

Department of Health Appendices: Appendix A4: Governance rationale template

The table provided below sets out the requirements for the governance arrangements paper which forms a key part of the governance application material to be submitted to Monitor. Governance arrangements must be based on what is suitable for the applicant's organisation. Temptations to plagiarise arrangements from other NHS foundation trusts should be resisted, since many lead to arrangements that do not work for other organisations. In line with legislation, applicants must describe:

Ref	Issue	Details	Rationale
	Membership		
1	Public Membership		
1.1	Definition of the public constituency(ies).	<p>The Membership will be drawn from people over the age of 16 years in Yorkshire and the Humber. The Public Constituency will be sub-divided into four smaller Constituencies representing the North, South, East and West of Yorkshire and the Humber and (for the NHS 111 service only) Bassetlaw, North and North East Lincolnshire. They are defined by using the local authorities as the basic building blocks, thus:</p> <p>North: Craven District Council, Hambleton District Council, Harrogate Borough Council, Richmondshire District Council, Ryedale District Council, Scarborough Borough Council, Selby District Council and City of York Council.</p> <p>South: Barnsley Metropolitan Borough Council, Doncaster Metropolitan Borough Council, Rotherham Metropolitan Borough Council, Sheffield City Council and Bassetlaw District Council.</p> <p>East: East Riding of Yorkshire Council, Kingston upon Hull City Council, North East Lincolnshire Council and North Lincolnshire Council.</p> <p>West: City of Bradford Metropolitan District Council, Calderdale Metropolitan Borough Council, Kirklees Metropolitan Borough Council, Leeds City Council and Wakefield Metropolitan District Council.</p>	<p>The Trust covers a wide geographical area.</p> <p>The Trust's Public Constituency areas are coterminous with the Trust's operational divisions and the local government electoral ward areas that cover the populations served by the Trust - and that are likely to continue to be served by it.</p> <p>Membership of the Trust is therefore available to all the individuals who reside in these areas, which will help to ensure that, taken as a whole, the actual Membership of the Trust's Public Constituencies is representative of those eligible for Membership.</p>
1.2	How membership will reflect the full	Ensuring that the Public Membership reflects the diversity of, and is representative of, the community served by the	The Trust will be accountable to the community it serves and it is therefore essential that its Membership

Department of Health Appendices: Appendix A4: Governance rationale template

	<p>diversity of the potential community and be representative of the community served by the trust.</p>	<p>Trust is one of the key objectives of the Trust's Membership Strategy.</p> <p>The Trust will carry out <u>has carried out</u> demographic profiling to analyse the Membership by geographical area, age, ethnicity, gender and socio-economic status to enable the Trust to identify areas that are at risk of being under-represented. Specific recruitment drives are <u>will then be</u> targeted at these areas. Advice from existing Members and the Trust's <u>Heads of Stakeholder Engagement and Equality and Diversity</u> Lead will be <u>are</u> sought in addressing gaps in representation.</p> <p>Implementation of the Membership Strategy will be monitored by the Trust Board until authorisation, when it will become a key focus for the Council of Governors.</p> <p>The four Constituencies will elect governors proportionate to their population sizes:</p> <p>North: 2 Governors South: 3 Governors East: 2 Governors West: 6 Governors</p>	<p>is truly representative of the community.</p> <p>Since the Governors will represent the Membership and the community, it is logical to work with the Council of Governors, once elected and appointed, to ensure that this is the case. The Trust values diversity and the aim of reflecting the diversity of the community is at the heart of its Membership Strategy.</p> <p>The Trust is keen to ensure that its Membership is representative of the local community in terms of disability, age, gender, and ethnicity.</p> <p>Data relating to the Trust's actual Membership versus demographic information relating to the areas covered by the Public Constituency will be used by the Trust and Council of Governors to refine the Membership Strategy and recruitment/retention activities.</p>
1.3	<p>Plans to develop, maintain and grow the membership.</p>	<p>The Trust intends to maximise the benefits of our Membership population and is taking a phased approach to build our Membership. At the start of the financial year 2014/15 the Trust's Public Membership was c 5,700, on which we intend to build at a rate of 10% per annum over this and the next two years (to March 2017). The Trust is taking a phased approach to developing its Public Membership and set a target to recruit 3,000 Public Members in 2012/13, and our Membership will be 0.1% of our population by 2014/15. These targets will be kept under regular review by the Trust and the targets will be updated</p>	<p>The Trust seeks to have a highly active Membership engaged in a genuine two way dialogue and participating in the issues affecting the ambulance service. To help facilitate this whilst minimising the resources required it is envisaged that the Membership will be kept small.</p> <p>The approach set out is in line with best practice and allows sufficient time for the longer term targeting of individuals within under-represented groups. <u>We believe this level of growth will allow us to optimise the benefits of real two-way engagement with our</u></p>

Formatted: Space After: 10 pt, Line spacing: Multiple 1.15 li, Adjust space between Latin and Asian text, Adjust space between Asian text and numbers

Department of Health Appendices: Appendix A4: Governance rationale template

		<p>to reflect its success in Membership recruitment.</p> <p>Thereafter targets to increase the Membership further will be set annually in consultation with the Council of Governors. The Trust will develop and maintain the Membership as it grows by involving Members in a number of ways according to their wishes and interests</p> <p>To encourage Membership, three levels of involvement and engagement are proposed to ensure that interest is maintained and that Members are engaged at the level which is most suitable for them:</p> <p>Level 1: Thought - Members receive written information e.g. newsletters and are consulted on the Trust's future plans e.g. through postal/web-based surveys/attendance at public Council of Governor meetings</p> <p>Level 2: Time - level 1 plus attending Members' events and taking part in surveys and/or questionnaires</p> <p>Level 3: Support – levels 1 and 2 plus potentially standing for election to the Council of Governors</p> <p>The engagement programme will be developed over time to provide a variety of opportunities for Members to participate in the development of the Trust.</p> <p>Members will be asked about their particular areas of interest to help target their involvement for the mutual benefit of the individual and the organisation. Members will be encouraged to participate in ways and with a frequency that reflects their interests and enthusiasm.</p> <p>The Trust's plans are set out more fully in its Membership Strategy. The Secretary and Membership Officer <u>Manager</u> will support the Council of Governors in the implementation of the Strategy.</p>	<p>Membership whilst recognising that having too large a Membership profile is costly and will reduce the benefits to us.</p> <p>It is felt that an attempt to recruit the larger number of Members in one go would limit the type of Member recruited.</p> <p>The Trust will be accountable to the community it serves and it is therefore important that it extends its Membership throughout the community to ensure that the local population has a real voice in the development of its plans.</p> <p>The current target numbers are consistent with the Trust's aim of creating an active and engaged Membership which will participate in and contribute to the work of the Trust. The proposed figures will help to create a Membership of a size which can be managed and with which it is possible to set up effective communication systems, whilst at the same time providing a reasonably sized pool of potential candidates for election to the Council of Governors.</p> <p>The levels of Membership are based <u>a three year target (by March 2017) of 7,586 Members representing 0.15% on 0.1%</u> of our total population.</p>
--	--	--	--

Department of Health Appendices: Appendix A4: Governance rationale template

<p>1.4</p>	<p>Any exclusion to membership that are to apply over and above the legal minimum.</p>	<p>In addition to the legal minimum criteria (NHS Act Schedule 7, paragraph 8), no individual may become or continue as a Member of the Trust if:</p> <ul style="list-style-type: none"> • He/she is under 16 years of age at the date of his/her application or invitation to become a Member (as the case may be) • (s)he has demonstrated aggressive, offensive or violent behaviour (such as verbal assault or abuse, physical assault, violence or harassment) at any NHS hospital, NHS premises (including NHS vehicles) or NHS establishment or against any of the Applicant Trust's or (as the case may be) the Trust's employees, or other persons who exercise functions for the purposes of the Trust, whether or not in circumstances leading to her/his removal or exclusion from any NHS hospital, premises or establishment. • He/she has demonstrated aggressive, offensive or violent behaviour against any other NHS employer's employees, or persons who exercise functions for the purpose of another NHS employer, whether or not in circumstances leading to her/his removal or exclusion from any NHS hospital, premises (including NHS vehicles or establishment, (includes registered volunteers). • He/she has made trivial or hoax calls on the Trust's or any of its predecessor organisations' services; • He/she has been identified by the Trust of any of its predecessor organisations as a vexatious complainant <u>in terms consistent with the Trust's Complaints & Concerns Policy for Complaints, Concerns, Comments and Compliments, (or any policy replacing or superseding it) as amended from time to time;</u> • He/she has been dismissed by the Trust or any of its predecessor organisations (other than for redundancy). <p>The exclusions are set out in detail in the Constitution</p>	<p>The Trust believes that individuals from all parts of the communities it serves should be eligible to become Members and to stand for election as Governors, unless they are otherwise ineligible or disqualified.</p> <p>The exclusions set out opposite should be seen in this context.</p> <p>Exclusion 1: The minimum age limit for Membership was the subject of careful consideration. Although the Trust considered lowering the age of eligibility, it was felt that there would be a number of practical difficulties associated with having a Membership age younger than that set as the lowest acceptable minimum age for Governors by Monitor in the Guide for Applicants. The Trust will instead give consideration to the future establishment of a young persons' panel outside the formal Foundation Trust Constitutional framework.</p> <p>Remaining Exclusions: The Trust is committed to ensuring the safety and security of its staff, so far as is possible, and these exclusions are designed to assist it in doing so. The Trust feels that these additional exclusions are based upon sensible protection of Trust staff and are reasonable exclusions from Membership.</p>
------------	--	---	---

