being presented to him, the Directors signing the requisition may forthwith call a meeting.

### **4.2 Notice of Meetings and the Business to be Transacted**

- 4.2.1 Before each meeting of the Board a written notice specifying the business proposed to be transacted shall be delivered to every Director by email, so as to be available to Directors at least 3 Clear Days before the meeting. The notice shall be signed by the Chairman or by an Officer authorised by the Chairman to sign on his behalf. Want of service of such a notice on any Director shall not affect the validity of a meeting.
- 4.2.2 In the case of a meeting called by Directors in default of the Chairman pursuant to SO 4.1.3 above, the notice shall be signed by those Directors.

- 4.2.3 No business shall be transacted at a meeting of the Board other than that specified on the agenda, or emergency motions allowed under SO 4.6 below.
- 4.2.4 A Director desiring a matter to be included on an agenda shall make his request in writing to the Chairman at least 15 Clear Days before the meeting. The request should state whether the item of business is proposed to be transacted in the presence of the public and should include appropriate supporting information. Requests made less than 15 Clear Days before a meeting may be included on the agenda at the discretion of the Chairman.
- 4.2.5 Before each meeting of the Board a public notice of the time and place of the meeting, and the public part of the agenda, shall be displayed at the Trust's Headquarters at least 3 Clear Days before the meeting, pursuant to Section 1(4)(a) of the Public Bodies (Admission to Meetings) Act 1960.

#### **4.3 Agenda and Supporting Papers**

The agenda will be sent to Directors 6 Clear Days before the meeting and supporting papers, whenever possible, shall accompany the agenda, but will certainly be despatched no later than 3 Clear Days before the meeting, save in emergency. The Trust may determine that certain matters shall appear on every agenda for a meeting and shall be addressed prior to any other business being conducted. (such matters may be identified within these SOs or following subsequent resolution shall be listed in an Appendix to the SOs).

#### **4.4 Petitions**

Where a petition has been received by the Trust the Chairman shall include the petition as an item for the agenda of the next meeting.

#### **4.5 Notice of Motion**

- 4.5.1 Subject to the provisions of SO 4.7 and SO 4.8 below, a Director wishing to move a motion shall send a written notice to the Chief Executive who will ensure that it is brought to the immediate attention of the Chairman.
- 4.5.2 The notice shall be delivered at least 15 Clear Days before the meeting. The Chief Executive shall include in the agenda for the meeting all notices so received that are in order and permissible under these SOs. This SO shall not prevent any motion being withdrawn or moved without notice on any business mentioned on the agenda for the meeting.

#### 4.6 **Emergency Motions**

Subject to the agreement of the Chairman, and subject also to the provision of SO 8 below, a Director may give written notice of an emergency motion after the issue of the notice of meeting and agenda, up to one hour before the time fixed for the meeting. The notice shall state the grounds of urgency. If in order, it shall be declared to the Board of Directors at the commencement of the business of the meeting as an additional item included in the agenda. The Chairman's decision to include the item shall be final.

#### 4.7 **Motions: Procedure at and during a meeting**

##### **Who may propose**

A motion may be proposed by the Chairman or any Director present. It must also be seconded by another Director.

##### **Contents of Motions**

4.7.1 The Chairman may exclude from the debate at his/her discretion any such motion of which notice was not given on the notice summoning the meeting other than a motion relating to:

- 4.7.1.1 the reception of a report;
- 4.7.1.2 consideration of any item of business before the Board;
- 4.7.1.3 the accuracy of minutes;
- 4.7.1.4 that the Board proceed to the next item of business;
- 4.7.1.5 that the Board adjourn;
- 4.7.1.6 that the question be now put.

##### **Amendments to Motions**

- 4.7.2 A motion for amendment shall not be discussed unless it has been proposed and seconded.
- 4.7.3 Amendments to motions shall be moved relevant to the motion, and shall not have the effect of negating the motion before the Board.
- 4.7.4 If there are a number of amendments, they shall be considered one at a time. When a motion has been amended, the amended motion shall become the substantive motion before the Board, upon which any further amendment may be moved.



## **Rights of Reply to Motions**

### **4.7.5 Amendments**

The mover of an amendment may reply to the debate on their amendment immediately prior to the mover of the original motion, who shall have the right of reply at the close of debate on the amendment, but may not otherwise speak on it.

### **4.7.6 Substantive/Original Motion**

The Director who proposed the substantive motion shall have a right of reply at the close of any debate on the motion.

### **4.7.7 Withdrawing a Motion**

A motion, or an amendment to a motion, may be withdrawn.

## **Motions once under debate**

4.7.8 When a motion is under debate, no motion may be moved other than:

4.7.8.1 an amendment to the motion;

4.7.8.2 the adjournment of the discussion, or the meeting;

4.7.8.3 that the meeting proceed to the next item of business;

4.7.8.4 that the question should be now put;

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

4.7.8.6 that a Director be not further heard;

4.7.8.7 a motion under Section 1 (2) or Section 1 (8) of the Public Bodies (Admissions to Meetings) Act 1960 resolving to exclude the public, including the press (see SO 4.17).

4.7.9 In those cases where the motion is either that the meeting proceeds to the 'next item of business' or 'that the question be now put' in the interests of objectivity these should only be put forward by a Director who has not taken part in the debate and who is eligible to vote.

4.7.10 If a motion to proceed to the next item of business or that the question be now put, is carried, the Chairman should give the mover of the substantive motion under debate a right of reply, if not already exercised. The matter should then be put to the vote.

## **4.8 Motion to rescind a resolution**

4.8.1 Notice of motion to rescind any resolution (or the general substance of any resolution) which has been passed within the preceding 6 calendar months shall bear the signature of the Director who gives it and also the signature of 3 other Directors, and before considering any such motion

of which notice shall have been given, the Board may refer the matter to any appropriate Board committee or the Chief Executive for recommendation.

- 4.8.2 When any such motion has been dealt with by the Board it shall not be competent for any Director other than the Chairman to propose a motion to the same effect within 6 calendar months. This SO shall not apply to motions moved in pursuance of a report or recommendations of a Board committee or the Chief Executive.

#### **4.9 Chairman of Meeting**

- 4.9.1 At any meeting of the Board the Chairman, if present, shall preside. If the Chairman is absent from the meeting, the Vice-Chairman (if the Board has appointed one), if present, shall preside.
- 4.9.2 If the Chairman is absent temporarily on the grounds of a declared conflict of interest the Vice-Chairman, if present shall preside. If both the Chairman and Vice-Chairman are absent or are disqualified from participating, another Non-Executive Director shall preside, and shall be chosen by the Directors present at the meeting.

#### **4.10 Chairman's Ruling**

The decision of the Chairman (or the person chairing the meeting) on questions of order, relevancy and regularity (including procedure on handling motions) and the interpretation of the SOs, SFIs and SD at the meeting, shall be final.

#### **4.11 Quorum**

- 4.11.1 No business shall be transacted at a meeting of the Board of Directors unless one-third of the whole number is present including:
- 4.11.1.1 the Chairman;
  - 4.11.1.2 1 Executive Director; and
  - 4.11.1.3 2 Non-Executive Directors.<sup>3</sup>
- 4.11.2 A Deputy Director or Nominated Officer in attendance for an Executive Director but without formal acting up status may not count towards the quorum.
- 4.11.3 If the Chairman or a Director has been disqualified from participating in the discussion on any matter and/or from voting on any resolution by reason of a declaration of a conflict of interest (see SO7 below) that person shall no longer count towards the quorum. If a quorum is then not available for the discussion and/or the passing of a resolution on any matter, that matter may not be discussed further or voted upon at that meeting. Such a position shall be recorded in the minutes of the meeting. The meeting must then proceed to the next item of business.

#### **4.12 Voting**

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<sup>3</sup> 1990 Regulations, Schedule 1, paragraph 3(s) SI 1990/2024

- 4.12.1 Save as provided in SO 4.13 and SO 4.14 below, every question put to a vote at a meeting shall be determined by a majority of the votes of Directors present and voting on the question. In the case of an equal vote, the person chairing the meeting shall have a casting vote.
- 4.12.2 At the discretion of the Chairman all questions put to the vote shall be determined by oral expression or by a show of hands, unless the Chairman directs otherwise, or it is proposed, seconded and carried that a vote be taken by paper ballot.
- 4.12.3 If at least one-third of the Directors present so request, the voting on any question may be recorded so as to show how each Director present voted or did not vote (except when conducted by paper ballot).
- 4.12.4 If a Director so requests, their vote shall be recorded by name.
- 4.12.5 In no circumstances may an absent Director vote by proxy. Absence is defined as being absent at the time of the vote.
- 4.12.6 A Deputy Director or Nominated Officer who has been formally appointed to act up for an Executive Director during a period of incapacity or temporarily to fill an Executive Director vacancy shall be entitled to exercise the voting rights of the Executive Director.
- 4.12.7 A Deputy Director or Nominated Officer attending the Board meeting to represent an Executive Director during a period of incapacity or where temporarily filling an Executive Director vacancy without formal acting up status may not exercise the voting rights of the Executive Director. An individual's status when attending a meeting shall be recorded in the minutes.
- 4.12.8 For the voting rules relating to joint Directors see SO 3.5 above.

#### **4.13 Suspension of Standing Orders**

- 4.13.1 Except where this would contravene any statutory provision or any direction made by the Secretary of State or the rules relating to quorum under SO 4.11 above, any one or more of the SOs may be suspended at any meeting of the Board, provided that at least two-thirds of the whole number of the members of the Board are present (including at least one Executive Director and one Non-Executive Director) and that at least two-thirds of the Directors present signify their agreement to such suspension. The reason for the suspension shall be recorded in the Trust Board's minutes.
- 4.13.2 A separate record of matters discussed during the suspension of SOs shall be made and shall be available to the Chairman and Directors.
- 4.13.3 No formal business may be transacted while SOs are suspended.
- 4.13.4 The Audit and Corporate Risk Committee shall review every decision to suspend SOs.

#### **4.14 Variation and Amendment of SOs**

4.14.1 These SOs shall not be varied except in the following circumstances:

4.14.1.1 upon a notice of motion under SO 4.5 above;

4.14.1.2 upon a recommendation of the Chairman or Chief Executive included on the agenda for the meeting;

4.14.1.3 that two-thirds of the Directors are present at the meeting where the variation or amendment is being discussed, and that at least half of the Non-Executive Directors vote in favour of the amendment; and

4.14.1.4 providing that any variation or amendment does not contravene the Law.

#### 4.15 **Record of Attendance**

The names of the Chairman and Directors and other persons present at the meeting shall be recorded.

#### 4.16 **Minutes**

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

4.16.2 No discussion shall take place upon the minutes except upon their accuracy or where the Chairman considers discussion appropriate.

#### 4.17 **Admission of Public and the Press**

##### 4.17.1 **Admission and exclusion on grounds of confidentiality of business to be transacted**

4.17.1.1 The public and representatives of the press may attend all public meetings of the Board, but shall be required to withdraw upon the Board resolving as follows:

4.17.1.2 'That representatives of the press, and other members of the public, be excluded from the remainder of this meeting having regard to the confidential nature of the business to be transacted, publicity on which would be prejudicial to the public interest', Section 1(2), Public Bodies (Admission to Meetings) Act 1960.

4.17.1.3 Guidance should be sought from the Trust's freedom of information lead at Board level to ensure correct procedure is followed on matters to be included in the exclusion.

##### 4.17.2 **General disturbances**

4.17.2.1 The Chairman (or Vice-Chairman if one has been appointed) or the person presiding over the meeting shall give such directions as he thinks fit with regard to the arrangements for meetings and accommodation of the public and representatives of the press such as to ensure that the Trust's business shall be conducted without

interruption and disruption and, without prejudice to the power to exclude on grounds of the confidential nature of the business to be transacted, the public will be required to withdraw upon the Board resolving as follows:

4.17.2.2 'That in the interests of public order the meeting adjourn for (the period to be specified) to enable the Board to complete its business without the presence of the public', Section 1(8) Public Bodies (Admissions to Meetings) Act 1960.

**4.17.3 Business proposed to be transacted when the press and public have been excluded from a meeting**

4.17.3.1 Matters to be dealt with by the Board following the exclusion of representatives of the press, and other members of the public, as provided in SO 4.17.1 or SO 4.17.2 above, shall be confidential to the Directors.

4.17.3.2 Directors and Officers in attendance shall not reveal or disclose the contents of papers marked 'In Confidence' or minutes headed 'Items Taken in Private' outside of the Trust, without the Board's express permission. This prohibition shall apply equally to the content of any discussion during the Board meeting which may take place on such reports or papers.

**4.17.4 Use of mechanical or electrical equipment for recording or transmission of meetings**

Nothing in these SOs shall be construed as permitting the introduction by the public, or press representatives, of recording, transmitting, video or similar apparatus into meetings of the Trust or committee thereof. Such permission shall be granted only upon resolution of the Board.

**4.18 Observers at Board meetings**

The Board of Directors will decide what arrangements and terms and conditions it feels are appropriate to offer in extending an invitation to observers to attend and address any Board meetings and may change, alter or vary these terms and conditions as it deems fit.

**5 APPOINTMENT OF COMMITTEES AND SUB-COMMITTEES**

**5.1 Appointment of Committees**

5.1.1 Subject to the 1990 Regulations, such directions as may be given by the Secretary of State, the Board of Directors may appoint committees of the Board.

5.1.2 The Board of Directors shall determine the membership and terms of reference of Committees and sub-committees and shall if it requires, receive and consider reports of such Committees.

**5.2 Joint Committees**

5.2.1 Subject to Regulations 17 and 18 of the 1990 Regulations, the Board may appoint committees of the Board consisting wholly or partly of Directors or wholly of persons who are not Directors.

5.2.2 Any committee or joint committee appointed under this SO may, subject to such directions as may be given by the Secretary of State or the Board, appoint sub-committees consisting wholly or partly of members of the committees or joint committee (whether or not they are Directors) or wholly of persons who are not Directors.

### **5.3 Applicability of SOs and SFIs to Committees**

The SOs and SFIs, as far as they are applicable, shall as appropriate apply to any Committees established by the Board; in which case the term “Chairman” is to be read as a reference to the chairman of the committee in question as the context permits, and the term “Director” is to be read as a reference to a member of the committee as the context permits. For the avoidance of doubt, there is no requirement to hold meetings of committees established by the Board in public.

### **5.4 Terms of Reference**

Each such Committee shall have such terms of reference and powers and be subject to such conditions (as to reporting back to the Board), as the Board of Directors shall decide and shall be in accordance with the Law. Such terms of reference shall have effect as if incorporated into the SOs.

### **5.5 Delegation of Powers by Committees to Sub-Committees**

Where Committees are authorised to establish sub-committees they may not delegate executive powers to the sub-committee unless expressly authorised to do so by the Board.

### **5.6 Approval of Appointments to Committees**

The Board of Directors shall approve the appointments to each of the Committees which it has formally constituted. Where the Board determines, and the Law permits, that persons, who are neither Directors nor Officers, shall be appointed to a committee the terms of such appointment shall be within the powers of the Board, as defined by the Secretary of State. The Board shall define the powers of such appointees and shall agree allowances, including reimbursement for loss of earnings, and/or expenses in accordance where appropriate with national guidance.

### **5.7 Appointments for Statutory Functions**

Where the Board is required to appoint persons to a Committee and/or to undertake statutory functions as required by the Secretary of State, and where such appointments are to operate independently of the Board such appointment shall be made in accordance with the regulations and directions made by the Secretary of State.

### **5.8 Committees established by the Board of Directors**

5.8.1 Subject to SO 5.8.2 below, the Trust may appoint committees consisting wholly or partly of Directors or wholly of persons who are not Directors, including but not limited to:

- 5.8.1.1.1 Audit and Corporate Risk Committee;
- 5.8.1.2 Remuneration and Terms of Service Committee;
- 5.8.1.3 a Committee the purpose of which is to review and monitor the quality and performance of the Trust's contractual and corporate obligations (Finance, Investment and Workforce Committee)
- 5.8.1.4 a Committee the purpose of which shall be to lead the development of the Trust's business, clinical and corporate strategies including but not limited towards the application for Foundation Trust status (FT Programme Board)
- 5.8.1.5 a Committee the purpose of which shall be to monitor and empower staff partnership arrangements (Staff Partnership Forum)
- 5.8.1.6 a Committee the purpose of which shall be to manage and control the use of the Trust's charitable funds ( Charitable Funds Committee)
- 5.8.1.7 a Committee the purpose of which shall be to monitor and improve the quality and safety of healthcare for which the Trust has responsibility (Quality and Clinical Performance Committee) and:
- 5.8.1.8 a Committee the purpose of which shall be to undertake objective scrutiny of the Trust's Longer Term Financial Strategy, financial performance and workforce decisions (Finance, Investment and Workforce Committee)
- 5.8.2 Notwithstanding SO 5.8.1 above, the Trust shall appoint:
  - 5.8.2.1 a Committee consisting solely of the Chairman and all Non-Executive Directors, the purpose of which shall be to appoint the Chief Executive; and
  - 5.8.2.2 a Committee consisting solely of the Chairman, Chief Executive and Non-Executive Directors, the purpose of which shall be to appoint the Executive Directors.
- 5.8.3 **Other Committees**

Notwithstanding the provisions of SO 5.8.1 and 5.8.2 above, the Board may also establish such other Committees as required to discharge the Trust's responsibilities.

## 6 ARRANGEMENTS FOR THE EXERCISE OF TRUST FUNCTIONS BY DELEGATION

### 6.1 Delegation of functions to Committees, Officers or other bodies

- 6.1.1 Subject to such directions as may be given by the Secretary of State, the Board may make arrangements for the exercise, on behalf of the Trust, of any of its functions by:
  - 6.1.1.1 a committee or sub-committee appointed by virtue of SO 6.8 above; or



6.1.1.2 an Officer; or

6.1.1.3 another body as defined in SO 6.1.2 below,

in each case subject to such restrictions and conditions as the Board thinks fit.

6.1.2 Paragraph 18 of Schedule 4 of the 2006 Act permits the Trust to enter into arrangements for the carrying out, on such terms as the Board considers appropriate, of any of its functions jointly with any Strategic Health Authority, Primary Care Trust, Special Health Authority, Local Health Board or other NHS Trust, or any other body or individual or the functions of the Trust.

6.1.3 Where a function is delegated to another health service body mentioned in SO 6.1.2 above, then that NHS trust or health service body exercises the function in its own right, and has responsibility to ensure that the proper delegation of the function is in place. In situations where the Board delegates a function to an Officer or to a committee and/or sub-committee of the Board, the Trust retains full responsibility for the function.

## **6.2 Emergency powers and urgent decisions**

The powers which the Board has reserved to itself within these SOs, SFIs or SD may in emergency or for an urgent decision be exercised by the Chief Executive and the Chairman after having consulted at least two Non-Executive Directors. The exercise of such powers by the Chief Executive and Chairman shall be reported to the next formal meeting of the Board of Directors in public session for formal ratification.

## **6.3 Delegation to Committees**

6.3.1 The Board shall agree from time to time to the delegation of executive powers to be exercised by other committees, or sub-committees, or joint-committees, which it has formally constituted in accordance with directions issued by the Secretary of State. The constitution and terms of reference of these committees, or sub-committees, or joint committees, and their specific executive powers shall be approved by the Board in respect of its sub-committees.

6.3.2 When the Board is not meeting as the Trust in public session it shall operate as a committee and may only exercise such powers as may have been delegated to it previously by the Board of Directors in public session.

## **6.4 Delegation to Directors**

6.4.1 Those functions of the Trust which have not been retained as reserved by the Board or delegated to another committee or sub-committee or joint-committee of the Board shall be exercised on behalf of the Trust by the Chief Executive. The Chief Executive shall determine which functions he will perform personally and shall nominate Officers to

undertake the remaining functions for which he will retain accountability to the Trust.

6.4.2 The Chief Executive shall prepare the SD, identifying his proposals which shall be considered and approved by the Board. The Chief Executive may periodically propose amendment to the SD, which shall be considered and approved by the Board.

6.4.3 Nothing in the SD shall impair the discharge of the direct accountability to the Board of the **Executive** Director of Finance to provide information and advise the Board in accordance with statutory or DH requirements. Outside these statutory requirements the **Executive** Director of Finance shall be accountable to the Chief Executive for operational matters.

## 6.5 **Scheme of Delegation**

The arrangements made by the Board as set out in the SD, shall have effect as if incorporated into these SOs.

## 6.6 **Duty to report non-compliance with SOs and SFIs**

If for any reason these SOs or the SFIs are not complied with, full details of the non-compliance and any justification for non-compliance and the circumstances around the non-compliance, shall be reported to the next formal meeting of the Board for referring action or ratification. All Directors and Officers have a duty to disclose any non-compliance with these SOs to the Chief Executive as soon as possible.

# 7 **OVERLAP WITH OTHER TRUST POLICY STATEMENTS/PROCEDURES, REGULATIONS AND THE STANDING FINANCIAL INSTRUCTIONS**

## 7.1 **Policy statements: general principles**

The Board of Directors will from time to time agree and approve policy statements and procedures which will apply to all or specific groups of Officers. The decisions to approve such policies and procedures will be recorded in an appropriate Board minute and will be deemed where appropriate to be an integral part of the Trust's SOs and SFIs.

## 7.2 **Specific policy statements**

Notwithstanding the application of SO 7.1 above, these SOs and the SFIs must be read in conjunction with the relevant Trust policies and procedures, including but not limited to the following categories of Trust policies:

7.2.1 Finance;

7.2.2 Governance (Risk Management and Clinical);

7.2.3 Human Resources;

7.2.4 Medicines;

7.2.5 Standards of Business Conduct;

7.2.6 Code of Conduct for Managers;

and which shall have effect as if incorporated in these SOs.

### **7.3 Standing Financial Instructions**

SFIs adopted by the Board in accordance with the Code of Accountability shall have effect as if incorporated in these SOs.

### **7.4 Specific guidance**

Notwithstanding the application of SO 7.1 above, these SOs and SFIs must be read in conjunction with the Law, including the following guidance and any other issued by the Secretary of State:

7.4.1 Caldicott Guardian Manual 2006;

7.4.2 Human Rights Act 1998;

7.4.3 Freedom of Information Act 2000.

## **8 DUTIES AND OBLIGATIONS OF DIRECTORS AND OFFICERS UNDER THESE STANDING ORDERS**

### **8.1 Declaration of interests**

#### **8.1.1 Requirements for declaring interests and applicability to Directors**

8.1.1.1 The Code of Accountability requires Directors to declare interests which are “relevant and material” (as defined in SO 8.1.2 below) to the Board. All Directors should declare such interests. Any Directors appointed subsequently should do so on appointment.

#### **8.1.2 Interests which are relevant and material**

8.1.2.1 Interests which should be regarded as "relevant and material" are:

8.1.2.1.1 directorships, including directorships held in private companies or PLCs (with the exception of those of dormant companies);

8.1.2.1.2 ownership or part-ownership of private companies, businesses or consultancies likely or possibly seeking to do business with the NHS or the Trust;

8.1.2.1.3 majority or controlling share holdings in organisations likely or possibly seeking to do business with the NHS or the Trust;

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

8.1.2.1.5 any connection with a voluntary or other organisation contracting for NHS or Trust services;

8.1.2.1.6 research funding/grants that may be received by an individual or their department;

- 8.1.2.1.7 interests in pooled funds that are under separate management (any relevant company included in this fund that has a potential relationship with the Trust must be declared);
- 8.1.2.1.8 any other commercial interest in the decision placed before the meeting of the Board/ committee.
- 8.1.2.2 Any Director who comes to know that the Trust has entered into or proposes to enter into a contract in which he or any person connected with him (as defined in SO7.3 below) has any pecuniary interest, direct or indirect, the Director shall declare his interest by giving notice in writing of such fact to the Trust as soon as practicable.
- 8.1.3 **Advice on interests**
  - 8.1.3.1 If Directors have any doubt about the relevance of an interest, this should be discussed with the Chairman or with the **Executive** Director of Finance.
  - 8.1.3.2 Influence rather than the immediacy of the relationship is more important in assessing the relevance of an interest. The interests of partners in professional partnerships including general practitioners should also be considered.
- 8.1.4 **Recording of interests in Board minutes**
  - 8.1.4.1 At the time Directors' interests are declared, they should be recorded in the Board minutes, or in the case of any Committee, in the Committee's minutes. Where interests are declared to any Committee, these should be formally reported to the Board at the earliest opportunity.
  - 8.1.4.2 Any changes in interests should be declared at the next Board meeting following the change occurring and recorded in the minutes of that meeting.
- 8.1.5 **Publication of declared interests in annual report**

Any directorships held by Directors in companies that are likely or possibly seeking to do business with the NHS or the Trust should be published in the Trust's annual report. The information should be kept up to date for inclusion in succeeding annual reports.

  - 8.1.5.1 **Conflicts of interest which arise during the course of a meeting**

During the course of a Board meeting, if a conflict of interest is established, the Director concerned should withdraw from the meeting and play no part in the relevant discussion or decision.
- 8.2 **Register of interests**
  - 8.2.1 The Chief Executive will ensure that a register of interests is established to record formally declarations of interests of Directors. In particular the register will include details of all directorships and other

relevant and material interests (as defined in SO 8.1.2 above) which have been declared by both Executive Directors and Non-Executive Directors.

8.2.2 These details will be kept up to date by means of an annual review of the register in which any changes to interests declared during the preceding twelve months will be incorporated.

8.2.3 The register of interests will be available to the public and the Chief Executive will take reasonable steps to bring the existence of the register to the attention of local residents and to publicise arrangements for viewing it.

### 8.3 **Exclusion of Chairman and Directors in proceedings on account of pecuniary interest**

#### **Definition of terms used in interpreting pecuniary interest**

8.3.1 For the sake of clarity, the following definition of terms is to be used in interpreting this SO 8.3:

8.3.1.1 "**spouse**" shall include any person who lives with another person in the same household (and any pecuniary interest of one spouse shall, if known to the other spouse, be deemed to be an interest of that other spouse);

8.3.1.2 "**contract**" shall include any proposed contract or other course of dealing.

8.3.1.3 "**pecuniary interest**" subject to the exceptions set out in this SO, a person shall be treated as having an indirect pecuniary interest in a contract if:-

8.3.1.3.1 he or a nominee of his, is a member of a company or other body (not being a public body), with which the contract is made, or to be made or which has a direct pecuniary interest in the same, or

8.3.1.3.2 he is a partner, associate or employee of any person with whom the contract is made or to be made or who has a direct pecuniary interest in the same.

#### **Exception to pecuniary interests**

8.3.1.4 A person shall not be regarded as having a pecuniary interest in any contract if:

8.3.1.4.1 neither he nor any person connected with him has any beneficial interest in the securities of a company of which he or such person appears as a member; or

8.3.1.4.2 any interest that he or any person connected with him may have in the contract is so remote or insignificant that it cannot reasonably be regarded as likely to influence him in relation to considering or voting on that contract; or

8.3.1.4.3 those securities of any company in which he (or any person connected with him) has a beneficial interest do not exceed £5,000 in nominal value or one per cent of the total issued share capital of the company or of the relevant class of such capital, whichever is the less.

8.3.1.4.4 Provided however, that where SO 8.3.1.4.3 above applies the person shall nevertheless be obliged to disclose/declare their interest in accordance with SO 8.1.2.2 above; and that the offences in Sections 1, 2 and 7 of the Bribery Act 2010 may apply in specific cases relating to Directors' pecuniary interests

### **8.3.2 Exclusion in proceedings of the Board of Directors**

8.3.2.1 Subject to the following provisions of this SO, if the Chairman or a Director has any pecuniary interest, direct or indirect, in any contract, proposed contract or other matter and is present at a meeting of the Board at which the contract or other matter is the subject of consideration, they shall at the meeting and as soon as practicable after its commencement disclose the fact and shall not take part in the consideration or discussion of the contract or other matter or vote on any question with respect to it.

8.3.2.2 The Secretary of State may, subject to such conditions as may think fit to impose, remove any disability imposed by this SO in any case in which it appears to him in the interests of the National Health Service that the disability should be removed.

8.3.2.3 The Board may exclude the Chairman or a Director from a meeting of the Board of Directors while any contract, proposed contract or other matter in which he has a pecuniary interest is under consideration.

8.3.2.4 Any remuneration, compensation or allowance payable to the Chairman or a Director by virtue of Schedule 4, paragraph 11 of the 2006 Act (pay and allowances) shall not be treated as a pecuniary interest for the purpose of this SO.

8.3.2.5 This SO applies to a committee or sub-committee and to a joint committee or sub-committee as it applies to the Board and applies to a member of any such committee, sub-committee or joint committee (whether or not he is also a Director) as it applies to a Director.

### **8.3.3 Secretary of State's waiver**

#### **Power of the Secretary of State to make waivers**

8.3.3.1 Under regulation 20(2) of the 1990 Regulations, there is a power for the Secretary of State to issue waivers if it appears to the Secretary of State in the interests of the National Health Service that the disability in regulation 20(2) (which prevents the Chairman or a Director from taking part in the consideration or discussion of, or voting on any question with respect to, a matter in which he has a pecuniary interest) is removed. A waiver has been agreed in line with SO 8.3.3.2 to SO 8.3.3.5 below.

