

CORPORATE GOVERNANCE POLICY

Document No: CG01
 *All Sites

STANDING ORDERS OF THE BOARD OF DIRECTORS

TITLE	Standing Orders of the Board of Directors
Version:	2
Final Approval by: Board of Directors Date:	03/12/2014
Author/lead responsible for policy:	Chairman and Chief Executive
Date issued:	May 2010
Review date:	March 2015
Target audience:	Board Members Trust Senior Staff
Amendments and Additions	Updated to reflect new Centres and job title changes.
Replaces/supersedes:	Version 1
Associated Policies:	Standing Financial Instructions

Issued by:



Chief Executive

IN ACCORDANCE WITH ANNEX 8 OF THE TRUSTS CONSTITUTION:
 STANDING ORDERS FOR THE PRACTICE AND PROCEDURE OF THE BOARD OF
 DIRECTORS OF SOUTH TEES HOSPITALS NHS FOUNDATION TRUST

CONTENTS

1. INTRODUCTION

2. INTERPRETATION

3. THE BOARD OF DIRECTORS ITS COMPOSITION APPOINTMENTS AND INDEMNITY ARRANGEMENTS

- 3.5 Composition of the Board of Directors
- 3.6 Terms of Office of the Chairman and Members of the Board
- 3.7 Appointment of the Chairman and Non-executive Directors
- 3.8 Appointment of the Deputy Chairman
- 3.10 Powers of Deputy Chairman
- 3.11 Senior Independent Director
- 3.16 Disqualification and Removal of Directors

4. MEETINGS OF THE BOARD OF DIRECTORS

- 4.1 Admission of the public and the press
- 4.3 Confidentiality
- 4.4 Calling Meetings
- 4.6 Notice of Meetings
- 4.10 Setting the Agenda
- 4.12 Chairman of Meeting
- 4.15 Annual public meeting
- 4.16 Notices of Motion
- 4.17 Withdrawal of Motion or Amendments
- 4.18 Motion to Rescind a Resolution
- 4.19 Motions
- 4.21 Chairman's Ruling
- 4.22 Voting
- 4.28 Minutes
- 4.31 Joint Directors
- 4.32 Suspension of Standing Orders
- 4.37 Variation and amendment to standing orders
- 4.38 Record of Attendance
- 4.39 Quorum
- 4.41 Adjournment of Meetings
- 4.43 Observers at the Board of Directors

5. ARRANGEMENTS FOR THE EXERCISE OF FUNCTIONS BY DELEGATION

- 5.2 Emergency Powers
- 5.3 Delegation to Committees
- 5.4 Delegation to Officers

6. COMMITTEES

- 6.1 Formation of Committees

6.10 Confidentiality

7. DECLARATIONS OF INTERESTS AND REGISTER OF INTERESTS

7.1 Declaration of Interests

7.9 Register of Interests

8. DISABILITY OF CHAIRMAN AND MEMBERS IN PROCEEDINGS ON ACCOUNT OF PECUNIARY INTEREST

9. STANDARDS OF BUSINESS CONDUCT

9.1 Policy

9.2 Interest of Officers in Contracts

9.4 Canvassing of, and Recommendations by, Members in Relation to Appointments

9.7 Relatives of Members or Directors

10. RESOLUTION OF DISPUTES WITH THE COUNCIL OF GOVERNORS

11. NOTIFICATION OF THE INDEPENDENT REGULATOR OF NHS FOUNDATION TRUSTS AND THE COUNCIL OF GOVERNORS

12. BOARD PERFORMANCE

13. TENDERING AND CONTRACT PROCEDURES

14. CUSTODY OF SEAL AND SEALING OF DOCUMENTS

14.1 Custody of Seal

14.2 Sealing of Documents

14.5 Register of Sealing

15. SIGNATURE OF DOCUMENTS

16. DISSEMINATION OF STANDING ORDERS

1. INTRODUCTION

The principal place of business of the Trust is The James Cook University Hospital, Marton Road, Middlesbrough. NHS Foundation Trusts are governed by a Regulatory Framework that confers the functions of the Trust and comprises: Acts of Parliament and in particular the National Health Service Act 2006 ('the 2006 Act'); their constitutions; and the terms of their authorisation granted by the Independent Regulator of NHS Foundation Trusts ('the Independent Regulator').

The Regulatory Framework requires the Board of Directors to adopt Standing Orders for the practice and procedure of the Board of Directors. The Board of Directors will conduct its business in as open a way as possible and will:

- a) Observe the Nolan principles of Public Life of selflessness, integrity, objectivity, accountability, openness, honesty and leadership;
- b) At all times seek to comply with the NHS Foundation Trust Code of Governance; and
- c) At all times seek to comply with the Combined Code on Corporate Governance 2003. Everything done by the Trust should be able to stand the test of scrutiny, public judgment on propriety, and professional codes of conduct.

These Standing Orders (SOs) are for the regulation of the Board of Directors' proceedings and business.

