

**ROYAL NATIONAL HOSPITAL FOR RHEUMATIC DISEASES
NHS FOUNDATION TRUST**

**STANDING ORDERS FOR THE PRACTICE AND PROCEDURE
OF THE BOARD OF DIRECTORS**

(TO BE READ IN CONJUNCTION WITH THE CONSTITUTION)

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**Royal National Hospital for Rheumatic Diseases
NHS Foundation Trust
Standing Orders**

Contents

1	Statutory Framework.....	3
2	Delegation of Powers	3
3	Interpretation	3
4	The Trust	6
5	Meetings of the Board of Directors	8
6	Arrangements for the Exercise of Functions by Delegation	12
7	Committees.....	13
8	Declarations of Interests and Register of Interests	15
9	Countering Fraud and Bribery and Corruption.....	17
10	Disability of Directors in Proceedings on Account of Pecuniary Interest	18
11	Standards of Business Conduct	20
12	Custody of Seal and Sealing of Documents	21
13	Signature of Documents.....	21
14	Miscellaneous.....	22

1 Statutory Framework

The Royal National Hospital for Rheumatic Diseases NHS Foundation Trust (the Trust) is a public benefit corporation authorised by the Independent Regulator of NHS Foundation Trusts, now known as Monitor, under the Health and Social Care (Community Health Standards) Act 2003 (since updated by the National Health Service Act 2006).

The principal place of business of the Trust is Upper Borough Walls, Bath, BA1 1RL.

NHS Foundation Trusts are governed by statute, mainly the Health and Social Care Act 2012, by their constitutions and by the terms of their authorisation by Monitor (the Regulatory Framework).

The functions of the Trust are conferred by the Regulatory Framework.

As a corporate body the Trust has specific 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. The Trust also has a common law duty as a bailee for patients' property held by the Trust on behalf of patients.

The Constitution requires the Board of Directors in consultation with the Council of Governors to adopt Standing Orders (SOs) for the regulation of its proceedings and business. The Trust must also adopt Standing Financial Instructions (SFIs) as an integral part of SOs setting out the responsibilities of individuals.

2 Delegation of Powers

The Trust has powers to delegate and make arrangements for delegation. The Standing Orders set out the detail of these arrangements. Under the Standing Order relating to the Arrangements for the Exercise of Functions (SO6) the Trust is given powers to "make arrangements for the exercise, on behalf of the Trust of any of its functions by a committee, sub-committee or joint committee appointed by virtue of Standing Order 7 or by an officer of the Trust, in each case subject to such restrictions and conditions as the Trust thinks fit or as Monitor may direct". Delegated Powers are covered in the Reservation of Powers to the Board and Delegation of Powers, which have effect as a part of these Standing Orders

3 Interpretation

Save as permitted by law, at any meeting the Chair of the Trust shall be the final authority on the interpretation of Standing Orders (on which he/she should be advised by the Chief Executive and/or Board Secretary).

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:

"ACCOUNTABLE OFFICER" shall be the Officer responsible and accountable for funds entrusted to the Trust. He/she shall be responsible for ensuring the proper stewardship of public funds and assets. For this Trust it shall be the Chief Executive.

"AUTHORISATION" shall mean the approval given to the Trust by the Independent Regulator to operate as a Foundation Trust.

"BOARD OF DIRECTORS" shall mean the Chair and Non-Executive Directors, appointed by the Council of Governors, and the Executive Directors appointed by the relevant committee of the Trust, as constituted in accordance with the Constitution.

"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;

"CHAIR" is the person appointed by the Council of Governors to lead the Board and to ensure that it successfully discharges its overall responsibility for the Trust as a whole. The Chair also presides at the meetings of the Council of Governors. The expression "the Chair of the Trust" shall be deemed to include the Vice-Chair of the Trust if the Chair is absent from the meeting or is otherwise unavailable.

"CHIEF EXECUTIVE" shall mean the chief officer of the Trust who is to be appointed (and removed) by the Non-Executive Directors, and whose appointment is subject to the approval of a majority of the Members of the Council of Governors present and voting at a General Meeting.

"COMMISSIONING" means the process for determining the need for and for obtaining the supply of healthcare and related services by the Trust within available resources.