**Definition of ‘chairman’ for the purpose of interpreting this waiver**

- 8.3.3.2 For the purposes of SO 8.3.3.3 below, the “relevant chairman” is –
- 8.3.3.2.1 at a meeting of the Board of Directors, the Chairman; and
- 8.3.3.2.2 at a meeting of a committee – in a case where the individual in question is the chairman of that committee, the chairman of the committee; in the case of any other committee member, the member of that committee.

**Application of waiver**

- 8.3.3.3 A waiver will apply in relation to the disability to participate in the proceedings of the Board on account of a pecuniary interest.
- 8.3.3.4 It will apply to:
- 8.3.3.4.1 A Director who is a healthcare professional within the meaning of Regulation 4(1)(c) of the 1990 Regulations (e.g. a medical or dental practitioner, or a registered nurse or midwife), and who is providing or performing, or assisting in the provision or performance, of:
- 8.3.3.4.1.1. (a) services under the 2006 Act; or
- 8.3.3.4.1.2. (b) services in connection with a pilot scheme under the 2006 Act; for the benefit of persons for whom the Trust is responsible.
- 8.3.3.4.2 Where the ‘pecuniary interest’ of the Director in the matter which is the subject of consideration at a meeting at which he is present::
- 8.3.3.4.2.1. (a) arises by reason only of the Director’s role as such a professional providing or performing, or assisting in the provision or performance of, those services to those persons;
- 8.3.3.4.2.2. (b) has been declared by the relevant chairman as an interest which cannot reasonably be regarded as an interest more substantial than that of the majority of other persons who:
- are members of the same profession as the Director in question, or
  - are providing or performing, or assisting in the provision or performance of, such of those services as he provides or performs, or assists in the provision or performance of, for the benefit of persons for whom the Trust is responsible.

**Conditions which apply to the waiver and the removal of having a pecuniary interest**

- 8.3.3.5 The removal is subject to the following conditions:



- 8.3.3.5.1 the Director must disclose his interest as soon as practicable after the commencement of the meeting and this must be recorded in the minutes;
- 8.3.3.5.2 the relevant chairman must consult the Chief Executive before making a declaration in relation to the Director in question pursuant to SO 8.3.3.3 above, except where that member is the Chief Executive;
- 8.3.3.5.3 **in the case of a meeting of the Trust:** the Director may take part in the consideration or discussion of the matter which must be subjected to a vote and the outcome recorded; and may not vote on any question with respect to it.
- 8.3.3.5.4 **in the case of a meeting of a committee of the Board:** the member may take part in the consideration or discussion of the matter which must be subjected to a vote and the outcome recorded; may vote on any question with respect to it; but the resolution which is subject to the vote must comprise a recommendation to, and be referred for approval by, the Trust Board.

#### 8.4 Standards of Business Conduct

##### Trust Policy and National Guidance

All Officers and Directors must comply with the Trust's standards of business conduct and conflicts of interest policy, and the national guidance contained in HSG(93)5 on 'Standards of Business Conduct for NHS staff', the Code of Conduct for NHS Managers 2002 and the ABPI Code of Professional Conduct relating to hospitality/gifts from pharmaceutical/external industry.

##### Interest of Officers in contracts

- 8.4.1 Any Officer who comes to know that the Trust has entered into or proposes to enter into a contract in which he or any person connected with him (as defined in SO 8.3) has any pecuniary interest, direct or indirect, the Officer shall declare their interest by giving notice in writing of such fact to the Chief Executive or Company Secretary as soon as practicable.
- 8.4.2 An Officer should also declare to the Chief Executive any other employment or business or other relationship of his, or of a cohabiting spouse, that conflicts, or might reasonably be predicted could conflict with the interests of the Trust.
- 8.4.3 The Trust will require interests, employment or relationships so declared to be entered in a register of interests of staff.

##### Canvassing of and recommendations by Directors in relation to appointments

- 8.4.4 Canvassing of Directors of the Trust or members of any committee of the Board directly or indirectly for any appointment under the Trust shall disqualify the candidate for such appointment, and may potentially fall within one or more of the offences contained in Sections 1 and/or 2 of

the Bribery Act 2010. The contents of this SO shall be included in application forms or otherwise brought to the attention of candidates.

- 8.4.5 Directors shall not solicit for any person any appointment under the Trust or recommend any person for such appointment; but this SO shall not preclude a Director from giving written testimonial of a candidate's ability, experience or character for submission to the Trust.
- 8.4.6 Informal discussions outside appointment panels or committees, whether solicited or unsolicited, should be declared to the panel or committee.

#### **Relatives of Directors or Officers**

- 8.4.7 Candidates for any staff appointment under the Trust shall, when making an application, disclose in writing to the Chief Executive whether they are related to any Director or Officer. Failure to disclose such a relationship shall disqualify a candidate and, if appointed, render him liable to instant dismissal. The Chief Executive will establish a procedure by which candidates will be informed of this duty during the recruitment process.
- 8.4.8 The Chairman and every Director and Officer shall disclose to the Chief Executive any relationship between himself and a candidate of whose candidature that Director or Officer is aware. It shall be the duty of the Chief Executive to report to the Board any such disclosure made.
- 8.4.9 On appointment, Directors (and prior to acceptance of an appointment in the case of Executive Directors) should disclose to the Chief Executive and Chairman whether they are related to any other Director or Officer.
- 8.4.10 Where the relationship to a Director or Officer is disclosed, SO 8 shall apply.

## **9 CUSTODY OF SEAL, SEALING OF DOCUMENTS AND SIGNATURE OF DOCUMENTS**

### **Custody of Seal**

- 9.1 The common seal of the Trust shall be kept by the Chief Executive or a Nominated Officer authorised by him in a secure place.

### **Sealing of Documents**

- 9.2 Where it is necessary that a document shall be sealed, the seal shall be affixed in the presence of two Officers duly authorised by the Chief Executive, and not also from the originating department, and shall be attested by them.
- 9.3 The following documents may only be executed by the Trust's seal used in accordance with SO 9.2:
  - 9.3.1 all contracts for the purchase/ lease of land and/or building;
  - 9.3.2 all contracts for capital works exceeding £100,000;

- 9.3.3 all lease agreements where the annual lease charge exceeds £10,000 per annum and the period of the lease exceeds five years;
- 9.3.4 any other lease agreement where the total payable under the lease exceeds £100,000;
- 9.3.5 any contract or agreement with organisations other than NHS or other government bodies including local authorities where the annual costs exceed or are expected to exceed £100,000.

#### **Register of sealing**

- 9.4 The Chief Executive shall keep a register in which he, or another Officer authorised by him, shall enter a record of the sealing of every document.

#### **Signature of documents**

- 9.5 Where any document will be a necessary step in legal proceedings on behalf of the Trust, it shall, unless any enactment otherwise requires or authorises, be signed by the Chief Executive, or any two Executive Directors or Deputy Directors or other Nominated Officers with formal acting up status.
- 9.6 In land transactions, the signing of certain supporting documents will be delegated to Officers and set out clearly in the SD but will not include the main or principal documents effecting the transfer (e.g. sale/purchase agreement, lease, contracts for construction works and main warranty agreements or any document which is required to be executed as a deed).

## STANDING FINANCIAL INSTRUCTIONS

Document Author	Authorised Signature
Written by: Christine Palmer	Authorised by: Danny Fisher Signed:
Date:	Date:
Job Title: Executive Director of Finance	Job Title: Chairman
Effective Date: 1 <sup>st</sup> April 2012	
Approved at: Trust Board meeting	Review Date: February 2014
Reviewed: January 2013	Date Approved:
Effective Date:	Next Review Date: February 2014

<b>Version</b>	<b>Amendment</b>	<b>Approved by Audit and Corporate Risk Committee</b>	<b>Approved by PCT Board</b>
Version 0.1	New SFI's for new Provider Board	May 2011	June 2011
Version 1.1	New SFI's for Trust	May 2012	4 <sup>th</sup> July 2012
Version 1.2	Executive portfolios		

The Standing Financial Instructions for the Trust Services were approved and adopted by the Isle of Wight NHS Trust Board at the meeting held on 4<sup>th</sup> April 2012. Subsequent to this the SFI's will be reviewed and amendments approved by the Audit and Corporate Risk Committee and Board.

Any enquiries concerning these Standing Financial Instructions (provider services) should be directed to the Executive Director of Finance.

Where in these instructions there is a requirement to maintain records or make arrangements etc. using such words as 'as required by the Executive Director of Finance, details of such requirements will normally be found in the appropriate part of the Financial Procedures which will be amended from time to time.

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## **STANDING FINANCIAL INSTRUCTIONS**

### **1 INTRODUCTION**

#### **1.1 General**

- 1.1.1 These SFIs are issued in accordance with the Code of Accountability, which requires the Trust to agree SFIs for the regulation of the conduct of its Executive Directors and Officers in relation to all financial matters with which they are concerned. They shall have effect as if incorporated in the Standing Orders (SOs), and the definitions and interpretations set out in SO 2 shall apply to the SFIs.
- 1.1.2 These SFIs detail the financial responsibilities, policies and procedures adopted by the Trust. They are designed to ensure that the Trust's financial transactions are carried out in accordance with Laws and with Government policy in order to achieve probity, accuracy, economy, efficiency and effectiveness. They should be used in conjunction with the SD.
- 1.1.3 These SFIs identify the financial responsibilities which apply to everyone working for the Trust and its constituent organisations including trading units. They do not provide detailed procedural advice and should be read in conjunction with the detailed departmental and financial procedure notes. For the avoidance of doubt, all financial procedures must be approved by the Executive Director of Finance.
- 1.1.4 Should any difficulties arise regarding the interpretation or application of any of the SFIs then the advice of the Executive Director of Finance must be sought before acting. The user of these SFIs should also be familiar with and comply with the provisions of the SOs.
- 1.1.5 The failure to comply with SFIs and SOs may in certain circumstances be regarded as a disciplinary matter that could result in dismissal.
- 1.1.6 Overriding SFIs – if for any reason these SFIs or the SOs are not complied with, full details of the non-compliance and any justification for non-compliance and the circumstances around the non-compliance shall be reported to the next formal meeting of the Audit and Corporate Risk Committee for referring action or ratification by the Board. All Executive Directors and Officers have a duty to disclose any non-compliance with these SFIs to the Chief Executive as soon as possible.
- 1.1.7 All figures detailed within these SFIs are to be deemed exclusive of VAT.

#### **1.2 Responsibilities and delegation**

##### **The Board of Directors**



- 1.2.1 The Board exercises financial supervision and control by:
  - 1.2.1.1 formulating the financial strategy;
  - 1.2.1.2 requiring the submission and approval of Budgets within approved allocations/overall income;
  - 1.2.1.3 defining and approving essential features in respect of important procedures and financial systems (including the need to obtain value for money); and
  - 1.2.1.4 defining specific responsibilities placed on Executive Directors and Officers as indicated in the SD.
- 1.2.2 The Board has resolved that certain powers and decisions may only be exercised by the Board in formal session. These are set out in the SD. All other powers have been delegated to such other committees as the Trust as established.
- 1.2.3 All Trust Sub-Committees may delegate responsibility for the performance of its functions in accordance with the Trust's SD.
  - 1.2.3.1 **The Chief Executive and Executive Director of Finance**
- 1.2.4 The Chief Executive and Executive Director of Finance will, as far as possible, delegate their detailed responsibilities, but they remain accountable for financial control.
- 1.2.5 Within the SFIs, it is acknowledged that the Chief Executive is ultimately accountable to the Board, and as Accountable Officer, to the Secretary of State, for ensuring that the Board meets its obligation to perform its functions within the available financial resources. The Chief Executive has overall responsibility for the Trust's activities; is responsible to the Chairman and the Board for ensuring that the Trust's financial obligations and targets are met and has overall responsibility for the Trust's system of internal control.
- 1.2.6 It is a duty of the Chief Executive to ensure that Directors and Officers and all new appointees are notified of, and put in a position to understand, their responsibilities within these SFIs.

#### **The Executive Director of Finance**

- 1.2.7 The Executive Director of Finance is responsible for:
  - 1.2.7.1 implementing the Trust's financial policies and for coordinating any corrective action necessary to further these policies;
  - 1.2.7.2 maintaining an effective system of internal financial control including ensuring that detailed financial procedures and systems incorporating the principles of separation of duties and internal checks are prepared, documented and maintained to supplement these SFIs;

- 1.2.7.3 ensuring that sufficient records are maintained to show and explain the Trust's transactions, in order to disclose, with reasonable accuracy, the financial position of the Trust at any time; and
- 1.2.7.4 without prejudice to any other functions of the Trust and its Officers, the duties of the Executive Director of Finance include:
  - 1.2.7.4.1 the provision of financial advice to Directors and Officers;
  - 1.2.7.4.2 the design, implementation and supervision of systems of internal financial control; and
  - 1.2.7.4.3 the preparation and maintenance of such accounts, certificates, estimates, records and reports as the Trust may require for the purpose of carrying out its statutory duties.
- 1.2.8 **Executive Directors and Officers**

All Executive Directors and Officers, severally and collectively, are responsible for:

  - 1.2.8.1 the security of the property of the Trust;
  - 1.2.8.2 avoiding loss;
  - 1.2.8.3 exercising economy and efficiency in the use of resources;
  - 1.2.8.4 conforming with the requirements of SOs, SFIs, financial procedures and the SD.
- 1.2.9 For all Executive Directors and Officers who carry out a financial function, the form in which financial records are kept and the manner in which Executive Directors and Officers discharge their duties must be to the satisfaction of the Executive Director of Finance.

### **Contractors and their employees**

- 1.2.10 Any contractor or employee of a contractor who is empowered by the Trust to commit the Trust to expenditure or who is authorised to obtain income on behalf of the Trust shall be covered by these SFIs. It is the responsibility of the Chief Executive to ensure that such persons are made aware of this.

## **2 AUDIT**

### **Audit and Corporate Risk Committee**

- 2.1 An independent Audit and Corporate Risk Committee is a central means by which a Board ensures effective internal control arrangements are in place. In addition, the Audit and Corporate Risk Committee provides a form of independent check upon the executive arm of the Board. In accordance with the SOs, the Board shall formally establish an Audit and Corporate Risk Committee, with clearly defined terms of reference and following guidance from the NHS Audit and Risk Committee Handbook (2005).

- 2.2 The Audit and Corporate Risk Committee will perform the following tasks:
- 2.2.1 overseeing internal and external audit services. Reviewing the scope of both internal and external audit including the agreement on the number of audits per year for approval by the Board;
  - 2.2.2 reviewing major findings from internal and external audit reports and ensure appropriate action is taken;
  - 2.2.3 reviewing the work and findings of the external auditor appointed by the Audit Commission and considering the implications of and management's responses to their work;
  - 2.2.4 reviewing financial and information systems and monitoring the integrity of the financial statements and reviewing significant financial reporting judgements;
  - 2.2.5 review the establishment and maintenance of an effective system of integrated governance, risk management and internal control, across the whole of the Trust's activities (both clinical and non-clinical), that supports the achievement of the Trust's objectives;
  - 2.2.6 reviewing the findings of other significant assurance functions, both internal and external, and considering the implications for the governance of the Trust;
  - 2.2.7 ensuring that the systems for financial reporting to the Board, including those of budgetary control, are subject to review as to completeness and accuracy of the information provided to the Board;
  - 2.2.8 monitoring compliance with SOs and SFIs;
  - 2.2.9 reviewing schedules of losses and compensations and making recommendations to the Board;
  - 2.2.10 reviewing schedules of debtors/creditors balances over 3 months with explanations/action plans;
  - 2.2.11 reviewing the arrangements in place to support the Assurance Framework process prepared on behalf of the Board and advising the Board accordingly;
  - 2.2.12 reviewing the annual report and financial statements prior to submission to the board focusing particularly on:
    - 2.2.12.1 the wording in the Annual Governance Statement and other disclosures relevant to the Terms of Reference of the Committee;
    - 2.2.12.2 changes in, and compliance with, accounting policies and practices;
    - 2.2.12.3 unadjusted mis-statements in the financial statements;
    - 2.2.12.4 major judgmental areas; and
    - 2.2.12.5 significant adjustments resulting from audit.

- 2.2.13 conducting a review of the Trust's major accounting policies;
  - 2.2.14 reviewing any incident of fraud or corruption or possible breach of ethical standards or legal or statutory requirements that could have a significant impact on the Trust's published financial accounts or reputation;
  - 2.2.15 reviewing any objectives and effectiveness of the internal audit services including its working relationship with external auditors;
  - 2.2.16 reviewing 'value for money' audits reporting on the effectiveness and efficiency of the selected departments or activities;
  - 2.2.17 reviewing the mechanisms and levels of authority (e.g. SOs, SFIs, the SD) and make recommendations to the Board;
  - 2.2.18 investigating any matter within its Terms of Reference, having the right of access to any information relating to the particular matter under investigation;
  - 2.2.19 reviewing waivers to SOs; and
  - 2.2.20 reviewing register of interests, gifts, sponsorship and hospitality and ensuring compliance with the provisions of the Bribery Act 2010.
- 2.3 The minutes of the Audit and Corporate Risk Committee shall be formally recorded and submitted to the Board.
- 2.4 Where the Audit and Corporate Risk Committee considers there is evidence of ultra vires transactions, evidence of improper acts, or if there are other important matters that the Audit and Corporate Risk Committee wishes to raise, the chairman of the Audit and Corporate Risk Committee should raise the matter with the Executive Director of Finance in the first instance, followed by the Board. Exceptionally, the chairman of the Audit and Corporate Risk Committee may refer the matter directly to the Strategic Health Authority and/or the DH.
- 2.5 It is the responsibility of the Executive Director of Finance to ensure an adequate internal audit service is provided and the Audit and Corporate Risk Committee shall be involved in the selection process when/if an internal audit service provider is changed.
- 2.6 It is considered best practice for the members of the Audit and Corporate Risk Committee to meet with representatives of internal and external auditors at least annually without Officers being present.

### **Executive Director of Finance**

- 2.7 The Executive Director of Finance is responsible for:
- 2.7.1 ensuring there are arrangements to review, evaluate and report on the effectiveness of internal financial control including the establishment of an effective internal audit function;

- 2.7.2 ensuring that the internal audit function is adequate and meets NHS mandatory audit standards;
- 2.7.3 deciding at what stage to involve the police in cases of misappropriation and other irregularities not involving fraud or corruption; and
- 2.7.4 ensuring that an annual internal audit report is prepared for the consideration of the Audit and Corporate Risk Committee and the Board of Directors. The report must cover:
  - 2.7.4.1 a clear opinion on the effectiveness of internal control in accordance with current Assurance Framework guidance issued by the DH including for example compliance with control criteria and standards;
  - 2.7.4.2 major internal financial control weaknesses discovered;
  - 2.7.4.3 progress on the implementation of internal audit recommendations;
  - 2.7.4.4 progress against plan over the previous year;
  - 2.7.4.5 strategic audit plan covering the coming three (3) years; and
  - 2.7.4.6 a detailed plan for the coming year.
- 2.8 The Executive Director of Finance or designated auditors are entitled, without necessarily giving prior notice, to require and receive:
  - 2.8.1 access to all records, documents and correspondence relating to any financial or other relevant transactions, including documents of a confidential nature;
  - 2.8.2 access at all reasonable times to any land, premises or Director or Officer;
  - 2.8.3 the production of any cash, stores or other property of the Trust under a Director's and/or an Officer's control; and
  - 2.8.4 explanations concerning any matter under investigation.

### **Role of Internal Audit**

- 2.9 Internal audit is an independent and objective appraisal service within an organisation which provides:
  - 2.9.1 an independent and objective opinion to the Accountable Officer, the Audit and Corporate Risk Committee and the Board on the degree to which risk management control and governance, support the achievement of the Trust's agreed objectives;
  - 2.9.2 an independent and objective consultancy service specifically to help line management improve the Trust's risk management, control and governance arrangements.

- 2.10 Internal audit will review, appraise and report upon policies, procedures and operations in place to:
- 2.10.1 establish and monitor the achievement of the Trust's objectives;
  - 2.10.2 identify, assess and manage the risks to achieving the Trust's objectives;
  - 2.10.3 ensure the economical, effective and efficient use of resources;
  - 2.10.4 ensure compliance with established policies (including behavioural and ethical expectations), procedures, laws and regulations;
  - 2.10.5 safeguard the organisation's assets and interests from losses of all kinds, including those arising from:
    - 2.10.5.1 fraud, corruption and other offences;
    - 2.10.5.2 waste, extravagance, inefficient administration;
    - 2.10.5.3 poor value for money or other causes.
  - 2.10.6 ensure the integrity and reliability of information, accounts and data, including internal and external reporting and accountability processes.
- 2.11 The HOIA will provide to the Audit and Corporate Risk Committee:
- 2.11.1 a risk based plan of internal audit work, agreed with management and approved by the Audit and Corporate Risk Committee, based upon the management's Assurance Framework that will enable the auditors to collect sufficient evidence to give an opinion on the adequacy and effective operation of the Trust;
  - 2.11.2 regular updated on the progress against plan;
  - 2.11.3 reports of management's progress on the implementation of action agreed as a result of internal audit findings;
  - 2.11.4 an annual opinion, based upon and limited to the work performed, on the overall adequacy and effectiveness of the Trust's risk management, control and governance processes;
  - 2.11.5 a report supporting the Trust's assurances to the Care Quality Commission on compliance with essential standards or quality and safety;
  - 2.11.6 additional reports as requested by the Audit and Corporate Risk Committee.
- 2.12 Whenever any matter arises which involves, or is thought to involve, irregularities concerning cash, stores, or other property or any suspected irregularity in the exercise of any function of a pecuniary nature, the Executive Director of Finance must be notified immediately.

- 2.13 The HOIA will normally attend the Audit and Corporate Risk Committee meetings and has a right of access to the Chair of the Audit and Corporate Risk Committee.
- 2.14 The HOIA shall be accountable to the Executive Director of Finance. The reporting system for internal audit shall be agreed between the Executive Director of Finance, the Audit and Corporate Risk Committee and the HOIA. The agreement shall be in writing and shall comply with the guidance on reporting contained in the NHS internal audit standards. The reporting system shall be reviewed at least every three years.

### **External Audit**

- 2.15 The external auditor is appointed by the Audit Commission and paid for by the Trust. The Audit and Corporate Risk Committee must ensure a cost-efficient service. If there are any problems relating to the service provided by the external auditor, then this should be raised with the external auditor and referred on to the Audit Commission if the issue cannot be resolved.

### **Fraud and corruption**

- 2.16 In line with their responsibilities, the Chief Executive and Executive Director of Finance shall monitor and ensure compliance with directions issued by the Secretary of State on fraud and corruption; and shall ensure compliance with the provisions of the Bribery Act 2010 (where relevant), with particular regard to the offence in Section 7 of that legislation.
- 2.17 The Trust shall nominate a suitable person to carry out the duties of the LCFS as specified by the NHS Counter Fraud and Corruption Manual, and associated guidance.
- 2.18 The LCFS shall report to the Executive Director of Finance and shall work with staff in NHS Protect and the OFT in accordance with the NHS Counter Fraud and Corruption Manual.
- 2.19 The LCFS will provide a written report, at least annually, on counter fraud work within the Trust.

### **Security management**

- 2.20 In line with his responsibilities, the Chief Executive will monitor and ensure compliance with directions issued by the Secretary of State on NHS security management.
- 2.21 The Trust shall nominate a suitable person to carry out the duties of the LSMS as specified by the Secretary of State guidance on NHS security management.
- 2.22 The Trust shall nominate a Non-Executive Director to oversee the NHS security management service which will report to the Board.
- 2.23 The Chief Executive has overall responsibility for controlling and co-ordinating security. However, key tasks are delegated to the SMD and the appointed LSMS.

## **3 ALLOCATIONS, PLANNING, BUDGETS, BUDGETARY CONTROL, AND MONITORING**

### **Preparation and approval of plans and Budgets**

- 3.1 The Chief Executive will compile and submit to the Board an annual operating plan which takes into account financial targets and forecast limits of available resources. The annual operating plan will contain:
  - 3.1.1 a statement of the significant assumptions on which the plan is based; and
  - 3.1.2 details of major changes in workload, delivery of services or resources required to achieve the plan.
- 3.2 Prior to the start of the financial year the Executive Director of Finance will, on behalf of the Chief Executive, prepare and submit Budgets for approval by the Board of Directors. Such Budgets will:
  - 3.2.1 be in accordance with the aims and objectives set out in the annual operating plan;
  - 3.2.2 accord with workload and manpower plans;
  - 3.2.3 be produced following discussion with appropriate Budget Holders;
  - 3.2.4 be prepared within the limits of available funds; and
  - 3.2.5 identify potential risks.
- 3.3 The Executive Director of Finance shall monitor financial performance against Budget and plan, periodically review them, and report to the Board.
- 3.4 All Budget Holders must provide information as required by the Executive Director of Finance to enable Budgets to be compiled.
- 3.5 All Budget Holders will sign up to their allocated Budgets at the commencement of each financial year.
- 3.6 The Executive Director of Finance has a responsibility to ensure that adequate training is delivered on an on-going basis to Budget Holders to help them manage successfully.

### **Budgetary Delegation**

- 3.7 The Chief Executive may delegate the management of a Budget to permit the performance of a defined range of activities. This delegation must be in writing and be accompanied by a clear definition of:
  - 3.7.1 the amount of the Budget;
  - 3.7.2 the purpose(s) of each Budget heading;
  - 3.7.3 individual and group responsibilities;
  - 3.7.4 authority to exercise virement;
  - 3.7.5 achievement of planned levels of service; and



- 3.7.6 the provision of regular reports.
- 3.8 The Chief Executive and delegated Budget Holders must not exceed the budgetary total or virement limits set by the Board.
- 3.9 Any budgeted funds not required for their designated purpose(s) revert to the immediate control of the Chief Executive, subject to any authorised use of virement.
- 3.10 Non-recurring Budgets should not be used to finance recurring expenditure without the authority in writing of the Chief Executive, as advised by the Executive Director of Finance.

### **Budgetary control and reporting**

- 3.11 The Executive Director of Finance will devise and maintain systems of budgetary control. These will include:
  - 3.11.1 monthly financial reports to the Board in a form approved by the Board containing:
    - 3.11.1.1 income and expenditure to date showing trends and forecast year-end position;
    - 3.11.1.2 movements in working capital;
    - 3.11.1.3 movements in cash and capital;
    - 3.11.1.4 capital project spend and projected outturn against plan;
    - 3.11.1.5 explanations of any material variances from plan; and
    - 3.11.1.6 details of any corrective action where necessary and the Chief Executive's and/or Executive Director of Finance's view of whether such actions are sufficient to correct the situation;
  - 3.11.2 the issue of timely, accurate and comprehensible advice and financial reports to each Budget Holder, covering the areas for which they are responsible;
  - 3.11.3 investigation and reporting of variances from financial, workload and manpower Budgets;
  - 3.11.4 monitoring of management action to correct variances; and
  - 3.11.5 arrangements for the authorisation of Budget transfers.
- 3.12 Each Budget Holder is responsible for ensuring that:
  - 3.12.1 any likely overspending or reduction of income which cannot be met by virement is not incurred without the prior consent of the Board;
  - 3.12.2 the amount provided in the approved Budget is not used in whole or in part for any purpose other than that specifically authorised subject to the rules of virement;

- 3.12.3 no permanent Officers are appointed without the approval of the Chief Executive other than those provided for within the available resources and manpower establishment as approved by the Board of Directors.

- 3.13 The Chief Executive is responsible for identifying and implementing cost improvements and income generation initiatives in accordance with the requirements of the annual operating plan and a balanced Budget.

#### **Capital expenditure**

- 3.14 The general rules applying to delegation and reporting shall also apply to capital expenditure. The particular applications in relation to capital are contained in SFI 13.

#### **Monitoring returns**

- 3.15 The Chief Executive is responsible for ensuring that the appropriate monitoring forms are submitted to the requisite monitoring organisation.

### **4 ANNUAL ACCOUNTS AND REPORTS**

- 4.1 The Executive Director of Finance, on behalf of the Trust, will:
  - 4.1.1 prepare financial returns in accordance with the accounting policies and guidance given by the DH and the Treasury, the Trust's accounting policies, and generally accepted accounting practice;
  - 4.1.2 prepare and submit annual financial reports to the DH certified in accordance with current guidelines;
  - 4.1.3 submit financial returns to the DH for each financial year in accordance with the timetable prescribed by the DH.
- 4.2 The Trust's annual accounts must be audited by an auditor appointed by the Audit Commission. The Trust's audited annual accounts must be presented to a public meeting and made available to the public.
- 4.3 The Trust will publish an annual report, in accordance with guidelines on local accountability, and present it at a public meeting. The document will comply with the DH's Manual for Accounts.