2. PURPOSE

- 2.1 Save as permitted by law, at any meeting the Chairman of the Trust shall be the final authority on the interpretation of Standing Orders on which he/she should be advised by the Trust Secretary, Chief Executive and Director of Finance.
- 2.2 Any expression to which a meaning is given in the Health Service Acts or in the Regulations or Orders made under the Acts shall have the same meaning in this interpretation and in addition:

3. DEFINITIONS

- a) **ACCOUNTABLE OFFICER** shall be the officer responsible and accountable for funds entrusted to the Trust. He shall be responsible for ensuring the proper stewardship of public funds and assets. For this Trust it shall be the Chief Executive.
- b) **BOARD** means the Board of Directors, formally constituted in accordance with this Constitution and consisting of a Chairman, and Non-executive Directors, appointed by the Council of Governors and the Executive Directors, appointed by the Non-executive Directors and (except for his own appointment) by the Chief Executive.
- c) **BUDGET** shall mean 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.
- d) **CHAIRMAN** is the person appointed by the Council of Governors as a Non Executive Chairman to lead the Board of Directors and Council of Governors to ensure it successfully discharges its overall responsibility for the Trust as a whole.
- e) **CHIEF EXECUTIVE** shall mean the accountable officer of the Trust.

- f) **COMMITTEE OF THE COUNCIL** means a committee formed by the Council of Governors with specific Terms of Reference, chair and membership.
- g) **COMMITTEE OF THE BOARD** means a committee formed by the Board with specific Terms of Reference, Chair and Membership.
- h) **COUNCIL** means the Council of Governors, formally constituted in accordance with this Constitution meeting in public and presided over by the Chairman.
- i) **COUNCIL MEMBER** means a person elected or appointed to the Council of Governors.
- j) **DIRECTOR** means a person appointed to the Board of Directors
- k) **DEPUTY CHAIRMAN** means the Non-Executive Director appointed by the Council of Governors to take on the Chairman's duties if the Chairman is absent for any reason.
- l) **DIRECTOR OF FINANCE** shall mean the Chief Finance Officer of the Trust who will ensure compliance with Standing Financial Instructions.
- m) **FUNDS HELD ON TRUST** shall mean those funds which the Trust holds at its date of incorporation, receives on distribution by statutory instrument, or chooses subsequently to accept under powers derived under Schedule 3 and 4 para 14.1c National Health Service Act 2006. Such funds may or may not be charitable.
- n) **MEMBER** means a person registered as a member of one of the constituencies of the Trust as outlined in this Constitution.
- o) **MONITOR** is the Independent Regulator of NHS Foundation Trusts appointed under the National Health Service Act 2006.
- p) **MOTION** means a formal proposition to be discussed and voted on during the course of a meeting.
- q) **NOMINATED OFFICER** means an officer charged with the responsibility for discharging specific tasks within Standing Orders in line with the 2006 Act.
- r) **NON-EXECUTIVE DIRECTOR** is a person appointed by the Council of Governors to be a member of the Board of Directors. Initially Non executives of the applicant NHS Trust will become Non-executives of the Foundation Trust, unless they choose not do so. This includes the chairman of the Trust.
- s) **OFFICER** means an employee of the Trust
- t) **SOs** means Standing Orders
- u) **SFIs** means Standing Financial Instructions
- v) **TRUST** means South Tees Hospitals NHS Foundation Trust.
- w) **TRUST SECRETARY** this role will act as independent advice to the Board and monitor the Trust's compliance with its terms of authorisation and constitution.

4. ROLES AND RESPONSIBILITIES (DUTIES)

Role	Responsibilities
Chairman	
Chief Executive	The Chief Executive is responsible for ensuring all existing Directors and officers, and all new appointees are notified of, and understand their responsibility within the Standing Orders.
Board of Directors	

5. THE BOARD OF DIRECTORS – ITS COMPOSITION, APPOINTMENTS AND INDEMNITY ARRANGEMENTS

- 5.1 All business shall be conducted in the name of the Trust.
- 5.2 All funds received in trust shall be in the name of the Trust as corporate trustee. In relation to funds held on trust, powers exercised by the Trust as corporate trustee shall be exercised separately and distinctly from those powers exercised as a Trust.
- 5.3 All the powers of the Trust shall be exercised by the Board of Directors on its behalf.
- 5.4 The Board of Directors has resolved that certain powers and decisions may only be exercised or made by the Board. These powers and decisions are set out in “Reservation of Powers to the Board” and have effect as if incorporated into the Standing Orders. The Board of Directors must adopt Standing Financial Instructions (SFIs) as an integral part of Standing Orders setting out the responsibilities of individuals.

5.5.1 Composition of the Board of Directors

The composition of the Board of Directors will be:

- The Chairman of the Trust (Non Executive Director as required by Schedule 7 of the NHS Act 2006)
- Within the range of 5-8 other Non Executive Directors
- Within the range of 5-8 Executive Directors including:
 - One of the executive directors shall be the Chief Executive.
 - The Chief Executive shall be the Accounting Officer.
 - One of the executive directors shall be the Finance Director.
 - One of the executive directors is to be a registered medical practitioner or a registered dentist (within the meaning of the Dentists Act 1984).

- One of the executive directors is to be a registered nurse or registered midwife.
- The Trust Secretary to the Board of Directors will be in attendance at all Board meetings.

5.5.2 The number of Directors may be increased, (within the range of 5 – 8 as outlined above) with the approval of the Board, provided always at least half the Board, excluding the Chairman, comprises Non-executive Directors determined by the Board to be independent.

5.6 Terms of Office of the Chairman and Members of the Board

5.6.1 Guidance relating to the period of tenure of office of the Chairman and Non-executive Directors and the termination or suspension of office of the Chairman and Directors is contained in the Foundation Trust Code of Governance.