Formatted: Font color: Red

Formatted: Font color: Red

Department of Health Appendices: Appendix A4: Governance rationale template

		(Annex 9, paragraphs 1 and 2). Disputes about Membership will be referred to the Trust Secretary who will determine Membership, with the applicant having a right of appeal to the Council of Governors, whose decision shall be final.	
1.5	Expected minimum number of members in the public constituency.	The minimum numbers in the Public Constituencies for the purposes of the Constitution will be: North – 4284 South – 90180 East - 58116 West – 136272 In line with the Trust's Membership Strategy, the Trust Secretary and Membership Officer Manager will work with the Council of Governors to regularly plan recruitment campaigns after analysis of current Membership to ensure the Membership grows annually in both numbers and representation.	It is desirable to set the minimum number of Members for each area of the Public Constituency at a reasonable, but lower level. This approach will guard against the possibility of breaching the terms of the Trust's authorisation because of an unexpected decline in Membership not matched by sufficient recruitment at any point in time. The proposed minimum Membership numbers will also help to ensure that the Public Constituency areas are representative of the local areas to which they correspond whilst providing a reasonably sized pool of potential candidates for election to the Council of Governors. This modest number would allow for elections to take place in each of the Constituencies. It is calculated as <u>approximately</u> 10% of the first year (2014/15) target for the Public Membership of 3000 <u>6,270</u> , proportionate to populations in each area (North, South, East and West).
2	Patient Membership		
2.1	Will there be a patient or service user constituency?	In line with paragraph 3(1)(c) of Schedule 7 of the 2006 Act, as the Trust has no hospitals, there will be no patient or service user constituency.	Patients of the Trusts will be eligible to become Public Members if they reside in the area of the Trust. The Trust has ensured that its Public Constituency covers its entire catchment area.
2.2	If there is a patient or service user constituency, will it include carers?	Not applicable	
2.3	If there is a patient or	Not applicable	

Department of Health Appendices: Appendix A4: Governance rationale template

	service user constituency, what are your plans for sub-division of the constituency?		
2.4	If there is a patient or service user constituency, what are your plans to develop, maintain and grow the membership, what are the timescales and milestones for growth?	Not applicable	
2.5	If there is a patient or service user constituency, are there any exclusions to membership that are to apply over any above the legal minimum?	Not applicable	
2.6	If there is a patient or service user constituency, which is the expected minimum number of members in the public constituency?	Not applicable	
2.7	Are there any plans to recruit patient or service user members on an opt-out basis?	Not applicable	
2.8	If you plan to use an	Not applicable	

Department of Health Appendices: Appendix A4: Governance rationale template

	opt-out system how will you communicate with patients and service users to ensure they are adequately informed?		
3 Staff Constituency			
3.1	Definition of the staff constituency.	<p>The Staff Constituency includes all individuals employed by the Trust under a contract of employment, provided that the contract has no fixed term or a fixed term of at least 12 months, or that the individual has been continuously employed by the Trust for at least 12 months.</p> <p>Individuals, other than volunteers, who exercise functions for the purposes of the Trust, otherwise than under a contract of employment with the Trust, will be eligible to become members of the Staff Constituency provided such individuals have exercised these functions continuously for a period of at least 12 months.</p> <p>(Paragraph 8 of the Constitution refers).</p> <p>Volunteers will be excluded from the Staff Constituency and they will be encouraged to become Public Members instead.</p>	<p>The Trust aims to maximise the involvement of its staff and has therefore decided to open its Membership to all those working for the Trust who satisfy the criteria set out opposite.</p> <p>The Trust believes that it is essential that the membership of the Staff Constituency is representative of those who actually deliver healthcare and other related services to the local population.</p> <p><u>The Trust believes its staff should be inclusive to YAS' future development and the governance framework in which we conduct the organisation's business.</u></p>
3.2	Plans for sub-division of the constituency.	<p>There will be two classes of Staff Members:</p> <p>Frontline: This category will include all staff and managers who provide direct patient care, whether face to face or over the telephone. This will include:</p> <ul style="list-style-type: none"> • Staff providing Accident & Emergency or Urgent care clinical services • Patient Transport Service staff (on vehicles and at communications centres) • Emergency Operations Centre and NHS 111 call centre staff and those providing other telephone- 	<p>The Staff Constituency is sub-divided into two distinct Classes to reflect the different clinical and non-clinical groups within the Trust, and to ensure that each Class may elect at least one of their number to be a Staff Governor.</p> <p>The Trust believes that these arrangements will help to ensure that the Council of Governors is able to represent the interests of the constituents as a whole.</p>

Formatted: Justified, Indent: Left: 0 cm, Hanging: 1.25 cm, Space After: 10 pt, Line spacing: Multiple 1.15 li, Adjust space between Latin and Asian text, Adjust space between Asian text and numbers

Department of Health Appendices: Appendix A4: Governance rationale template

		based services. Support: This category will include staff and managers who work in the Trust's fleet, estates, IT departments, etc or who provide administrative support or other services.	
3.3	Plans to develop maintain and grow the membership. What are the timescales and milestones for growth?	<p>Membership is automatic for all eligible staff, with the right to opt-out if they so wish (Paragraph 9 of the Constitution refers).</p> <p>It is anticipated that there will be some staff who will exercise their opt-out rights in the early stages, but that this proportion will be reduced over time as new staff are recruited.</p> <p>YAS will continue to engage with its staff through staff events to inform staff of the detail of Foundation Trust status, the benefits of Membership and to provide information on becoming a Staff Governor. A welcome letter will be sent to all new starters and information included in the Trust induction programme.</p> <p>The Trust is aiming for <u>95% a minimum of 75% of</u> eligible staff to be Staff Members.</p>	<p>The Trust has decided to implement an opt-out system for its employed staff so opportunities to grow the Membership will be limited. However, the Trust has set itself the target of having <u>95%75%</u> of eligible staff as members at all times. <u>This figure is based on the experience of established Foundation Trust's and the Board's desire for staff to be inclusive to YAS' future development and the governance framework in which we conduct the organisation's business.</u></p> <p>The Trust is committed to investing time and resources in developing and maintaining an effective and motivated Membership community that is drawn from its employed Staff Constituency.</p> <p>It is hoped that, as the Foundation Trust is established, the Trust's staff will see the benefits associated with Membership, and this will also help to maintain and grow the Membership.</p>
3.4	How membership will reflect the diversity of local staff.	Data on diversity will be stored in the membership database. This will allow the Trust to track its performance against the known diversity of the whole staff population and against that of the general population in Yorkshire and the Humber.	Since the Trust is operating an opt-out system, the majority of Staff will be members of the Trust and, consequently, the Membership will reflect the diversity of local Staff.
3.5	Expected minimum number of members in the staff constituency.	<p>The minimum numbers in the Staff Constituencies for the purposes of the Constitution will be:</p> <p>Front line – 66 Support – 24</p> <p>These numbers represent approximately 2% of the total</p>	<p>The Trust has decided to set the minimum number of Members for each Staff Class at a reasonably low level to guard against an unexpected surge in Staff opting out before recruitment efforts have been successful at any point in time.</p> <p>The Trust decided to apply a figure that is proportionate</p>

Formatted: Justified, Indent: Left: 0 cm, Hanging: 1.25 cm, Space After: 10 pt, Line spacing: Multiple 1.15 li

Department of Health Appendices: Appendix A4: Governance rationale template

		eligible Staff in each Class.	<p>to the total number of individuals in each Staff Class as the minimum of Members for each Class of the Staff Constituency.</p> <p>The Constitution must specify the minimum numbers for each Class of the Staff Constituency and it is the Trust's view that the proposed minimum numbers identified represent a figure that will allow the Classes to be representative of those who are eligible to join them whilst providing a reasonably sized pool of potential candidates for election to the Council of Governors.</p>
3.6	Are there any plans to recruit staff members on an opt-out basis? How will you communicate with staff to ensure they are adequately informed?	Yes – see comments above. Staff who opt-out will be kept apprised of Trust developments through internal communications media. The Council of Governors meetings will be open to the public to which those Staff who opt out will be eligible to attend.	<p>The Trust values its Staff as its single greatest assets and therefore decided that all Staff should have the automatic right to become Members of the Staff Constituency (provided that they met the eligibility criteria) unless they choose to opt-out of Membership.</p> <p>In formal terms, Staff were invited by letter (September 2012) to become Members and notified that Membership is automatic.</p> <p>The Trust recognises that regular communication with Staff as Members is essential if they are to remain engaged, act as ambassadors for the Trust and develop their interest in standing as Governors.</p>
4	Disqualification for Membership		
4.1	Any exclusions that are to be applied for disqualification of membership.	See section 1.4 above. No further provisions apply.	The reasons are explored fully in section 1.4.
5	Termination of Membership		
5.1	Under what circumstances will you terminate membership, and how will you enforce it?	<p>A Member shall cease to be a member if:</p> <ul style="list-style-type: none"> • She/he resigns by notice to the Trust Secretary; or • She/he ceases to be entitled under this Constitution to be a Member of the Constituency or Class in which (s)he is registered. 	The 2006 Act does not require the Constitution to set out the circumstances where Membership may be terminated. Nevertheless, the Trust believes that the Constitution should deal with this issue in a way which eliminates ambiguity and ensures that only those who are eligible for Membership can continue to be

Department of Health Appendices: Appendix A4: Governance rationale template

		<p>(Annex 9, paragraph 4 of the Constitution refers).</p> <p>Under the provisions of the Constitution, the Trust Secretary has powers to enforce termination of Membership and the Council of Governors has the power to expel a Member who breaches the Trust's Code of Conduct or acts in a manner detrimental to the Trust, or where it is not in the best interests of the Trust for her/him to continue as a Member.</p> <p>(Annex 9, paragraph 6 of the Constitution refers).</p>	<p>Members of the Trust.</p> <p>The Trust believes that the circumstances in which Membership will be terminated are those which would be expected of any Membership organisation.</p> <p>Further, the Trust believes that it is appropriate to set out in the Constitution detailed procedures for termination and expulsion, and for dispute resolution of these issues, in order that there is no doubt about the powers of the Trust Secretary and of the Council of Governors in the relevant circumstances.</p>
6	Council of Governors		
6.1	The size, composition of the Council of governors.	<p>The Council of Governors will have 22 members.</p> <p>Public Governors 13 Consisting of: North 2 South 3 East 2 West 6</p> <p>Staff Governors 4 Consisting of: Frontline 3 Support 1</p> <p>Appointed Governors 75 Consisting of: Local Authorities 2 Partnership Governors 3</p>	<p>The Trust's catchment area is large, which might suggest a large Council of Governors. However, the Trust believes that it is important to ensure that the size of the Council of Governors is not so large as to be unmanageable.</p> <p>With that in mind, the Trust feels that its proposal keeps the number of Governors to a manageable 22.</p> <p>The composition of the Council of Governors is intended to reflect:</p> <ul style="list-style-type: none"> • the Trust's working relationships; • the size, complexity, and nature of the Trust and its services; • the wish of the Trust to ensure the effective representation of the public; • the role of the Trust in operating across many local health economies and local authority areas; • the diversity of the area served in terms of its rural/urban and geographical mix.