### **5 BANK AND GBS ACCOUNTS**

#### **5.1 General**

- 5.1.1 The Executive Director of Finance is responsible for managing the Trust's banking arrangements and for advising the Trust on the provision of banking services and operation of accounts. This advice will take into account guidance/directions issued from time to time by the DH. In line with Cash Management in the NHS, trusts should minimize the use of commercial bank accounts and consider using GBS accounts for all banking services.
- 5.1.2 The Board shall approve the Trust's banking arrangements.

## **5.2 Bank and GBS accounts**

- 5.2.1 The Executive Director of Finance is responsible for:
  - 5.2.1.1 bank accounts and GBS accounts;
  - 5.2.1.2 establishing separate bank accounts for the Trust's non-exchequer funds;
  - 5.2.1.3 ensuring payments made from bank or GBS accounts do not exceed the amount credited to the account except where arrangements have been made;
  - 5.2.1.4 reporting to the Board all arrangements made with the Trust's bankers for accounts to be overdrawn; and
  - 5.2.1.5 monitoring compliance with the DH's guidance on the level of cleared funds.

## **5.3 Banking procedures**

- 5.3.1 The Executive Director of Finance will prepare detailed instructions on the operation of bank and GBS accounts which must include:
  - 5.3.1.1 the conditions under which each bank and GBS account is to be operated; and
  - 5.3.1.2 those authorised to sign cheques or other orders drawn on the Trust's accounts.
- 5.3.2 The Executive Director of Finance must advise the Trust's bankers in writing of the conditions under which each account will be operated.

## **5.4 Tendering and review**

- 5.4.1 The Executive Director of Finance will review the commercial banking arrangements of the Trust at regular intervals to ensure they reflect best practice and represent best value for money by periodically seeking competitive tenders for the Trust's commercial banking business.
- 5.4.2 Competitive tenders should be sought at least every 5 years. The results of the tendering exercise should be reported to the Board. This review is not necessary for GBS accounts.

# **6 INCOME, FEES AND CHARGES AND SECURITY OF CASH, CHEQUES AND OTHER NEGOTIABLE INSTRUMENTS**

## **6.1 Income systems**

- 6.1.1 The Executive Director of Finance is responsible for designing, maintaining and ensuring compliance with systems for the proper recording, invoicing, collection and coding of all monies due.

- 6.1.2 The Executive Director of Finance is also responsible for the prompt banking of all monies received.
- 6.2 Fees and charges**
- 6.2.1 The Trust shall follow the DH's advice in the NHS Reference Costs 2011/12: Collection Guidance or any guidance published subsequently to replace this in setting prices for NHS service agreements.
- 6.2.2 The Executive Director of Finance is responsible for approving and regularly reviewing the level of all fees and charges other than those determined by the DH or by Law. Independent professional advice on matters of valuation shall be taken as necessary.
- 6.2.3 All Officers must inform the Executive Director of Finance promptly of money due arising from transactions which they initiate/deal with, including all contracts, leases, tenancy agreements, private patient undertakings and other transactions.
- 6.3 Debt recovery**
- 6.3.1 The Executive Director of Finance is responsible for the appropriate recovery action on all outstanding debts.
- 6.3.2 Income not received should be dealt with in accordance with losses procedures.
- 6.3.3 Overpayments should be detected (or preferably prevented) and recovery initiated.
- 6.4 Security of cash, cheques and other negotiable instruments**
- 6.4.1 The Executive Director of Finance is responsible for:
- 6.4.1.1 approving the form of all receipt books, agreement forms, or other means of officially acknowledging or recording monies received or receivable;
- 6.4.1.2 ordering and securely controlling any such stationery;
- 6.4.1.3 the provision of adequate facilities and systems for Officers whose duties include collecting and holding cash, including the provision of safes or lockable cash boxes, the procedures for keys, and for coin operated machines; and
- 6.4.1.4 prescribing systems and procedures for handling cash and negotiable securities on behalf of the Trust.
- 6.4.2 Official money shall not under any circumstances be used for the encashment of private cheques or IOUs. Any Officers or Directors found in breach of this provision may face disciplinary action and/or dismissal.

- 6.4.3 All cheques, postal orders, cash etc., shall be banked intact. Disbursements shall not be made from cash received, except under arrangements approved by the Executive Director of Finance.
- 6.4.4 Cash handling shall be kept to a minimum and banking facilities used wherever possible. The Trust does not accept cash payments exceeding £10,000 or 15,000 Euros for any single transaction.
- 6.4.5 The holders of safe keys shall not accept unofficial funds for depositing in their safes unless such deposits are in special sealed envelopes or locked containers. It shall be made clear to the depositors that the Trust is not to be held liable for any loss, and written indemnities must be obtained from the organisation or individuals absolving the Trust from responsibility for any loss.
- 6.4.6 An Officer in charge of a department or service where cash is handled shall:
  - 6.4.6.1 obtain written confirmation from all Officers concerned with the handling of cash that they are aware of their duty to comply with SFIs and with any supplementary instructions which may be issued by the Executive Director of Finance; and
  - 6.4.6.2 satisfy himself, by inspection or otherwise, that the provisions of this SFI are strictly observed.

## **7 TENDERING AND CONTRACTING PROCEDURE**

### **Duty to comply with SOs and SFIs**

- 7.1 The procedure for making all contracts by or on behalf of the Trust shall comply with the SOs and these SFIs (except where SO 4.13 is applied).

### **EU Directives governing public procurement**

- 7.2 Directives by the Council of the European Union promulgated by the Department of Health prescribing procedures for awarding all forms of contracts shall have effect as if incorporated in the SOs and these SFIs.

### **Reverse eAuctions**

- 7.3 The Trust should have policies and procedures in place for the control of all tendering activity carried out through Reverse eAuctions and should ensure these are managed through a relevant procurement provider. For further guidance on Reverse eAuctions refer to [www.ogc.gov.uk](http://www.ogc.gov.uk)

### **Capital Investment Manual and other Department of Health guidance**

- 7.4 The Trust shall comply as far as is practicable with the requirements of the DH's "Capital Investment Manual" and "Estatecode" in respect of capital investment and estate and property transactions. In the case of management consultancy contracts the Trust shall comply as far as is practicable with DH guidance "The Procurement and Management of Consultants within the NHS".

### **Formal competitive tendering**

## **7.5 General applicability**

- 7.5.1 The Trust shall ensure that competitive tenders are invited for:
  - 7.5.1.1 the supply of goods, materials and manufactured articles;
  - 7.5.1.2 the rendering of services including all forms of management consultancy services (other than specialised services sought from or provided by the DH); and
  - 7.5.1.3 the design, construction and maintenance of building and engineering works (including construction and maintenance of grounds and gardens); for disposals.

## **7.6 Health care services**

- 7.6.1 Where the Trust elects to invite tenders for the supply of health care services these SOs and SFIs shall apply as far as they are applicable to the tendering procedure and need to be read in conjunction with SFI 7.12.

## **7.7 Exceptions and instances where formal tendering need not be applied**

- 7.7.1 Formal tendering procedures need not be applied where:
  - 7.7.1.1 the estimated expenditure or income does not, or is not reasonably expected to, exceed £10,000 (although formal pricing is still required);
  - 7.7.1.2 where the supply is proposed under special arrangements negotiated by the DH and/or within NHS Supply Chain frameworks in which event the said special arrangements must be complied with;
  - 7.7.1.3 regarding disposals as set out in SFI 7.26 below;
- 7.7.2 Formal tendering procedures may be waived in the following circumstances:
  - 7.7.2.1 in very exceptional circumstances where the Chief Executive decides that formal tendering procedures would not be practicable or the estimated expenditure or income would not warrant formal tendering procedures, and the circumstances are detailed in an appropriate Trust record;
  - 7.7.2.2 where the requirement is covered by an existing contract;
  - 7.7.2.3 where Buying Solutions agreements are in place and have been approved by the Board;
  - 7.7.2.4 where a consortium arrangement is in place and a lead organisation has been appointed to carry out tendering activity on behalf of the consortium members;

- 7.7.2.5 where the timescale genuinely precludes competitive tendering but failure to plan the work properly would not be regarded as a justification for a single tender;
- 7.7.2.6 where specialist expertise is required and is available from only one source;
- 7.7.2.7 when the task is essential to complete the project, and arises as a consequence of a recently completed assignment and engaging different consultants for the new task would be inappropriate;
- 7.7.2.8 there is a clear benefit to be gained from maintaining continuity with an earlier project. However in such cases the benefits of such continuity must outweigh any potential financial advantage to be gained by competitive tendering;
- 7.7.2.9 for the provision of legal advice and services providing that any legal firm or partnership commissioned by the Trust is regulated by the Solicitors Regulation Authority for the conduct of their business (or by the Bar Council in relation to the obtaining of Counsel's opinion) and are generally recognised as having sufficient expertise in the area of work for which they are commissioned. The Executive Director of Finance will ensure that any fees paid are reasonable and within commonly accepted rates for the costing of such work; and
- 7.7.2.10 where allowed and provided for in the Capital Investment Manual.
- 7.7.3 The waiving of competitive tendering procedures should not be used to avoid competition or for administrative convenience or to award further work to a consultant originally appointed through a competitive procedure.
- 7.7.4 Where it is decided that competitive tendering is not applicable and should be waived, the fact of the waiver and the reasons should be documented and recorded in an appropriate Trust record and reported to the Audit and Corporate Risk Committee at each meeting.

## **7.8 Fair and adequate competition**

- 7.8.1 Subject to 7.22.2, where the exceptions set out in SFI 7.7 apply, the Trust shall ensure that invitations to tender are sent to a sufficient number of firms/individuals to provide fair and adequate competition as appropriate, and in no case less than 3 firms/individuals, having regard to their capacity to supply the goods or materials or to undertake the services or works required.

## **7.9 List of approved firms**

- 7.9.1 The Trust shall ensure that the firms/individuals invited to tender are among those on pre-registered with Constructionline. Where in the opinion of the Executive Director of Finance it is desirable to seek tenders from firms not on the approved lists, the reason shall be recorded in writing to the Chief Executive.

## **7.10 Building and engineering construction works**

- 7.10.1 Invitations to tender shall be made only to firms included on the approved list compiled in accordance with SFI 7.9 above.
- 7.10.2 Firms included on the approved list shall ensure that when engaging, training, promoting or dismissing employees or in any conditions of employment, shall not discriminate against any person and shall act in accordance with the law and for the avoidance of doubt this includes all relevant employment legislation and guidance and the Bribery Act 2010.
- 7.10.3 Firms included on the approved list shall conform at least with the requirements of the Health and Safety at Work Act 1974 (as amended) and any amending and/or other related Laws concerned with the health, safety and welfare of workers and other persons, and to any relevant British standard code of practice issued by the British Standard Institution. Firms must provide to the appropriate Officer a copy of its safety policy and evidence of the safety of plant and equipment, when requested.

## **7.11 Items which subsequently breach thresholds after original approval**

- 7.11.1 Items estimated to be below the limits set in this SFI for which formal tendering procedures are not used which subsequently prove to have a value above such limits shall be reported to the Chief Executive (subject to agreed tolerances listed below), and be recorded in an appropriate Trust record.

Value	Tolerance
Up to £10,000	10%
Over £10,000	£1,000

- 7.11.2 Requisitions can have the tolerances listed above to the final order value without the buyer referring this differential back to the original requisitioner.

## **Contracting/tendering procedure**

### **7.12 Invitation to tender**

- 7.12.1 All invitations to tender shall state the date and time as being the latest time for the receipt of tenders.
- 7.12.2 All invitations to tender shall state that no tender will be accepted unless:
- 7.12.2.1 submitted in a plain sealed package or envelope bearing a pre-printed label supplied by the Trust (or the word "tender" followed by the subject to which it related) and the latest date and time for the receipt of such tender addressed to the Chief Executive or Nominated Officer has not expired;



- 7.12.2.2 that tender envelopes/ packages shall not bear any names or marks indicating the sender. The use of courier/postal services must not identify the sender on the envelope or on any receipt so required by the deliverer; and
- 7.12.2.3 in the case of an approved electronic trading system, the method prescribed by that system
- 7.12.3 Every tender for goods, materials, services or disposals shall embody such of the NHS Standard Contract Conditions as are applicable, and shall include (where relevant) reference to the provisions of the Bribery Act 2010.
- 7.12.4 Every tender for building or engineering works (except for maintenance work) shall embody or be in the terms of the current edition of one of the Joint Contracts Tribunal Standard Forms of Building Contract or Department of the Environment (GC/Wks) Standard forms of contract amended to comply with concode; or, when the content of the work is primarily engineering, the General Conditions of Contract recommended by the Institution of Mechanical and Electrical Engineers and the Association of Consulting Engineers (Form A), or (in the case of civil engineering work) the General Conditions of Contract recommended by the Institute of Civil Engineers, the Association of Consulting Engineers and the Federation of Civil Engineering Contractors. These documents shall be modified and/or amplified to accord with DH's guidance and, in minor respects, to cover special features of individual projects.

### **7.13 Receipt and safe custody of tenders**

- 7.13.1 The Chief Executive or his nominated representative will be responsible for the receipt, endorsement and safe custody of tenders received until the time appointed for their opening.
- 7.13.2 The date and time of receipt of each tender shall be endorsed on the tender envelope/package, or in the case of an approved electronic system it shall be noted on that system and held securely until the specified time for release.

### **7.14 Opening tenders and register of tenders**

- 7.14.1 As soon as practicable after the date and time stated as being the latest time for the receipt of tenders, they shall be opened by 2 senior Officers designated by the Chief Executive and, subject to SFI 7.14.5 below, not from the originating department.
- 7.14.2 A member of the Board will be required to be one of the two approved persons present for the opening of all formal tenders estimated above £113,000. The rules relating to the opening of tenders will need to be read in conjunction with any delegated authority set out in the SD.
- 7.14.3 The 'originating' department will be taken to mean the Trust department sponsoring or commissioning the tender.

- 7.14.4 The involvement of Finance Directorate staff in the preparation of a tender proposal will not preclude the Executive Director of Finance or any approved senior Officer from the Finance Directorate from serving as one of the 2 Officers to open tenders.
- 7.14.5 All nominated Executive Directors will be authorised to open tenders regardless of whether they are from the originating department provided that the other authorised person opening the tenders with them is not from the originating department.
- 7.14.6 Every tender received shall be marked with the date of opening and initialled by those present at the opening.
- 7.14.7 A register shall be maintained by the Chief Executive, or a person authorised by him, to show for each set of competitive tender invitations despatched:
- 7.14.7.1 the name of all firms individuals invited;
  - 7.14.7.2 the names of firms individuals from which tenders have been received;
  - 7.14.7.3 the date the tenders were opened;
  - 7.14.7.4 the persons present at the opening;
  - 7.14.7.5 the price shown on each tender; and
  - 7.14.7.6 a note where price alterations have been made on the tender.
- 7.14.8 Each entry to this register shall be signed by those present.
- 7.14.9 A note shall be made in the register if any one tender price has had so many alterations that it cannot be readily read or understood.
- 7.14.10 Incomplete tenders, i.e. those from which information necessary for the adjudication of the tender is missing, and amended tenders i.e., those amended by the tenderer upon his own initiative either orally or in writing after the due time for receipt, but prior to the opening of other tenders, should be dealt with in the same way as late tenders (see SFI 7.16).
- 7.14.11 In the case of an electronic tendering system the offer shall be deemed as 'opened' on the release date in the manner prescribed by that system.

## **7.15 Admissibility**

- 7.15.1 If for any reason the designated Officers are of the opinion that the tenders received are not strictly competitive (for example, because their numbers are insufficient or any are amended, incomplete or qualified) no contract shall be awarded without the approval of the Chief Executive.

- 7.15.2 Where only one tender is sought and/or received, the Chief Executive and Executive Director of Finance shall, as far as practicable, ensure that the price to be paid is fair and reasonable and will ensure value for money for the Trust.

#### **7.16 Late tenders**

- 7.16.1 Tenders received after the due time and date, but prior to the opening of the other tenders, may be considered only if the Chief Executive decides that there are exceptional circumstances i.e. despatched in good time but delayed through no fault of the tenderer.

- 7.16.2 Only in the most exceptional circumstances will a tender be considered which is received after the opening of the other tenders and only then if the tenders that have been duly opened have not left the custody of the Chief Executive or if the process of evaluation and adjudication has not started.

- 7.17 While decisions as to the admissibility of late, incomplete or amended tenders are under consideration, the tender documents shall be kept strictly confidential, recorded, and held in safe custody by the Chief Executive or his Nominated Officer.

#### **7.18 Acceptance of formal tenders**

- 7.18.1 Any discussions with a tenderer which are deemed necessary to clarify technical aspects of his tender before the award of a contract will not disqualify the tender and that these discussions to be shared with all tenderers to ensure all tenders have been treated fairly.

- 7.18.2 The lowest tender, if payment is to be made by the Trust, or the highest, if payment is to be received by the Trust, shall be accepted unless there are good and sufficient reasons to the contrary. Selection criteria shall be used including weighting to determine best value along with clinical evaluation. Such reasons shall be set out in either the contract file, or other appropriate record. Weighting criteria will be published in all tender documentation.

- 7.18.3 It is accepted that for professional services such as management consultancy, the lowest price does not always represent the best value for money. Other factors affecting the success of a project include:

- 7.18.3.1 relevant experience and qualifications of team members;

- 7.18.3.2 understanding of client's needs;

- 7.18.3.3 feasibility and credibility of proposed approach;

- 7.18.3.4 ability to complete the project on time.

- 7.18.4 Where other factors are taken into account in selecting a tenderer, these must be clearly recorded and documented in the contract file, and the reason(s) for not accepting the lowest tender clearly stated.

- 7.18.5 No tender shall be accepted which will commit expenditure in excess of that which has been allocated by the Board and which is not in accordance with these SFIs except with the authorisation of the Chief Executive.
- 7.18.6 The use of these procedures must demonstrate that the award of the contract was:
  - 7.18.6.1 not in excess of the going market rate / price current at the time the contract was awarded;
  - 7.18.6.2 that best value for money was achieved within Budgets available.
- 7.18.7 All tenders should be treated as confidential and should be retained for inspection.

#### **7.19 Tender reports to the Board of Directors**

- 7.19.1 Reports to the Board will be made where the Chief Executive or Executive Director of Finance considers it appropriate.

#### **Quotations: competitive and non-competitive**

##### **7.20 General position on quotations**

- 7.20.1 Quotations are required where formal tendering procedures are not adopted and where the intended expenditure or income exceeds, or is reasonably expected to exceed £10,000 but not exceed £40,000.

##### **7.21 Competitive quotations**

- 7.21.1 Quotations should be obtained from at least 3 firms/individuals based on specifications or terms of reference prepared by, or on behalf of, the Trust.
- 7.21.2 Quotations should be in writing unless the Chief Executive or his Nominated Officer determines that it is impractical to do so in which case quotations may be obtained by telephone. Confirmation of telephone quotations should be obtained as soon as possible and the reasons why the telephone quotation was obtained should be set out in a permanent record.
- 7.21.3 All quotations should be treated as confidential and should be retained for inspection.
- 7.21.4 The Chief Executive or his Nominated Officer should evaluate the quotation and select the quote which gives the best value for money. If this is not the lowest quotation if payment is to be made by the Trust, or the highest if payment is to be received by the Trust, then the choice made and the reasons why should be recorded in a permanent record.

##### **7.22 Non-competitive quotations**

- 7.22.1 Non-competitive quotations in writing may be obtained where the Assistant / Deputy Director has authorised, and recorded in an appropriate Trust record, the use of a non-competitive quotation on the basis that the competitive quotation process would not be suitable or practical given the circumstances of the transaction and it falls within in the following circumstances:
- 7.22.1.1 the supply of proprietary or other goods of a special character and the rendering of services of a special character, for which it is not, in the opinion of the responsible officer, possible or desirable to obtain competitive quotations;
  - 7.22.1.2 the supply of goods or manufactured articles of any kind which are required quickly and are not obtainable under existing contracts;
  - 7.22.1.3 miscellaneous services, supplies and disposals; and
  - 7.22.1.4 where the goods or services are for building and engineering maintenance the responsible works Officer must certify that the first two conditions of this SFI (SFIs 7.22.1.1 and 7.22.1.2 above) apply.
- 7.23 Not used.
- 7.24 **Quotations to be within financial limits**
- 7.24.1 No quotation shall be accepted which will commit expenditure in excess of that which has been allocated by the Board and which is not in accordance with SFIs except with the authorisation of either the Chief Executive or Executive Director of Finance.
- 7.25 **Authorisation of tenders and competitive quotations**
- 7.25.1 Providing all the conditions and circumstances set out in these SFIs have been fully complied with, formal authorisation and awarding of a contract may be decided by the following Officers to the value of the contract and within budgetary limits set out in Appendix 1.
  - 7.25.2 These levels of authorisation may be varied or changed by the Board at its sole discretion and need to be read in conjunction with the SD. Formal authorisation must be put in writing. In the case of authorisation by the Board of Directors, this shall be recorded in its minutes.
- 7.26 **Instances where formal competitive tendering or competitive quotation is not required**
- 7.26.1 Where competitive tendering or a competitive quotation is not required, the Trust should adopt one of the following alternatives:
    - 7.26.1.1 the Trust shall use a provider of procurement services for the procurement of all goods and services unless the Chief Executive or nominated Officers deem it inappropriate. The decision to use alternative sources must be documented.

- 7.26.1.2 if the Trust does not use a provider of procurement services, where tenders or quotations are not required, because expenditure is below £10,000, the Trust shall procure goods and services in accordance with procurement procedures approved by the Executive Director of Finance.

## **7.27 Private finance for capital procurement**

- 7.27.1 The Trust will market-test for PFI (Private Finance Initiative funding) when considering a capital procurement. When the Board proposes, or is required, to use finance provided by the private sector the following should apply:
  - 7.27.1.1 the Chief Executive shall demonstrate that the use of private finance represents value for money and genuinely transfers risk to the private sector;
  - 7.27.1.2 where the sum exceeds delegated limits, a business case must be referred to the appropriate DH for approval or treated as per current guidelines; and
  - 7.27.1.3 the proposal must be specifically agreed by the Board.
- 7.27.2 The selection of a contractor/finance company must be on the basis of competitive tendering or quotations.

## **7.28 Compliance requirements for all contracts**

- 7.28.1 The Board may only enter into contracts on behalf of the Trust within the statutory powers delegated to it by the Secretary of State and shall comply with:
  - 7.28.1.1 the Trust's SOs and SFIs;
  - 7.28.1.2 EU Directives and other statutory provisions;
  - 7.28.1.3 any relevant Laws, directions or guidance issued by the Secretary of State;
  - 7.28.1.4 such of the NHS Standard Contract Conditions as are applicable;
  - 7.28.1.5 The CQC guidance: 'Essential Standards of Quality and Safety';
  - 7.28.1.6 contracts with Foundation Trusts must be in a form compliant with appropriate NHS guidance;
  - 7.28.1.7 where appropriate contracts shall be in or embody the same terms and conditions of contract as was the basis on which tenders or quotations were invited; and
  - 7.28.1.8 in all contracts made by the Trust, the Board shall endeavour to obtain best value for money by use of all systems in place. The Chief Executive shall nominate an Officer who shall oversee and manage each contract on behalf of the Trust.

## **7.29 Personnel and agency or temporary staff contracts**

- 7.29.1 The Chief Executive shall nominate Officers with delegated authority to enter into contracts of employment, regarding staff, agency staff or temporary staff service contracts.

## **7.30 Health care services agreements**

- 7.30.1 SLAs with NHS providers for the supply of healthcare services shall be drawn up in accordance with Section 9 of the 2006 Act and be administered by the Trust. SLAs are not contracts in law and therefore not enforceable by the courts. However, a contract with a Foundation Trust, being a Public Benefit Corporation, is a legal document and is enforceable in law.
- 7.30.2 The Chief Executive shall nominate Officers to commission service agreements with providers of healthcare in line with a commissioning plan approved by the Board. Each SLA will be signed off by the Chief Executive (unless delegated under the SD) following confirmation of price, activity and quality.

## **7.31 Disposals**

- 7.31.1 Competitive tendering or quotation procedures shall not apply to the disposal of:
- 7.31.1.1 any matter in respect of which a fair price can be obtained only by negotiation or sale by auction as determined (or pre-determined in a reserve) by the Chief Executive or his Nominated Officer;
- 7.31.1.2 obsolete or condemned articles and stores, which may be disposed of in accordance with the supplies policy of the Trust;
- 7.31.1.3 items to be disposed of with an estimated sale value of less than £100, this figure to be reviewed on a periodic basis;
- 7.31.1.4 items arising from works of construction, demolition or site clearance, which should be dealt with in accordance with the relevant contract;
- 7.31.1.5 land or buildings concerning which DH guidance has been issued but subject to compliance with such guidance.

## **7.32 In-house services**

- 7.32.1 The Chief Executive shall be responsible for ensuring that best value for money can be demonstrated for all services provided on an in-house basis. The Trust may also determine from time to time that in-house services should be market tested by competitive tendering.
- 7.32.2 In all cases where the Board determines that in-house services should be subject to competitive tendering the following groups shall be set up:

- 7.32.2.1 specification group, comprising the Chief Executive or nominated officer/s and specialist;
- 7.32.2.2 in-house tender group, comprising a nominee of the Chief Executive and technical support;
- 7.32.2.3 evaluation team, comprising normally a specialist Officer, a supplies Officer and a Executive Director of Finance representative. For services having a likely annual expenditure exceeding £200,000, a Non-Executive Director should be a member of the evaluation team.
- 7.32.3 All groups should work independently of each other and individual Officers may be a member of more than one group but no member of the in-house tender group may participate in the evaluation of tenders.
- 7.32.4 The evaluation team shall make recommendations to the Board.
- 7.32.5 The Chief Executive shall nominate an Officer to oversee and manage the contract on behalf of the Trust.
- 7.33 **Applicability of SFIs on tendering and contracting to Funds Held on Trust**
  - 7.33.1 These SFIs shall not only apply to expenditure from exchequer funds but also to works, services and goods purchased from the Trust's trust funds and private resources.

## **8 NHS SERVICE AGREEMENTS FOR PROVISION OF SERVICES**

### **Service Level Agreements ("SLAs")**

- 8.1 The Chief Executive, as the Accountable Officer, is responsible for ensuring the Trust enters into suitable SLAs with service commissioners for the provision of NHS services.
- 8.2 All SLAs should aim to implement the agreed priorities contained within the annual operating plan and wherever possible, be based upon integrated care pathways to reflect expected patient experience. In discharging this responsibility, the Chief Executive should take into account:
  - 8.2.1 the standards of service quality expected;
  - 8.2.2 the relevant national service framework (if any);
  - 8.2.3 the provision of reliable information on cost and volume of services;
  - 8.2.4 the NHS National Performance Assessment Framework;
  - 8.2.5 that SLAs build where appropriate on existing joint investment plans (if any); and
  - 8.2.6 that SLAs are based on integrated care pathways.
- 8.3 **Involving partners and jointly managing risk**



- 8.3.1 A good SLA will result from a dialogue of clinicians, users, carers, public health professionals and managers. It will reflect knowledge of local needs and inequalities. This will require the Chief Executive to ensure that the Trust works with all partner agencies involved in both the delivery and commissioning of the service required. The SLA will apportion responsibility for handling a particular risk to the party or parties in the best position to influence the event and financial arrangements should reflect this. In this way the Trust can jointly manage risk with all interested parties. Due consideration in all provider/purchaser arrangements must be observed as the NHS moves toward a 'Patient led NHS'.

### **Reports to Board of Directors on SLAs**

- 8.4 The Chief Executive, as the Accountable Officer (subject to agreement of the Secretary of State), will need to ensure that regular reports are provided to the Board detailing actual and forecast expenditure against the SLA. This will include information on costing arrangements which increasingly should be based upon Healthcare Resource Groups (HRGs). Where HRGs are unavailable for specific services, all parties should agree a common currency for across the range of SLAs.