5.6.2 Non Executive Directors including the Chairman will be appointed by the Council of Governors for a period of 3 years and subject to re-appointment thereafter at intervals of 3 years. Any term beyond six years for a Non Executive Director will be subject to rigorous review by the Council of Governors. Non Executive Directors may serve more than nine years subject to an annual re-appointment.

5.7 Appointment of the Chairman and Non-executive Directors

The Chairman and Non-executive Directors are to be appointed/removed by the Council of Governors in accordance with the constitution.

5.8 Appointment of Deputy Chairman

The Council of Governors at a general meeting of the Council of Governors shall appoint one of the Non-executive Directors as a Deputy Chairman.

5.9 Any Non-executive Director so elected may at any time resign from the office of Deputy Chairman by giving notice in writing to the Chairman. The Council of Governors may thereupon appoint another Non-executive Director as Deputy Chairman in accordance with paragraph 5.8.

5.10 Powers of Deputy Chairman

Where the Chairman of the Trust has died or has otherwise ceased to hold office or where he/she has been unable to perform his/her duties as Chairman owing to illness, absence or any other cause, references to the Chairman in the Standing Orders shall, so long as there is no Chairman able to perform his/her duties, be taken to include the Deputy Chairman.

5.11 **Senior Independent Director** – The Chairman shall, following consultation with the Council of Governors appoint one of the Non-executive Directors as a “Senior Independent Director”.

5.12 In accordance with paragraph 25 of the Constitution the Non-executive Directors shall appoint the Chief Executive (which appointment shall be approved by the Council of Governors) and a committee consisting of the Chairman, Chief Executive and the other non executive directors shall appoint or remove the other Executive Directors.

- 5.13 The Board shall nominate a Trust Secretary, who, under the direction of the Chairman and Chief Executive, shall ensure good information flows within the Board and Council of Governors and their Committees, between Directors and members of the Council of Governors, and between senior management and the Board. The Trust Secretary shall also advise the Board and Council of Governors on all governance matters and shall facilitate induction and professional development as required. The appointment and removal of the Trust Secretary will be carried out jointly with the Chief Executive and Chairman.
- 5.14 A Director of the Trust, who has acted honestly and in good faith will not have to meet out his or her own personal resources any personal civil liability which is incurred in the execution or purported execution of his or her functions as a Director save where the Director has acted recklessly. On behalf of the Directors and as part of the Trust's overall insurance arrangements the Board of Directors shall put in place appropriate insurance provision to cover such indemnity and the discretion of the trust.
- 5.15 Non-executive Directors may, at the Trust's expense, seek external advice or appoint an external adviser on any material matter of concern provided the decision to do so is a collective one by the majority of Non-executive Directors. Approval of any such expenses will be done in conjunction with the allocated budget and financial procedure.

5.16 Disqualification and removal of Directors:

Over and above the legal minimum, a person may not become or continue as a Director if they:

- Are a Governor of the Trust;
- Are the subject of a disqualification order made under the Company Directors Disqualification Act 1986
- Have had their name removed by a direction under S.46 of the 1977 Act from any list prepared under Part II of that Act, and have not subsequently had their name included in such a list;
- Are no longer a member of one of the public constituencies (Non Executive Directors only)
- Have within the preceding two years been dismissed, otherwise than by reason of redundancy, from any paid employment with a health service body.
- Have had a tenure of office as a Chairman or as a member or director of a health service body terminated on the grounds that their appointment is not in the interests of the health service, for non attendance at meetings or for non-disclosure of a pecuniary interest;
- Have refused without reasonable cause to fulfill any training requirement established by the Board of Directors;
- Have refused to sign and deliver a statement in the prescribed format confirming acceptance of a Code of Conduct for Directors.

6. MEETINGS OF THE BOARD OF DIRECTORS

6.1 Admission of the Public and the Press

Meetings of the Board of Directors will not be open to members of the public or representatives of the press.

6.2 The Board of Directors will give notice of the following 2 meetings each year which shall be published on the Trust's website and in a local paper:

- a) Annual General Meeting
- b) Board of Director Meeting to approve the trusts annual plan for the forthcoming financial year.

and these meetings shall be open to members of the public and representatives of the press.

The Chairman may exclude any member of public from the meeting if they are interfering with or preventing the reasonable conduct of the meeting.

6.3 **Confidentiality**

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

6.4 **Calling Meetings** - Ordinary meetings of the Board of Directors shall be held at such times and places as the Board of Directors may determine.

6.5 The Chairman of the Trust may call a meeting of the Board of Directors at any time. If the Chairman refuses to call a meeting after a requisition for that purpose, signed by at least one-third of the whole number of Directors, has been presented to him/her, or if, without so refusing, the Chairman does not call a meeting within seven days after such requisition has been presented to him/her at the Trust's Headquarters, such one third or more Directors may forthwith call a meeting.

6.6 **Notice of Meetings** - Before each meeting of the Board of Directors, a notice of the meeting, specifying the business proposed to be transacted at it, and signed by the Chairman or by an officer authorised by the Chairman to sign on his/her behalf shall be delivered to every Director, or sent by post to the usual place of residence of such Director, so as to be available to him/her at least five clear days before the meeting.

6.7 Want of service of the notice on any Director shall not affect the validity of a meeting.

6.8 In the case of a meeting called by Directors in default of the Chairman, the notice shall be signed by those Directors and no business shall be transacted at the meeting other than that specified in the notice or emergency motions allowed under these Standing Orders. Failure to serve such a notice on more than three Directors will invalidate the meeting. A notice shall be presumed to have been served one day after posting.