"COMMITTEE" shall mean a committee appointed by the Trust.

"COMMITTEE MEMBERS" shall be persons formally appointed by the Trust to sit on or to Chair specific committees.

"CONSTITUTION" shall mean the established form of operations for the Council of Governors and Board of Directors as authorised by the Independent Regulator.

"CONTRACTING AND PROCURING" means the systems for obtaining the supply of goods, materials, manufactured items, services, building and engineering services, works of construction and maintenance and for disposal of surplus and obsolete assets.

"COUNCIL OF GOVERNORS" shall mean the persons, elected and appointed, to fulfil the functions as laid out in the Constitution.

"DIRECTOR" shall mean a person appointed as a Director in accordance with the Membership and Procedure Regulations and includes the Chair.

"DIRECTOR OF FINANCE" shall mean the chief finance officer of the Trust.

"EXECUTIVE DIRECTOR" means a member of the Trust who is an officer of the Trust.

"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 Sch 2 Part II para 16.1c NHS & Community Care Act 1990. Such funds may or may not be charitable.

"MEMBERS" means any member of staff, public or patient who has signed to become a member of the Foundation Trust.

"MEMBERSHIP, PROCEDURE AND ADMINISTRATION ARRANGEMENTS REGULATIONS" shall mean the National Health Service Trust (Membership and Procedure) Regulations 1990 (SI(1990) 2024) and subsequent amendments.

“MONITOR” means the Independent Regulator for the purpose of Chapter 1 of the 2012 Act.

"MOTION" means a formal proposition to be discussed and voted on during the course of a meeting.

"NOMINATED OFFICER" means an officer charged with the responsibility for discharging specific tasks within Standing Orders and Standing Financial Instructions.

"NON-EXECUTIVE DIRECTOR" means a member of the Trust who is not an officer of the Trust and is not to be treated as an officer by virtue of regulation 1(3) of the Membership, Procedure and Administration Arrangements Regulations.

"OFFICER" means an employee of the Trust or any other person holding a paid appointment or office with the Trust.

“SECRETARY” means a person who may be appointed to act independently of the Board to provide advice on corporate governance issues to the Board and the Chair and monitor the Trust's compliance with the law, Standing Orders, and NHS England guidance. [Standing Orders may provide for the appointment of a Secretary.]

"SFIs" means Standing Financial Instructions.

"SOs" means Standing Orders.

"TRUST" means the Royal National Hospital for Rheumatic Diseases NHS Foundation Trust.

"VICE-CHAIR" means the Non-Executive Director appointed by the Trust to take on the Chair's duties if the Chair is absent for any reason.

4 The Trust

- 4.1 All business shall be conducted in the name of the Trust.
- 4.2 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.
- 4.3 Directors acting on behalf of the Trust as a corporate trustee are acting as quasi-trustees. Accountability for charitable funds held on trust is to the Charity Commission and to the Secretary of State for Health. Accountability for non-charitable funds held on trust is only to the Secretary of State for Health.
- 4.4 The Trust has resolved that certain powers and decisions may only be exercised or made by the Board in formal session. These powers and decisions are set out in "Reservation of Powers to the Board" and have effect as if incorporated into the Standing Orders.
- 4.5 The Council of Governors has certain powers conferred on it in accordance with the Constitution.
- 4.6 **Composition of the Trust Board** - In accordance with the Constitution the composition of the Board of the Trust shall be:
- The Chair of the Trust
 - 4 Non-Executive Directors (excluding Chair)
 - 4 Executive Directors (who must include a registered medical Practitioner or registered Dentist, and a registered nurse or midwife):
 - The Chief Executive (the Chief Officer)
 - The Director of Finance (the Chief Finance Officer)
 - Two other executive directors
- 4.7 **Appointment of the Chair, Non-Executive Directors and Chief Executive** - The Chair and Non-Executive Directors are appointed (and removed) by the Council of Governors in a General Meeting. The Chief Executive is appointed (and removed) by the Non-Executive Directors, subject to the approval of a majority of members of the Council of Governors present and voting at a General Meeting for his or her appointment.
- 4.8 **Appointment of the Executive Directors** – The Executive Directors are appointed by the Chairman, the other Non-Executive Directors and the Chief Executive.