Department of Health Appendices: Appendix A4: Governance rationale template

			<p>The Public Governors' rationale is one Governor to a population of approximately 425,000.</p> <p>Further, the Trust will seek to ensure that the Partnership Organisations continue to reflect those organisations with which the Trust works closely in the delivery of patient care and which therefore have an impact on the overall quality of patient care and the patient experience.</p> <p>The Trust's aim is that the composition of the Council of Governors reflects the diversity of the population served, the Staff employed by the Trust and the stakeholders with which the Trust regularly operates and interfaces.</p>
6.2	How will you ensure the size of the board of governors <u>Council of Governors</u> is manageable?	<p>The Council of Governors will have 22 members.</p> <p>The Standing Orders for the Practice and Procedure of the Council of Governors are set out at Annex 7 of the Constitution.</p> <p>The Board of Directors and the Council of Governors will review the size and composition of the Council of Governors regularly to ensure that it continues to meet the needs of the Trust.</p> <p>The Trust will also continually review the resources required to manage the requirements of the Council of Governors, but, initially, has appointed a Membership Officer<u>Manager</u> to assist in this role.</p>	<p>The Trust is aware that the size and composition of the Council of Governors is consistent with that of other Foundation Trusts.</p> <p>The Trust believes that the Council of Governors is large enough to facilitate the effective representation of Members and Partnership Organisations by the elected and appointed Governors, but that it is also manageable in terms of communications and engagement.</p> <p>However, the Board of Directors and the Council of Governors will review the size and composition of the Council of Governors regularly to ensure that it continues to meet the needs of the Trust.</p> <p>The Trust aims to ensure that the size of the Council of Governors is manageable by setting out clearly in the Constitution the objectives and the roles and responsibilities of the Governors, together with Standing Orders for the Council's Practice and Procedure. These Standing Orders give the Council of Governors a</p>

Department of Health Appendices: Appendix A4: Governance rationale template

			<p>framework within which to operate.</p> <p>Moreover, the members of the Council of Governors will be required to sign up to and adhere at all times to the Governors' Code of Conduct.</p> <p>The Trust will also seek to ensure that the Council of Governors is manageable through activities connected with its Governor induction and training programmes.</p>
6.3	<p>What part do you want the board of governors to play in the NHS foundation trust and how will you empower them?</p>	<p>It is envisaged that the Council of Governors will play a full and active part in the development of the Trust.</p> <p>The Council of Governors has two general statutory duties:</p> <p>(a) to hold the Non-Executive Directors to account for the performance of the Board; and</p> <p>(b) to represent the interests of the members of the Trust as a whole and the public.</p> <p>In practice Governors provide the link between the local health community and the Trust Board of Directors. Governors should engage with and listen to the views and wishes of their local population (through the Membership) about the type of ambulance service that they wish to have – and then translate these views to the Board of Directors.</p> <p>Governors have a duty to provide a two-way channel of communication and so must develop appropriate skills and knowledge about the issues facing the Trust in order to be able to manage, support and guide the expectations of the local population.</p> <p>Communication will be encouraged and supported through the provision of information by the Board of Directors, and joint working between the two forums of the Council of Governors and the Board of Directors.</p>	<p>The roles and responsibilities of Governors are set out in Schedule 7 of the 2006 Act and supported by the Constitution and the Standing Orders for the Practice and Procedure of the Council of Governors (Annex 7).</p> <p>To help the Governors exercise their roles and responsibilities in an efficient and effective manner, and to assist them in being able to contribute fully, the Trust will, for example:</p> <ul style="list-style-type: none"> • be clear about the time commitment, the training required, and the skills required of Governors; • give detailed consideration to the relationship between the Council of Governors and the Board of Directors, and consider how this can be improved on a continuous basis. <p>The Trust will also prepare the Governors for their role and empower them by providing an induction and orientation programme, and by providing adequate, relevant and timely information and training to enable them to carry out their tasks.</p> <p>The Governors will be supported by, and will have access to the advice of, the Trust Secretary in relation to governance and administration, induction, orientation and development, and membership initiatives.</p>

Department of Health Appendices: Appendix A4: Governance rationale template

		<p>Openness will be enabled through the provision of sufficient assurance from the Board of Directors on its operations, and encouragement to Governors to visit and engage with the different functions of the Trust. Mutual respect for and understanding of individual roles will be essential and boundaries must be clear and appropriate.</p> <p>The Trust Chairman will chair both forums and is therefore vital to successful engagement between the Board of Directors and Council of Governors, providing leadership and direction, supported by the Trust Secretary.</p> <p>Governors will be supported in undertaking their statutory duties through the following mechanisms:</p> <ul style="list-style-type: none"> • on appointment Governors will be provided with a welcome pack, which will include the Trust's latest corporate publications and Monitor's publication 'Your Statutory Duties: A Reference Guide for NHS Foundation Trust Governors' • Executive Directors are to attend Council of Governor meetings (presuming this is acceptable to the Council of Governors) • robust and comprehensive induction programme • appropriate and targeted training, including external events as necessary/required (eg governor programmes run through the Foundation Trust Network or the Foundation Trust Governors' Association) • appointment of external expertise where required and approved • establishment of a 'mentor' system with Directors and managers • support and guidance from the Trust Secretary and Membership Officer Manager • internal audit review of the role of Governors (once up and running) 	<p>The Trust believes that the role of the lead Governor, as set out in the NHS Foundation Trust Code of Governance, and which will be used to inform the role and responsibilities of the lead Governor, will further empower the Governors by facilitating direct communications between Monitor and the Council of Governors where circumstances require this.</p>
--	--	---	---

Department of Health Appendices: Appendix A4: Governance rationale template

		<ul style="list-style-type: none"> • good administrative support including a clear Annual Cycle of Business for the Council of Governors • an information protocol which explains how Governors will be kept up-to-date with information and what information they will get on a regular basis • specific discussions on the draft Annual Plan prepared by the Board of Directors as part of Council of Governors expressing their views • joint meetings of the Board of Directors and Council of Governors held ideally twice a year (minimum) in closed session to support open and constructive discussion and debate, including the raising of any issues of concern. In addition, the two forums will hold a Joint Annual General meeting. • annual self-assessment of the work of the Council, led by the Chairman. 	
7 Public Governors			
7.1	The process to be followed for nominating public governors and details of the election process.	<p>Members who wish to stand for election as Public Governors will be required to make a declaration set out on the nomination paper (Annex 5, paragraphs 9-14 of the Constitution refer).</p> <p>All aspects of the elections for Public Governors will be conducted in accordance with the Model Rules for Elections published by the Department of Health using the first past the post system. The Model Rules are set out at Annex 5 of the Constitution.</p> <p>The election process for the Council of Governors will commence once NHS Trust Development Authority approval has been given for the Trust to enter the Monitor assessment phase.</p>	<p>The Trust is required to follow the Department of Health's Model Rules for Elections and cannot amend them.</p> <p>The Trust believes that the use of the first past the post voting method will help to ensure that the Public Governors are, as far as possible, representative of the community as a whole and specifically of the constituency they represent.</p> <p>The Trust will encourage interest from Members in terms of becoming Governors and will support those who wish to do so.</p> <p>The Trust will retain oversight of the nomination and election process to ensure that it adheres strictly to the Model Rules for Elections. Further, the Trust will contract a third party to run the elections on behalf of the Trust and to act as Returning Officer.</p>