6.9 Agendas will wherever possible be sent to Directors at least five clear days before the meeting and supporting papers, whenever possible.

6.10 **Setting the Agenda**

The Board of Directors may determine that certain matters shall appear on every agenda for a meeting and shall be addressed prior to any other business being conducted.

6.11 A Director desiring a matter to be included on an agenda shall make his/her request in writing to the Chairman at least 10 clear days before the meeting. Requests made less than

10 days before a meeting may be included on the agenda at the discretion of the Chairman.

6.12 **Chairman of Meeting** - At any meeting of the Board of Directors, the Chairman of the Board of Directors, if present, shall preside. If the Chairman is absent from the meeting the Deputy-Chairman, if there is one and he/she is present, shall preside. If the Chairman and Deputy-Chairman are absent such Director (who is not also an officer of the Trust) as the Directors present shall choose shall preside.

6.13 If the Chairman is absent temporarily on the grounds of a declared conflict of interest the Deputy-Chairman, if present, shall preside. If the Chairman and Deputy-Chairman are absent, or are disqualified from participating, such non-executive director as the Directors present shall choose shall preside. If any matter for consideration at a meeting of the Board of Directors relates to the interests of the Chairman, the Chairman shall not preside over the meeting during which the matter is under discussion.

If any matter for consideration at a meeting of the Board of Directors relates to the interests of the Non Executive Director, the Non Executive Directors shall not preside over the meeting during which the matter is under discussion.

6.14 he Directors (excluding the Chairman and the other non-executive Directors) shall elect one of their number to preside during that period and that person shall exercise all the rights and obligations of the Chairman including the right to exercise a second or casting vote where the number of votes for and against a motion is equal.

6.15 **Annual Public Meeting**

The Trust will publicise and hold an annual public meeting as outlined in 4.2 above.

6.16 **Notices of Motion** - A Director desiring to move or amend a motion shall send a written notice thereof at least 10 clear days before the meeting to the Chairman, who shall insert in the agenda for the meeting all notices so received subject to the notice being permissible under the appropriate regulations. This paragraph shall not prevent any motion being moved during the meeting, without notice on any business mentioned on the agenda, subject to Standing Order 4.6.

6.17 **Withdrawal of Motion or Amendments** - A motion or amendment once moved and seconded may be withdrawn by the proposer with the concurrence of the seconder and the consent of the Chairman.

6.18 **Motion to Rescind a Resolution** - Notice of motion to amend or 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 4 other Directors. When any such motion has been disposed of by the Board of Directors, it shall not be competent for any Director other than the Chairman to propose a motion to the same effect within 6 months; however the Chairman may do so if he/she considers it appropriate.

6.19 **Motions** - The mover of a motion shall have a right of reply at the close of any discussion on the motion or any amendment thereto.

6.20 When a motion is under discussion or immediately prior to discussion it shall be open to a Director to move:

6.21 An amendment to the motion.

6.22 The adjournment of the discussion or the meeting.

- 6.23 That the meeting proceed to the next business. (*)
- 6.24 The appointment of an ad hoc committee to deal with a specific item of business.
- 6.25 That the motion be now put. (*)
- 6.26 A motion resolving to exclude the public (including the press).

* In the case of sub-paragraphs denoted by (*) above to ensure objectivity motions may only be put by a Director who has not previously taken part in the debate and who is eligible to vote. No amendment to the motion shall be admitted if, in the opinion of the Chairman of the meeting, the amendment negates the substance of the motion.

- 6.27 **Chairman's Ruling** - Statements of Directors made at meetings of the Board of Directors shall be relevant to the matter under discussion at the material time and the decision of the Chairman of the meeting on questions of order, relevancy, regularity and any other matters shall be final. In this interpretation he/she shall be advised by the Trust Secretary on standing orders and the case of Standing Financial instructions by the Director of Finance.
- 6.28 **Voting** - Every question put to a vote at a meeting shall be determined by a majority of the votes of the Directors present and voting on the question and, in the case of the number of votes for and against a motion being equal, the Chairman of the meeting shall have a second or casting vote.
- 6.29 All questions put to the vote shall, at the discretion of the Chairman of the meeting, be determined by oral expression or by a show of hands. A paper ballot may also be used if a majority of the Directors present so request.
- 6.30 If at least one-third of the Directors present so request, the voting (other than by paper ballot) on any question may be recorded to show how each Director present voted or abstained.
- 6.31 If a Director so requests, his/her vote shall be recorded by name upon any vote (other than by paper ballot).
- 6.32 In no circumstances may an absent Director vote by proxy. Absence is defined as being absent at the time of the vote.
- 6.33 An officer who has been appointed formally by the Board of Directors 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. An officer attending the Board of Directors to represent an executive director during a period of incapacity or temporary absence without formal acting up status may not exercise the voting rights of the executive director. An officer's status when attending a meeting shall be recorded in the minutes.
- 6.34 **Minutes** - The Minutes of the proceedings of a meeting shall be drawn up and submitted for agreement at the next ensuing meeting where they will be signed by the person presiding at it.
- 6.35 No discussion shall take place upon the minutes except upon their accuracy or where the Chairman considers discussion appropriate. Any amendment to the minutes shall be agreed and recorded at the next meeting.
- 6.36 Minutes shall be circulated in accordance with Directors' wishes. Where providing a record of a public meeting the minutes shall be made available to the public.