Nominations Committees, with external advice as appropriate, are responsible for the identification and nomination of executive and non-executive directors. The Nominations Committee with responsibility for executive director nominations will identify suitable candidates to fill executive director vacancies as they arise. This Committee will consist of the Chair and other non-executive directors.

The Nominations Committee responsible for the appointment of the non-executive directors will consist of a majority of governors. Once suitable candidates have been identified the Nominations Committee will make a recommendation to the Council of Governors.

4.9 .

- 4.10 **Terms of Office of the Chair and Non-Executive Directors** – The Chair and Non-Executive Directors are to be appointed for a period of office in accordance with the terms of the Constitution.

- 4.11 **Terms of Office of Executive Directors** – The remuneration committee of Non-Executive Directors shall decide the terms and conditions of office including remuneration and allowances of Executive Directors.
- 4.12 **Appointment of Vice-Chair** - The Board of Directors shall elect one of the Non-Executive Directors to be a Vice-Chair of the Board, for such period, not exceeding the remainder of his/her term as a member of the Trust, as they may specify on appointing him/her. If the Chair is unable to discharge his/her office as Chair of the Trust, the Vice Chair of the Board of Directors shall be the acting Chair of the Trust.
- 4.13 Any Non-Executive Director so elected may at any time resign from the office of Vice-Chair by giving notice in writing to the Chair and the Directors of the Trust may thereupon appoint another Non-Executive Director as Vice-Chair in accordance with paragraph 4.12.
- 4.14 **Powers of Vice-Chair** - Where the Chair of an NHS Trust has died or has otherwise ceased to hold office or where he/she has been unable to perform his/her duties as Chair owing to illness, absence from England and Wales or any other cause, the Vice-Chair shall act as Chair until a new Chair is appointed or the existing Chair resumes his/her duties, as the case may be; references to the Chair in the Schedule to these Regulations shall, so long as there is no Chair able to perform his/her duties, be taken to include references to the Vice-Chair.
- 4.15 **Senior Independent Director** - The Board of Directors should appoint one of the independent Non-Executive Directors to be the Senior Independent Director in consultation with the Council of Governors.
- 4.16 **Joint Directors** - Where more than one person is appointed jointly to a post in the Trust which qualifies the holder for Executive Directorship or in relation to which an Executive Director is to be appointed, those persons shall become appointed as an Executive Director jointly, and shall count for the purpose of Standing Order 4.8 as one person.
- 4.17 **Relationship between the Board of Directors and the Council of Governors** – It is the responsibility of the Board of Directors to manage the business of the Trust (in accordance with the Constitution). The powers of the Council of Governors are detailed in the Constitution. The Governors will also represent the views of the Members of their constituency and ensure the needs of the health community served by the Trust are taken into account when advising on the Trust's strategic direction.
- 4.18 **Conflict Resolution** - In situations where any conflict arises between the Board of Directors and the Council of Governors, then the decision of the Chair shall normally be final. However, there may be circumstances where the Chair feels unable to decide owing to a conflict of interest. In such situations, the Chair will initiate an independent review to investigate and make recommendations. Normally this will be achieved by inviting the Chair of another Foundation Trust to conduct the review and the choice of the individual will be agreed by both the Board of Directors and the Council of Governors.

5 Meetings of the Board of Directors

- 5.1 The Chair (or Vice Chair) shall give such directions as he/she thinks fit in regard to the arrangements for meetings and accommodation of the public and representatives of the press such as to ensure that the Board'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.

In line with section 1(2) of the public bodies (Admission to Meetings) Act 1960 the Board may, by resolution, exclude the public from a meeting (whether during the whole or part of the proceedings) whenever publicity would be prejudicial to the public interest by reason of the confidential nature of the business to be transacted or for other special reasons stated in the resolution and arising from the nature of that business or the proceedings.