Department of Health Appendices: Appendix A4: Governance rationale template

<p>7.2</p>	<p>Circumstances in which people are not eligible to be governors over and above the mandatory circumstances.</p>	<p>In addition to the provisions of Paragraph 8 (1) of Schedule 7 of the 2006 Act, a person may not become a Governor of the Trust, and if already holding office shall immediately cease to do so, if:</p> <p>(a) (s)he is not (or ceases to be) a member of the trust;</p> <p>(b) (s)he is a Director of the Trust or a Governor or Director of an NHS body (unless (s)he is appointed by one of the appointing organisations which is an NHS body);</p> <p>(c) (s)he is a member of a local authority's Scrutiny Committee covering health matters in an area served by the trust;</p> <p>(d) being a member of the public constituency, (s)he refuses to sign a declaration in the form specified by the Trust Secretary of particulars of her/his qualification to vote as a member of the trust, and that (s)he is not prevented from being a member of the Council of Governors;</p> <p>(e) on the basis of disclosures obtained through an application to the Criminal Records Bureau, (s)he is not considered suitable by the Trust's Director responsible for Human Resources;</p> <p>(f) (s)he does not cooperate with the trust in making any application to the Criminal Records Bureau when requested to do so from time to time by the Trust's Director responsible for Human Resources.</p> <p>(g) (s)he has within the preceding two years been dismissed, otherwise than by reason of redundancy, from any paid employment with an NHS body;</p> <p>(h) (s)he is a person whose tenure of office as the</p>	<p>The Trust believes these criteria to be reasonable grounds for eligibility and disqualification. The provisions will ensure that only those who meet the eligibility criteria may be elected or appointed to the Council of Governors and continue as members of the Council of Governors. This will also help to ensure that Governors have the appropriate skills and experience necessary to carry out their functions.</p> <p>The Trust believes the grounds for disqualification and removal/expulsion are reasonable, and that these will help to ensure that the process for removal/expulsion is fair and equitable so that those who are no longer eligible to hold office as a Governor are removed by their peers in an open and transparent manner.</p> <p>The Trust decided that failure to attend three consecutive meetings would render a Governor incapable of representing his or her Constituency adequately, and therefore should be a ground for disqualification.</p> <p>Other provisions are direct consequences of the failure to meet eligibility criteria.</p>
------------	---	---	---

Department of Health Appendices: Appendix A4: Governance rationale template

		<p>Chairman or as a Member or Director of an NHS body has been terminated on the grounds that her/his appointment is not in the interests of the health service, for non-attendance at meetings, or for non-disclosure of a pecuniary interest;</p> <p>(i) in the case of an elected governor, (s)he is not (or ceases to be) a Member of the Constituency or Class to which the Governorship relates;</p> <p>(j) (s)he is on the register of sex offenders;</p> <p>(k) (s)he is a member of a Health & Wellbeing Board with responsibility for an area served by the Trust; in the following circumstances where (s)he cannot continue as a member;</p> <p>(l) (s)he is less than 16 years old;</p> <p>(m) (s)he does not live in one of the Trust's Public Constituencies;</p> <p>(n) (s)he has demonstrated aggressive, offensive or violent behaviour (such as verbal assault or abuse, physical assault, violence or harassment) at any NHS hospital, NHS premises (including NHS vehicles) or NHS establishment or against any of the Applicant Trust's or (as the case may be) the Trust's employees, or other persons who exercise functions for the purposes of the Trust, whether or not in circumstances leading to her/his removal or exclusion from any NHS hospital, premises or establishment;</p> <p>(o) (s)he has demonstrated aggressive, offensive or violent behaviour (such as verbal assault or abuse, physical assault, violence or harassment) against any other NHS employer's employees, or other persons who exercise functions for the purposes of another NHS employer, whether or not in circumstances leading to her/his removal</p>	
--	--	---	--

Department of Health Appendices: Appendix A4: Governance rationale template

	<p>or exclusion from any NHS hospital, premises (including NHS vehicles) or establishment;</p> <p>(p) (s)he has made trivial or hoax calls on the Trust's or any of its predecessor organisations services;</p> <p>(q) (s)he has been identified by the Trust or any of its predecessor organisations as a vexatious complainant <u>in terms consistent with the Trust's Complaints & Concerns Policy for Complaints, Concerns, Comments and Compliments (or any policy replacing or superseding it) as amended from time to time;</u></p> <p>(r) (s)he has been dismissed by the Trust or any of its predecessor organisations (other than for redundancy); or</p> <p>(s) at any time when (s)he is not eligible to be a Governor, (s)he fails to notify the Trust forthwith that (s)he is not eligible to be a Governor.</p> <p>Paragraphs 17.2 and 17.3, Annex 6, paragraph 2 and Annex 9, paragraph 2 of the Constitution refer.</p> <p>In the event of dispute regarding a person's eligibility to become or continue as a Governor, the Trust Secretary shall refer the point at issue to an independent assessor agreeable to both parties and the decision of such assessor shall be final.</p> <p>Further provisions for termination of a Governor's tenure are set out in paragraphs 4-12 of Annex 6 of the Constitution:</p> <p>A person holding office as a Governor shall immediately cease to do so if:</p> <p>(a) (s)he resigns by notice in writing to the Trust Secretary;</p>	
--	---	--

Formatted: Font color: Red

Formatted: Font color: Red

Department of Health Appendices: Appendix A4: Governance rationale template

		<p>(b) (s)he has failed within a reasonable period to sign and deliver to the Trust Secretary a statement in the form required by the trust confirming acceptance of the trust's code of conduct for governors; or</p> <p>(c) (s)he is removed from the Council of Governors under the following provisions.</p> <p>A Governor may be removed from office by a resolution of the Council of Governors approved by not less than three-quarters of the remaining Governors present and voting on the grounds that:</p> <p>(a) (s)he fails to attend three consecutive meetings of the Council of Governors, unless the other Governors are satisfied that:</p> <ul style="list-style-type: none"> (i) the absences were due to reasonable causes, and (ii) (s)he will be able to start attending meetings of the Council of Governors again within a reasonable period; <p>or</p> <p>(b) (s)he has refused without reasonable cause to undertake any training which the Council of Governors requires all Governors to undertake; or</p> <p>(c) (s)he has committed a serious breach of the Trust's Code of Conduct for Governors; or</p> <p>(d) (s)he has acted in a manner detrimental to the interests of the trust; or</p> <p>(e) it is not in the best interests of the trust for her/him to continue as a Governor.</p>	
8	Patient Governors (if applicable)		

Department of Health Appendices: Appendix A4: Governance rationale template

8.1	The process to be followed for nominating patient governors and details of the election process. The explanation needs to include the specific circumstances in which people are not eligible to be governors over and above the mandatory circumstances.	Not applicable (see section 2 above).	Not applicable.
9	Staff Governors		
9.1	The process to be followed for nominating staff governors and details of the election process.	The same process will be followed for nomination and election of Staff Governors as for Public Governors, as set out in the relevant section above (7.1).	The rationale is the same as that set out for Public Governors in the relevant section above.
9.2	Circumstances in which staff are not eligible to be governors over the mandatory circumstances.	The same eligibility and disqualification criteria as are set out under the Public Governor section (7.2) above apply to the Staff Governors	The rationale is the same as that set out for Public Governors in the relevant section above.
10	Primary Care Trust Clinical Commissioning Group Governors		
10.1	Clinical Commissioning Group(s) that are eligible to appoint governor(s) are selected and details of the appointment process.	NOT APPLICABLE	<u>The Trust will not have CCG Governors as defined by the 2012 Act because of the potential for conflict of interest</u>
11	Local Authority Governors		

Department of Health Appendices: Appendix A4: Governance rationale template

11.1	Local authority(ies) that are eligible to appoint governor(s) are selected and details of the appointment process	<p>The Council of Governors will include two Local Authorities.</p> <p>One appointed by East Riding of Yorkshire Council and one is appointed by Sheffield City Council.</p>	<p>The proposed appointment arrangements reflect the Trust's geographic catchment area and will help to ensure that there is further strengthening of the ties between it and the relevant local authorities in respect of health and social care issues affecting the local populations served. It keeps the Council of Governors to a manageable size whilst ensuring representation across the area served (.</p> <p>The Trust believes that these arrangements are consistent with the provisions of paragraphs 9 (4) and (5) of Schedule 7 of the 2006 Act.</p> <p>The Local Authority Governors will be required to meet the eligibility criteria for all Governors and are subject to the provisions relating to disqualification, expulsion and termination for Governors, set out above.</p>
12 University Governors			
12.1	Where applicable, the university(ies) that are eligible to appoint governor(s) are selected and details of the appointment process.	Not applicable.	The Trust will not have university governors as defined by the 2006 Act because the provisions of paragraph 9 (6) of Schedule 7 of the 2006 Act do not apply to the Trust.
13 Partnership Governors			

Department of Health Appendices: Appendix A4: Governance rationale template

13.1	Why those organisations were selected and the process for appointing them (e.g. colleges, voluntary organisations, etc.).	<p>The Trust has decided that the organisations which may appoint members of the Council of Governors are:</p> <p>West Yorkshire Police - The four police services in Yorkshire are key partners and a great many incidents require dual attendance. Of the four forces West Yorkshire is our largest partner by volume of incidents. West Yorkshire Police is the regional representative for all Yorkshire police forces.</p> <p>Barnsley Hospital NHS Foundation Trust and Leeds Partnership NHS Foundation Trust - There are strong operational and strategic links between YAS and hospital trusts, which provide care to all patients, including those with acute, mental and community health needs. It will be important to continue to work with all parts of the NHS in developing alternative care pathways and reducing the need for hospital admission</p>	<p>The proposed arrangements for Appointed Governors reflect the Trust's diverse relationships and should help to ensure that there is a further strengthening of the ties between these organisations and the individuals they represent, and the Trust in respect of the diverse range of issues affecting the local population. The Trust is keen to work closely with the NHS and community partners, and other emergency services.</p> <p>The Trust believes that these arrangements are consistent with the provisions of paragraph 9 (7) of the 2006 Act, and that similar arrangements have previously been approved by Monitor.</p> <p>The Appointed Governors will be required to meet the eligibility criteria for all Governors and will be subject to the provisions relating to disqualification, expulsion and termination for Governors, set out above.</p>
13.2	Are you considering representatives of any organisation who will be allowed to attend board meetings in an official capacity (e.g. chair of neighbouring trust) but who will have no voting rights?	No. The meetings of the Council of Governors will be held in public and therefore anyone can attend for the public part of these meetings.	The Trust feels that it is not necessary to invite third party representatives to attend Council of Governor meetings in an official capacity because it would be difficult to apply equitably as there would be many such organisations that may wish to be represented in this way. The large geographical footprint of the Trust means the number of such organisations which might be involved would be large and lead to potentially unwieldy meetings.
14 Terms of Office			
14.1	Any cap on the total time served for each category of governor (whether elected or appointed) and for	<p>Term Subject to the transitional provisions contained in the Constitution (Annex 6, paragraph 1) in relation to the initial elected Governors, an elected Governor shall be elected for a term of three years, and shall be eligible for re-election at</p>	The phasing of the initial appointment of elected Governors is designed to ensure continuity of experience on the Council of Governors, and to avoid a situation whereby all Governors are due for re-election at the same time. The maximum term of office for