## **9 TERMS OF SERVICE, ALLOWANCES AND PAYMENT OF DIRECTORS AND OFFICERS**

### **9.1 Remuneration and terms of service**

- 9.1.1 In accordance with the SOs the Board shall establish a Remuneration and Terms of Service Committee with clearly defined terms of reference, specifying which posts fall within its area of responsibility, its composition, and the arrangements for reporting.
- 9.1.2 The duties of the Remuneration and Terms of Service Committee will include, but not be limited to:
- 9.1.2.1 advising the Board about appropriate remuneration and terms of service for the Chief Executive and Directors and other senior Officers, on matters including:
- 9.1.2.1.1 all aspects of salary (including any performance-related elements/bonuses);
- 9.1.2.1.2 provisions for other benefits, including pensions and cars; and
- 9.1.2.1.3 arrangements for termination of employment and other contractual terms;
- 9.1.2.2 making such recommendations to the Board on the remuneration and terms of service of Directors and senior Officers to ensure they are fairly rewarded for their individual contribution to the Trust - having proper regard to the Trust's circumstances and performance and to the provisions of any national arrangements for such members and staff where appropriate;

- 9.1.2.3 monitoring and evaluating the performance of individual Directors (and other senior Officers); and
- 9.1.2.4 advising on and oversee appropriate contractual arrangements for such staff including the proper calculation and scrutiny of termination payments taking account of such national guidance as is appropriate.
- 9.1.3 The Remuneration and Terms of Service Committee shall report in writing to the Board the basis for its recommendations. The Board shall use the report as the basis for their decisions, but remain accountable for taking decisions on the remuneration and terms of service of officer members. Minutes of the Board's meetings should record such decisions.
- 9.1.4 The Board will consider and need to approve proposals presented by the Chief Executive for the setting of remuneration and conditions of service for those Officers not covered by the Remuneration and Terms of Service Committee.
- 9.1.5 The Trust will pay allowances to the Chairman and Non-Executive Directors in accordance with instructions issued by the Secretary of State.
- 9.2 **Funded establishment**
  - 9.2.1 The manpower plans incorporated within the Trust's annual Budget will form the funded establishment.
  - 9.2.2 The funded establishment of any department may not be varied without the approval of the Chief Executive.
- 9.3 **Staff appointments**
  - 9.3.1 No Director or Officer may engage, re-engage, or re-grade Officers, either on a permanent or temporary nature, or hire agency staff, or agree to changes in any aspect of remuneration unless:
    - 9.3.1.1 authorised to do so by the Chief Executive; and
    - 9.3.1.2 within the limit of their approved Budget and funded establishment.
  - 9.3.2 The Board of Directors will approve procedures presented by the Chief Executive for the determination of commencing pay rates, condition of service, etc, for Officers.
- 9.4 **Processing payroll**
  - 9.4.1 The Executive Director of Nursing and Workforce is responsible for, making arrangements to:
    - 9.4.1.1 specify timetables for submission of properly authorised time records and other notifications;
    - 9.4.1.2 ensure the final determination of pay and allowances;

- 9.4.1.3 make payment on agreed dates; and
- 9.4.1.4 agree method of payment.
- 9.4.2 The Executive Director of Nursing and Workforce will issue instructions regarding:
  - 9.4.2.1 verification and documentation of data;
  - 9.4.2.2 the timetable for receipt and preparation of payroll data and the payment of Officers and allowances;
  - 9.4.2.3 maintenance of subsidiary records for superannuation, income tax, social security and other authorised deductions from pay;
  - 9.4.2.4 security and confidentiality of payroll information;
  - 9.4.2.5 checks to be applied to completed payroll before and after payment;
  - 9.4.2.6 authority to release payroll data under the provisions of the Data Protection Act 1998;
  - 9.4.2.7 methods of payment available to various categories of Officers;
  - 9.4.2.8 procedures for payment by cheque, bank credit, or cash to Officers;
  - 9.4.2.9 procedures for the recall of cheques and bank credits;
  - 9.4.2.10 pay advances and their recovery;
  - 9.4.2.11 maintenance of regular and independent reconciliation of pay control accounts;
  - 9.4.2.12 separation of duties of preparing records and handling cash; and
  - 9.4.2.13 a system to ensure the recovery from those leaving the employment of the Trust of sums of money and property due by them to the Trust.
- 9.4.3 **Appropriately Nominated Officers have delegated responsibility for:**
  - 9.4.3.1 submitting time records, and other notifications in accordance with agreed timetables;
  - 9.4.3.2 completing time records and other notifications in accordance with the Executive Director of Nursing and Workforce instructions and in the form prescribed by the Executive Director of Nursing and Workforce ; and
  - 9.4.3.3 submitting termination forms in the prescribed form immediately upon knowing the effective date of an Officer's resignation, termination or retirement. Where an Officer fails to report for duty or to fulfil obligations in circumstances that suggest they have left

without notice, the Executive Director of Nursing and Workforce must be informed immediately.

- 9.4.4 Regardless of the arrangements for providing the payroll service, the Executive Director of Nursing and Workforce shall ensure that the chosen method is supported by appropriate (contracted) terms and conditions, adequate internal controls and audit review procedures and that suitable arrangements are made for the collection of payroll deductions and payment of these to appropriate bodies.

## **9.5 Contracts of employment**

- 9.5.1 The Board shall delegate responsibility to the Executive Director of Nursing and Workforce for:
  - 9.5.1.1 ensuring that all Officers are issued with a contract of employment in a form approved by the Board and which complies with employment legislation; and
  - 9.5.1.2 dealing with variations to, or termination of, contracts of employment.

# **10 NON-PAY EXPENDITURE**

## **10.1 Delegation of authority**

- 10.1.1 The Board will approve the level of non-pay expenditure on an annual basis and the Chief Executive will determine the level of delegation to Officers with Budget responsibility.
- 10.1.2 The Chief Executive will set out:
  - 10.1.2.1 the list of Officers, Directors, Nominated Officers and Deputy Directors who are authorised to place requisitions for the supply of goods and services; and
  - 10.1.2.2 the maximum level of each requisition and the system for authorisation above that level.
- 10.1.3 The Chief Executive shall set out procedures on the seeking of professional advice regarding the supply of goods and services.

## **10.2 Choice, requisitioning, ordering, receipt and payment for goods and services**

- 10.2.1 The requisitioner, in choosing the item to be supplied (or the service to be performed) shall always obtain the best value for money for the Trust. In so doing, the advice of the Trust's adviser on supply shall be sought. Where this advice is not acceptable to the requisitioner, the Executive Director of Finance and/or the Chief Executive shall be consulted.

## **10.3 System of payment and payment verification**

- 10.3.1 The Executive Director of Finance shall be responsible for the prompt payment of accounts and claims. Payment of contract invoices shall be in accordance with contract terms, or otherwise, in accordance with national guidance.

**10.4 The Executive Director of Finance will:**

- 10.4.1 advise the Board of Directors regarding the setting of thresholds above which quotations (competitive or otherwise) or formal tenders must be obtained; and, once approved, the thresholds should be incorporated in the SOs and SFIs and/or SD (as appropriate) and regularly reviewed;
- 10.4.2 prepare procedural instructions or guidance within the SD on the obtaining of goods, works and services incorporating the thresholds;
- 10.4.3 be responsible for the prompt payment of all properly authorised accounts and claims;
- 10.4.4 be responsible for designing and maintaining a system of verification, recording and payment of all amounts payable. The system shall provide for:
- 10.4.4.1 a list of Directors (including specimens of their signatures) authorised to certify invoices;
- 10.4.4.2 certification that:
- 10.4.4.2.1 goods have been duly received, examined and are in accordance with specification and the prices are correct;
- 10.4.4.2.2 work done or services rendered have been satisfactorily carried out in accordance with the order, and, where applicable, the materials used are of the requisite standard and the charges are correct;
- 10.4.4.2.3 in the case of contracts based on the measurement of time, materials or expenses, the time charged is in accordance with the time sheets, the rates of labour are in accordance with the appropriate rates, the materials have been checked as regards quantity, quality, and price and the charges for the use of vehicles, plant and machinery have been examined;
- 10.4.4.2.4 where appropriate, the expenditure is in accordance with regulations and all necessary authorisations have been obtained;
- 10.4.4.2.5 the account is arithmetically correct;
- 10.4.4.2.6 the account is in order for payment;
- 10.4.4.2.7 a timetable and system for submission to the Executive Director of Finance of accounts for payment; provision shall be made for the early submission of accounts subject to cash discounts or otherwise requiring early payment;

- 10.4.4.2.8 instructions to Officers regarding the handling and payment of accounts within the Finance Department; and
- 10.4.4.2.9 be responsible for ensuring that payment for goods and services is only made once the goods and services are received. The only exceptions are set out in SFI 10.5 below.

## **10.5 Prepayments**

- 10.5.1 Prepayments are only permitted where exceptional circumstances apply. In such instances:
  - 10.5.1.1 prepayments are only permitted where the financial advantages outweigh the disadvantages (i.e. cash flows must be discounted to NPV using the National Loans Fund (NLF) rate plus 2%);
  - 10.5.1.2 the appropriate Officer must provide, in the form of a written report, a case setting out all relevant circumstances of the purchase. The report must set out the effects on the Trust if the supplier is at some time during the course of the prepayment agreement unable to meet his commitments;
  - 10.5.1.3 the Executive Director of Finance will need to be satisfied with the proposed arrangements before contractual arrangements proceed (taking into account the EU public procurement rules where the contract is above a stipulated financial threshold); and
  - 10.5.1.4 the Budget Holder is responsible for ensuring that all items due under a prepayment contract are received and they must immediately inform the appropriate Director or Chief Executive if problems are encountered.

## **10.6 Official orders**

- 10.6.1 Purchase orders for goods and/or services must:
  - 10.6.1.1 be consecutively numbered;
  - 10.6.1.2 be in a form approved by the Executive Director of Finance;
  - 10.6.1.3 state the Trust's terms and conditions of trade; and
  - 10.6.1.4 only be issued to, and used by, those duly authorised by the Chief Executive.

## **10.7 Duties of Officers**

Officers must ensure that they comply fully with the guidance and limits specified by the Executive Director of Finance and that:

- 10.7.1 all contracts (except as otherwise provided for in the SD), leases, tenancy agreements and other commitments which may result in a liability are notified to the Executive Director of Finance in advance of any commitment being made;

- 10.7.2 contracts above specified thresholds are advertised and awarded in accordance with EU rules on public procurement;
- 10.7.3 where consultancy advice is being obtained, the procurement of such advice must be in accordance with guidance issued by the DH;
- 10.7.4 no order shall be issued for any item or items to any firm which has made an offer of gifts, reward or benefit to Directors or Officers, other than:
- 10.7.5 isolated gifts of a trivial character or inexpensive seasonal gifts, such as calendars;
- 10.7.5.1 conventional hospitality, such as lunches in the course of working visits;
- (This provision needs to be read in conjunction with SO 8 and the principles outlined in the national guidance contained in HSG 93(5) "Standards of Business Conduct for NHS Staff".
- 10.7.5.2 no requisition/order is placed for any item or items for which there is no budget provision unless authorised by the Executive Director of Finance on behalf of the Chief Executive;
- 10.7.5.3 all goods, services, or works are ordered on a purchase order except works and services executed in accordance with a contract and purchases from petty cash;
- 10.7.5.4 verbal orders must only be issued very exceptionally - by an Officer designated by the Chief Executive and only in cases of emergency or urgent necessity. These must quote an official order the subsequent requisition should be clearly marked "Reserved Order" together with order number;
- 10.7.5.5 orders are not split or otherwise placed in a manner devised so as to avoid the financial thresholds;
- 10.7.5.6 goods are not taken on trial or loan in circumstances that could commit the Trust to a future uncompetitive purchase;
- 10.7.5.7 changes to the list of Officers authorised to certify invoices are notified to the Executive Director of Finance;
- 10.7.5.8 purchases from petty cash are restricted in value and by type of purchase in accordance with instructions issued by the Executive Director of Finance;
- 10.7.5.9 petty cash records are maintained in a form as determined by the Executive Director of Finance; and
- 10.7.5.10 purchasing goods using purchasing cards are to be restricted in availability value and by type of purchase in accordance with instructions issued by the Executive Director of Finance. The cardholder will ensure that the card is kept in a safe place and to be used by the Nominated Officer only.

- 10.7.6 The Chief Executive and Executive Director of Finance shall ensure that the arrangements for financial control and financial audit of building and engineering contracts and property transactions comply with the relevant guidance. The technical audit of these contracts shall be the responsibility of the relevant Director.

## **11 EXTERNAL BORROWING**

- 11.1.1 The Executive Director of Finance will advise the Board concerning the Trust's ability to pay dividend on, and repay public dividend capital and any proposed new borrowing, within the limits set by the DH. The Executive Director of Finance is also responsible for reporting periodically to the Board concerning the public dividend capital debt and all loans and overdrafts.
- 11.1.2 The Board will agree the list of Officers (including specimens of their signatures) who are authorised to make short term borrowings on behalf of the Trust. This must contain the Chief Executive and the Executive Director of Finance.
- 11.1.3 The Executive Director of Finance must prepare detailed procedural instructions concerning applications for loans and overdrafts.
- 11.1.4 All short-term borrowings should be kept to the minimum period of time possible, consistent with the overall cashflow position, represent good value for money, and comply with the latest guidance from the DH.
- 11.1.5 Any short-term borrowing must be with the authority of 2 Executive Directors, one of which must be the Chief Executive or the Executive Director of Finance. The Board of Directors must be made aware of all short term borrowings at the next Board meeting.
- 11.1.6 All long-term borrowing must be approved by the Trust Board.

## **12 INVESTMENTS**

- 12.1.1 Temporary cash surpluses must be held only in such public or private sector investments as notified by the Secretary of State and authorised by the Board.
- 12.1.2 The Executive Director of Finance is responsible for advising the Board on investments and shall report periodically to the Board concerning the performance of investments held.
- 12.1.3 The Executive Director of Finance will prepare detailed procedural instructions on the operation of investment accounts and on the records to be maintained.

## **13 CAPITAL INVESTMENT, PRIVATE FINANCING, FIXED ASSET REGISTERS AND SECURITY OF ASSETS**

### **13.1 Capital investment**



The Chief Executive:

- 13.1.1 shall ensure that there is an adequate appraisal and approval process in place for determining capital expenditure priorities and the effect of each proposal upon business plans;
  - 13.1.2 is responsible for the management of all stages of capital schemes and for ensuring that schemes are delivered on time and to cost; and
  - 13.1.3 shall ensure that the capital investment is not undertaken without confirmation of purchaser(s) support and the availability of resources to finance all revenue consequences, including capital charges.
- 13.2 For every capital expenditure proposal the Chief Executive shall ensure:
- 13.2.1 that a Capital Bid or business case (in line with the guidance contained within the Manual for Accounts) is produced setting out:
    - 13.2.1.1 an option appraisal of potential benefits compared with known costs to determine the option with the highest ratio of benefits to costs; and
    - 13.2.1.2 appropriate project management and control arrangements;
  - 13.2.2 that the Executive Director of Finance has certified professionally to the costs and revenue consequences detailed in the business case.
  - 13.2.3 that for capital schemes where the contracts stipulate stage payments, the Chief Executive will issue procedures for their management, incorporating the recommendations set out by DH, including those of Estatecode.
- 13.3 The Executive Director of Finance shall assess on an annual basis the requirement for the operation of the construction industry tax deduction scheme in accordance with HMRC guidance.
- 13.4 The Executive Director of Finance shall issue procedures for the regular reporting of expenditure and commitment against authorised expenditure.
- 13.5 The approval of a capital programme shall not constitute approval for expenditure on any scheme.
- 13.6 The Chief Executive shall issue to the Officer responsible for any scheme:
- 13.6.1 specific authority to commit expenditure;
  - 13.6.2 authority to proceed to tender;
  - 13.6.3 approval to accept a successful tender.
- 13.7 The Chief Executive will issue a scheme of delegation for capital investment management in accordance with the Trust's SOs and DH guidance.
- 13.8 The Executive Director of Finance shall issue procedures governing the financial management, including variations to contract, of capital investment projects and

valuation for accounting purposes. These procedures shall fully take into account any current delegated limits for capital schemes.

### **13.9 Private finance**

The Trust should normally test for PFI when considering capital procurement. When the Trust proposes to use finance which is to be provided other than through its allocations, the following procedures shall apply:

- 13.9.1 the Executive Director of Finance shall demonstrate that the use of private finance represents value for money and genuinely transfers significant risk to the private sector;
- 13.9.2 where the sum involved exceeds delegated limits, the business case must be referred to DH or in line with any current guidelines; and
- 13.9.3 the proposal must be specifically agreed by the Board of Directors.

### **13.10 Asset registers**

- 13.10.1 The Chief Executive is responsible for the maintenance of registers of assets, taking account of the advice of the Executive Director of Finance concerning the form of any register and the method of updating, and arranging for a physical check of assets against the asset register to be conducted once a year.
- 13.10.2 The Trust shall maintain an asset register recording fixed assets. The minimum data set to be held within these registers shall be as specified in the 'Manual for Accounts' as issued by DH.
- 13.10.3 Additions to the fixed asset register must be clearly identified to an appropriate Budget Holder and be validated by reference to:
  - 13.10.3.1 properly authorised and approved agreements, architect's certificates, supplier's invoices and other documentary evidence in respect of purchases from third parties;
  - 13.10.3.2 stores, requisitions and wages records for own materials and labour including appropriate overheads; and
  - 13.10.3.3 lease agreements in respect of assets held under a finance lease and capitalised.
- 13.10.4 Where capital assets are sold, scrapped, lost or otherwise disposed of, their value must be removed from the accounting records and each disposal must be validated by reference to authorisation documents and invoices (where appropriate).
- 13.10.5 The Executive Director of Finance shall approve procedures for reconciling balances on fixed assets accounts in ledgers against balances on fixed asset registers.
- 13.10.6 The value of each asset shall be indexed to current values in accordance with methods specified in the Manual for Accounts issued by DH.

- 13.10.7 The value of each asset shall be depreciated using methods and rates specified in the Manual of Accounts issued by the DH.
- 13.10.8 The Executive Director of Finance shall calculate and pay capital charges as specified in the Manual of Accounts issued by the DH.

#### **13.11 Security of assets**

- 13.11.1 The overall control of fixed assets is the responsibility of the Chief Executive.
- 13.11.2 Asset control procedures (including fixed assets, cash, cheques and negotiable instruments, and also including donated assets) must be approved by the Executive Director of Finance. This procedure shall make provision for:
  - 13.11.2.1 recording managerial responsibility for each asset;
  - 13.11.2.2 identification of additions and disposals;
  - 13.11.2.3 identification of all repairs and maintenance expenses;
  - 13.11.2.4 physical security of assets;
  - 13.11.2.5 periodic verification of the existence of, condition of, and title to, assets recorded;
  - 13.11.2.6 identification and reporting of all costs associated with the retention of an asset; and
  - 13.11.2.7 reporting, recording and safekeeping of cash, cheques, and negotiable instruments.
- 13.11.3 All discrepancies revealed by verification of physical assets to fixed asset register shall be notified to the Executive Director of Finance.
- 13.11.4 Whilst each Director and Officer has a responsibility for the security of property of the Trust, it is the responsibility of Executive Directors and Officers to apply such appropriate routine security practices in relation to NHS and/or Trust property as may be determined by the Board. Any breach of agreed security practices must be reported in accordance with agreed procedures.
- 13.11.5 Any damage to the Trust's premises, vehicles and equipment, or any loss of equipment, stores or supplies must be reported by Executive Directors and Officers in accordance with the procedure for reporting losses.
- 13.11.6 Where practical, assets should be marked as Trust property.

### **14 STORES AND RECEIPT OF GOODS**

#### **14.1 General position**

Stores, defined in terms of controlled stores and departmental stores (for immediate use) should be:

- 14.1.1 kept to a minimum;
- 14.1.2 subjected to annual stock take; and
- 14.1.3 valued at the lower of cost and net realisable value.

#### **Control of stores, stocktaking, condemnations and disposal**

- 14.2 Subject to the responsibility of the Executive Director of Finance for the systems of control, overall responsibility for the control of stores shall be delegated to an Officer by the Chief Executive. The day-to-day responsibility may be delegated by him to departmental Officers and stores managers/keepers, subject to such delegation being entered in a record available to the Executive Director of Finance. The control of any pharmaceutical stocks shall be the responsibility of a designated pharmaceutical Officer; and the control of any fuel oil and coal shall be the responsibility of a designated estates Officer.
- 14.3 The responsibility for security arrangements and the custody of keys for any stores and locations shall be clearly defined in writing by the designated estate/pharmaceutical Officer. Wherever practicable, stocks should be marked as Trust property.
- 14.4 The Executive Director of Finance shall set out procedures and systems to regulate the stores including records for receipt of goods, issues, and returns to stores, and losses.
- 14.5 Stocktaking arrangements shall be agreed with the Executive Director of Finance and there shall be a physical check covering all items in store at least once a year.
- 14.6 Where a complete system of stores control is not justified, alternative arrangements shall require the approval of the Executive Director of Finance.
- 14.7 The designated estates/pharmaceutical Officer shall be responsible for a system approved by the Executive Director of Finance for a review of slow moving and obsolete items and for condemnation, disposal, and replacement of all unserviceable articles. The designated Officer shall report to the Executive Director of Finance any evidence of significant overstocking and of any negligence or malpractice. Procedures for the disposal of obsolete stock shall follow the procedures set out for disposal of all surplus and obsolete goods.

#### **14.8 Goods supplied by NHS Logistics**

For goods supplied via the NHS Logistics central warehouses, the Chief Executive shall identify those authorised to requisition and accept goods from the store. The authorised person shall check receipt against the delivery note before forwarding this to the Executive Director of Finance who shall satisfy himself that the goods have been received before accepting the recharge.

### **15 DISPOSALS AND CONDEMNATIONS, LOSSES AND SPECIAL PAYMENTS**

#### **Disposals and condemnations**

## **15.1 Procedures**

- 15.1.1 The Executive Director of Finance must prepare detailed procedures for the disposal of assets including condemnations, and ensure that these are notified to Executive Directors and Officers.
- 15.1.2 When it is decided to dispose of a Trust asset, the head of department or their authorised deputy will determine and advise the Executive Director of Finance of the estimated market value of the item, taking account of professional advice where appropriate.
- 15.1.3 All unserviceable articles shall be:
  - 15.1.3.1 condemned or otherwise disposed of by an Officer authorised for that purpose by the Executive Director of Finance;
  - 15.1.3.2 recorded by the condemning Officer in a form approved by the Executive Director of Finance which will indicate whether the articles are to be converted, destroyed or otherwise disposed of. All entries shall be confirmed by the countersignature of a second Officer authorised for the purpose by the Executive Director of Finance.
- 15.1.4 The condemning Officer shall satisfy himself as to whether or not there is evidence of negligence in use and shall report any such evidence to the Executive Director of Finance who will take the appropriate action.

## **Losses and special payments**

### **15.2 Procedures**

- 15.2.1 The Executive Director of Finance must prepare procedural instructions on the recording of and accounting for condemnations, losses, and special payments.
- 15.2.2 Any Director or Officer discovering or suspecting a loss of any kind must either immediately inform their head of department, who must immediately inform the Chief Executive and the Executive Director of Finance or inform an Officer charged with responsibility for responding to concerns involving loss. This Officer will then appropriately inform the Executive Director of Finance and/or Chief Executive. Where a criminal offence is suspected, the Executive Director of Finance must immediately inform the police if theft or arson is involved. In cases of fraud and corruption or of anomalies which may indicate fraud or corruption, the Executive Director of Finance must inform the relevant LCFS regional team and NHS Protect and the OFT in accordance with the Secretary of State's Directions.
- 15.2.3 The Executive Director of Finance must notify NHS Protect and the OFT and the external auditor of all suspected frauds.

- 15.2.4 For losses apparently caused by theft, arson, neglect of duty or gross carelessness, except if trivial, the Executive Director of Finance must immediately notify:
  - 15.2.4.1 the Board of Directors; and
  - 15.2.4.2 the external auditor.
- 15.2.5 Within limits delegated to it by the DH, the Board shall approve the writing-off of losses.
- 15.2.6 The Executive Director of Finance shall be authorised to take any necessary steps to safeguard the Trust's interests in bankruptcies and company liquidations.
- 15.2.7 For any loss, the Executive Director of Finance should consider whether any insurance claim can be made.
- 15.2.8 The Executive Director of Finance shall maintain a "Losses and Special Payments Register" in which write-off action is recorded.
- 15.2.9 No special payments exceeding delegated limits shall be made without the prior approval of the DH.
- 15.2.10 All losses and special payments must be reported to the Audit and Corporate Risk Committee at least twice a year.

## **16 INFORMATION TECHNOLOGY**

### **16.1 Responsibilities and duties of the Executive Director of Finance**

The Executive Director of Finance, who is responsible for the accuracy and security of the computerised financial data of the Trust, shall:

- 16.1.1 devise and implement any necessary procedures to ensure adequate (reasonable) protection of the Trust's data, programs and computer hardware for which the director is responsible from accidental or intentional disclosure to unauthorised persons, deletion or modification, theft or damage, having due regard for the Data Protection Act 1998;
  - 16.1.2 ensure that adequate (reasonable) controls exist over data entry, processing, storage, transmission and output to ensure security, privacy, accuracy, completeness, and timeliness of the data, as well as the efficient and effective operation of the system;
  - 16.1.3 ensure that adequate controls exist such that the computer operation is separated from development, maintenance and amendment; and
  - 16.1.4 ensure that an adequate management (audit) trail exists through the computerised system and that such computer audit reviews as the Director may consider necessary are being carried out.
- 16.2 The Executive Director of Finance shall need to ensure that new financial systems and amendments to current financial systems are developed in a controlled manner

and thoroughly tested prior to implementation. Where this is undertaken by another organisation, assurances of adequacy must be obtained from them prior to implementation.

- 16.3 The Executive Director of Finance shall publish and maintain a "freedom of Information (FOI) Publication Scheme", or adopt a model "Publication Scheme" approved by the Information Commissioner. A Publication Scheme is a complete guide to the information routinely published by a public authority. It describes the classes or types of information about our Trust that we make publicly available.

**16.4 Responsibilities and duties of other Executive Directors and Officers in relation to computer systems of a general application**

In the case of computer systems which are proposed general applications (i.e. normally those applications which the majority of NHS trusts in the region wish to sponsor jointly) all responsible Executive Directors and Officers will send to the Executive Director of Finance's Nominated Officer:

16.4.1 details of the outline design of the system; and

16.4.2 in the case of packages acquired either from a commercial organisation, from the NHS, or from another public sector organisation, the operational requirement.

**16.5 Contracts for computer services with other health service bodies or outside agencies**

The Executive Director of Finance shall ensure that contracts for computer services for financial applications with another health organisation or any other agency shall clearly define the responsibility of all parties for the security, privacy, accuracy, completeness, and timeliness of data during processing, transmission and storage. The contract should also ensure rights of access for audit purposes. Where another health organisation or any other agency provides a computer service for financial applications, the Executive Director of Finance shall periodically seek assurances that adequate controls are in operation.

**16.6 Risk assessment**

The Executive Director of Finance shall ensure that risks to the Trust arising from the use of IT are effectively identified and considered and appropriate action taken to mitigate or control risk. This shall include the preparation and testing of appropriate disaster recovery plans.

**16.7 Requirements for computer systems which have an impact on corporate financial systems**

Where computer systems have an impact on Trust financial systems the Executive Director of Finance shall need to be satisfied that:

16.7.1 systems acquisition, development and maintenance are in line with Trust policies such as an information technology strategy;

16.7.2 data produced for use with financial systems is adequate, accurate, complete and timely, and that a management (audit) trail exists;

- 16.7.3 Executive Director of Finance staff have access to such data; and
- 16.7.4 such computer audit reviews as are considered necessary are being carried out.

## **17 PATIENTS' PROPERTY**

- 17.1 The Trust has a responsibility to provide safe custody for money and other personal property (hereafter referred to as "property") handed in by patients, in the possession of unconscious or confused patients, or found in the possession of patients dying in hospital or dead on arrival.
- 17.2 The Chief Executive is responsible for ensuring that patients or their guardians, as appropriate, are informed before or at admission by:
  - 17.2.1 notices and information booklets; (subject to sensitivity guidance);
  - 17.2.2 hospital admission documentation and property records; and
  - 17.2.3 the oral advice of administrative and nursing staff responsible for admissions, that the Trust will not accept responsibility or liability for patients' property brought into Trust premises, unless it is handed in for safe custody and a copy of an official patients' property record is obtained as a receipt.
- 17.3 The Executive Director of Finance must provide detailed written instructions on the collection, custody, investment, recording, safekeeping, and disposal of patients' property (including instructions on the disposal of the property of deceased patients and of patients transferred to other premises) for all staff whose duty is to administer, in any way, the property of patients. Due care should be exercised in the management of a patient's money in order to maximise the benefits to the patient.
- 17.4 Where the DH's instructions require the opening of separate accounts for patients' moneys, these shall be opened and operated under arrangements agreed by the Executive Director of Finance.
- 17.5 In all cases where property of a deceased patient is of a total value in excess of £5,000 (or such other amount as may be prescribed by any amendment to the Administration of Estates, Small Payments, Act 1965), the production of probate or letters of administration shall be required before any of the property is released. Where the total value of property is £5,000 or less, forms of indemnity shall be obtained.
- 17.6 Officers should be informed, on appointment, by the appropriate departmental or senior manager of their responsibilities and duties for the administration of the property of patients.
- 17.7 Where patients' property or income is received for specific purposes and held for safekeeping the property or income shall be used only for that purpose, unless any variation is approved by the donor or patient in writing.

## **18 FUNDS HELD ON TRUST**

### **18.1 Corporate trustee**



- 18.1.1 SO 3.8.2 outlines the Trust's responsibilities as a corporate trustee for the management of funds it holds on trust, along with SFI 18.2 below, which defines the need for compliance with Charities Commission latest guidance and best practice.
- 18.1.2 The discharge of the Trust's corporate trustee responsibilities are distinct from its responsibilities for exchequer funds and may not necessarily be discharged in the same manner, but there must still be adherence to the overriding general principles of financial regularity, prudence and propriety. Trustee responsibilities cover both charitable and non-charitable purposes.
- 18.1.3 The Executive Director of Finance shall ensure that each trust fund which the Trust is responsible for managing is managed appropriately with regards to its purpose and to its requirements.