- 5.2 Nothing in these Standing Orders shall require the Board to allow members of the public or representatives of the press to record proceedings in any manner whatsoever, other than writing, or to make any oral report of proceedings as they take place without the prior agreement of the Board.
- 5.3 **Calling Meetings** - Ordinary meetings of the Trust shall be held at such times and places as the Board may determine.
- 5.4 The Chair may call a meeting of the Trust at any time. If the Chair 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 Chair 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.
- 5.5 **Notice of Meetings** - Before each meeting of the Trust Board, a Notice of the Meeting, specifying the business proposed to be transacted at it, and signed by the Chair or by an officer of the Trust authorised by the Chair 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 three clear days before the meeting.
- 5.6 Lack of service of the notice on any Director shall not affect the validity of a meeting.
- 5.7 In the case of a meeting called by Directors in default of the Chair, the notice shall be signed by those Directors and no business shall be transacted at the meeting other than that specified in the notice.
- 5.8 Agendas will be sent to members six days before the meeting and supporting papers, whenever possible, shall accompany the agenda, but will certainly be despatched no later than three clear days before the meeting, save in emergency. Failure to serve such a notice on more than two Members will invalidate the meeting. A notice shall be presumed to have been served one day after posting.
- 5.9 **Setting the Agenda** - The Trust may determine that certain matters shall appear on every agenda for a meeting of the Trust and shall be addressed prior to any other business being conducted. (Such matters may be identified within these Standing Orders or following subsequent resolution shall be listed in an Appendix to the Standing Orders.)
- 5.10 A Director desiring a matter to be included on an agenda shall make his/her request in writing to the Chair at least ten 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 ten days before a meeting may be included on the agenda at the discretion of the Chair.

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

- 5.11 **Chair of Meeting** - At any meeting of the Trust, the Chair, if present, shall preside. If the Chair is absent from the meeting the Vice-Chair, if there is one and he/she is present, shall preside. If the Chair and Vice-Chair are absent such Non-Executive Director as the Directors present shall choose shall preside.
- 5.12 If the Chair is absent from a meeting temporarily on the grounds of a declared conflict of interest the Vice-Chair, if present, shall preside. If the Chair and Vice-Chair are absent, or are disqualified from participating, such Non-Executive Director as the Directors present shall choose shall preside.
- 5.13 **Annual Members Meeting** – In accordance with the Constitution the Trust will hold a members meeting (the “Annual Members Meeting”) within six months of the end of the financial year.
- 5.14 **Notices of Motion** - A Director of the Trust desiring to move or amend a motion shall send a written notice thereof at least ten clear days before the meeting to the Chair, 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 5.8.
- 5.15 **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 Chair.
- 5.16 **Motion to Amend or 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 six calendar months shall bear the signature of the Director(s) who gives it and also the signature of four other Directors. When any such motion has been disposed of by the Trust, it shall not be competent for any Director other than the Chair to propose a motion to the same effect within six months; however the Chair may do so if he/she considers it appropriate.
- 5.17 **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.
- 5.18 When a motion is under discussion or immediately prior to discussion it shall be open to a Director to move:
- An amendment to the motion.
 - The adjournment of the discussion or the meeting.
 - That the meeting proceed to the next business. (*)
 - The appointment of an ad hoc committee to deal with a specific item of business.
 - That the motion be now put. (*)
 - A motion under Section 1 (2) of the Public Bodies (Admission to Meetings) Act 1960 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 Chair of the meeting, the amendment negates the substance of the motion.

- 5.19 **Chair's Ruling** - Statements of Directors made at meetings of the Trust shall be relevant to the matter under discussion at the material time and the decision of the Chair of the meeting on questions of order, relevance, regularity and any other matters shall be final.
- 5.20 **Voting** – Where a meeting moves to vote, then the question will be addressed by a majority of the votes of the Chair of the meeting and Members present. In the case of the number of votes for and against a motion being equal, the Chair of the meeting shall have a second or casting vote.
- 5.21 All questions put to the vote shall, at the discretion of the Chair 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.
- 5.22 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.
- 5.23 If a Director so requests, his/her vote shall be recorded by name upon any vote (other than by paper ballot).
- 5.24 In no circumstances may an absent Director vote by proxy. Absence is defined as being absent at the time of the vote.
- 5.25 An officer who has been appointed formally by the Board 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 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.
- 5.26 **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.
- 5.27 No discussion shall take place upon the minutes except upon their accuracy or where the Chair considers discussion appropriate. Any amendment to the minutes shall be agreed and recorded at the next meeting.
- 5.28 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 as required by the NHS Foundation Trust Code of Governance which calls for a policy of openness and transparency in Board proceedings and decision making.
- 5.29 **Joint Directors** - Where the office of a member of the Board is shared jointly by more than one person:
- a. either or both of those persons may attend or take part in meetings of the Board:
 - b. if both 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 or both of those persons should count as the presence of one person for the purposes of SO 3.39 (Quorum).
- 5.30 **Suspension of Standing Orders** - Except where this would contravene any statutory provision or any direction made by the Secretary of State (applicable to Foundation Trusts) or authorisation of the Independent Regulator, any one or more of the Standing Orders may be suspended at any meeting, provided that at least two-thirds of the Board are present, including one Executive Director and one Non-Executive Director, and that a majority of those present vote in favour of suspension.