- 6.37 **Joint Directors** - Where the office of a Director is shared jointly by more than one person:
- a) either or both or any of those persons may attend or take part in meetings of the Board of Directors:
 - b) if both/any are present at a meeting they should cast one vote if they agree:
 - c) in the case of disagreements no vote should be cast;
 - d) the presence of either/any or both/any of those persons should count as the presence of one person for the purposes of Standing Order 4.40 (Quorum).
- 6.38 **Suspension of Standing Orders** - Except where this would contravene any provision of the constitution or any direction made by the Independent Regulator of NHS Foundation Trusts, any one or more of the Standing Orders may be suspended at any meeting, provided that at least two-thirds of the Directors are present, including one executive director and one non-executive director, and that a majority of those present vote in favour of suspension.
- 6.39 A decision to suspend Standing Orders shall be recorded in the minutes of the meeting.
- 6.40 A separate record of matters discussed during the suspension of Standing Orders shall be made and shall be available to the Directors.
- 6.41 No formal business may be transacted while Standing Orders are suspended.
- 6.42 The Audit Committee shall review every decision to suspend Standing Orders.
- 6.43 **Variation and Amendment of Standing Orders** - These Standing Orders shall be amended only if:
- 6.43.1 a notice of motion under Standing Order 4.17 has been given; and
 - 6.43.2 no fewer than half the total of the Trust's non executive directors vote in favour of amendment; and
 - 6.43.3 at least two-thirds of the Directors are present; and
 - 6.43.4 the variation proposed does not contravene a statutory provision or a direction made by the Regulator of NHS Foundation Trusts and
 - 6.43.5 the amendment is approved by the Independent Regulator of NHS Foundation Trusts.
- 6.44 **Record of Attendance** - The names of the Directors present at the meeting shall be recorded in the minutes.
- 6.45 **Quorum** - No business shall be transacted at a meeting of the Board of Directors unless at least one-third of the whole number of the Directors appointed, (including at least one non-executive director and one executive director) are present.
- 6.46 An officer in attendance for an Executive Director but without formal acting up status may not count towards the quorum.

If a Director has been disqualified from participating in the discussion on any matter and/or from voting on any resolution by reason of the declaration of a conflict of interest they 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 business.

The above requirement for at least one executive director to form part of the quorum shall not apply where the executive Directors are excluded from a meeting (for example when the Board of Directors considers the recommendations of the Remuneration and Terms of Service Committee). The above requirement for at least one non-executive Director to form part of the quorum shall not apply where the Non-Executive Directors are excluded from a meeting.

- 6.47 **Adjournment of Meetings** - The Board of Directors may, by resolution, adjourn any meeting to some other specified date, place and time and such adjourned meeting shall be deemed a continuation of the original meeting. No business shall be transacted at any adjourned meeting which was not included in the agenda of the meeting of which it is an adjournment.
- 6.48 When any meeting is adjourned to another day, other than the following day, notice of the adjourned meeting shall be sent to each Director specifying the business to be transacted.
- 6.49 **Observers at Board of Directors 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 of the Board of Directors meetings and may change, alter or vary these terms and conditions as it deems fit.

7. ARRANGEMENTS FOR THE EXERCISE OF FUNCTIONS BY DELEGATION

- 7.1 The Board may make arrangements for the exercise, on behalf of the Trust, of any of its functions by a committee or sub-committee, appointed by virtue of SO 5.1 or 5.2 below or by a Director of the Trust in each case subject to such restrictions and conditions as the Board thinks fit.
- 7.2 **Emergency Powers** – The powers which the Board has retained to itself within these Standing Orders may in emergency be exercised jointly by the Chief Executive and the Chairman after having consulted at least two other Non-executive Directors. The exercise of such powers by the Chief Executive and the Chairman shall be reported to the next formal meeting of the Board for ratification.
- 7.3 **Delegation to Committees** – The Board shall agree from time to time to the delegation of executive powers to be exercised by committees or sub-committees of Executive Directors, which it has formally constituted. The constitution and terms of reference of these committees, or sub-committees, and their specific executive powers shall be approved by the Board and in accordance with Schedule 7 of the Act.

The Board shall agree and regularly review the setting up of committees to assist and advise the Board in fully discharging its duties as a healthcare organisation.

- 7.4 **Delegation to Officers** – Those functions of the Trust which have not been retained as reserved to the Board or delegated to an executive committee may be exercised on behalf of the Board by the Chief Executive. The Chief Executive shall determine which functions he/she will perform personally and shall nominate Executive Directors only to undertake the remaining functions for which they will still retain accountability to the Board.
- 7.5 The Chief Executive shall prepare a Scheme of Decisions Reserved to the Board and Schedule of Decision/Duties Delegated by the Board, identifying their proposals which shall be considered and approved by the Board, subject to any amendment agreed during the discussion. The Chief Executive may periodically propose amendment to the Scheme of Delegation which shall be considered and approved by the Board as indicated above.

- 7.6 Nothing in the Schedule of Decision/Duties Delegated by the Board shall impair the discharge of the direct accountability to the Board of the Director of Finance or other Director to provide information and advise the Board in accordance with any statutory requirements.
- 7.7 If for any reason these Standing Orders 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 action or ratification. All members of the Board and officers have a duty to disclose any non-compliance with these Standing Orders to the Chief Executive as soon as possible.