## **18.2 Accountability to Charity Commission and Secretary of State**

- 18.2.1 The Trust's trustee responsibilities must be discharged separately and full recognition given to the Trust's dual accountabilities to the Charity Commission for charitable funds held on trust and to the Secretary of State for all funds held on trust.
- 18.2.2 The SD makes clear where decisions regarding the exercise of discretion regarding the disposal and use of the funds are to be taken and by whom. All Executive Directors and Officers must take account of that guidance before taking action.

## **18.3 Applicability of SFIs to funds held on trust**

- 18.3.1 In so far as it is possible to do so, most of the sections of these SFIs will apply to the management of funds held on trust.
- 18.3.2 The overriding principle is that the integrity of each fund must be maintained and statutory and Trust obligations met. Materiality must be assessed separately from Exchequer activities and funds.

## **19 ACCEPTANCE OF GIFTS BY STAFF AND LINK TO STANDARDS OF BUSINESS**

The Executive Director of Finance shall ensure that all staff are made aware of the Trust policy on acceptance of gifts and other benefits in kind by staff. This policy follows the guidance contained in the DH's circular HSG (93) 5 'Standards of Business Conduct for NHS Staff'; the Code of Conduct for NHS Managers 2002; and the ABPI Code of Professional Conduct relating to hospitality/gifts from pharmaceutical/external industry and is also deemed to be an integral part of the SOs and SFIs.

## **20 RETENTION OF RECORDS**

- 20.1.1 The Chief Executive shall be responsible for maintaining archives for all records required to be retained in accordance with the latest DH guidance on record management and retention.
- 20.1.2 The records held in archives shall be capable of retrieval by authorised persons.

- 20.1.3 Records held in accordance with DH guidance on record management and retention shall only be destroyed at the express instigation of the Chief Executive. Detail shall be maintained of records so destroyed.

## **21 RISK MANAGEMENT AND INSURANCE**

### **Programme of Risk Management**

- 21.1.1 The Chief Executive shall ensure that the Trust has a programme of risk management, in accordance with current DH Assurance Framework requirements, which must be approved and monitored by the Board.
- 21.2 The programme of risk management shall include:
- 21.2.1 a process for identifying and quantifying risks and potential liabilities;
  - 21.2.2 engendering among all levels of staff a positive attitude towards the control of risk;
  - 21.2.3 management processes to ensure all significant risks and potential liabilities are addressed including effective systems of internal control, cost effective insurance cover, and decisions on the acceptable level of retained risk;
  - 21.2.4 contingency plans to offset the impact of adverse events;
  - 21.2.5 audit arrangements including; internal audit, clinical audit, health and safety review;
  - 21.2.6 a clear indication of which risks shall be insured; and
  - 21.2.7 arrangements to review the risk management programme.
- 21.3 The existence, integration and evaluation of the above elements will assist in providing a basis to make an Annual Governance Statement within the annual report and accounts as required by current DH guidance.
- 21.4 **Insurance: risk pooling schemes administered by NHSLA**
- The Board shall decide if the Trust will insure through the risk pooling schemes administered by the NHSLA or self insure for some or all of the risks covered by the risk pooling schemes. If the Board decides not to use the risk pooling schemes for any of the risk areas (clinical, property and employers/third party liability) covered by the scheme this decision shall be reviewed annually.
- 21.5 **Insurance arrangements with commercial insurers**
- There is a general prohibition on entering into insurance arrangements with commercial insurers. There are, however, three exceptions when Trust's may enter into insurance arrangements with commercial insurers. The exceptions are:

- 21.5.1 the Trust may enter commercial arrangements for insuring motor vehicles owned by the Trust including insuring third party liability arising from their use;
  - 21.5.2 where the Trust is involved with a consortium in a Private Finance Initiative contract and the other consortium members require that commercial insurance arrangements are entered into; and
  - 21.5.3 where income generation activities take place. Income generation activities should be insured against all risks using commercial insurance where the NHSLA does not provide cover for such activities. If the income generation activity is also an activity normally carried out by the Trust for a NHS purpose the activity may be covered in the risk pool. Confirmation of coverage in the risk pool must be obtained from the NHSLA. In any case of doubt concerning a Trust's powers to enter into commercial insurance arrangements the Finance Director should consult the DH.
- 21.6 **Arrangements to be followed by the Board in agreeing insurance cover**
- 21.6.1 Where the Board decides to use the risk pooling schemes administered by NHSLA the Executive Director of Finance shall ensure that the arrangements entered into are appropriate and complementary to the risk management programme. The Executive Director of Finance shall ensure that documented procedures cover these arrangements.
  - 21.6.2 Where the Board decides not to use the risk pooling schemes administered by the NHSLA for one or other of the risks covered by the schemes, the Executive Director of Finance shall ensure that the Board is informed of the nature and extent of the risks that are self insured as a result of this decision. The Executive Director of Finance will draw up formal documented procedures for the management of any claims arising from third parties and payments in respect of losses which will not be reimbursed.
  - 21.6.3 All the risk pooling schemes require scheme members to make some contribution to the settlement of claims (the "**Deductible**"). The Executive Director of Finance should ensure documented procedures also cover the management of claims and payments below the Deductible in each case.

## Appendix 1 – DELEGATION LIMITS

<b>Other Revenue expenditure:-</b>		<b>Limit £</b>
Designated Officers	up to and including	2,000
Operational Manager / General Manager / Service Lead/Modern matron	up to and including	5,000
Theatre Co-ordinator	up to and including	10,000
Associate Director / Assistant Director/Head of Clinical Services/Deputy Associate Director/Clinical Director	up to and including	30,000
Executive Director/Director	up to and including	150,000
Chief Executive + One Executive Director	between	150,000 to 250,000
Chairman + CE + One Executive Director	between	250,000 to 500,000
Chairman + CE + Two Executive Directors	between	500,000 and 1,000,000
Board	over	1,000,000

### Scheme of Delegation for Income

<b>Responsibility</b>	<b>Delegation</b>
<i>Approval of NHS Healthcare Contracts</i>	
<i>Up to £250,000</i>	Executive Director of Finance
<i>£250,000 up to £500,000</i>	Chief Executive
<i>£500,000 up to £5,000,000</i>	Executive Board
<i>Over £5,000,000</i>	Trust Board
<i>Approval of non-NHS Healthcare Contracts</i>	
<i>up to £500,000</i>	Chief Executive/Chairman
<i>£500,000 up to £2,000,000</i>	Executive Board
<i>Over £2,000,000</i>	Trust Board
<i>Approval of all other income contracts including research &amp; development</i>	Chief Executive and Executive Director of Finance
<i>Approval of variations to Acute healthcare and all income contracts</i>	
<i>All Variations</i>	Executive Director of Finance
<i>Variations of over 5% where the revised contract value is up to £500,000</i>	Chief Executive
<i>Variations of over 5% where the revised contract value is over £500,000 and up to £2,000,000</i>	Executive Board
<i>Variations of over 5% where the revised contract value is over £2,000,000</i>	Trust Board
<i>Authorisation of individual Credit Notes relating to healthcare contracts</i>	

<i>Up to £500,000</i>	Executive Director of Finance
<i>Between £500,000 and £2,000,000</i>	Chief Executive
<i>Over £2,000,000</i>	Trust Board
<i>Approval and variation of all contracts for recharges and income generation</i>	Executive Director of Finance

### **Scheme of Delegation for Capital**

The Trust has no formal capital approval levels as responsibility for capital lies with the Isle of Wight PCT. However the Trust will adopt the following internal approval method to recommend schemes to the Isle of Wight PCT Capital Investment Group.

Capital Schemes up to £100,000 approval at the Trust Capital Investment Group

Capital schemes over £100,000 and less than £1,000,000 approval by the Executive Board

All Capital Schemes over £1,000,000 approval by the Trust Board

### **Emergency Powers and Urgent Decisions**

The powers which the Board has reserved to itself within these SOs, SFIs or SD may in emergency or for an urgent decision be exercised by the Chief Executive and the Chairman after having consulted at least two Non-Executive Directors as set out in SO 6.2. The exercise of such powers by the Chief Executive and Chairman shall be reported to the next formal meeting of the Board of Directors in public session for formal ratification.

The authorisation limits for any decision taken under these powers will be as follows:

		<b>Limit £</b>
Chairperson	up to and including	250,000

**During absence of an approver above, the relevant limit can be delegated to a designated officer covering in a formal acting capacity.**

### **Sub-Delegation Limits:-**

**£**

For non recurrent (non staff) transfers only

		<b>Limit £</b>
Executive Director	up to and including	25,000
Chief Executive	in excess of	25,000

### **LOSSES AND SPECIAL PAYMENTS**

		Limit £
--	--	---------

Category One: Losses of cash due to a. theft, fraud, etc. b. overpayments of salaries, wages, fees and allowances c. other causes		
Executive Director of Finance and IM&T or Nominated deputy	Up to and including	1,000
Two Executive Directors	between	1,000 to 25,000
Chief Executive + two Executive Directors	over	25,000
Category Two: Fruitless payments (including abandoned capital schemes)		
Two Executive Directors	up to and including	50,000
Chief Executive + two Executive Directors	over	50,000
Category Three: Bad debts and claims abandoned: a. private patients b. overseas visitors c. cases other than a – b		
Executive Director of Finance and IM&T or Nominated deputy	Up to and including	1,000
Two Executive Directors	between	1,000 to 25,000
Chief Executive + two Executive Directors	over	25,000
Category Four: Damage to buildings, their fittings, furniture and equipment and loss of equipment and property in stores and in use due to: a. culpable causes e.g. theft, fraud, arson or sabotage whether proved or suspected, neglect of duty or gross carelessness b. other causes		
Two Executive Directors	up to and including	25,000
Chief Executive + two Executive Directors	over	25,000
Category Five: Compensation payments made under or arising out of legal obligation		
Two Executive Directors	up to and including	500,000
Chief Executive + two Executive Directors	over	500,000

i) Category Six		
Extra contractual payments to contractors		
Two Executive Directors	up to and including	25,000
Chief Executive + two Executive Directors	over	25,000
2) Category Seven		
Ex gratia payments:		
a. to patients, staff and visitors for loss of personal effects		
Executive Director of Finance and IM&T or Nominated deputy	Up to and including	1,000
Two Executive Directors	between	1,000 to 25,000
Chief Executive + two Executive Directors	over	25,000
b. for clinical negligence (negotiated settlements following legal advice) where the guidance relating to such payments has been applied		
Two Executive Directors	up to and including	500,000
Chief Executive + two Executive Directors	over	500,000
c. for personal injury claims involving negligence where legal advice obtained and relevant guidance has been applied		
Two Executive Directors	up to and including	500,000
Chief Executive + two Executive Directors	over	500,000
d. other clinical negligence cases and personal injury claim		
e. other, except cases of maladministration where there was no financial loss by claimant		
Two Executive Directors	up to and including	25,000
Chief Executive + two Executive Directors	over	25,000
f. maladministration where there was no financial loss by claimant		NIL
		Nil
i) Category 8		
Extra statutory and extra regulatory payments		

**NOTE:**

Novel, contentious or repercussive cases to be referred to the DH for approval.

Extract from Finman:

(Where the amount of losses or payment exceeds the Trust's limit, application shall be made without delay for DH approval to the write off or payment.)

In April 2002, HM Treasury provisionally agreed new Losses and Special Payments procedures and changed delegated limits for the NHS. This had the effect of each health body being able to authorise its own Losses and Special Payments with only novel, contentious or repercussive cases being referred to the DH for approval.

This arrangement has now been reviewed by HM Treasury who have agreed that because losses and special payments have remained at an acceptable level and have not significantly increased, the NHS would retain unlimited delegations for Losses and Special Payments, any novel, contentious or repercussive cases should be referred to the Department of Health for approval.

The DH are no longer required to carry out sample checks of write-offs approved by health bodies. Therefore, NHS Bodies will not be asked to forward registers/paperwork to the DH. This, however, should not be interpreted as a relaxation of any of the guidance on losses and special payments. It is essential that procedures are strictly adhered to ensure the level of losses and special payments does not increase.

However, it is still expected that the board will be informed of losses written off and special payments authorised by officers. Power to write off losses and make special payments should normally be exercised by **two or more nominated senior officers**, acting jointly and within the delegated limits set by the board.

If any general lessons emerge from a loss or special payment which would be of interest to other NHS bodies then the DH should be informed.

## 5. CHARITABLE FUNDS

### Acceptance of Gifts:

Charitable Funds Committee	£100,000
Corporate Trustee	over £100,000
<b>Expenditure</b>	
Expenditure of any Charitable Funds, whether following the acceptance of a gift or not, shall be conditional upon:	
a) the approval of the Corporate Trustee for items:	over £15,000
b) the approval of the Charitable Funds Committee:	between £5,000 and £15,000
c) authorisation must be obtained from the Associate/ Assistant Director and Executive Director of the Fund Manager in respect of any requisition for expenditure for sums ranging:	between £1,000 and £5,000
d) authorisation must be obtained from the Associate/ Assistant Director and individual fund manager in respect of any requisition for expenditure for sums:	up to and including £1,000



## SCHEME OF RESERVATION AND DELEGATION

Document Author	Authorised Signature
Written by: Christine Palmer	Authorised by: Danny Fisher Signed:
Date: December 2012	Date: 30 <sup>th</sup> January 2013
Job Title: <b>Executive</b> Director of Finance	Job Title: Chairman
Effective Date: 1 <sup>st</sup> February 2013	
Approved at: Trust Board meeting	Date Approved:
Effective Date: 1 <sup>st</sup> February 2013	Next Review Date: January 2014

## SCHEME OF RESERVATION AND DELEGATION

### 1 DECISIONS RESERVED TO THE BOARD

REF	THE BOARD	DECISIONS RESERVED TO THE BOARD
N/A	THE BOARD	<p><b>General Enabling Provision</b></p> <p>The Board may determine any matter, for which it has delegated or statutory authority, it wishes in full session within its statutory powers.</p>
N/A	THE BOARD	<p><b>Regulations and Control</b></p> <ol style="list-style-type: none"> <li>1. Approve Standing Orders, a schedule of matters reserved to the Board and Standing Financial Instructions for the regulation of its proceedings and business.</li> <li>2. Suspend Standing Orders.</li> <li>3. Vary or amend the Standing Orders.</li> <li>4. Ratify any urgent decisions taken by the Chairman and Chief Executive in public session in accordance with SO 6.2.</li> <li>5. Approve a scheme of delegation of powers from the Board to committees.</li> <li>6. Require and receive the declaration of Board members' interests that may conflict with those of the Trust and determining the extent to which that member may remain involved with the matter under consideration.</li> <li>7. Require and receive the declaration of officers' interests that may conflict with those of the Trust.</li> <li>8. Approve arrangements for dealing with complaints.</li> <li>9. Adopt the organisation structures, processes and procedures to facilitate the discharge of business by the Trust and to agree modifications thereto.</li> <li>10. Receive reports from committees including those that the Trust is required by the Secretary of State or other regulation to establish and to take appropriate action on.</li> <li>11. Confirm the recommendations of the Trust's committees where the committees do not have</li> </ol>

REF	THE BOARD	DECISIONS RESERVED TO THE BOARD
		<p>executive powers.</p> <p>12. Approve arrangements relating to the discharge of the Trust's responsibilities as a corporate trustee for funds held on trust.</p> <p>13. Establish terms of reference and reporting arrangements of all committees and sub-committees that are established by the Board.</p> <p>14. Approve arrangements relating to the discharge of the Trust's responsibilities as a bailer for patients' property.</p> <p>15. Authorise use of the seal.</p> <p>16. Ratify or otherwise instances of failure to comply with Standing Orders brought to the Chief Executive's attention in accordance with SO 6.6.</p> <p>17. Discipline members of the Board or employees who are in breach of statutory requirements or Standing Orders.</p>
N/A	THE BOARD	<p><b>Appointments/Dismissal</b></p> <p>1. Appoint the Vice Chairman of the Board.</p> <p>2. Appoint and dismiss committees (and individual members) that are directly accountable to the Board.</p> <p>3. Appoint, appraise, discipline and dismiss Executive Directors (subject to SO 3.2).</p> <p>4. Confirm appointment of members of any committee of the Trust as representatives on outside bodies.</p> <p>5. Appoint, appraise, discipline and dismiss the Secretary (if the appointment of a Secretary is required under Standing Orders).</p> <p>6. Approve proposals of the Remuneration and Terms of Service Committee regarding directors and senior employees and those of the Chief Executive for staff not covered by the Remuneration and Terms of Service Committee.</p>

REF	THE BOARD	DECISIONS RESERVED TO THE BOARD
N/A	THE BOARD	<p><b>Strategy, Plans and Budgets</b></p> <ol style="list-style-type: none"> <li>1. Define the strategic aims and objectives of the Trust.</li> <li>2. Approve proposals for ensuring quality and developing clinical governance in services provided by the Trust, having regard to any guidance issued by the Secretary of State.</li> <li>3. Approve the Trust's policies and procedures for the management of risk.</li> <li>4. Approve Outline and Final Business Cases for Capital Investment.</li> <li>5. Approve budgets.</li> <li>6. Approve annually Trust's proposed organisational development proposals.</li> <li>7. Ratify proposals for acquisition, disposal or change of use of land and/or buildings.</li> <li>8. Approve PFI proposals.</li> <li>9. Approve the opening of bank accounts.</li> <li>10. Approve proposals on individual contracts (other than NHS contracts) of a capital or revenue nature amounting to, or likely to amount to over [£100,000] over a 3 year period or the period of the contract if longer.</li> <li>11. Approve proposals in individual cases for the write off of losses or making of special payments above the limits of delegation to the Chief Executive and <b>Executive</b> Director of Finance (for losses and special payments) previously approved by the Board.</li> <li>12. Approve individual compensation payments.</li> <li>13. Approve proposals for action on litigation against or on behalf of the Trust.</li> <li>14. Review use of NHSLA risk pooling schemes (LPST/CNST/RPST).</li> </ol>
N/A	THE BOARD	<p><b>Policy Determination</b></p> <ol style="list-style-type: none"> <li>1. Approve management policies including personnel policies incorporating the arrangements for the</li> </ol>

REF	THE BOARD	DECISIONS RESERVED TO THE BOARD
		<p>appointment, removal and remuneration of staff.</p> <p>2. Policies so adopted shall be listed and appended to this document by the Secretary.</p>
N/A	THE BOARD	<p><b>Audit</b></p> <p>1. Receive of the annual management letter received from the external auditor and agreement of proposed action, taking account of the advice, where appropriate, of the Audit and Corporate Risk Committee.</p> <p>2. Receive an annual report from the Internal Auditor and agree action on recommendations where appropriate of the Audit and Corporate Risk Committee.</p>
NA	THE BOARD	<p><b>Annual Reports and Accounts</b></p> <p>1. Receipt and approval of the Trust's Annual Report and Annual Accounts.</p> <p>2. Receipt and approval of the Annual Report and Accounts for funds held on trust.</p>
NA	THE BOARD	<p><b>Monitoring</b></p> <p>1. Receive such reports as the Board sees fit from committees in respect of their exercise of powers delegated.</p> <p>2. Continuous appraisal of the affairs of the Trust by means of the provision to the Board as the Board may require from directors, committees, and officers of the Trust as set out in management policy statements. All monitoring returns required by the Department of Health and the Charity Commission shall be reported, at least in summary, to the Board.</p> <p>3. Receive reports from Executive Director of Finance on financial performance against budget and Local Delivery Plan.</p> <p>4. Receive reports from Chief Executive on actual and forecast income from SLA.</p>

## 2 DECISIONS/DUTIES DELEGATED BY THE BOARD TO COMMITTEES

REF	COMMITTEE	DECISIONS/DUTIES DELEGATED BY THE BOARD TO COMMITTEES
SFI 2.1	AUDIT AND CORPORATE RISK COMMITTEE	<p>The Committee will:</p> <ol style="list-style-type: none"> <li>1. Advise the Board on internal and external audit services.</li> <li>2. The Committee shall review the establishment and maintenance of an effective system of integrated governance, risk management and internal control, across the whole of the organisation's activities (both clinical and non-clinical), that supports the achievement of the organisation's objectives.</li> <li>3. Monitor compliance with Standing Orders and Standing Financial Instructions.</li> <li>4. Review schedules of losses and compensations and making recommendations to the Board.</li> <li>5. Review schedules of debtor/creditor balances &gt;£5k, &gt;6 months.</li> <li>6. Review the annual financial statements prior to submission to the Board.</li> </ol>
SFI 9.1.2	REMUNERATION AND TERMS OF SERVICE COMMITTEE	<p>The Committee will advise the Board about appropriate remuneration and terms of service for the Chief Executive, other Executive Directors and other senior employees including:</p> <ol style="list-style-type: none"> <li>1. All aspects of salary (including any performance-related elements/bonuses);</li> <li>2. Provisions for other benefits, including pensions and cars;</li> <li>3. Arrangements for termination of employment and other contractual terms;</li> <li>4. Make recommendations to the Board on the remuneration and terms of service of executive directors and senior employees to ensure they are fairly rewarded for their individual contribution to the Trust - having proper regard to the Trust's circumstances and performance and to the provisions of any national arrangements for such staff; and</li> <li>5. Proper calculation and scrutiny of termination payments taking account of such national guidance as is appropriate advise on and oversee appropriate contractual arrangements for such staff.</li> </ol> <p>The Committee shall report in writing to the Board the basis for its recommendations.</p>

REF	COMMITTEE	DECISIONS/DUTIES DELEGATED BY THE BOARD TO COMMITTEES
HSC 1999/065	QUALITY AND CLINICAL <b>PERFORMANCE</b> COMMITTEE	<p>The Committee will:</p> <ol style="list-style-type: none"> <li>1. Advise the Board regarding quality and risk considerations relevant to the achievement of the strategic objective number one 'be safe in all that we do' and of investment priorities;</li> <li>2. Through receipt of minutes and Highlight Reports the <b>QCP</b> Committee will receive assurance of the adequacy of systems for quality assurance, managing risk and the control of the environment; and</li> <li>3. Be responsible for approving and overseeing the production of the Annual Quality Account and the annual quality plan.</li> </ol>
HSC 1998/70  HSC 1999/123	EXECUTIVE BOARD	<p>The Executive Board will:</p> <ol style="list-style-type: none"> <li>1. Produce and present the Board Assurance Framework and Corporate Risk Register to the Board;</li> <li>2. Provide a Health and Safety Report to the Board on the work of the Health and Safety Committee and specifically highlight any actions taken and any current risks in ensuring a suitable and sufficient health and safety system in the organisation;</li> <li>3. Put in place and test arrangements for emergency planning and preparedness arrangements and business continuity and report to the Board on the effectiveness of these arrangements;</li> <li>4. Ensure the organisation meets its equality, diversity and human rights duties and highlight any gaps and mitigating actions to the Board;</li> <li>5. Report progress against compliance with the Information Governance Toolkit, Care Quality Commission Registration Standards and NHS Litigation Authority Risk Management Standards on a regular and appropriate basis and highlight any gaps and mitigating actions.</li> <li>6. Provide the Board with information on any corporate governance, legal or regulatory gaps or risks and the mitigating actions as appropriate; and</li> <li>7. Hold other committees and groups to account for the management of risk within their remits and delegate and oversee any actions to mitigate risk.</li> </ol>

REF	COMMITTEE	DECISIONS/DUTIES DELEGATED BY THE BOARD TO COMMITTEES
	STAFF PARTNERSHIP FORUM	<p>The Committee will:</p> <ol style="list-style-type: none"> <li>1. Operate as a partnership which is used to discuss, debate and involve partners in the development and implementation of the workforce implications of policy and working practices. In particular, it will: <ul style="list-style-type: none"> <li>• contribute trade union and employer perspectives to the development of policy;</li> <li>• provide constructive comments on emerging policy at a formative stage;</li> <li>• contribute ideas on the workforce implications of developing policy and implementation;</li> <li>• promote effective communications between partners; and</li> <li>• provide constructive comments on restructuring and reorganisation affecting the workforce.</li> </ul> </li> <li>2. Review policy on behalf of the Board and advise where it impacts on staff terms and conditions.</li> </ol>
	EXECUTIVE BOARD	<p>The Executive Board will:</p> <ol style="list-style-type: none"> <li>1. Provide overall ownership and direction of the Operating Plan and Corporate Portfolio;</li> <li>2. Be accountable for ensuring that the Operating Plan and Corporate Portfolio remain on course to deliver the desired strategic benefits and outcomes;</li> <li>3. Review the status of the Operating Plan and Corporate Portfolio regularly via a Performance Dashboard;</li> <li>4. Review recommendations from the Boards's sub-groups (listed in section 6) via highlight reports and make decisions accordingly;</li> <li>5. Ensure that resources are allocated appropriately by interfacing effectively with the <b>Finance, Investment and Workforce Committee</b>;</li> </ol>



REF	COMMITTEE	DECISIONS/DUTIES DELEGATED BY THE BOARD TO COMMITTEES
		<ol style="list-style-type: none"> <li>6. Ensure that any conflicts between the delivery of the Operating Plan and Corporate Portfolio and Business As Usual that cannot be resolved by the Programme Boards are addressed;</li> <li>7. Proactively communicate collaborative working throughout respective departments /units;</li> <li>8. Ensure that Business as Usual and the Operating Plan and Corporate Portfolio are aligned effectively to successfully deliver the Trust's strategic objectives and the 5 year business plan;</li> <li>9. Oversee the refresh of the 5 year Strategic Business Plan;</li> <li>10. Lead the development of the 2012/13 Operating Plan; and</li> <li>11. Ensure any charitable funds are being managed and accounted for in terms with Trust and Department of Health policy.</li> </ol>
	QUALITY AND CLINICAL <b>PERFORMANCE</b> COMMITTEE	The Committee will: <ol style="list-style-type: none"> <li>1. Through the receipt of minutes, reports and other information received, provide assurance to the Board that the organisation is meeting its corporate performance responsibilities and contractual obligations;</li> <li>2. In the event of poor performance the Committee will agree an appropriate action plan and review arrangements, providing assurance to the Board that any risks to the organisation are being appropriately managed;</li> <li>3. Ensure that lessons learned and best practice reported to the Committee are shared amongst all relevant clinical services;</li> <li>4. Ensure the services provided by the Trust achieve compliance with the relevant Care Quality Commission Registration standards;</li> <li>5. Ensure that the information used by the Committee and by extension the Board is accurate and robust, and where there are data quality issues, that these are clearly highlighted and explained.</li> </ol>
	NOMINATIONS COMMITTEE  ( SHADOW)	The Committee will: <ol style="list-style-type: none"> <li>1. Oversee the Board Development Programme and associated action plans</li> </ol>

REF	COMMITTEE	DECISIONS/DUTIES DELEGATED BY THE BOARD TO COMMITTEES
		<ol style="list-style-type: none"> <li>2. Oversee the third party assessment of the Trust against the Board Governance Assurance Framework and ensure the achievement of associated action plans</li> <li>3. Consider and approve the structure, size and composition of the proposed Board of Directors and Council of Governors.</li> <li>4. Evaluate the feedback from the public consultation period and other stakeholder engagement on number 3 above.</li> </ol>
	FOUNDATION TRUST PROGRAMME BOARD	<p>The FT Programme Board will:</p> <ol style="list-style-type: none"> <li>1. Oversee development and take ownership of an FT programme management plan</li> <li>2. Oversee the implementation of work streams and projects to ensure that the FT application process is delivered within agreed time-lines</li> <li>3. Steer the development of the Trust's five-year Integrated Business Plan and LTFM</li> <li>4. Monitor progress with Governance arrangements including membership strategy and the Trust Constitution</li> <li>5. Meet SHA, DH and Monitor requirements, including Historical Due Diligence , public consultation refresh and governor elections</li> </ol>
	FINANCE INVESTMENT & WORKFORCE COMMITTEE	<p>The Committee will:</p> <ol style="list-style-type: none"> <li>1. Undertake objective scrutiny of the Trust's longer term financial strategy, financial performance and major investment and workforce decisions</li> <li>2. Monitor financial performance against plan, reviewing and reporting any proposed remedial action to the Board</li> <li>3. Scrutinise major business cases and have oversight of the capital programme</li> </ol>

REF	COMMITTEE	DECISIONS/DUTIES DELEGATED BY THE BOARD TO COMMITTEES
		<p>4. Maintain oversight of the finance and investment functions, key financial policies and other financial or investment issues that may arise</p> <p>5. Monitor workforce performance and cost against plan, reporting any proposed remedial action to the Board</p>

### 3 SCHEME OF DELEGATION DERIVED FROM THE ACCOUNTABLE OFFICER MEMORANDUM

REF	DELEGATED TO	DUTIES DELEGATED
7	CHIEF EXECUTIVE	Accountable through NHS Accounting Officer to Parliament for stewardship of Trust resources.
9	CHIEF EXECUTIVE AND EXECUTIVE DIRECTOR OF FINANCE	<p>Ensure the accounts of the Trust are prepared under principles and in a format directed by the Secretary of State. Accounts must disclose a true and fair view of the Trust's income and expenditure and its state of affairs.</p> <p>Sign the accounts on behalf of the Board.</p>
10	CHIEF EXECUTIVE	<p>Sign a statement in the accounts outlining responsibilities as the Accountable Officer.</p> <p>Sign a statement in the accounts outlining responsibilities in respect of Internal Control.</p>
12 & 13	CHIEF EXECUTIVE	<p>Ensure effective management systems that safeguard public funds and assist the Trust Chairman to implement requirements of corporate governance including ensuring managers:</p> <ul style="list-style-type: none"> <li>• "have a clear view of their objectives and the means to assess achievements in relation to those objectives;</li> <li>• be assigned well defined responsibilities for making best use of resources; and</li> </ul>

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REF	DELEGATED TO	DUTIES DELEGATED
		<ul style="list-style-type: none"> <li>have the information, training and access to the expert advice they need to exercise their responsibilities effectively.”</li> </ul>
12	CHAIRMAN	Implement requirements of corporate governance.
13	CHIEF EXECUTIVE	<p>Achieve value for money from the resources available to the Trust and avoid waste and extravagance in the organisation's activities.</p> <p>Follow through the implementation of any recommendations affecting good practice as set out on reports from such bodies as the Audit Commission and the National Audit Office.</p>
15	EXECUTIVE DIRECTOR OF FINANCE	Operational responsibility for effective and sound financial management and information.
15	CHIEF EXECUTIVE	Primary duty to see that the Executive Director of Finance discharges this function.
16	CHIEF EXECUTIVE	Ensuring that expenditure by the Trust complies with Parliamentary requirements.
18	CHIEF EXECUTIVE AND EXECUTIVE DIRECTOR OF FINANCE	Chief Executive, supported by Executive Director of Finance, to ensure appropriate advice is given to the Board on all matters of probity, regularity, prudent and economical administration, efficiency and effectiveness.
19	CHIEF EXECUTIVE	If Chief Executive considers the Board or Chairman is doing something that might infringe probity or regularity, he should set this out in writing to the Chairman and the Board. If the matter is unresolved, he/she should ask the Audit and Corporate Risk Committee to inquire and if necessary the SHA and Department of Health.
21	CHIEF EXECUTIVE	If the Board is contemplating a course of action that raises an issue not of formal propriety or regularity but affects the Chief Executive's responsibility for value for money, the Chief Executive should draw the relevant factors to the attention of the Board. If the outcome is that you are overruled it is normally sufficient to ensure that your advice and the overruling of it are clearly apparent from the papers. Exceptionally, the Chief Executive should inform the Strategic Health Authority and the Department of Health. In such cases, and in those described in paragraph 24, the Chief Executive should as a member of the Board vote against the course of action rather than merely abstain from voting.