- 5.31 A decision to suspend Standing Orders shall be recorded in the minutes of the meeting.
- 5.32 A separate record of matters discussed during the suspension of Standing Orders shall be made and shall be available to the Directors.
- 5.33 No formal business may be transacted while Standing Orders are suspended.
- 5.34 The Audit Committee shall review every decision to suspend Standing Orders.
- 5.35 **Variation and Amendment of Standing Orders** - These Standing Orders shall be amended only if:
- a notice of motion under Standing Order 5.16 has been given; and
 - no fewer than half the total of the Trust's Non-Executive Directors vote in favour of amendment; and
 - at least two-thirds of the Directors are present; and
 - the variation proposed does not contravene a statutory provision or direction made by Monitor.
- 5.36 **Overriding Standing Orders** – 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 staff have a duty to disclose any non-compliance with these Standing Orders to the Chief Executive as soon as possible.
- 5.37 **Record of Attendance** - The names of the Directors present at the meeting shall be recorded in the minutes.
- 5.38 **Quorum** - No business shall be transacted at a meeting of the Trust unless at least one third of the whole number of the Chair and Directors appointed (including at least one Executive Director and one Non-Executive Director) are present.
- 5.39 An officer in attendance for an Executive Director but without formal acting up status may not count towards the quorum.
- 5.40 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 (see Standing Order 7 or 8) he/she 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 considers the recommendations of the Remuneration and Terms of Service Committee).

- 5.41 **Frequency** – The Trust shall hold meetings of the Board of Directors at least six times in each calendar year.

6 Arrangements for the Exercise of Functions by Delegation

- 6.1 Subject to such directions as may be given by Monitor, the Board of Directors 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 7.1 or 7.2 below;
 - by a Director or an officer of the Trust,
 - by any other body as defined in standing order 7.2below
 - in each case subject to such restrictions and conditions as the Board thinks fit.
- 6.2 **Emergency Powers** - The powers which the Board has retained to itself within these Standing Orders (SO 4.4) may in emergency be exercised by the Chief Executive and the Chair after having consulted at least two Non-Executive Directors. The exercise of such powers by the Chief Executive and the Chair shall be reported to the next formal meeting of the Board for ratification.
- 6.3 **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 or joint committees, which it has formally constituted. 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.
- 6.4 **Delegation to Officers** - Those functions of the Trust which have not been retained as reserved by the Board or delegated to an executive committee or sub-committee or joint committee shall 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 officers to undertake the remaining functions for which he/she will still retain an accountability to the Board.
- 6.5 The Chief Executive shall prepare a Scheme of Delegation identifying his/her 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.
- 6.6 Nothing in the Scheme of Delegation shall impair the discharge of the direct accountability to the Board of the Director of Finance or other Executive Director to provide information and advise the Board in accordance with any statutory requirements. Outside these statutory requirements the roles of the Director of Finance shall be accountable to the Chief Executive for operational matters.
- 6.7 The arrangements made by the Board as set out in the "Reservation of Powers to the Board and Delegation of Powers" document shall have effect as if incorporated in these Standing Orders.