8. COMMITTEES

- 8.1 **Formation of Committees** – The Board may form committees of the Trust, consisting wholly or partly of members of the Board of Directors or wholly of persons who are not members of the Board of Directors.
- 8.2 Where the Board delegates a function or power to a committee this committee shall be formed of Directors solely and may not establish sub committees, in accordance with Schedule 7 of the Act.
- 8.3 Where the Board agrees to the setting up of committees consisting of other persons, this committee may not be delegated a function or any power of the Board of Directors but will advise the Board to assist in the Board effectively discharging its duties. Sub Committees of any such committees may be agreed.
- 8.4 The Standing Orders of the Trust, as far as they are applicable, shall apply with appropriate alteration to meetings of any committees or sub-committee formed by the Trust.
- 8.5 Each such committee or sub-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 shall decide. Such terms of reference shall have effect as if incorporated into the Standing Orders.
- 8.6 The Board shall approve the appointments to each of the committees which it has formally constituted. Where the Board determines that persons, who are neither Non executive Directors nor Directors, shall be appointed to a committee, the terms of such appointment shall be defined by the Board and the terms of reference of that committee. Those appointed would not constitute formal members of the committee and preside in an attendance capacity only.
- 8.7 Where the Trust is required to appoint persons to a committee and/or to undertake statutory functions and where such appointments are to operate independently of the Trust such appointment shall be made in accordance with the regulations and directions laid down by the Board of Directors.
- 8.9 All committees and sub committees of the Board of Directors will be subject to an annual review to ensure best practice and fitness for purpose in conducting and governing the trusts business.
- 8.10 **Confidentiality**
A member of the Board of Directors or a member of a committee shall not disclose any matter reported to the Board or otherwise dealt with by the committee, notwithstanding that the matter has been reported or action has been concluded, if the Board or committee shall resolve that it is confidential or embargoed.

9 DECLARATIONS OF INTERESTS AND REGISTER OF INTERESTS

- 9.1 **Declaration of Interests** If a director has a pecuniary, personal or family interest, whether the interest is actual or potential and whether that interest is direct or indirect, in any proposed contract or other matter which is under consideration or is to be considered by the Board of Directors, the director shall disclose that interest to the members of the Board of Directors as soon as he becomes aware of it.
- 9.2 Interests which may be declared may include but are not exclusive to:
- a) Directorships, including non-executive directorships held in private companies or PLCs (with the exception of those of dormant companies);
 - b) Ownership or part-ownership of private companies, businesses or consultancies likely or possibly seeking to do business with the NHS;
 - c) Share holdings in organisations likely or possibly seeking to do business with the NHS.
 - d) A position of trust in a charity or voluntary organisation in the field of health and social care;
 - e) Any connection with a voluntary or other organisation contracting for NHS services;
 - f) Any other commercial interest in the decision the committee or Board meeting may be considering
- 9.3 If Board members have any doubt about the relevance of an interest, this should be discussed with the Chairman.
- 9.4 At the time Board members' interests are declared, they should be recorded in the Board minutes. Any changes in interests should be declared at the next Board meeting following the change occurring.
- 9.5 Board members' directorships of companies likely or possibly seeking to do business with the NHS should be published in the Board's annual report. The information should be kept up to date for inclusion in succeeding annual reports.
- 9.6 During the course of a Board meeting, if a conflict of interest is established, the Board member concerned should withdraw from the meeting and play no part in the relevant discussion (unless the Board decides otherwise) or decision.
- 9.7 The interests of Board members' spouses or cohabiting partners should be declared.
- 9.8 If Board members have any doubt about the relevance of an interest, this should be discussed with the Chairman. Financial Reporting Standard No 8 (issued by the Accounting Standards Board) specifies that 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.
- 9.9 **Register of Interests**
In accordance with paragraph 31 of the Constitution, the Chief Executive will ensure that a Register of Interests is established to record formally declarations of interests of Board members. In particular the Register will include details of all directorships and other relevant and material interests which have been declared by both Director and Non-executive Directors, as defined in Standing Order 7.2.

9.10 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.

9.11 The Register will be available for inspection by members of the public.

10. DISABILITY OF CHAIRMAN AND DIRECTORS IN PROCEEDINGS ON ACCOUNT OF PECUNIARY INTEREST

10.1 Subject to the following provisions of this Standing Order, if the Chairman or any member of the Board of Directors has any pecuniary interest, direct or indirect, in any contract, proposed contract or other matter and is present at a meeting of the Board of Directors at which the contract or other matter is the subject of consideration, he/she 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, without the Chairman of the meeting's agreement, or vote on any question with respect to it.

10.2 The Board of Directors shall 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/she has a pecuniary interest, is under consideration.

10.3 Any remuneration, compensation or allowances payable to a member by virtue of paragraph 11 of Schedules 3 and 4 to the National Health Service Act 2006 shall not be treated as a pecuniary interest for the purpose of this Standing Order.

10.4 For the purpose of this Standing Order the Chairman or a Director shall be treated, subject to SO 7.1 and SO 8.5, as indirectly having a pecuniary interest in a contract, proposed contract or other matter, if:

a) he/she, or a nominee of him/her, is a director of a company or other body, not being a public body, with which the contract was made or is proposed to be made or which has a direct pecuniary interest in the other matters under consideration; or

b) he/she is a partner of, or is in the employment of a person with whom the contract was made or is proposed to be made or who has a direct pecuniary interest in the other matter under consideration; and in the case of persons living together, the interest of one person shall, if known to the other, be deemed for the purposes of this Standing Order to be also an interest of the other.