Department of Health Appendices: Appendix A4: Governance rationale template

	<p>non-elected governors the term of office before new or re-appointment.</p>	<p>the end of that term but may not serve as a Governor for more than a total of six years. This rule applies even if the periods of office are not consecutive.</p> <p>Transitional Provisions The initial Governors (i.e. those elected at the point of the Trust's authorisation as a Foundation Trust) will be elected for a period of 2 or 3 years in accordance with the transitional provisions in the YAS' Constitution set out below.</p> <p>Where a constituency or area within a constituency is entitled to elect more than one Governor at the initial elections, the candidate who secures the highest number of votes shall serve for the longest period and the candidate(s) who secures the lowest number of votes shall serve for the shortest period.</p> <p>The first election to the Council of Governors for the Public and Staff Governors shall, in order that future elections shall occur on a phased basis, be conducted in such a way as to result in the initial terms of office as follows:</p> <p>7 initial public governors will serve a 3 year term 6 initial public governors will serve a 2 year term 3 initial staff governors will serve a 3 year term 1 initial staff governor will serve a 2 year term.</p> <p>(Annex 6, paragraph 1 of the Constitution refers).</p> <p>Appointed Governors will however cease to hold office if the relevant sponsoring organisation withdraws its sponsorship of her/him by written notice to the Trust Secretary.</p> <p>(Paragraph 16.5 of the Constitution refers).</p>	<p>elected Governors is designed to allow for new candidates to become involved and the need for the progressive refreshing of the Council of Governors.</p>
<p>15</p>	<p>Disqualification</p>		

Department of Health Appendices: Appendix A4: Governance rationale template

<p>15.1</p>	<p>The provisions for the removal of governors that are intended to apply and any other additional reasons for exclusion.</p>	<p>Eligibility and Disqualification Please refer to section 7.1 above which sets out the provisions relating to becoming (i.e. eligibility) or continuing (i.e. disqualification) as a Governor of the Trust.</p> <p>Exclusion following resignation or termination of office Annex 6 (paragraph 13) of the Constitution provides that a Governor who resigns or is disqualified or removed from office shall not be eligible to be re-appointed or to stand for re-election as a Governor for a period of three years from the date of her/his resignation or disqualification or removal from office or the date upon which any appeal against her/his disqualification or removal from office is disposed of, whichever is later.</p> <p>In the event of an allegation being made against a Governor on a matter which may render the Governor liable for removal from office under the provisions of paragraph 8 of Annex 6 of the Constitution, the Chairman shall be authorised to take such action as may be immediately required, including but not limited to exclusion of the Governor concerned from meetings of the Council of Governors, to allow investigation of such allegation.</p> <p>The Governor in question shall be notified in writing of the allegation, detailing the grounds for removal and inviting her/his response within a defined and reasonable timescale.</p> <p>If the matter cannot be resolved satisfactorily through correspondence, the Governor shall be invited to address the Council of Governors in person prior to any vote on a resolution to remove the Governor from office.</p> <p>A Governor removed from office by resolution of the Council of Governors may appeal against removal in writing to the Trust Secretary within 14 days of the date upon which notice of the Council of Governors' decision is given to the</p>	<p>The Trust believes these provisions to be reasonable grounds for eligibility and disqualification. The provisions will ensure that only those who meet the eligibility criteria may be elected or appointed to the Council of Governors and continue as members of the Council of Governors, and will help to ensure that Governors have the appropriate skills and experience necessary to carry out their functions.</p> <p>The Trust believes the processes for removal/expulsion are reasonable, and that these will help to ensure that a fair and transparent process is followed in cases where those who are no longer eligible to hold office as a Governor are removed by their peers.</p> <p>Further, the Trust believes that the provisions relating to exclusion following resignation or termination of office are reasonable and that other Foundation Trusts have adopted such provisions in their constitutions.</p>
-------------	---	--	--

Department of Health Appendices: Appendix A4: Governance rationale template

		<p>Governor concerned, and on receipt of such an appeal the Trust Secretary shall follow the procedure set out in the Constitution (Annex 7, paragraph 3).</p> <p>Upon resignation or disqualification or removal of a Governor, the Secretary shall cause her/his name to be removed immediately from the Register of Governors.</p>	
16	Termination as a Governor		
16.1	<p>What conditions or requirements apply including the requirements of Schedule 7, paragraphs 8 (1) and (2) of the 2006 Act.</p>	<p>The conditions for termination of a Governor's period of office are set out in paragraph 17 of the Constitution and Annex 6. These provisions include the statutory requirements set out in Schedule 7, paragraph 8 (1) of the 2006 Act, as well as a range of other grounds under Schedule 7, paragraph 8 (2) of the 2006 Act.</p> <p>The above sections 7.2 and 15.1 also refer.</p>	<p>The rationale for these provisions in the Constitution are set out in the sections 7.2 and 15.1 above.</p>
17	Vacancies		
17.1	<p>The process for handling vacancies in the board of governors<u>Council of Governors</u>.</p>	<p>Where a vacancy arises on the Council of Governors for any reason other than expiry of a term of office, the following provisions will apply:</p> <p>Elected Governors In the case of elected Governors, the Council of Governors shall [have the freedom to either]:</p> <ul style="list-style-type: none"> • Call an election within three months to fill the seat for the remainder of the term of office of the governor who is being replaced (unless they are in the last year of their term of office, in which case the seat may be left vacant until the next election due in respect of that seat is held); [or • Invite the next highest polling candidate for that seat at the most recent election, who is willing to take office, to fill the seat for the unexpired balance of the former governor's term of office until the next election due in respect of that seat is held at which time the seat will fall vacant. 	<p>The Trust believes that these arrangements are pragmatic and reasonable and mirror the approach taken by a number of other Foundation Trusts. Moreover, these provisions will enable the Council of Governors to continue its work in the event of a vacancy arising.</p> <p>The provisions that apply to elected Governor vacancies should help to reduce the need for by-elections and ensure that vacancies are managed in an efficient and cost-effective way.</p> <p>The use of replacements for Appointed Governors will help to ensure that the views of the Trust's Partnership Organisations can continue to be taken into account by the Council of Governors.</p> <p>Flexibility to maintain the Public Governors in the majority has been built into the composition of the Council of Governors by having four more Public</p>

Department of Health Appendices: Appendix A4: Governance rationale template

		<ul style="list-style-type: none"> Alternatively the seat may be filled by by-election if an election is due to take place in that class/constituency within twelve months of the vacancy arising.] <p>Appointed Governors In the case of appointed governors, the Trust Secretary shall request that the appointing organisation appoints a replacement to hold office for the remainder of term of office.</p>	Governors (a total of 13) than the total of Staff and Appointed Governors combined.
18 Roles and Responsibilities of Governors			
18.1	The process to appoint or remove the chair and other non-executive Directors. This may not apply for the initial Chief Executive and non-executives.	<p>Paragraph 28 of the Constitution sets out the provisions for the appointment and removal of the Chairman and the Non-Executive Directors.</p> <p>The Council of Governors, at a general meeting of the Council of Governors, shall appoint or remove the Chairman of the Trust and the other Non-Executive Directors.</p> <p>Removal of the Chairman or another Non-Executive director shall require the approval of three-quarters of the members of the Council of Governors.</p> <p>The initial Chairman and the initial Non-Executive Directors are to be appointed in accordance with paragraph 23 of the Constitution.</p> <p>The process will be that not less than six months before the end of the term of office of the Chairman or a Non-Executive Director, the Council of Governors Nominations and Remuneration Committee will commence the search for a suitable replacement.</p> <p>Where the Council of Governors Nominations and Remuneration Committee considers that either the Chairman or the Non-Executive Director coming to the end</p>	<p>The Trust believes that the provisions relating to the process for appointing, removing and suspending Non-Executive Directors (including the Chairman) are open, transparent, and in line with best practice, as set out in, for example, the NHS Foundation Trust Code of Governance and Monitor's Reference Guide for NHS Foundation Trust Governors.</p> <p>With respect to the appointment of new Non-Executive Directors and the Chairman, the Trust believes that the use of the Board of Governors<u>Council of Governors</u> Nominations and Remuneration Committee and the availability of specialist HR support and independent experts/assessors to assist process if required, the arrangements will be performed expediently and effectively.</p>

Department of Health Appendices: Appendix A4: Governance rationale template

		<p>of his/her term of office should be reappointed for a further term (and (s)he has not served more than two three year terms following authorisation, the Council of Governors Nominations and Remuneration Committee will make a recommendation to the Council of Governors to that effect.</p> <p>In exceptional circumstances, Non-Executive Directors can serve longer than six years but they must be subject to annual re-appointment. Where these circumstances arise, the Council of Governors Nominations and Remuneration Committee must document the prevailing exceptional circumstances and reasons why such a decision has been made. The Committee should also satisfy itself that the Non-Executive Director remains independent.</p> <p>Where one of the following circumstances prevails:</p> <ul style="list-style-type: none"> • the Council of Governors Nominations and Remuneration Committee does not make a recommendation that the Chairman or a Non-Executive Director should be reappointed • the Chairman or the Non-Executive Director in question does not want to be reappointed • the Council of Governors rejects a recommendation that the Chairman or a Non-Executive Director should be reappointed <p>The Council of Governors Nominations and Remuneration Committee will initiate a process of open competition for the appointment of the Chairman and/or Non-Executive Director, and the post will be advertised.</p> <p>Further, the Council of Governors Nominations and Remuneration Committee will identify the balance of individual skills, knowledge and experience that is required at the time a vacancy arises and, accordingly, draft a job description and person profile for each new appointment. External advisers may be used to support this.</p>	
--	--	---	--