7 Committees

- 7.1 **Appointment of Committees** - Subject to such directions as may be given by the Independent Regulator, the Trust may appoint committees of the Trust, consisting wholly or partly of Directors of the Trust or wholly of persons who are not Directors of the Trust.
- 7.2 A committee appointed under SO 7.1 may, subject to such directions as may be given by the Independent Regulator or the Trust, appoint sub-committees consisting wholly or partly of members of the committee (whether or not they include Directors of the Trust) or wholly of persons who are not members of the Trust committee (whether or not they include Directors of the Trust).
- 7.3 The Standing Orders of the Trust, as far as they are applicable, shall apply with appropriate alteration to meetings of any committee or sub-committee, or joint committee established by the Trust. In which case the term "Chair" is to be read as a reference to the Chair of the committee as the context permits, and the term "member" is to be read as a reference to a member of the committee also as the context permits. (There is no requirement to hold meetings of committees, established by the Trust in public.)
- 7.4 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.
- 7.5 Committees may not delegate their Executive powers to a sub-committee unless expressly authorised by the Board.
- 7.6 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 Directors nor officers, shall be appointed to a committee, the terms of such appointment shall be determined by the Board. Travelling and other allowances for Non-Executive Directors, shall be determined by the Governance and Nominations Committee of the Council of Governors.
- 7.7 Where the Trust is required to appoint persons to a committee and/or to undertake statutory functions as required by the Independent Regulator, and where such appointments are to operate independently of the Trust such appointment shall be made in accordance with the regulations laid down by the Independent Regulator.
- 7.8 The committees, sub-committees, and joint committees established by the Trust are:
- a. Audit
 - b. Remuneration and Terms of Service
 - c. Charitable Funds
 - d. Finance and Activity
 - e. Integrated Governance and Quality Assurance
- 7.9 The Committee established by the Council of Governors is the Nominations Committee.
- 7.10 **Confidentiality** - A member of a committee shall not disclose a matter dealt with by, or brought before, the committee without its permission until the committee shall have reported to the Board or shall otherwise have concluded on that matter.
- 7.11 A Director of the Trust or a member of a committee or a member of the council 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.

8 Declarations of Interests and Register of Interests

- 8.1 **Declaration of Interests** – The Regulatory Framework requires Board Directors to declare interests which are relevant and material to the NHS Foundation Trust of which they are a Director. All existing Directors should declare such interests. Any Directors appointed subsequently should do so on appointment.
- 8.2 Interests which should be regarded as “relevant and material” and which, for the avoidance of doubt, should be included in the register are:-
- a. Directorships, including Non-Executive Directorships, held in private companies or PLCs (with the exception of those of dormant companies).
 - b. Ownership, part-ownership or Directorship of private companies, businesses or consultancies likely or possibly seeking to do business with the NHS.
 - c. Majority or controlling share holdings in organisations likely or possibly seeking to do business with the NHS.
 - d. A position of Authority in a charity or voluntary organisation in the field of health or social care.
 - e. Any connection with a voluntary or other organisation contracting for NHS services or commissioning NHS services.
 - f. To the extent not covered above, any connection with an organisation, entity or company considering entering into or having entered into financial arrangement with the NHS Foundation Trust, including but not limited to, lenders or banks.
- 8.3 If Directors have any doubt about the relevance or materiality of an interest, this should be discussed with the Chair. 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.
- 8.4 The interests of partners in professional partnerships including general practitioners should also be considered.
- 8.5 At the time the interests are declared they should be recorded in the Board of Directors’ minutes. Any changes in interests should be officially declared at the next Directors’ meeting. It is the obligation of the Director to inform the Secretary in writing within seven days of becoming aware of the existence of a relevant or material interest. The Secretary will amend the Register upon receipt with three working days.
- 8.6 Directors’ Directorships of companies in 8.2(a) or in companies likely or possibly seeking to do business with the NHS (8.2(b)) should be published in the Board’s annual report. The information should be kept up to date for inclusion in succeeding annual reports.
- 8.7 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. For the avoidance of doubt, this includes voting on such an issue where a conflict is established. If there is a dispute as to whether a conflict of interest does exist, majority will resolve the issue with the Chair having the casting vote.

- 8.8 There is a requirement for the interests of Directors' spouses or partners to be declared.
- 8.9 **Registers of Interests** - The Chief Executive and the Trust Secretary will ensure that a Register of Interests is established to record formally declarations of interests of Directors. In particular the Registers will include details of all Directorships and other relevant and material interests which have been declared by both Executive and Non-Executive Board Directors and Members as defined in SO 8.2.
- 8.10 The details of Directors' interests recording in the Register will be kept up to date by means of an annual review of the Registers by the Secretary during which any changes of interests declared during the preceding year will be incorporated.
- 8.11 The Register will be available to the public and the Chairman will take reasonable steps to bring the existence of the Register to the attention of the local population and to publicise arrangements for viewing it.