#### 4 SCHEME OF DELEGATION DERIVED FROM THE CODES OF ACCOUNTABILITY, CONDUCT AND PRACTICE ON OPENESS

REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
1.3.1.7	BOARD	Approve procedure for declaration of hospitality and sponsorship.
1.3.1.8	BOARD	Ensure proper and widely publicised procedures for voicing complaints, concerns about misadministration, breaches of Code of Conduct, and other ethical concerns.
1.31.9 & 1.3.2.2	ALL BOARD MEMBERS	Subscribe to Code of Conduct.
1.3.2.4	BOARD	Board members share corporate responsibility for all decisions of the Board.
1.3.2.4	CHAIR AND NON EXECUTIVE/OFFICER MEMBERS	Chair and non-officer members are responsible for monitoring the executive management of the organisation and are responsible to the Secretary of State for the discharge of those responsibilities.
1.3.2.4	BOARD	<p>The Board has six key functions for which it is held accountable by the Department of Health on behalf of the Secretary of State:</p> <ol style="list-style-type: none"> <li>1. to ensure effective financial stewardship through value for money, financial control and financial planning and strategy;</li> <li>2. to ensure that high standards of corporate governance and personal behaviour are maintained in the conduct of the business of the whole organisation;</li> <li>3. to appoint, appraise and remunerate senior executives;</li> <li>4. to ratify the strategic direction of the organisation within the overall policies and priorities of the Government and the NHS, define its annual and longer term objectives and agree plans to achieve them;</li> <li>5. to oversee the delivery of planned results by monitoring performance against objectives and ensuring corrective action is taken when necessary; and</li> <li>6.</li> </ol>

REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
		<p>6. to ensure effective dialogue between the organisation and the local community on its plans and performance and that these are responsive to the community's needs.</p>
1.3.24	BOARD	<p>It is the Board's duty to:</p> <ol style="list-style-type: none"> <li>1. act within statutory financial and other constraints;</li> <li>2. be clear what decisions and information are appropriate to the Board and draw up Standing Orders, a schedule of decisions reserved to the Board and Standing Financial Instructions to reflect these,</li> <li>3. ensure that management arrangements are in place to enable responsibility to be clearly delegated to senior executives for the main programmes of action and for performance against programmes to be monitored and senior executives held to account;</li> <li>4. establish performance and quality measures that maintain the effective use of resources and provide value for money;</li> <li>5. specify its requirements in organising and presenting financial and other information succinctly and efficiently to ensure the Board can fully undertake its responsibilities; and</li> <li>6. establish Audit and Remuneration and Terms of Service Committees on the basis of formally agreed terms of reference that set out the membership of the sub-committee, the limit to their powers, and the arrangements for reporting back to the main Board.</li> </ol>
1.3.2.5	CHAIRMAN	<p>It is the Chairman's role to:</p> <ol style="list-style-type: none"> <li>1. provide leadership to the Board;</li> <li>2. enable all Board members to make a full contribution to the Board's affairs and ensure that the Board acts as a team;</li> <li>3. ensure that key and appropriate issues are discussed by the Board in a timely manner;</li> <li>4. ensure the Board has adequate support and is provided efficiently with all the necessary data on which to base informed decisions;</li> <li>5. lead Non-Executive Board members through a formally-appointed Remuneration and Terms of Service Committee of the main Board on the appointment, appraisal and remuneration of the Chief</li> </ol>

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REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
		<p>Executive and (with the latter) other Executive Board members;</p> <p>6. appoint Non-Executive Board members to an Audit and Corporate Risk Committee of the main Board; and</p> <p>7. advise the Secretary of State on the performance of Non-Executive Board members.</p>
1.3.2.5	CHIEF EXECUTIVE	<p>The Chief Executive is accountable to the Chairman and Non-Executive members of the Board for ensuring that its decisions are implemented, that the organisation works effectively, in accordance with Government policy and public service values and for the maintenance of proper financial stewardship.</p> <p>The Chief Executive should be allowed full scope, within clearly defined delegated powers, for action in fulfilling the decisions of the Board.</p> <p>The other duties of the Chief Executive as Accountable Officer are laid out in the Accountable Officer Memorandum.</p>
1.3.2.6	NON EXECUTIVE DIRECTORS	<p>Non-Executive Directors are appointed by Appointments Commission to bring independent judgement to bear on issues of strategy, performance, key appointments and accountability through the Department of Health to Ministers and to the local community.</p>
1.3.2.8	CHAIR AND DIRECTORS	<p>Declaration of conflict of interests.</p>
1.3.2.9	BOARD	<p>NHS Boards must comply with legislation and guidance issued by the Department of Health on behalf of the Secretary of State, respect agreements entered into by themselves or in on their behalf and establish terms and conditions of service that are fair to the staff and represent good value for taxpayers' money.</p>

**5 SCHEME OF DELEGATION FROM STANDING ORDERS**

REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
Section A - 2.8	CHAIRMAN	Final authority in interpretation of Standing Orders.
SO 3.4	BOARD	Appointment of Vice Chairman.
SO 4.1	CHAIRMAN	Call meetings.
SO 4.9	CHAIRMAN	Chair all Board meetings and associated responsibilities.
SO 4.10	CHAIRMAN	Give final ruling in questions of order, relevancy and regularity of meetings.
SO 4.12.1	CHAIRMAN	Having a casting vote.
SO 4.13	BOARD	Suspension of Standing Orders.
SO 4.13.4	AUDIT AND CORPORATE RISK COMMITTEE	Audit and Corporate Risk Committee to review every decision to suspend Standing Orders (power to suspend Standing Orders is reserved to the Board).
SO 4.14	BOARD	Variation or amendment of Standing Orders.
SO 5.1 & 5.2	BOARD	Formal delegation of powers to sub committees or joint committees and approval of their constitution and terms of reference.
SO 6.2	CHAIRMAN & CHIEF EXECUTIVE	The powers which the Board has retained to itself within these Standing Orders may in emergency be exercised by the Chair and Chief Executive after having consulted at least two Non-Executive members.
SO 6.4	CHIEF EXECUTIVE	The Chief Executive shall prepare a Scheme of Delegation identifying his proposals that shall be considered and approved by the Board, subject to any amendment agreed during the discussion.
SO 6.6	ALL	Disclosure of non-compliance with Standing Orders to the Chief Executive as soon as possible.
SO 8.1	THE BOARD	Declare relevant and material interests.



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REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
SO 8.2	CHIEF EXECUTIVE	Maintain Register(s) of Interests.
SO 8.4	ALL STAFF	Comply with national guidance contained in HSG 1993/5 "Standards of Business Conduct for NHS Staff".
SO 8.4.1	ALL	Disclose relationship between self and candidate for staff appointment. (Chief Executive to report the disclosure to the Board.).
SO 9.1/9.4	CHIEF EXECUTIVE	Keep seal in safe place and maintain a register of sealing.
SO 9.5	CHIEF EXECUTIVE/ EXECUTIVE DIRECTOR	Approve and sign all documents which will be necessary in legal proceedings.

## 6 SCHEME OF DELEGATION FROM STANDING FINANCIAL INSTRUCTIONS

SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
1.1.3	EXECUTIVE DIRECTOR OF FINANCE	Approval of all financial procedures.
1.1.4	EXECUTIVE DIRECTOR OF FINANCE	Advice on interpretation or application of Standing Financial Instructions.
1.1.6	ALL MEMBERS OF THE BOARD AND EMPLOYEES	Have a duty to disclose any non-compliance with these Standing Financial Instructions to the Chief Executive as soon as possible.
1.2.4	CHIEF EXECUTIVE & EXECUTIVE DIRECTOR OF FINANCE	Accountable for financial control but will, as far as possible, delegate their detailed responsibilities.
1.2.5	CHIEF EXECUTIVE	Responsible as the Accountable Officer to ensure financial targets and obligations are met and have overall responsibility for the System of Internal Control.
1.2.6	CHIEF EXECUTIVE	To ensure all Board members, officers and employees, present and future, are notified of and understand Standing Financial Instructions.
1.2.7	EXECUTIVE DIRECTOR OF FINANCE	Responsible for: <ul style="list-style-type: none"> <li>1. Implementing the Trust's financial policies and coordinating corrective action;</li> <li>2. Maintaining an effective system of financial control including ensuring detailed financial procedures and systems are prepared and documented;</li> <li>3. Ensuring that sufficient records are maintained to explain Trust's transactions and financial position;</li> <li>4. Providing financial advice to members of Board and staff; and</li> <li>5. Maintaining such accounts, certificates etc as are required for the Trust to carry out its statutory duties.</li> </ul>
1.2.8	ALL MEMBERS OF THE	Responsible for security of the Trust's property, avoiding loss, exercising economy and efficiency in using

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SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
	BOARD AND EMPLOYEES	resources and conforming to Standing Orders, Financial Instructions and financial procedures.
1.2.9	CHIEF EXECUTIVE	Ensure that any contractor or employee of a contractor who is empowered by the Trust to commit the Trust to expenditure or who is authorised to obtain income are made aware of these instructions and their requirement to comply.
2.1	AUDIT AND CORPORATE RISK COMMITTEE	Provide independent and objective view on internal control and probity.
2.4	CHAIRMAN OF AUDIT AND CORPORATE RISK COMMITTEE	Raise the matter at the Board meeting where Audit and Corporate Risk Committee considers there is evidence of ultra vires transactions or improper acts.
2.5	EXECUTIVE DIRECTOR OF FINANCE	Ensure an adequate internal audit service, for which he is accountable, is provided (and involve the Audit and Corporate Risk Committee in the selection process when/if an internal audit service provider is changed).
2.7.3	EXECUTIVE DIRECTOR OF FINANCE	Decide at what stage to involve police in cases of misappropriation and other irregularities not involving fraud or corruption.
2.9	INTERNAL AUDIT	Review, appraise and report in accordance with NHS Internal Audit Manual and best practice.
2.15	AUDIT AND CORPORATE RISK COMMITTEE	Ensure cost-effective External Audit.
2.16	CHIEF EXECUTIVE & EXECUTIVE DIRECTOR OF FINANCE	Monitor and ensure compliance with Secretary of State Directions on fraud and corruption including the appointment of the Local Counter Fraud Specialist.
2.20	CHIEF EXECUTIVE	Monitor and ensure compliance with Directions issued by the Secretary of State for Health on NHS security management including appointment of the Local Security Management Specialist.
3.1	CHIEF EXECUTIVE	<p>Compile and submit to the Board an annual operating plan which takes into account financial targets and forecast limits of available resources. The annual operating plan will contain:</p> <ul style="list-style-type: none"> <li>a statement of the significant assumptions on which the plan is based; and</li> <li>details of major changes in workload, delivery of services or resources required to achieve the plan.</li> </ul>

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SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
3.2	EXECUTIVE DIRECTOR OF FINANCE	Submit budgets to the Board for approval. Monitor performance against budget; submit to the Board financial estimates and forecasts.
3.6	EXECUTIVE DIRECTOR OF FINANCE	Ensure adequate training is delivered on an on going basis to budget holders.
3.7.1	CHIEF EXECUTIVE	Delegate budget to budget holders.
3.8	CHIEF EXECUTIVE & BUDGET HOLDERS	Must not exceed the budgetary total or virement limits set by the Board.
3.11	EXECUTIVE DIRECTOR OF FINANCE	Devise and maintain systems of budgetary control.
3.12	BUDGET HOLDERS	Ensure that: <ol style="list-style-type: none"> <li>1. no overspend or reduction of income that cannot be met from virement is incurred without prior consent of Board;</li> <li>2. approved budget is not used for any other than specified purpose subject to rules of virement; and</li> <li>3. no permanent Officers are appointed without the approval of the Chief Executive other than those provided for within available resources and manpower establishment.</li> </ol>
3.13	CHIEF EXECUTIVE	Identify and implement cost improvements and income generation activities in line with the annual operating plan and a balanced budget.
3.15	CHIEF EXECUTIVE	Submit monitoring returns.
4.1	EXECUTIVE DIRECTOR OF FINANCE	Preparation of annual accounts and reports.
5.1	EXECUTIVE DIRECTOR OF FINANCE & BOARD	Managing banking arrangements, including provision of banking services, operation of accounts, preparation of instructions and list of cheque signatories.

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SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
		Board approves such arrangements.
6	<b>EXECUTIVE</b> DIRECTOR OF FINANCE	Income systems, including system design, prompt banking, review and approval of fees and charges, debt recovery arrangements, design and control of receipts, provision of adequate facilities and systems for employees whose duties include collecting or holding cash.
6.2.3	ALL OFFICERS	Duty to inform <b>Executive</b> Director of Finance of money due from transactions which they initiate/deal with.
7.1	CHIEF EXECUTIVE	Tendering and contract procedure.
7.7.2.1	CHIEF EXECUTIVE	Waive formal tendering procedures.
7.7.4	CHIEF EXECUTIVE	Report waivers of tendering procedures to the Audit and Corporate Risk Committee
7.12	<b>EXECUTIVE</b> DIRECTOR OF FINANCE	Where a supplier is chosen that is not on the approved list the reason shall be recorded in writing to the Chief Executive.
7.13.1	CHIEF EXECUTIVE	Responsible for the receipt, endorsement and safe custody of tenders received.
7.21.4	CHIEF EXECUTIVE / NOMINATED OFFICER	Where one tender is received will assess for value for money and fair price.
7.24.1	CHIEF EXECUTIVE / <b>EXECUTIVE</b> DIRECTOR OF FINANCE	No tender shall be accepted which will commit expenditure in excess of that which has been allocated by the Trust and which is not in accordance with these Instructions except with the authorisation of the Chief Executive.
7.27.1	CHIEF EXECUTIVE	The Chief Executive shall demonstrate that the use of private finance represents value for money and genuinely transfers risk to the private sector.
7.27.3	BOARD	All PFI proposals must be agreed by the Board.
7.28.1.8	CHIEF EXECUTIVE	The Chief Executive shall nominate an officer who shall oversee and manage each contract on behalf of the Trust.

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SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
7.29.1	CHIEF EXECUTIVE	The Chief Executive shall nominate Officers with delegated authority to enter into contracts of employment, regarding staff, agency staff or temporary staff service contracts.
7.32.1	CHIEF EXECUTIVE	The Chief Executive shall be responsible for ensuring that best value for money can be demonstrated for all services provided on an in-house basis.
7.32.5	CHIEF EXECUTIVE	The Chief Executive shall nominate an officer to oversee and manage the contract on behalf of the Trust.
8.1.1	CHIEF EXECUTIVE	Must ensure the Trust enters into suitable Service Level Agreements (SLAs) with service commissioners for the provision of NHS services.
8.2	CHIEF EXECUTIVE	As the Accountable Officer, ensure that regular reports are provided to the Board detailing actual and forecast income from the SLA.
9.1	BOARD	Establish a Remuneration & Terms of Service Committee.
9.1.2	REMUNERATION AND TERMS OF SERVICE COMMITTEE	<p>Advise the Board on and make recommendations on the remuneration and terms of service of the Chief Executive, other officer members and senior employees to ensure they are fairly rewarded having proper regard to the Trust's circumstances and any national agreements.</p> <p>Monitor and evaluate the performance of individual senior employees.</p> <p>Advise on and oversee appropriate contractual arrangements for such staff, including proper calculation and scrutiny of termination payments.</p>
9.1.3	REMUNERATION AND TERMS OF SERVICE COMMITTEE	Report in writing to the Board its advice and its bases about remuneration and terms of service of directors and senior employees.
9.2.2	CHIEF EXECUTIVE	Approval of variation to funded establishment of any department.
9.3.1.1	CHIEF EXECUTIVE	Staff, including agency staff, appointments and re-grading.
9.4	EXECUTIVE DIRECTOR OF FINANCE	<p>Payroll:</p> <ol style="list-style-type: none"> <li>1. specifying timetables for submission of properly authorised time records and other notifications;</li> </ol>

SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
		<ul style="list-style-type: none"> <li>2. final determination of pay and allowances;</li> <li>3. making payments on agreed dates;</li> <li>4. agreeing method of payment; and</li> <li>5. issuing instructions (as listed in SFI 9.4.2).</li> </ul>
9.4.3	NOMINATED MANAGERS	<p>Submit time records in line with timetable.</p> <p>Complete time records and other notifications in required form.</p> <p>Submitting termination forms in prescribed form and on time.</p>
9.4.4	EXECUTIVE DIRECTOR OF FINANCE	Ensure that the chosen method for payroll processing is supported by appropriate (contracted) terms and conditions, adequate internal controls and audit review procedures and that suitable arrangements are made for the collection of payroll deductions and payment of these to appropriate bodies.
9.5.1	NOMINATED MANAGER	<p>Ensure that all Officers are issued with a Contract of Employment in a form approved by the Board and which complies with employment legislation.</p> <p>Deal with variations to, or termination of, contracts of employment.</p>
10.1.1	THE BOARD	Approve proposals presented by the Chief Executive for setting of remuneration and conditions of service for those employees and officers not covered by the Remuneration and Terms of Service Committee.
10.1.2	CHIEF EXECUTIVE	Determine, and set out, level of delegation of non-pay expenditure to budget managers, including a list of managers authorised to place requisitions, the maximum level of each requisition and the system for authorisation above that level.
10.1.3	CHIEF EXECUTIVE	Set out procedures on the seeking of professional advice regarding the supply of goods and services.
10.2	REQUISITIONER	In choosing the item to be supplied (or the service to be performed) shall always obtain the best value for money for the Trust. In so doing, the advice of the Trust's adviser on supply shall be sought.
10.3	EXECUTIVE DIRECTOR OF FINANCE	Shall be responsible for the prompt payment of accounts and claims.

SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
10.4	<b>EXECUTIVE</b> DIRECTOR OF FINANCE	<p>Advise the Board regarding the setting of thresholds above which quotations (competitive or otherwise) or formal tenders must be obtained; and, once approved, the thresholds should be incorporated in standing orders and regularly reviewed.</p> <p>Prepare procedural instructions on the obtaining of goods, works and services incorporating the thresholds.</p> <p>Be responsible for the prompt payment of all properly authorised accounts and claims.</p> <p>Be responsible for designing and maintaining a system of verification, recording and payment of all amounts payable.</p> <p>A timetable and system for submission to the <b>Executive</b> Director of Finance of accounts for payment; provision shall be made for the early submission of accounts subject to cash discounts or otherwise requiring early payment.</p> <p>Instructions to employees regarding the handling and payment of accounts within the Finance Department.</p> <p>Be responsible for ensuring that payment for goods and services is only made once the goods and services are received.</p>
10.5.2	APPROPRIATE OFFICER	Make a written case to support the need for a prepayment.
10.5.3	<b>EXECUTIVE</b> DIRECTOR OF FINANCE	Approve proposed prepayment arrangements.
10.5.4	BUDGET HOLDER	Ensure that all items due under a prepayment contract are received (and immediately inform <b>Executive</b> Director of Finance if problems are encountered).
10.6.4	CHIEF EXECUTIVE	Authorise who may use and be issued with official orders.
10.7	OFFICERS	Ensure that they comply fully with the guidance and limits specified by the <b>Executive</b> Director of Finance.
10.7.6	CHIEF EXECUTIVE <b>EXECUTIVE</b> DIRECTOR OF FINANCE	Ensure that the arrangements for financial control and financial audit of building and engineering contracts and property transactions comply with the SFI 7.15.3. The technical audit of these contracts shall be the responsibility of the relevant Director.



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SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
N/A	<b>EXECUTIVE</b> DIRECTOR OF FINANCE	Lay down procedures for payments to local authorities and voluntary organisations made under the powers of section 256/257 of the 2006 Act.
11.1	<b>EXECUTIVE</b> DIRECTOR OF FINANCE	The <b>Executive</b> Director of Finance will advise the Board on the Trust's ability to pay dividend on PBC and report, periodically, concerning the PDC debt and all loans and overdrafts.
11.2	THE BOARD	Approve a list of Officers authorised to make short term borrowings on behalf of the Trust. (This must include the Chief Executive and <b>Executive</b> Director of Finance).
11.3	<b>EXECUTIVE</b> DIRECTOR OF FINANCE	Prepare detailed procedural instructions concerning applications for loans and overdrafts.
12.2	<b>EXECUTIVE</b> DIRECTOR OF FINANCE	Will advise the Board on investments and report, periodically, on performance of same.
12.3	<b>EXECUTIVE</b> DIRECTOR OF FINANCE	Prepare detailed procedural instructions on the operation of investments held.
N/A	<b>EXECUTIVE</b> DIRECTOR OF FINANCE	Ensure that Board members are aware of the Financial Framework and ensure compliance.
13.1	CHIEF EXECUTIVE	Capital investment programme: <ol style="list-style-type: none"> <li>1. ensure that there is adequate appraisal and approval process for determining capital expenditure priorities and the effect that each has on plans;</li> <li>2. responsible for the management of capital schemes and for ensuring that they are delivered on time and within cost;</li> <li>3. ensure that capital investment is not undertaken without availability of resources to finance all revenue consequences; and</li> <li>4. ensure that a business case is produced for each proposal.</li> </ol>
13.2.2	<b>EXECUTIVE</b> DIRECTOR OF FINANCE	Certify professionally the costs and revenue consequences detailed in the business case for capital investment.

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SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
13.2.3	CHIEF EXECUTIVE	Issue procedures for management of contracts involving stage payments.
13.3	<b>EXECUTIVE</b> DIRECTOR OF FINANCE	Assess the requirement for the operation of the construction industry taxation deduction scheme.
13.4	<b>EXECUTIVE</b> DIRECTOR OF FINANCE	Issue procedures for the regular reporting of expenditure and commitment against authorised capital expenditure.
13.6	CHIEF EXECUTIVE	Issue manager responsible for any capital scheme with authority to commit expenditure, authority to proceed to tender and approval to accept a successful tender.  Issue a scheme of delegation for capital investment management.
13.8	<b>EXECUTIVE</b> DIRECTOR OF FINANCE	Issue procedures governing financial management, including variation to contract, of capital investment projects and valuation for accounting purposes.
13.9.1	<b>EXECUTIVE</b> DIRECTOR OF FINANCE	Demonstrate that the use of private finance represents value for money and genuinely transfers significant risk to the private sector.
13.9.3	THE BOARD	Proposal to use PFI must be specifically agreed by the Board.
13.10.1	CHIEF EXECUTIVE	Maintenance of asset registers (on advice from <b>Executive</b> Director of Finance).
13.10.5	<b>EXECUTIVE</b> DIRECTOR OF FINANCE	Approve procedures for reconciling balances on fixed assets accounts in ledgers against balances on fixed asset registers.
13.10.8	<b>EXECUTIVE</b> DIRECTOR OF FINANCE	Calculate and pay capital charges in accordance with Department of Health requirements.
13.11.1	CHIEF EXECUTIVE	Overall responsibility for fixed assets.
13.11.2	<b>EXECUTIVE</b> DIRECTOR OF FINANCE	Approval of fixed asset control procedures.
13.11.4	ALL	Responsibility for security of Trust assets including notifying discrepancies to <b>Executive</b> Director of Finance, and reporting losses in accordance with Trust procedure.

Isle of Wight NHS Trust

SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
14.2	CHIEF EXECUTIVE	Delegate overall responsibility for control of stores (subject to <b>Executive</b> Director of Finance responsibility for systems of control). Further delegation for day-to-day responsibility subject to such delegation being recorded.
14.2	<b>EXECUTIVE</b> DIRECTOR OF FINANCE	Responsible for systems of control over stores and receipt of goods.
14.2	DESIGNATED OFFICER	Responsible for controls of pharmaceutical stocks.
14.2	DESIGNATED OFFICER	Responsible for control of stocks of fuel oil and coal.
14.3	DESIGNATED OFFICER	Security arrangements and custody of keys.
14.4	<b>EXECUTIVE</b> DIRECTOR OF FINANCE	Set out procedures and systems to regulate the stores.
14.5	<b>EXECUTIVE</b> DIRECTOR OF FINANCE	Agree stocktaking arrangements.
14.6	<b>EXECUTIVE</b> DIRECTOR OF FINANCE	Approve alternative arrangements where a complete system of stores control is not justified.
14.7	<b>EXECUTIVE</b> DIRECTOR OF FINANCE	Approve system for review of slow moving and obsolete items and for condemnation, disposal and replacement of all unserviceable items.
14.7	DESIGNATED OFFICER	Operate system for slow moving and obsolete stock, and report to <b>Executive</b> Director of Finance evidence of significant overstocking.
14.8	CHIEF EXECUTIVE	Identify persons authorised to requisition and accept goods from NHS Supplies stores.
15.1.1	<b>EXECUTIVE</b> DIRECTOR OF FINANCE	Prepare detailed procedures for disposal of assets including condemnations and ensure that these are notified to managers.
15.2.1	<b>EXECUTIVE</b> DIRECTOR OF FINANCE	Prepare procedures for recording and accounting for losses, special payments and informing police in cases of suspected arson or theft.
15.2.2	ALL	Discovery or suspicion of loss of any kind must be reported immediately to either head of department or nominated officer. The head of department / nominated officer should then inform the Chief Executive and

Isle of Wight NHS Trust

SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
		<b>Executive</b> Director of Finance.
15.2.2	<b>EXECUTIVE</b> DIRECTOR OF FINANCE	Where a criminal offence is suspected, <b>Executive</b> Director of Finance must inform the police if theft or arson is involved. In cases of fraud and corruption <b>Executive</b> Director of Finance must inform the relevant LCFS and <b>NHS Protect</b> Regional Team in line with Secretary of State directions.
15.2.3	<b>EXECUTIVE</b> DIRECTOR OF FINANCE	Notify <b>NHS Protect</b> and External Audit of all frauds.
15.2.4.1/ 15.2.4.2	<b>EXECUTIVE</b> DIRECTOR OF FINANCE	Notify Board and External Auditor of losses caused theft, arson, neglect of duty or gross carelessness (unless trivial).
15.2.5	THE BOARD	Approve write off of losses (within limits delegated by Department of Health).
15.2.7	<b>EXECUTIVE</b> DIRECTOR OF FINANCE	Consider whether any insurance claim can be made.
15.2.8	<b>EXECUTIVE</b> DIRECTOR OF FINANCE	Maintain losses and special payments register.
16.1	<b>EXECUTIVE</b> DIRECTOR OF FINANCE	Responsible for accuracy and security of computerised financial data.
16.2	<b>EXECUTIVE</b> DIRECTOR OF FINANCE	Ensure new financial systems and amendments to current financial systems are developed in a controlled manner and thoroughly tested prior to implementation. Where this is undertaken by other organisation assurances of adequacy must be obtained from them prior to implementation.
16.3	<b>EXECUTIVE</b> DIRECTOR OF FINANCE	Shall publish and maintain a Freedom of Information Scheme.
16.4	<b>EXECUTIVE DIRECTOR OF STRATEGIC PLANNING AND COMMERCIAL DEVELOPMENT</b>	Receive proposals for general computer systems.
16.5	<b>EXECUTIVE</b> DIRECTOR OF	Ensure that contracts with other bodies for the provision of computer services for financial applications

SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
	FINANCE	clearly define responsibility of all parties for security, privacy, accuracy, completeness and timeliness of data during processing, transmission and storage, and allow for audit review.  Seek periodic assurances from the provider that adequate controls are in operation.
16.6	EXECUTIVE DIRECTOR OF STRATEGIC PLANNING AND COMMERCIAL DEVELOPMENT	Ensure that risks to the Trust from use of IT are identified and considered and that disaster recovery plans are in place.
16.7	EXECUTIVE DIRECTOR OF STRATEGIC PLANNING AND COMMERCIAL DEVELOPMENT	Where computer systems have an impact on corporate financial systems satisfy himself that: <ol style="list-style-type: none"> <li>1. systems acquisition, development and maintenance are in line with corporate policies;</li> <li>2. data assembled for processing by financial systems is adequate, accurate, complete and timely, and that a management rail exists; and</li> <li>3. Executive Director of Finance and staff have access to such data; and</li> <li>4. such computer audit reviews are being carried out as are considered necessary.</li> </ol>
17.2	CHIEF EXECUTIVE	Responsible for ensuring patients and guardians are informed about patients' money and property procedures on admission.
17.3	EXECUTIVE DIRECTOR OF FINANCE	Provide detailed written instructions on the collection, custody, investment, recording, safekeeping, and disposal of patients' property (including instructions on the disposal of the property of deceased patients and of patients transferred to other premises) for all staff whose duty is to administer, in any way, the property of.
17.6	DEPARTMENTAL MANAGERS	Inform staff of their responsibilities and duties for the administration of the property of patients.
18.1.3	EXECUTIVE DIRECTOR OF FINANCE	Ensure that each trust fund which the Trust is responsible for managing is managed appropriately.
19	EXECUTIVE DIRECTOR OF FINANCE	Ensure all staff are made aware of the Trust policy on the acceptance of gifts and other benefits in kind by staff.
20.1	CHIEF EXECUTIVE	Retention of document procedures in accordance with Department of Health guidelines.