Department of Health Appendices: Appendix A4: Governance rationale template

		<p>The Council of Governors Nominations and Remuneration Committee will make recommendations to the Council of Governors, including recommendations about pay and allowances and, in order to ensure the proper level of remuneration and allowances to be paid to the Chairman and the Non-Executive Directors.</p> <p>From time to time, and at least every three years, the Council of Governors Nominations and Remuneration Committee will consult, at the Trust's expense, external professional advisors recognised as experts at appointments and/or remuneration to identify the proper level of remuneration and allowances to be paid to the Chairman and/or the Non-Executive Directors. This external advice and support will be sourced through and recommended by the Trust Secretary and the Trust's Director of Workforce (or equivalent).</p> <p>The Council of Governors Nominations and Remuneration Panel will consist of four Governors including at least one Public Governor and one Staff Governor. If the number of Governors prepared to serve on the Committee is greater than the number of places available, the panel members will be selected by an election by their peer Governors.</p> <p>The Chairman will chair the Committee except when the discussion relates to the appointment, re-appointment or the remuneration of the Chairman in which case the Deputy Chairman or Senior Independent Director will chair the Council of Governors Nominations and Remuneration Committee.</p> <p>Each member of the Nominations and Remuneration Committee will have one vote and, in the event of equality of votes, the person chairing the Council of Governors Nominations and Remuneration Committee will have a</p>	
--	--	---	--

Department of Health Appendices: Appendix A4: Governance rationale template

		<p>second or casting vote.</p> <p>If it considers it appropriate, the Council of Governors Nominations and Remuneration Committee may:</p> <ul style="list-style-type: none"> • be supported by appropriate advice from a human resources specialist • engage an external organisation or individual recognised as expert at appointments to identify the qualifications, skills and experience required for the positions of Chairman and/or Non-Executive Director and to assist in the process generally. • invite an independent assessor to attend in an advisory capacity only. <p>The Council of Governors will not consider nominations for membership of the Board of Directors other than those made by the Council of Governors Nominations and Remuneration Committee.</p> <p>Suspension A Director who has been suspended may not attend meetings of the Board of Directors until the suspension is lifted. If, notwithstanding this paragraph, a suspended Director does attend a meeting of the Board of Directors, he shall not be counted in the quorum and may not speak or vote.</p> <p>(Paragraph 15 of Annex 9 of the Constitution refers).</p>	
18.2	The process to approve the appointment of the Chief Executive (may not apply for the initial Chief Executive).	<p>The Non-Executive Directors will appoint or remove the Chief Executive and, save for the initial Chief Executive, the appointment will require the approval of a majority of the members of the Council of Governors present and voting at a meeting of the Council of Governors (Paragraph 31.2 of the Constitution refers).</p> <p>The process to be followed will be for a recommendation to</p>	The process for appointing a new Chief Executive needs to be open, transparent and in line with best practice. The Trust believes that these arrangements are in accordance with the requirements of the independent regulator and the 2006 Act.

Department of Health Appendices: Appendix A4: Governance rationale template

		<p>be made from the Board of Directors Nominations and Remuneration Committee to the Council of Governors on the candidate for appointment to the role of Chief Executive.</p> <p>The Council of Governors will decide whether to approve the appointment taking into account a range of factors including those set out in the relevant sections of the NHS Foundation Trust Code of Governance, Monitor's Reference Guide for NHS Foundation Trust Governors and the advice provided by the Board Nominations and Remuneration Committee.</p>	
18.3	The process to decide the remuneration and allowances of non-executive Directors.	<p>The Council of Governors at a general meeting of the Council of Governors shall decide the remuneration and allowances, and the other terms and conditions of office, of the Chairman and the other Non-Executive Directors. Pending its decision on these matters, these matters are to be decided in accordance with the remuneration and allowances, and the other terms and conditions of office of the respective individuals as engaged by the Trust and having due consideration of the resources available to the organisation.</p> <p>In practice, the Council of Governors Nominations and Remuneration Committee (referred to above) will be tasked with making appropriate recommendations to the Council of Governors.</p> <p>Further, the Council of Governors Nominations and Remuneration Committee may call upon outside advisers to assist it with its tasks and have access to independent and expert guidance in these matters.</p> <p>This external advice and support will be sourced through and recommended by the Trust Secretary and the Trust's Director of Workforce (or equivalent).</p> <p>The process for deciding on Executive Directors</p>	The Trust believes that this process will ensure that the Council of Governors has access to guidance that is based on best practice, whilst ensuring that the Governors retain their independence in this regard.

Department of Health Appendices: Appendix A4: Governance rationale template

		remuneration and allowances is covered in 25.3 below.	
18.4	Details of the relationship between the board of Directors and the board-Council of G governors.	<p>The powers of the Trust are to be exercised by the Board of Directors on behalf of the Trust. However the Council of Governors has an important role to play in providing views to the Board of Directors on the strategic direction of the Trust, holding the Trust's Non-Executive Directors individually and collectively to account in relation to the Trust's performance and acts so that the Trust does not breach its Terms of Authorisation. In addition, through the Nominations and Remuneration Committee, the Council of Governors will regularly review the structure, size and composition of the Board of Directors and make recommendations for changes where appropriate.</p> <p>The role of the Chairman of the Trust is crucial to the success of the relationship between the Council of Governors and the Board of Directors, as it is the Chairman who is the formal link between the two bodies.</p> <p>The Board of Directors will cooperate with the Council of Governors as far as possible and specifically will have regard to the views of the Governors in preparing the Forward Plan each year. The Board of Directors will also present the Annual Report and approved Annual Accounts (and the Auditor's report on these) to the Council of Governors.</p> <p>The Trust envisages that Directors will attend meetings of the Council of Governors (including private meetings, where the Governors agree) to keep them fully apprised of the Trust's plans and priorities and answer any questions they may have. The Trust will also have meetings and working groups in which Governors and Directors can discuss Trust business in a less formal setting.</p>	<p>The relationship between the Board of Directors and the Council of Governors is crucial to the success of the Foundation Trust. The Trust believes that its corporate governance structure, as set out in the Constitution, reflects the requirements of the 2006 Act and the latest guidance on best practice in corporate governance arrangements issued by Monitor as modified by the statement of the governors' duties inserted into the 2006 Act by the 2012 Act.</p> <p>The Trust also believes that there should be clarity between the roles, responsibilities, functions and powers of the Board of Directors and the Council of Governors, and that the adoption of Codes of Conduct for both Directors and Governors will further reinforce these arrangements.</p> <p>The adoption of a formal engagement policy has been recommended by other foundation trusts that have adopted such a policy.</p>

Department of Health Appendices: Appendix A4: Governance rationale template

		<p>The Trust Secretary will be an important link in facilitating discussion between the Directors and the Governors on a range of issues, including strategies for membership development and recruitment.</p> <p>Full details regarding the interface between the Council and the Board are set out in Annex 8, Standing Order 6 of the Constitution (Standing Orders for the Practice and Procedure of the Board of Directors).</p>	
18.5	<p>Any other provisions about the board of governors<u>Council of Governors</u>. This should outline details of how the board of governors<u>Council of Governors</u> intends to maintain a dialogue with the staff and public membership.</p>	<p>The Standing Orders for the Practice and Procedure of the Council of Governors are set out at Annex 7 of the Constitution.</p> <p>The Standing Orders specifically require the Council of Governors to allow members of the public to attend all formal meetings of the Council, except in certain circumstances (Annex 7, Standing Order 4).</p> <p>The Trust will also support the Council of Governors in carrying out its functions by ensuring that the Governors have access to and the support of the Trust Secretary and a Membership Officer<u>Manager</u> to assist the Governors in developing suitable and regular methods of communication between them and the Members of the Trust.</p> <p>The Trust's overall aim is to encourage genuine community and Staff engagement in the work of the Trust. The Council of Governors has an important role to play in reaching out to Members of their respective Constituencies and encouraging active engagement and involvement.</p> <p>Governors will be responsible for regularly feeding back information about the Trust, its vision and performance to the constituencies and partner organisations that elected/appointed them.</p>	<p>The Council of Governors will be an important component of the communications and engagement strategy<u>engagement strategy</u> of the Trust.</p> <p>The Trust recognises that it will need to ensure that appropriate administrative and infrastructural support are provided to the Council of Governors to enable it to function effectively.</p> <p>The Trust will work with the Council of Governors to ensure that Trust Members are well informed and involved in line with their preferred level of engagement (see 1.3 above). The Trust is committed to investing time and resources in developing and maintaining an effective and motivated Membership community, which will be represented by the Council of Governors.</p> <p>The Trust already makes good use of communications media with staff bulletins, team briefing, staff magazine and stakeholder newsletter.</p>
18.6	<p>Details on payment of travel and other</p>	<p>In line with Schedule 7, paragraph 11 of the 2006 Act and paragraph 23 of the Constitution, the Trust will pay</p>	<p>The Trust recognises that Governors cannot be remunerated for their services as Governors but</p>