9 Countering Fraud and Bribery and Corruption

- 9.1 The Board of Royal National Hospital for Rheumatic Diseases recognises that fraud and bribery is a hugely damaging practice that undermines competition and the reputation of public and private bodies involved. It is the Trust's policy to act with integrity and bribery and corruption will not be tolerated in any form of. An Anti-Fraud and Bribery Policy sets out procedures designed to prevent everyone associated with RNHRD from undertaking acts of fraud, bribery or corruption.
- 9.2 Fraud - any person who dishonestly makes a false representation to make a gain for himself or another or dishonestly fails to disclose to another person, information which he is under a legal duty to disclose, or commits fraud by abuse of position, including any offence as defined in the Fraud Act 2006.
- 9.3 Bribery - "Inducement for an action which is illegal, unethical or a breach of trust. Inducements can take the form of gifts, loans, fees, rewards or other advantages".
- 9.4 This can be broadly defined as the offering or acceptance of inducements, gifts, favours, payment or benefit-in-kind which may influence the action of any person. Bribery does not always result in a loss. The corrupt person may not benefit directly from their deeds; however, they may be unreasonably using their position to give some advantage to another.
- 9.5 It is a common law offence of bribery to bribe the holder of a public office and it is similarly an offence for the office holder to accept a bribe.
- 9.6 In line with their responsibilities, the Trust Chief Executive and Director of Finance shall monitor and ensure compliance with the NHS Standards for Providers on Fraud, Bribery and Corruption issued by NHS Protect.
- 9.7 The Trust shall nominate a suitable person to carry out the duties of the Local Counter Fraud Specialist as specified by the NHS Standards for Providers on fraud, bribery and corruption Fraud and Corruption Manual and guidance. The Director of Finance is responsible for ensuring that the Police are notified at an appropriate stage in any investigation. This shall be following advice from the Local NHS Protect Service.
- 9.8 If any employee suspects or discovers any act of fraud or bribery, they must inform the Local Counter Fraud Specialist or the Director of Finance immediately. Employees can also call the NHS Fraud and Corruption Reporting Line on Freephone 0800 028 40 60 or fill in an online form at www.reportnhsfraud.nhs.uk.
- 9.9 The Local Counter Fraud Specialist shall report to the Trust Director of Finance and shall work with staff in NHS Protect in accordance with the NHS Standards for Providers and NHS Anti-Fraud Fraud and Corruption Manual.

10 Disability of Directors in Proceedings on Account of Pecuniary Interest

- 10.1 Subject to the following provisions of this Standing Order, if a Director of the Trust has any pecuniary interest, direct or indirect, in any contract, proposed contract or other matter and is present at a meeting of the Trust 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 or vote on any question with respect to it.
- 10.2 The Independent Regulator may, subject to such conditions as he may think fit to impose, remove any disability imposed by this Standing Order in any case in which it appears to him in the interests of the National Health Service that the disability shall be removed.
- 10.3 The Trust may exclude a Director from a meeting of the Trust while any contract, proposed contract or other matter in which he/she has a pecuniary interest, is under consideration.
- 10.4 Any remuneration, compensation or allowances payable to a Director by virtue of paragraph 9 of Schedule 2 to the NHS & CC Act 1990, in accordance with the decision of the Council of Governors shall not be treated as a pecuniary interest for the purpose of this Standing Order.
- 10.5 For the purpose of this Standing Order the Chair or a Director shall be treated, subject to SO 9.2 and SO 9.6, as having indirectly a pecuniary interest in a contract, proposed contract or other matter, if:
- a. he/she, or a nominee of his/hers, 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 matter 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 married persons living together the interest of one spouse shall, if known to the other, be deemed for the purposes of this Standing Order to be also an interest of the other.
- 10.6 A Director shall not be treated as having a pecuniary interest in any contract, proposed contract or other matter by reason only:
- a. of his 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 6.5 above which is so remote or insignificant that it cannot reasonably be regarded as likely to influence a Director in the consideration or discussion of or in voting on, any question with respect to that contract or matter.
- 10.7 Where 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 £5,000 or 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 or from voting on any question with respect to it without prejudice however to his/her duty to disclose his/her interest.