Isle of Wight NHS Trust

SFI REF	DELEGATED TO	AUTHORITIES/DUTIES DELEGATED
21.1	CHIEF EXECUTIVE	Risk management programme.
21.1	BOARD	Approve and monitor risk management programme.
21.4	BOARD	Decide whether the Trust will use the risk pooling schemes administered by the NHS Litigation Authority or self-insure for some or all of the risks (where discretion is allowed). Decisions to self-insure should be reviewed annually.
21.6.1	EXECUTIVE DIRECTOR OF FINANCE	<p>Where the Board decides to use the risk pooling schemes administered by the NHS Litigation Authority the Executive Director of Finance shall ensure that the arrangements entered into are appropriate and complementary to the risk management programme. The Executive Director of Finance shall ensure that documented procedures cover these arrangements.</p> <p>Where the Board decides not to use the risk pooling schemes administered by the NHS Litigation Authority for any one or other of the risks covered by the schemes, the Executive Director of Finance shall ensure that the Board is informed of the nature and extent of the risks that are self insured as a result of this decision. The Executive Director of Finance will draw up formal documented procedures for the management of any claims arising from third parties and payments in respect of losses that will not be reimbursed.</p>
21.6.3	EXECUTIVE DIRECTOR OF FINANCE	Ensure documented procedures cover management of claims and payments below the deductible.

**SCHEME OF RESERVATION AND DELEGATION UNDER THE MENTAL HEALTH ACT 1983, AS AMENDED BY THE MENTAL HEALTH ACT 2007**

# Isle of Wight NHS Trust

Delegated to	Authority / Duties delegated
Non Executive Directors and Hospital Managers	Review patients' detention under the Mental Health Act.
<ul style="list-style-type: none"> <li>• Mental Health Act Administrator.</li> <li>• Registered Nurses of Band 5 or above with relevant Mental Health Act Training.</li> <li>• Directorate On-Call Manager.</li> </ul>	Physically receive MHA documents and check that they amount to a valid application giving the power to detain the patient.
Mental Health Act Administrator.	Scrutinise and request the rectification of Mental Health Act documents as permitted under Section 15 of the Mental Health Act.
Mental Health Act Administrator.	Request the relevant Local Social Services Authority to provide a social circumstances report in respect of patients admitted on application by the Nearest Relative.
<ul style="list-style-type: none"> <li>• Mental Health Act Administrator.</li> <li>• Directorate On-Call Manager.</li> <li>• Ward Manager.</li> <li>• Ward Shift Coordinator.</li> </ul>	The transfer of detained patients to another hospital under Section 19 of the Mental Health Act.
Mental Health Act Administrator.	The transfer of detained patients into the Guardianship of the Local Authority.
<ul style="list-style-type: none"> <li>• Mental Health Act Administrator.</li> <li>• Directorate On-Call Manager.</li> <li>• Ward Manager.</li> </ul>	The transfer of Supervised Community Treatment patients to another hospital during the 72 hour maximum period of recall to hospital and reassignment of responsibility for SCT patients to another hospital.
<ul style="list-style-type: none"> <li>• Nursing Staff</li> <li>• Mental Health Act Administrator</li> </ul>	Provide information to both detained patients and their Nearest Relatives, as required under Section 132 and 133 of the Mental Health Act.

## Isle of Wight NHS Trust

Mental Health Act Administrator	Monitor and ensure compliance with Part 4 and Part 4a of the Mental Health Act.
Mental Health Act Administrator	Ensure that victims of violent and sexual crimes committed by patients are informed when the patients discharge is being considered and inform the Responsible Clinician of any representation made by the victim.
<ul style="list-style-type: none"> <li>• Ward Manager.</li> <li>• Ward Shift Coordinator.</li> </ul>	Withhold outgoing mail of detained patients when requested by the intended recipient, under Section 134 of the Mental Health Act.
Mental Health Act Administrator	Ensure that all patients wishing to apply to the Mental Health Tribunal are given the necessary assistance to do so and that the Local Social Services Authority is notified. (Code of Practice 22.12)
Mental Health Act Administrator	Refer patients to the Mental Health Tribunal under Section 68 of the Mental Health Act.
Mental Health Act Administrator.	Request the Secretary of State for Health to refer the Tribunal any patient whose detention under Section 2 has been extended under Section 29 or who lacks the capacity to appeal.
Mental Health Act Administrator	Ensure the officers of the Trust provide reports required when a Tribunal hearing has been arranged.



## AUDIT AND CORPORATE RISK COMMITTEE

### ANNUAL REVIEW MEETING

Notes of the annual review meeting of the Audit and Corporate Risk Committee held on the 11<sup>th</sup> December 2012 at 1.00 p.m. in the Conference Room, St. Mary's Hospital.

**PRESENT:** Karen Baker, Chief Executive  
Chris Palmer, Executive Director of Finance & IM&T  
Peter Taylor, Chairman Audit & Corporate Risk Committee  
Sue Wadsworth, Non Executive Director  
John Matthews, Non Executive Director

**In Attendance:** Brian Johnston, Head of Corporate Governance & Risk  
Linda Mowle, Committee Clerk

1. **Apologies:** Danny Fisher, Noel Dobbs, Nick Wakefield
2. **Notes** of the annual review meeting on 13<sup>th</sup> December 2011 received for background information.
3. **Assessment of the role of the Audit Committee and its Chair by the Accounting Officer:** Karen Baker confirmed that as Accounting Officer she is satisfied that the Committee is effective and fulfilling its role and remit. Karen Baker confirmed that the Committee was:
  - Independent and objective
  - Invested with sufficient authority amongst the executive directors
  - The assurances provided were reliable
  - The relevance and rigour of the governance structures in place
  - Maintains a forward looking and up-to-date attitude
  - The annual report provides comprehensive assurance

**Effectiveness** is demonstrated by:

  - Annual Report
  - Minutes received by the Trust Board detailing key issues
  - Outcomes of the Audit programme – both internal and external
  - Evidence of following up actions from the audit programme
  - Inviting directors to attend committee meetings to hold to account

**Supporting the Accounting Officer and the Board by:**

  - Providing an independent view through regular assurance reporting
  - Flags any particular issue in advance of the meeting minutes
4. **Focus areas for 2013/14:**
  - That the Board's sub committees are established and working in accordance with their terms of reference and remit
  - Quality is embedded within the governance framework
5. **Enhancement of Audit Committee's role and effectiveness:** It was felt that the Committee's role would be enhanced by the inclusion of a NED with clinical expertise which would also align with the BAF.

6. **Training and Development:** Areas to be taken forward:
- Benchmarking with a high performing FT Audit Committee via presentation by the FT AC Chairman
  - Commercial awareness training
  - Clinical expertise within the NEDs
  - Additional training on risk detail
  - Best practice in Corporate Governance to be developed

**How does the Committee keep abreast of best practice and developments in corporate governance?** The Committee receives:

- South of England Audit Committee Chairs' Network
  - Chief Executive Bulletins emailed to members providing new guidance and publications
  - External Auditors' Audit Committee Briefings
  - Attendance at appropriate SHA and external courses
  - Board Seminars
7. **Self Assessment Checklist:** Peter Taylor to complete and email to Committee members for agreement.
8. **NHS Audit Committee Handbook 2011:** Key points arising from the Handbook were noted.
9. **Grant Thornton Report:** This highlighted gaps in governance and as there were no recommendations forthcoming within the report for the Audit Committee, it is presumed that the Committee is working appropriately and effectively. A further report is to be made following Grant Thornton's visit in January 2013.

**FOR PRESENTATION TO PUBLIC BOARD ON 30/01/2013**

**FINANCE, INVESTMENT AND WORKFORCE COMMITTEE MEETING**  
**Monday 17<sup>th</sup> December 2012**  
**11.00am – 1.00pm**

<b>Present:</b>	Nick Wakefield	Non-Executive Director (Chair) (NW)
	Chris Palmer	Executive Director of Finance & IM+T (CP)
	Clive Woodbridge	Deputy Director of Finance (CW)
	Terence Hart	Director of Human Resources & Organisational Development (TH)
	Amy Rolf	Senior HR Manager (AR), on behalf of Mark Elmore
<b>In Attendance:</b>	Rob Shearer	Assistant Director of Finance (RS) for item 011/12
<b>Minuted by:</b>	Sarah Booker	PA to Executive Director of Finance and IM & T (SB)

**Key Issues to be reported to the Trust Board:**

- Financial performance
- Workforce performance
- Self certification review

**Action**

**024/12 APOLOGIES**

Noel Dobbs (ND), Non-Executive Director (Chair), , Mark Pugh (MPu), Executive Medical Director, Sarah Johnston (SJ), Acting Executive Director of Nursing, Mark Elmore (ME) Deputy Director of Human Resources, (represented by Deputy) and Felicity Greene (FG), Director of Strategy. In the absence of Noel Dobbs, Nick Wakefield Chaired this meeting.

**025/12 APPROVAL OF MINUTES**

Minutes from the previous meeting on 16<sup>th</sup> November 2012 were approved by the Chair. A register of interests declaration form needs to be added to the agenda for each meeting.

**SB**

**026/12 SCHEDULE OF ACTIONS**

The schedule of actions taken from the previous meeting on 16<sup>th</sup> November was discussed. The following actions are still outstanding:

010/12 Terms of Reference Review and meeting timetable – CP still trying to realign meetings so they are held on one day.

**CP/CW**

011/12 Financial Performance – CW to prepare debtors list for the next meeting.

**CW**

014/12 Self Certification Review, plan for leadership strategy – TH to update Committee at the next meeting after attending meeting later today.

**TH**

019/12 LTFM – CP to list assumptions made within the LTFM and meeting to be organised in mid January to go through these with SCh and CW.

**CP/CW/SB**

## 027/12 WORKFORCE PERFORMANCE

**Action Note:** TH will produce a report for the Committee for each of these meetings with explanations and actions regarding Workforce. This will include a variable hours analysis. There has been an increase in expenditure to cover long term staff ill health and the short term sickness absence figures remain stable. AR's team are looking into sickness absence patterns and are using the Bradford Score.

TH

## 028/12 FINANCIAL PERFORMANCE

RS presented the Month 8 Board Report.

Finance key performance indicators:

- Financial Risk Rating (FRR) – no change from last month.
- Summary - November on plan in the month and YTD – still green RAG rating.
- Cost Improvement Programme (CIP) – now green RAG rating but still continuing to identify CIPs.
- Working Capital and Treasury – green RAG rating.
- Capital – amber/green RAG rating. There remains just below £1m not yet committed and invoices now beginning to be paid.

We are currently slightly below the 95% target for the Better Payment Practice Compliance (BPPC) for invoices paid in time.

**Action Note:** RS to add Capital commitment to Capital figures on the summary sheet.

RS

## 029/12 SELF CERTIFICATION REVIEW – BOARD STATEMENT

The Committee agreed to give assurance to the Board on the Financial Risk Rating (FRR) and the Financial Risk Triggers (FRT). The FRR has not changed since last month and the Board actions were discussed for the FRT.

The Committee agreed the following Board statements:

- Item 4
- Item 5
- Item 10

The Committee gave assurance on the following Board statements:

- Item 12 – Teams have an action plan in place to try to ensure all staff complete IG Toolkit training by the end of December.
- Item 14 – The Board still requires a Non Executive Director with a clinical background. Board Chairman, Danny Fisher is seeking appropriate individuals and will appoint in March 2013.

## 030/12 CONTRACT STATUS

CP gave contract status update.

- Mental Health – Dementia Outreach – letter sent to Helen Shields today.
- Community cost pool – currently working with EPS and coding to ensure funds are being paid correctly.

**031/12 ANY OTHER BUSINESS**

Nothing to report.

**040/12 DATE OF NEXT MEETING:** Wednesday 16<sup>th</sup> January 2013, 1.30pm – 3.30pm in the Small Meetings Room, South Block.

# FINANCE, INVESTMENT AND WORKFORCE COMMITTEE

## SCHEDULE OF ACTIONS TAKEN FROM THE MINUTES

Date of Meeting: 17 December 2012

Minute Number	Action	Lead
<b>025/12</b>	<b>APPROVAL OF MINUTES</b>	
	A register of interests declaration form needs to be added to the agenda for each meeting.	<b>SB</b>
<b>026/12</b>	<b>SCHEDULE OF ACTIONS</b>	
	010/12 – CP still trying to realign meetings so they are held on one day.	<b>CP</b>
	011/12 – CW to prepare debtors list for the next meeting.	<b>CW</b>
	014/12 – TH to update Committee at the next meeting after attending meeting later today.	<b>TH</b>
	019/12 – CP to list assumptions and meeting to be organised in mid January to go through these.	<b>CP/SB</b>
<b>027/12</b>	<b>WORKFORCE PERFORMANCE</b>	
	TH will produce a report for the Committee for each of these meetings with explanations and actions regarding Workforce.	<b>TH</b>
<b>028/12</b>	<b>FINANCIAL PERFORMANCE</b>	
	RS to add Capital commitment to Capital figures in the summary.	<b>RS</b>

Enc H3

Minutes of the Quality and Clinical  
Performance Committee held on 16th  
January 2012

To Follow

**ISLE OF WIGHT NHS TRUST  
FOUNDATION TRUST PROGRAMME BOARD**

**TUESDAY 18 DECEMBER 2012 BETWEEN 10:30 – 12:00  
SMALL MEETINGS ROOM, PCT HQ, SOUTH BLOCK**

**NOTES**

**PRESENT**

Mark Pugh (Chair)  
Sarah Johnston

Sue Wadsworth  
Felicity Greene

Mark Price  
Terence Hart

Chris Palmer  
Peter Taylor

**1. APOLOGIES**

Danny Fisher

Karen Baker

**IN ATTENDANCE**

Andrew Shorkey

Andy Hollebon

Top Key Issues	Subject
3.0	Maintenance of FT application trajectory agreed by SHA
4.0	Work to be undertaken to improve visibility of Trust Board members
5.0	Quality Governance Framework third party assessor approved

**ACTION**

**2. Notes and matters arising from 27 November 2012**

The notes were accepted as a correct record of the meeting. It was noted that the issue relating to the reappointment of the Chairman had been escalated to Steve Dunn at the TDA.

TH would provide AS with further detail around Workforce Development activity for inclusion in the Programme Plan.

**TH**

**3. Readiness Review**

The Trust Board had been advised by the SHA at the conclusion of the 12 December 2012 readiness review meeting that the trajectory of the FT application would be maintained. A number of key learning points had been identified and these were discussed. The SHA had advised the Board that further development work was required and identified a specialist consultancy, Foresight, that would be able to support the required development. KB and MP had made contact with Foresight and a meeting had been arranged for later in the week. FG suggested that development for the Monitor assessment phase should be rolled out to the next management tier. SW advised that the course recently attended at CASS Business School would be useful for NEDs' development. Dates for forthcoming courses would be identified.

**AS**

MP suggested that the 8 January Seminar should be focused on Risk as part of the Board development process.

Integrated Business Plan (IBP)

The IBP had been submitted at the end of November according to the required schedule. Feedback would be provided by the end of the week. It had been agreed that Consilium would provide additional support to develop the Estate Strategy for the final version. CP advised that the capacity of the Finance department would be stretched significantly in January. CCG allocations had now been received and needed to be factored into the IBP. CP would need to confirm that Clive Woodbridge would be present at the next meeting of the IBP steering group.

**CP**

Long Term Financial Model (LTFM)

The LTFM had been submitted at the end of November according to the required schedule. There had been no confirmation as to when feedback would be provided.

**4. Board Governance**

MP advised that the Board Observation report had been issued by the SHA. It was noted that a key theme also reflected in the BGAF third party assessment related to the need for Board members, particularly NEDs, to be more challenging.

Board Governance Assurance Framework (BGAF) third party assessment

The draft BGAF third party report had been reviewed by the Nominations Cttee and submitted to the SHA. MP advised that the correlation across 13 of the 15 areas between our self-assessment and the Ernst and Young assessment had been noted as a strength by the SHA. It was noted that consideration needed to be given with respect to how to make the Board more visible and this needed to be

**AII/SJ**



incorporated into the patient experience proposal. FG advised that old signs and notices needed to be removed.

AH

#### Board Development Action Plan

MP advised that the outputs of the Board observation, Readiness Review and BGAF assessment would be used to further develop the Board Development Plan. A meeting of the Nominations Cttee would be scheduled for January to review and agree the updated plan.

MP/AS

#### 5. **Quality Governance**

SJ advised that the QGF assessment would commence on 7 January 2013 and procurement process had been co-ordinated by Solent Supplies. MP explained the rationale for the selection of the preferred bidders and FT Programme Board accepted the recommendation and approved the contracting of KPMG to undertake the work. It was agreed that SW and PT should be put forward as the principal NEDs for interview as part of the process. MTP would ensure that Doctors were well represented on staff focus groups.

MTP

#### 6. **Historical Due Diligence**

MP advised that the HDD action plan needed to be submitted to Grant Thornton with the other requested evidence by 4 January 2013. The SHA had also requested an updated position. AS added that statements and status RAGs within the action plan would also need to be supported by evidence. It was agreed that action GT-IOW-011 should be marked as GREEN rather than COMPLETE as the CIPs for 2013/14 had not yet been assessed. AS would agree the wording of the commentary with SJ. AS would also circulate the action plan to responsible officers for final updates prior to submission to GT/SHA.

AS/SJ  
AS

#### 7. **Workstream Updates**

##### Programme Governance and Approvals

MP advised that the draft Constitution and Governance Rationale would be brought to the next meeting.

AS

#### 8. **Enablers**

MTP asked that leads be identified for the enabler activity. AS would review the PID to check whether lead responsibility had been defined.

AS

##### Environment and Social Responsibility

AS advised that the FTPMO's work experience student had an interest in social responsibility and AS would task him with research in this area to define how an FT should approach social responsibility.

AS

#### 9. **Communications and Stakeholder Engagement**

##### Public Consultation

CP asked about feedback received to date. AH advised that there were themes emerging around proposed voting age and off-Island representation. The membership database was being implemented and to date 33 members of the public had signed up. There would be a significant recruitment drive following the consultation close and this would be launched as part of the FT Journey day in January. Sufficient membership would need to be in place to support the elections planned for September/October 2013. MP advised that the consultation report would need to come to the January FT Programme Board meeting for sign off prior to submission to the SHA.

AH

#### 10. **Programme Governance and Approvals**

##### (i) Programme Plan

The Programme Plan was received. AS advised that a significant number activities had been completed since the last meeting which were in the main related to the delivery of the third IBP submission.

##### (ii) Risk Management

The Risk Report was received. AS advised that capacity remained a key threat, particularly over the forthcoming 5 to 6 weeks. The Finance department would be impacted by HDD2 and the final LTFM submission at busy period in the annual business cycle. Corporate Governance would also be impacted.

#### 11. **Feedback from FTN Events and FT Visits**

None

#### 12. **Any other Business**

None

#### 13. **Future Meetings**

The next meeting was scheduled for 15 January 2013. However, it had been agreed that the Trust Board meeting would be rescheduled to 30 January 2013 and as a consequence a later date for the FT Programme Board meeting would be sought.

*Post meeting note: rescheduled to 10:00-12:00hrs, 23 January 2013, Large Meetings Room, South Block*

## REPORT TO THE TRUST BOARD ON 30 JANUARY 2013

<b>Title</b>	Annual Accounts & Report of the Isle of Wight NHS PCT Charitable Funds 2011/12	
<b>Sponsoring Director</b>	Executive Director of Finance & Performance	
<b>Author(s)</b>	Deputy Director of Finance Senior Financial Accountant	
<b>Purpose</b>	As Corporate Trustee, to approve and adopt the Annual Report and Accounts for 2011/12	
<b>Previously considered by (state date):</b>		
Acute Clinical Directorate Board		
Audit and Corporate Risk Committee		
Charitable Funds Committee		18 December 2012
Community Health Directorate Board		
Executive Board		
Foundation Trust Programme Board		
Mental Health Act Scrutiny Committee		
Nominations Committee (Shadow)		
Planned Directorate Board		
Quality & Clinical Performance Committee		
Remuneration Committee		
<b>Staff, stakeholder, patient and public engagement:</b>		
Representatives from the Friends of St. Mary's and the Patient Council were present		
<b>Executive Summary:</b>		
<p>The Annual Accounts &amp; Report of the Isle of Wight NHS PCT Charitable Funds were agreed and recommended for adoption to the Corporate Trustee by the Charitable Funds Committee at its meeting on the 18<sup>th</sup> December, 2012. Delegated authority for sign off of the Accounts has been received from the SHIP Cluster.</p> <p>The format and content of the Annual Accounts and Report follow the standard published by the Charity Commission and the guidance contained within SORP 2005. The Accounts were subject to an independent examination by our independent External Auditors during November 2012. The Independent Examiner's Report will be provided by Ernst &amp; Young once the accounts have been signed and will be inserted on pages 2 and 3.</p> <p>The Annual Accounts and Report are required to be submitted to the Charity Commission on 31 January 2013.</p>		
<b>Related Trust objectives</b>		<b>Sub-objectives</b>
Good corporate governance to achieve Charitable Funds Trustees' objectives		Excellent patient care

<b>Risk and Assurance</b>	N/A
<b>Related Assurance Framework entries</b>	N/A
<b>Legal implications, regulatory and consultation requirements</b>	To be in accordance with Charity Commission regulations
<b>Action required by the Board:</b> The Corporate Trustee is asked to: <ul style="list-style-type: none"> <li>• Approve and adopt the Annual Report and Accounts for the Isle of Wight NHS PCT Charitable Funds for 2011/12</li> </ul>	
<b>Date</b>	23 January 2013

**ISLE OF WIGHT NHS PRIMARY CARE TRUST**

Isle of Wight NHS PCT Charitable Funds  
Annual Report & Accounts

Year Ended: 31<sup>st</sup> March 2012

***Registered Charity No. 1049606***

# TRUSTEE'S REPORT OF THE ISLE OF WIGHT NHS PCT CHARITABLE FUND AS AT 31 MARCH 2012

## Reference and Administrative Details

The charity, registered number 1049606, was entered on the Central Register of Charities on 4 October 1995.

Following the merger between Isle of Wight Healthcare NHS Trust and Isle of Wight Primary Care Trust, the charity now operates as the umbrella charity of the Isle of Wight NHS Primary Care Trust. Within this umbrella are the individual designated funds that relate to the various wards, departments and special projects within the PCT.

## Trustee

The Isle of Wight NHS Primary Care Trust (PCT) is the Corporate Trustee of the Charitable Funds governed by the law applicable to Trusts, principally the Trustee Act 2000 and the Charities Act 2011.

During the year the Isle of Wight NHS PCT was the Corporate Trustee of the Charity. With effect from 1 April 2012, the Corporate Trustee changed to the Isle of Wight NHS Trust.

The names of those people who served as agents (Trustees) for the Corporate Trustee during the year ended 31 March 2012, up to the date of approval of the accounts, as permitted under regulation 16 of the NHS Trusts (Membership and Procedures) Regulations 1990 were as follows:

### IOW NHS PCT Up to 31 March 2012

Debbie Fleming	Chief Executive SHIP PCT Cluster (from June 2011)
Steve Bolam	Director of Finance & Performance SHIP PCT Cluster (from June 2011)
Danny Fisher	Chairman
Kevin Flynn	Chief Executive
Christine Palmer	Director of Finance & IM&T
Karen Baker	Chief Operating Officer
Helen Shields	Director of Commissioning
Dr Jenifer Smith	Director of Public Health/Chief Medical Adviser
Dr Mark Pugh	Medical Director
Carol Alstrom	Chief Nurse and Director of Infection Prevention & Control
Sarah Johnston	Acting Executive Director of Nursing (from
Terence Hart	Director of HR & Organisational Development
Mark Price	Programme Director Organisational Transition
Peter Taylor	Non Executive Director
Susan Wadsworth	Non Executive Director
Noel Dobbs	Non Executive Director

## **TRUSTEE'S REPORT OF THE ISLE OF WIGHT NHS PCT CHARITABLE FUND AS AT 31 MARCH 2012**

### **IOW NHS Trust 1 April 2012 up to Approval of Accounts in Dec 2012**

Danny Fisher	Chairman
Kevin Flynn	Chief Executive (until 30 June 2012)
Karen Baker	Chief Executive (from 1 Aug 2012)
Christine Palmer	Director of Finance & IM&T
Karen Baker	Chief Operating Officer (until 31 July 2012)
Dr Mark Pugh	Medical Director
Carol Alstrom	Chief Nurse and Director of Infection Prevention & Control (until 18 Sep 2012)
Sarah Johnston	Acting Executive Director of Nursing (from 19 Sep 2012)
Felicity Greene	Executive Director of Strategic Planning and Commercial Development (from 15 Oct 2012)
Peter Taylor	Non Executive Director
Susan Wadsworth	Non Executive Director
Noel Dobbs	Non Executive Director
Carole Kenwright	Non Executive Director (until 31 Aug 2012)
Nick Wakefield	Non Executive Director (from 1 Oct 2012)
John Matthews	Non Executive Director (from 1 Oct 2012)

Under a scheme of delegated authority approved by the Corporate Trustee, the Fund Managers have authority to approve all expenditure up to £1,000. Anything above this limit will follow the process defined in the PCT's Standing Financial Instructions.

Mrs Katie Parrott acted as the principal officer overseeing the financial management and accounting for the charitable funds during the year. Mrs T Thompson undertook the day to day duties.

### **Structure, Governance and Management**

The charity's unrestricted fund was established using the model declaration of trust and all funds held on trust as at the date of registration were either part of this unrestricted fund or registered as separate restricted funds under the main charity. Subsequent donations and gifts received by the charity that are attributable to the original funds are added to those fund balances within the existing charity.

The Corporate Trustee fulfils its legal duty by ensuring that funds are spent in accordance with the objects of each fund and by designating funds the Corporate Trustee respects the wishes of our generous donors to benefit patient care and advance the good health and welfare of patients, carers and staff. The Corporate Trustee has given due consideration to Charity Commission published guidance on the operation of the public benefit requirement.