Department of Health Appendices: Appendix A4: Governance rationale template

	expenses (but not remuneration) for governors.	reasonable travelling and other expenses to Governors at rates determined by the Trust. The Trust is not allowed to make any other payments to Governors.	believes that Governors should be reimbursed for their expenses in line with current guidance and accepted good practice and to encourage good levels of Governors participation. In respect of a Staff Governor who is an employee of the Trust, the Secretary shall seek to facilitate such an employee's reasonable participation as a Staff Governor during normal working hours to the extent reasonably necessary for the performance of their duties as a Staff Governor.
19	Meetings		
19.1	Who will deputise in the chair's absence at the board of governors <u>Council of Governors</u> .	<p>Standing order 4.7 of Annex 7 of the Constitution sets out the arrangements for the chairing of meetings of the Council of Governors.</p> <p>If the Chairman is absent from a meeting of the Council of Governors or is absent temporarily on the grounds of a declared conflict of interest, the Deputy Chairman will preside.</p> <p>If the Deputy Chairman is absent from the meeting or is absent temporarily on the grounds of a declared conflict of interest, the Senior Independent Director shall preside.</p>	At any Council of Governors meeting, the Chairman, if present, shall preside. As the Council of Governors cannot function effectively without a Chairman, it is appropriate to set out provisions for chairing the Council in the Chairman's absence, for the avoidance of any doubt.
19.2	Any special reasons as to why meetings of the board of governors <u>Council of Governors</u> would not, on an exceptional basis, be open to the public.	<p>Standing Order 4.1 of Annex 7 of the Constitution sets out when Council of Governors may resolve that members of the public and representatives of the Press be excluded from all or part of a meeting on the grounds that:</p> <ul style="list-style-type: none"> any publicity would be prejudicial to the public interest by reason of the confidential nature of the business to be transacted or for other reasons stated in the resolution and arising from the nature of the business or the proceedings that the Council of Governors believes are special reasons for excluding the public from the meeting in accordance with the Constitution. 	<p>The Trust will operate within the terms of the Public Bodies (Admission to Meetings) Act, 1960. These are the same criteria used by the Board of Directors and, in practice, would mean the majority of Council of Governor business would be held in public. The Trust recognizes that it is a requirement of the 2006 Act for meetings of the Council of Governors to be open to the public.</p> <p>Nevertheless, the Trust also believes that it is important to make provision for those occasions when confidential matters need to be discussed in private. Such provisions would apply in the case of commercially</p>

Department of Health Appendices: Appendix A4: Governance rationale template

			<p>confidential matters, for example, or certain matters relating to named individuals.</p> <p>It is the Trust's view that these arrangements are in keeping with best practice and good corporate governance and that the arrangements provide a sensible balance between the need to ensure openness and transparency with the need to respect confidentiality.</p>
19.3	<p>The frequency of meetings of the board of governors<u>Council of Governors</u>.</p>	<p>Meetings of the Council of Governors shall be held at such times and places as the Council of Governors may determine and there shall be at least four meetings in any year including the Annual Members' Meeting.</p> <p>The Council of Governors will meet at such other times as required to fulfil their functions in accordance with the Constitution (Annex 7, Standing Order 4.2.1 refers).</p>	<p>The Trust believes that these arrangements are compliant with the 2006 Act and are in line with good practice. The Trust believes that the minimum number of meetings will enable the Council of Governors to fulfil its duties/functions whilst leaving it to the Governors' discretion to hold further meetings if they so wish.</p>
19.4	<p>The number of governors by type that must be present at any meeting of the board of governors<u>Council of Governors</u>.</p>	<p>No business shall be transacted at a meeting of the Council of Governors unless at least eight (one third) of the whole of the Council of Governors are present. The majority representation must be drawn from the Public Constituency, with a minimum of one Staff Governor and one Appointed Governor. This rule is waived for a reconvened meeting that has been formally adjourned for lack of a quorum. Standing Order 4.14 of Annex 7 of the Constitution refers.</p>	<p>The Trust has taken into account legal advice and the experience of other Foundation Trusts in setting the quorum.</p> <p>The Trust believes that although it is important for there to be good attendance of all categories of members of the Council of Governors at each meeting, it is aware that setting too onerous a quorum in terms of number or of type of Governor can result in meetings being adjourned and the effectiveness of the Council of Governors being compromised.</p>
19.4	<p>The wording of the declaration for governors to give the particulars of their qualification to vote as a member of the</p>	<p>The declaration that a Governor must make to the Trust Secretary to demonstrate that he or she is qualified to vote as a member of the Council of Governors is as follows:</p> <p>I hereby declare that I am at the date of this declaration:</p>	<p>The Trust has taken legal advice on the wording of the declarations, which are required by and set out in accordance with the 2006 Act and the Model Rules for Elections published by the Department of Health and therefore believes these to be appropriate.</p>

Department of Health Appendices: Appendix A4: Governance rationale template

	<p>board of governors<u>Council of Governors</u> and for members to vote or to stand for election as a governor.</p>	<p>a) a member of the [Public/Staff] Constituency, and b) I am not prevented from being a member of the Council of Governors by reason of any provisions of paragraph 8 of Schedule 7 to the 2006 Act or the Constitution.</p> <p>Schedule A of Annex 7 of the Constitution refers.</p> <p>The declaration that a Member must make in order to stand for election as a Governor is as follows:</p> <p>The nomination paper will include the following declaration made by the candidate–</p> <p>(a) that he or she is not prevented from being a member of the Council of Governors by paragraph 8 of Schedule 7 of the 2006 Act or by any provision of the constitution; and,</p> <p>(b) for a member of the Public Constituency, of the particulars of his or her qualification to vote as a member of that Constituency, or Class within that Constituency, for which the election is being held.</p> <p>Paragraph 12 of Annex 5 (Model Election Rules) of the Constitution refers.</p> <p>The declaration that a Member must make in order to vote in an election:</p> <p>The declaration that a Member must make in order to vote in an election in the Public Constituency is a declaration of identity, including confirmation that the voter is the person to whom the ballot paper was addressed, confirmation that the voter has not marked or returned any other ballot paper in the election, particulars of the Member’s qualification to vote in that Constituency, and details of the name and</p>	
--	---	--	--

Department of Health Appendices: Appendix A4: Governance rationale template

		<p>address and signature of the voter, as well as the date on which the declaration was made.</p> <p>Paragraph 21 of Annex 5 (Model Election Rules) of the Constitution refers.</p>	
20	Conflicts of Interests of Governors		
20.1	<p>Details of how conflicts of interest should be handled.</p>	<p>Paragraph 22 of the Constitution provides that:</p> <ul style="list-style-type: none"> • If a Governor has a pecuniary, personal or family interest, whether that 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 Council of Governors, the Governor shall disclose that interest to the members of the Council of Governors as soon as he becomes aware of it. <p>In addition, Standing Order 5 of Annex 7 of the Constitution makes provision for the disclosure of interests and arrangements for the exclusion of a Governor declaring any interest from any discussion or consideration of the matter in respect of which an interest has been disclosed.</p> <p>Such declarations are to be made either at the time of the Governor's election or appointment or as soon thereafter as the interest arises, and in a form prescribed by the Trust Secretary.</p> <p>In addition, if a Governor is present at a meeting of the Council of Governors and has an interest of any sort in any matter which is the subject of consideration, he shall at the meeting and as soon as practicable after its commencement disclose the fact and shall not vote on any question with respect to the matter. If a Governor has declared a pecuniary interest he shall not take part in the</p>	<p>Disclosure of conflicts of interest are designed to ensure probity and are central to the principles of good corporate governance enshrined in the codes of practice that apply across both the public and private sectors.</p>

Department of Health Appendices: Appendix A4: Governance rationale template

		<p>consideration or discussion of the matter.</p> <p>At the time the interests are declared, they should be recorded in the meeting minutes. Any changes in interests should be officially declared at the next relevant meeting following the change occurring.</p> <p>The Trust Secretary shall keep a register of interests of members of the Council of Governors which shall contain the names of each Governor, whether he has declared any interest, and if so, the interest declared.</p>	
21	Committees and Sub-Committees		
21.1	<p>Any other provisions about committees that may be set up to advise the board of governors<u>Council of Governors</u>.</p>	<p>See also 18.4</p> <p>Subject to any guidance or best practice advice as may be issued by Monitor, the Council of Governors may appoint committees and sub-committees of the Council of Governors to assist it in the proper performance of its functions. However, it may not delegate decision-making to a committee or a sub-committee.</p> <p>These Standing Orders, as far as they are applicable, shall apply with appropriate alteration to meetings of any committees established by the Council of Governors.</p> <p>Each committee shall have such terms of reference and powers and be subject to such conditions as the Council of Governors shall and such terms of reference shall have effect as if incorporated into the Standing Orders.</p> <p>The Council of Governors shall not delegate to any committee any of the powers or responsibilities which are to be exercised by the Council of Governors at a formal meeting.</p>	<p>Good practice in corporate governance requires that committees are properly constituted within a governance framework if they are to assist a body to carry out its functions. The Trust believes therefore that it is important to have clarity on the powers delegated to the committee if it is to operate effectively.</p> <p>The Trust also believes that the Council of Governors must have discretion to organise itself in whatever way it considers most appropriate to enable it to carry out its functions efficiently, effectively and economically.</p>