- 10.8 Standing Order 9 applies to a committee or sub-committee or a joint committee of the Trust as it applies to the Trust and applies to any member of any such committee or sub-committee (whether or not he/she is also a Director of the Trust) as it applies to a Director of the Trust.
- 10.9 Whilst this Standing Order is aimed at the Board of Directors, because it exercises the powers of the Trust, it applies equally to Members in circumstances in which Members are in any way considering a contract with the Trust.

11 Standards of Business Conduct

- 11.1 **Policy** – The Trust Board will set Business Standards for its staff.
- 11.2 **Interest of Officers in Contracts** - If it comes to the knowledge of a Director, Member or an officer of the Trust that a contract in 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. In the case of persons living together as partners, the interest of one partner shall, if known to the other, be deemed to be also the interest of that partner.
- 11.3 An officer must also declare to the Chief Executive any other employment or business or other relationship of his/hers, 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, Directors and Members of Council in Relation to Appointments** - Canvassing of Directors of the Trust, Members of the Council of Governors or Members of any committee of the Trust directly or indirectly for any appointment under the Trust shall disqualify the candidate for 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 Director or Member shall not solicit for any person any appointment under the Trust or recommend any person for such appointment: but this paragraph of this Standing Order shall not preclude a Director from giving written testimonial of a candidate's ability, experience or character for submission to the Trust.
- 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 Directors, Members of Council or Officers** - Candidates for any staff appointment shall, when making application, disclose in writing whether they are related to any Director, Member or the holder of any office under 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 Directors, Members of Council and every officer of the Trust shall disclose to the Chief Executive any relationship with a candidate of whose candidature that Director or officer is aware. It shall be the duty of the Chief Executive to report to the Trust any such disclosure made.
- 11.9 On appointment, Directors (and prior to acceptance of an appointment in the case of Executive Directors) should disclose to the Trust whether they are related to any other Director or holder of any office under the Trust.
- 11.10 Where the relationship of an officer or another Director to a Director or Member of Council is disclosed, the Standing Order headed 'Disability of Directors in proceedings on account of pecuniary interest' (SO 10) shall apply.

12 Custody of Seal and Sealing of Documents

- 12.1 **Custody of Seal** - The Common Seal of the Trust shall be kept by the Chief Executive or his/her nominated representative in a secure place.
- 12.2 **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.
- 12.3 Before any building, engineering, property or capital document is sealed it must be approved and signed by the Director of Finance (or an officer nominated by him/her) and authorised and countersigned by the Chief Executive (or an officer nominated by him/her who shall not be within the originating Directorate).
- 12.4 **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 those who attested the seal. A report of all sealings shall be made to the Trust at least quarterly. (The report shall contain details of the seal number, the description of the document and date of sealing).

13 Signature of Documents

- 13.1 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.
- 13.2 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.

14 Miscellaneous

- 14.1 **Standing Orders to be given to Directors and Officers** - It is the duty of the Chief Executive to ensure that existing Directors and officers and all new appointees are notified of and understand their responsibilities within Standing Orders and SFIs. Updated copies shall be issued to staff designated by the Chief Executive. Newly designated officers shall be informed in writing and shall receive copies where appropriate of SOs.
- 14.2 **Documents having the standing of Standing Orders** - Standing Financial Instructions and Reservation of Powers to the Board and Delegation of Powers shall have the effect as if incorporated into SOs.
- 14.3 **Review of Standing Orders** - Standing Orders shall be reviewed annually by the Trust. The requirement for review extends to all documents having the effect as if incorporated in SOs.
- 14.4 The Board may confirm contracts to purchase from a voluntary organisation or a local authority using its powers under Section 28A of the NHS Act 1977. *The Board may confirm contracts to transfer money from the NHS to the voluntary sector or the health related functions of local authorities where such a transfer is to fund services to improve the health of the local population more effectively than equivalent expenditure on NHS services*, using its powers under Section 28A of the NHS Act 1977, as amended by section 29 of the Health Act 1999 and shall comply with procedures laid down by the Director of Finance which shall be in accordance with these Acts.