The charitable funds available for spending are allocated to specialties within the PCT's management structure. Each allocation is managed by use of a designated fund within the general unrestricted fund. For example there are charitable funds for Intensive Care Unit, Coronary care unit, Chemotherapy etc plus funds for numerous wards. This

## **TRUSTEE'S REPORT OF THE ISLE OF WIGHT NHS PCT CHARITABLE FUND AS AT 31 MARCH 2012**

maintains a clear focus on different patients and patient conditions treated at the hospital sites and enables donor wishes to be more easily respected.

Non-Executive Members of the PCT Board are appointed by the NHS Appointments Commission and Executive members of the Board are subject to recruitment by the PCT Board. Members of the PCT Board are not individual trustees under Charity Law but act as agents on behalf of the Corporate Trustee.

Newly appointed members of the PCT Board are provided with copies of the Corporate Trustee's annual report and accounts, minutes, and information about trusteeship, including Charity Commission booklet CC3, The Essential Trustee.

The Board of the PCT has established a Charitable Funds Strategy, which defines the Purpose and Objectives of the Charitable Fund as follows:-

### **Objectives and Activities during the year**

#### ***Purpose***

To ensure that legacies and donations are maximised and that they are applied in accordance with the donors' wishes and in a way which makes the maximum contribution to enhancing both patient and staff welfare and amenities.

#### ***Objectives***

- To attract new funds and encourage fund raising;
- To have efficient processes for approval of and requesting applications for funds
- To have clear and simple policies to enable staff to use the charitable funds for all criteria rather than setting up other charities;
- To ensure that investment policies and procedures maximise income and capital growth while complying with requirements of Acts of Parliament and Corporate Trustee responsibility to minimise risk

The accounting records and the day-to-day administration of the funds are dealt with by the Finance Department located on the St Mary's Hospital site.

#### ***Activities***

The Charity's main fund has NHS wide objectives as follows:

"To ensure that legacies and donations are applied in accordance with the donor's wishes, whilst making the maximum contribution to enhancing both patient and staff welfare and amenities."

The Corporate Trustee takes account of the Charity Commission's guidance on public benefit in reviewing the spending plans for each year and in setting or reviewing the guidelines for fund managers who are authorised to spend charitable funds.

## **TRUSTEE'S REPORT OF THE ISLE OF WIGHT NHS PCT CHARITABLE FUND AS AT 31 MARCH 2012**

### ***Annual Review:***

During the year, the funds continued to support a wide range of charitable and health related activities benefiting both patients and staff. In general they are used to purchase the very varied additional goods and services that the NHS is unable to provide. Every effort is made to utilise funds for the charity's purpose.

The ward charitable funds receive many donations specifically given to thank the nursing staff and these are used for training, morale boosting facilities or amenities which strengthen the PCT staff's capacity to serve their patients well.

The charitable funds also enable consultants and other medical staff to attend courses, not funded by the NHS, which will update them on the new ideas and modern techniques in their specialties.

The General Fund receives donations and legacies that can be used for any charitable purpose relating to the NHS. This flexibility has been used to contribute towards staff Further Education Awards and to help other departments/wards purchase additional equipment when their own ward funds are insufficient.

### ***Healing Arts: Isle of Wight***

Healing Arts, working as a department of the PCT, provides a comprehensive range of high quality programmes linking the arts with healthcare to bring about recovery from illness, improvements in health, and promoting the well-being of the PCT's patients, staff and the Island community.

Healing Arts is held as a restricted fund within the Isle of Wight NHS PCT Charitable Funds.

### ***Risk Management***

The major risks to which the charity is exposed have been identified and considered. They have been reviewed and systems established to mitigate those risks. The most significant risks identified where possible losses from a fall in the value of the investments and the level of reserves available to mitigate the impact of such losses. These have been carefully considered and there are procedures in place to review the investment policy and to ensure that both spending and firm financial commitments remain in line with income.



# **TRUSTEE'S REPORT OF THE ISLE OF WIGHT NHS PCT CHARITABLE FUND AS AT 31 MARCH 2012**

## ***Partnership Working and Networks***

Isle of Wight NHS PCT is the main beneficiary of the charity and is a related party by virtue of being Corporate Trustee of the charity. By working in partnership with the PCT, the charitable funds are used to best effect. When deciding upon the most beneficial way to use charitable funds, the Corporate Trustee has regard to the main activities, objectives, strategies and plans of the PCT.

We remain indebted to the work of the Volunteers of the Isle of Wight Friends of St Mary's, who raise thousands of pounds of funds each year for St Mary's Hospital and also to the many members of staff who give up much of their spare time to fund raise.

## ***Reserves Policy***

The fund balance represents the amounts awaiting application for the benefit of patients and staff, to be utilised as soon as practically possible and are considered by the Corporate Trustee's to be adequate for its current level of operation.

## **Review of Finances, Achievements and Performance**

### ***Performance***

The net assets of the charitable funds as at 31st March 2012 were £703k, a decrease of £64k from 2011.

The charity continues to rely on donations, legacies and investment income as the main sources of income. Total incoming resources decreased by £380k overall compared to 2011. There was a decrease in general donations, decrease in contributions from Friends of St Marys and a decrease of £193k in legacy income.

Included in the £300k income received during the year, the charity accepted a total of £75k from legacies. This was made up of £21k donated for unrestricted use and £54k which is restricted. The restricted element was donated for Elderly Services, Laidlaw Day Hospital and Intensive Care Unit.

Of the total expenditure, £337k was spent on direct charitable activity across a range of programmes, compared to £468k last year.

### ***Patient Welfare & Amenities***

The total spend of £284k represents a vital and valuable contribution to enhancing the provision of clinical care. In addition to numerous smaller items, some larger purchases were made as follows:-

- Room dividers/workstations and trolleys for ICU
- Specialised bed for ICU to enhance patient comfort
- Powered mobile surgery system for Breast Care
- Suction unit for Neonatal ICU
- Full body movement therapy machine for Stroke Services/General Rehabilitation

## **TRUSTEE'S REPORT OF THE ISLE OF WIGHT NHS PCT CHARITABLE FUND AS AT 31 MARCH 2012**

Some funds were also spent on Christmas festivities and gifts for the patients helping to make their stay as enjoyable and comfortable as possible.

The total spend figure also includes £124k funding from the Friends of St Mary's for numerous items including:-

- Bladder scanner for Continence service
- Pressure relieving mattresses for the intermediate care team
- Two vehicles for the intermediate care team to improve community care
- Transoesophageal Echo probe for Cardiac Investigations
- Various smaller items for departments including Speech & Language Therapy, Learning Disabilities, Mortuary, Paediatrics.

### ***Staff Welfare & Amenities***

A total of £41k was spent on smaller items of equipment such as office furniture and IT equipment helping to create efficient working environment for staff. Some funds were also spent on staff functions to benefit staff morale, where donations had been left specifically for this purpose.

### ***Staff Education – Resources & Courses***

A total of £8k was spent on numerous courses and £4k on resources such as educational and training materials, all helping to further the knowledge and experience of a wide range of clinical staff.

### ***Investments***

Cash is now held within the Charities Official Investment Fund (COIF) specifically designed for charities which obtains a competitive investment income return during the year. The interest rate for the period ended 31 March 2012 was 0.841% pa.

### ***Plans for Future Periods***

Mindful of the many changes in the NHS, including efficiency reviews, payment by results and new employment contracts, the future direction of the charity will be shaped by changes in the NHS. The reconfiguration of services and the plans for redesigning patient care to meet the needs of the future will influence the priorities for spending charitable funds.

The Corporate Trustee reviews the spending priorities for the charity annually and aligns them with the PCT's corporate objectives and the charity's purpose. The focus for the coming year will cover:-

- improvements to the patient experience

## **TRUSTEE'S REPORT OF THE ISLE OF WIGHT NHS PCT CHARITABLE FUND AS AT 31 MARCH 2012**

- installation of Helipad and development of associated functions following the approval of St Marys Hospital to be a Trauma Unit
- appointment of a full time fundraiser to co-ordinate appeals and to raise the profile of the Charity in order to maximise the donations received

The Corporate Trustee will make every effort to utilise as much of the available funds as possible in furtherance of the charity's objectives.

On behalf of the staff and patients who have benefited from improved services due to donations and legacies, the Corporate Trustee would like to thank all patients, relatives and staff who have made charitable donations.

### **Principal Offices & Advisers**

#### ***Principal Office***

Charitable Funds  
Isle of Wight NHS Primary Care Trust  
St Mary's Hospital  
Newport  
Isle of Wight  
PO30 5TG

Tel: 01983 822099 x 6274

#### ***Principal Professional Advisers***

##### ***Bankers***

Barclays Bank PLC  
St James Square  
Newport  
Isle of Wight

Tel: 01983 276130  
Contact: Mrs Angela Harris

##### ***Independent Examiner***

Ernst & Young LLP  
Wessex House  
19 Threefield Lane  
Southampton  
SO14 3QB

Tel: 023 8038 2285

##### ***Investment Company***

COIF Investment Management Ltd  
COIF Charity Funds  
80 Cheapside  
London EC2V 6DZ

Tel: 020 7489 6010

## **Statement of Corporate Trustee's Responsibilities**

The Corporate Trustee is responsible for:

- keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the funds held on trust and to enable them to ensure that the accounts comply with requirements in the Charities Act 2011 and those outlined
- establishing and monitoring a system of internal control; and
- establishing arrangements for the prevention and detection of fraud and corruption.

The Corporate Trustee is required under the Charities Act 2011 and the National Health Service Act 1977 to prepare accounts for each financial year. The Secretary of State, with the approval of the Treasury, directs that these accounts give a true and fair view of the financial position of the funds held on trust, in accordance with the Charities Act 2011. In preparing those accounts, the trustees are required to:

- apply on a consistent basis accounting policies laid down by the Secretary of State with the approval of the Treasury;
- make judgements and estimates which are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention or detection of fraud and other irregularities

The Corporate Trustee confirms that they have met the responsibilities set out above and complied with the requirements for preparing the accounts. The financial statements set out on pages IV to XII attached have been compiled from and are in accordance with the financial records maintained by the trustees.

By Order of the Corporate Trustee

Signed:

Chairman

Date:

## CHARITABLE FUNDS COMMITTEE

### TERMS OF REFERENCE

Trust Board  
30 January 2013

#### Membership

Following the changes to the Executive Director Team and the Non Executive Directors, the Charitable Funds Committee reviewed its membership at the meeting on the 18<sup>th</sup> December 2012 recommending to the Corporate Trustee for approval the following amendments to the membership:

- Executive Medical Director
- Executive Director of Nursing & Workforce
- Executive Director of Strategic Planning & Commercial Development
- Appointment of Vice Chairman

However, consideration could be given to streamlining membership in light of the *Healthier Lives* initiative and the need to ensure that the non executive directors and executive directors' committee meetings are less onerous. A possibility for membership could be:

- 2 Non Executive Directors (Chair and Vice Chair)
- 2 Executive Directors, namely Executive Director of Finance & Performance and Executive Director of Nursing & Workforce

As the Charitable Funds Committee is a sub-committee of the Corporate Trustee, all recommendations are approved by the full Trust Board.

#### Accountability and Reporting Procedures – Healing Arts

Concern has been raised regarding the reporting structure of Healing Arts. The majority of work undertaken by Healing Arts is as a result of grant funding as a designated charity and, historically, it was felt vital that the Healing Arts Management Committee (HAMC) should report through the Charitable Funds Committee to the Corporate Trustee in order to establish robustness and monitor management of the programme and insurance of the artworks.

The dual role of Healing Arts has been acknowledged by the Charitable Funds Committee in that the reporting structure for operational management is through the line management within Estates & Facilities Department. The role of the Charitable Funds Committee is to oversee the management of the charitable funds element and monitoring the effectiveness of the HAMC to provide transparency to the Corporate Trustee.

#### Terms of Reference

The terms of reference are attached with amendments highlighted in ***bold italics***.

#### Recommendation

The Corporate Trustee is asked to:

- Consider membership of the Charitable Funds Committee
- Confirm and approve Non Executive and Executive Director membership
- Approve Chair and Vice Chair if NED membership is 2 (Peter Taylor Chair and Sue Wadsworth Vice Chair)
- Approve the reporting structure for Healing Arts Management Committee
- Approve the amendments to the terms of reference.

**Chris Palmer**  
**Executive Director of Finance & Performance**  
21 January 2013  
CFC/lm

## CHARITABLE FUNDS COMMITTEE

Minutes of the meeting of the Charitable Funds Committee held on Tuesday, 18<sup>th</sup> December 2012 at 9.30 a.m. in the Small meetings room, Trust HQ, St. Mary's Hospital, Newport.

**PRESENT:** Peter Taylor, Non Executive Director  
Sue Wadsworth, Non Executive Director  
Chris Palmer, Executive Director of Finance & IM&T  
Vincent Thompson, Friends of St. Mary's  
Jasmine Light, SNR CNS Breast Care (Staff Representative)

**In Attendance:** Clive Woodbridge, Deputy Director of Finance  
Katie Parrott, Senior Financial Accountant  
Richard Dent, Volunteer Co-ordinator  
Guy Eades, Healing Arts

**Minuted by:** Linda Mowle, Finance Governance Officer

For presentation to Trust Board on 30 January 2013	
Top Key Issues	Subject
Min. No. 40/12	Quorum – Corporate Trustee to ratify the minutes including recommendations and decisions
Min. No. 42/12	Terms of Reference – Membership and endorsement of Healing Arts
Min. No. 45/12	Annual Accounts & Report 2011/12/ Letter of Representation – delegated authority from SHIP Cluster to enable the Corporate Trustee to sign off the Accounts for the deadline of 31 <sup>st</sup> January 2013.
Min. No. 46/12	DOH Review of the regulation and governance of NHS charities – feedback on consultation document for an 'independent' charity
Min. No. 49/12	Fundraising Activities on NHS Premises – Juba Link MoU – documented support is only until the end of March 2013
Min. No. 51/12	Volunteer Co-ordinator – Recommended that this post is centrally funded from June 2013
Min. No. 53/12	Approval of donation over £5k - £5,603.03 for Cancer Research

**38/12 ELECTION OF CHAIR:** In the absence of the Chairman and the appointment of a Vice Chair, the election of a chair for the meeting was necessary from amongst the members present. Sue Wadsworth proposed that Peter Taylor be appointed Chair for the meeting, seconded by Chris Palmer and unanimously agreed.

Peter Taylor accepted the Chairmanship for the meeting.

**39/12 APOLOGIES** for absence were received from Noel Dobbs, Danny Fisher, Mark Pugh, Sarah Johnston and Andy Hollebon.

**40/12 QUORUM:** As the meeting was not quorate, the minutes to be emailed to members for agreement and verification of decisions and recommendations before submission to the Corporate Trustee for ratification. **Action: LM**

**41/12 DECLARATIONS OF INTEREST:** There were no declarations.

**42/12 TERMS OF REFERENCE:** The briefing paper prepared by Chris Palmer for the Executive Team meeting on the 10<sup>th</sup> December 2012 was received.

**Membership:** The Committee recommended the following membership appointments for approval by the Corporate Trustee:

- Executive Medical Director
- Executive Director of Nursing/DIPC & HR
- Executive Director of Strategic Planning & Commercial Development
- Vice Chair – Peter Taylor

**Healing Arts Management Committee:** Chris Palmer informed the Committee that the majority of work undertaken by Healing Arts is as a result of grant funding as a designated charity. Historically, it was felt vital that the HAMC reported through the CFC to the Corporate Trustee in order to establish robustness and monitor management of the programme and insurance of the artworks.

The Committee acknowledged the dual role of Healing Arts and confirmed that the reporting structure for operational management was through the line management within Estates & Facilities Department. The role of the CFC was to oversee the management of the charitable funds element and monitoring the effectiveness of the HAMC, which will provide transparency to the Corporate Trustee.

The Committee concurred that the HMAC should continue to report to the CFC and recommended endorsement by the Corporate Trustee. The CFC's terms of reference to reflect this dual role and the operational reporting structure. **Action: LM**

**43/12 MINUTES:** The minutes of the meeting held on the 18<sup>th</sup> September 2012 were agreed and signed by the Chairman as a true record, subject to the following amendment:

- 33/12 Organ Donation Recognition: to read 'a plaque to be placed on the wall' instead of plaque.

**44/12 MATTERS ARISING FROM PREVIOUS MINUTES:** The spreadsheet providing an audit trail of progress against actions arising from the previous minutes was received and noted.

**Min. No. 05/12 Just Giving Website:** Andy Hollebon advised via email of 18/12/12 that the new Trust website is expected to be live by 31/1/12. This will include revamped Charitable Funds pages with links to the Just Giving website.

**Min. No. 24/12 NHS Isle of Wight Awards 2012:** Via email of the 18/12/12 Andy Hollebon reported that he is still in the process of collecting money from sponsors and that not all invoices have been received. It is expected to be able to circulate a detailed account for the event by the end of January 2013. **Action: AH**

**Min. 36/12 Legacies:** The letter of acknowledgement to the solicitors was signed by the Chairman and posted on the 18<sup>th</sup> December 2012.

**45/12 DRAFT ANNUAL ACCOUNTS & REPORT 2011/12:** The draft Annual Report and Accounts for the year ended 31<sup>st</sup> March 2012 for the Isle of Wight NHS PCT Charitable Funds were received. Following a review of the file by Ernst & Young director, Katie Parrott tabled the additional minor points raised and which have been incorporated into the Accounts. The Committee agreed the Accounts as presented.



Chris Palmer advised that as these were the PCT's Charitable Funds Accounts and Report, delegated authority to sign off the Accounts by the Trust's Corporate Trustees was required from the SHIP Cluster's Chief Executive, Debbi Fleming, and Director of Finance, Mark Orchard. Clive Woodbridge to seek the delegated authority in order that the Accounts can be signed off at the January 2013 Trust Board meeting in order to meet the 31<sup>st</sup> January 2013 deadline for submission.

**Action: CW**

**Independent Examiner's Report to the Trustees of the Isle of Wight NHS PCT Charitable Funds:** Katie Parrott tabled the draft report from Ernst & Young. The Independent Examiner's statement was noted:

- In connection with my examination, no matter has come to my attention:
  - Which gives me reasonable cause to believe that, in any material respect, the requirements to keep accounting records in accordance with section 130 of the 2011 Act, and to prepare accounts which accord with the accounting records, comply with the accounting requirements of the 2011 Act have not been met, or to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

**Letter of Representation:** The Committee received the draft Letter of Representation on behalf of the Isle of Wight PCT to Ernst & Young. The Committee requested that delegated authority to sign the Letter of Representation is also received from the SHIP Cluster's Chief Executive and Director of Finance.

The Committee requested that Clive Woodbridge queries the contents of the Letter of Representation as it was felt that the detail was overly long. **Action: CW**

Once the delegated authority was received from the SHIP Cluster, together with any amendments from Ernst & Young, the Letter of Representation to be presented to the January 2013 meeting of the Corporate Trustee for signing. **Action: CW**

#### **46/12 DOH REVIEW OF THE REGULATION AND GOVERNANCE OF NHS CHARITIES:**

Clive Woodbridge presented the Executive Summary and Feedback Request on proposals to review the Regulation which would enable NHS bodies to rely on the provisions of the Charities Act to establish a new independent charity and then transfer current charitable assets to it. The key advantages would be to:

- Enable the charity to adopt the legal and governance structure specific to its needs and scale of operation
- Make it easier to set up and run a charity
- Support the ability to promote public trust and confidence by avoiding potential conflicts of interest.

The Committee also received notes from the charity workshop held on the 12<sup>th</sup> December 2012 prepared by Clive Woodbridge.

The Committee was supportive of the proposals and options available under an 'independent' charity as this would provide a greater degree of freedom to act, as well as benefiting patients and staff alike whilst safeguarding arrangements and providing a higher community profile on the Island. However, the Committee considered that this was a huge piece of work to take forward at the same time as the programme for FT status, but felt that this work could be included within the CF Administrator role when appointed. Vincent Thompson pointed out that the skills required to be a charitable administrator and a fundraiser were not compatible as

these posts needed different skill sets, although forming a charity regulated by the Charity Commission should not be difficult.

The Committee requested that Clive Woodbridge completes the feedback request on the consultation document, circulating it to members for their comments and agreement. It was noted that the expectation is that the policy announcement will be before the Government summer recess 2013, following which the Committee will reconsider the options available for the Trust's charitable Funds. **Action: CW**

**47/12 CF ADMINISTRATOR/FUNDRAISER RECRUITMENT:** The Committee noted that the post has been re-advertised in the specialist charitable magazine, Third Sector, as the quality of applicants was not sufficient to produce a competitive shortlist from the advertisement placed in NHS Jobs during October. The closing date is likely to be before Christmas with interviews early in the new year. The Committee agreed that Peter Taylor and Sue Wadsworth be members of the interview panel. Interview dates to be circulated to the interview panel once arranged. **Action: CW**

**48/12 APPOINTMENT OF EXTERNAL AUDITOR 2012/13:** The letter dated 18<sup>th</sup> October 2012 from Karl Havers, Overall Contact Partner, and David Wilkinson, South East Lot Leader, was received. The Committee noted that Kate Handy has been appointment as the engagement lead for the 2012/13 audit, providing continuity and consistency of service in these times of change.  
*(Post meeting note: Malcolm Haines and Neil Aitken were for auditors for the 2011/12 Independent Examiner's Report.)*

**49/12 FUNDRAISING ACTIVITIES ON NHS PREMISES:**

- **Juba Link Memorandum of Understanding:** Andy Hollebon advised in his email of the 18<sup>th</sup> December 2012 that no further progress had been made on the MoU due to other priorities. The Committee was surprised that the MoU was still outstanding as this is considered a priority as support was only documented until the end of March 2013. The Committee agreed that the MoU should be taken forward as a priority and submitted to the next meeting of the Committee on the 12<sup>th</sup> March 2013 for agreement in order that it can be presented to the Trust Board for approval in March 2013. **Action: AH**
- **Other Memorandums of Understanding:** Andy Hollebon further advised that the Trust has no formal arrangements in place with either Sunshine (Hospital) Radio or the Friends of St. Mary's. Vincent Thompson agreed to prepare a one page draft standardise format MoU which could be used to formalise arrangements with the Friends of St. Mary's. **Action: VT**

The Committee noted that the Sunshine (Hospital) Radio will be celebrating their 40<sup>th</sup> anniversary in February 2013. As there has been little support for the station over the past few years, Andy Hollebon has asked them to create a 'wish list' from which an item(s) might be funded from charitable funds in appreciation and support of their service to the Trust. **Action: AH**

**50/12 2012/13 FUNDRAISING APPEALS/PROJECTS:** The following items were discussed:

**Charitable Funds Branding:** Andy Hollebon updated the Committee via his email of the 18<sup>th</sup> December 2012 that there had been no further progress on this due to other priorities. The Committee decided to put on hold branding for the charitable funds pending the outcome of the DOH review of the regulation and governance of NHS charities. **Action: AH**

**Helipad Fund:** The Committee agreed the setting up of a designated fund for Helipad donations.

**Hospice Appeal – Community Clinics:** Agreed in principle that EMH yellow daisy appeal boxes can be put on counters in the Community Clinics, subject to Andy Hollebon checking the Trust's position in regard to liability. **Action: KP/AH**

**51/12 VOLUNTEER SERVICES:** Richard Dent presented the Volunteer End Project Report dated October 2012 for the one year pilot from June 2011 to June 2012. The Committee noted the success of the project in the increased number of volunteers from 90 at the commencement of the project to 350 and the benefits that the Trust, patients and staff have all received as a result. It is anticipated that the number of volunteers will continue to increase as more services become aware of the benefits of having volunteers. Funding for the project continued for a further year from charitable funds ending in June 2013.

In addition, the Volunteer Service was shortlisted for the Isle of Wight NHS Awards 2012, winning:

- Improving Staff Health and Wellbeing Award
- The Chairman's Diamond Award
- Richard Dent Highly Commended Leadership Award.

The Committee expressed their delight and appreciation to the volunteers for the work they have undertaken, benefitting both patients and staff alike.

The Committee noted that recurring funding for the Volunteer Co-ordinator post had not been secured. The Committee recommended that funding for the post should be centrally funded from end of June 2013 as a matter of urgency, as the post has provided extremely good value for money and improved services to the Trust.

The Committee acknowledged that the risk to the Trust is that the volunteer service will be curtailed as HR will not have the capacity to undertake this function, should the Volunteer Co-ordinator post not be funded.

The Committee agreed that Clive Woodbridge and Richard Dent take forward the securing of future funding for the post as a matter of urgency with the Executive Board and the Finance, Investment and Workforce Committee. **Action: CW/RD**

**Information Governance Training for Volunteers:** Richard Dent confirmed that IG training for volunteers will be included in future induction training.

## **52/12 HEALING ARTS:**

**Time Being 7 Project:** Guy Eades outlined the background to the study into links between childhood obesity and use of electronic media, which had been awarded a special commendation at the Royal Society for Public Health Arts and Health Awards 2012 in recognition of the quality and innovation of the Time Being 7 (TB7) project and its evaluation. TB7 is a pilot 'active play' arts programme developed for Public Health Commissioners and Education Authorities to deliver in primary schools to counteract the growing public health epidemic in the UK of children being overweight from an early age leading to obesity in adulthood. It has been researched, developed and delivered in partnership with the senior management team of Nine Acres Primary School, Newport. The programme design inter-relates with other

subjects in the school curriculum so that the programme can be integrated as an on-going part of the school timetable. The programme also compliments parallel Public Health programmes on diet/nutrition and sport/exercise.

The Committee commended Guy on the work undertaken in the project and felt that the work could be taken forward through Gill Kennett for the Trust and Gillian Baker to link in with the CCG's commissioning intentions for children, whilst awaiting the response from the Health and Wellbeing Board.

The Committee also noted that the Chemotherapy Garden has also won a national award for best external landscape and architecture in the UK.

**Healing Arts Management Committee:** The Committee received and noted the minutes of the meetings held on the 18<sup>th</sup> September and 13<sup>th</sup> November 2012. Guy Eades advised that the Healing Arts website is to be redesigned which will raise the profile of Healing Arts. The Committee recognised the need for Healing Arts to be publicised more so that staff and patients alike are aware of the exceptional work that is being undertaken by Healing Arts. Particularly, the Committee considered that the monthly exhibitions should receive more publicity and asked Guy Eades to contact the Communications Department to take this forward. In addition, it was felt that a promotional film could be shown on the outpatients' screen and in doctors' surgeries. Guy Eades to provide an update on the raising of Healing Arts' profile to a future meeting of the Committee. **Action: GE/AH**

**HAMC Non Executive Director Membership:** Deferred to the next meeting.

**53/12 BALANCES, INCOME AND EXPENDITURE:** Katie Parrott introduced and outlined the background to the figures contained within the spreadsheets for balances, income and expenditure. It was noted that the total funds held at 31 October 2012 was £581,783.

The following item over £5k to be approved by the Corporate Trustee:

- Income from donations: £5,603.00 for Cancer Research

Chris Palmer requested that Fund Managers submit their plans for the coming year and whether spending plans for 2012 had been achieved, as there were still quite large amounts retained within the Funds. Katie Parrott to take this forward as a matter of urgency in order to provide updated spending plans for the March 2013 meeting in time for the start of the new financial year. **Action: KP**

Jasmine Light updated the Committee on the use of the Breast Care Fund some of which is to be used when the unit was moved. The Committee requested that Jasmine link in with Kevin Bolan and the Associate Director, Martin Robinson, to ascertain how the Breast Care Unit move has been factored into the Estates Strategy. An update to be provided to the next meeting of the Committee. **Action: JL**

#### **54/12 REQUESTS FOR CONSIDERATION:**

**Patient Christmas Presents 2012:** The Committee agreed the expenditure of £5 per patient for 2012. It was noted that the Friends of St. Mary's also provide a small gift to patients who are in hospital on Christmas Day. The Committee agreed that the giving of presents from charitable funds be an agenda item for early next year in order that this can be debated fully and the Committee's decision disseminated early so as to be implemented well before December. **Action: KP/LM**

**55/12 FRIENDS OF ST. MARY'S:** Vincent Thompson advised that with the event of FT, the Friends are looking to pilot opening the shop on a Saturday and Sunday in the new year. The Committee requested that Vincent keep them updated on how this progresses. **Action: VT**

**56/12 INVESTMENT POLICY REVIEW:** Clive Woodbridge advised that there was no change to the current investment policy and that interest rates remain low.

**57/12 LEGACIES UPDATE:** Katie Parrott updated the Committee on the legacies, advising that a new unrestricted legacy had been received and included in the General Fund.

With regard to the Restricted Healing Arts Legacy, Guy Eades outlined how it is intended for this to be used. After the allocation of £12,000 to provide new artwork for wards, a balance of £5,300 remains. It is proposed to allocated £2,000 to the new Seagrove Ward Garden for a wall mosaic to complement an award of £500 from the Friends, £2,000 to the Workhouse Burial Ground Memorial and £1,000 to the Organ Door Recognition Plan.

The Committee requested that Katie Parrott follow up the spending plans for the legacies and provide an update at the next meeting. **Action: KP**

**58/12 DATE OF NEXT MEETING:** 12 March 2013 at 8.30 a.m. in the Small meetings room.