10.5 The Chairman or a member shall not be treated as having a pecuniary interest in any contract, proposed contract or other matter by reason only because:

a) of their membership of a company or other body, if he/she has no beneficial interest in any securities of that company or other body;

b) of an interest in any company, body or person with which he/she is connected as mentioned in SO 8.4 above which is so remote or insignificant that it cannot reasonably be regarded as likely to influence a member in the consideration or discussion of or in voting on, any question with respect to that contract or matter.

10.6 Where the Chairman or a Director:

- a) has an indirect pecuniary interest in a contract, proposed contract or other matter by reason only of a beneficial interest in securities of a company or other body, and
- b) the total nominal value of those securities does not exceed one-hundredth of the total nominal value of the issued share capital of the company or body, whichever is the less, and
- c) if the share capital is of more than one class, the total nominal value of shares of any one class in which he has a beneficial interest does not exceed one hundredth of the total issued share capital of that class, this Standing Order shall not prohibit him/her from taking part in the consideration or discussion of the contract or other matter from voting on any question with respect to it without prejudice however to his/her duty to disclose his/her interest.

10.7 Standing Order 8 applies to a committee or sub-committee of the Board of Directors as it applies to the Board of Directors and applies to any member of any such committee or subcommittee (whether or not they are also a member of the Board of Directors) as it applies to a member of the Board of Directors).

11. STANDARDS OF BUSINESS CONDUCT

11.1 Policy

Staff must comply with the Trust's detailed Standards of Business Conduct and Capability policy documents.

11.2 Interests of Officers in Contracts

If it comes to the knowledge of a Director of the Trust that a contract is which he/she has any pecuniary interest not being a contract to which he/she is himself/herself a party, has been, or is proposed to be, entered into by the Trust he/she shall, at once, give notice in writing to the Chief Executive of the fact that he/she is interested therein.

11.3 An officer must also declare to the Chief Executive any other employment or business or other relationship of him/her, or of a cohabiting spouse, that conflicts, or might reasonably be predicted could conflict with the interests of the Trust. The Trust requires interests, employment or relationships so declared by staff to be entered in a register of interests of staff.

11.4 Canvassing of, and recommendations by, Members in relation to Appointments

Canvassing of members of the Board of Directors or members of any committee of the Board of Directors directly or indirectly for any appointment by the Trust shall disqualify the candidate from such appointment. The contents of this paragraph of the Standing Order shall be included in application forms or otherwise brought to the attention of candidates.

11.5 A member of the Board of Directors shall not solicit for any person any appointment by the Board of Directors or recommend any person for such appointment, but this paragraph of this Standing Order shall not preclude a member from giving written testimonial of a candidate's ability, experience or character for submission to the Board of Directors.

11.6 Informal discussions outside appointments panels or committees, whether solicited or unsolicited, should be declared to the panel or committee.

11.7 **Relatives of Members of the Board of Directors**

Candidates for any staff appointment shall when making application disclose in writing whether they are related to any member of the Board or the holder of any office within the Trust. Failure to disclose such a relationship shall disqualify a candidate and, if appointed, render him/her liable to instant dismissal.

11.8. The Chairman, and every Director of the Trust shall disclose to the Chief Executive any relationship with a candidate of whose candidature that the Chairman, members or Director is aware. It shall be the duty of the Chief Executive or nominated Director to report to the Board of Directors any such disclosure made.

11.9 On appointment, the Chairman and members of the Board (and prior to acceptance of an appointment in the case of Directors) should disclose to the Board of Directors whether they are related to any other member or holder of any office under the Trust.

11.10 Where the relationship of a Director or another member of the Board or another member of the Trust is disclosed, the Standing Order headed (SO 8) shall apply (Disability of Directors in proceedings on account of pecuniary interest).

12. RESOLUTION OF DISPUTES WITH THE COUNCIL OF GOVERNORS

12.1 The Council of Governors has three main roles:

- a) Advisory – Communicating to the Board the wishes of members of the Council of Governors and the wider community
- b) Guardianship – Ensuring that the Trust is operating in accordance its Terms of Authorisation. In this regard it acts in a trustee role for the welfare of the organisation.
- c) Strategic – Advising on a longer term direction to help the Board effectively determine its policies.

12.2 The Board of Directors has overall responsibility for running the affairs of the Trust. Its role is to:

- a) Note advice from, and consider the views of the Council of Governors
- b) Set the strategic direction and leadership of the Trust
- c) Ensure the Terms of Authorisation are complied with
- d) Set organisational and operational targets
- e) Assess, manage and minimise risk
- f) Assess achievement against the above objectives
- g) Ensure that action is taken to eliminate or minimise, as appropriate, adverse deviations from objectives
- h) Ensure that the highest standards of Corporate Governance are applied throughout the organisation

12.3 The disputes resolution procedure recognises the different roles of the Council of Governors and the Board as described above.

12.4 The Chairman, or Deputy Chairman (if the dispute involves the Chairman) of the Board and the Council of Governors, shall first endeavour through discussion with members of the Council of Governors and Directors or, to achieve the earliest possible conclusion, appropriate representatives of them to resolve the matter to the reasonable satisfaction of both parties.

- 12.5 Failing resolution under 10.4 above then the Board and the Council of Governors, shall, at its next formal meeting, approve the precise wording of a Disputes Statement setting out clearly and concisely the issue or issues giving rise to the dispute.
- 12.6 The Chairman, or Deputy Chairman (if the dispute involves the Chairman) of the Board and the Council of Governors, shall ensure that the Disputes Statement, without amendment or abbreviation in any way, shall be an Agenda Item and Agenda Paper at the next formal meeting of the Board or Council of Governors as appropriate. That meeting shall agree the precise wording of a Response to Disputes Statement.
- 12.7 The Chairman, or Deputy Chairman (if the dispute involves the Chairman) of the Board and the Council of Governors, shall immediately or as soon as is practicable, communicate the outcome to the other party and deliver the Response to Disputes Statement. If the matter remains unresolved or only partially resolved then the procedure outlined in 10.4 above shall be repeated.
- 12.8 If, in the opinion of the Chairman, or Deputy Chairman (if the dispute involves the Chairman) and the Board or the Council of Governors, and following the further discussion prescribed in 10.7, there is no further prospect of a full resolution or, if at any stage in the whole process, in the opinion of the Chairman or Deputy Chairman, as the case may be, there is no prospect of a resolution (partial or otherwise) then they shall advise the Council of Governors and the Board accordingly.
- 12.9 On the satisfactory completion of this disputes process the Board shall implement agreed changes.
- 12.10 On the unsatisfactory completion of this disputes process the view of the Board shall prevail.
- 12.11 Nothing in this procedure shall prevent the Council of Governors, if it so desires, from informing the Independent Regulator of NHS Foundation Trusts that, in the Council of Governors' opinion, the Board has not responded constructively to concerns of the Council of Governors that the Trust is not meeting the Terms of its Authorisation.

13. NOTIFICATION TO INDEPENDENT REGULATOR OF FOUNDATION TRUSTS AND COUNCIL OF GOVERNORS

The Board shall notify the Independent Regulator of Foundation Trusts and the Council of Governors of any major changes in the circumstances of the Trust which have made or could lead to a substantial change to its financial well being, healthcare delivery performance, or reputation and standing or which might otherwise affect the Trust's compliance with the terms of Authorisation. The need to notify the independent regulator and Governors will also apply in situations where amendments are proposed to the Constitution or its annexes.

14. BOARD PERFORMANCE

The Chairman, with the assistance of the Trust Secretary, shall lead, at least annually, a performance assessment process for the Board. This process should act as the basis for determining individual and collective professional development programmes for Directors.

15. TENDERING AND CONTRACT PROCEDURE

The procedure set out in the trusts Standing Financial Instructions should be adhered to in conjunction with the implementation of these Standing Orders for all tendering and contract procedures.

16. CUSTODY OF SEAL AND SEALING OF DOCUMENTS

16.1 Custody of Seal

The Common Seal of the Trust shall be kept by the Chief Executive or nominated person in a secure place.

16.2 Sealing of Documents

The Seal of the Trust shall not be fixed to any documents unless the sealing has been authorised by a resolution of the Board or of a committee thereof or where the Board has delegated its powers.

16.3 Before any building, engineering, property or capital document is sealed it must be approved and signed by any two as delegated by the Board – Chairman, Chief Executive, Director of Finance or Chief Operating Officer (or a nominated officer who shall not be from within the originating directorate).

16.4 The form of the attestation of documents shall be “The Common Seal of the South Tees Hospitals NHS Foundation Trust was hereto affixed in the presence of

16.5 Register of Sealing

An entry of every sealing shall be made and numbered consecutively in a book provided for that purpose, and shall be signed by the persons who shall have approved and authorised the document and attested the seal. A report of all sealing shall be made to the next Board of Directors meeting. (The report shall contain details of the seal number, the description of the document and date of sealing).

17. SIGNATURE OF DOCUMENTS

17.1 Where the signature of any document will be a necessary step in legal proceedings involving the Trust, it shall be signed by the Chief Executive, unless any enactment otherwise requires or authorises, or the Board shall have given the necessary authority to some other person for the purpose of such proceedings.

17.2 The Chief Executive or nominated officers shall be authorised by resolution of the Board, to sign on behalf of the Trust any agreement or other document (not required to be executed as a deed) the subject matter of which has been approved by the Board or committee or sub-committee to which the Board has delegated appropriate authority.

18. Monitoring Compliance

Following the completion of the main body of the policy the author must determine how the effectiveness of the policy will be monitored. For those policies which may involve a clinical audit the policy author should not site the Clinical Audit Department as being responsible for monitoring the policy unless they have discussed this with the Clinical Audit Manager/Deputy Manager.

The monitoring section should outline what is being monitored, who is going to monitor it, what tool will be used, how often it will be monitored and where the results will be reported to, who will lead on recommendations and how lessons learned will be shared.

Element to be Monitored	Lead	Tool	Frequency	Reporting Arrangement	Lead for Acting on Recommendation	Lead for Sharing Lessons Learned / change in practice

An action plan must be produced to address any outstanding issues.

19. Associated Policies

All associated policies should be listed on the cover page and in this section.

References

References should be detailed in the final section of the policy.

Policy Agreement / Approval

The following groups/ committees/individuals have reviewed and agreed this procedural document

Final Approved by	Date Agreed	Date for Review
Board of Directors	03/12/2014	March 2015