Department of Health Appendices: Appendix A4: Governance rationale template

		<p>Any committee established under this Standing Order may call upon outside advisers to assist them with their tasks, subject to the advance agreement of the Board of Directors in respect of any expenses thereby incurred.</p> <p>The Council of Governors shall approve the appointments to each of the committees which it has formally constituted.</p> <p>The Council of Governors may, if so invited by the Board of Directors, appoint members to serve on joint committees with the Board of Directors or committees of the Board of Directors.</p>	
22	Board of Directors		
22.1	<p>The overall size and constitution of the board of directors including the numbers and roles of non-executive and executive directors.</p>	<p>The Board of Directors will comprise:</p> <ul style="list-style-type: none"> • a non-executive Chairman; • up to six other Non-Executive Directors; and • up to six Executive Directors. <p>The Constitution confirms that any changes in the number of Directors must be within the range set out above and is subject to the proviso that there shall always be a majority of Non-Executive Directors (Including the Chairman).</p> <p>The Executive Directors will include the:</p> <ul style="list-style-type: none"> • Chief Executive (who is also the Accounting Officer); • Director of Finance and Performance • Medical Director (qualified doctor); • Director of Standards & Compliance • Director of Operations • Director of People & Engagement <p>An Executive Director other than the Medical Director, will be a registered nurse or midwife. Currently this is the</p>	<p>The principle that a Board of Directors should have a balance of Executive and Non-Executive Directors (including a Non-Executive Chairman) is a principle of good corporate governance that has been enshrined in successive codes of practice for both the public and private sectors. It is also highlighted in the NHS Foundation Trust Code of Governance.</p> <p>The Trust believes that the composition of the Board of Directors will help to create a Board of Directors that includes a balance of Executive and Non-Executive Directors, and which is of sufficient size to achieve a balance of skills and experience appropriate to the requirements of the Trust's business.</p> <p>The Trust believes that the arrangements set out are in keeping with the requirements of the 2006 Act (as amended) and the NHS Foundation Trust Code of Governance.</p>

Department of Health Appendices: Appendix A4: Governance rationale template

		<p>Director of Standards & Compliance.</p> <p>The roles and responsibilities of the Board of Directors will reflect the requirements of the 2006 Act (as amended) and the NHS Foundation Trust Code of Governance.</p> <p>In particular, all Directors will share collective responsibility for every decision of the Board of Directors, regardless of their individual skills or status.</p> <p>The Board of Directors will be responsible for the day-to-day operational and strategic management of the Trust. The Directors will hold legal and financial responsibility for the running of the Trust, and will have the final say and be accountable for policy in relation to all areas of the Trust's business.</p> <p>Executive Directors will have corporate responsibility, together with specific executive responsibility for their particular area, as laid out in their individual job descriptions.</p> <p>The role of Non-Executive Directors will include the following:</p> <ul style="list-style-type: none"> • to challenge and help develop proposals on strategy; • to scrutinise the performance of management in meeting agreed goals and objectives; • to monitor the reporting of Trust performance; • to ensure the accuracy of the content of financial and clinical outcomes information; • to ensure that financial and clinical quality controls and systems of risk management are robust and defensible; • to determine appropriate levels of remuneration for the Executive Directors and some senior managers; 	
--	--	--	--

Department of Health Appendices: Appendix A4: Governance rationale template

		<ul style="list-style-type: none"> • to be involved in appointing and, where necessary, removing Executive Directors; • to be involved in succession planning for members of the Board of Directors; and • to ensure effective dialogue between the Board of Directors and the Council of Governors. 	
22.2	The eligibility criteria for non-executive director posts.	<p>A person may be appointed as the Chairman or another Non-Executive Director only if he/she is a Member of the Public Constituency, and he/she is not disqualified in accordance with the Constitution.</p> <p>The initial Chairman and Non-Executive Directors will be appointed for the unexpired period of their terms of office or, if this is less than 12 months, for 12 months in accordance with paragraph 29.4 of the Constitution.</p> <p>Thereafter, the Council of Governors at a general meeting of the Council of Governors shall decide the remuneration and allowances, and the other terms and conditions of office, of the Chairman and the other Non-Executive Directors.</p>	<p>These arrangements comply with the provisions of the 2006 Act and are in line with current guidance and best practice.</p> <p>The Trust also believes that, as it moves forward to Foundation Trust status, these arrangements provide a sensible balance between continuity and change, whilst ensuring that the statutory role of the Governors is maintained.</p>
23	Terms of Office		
23.1	Terms of office for the chair and non-executive Directors.	<p>Subject to the provisions regarding initial appointments, the Chair and the Non-Executive Directors are to be appointed for a period of office of three years. They may seek reappointment, subject to satisfactory performance at both an individual and corporate level, to a maximum of six years. The Council of Governors at a general meeting will in accordance with the terms and conditions of office decide the period of office. The initial Chairman and the other Non-Executive Directors are to be appointed for the unexpired period of their respective terms of office as the Chairman or (as the case may be) Non-Executive director of the applicant NHS Trust or 12 months whichever is the longer.</p>	<p>These arrangements comply with the provisions of the 2006 Act and are in line with current guidance and best practice.</p> <p>The Trust also believes that, as it moves forward to Foundation Trust status, these arrangements provide a sensible balance between continuity and change, whilst ensuring that the statutory role of the Governors is maintained.</p>

Department of Health Appendices: Appendix A4: Governance rationale template

23.2	Terms and conditions of the Chief Executive and Executive Directors.	<p>The Chief Executive shall hold office for a period in accordance with the terms and conditions of office decided by the Committee of Non-Executive Directors (the Nominations and Remuneration).</p> <p>The Executive Directors other than the Chief Executive shall hold office for a period in accordance with the terms and conditions decided by the Committee of Non-Executive Directors (the Nominations and Remuneration Committee).</p>	<p>These arrangements comply with the provisions of the 2006 Act and are in line with current guidance and best practice.</p> <p>The Trust believes that these arrangements provide a sensible balance between continuity and change, as it moves forward to Foundation Trust status.</p>
24 Disqualifications			
24.1	Any exclusions to the Board of Directors over and above the legal minimum.	<p>There are no exclusions to the Board of Directors over and above the statutory exclusions for Directors of the Board included in Constitution at paragraph 33.</p> <p>NEDs other than the initial (former-NHS Trust) NEDs are required to be members of the Public Constituency - so they are also subject to the disqualification provisions for Members.</p>	<p>Directors must adhere to the high standards expected of those holding public office including adherence to the Nolan principles and those enshrined in the Codes of Conduct and Accountability, issued by the Department of Health in 1994. The Trust feels that these, taken together with the statutory exclusions and the contractual arrangements under which the Directors on the Board of Directors are engaged, are sufficient to cover all eventualities.</p>
25 Roles and Responsibilities			
25.1	The process for a committee of Non-Executive Non-Executive Directors to monitor, review and carry out other audit committee functions. Proposals for the audit committee's function are also required.	<p>The Board of Directors will establish an Audit Committee of Non-Executive Directors which will meet no less than 4 times per year and will monitor and review the Trust's system of internal control, the internal audit function, the external audit function, financial governance and reporting systems and such other functions as are appropriate.</p> <p>The Trust's Standing Financial Instructions (SFIs) confirm that the Board of Directors will ensure that the Audit Committee will:</p> <ul style="list-style-type: none"> review financial and information systems and monitor the integrity of the financial statements of the Trust and any formal announcements relating to the Trust's financial performance, and review significant financial reporting judgments contained in them; 	<p>The formal requirement for a Foundation Trust to have an Audit Committee is set out in paragraph 43 of the Constitution.</p> <p>The Trust believes that these provisions are robust and that they comply with the principles and requirements of the 2006 Act.</p>

Department of Health Appendices: Appendix A4: Governance rationale template

		<ul style="list-style-type: none"> • review the Trust's internal financial controls and, unless expressly addressed in a separate risk committee of the Board of Directors composed of independent Non-Executive Directors, or by the Board of Directors itself, review the Trust's internal control and risk management systems; • monitor and review the effectiveness of the Trust's Internal Audit function; • review and monitor the Auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant UK professional and regulatory requirements; • develop and implement policy on the engagement of the Auditor and/or an external consultant to supply non-audit services to the Trust, taking into account any relevant guidance or best practice advice issued by the Independent Regulator regarding the provision of non-audit services; • report to the Council of Governors, identifying any matters in respect of which it considers that action or improvement is needed and making recommendations as to the steps to be taken; • review arrangements by which Officers may raise, in confidence, concerns about possible improprieties in matters of: <ul style="list-style-type: none"> ○ financial reporting and control; ○ clinical quality; ○ patient safety; or ○ other matters; • ensure that arrangements are in place for the proportionate and independent investigation of such matters as set out in SFIs and for appropriate follow-up action; • agree with the Council of Governors the criteria for appointing, reappointing and removing Auditors; • make recommendations to the Council of Governors in relation to the appointment, re- 	
--	--	--	--

Department of Health Appendices: Appendix A4: Governance rationale template

		<p>appointment and removal of the Auditor and approve the remuneration and terms of engagement of the Auditor;</p> <ul style="list-style-type: none"> • monitor compliance with the Standing Orders for the Board of Directors, the SFIs and the Scheme of Delegation; • review schedules of losses and compensations and make recommendations to the Board of Directors; and • review the information prepared by the Board of Directors to support the Trust's submissions to the Independent Regulator in accordance with the Independent Regulator's annual planning and monitoring cycle, as set out in the Compliance Framework and the Quarterly Monitoring Checklist for NHS Foundation Trusts and those required under Schedule 6 of the Trust's terms of Authorisation, and advise the Board of Directors accordingly. 	
25.2	<p>The process for the non-executive Directors to appoint or remove the Chief Executive and for the committee of Chief Executive, chair and non-executive Directors to appoint or remove other executive Directors.</p>	<p>The Board of Directors Nominations and Remuneration Committee will appoint and remove the Chief Executive and the Executive Directors, ensuring there is a formal, rigorous and transparent process for such arrangements and that the process is followed.</p> <p>In the case of the Chief Executive appointment, the Committee will consist of the Chairman and the other Non-Executive Directors and in the case of appointment of other Executive Directors, the Committee will also include the Chief Executive.</p> <p>The Trust Chairman will chair the Committee.</p> <p>The Chief Executive It is for the Chairman and other Non-Executive Directors (using external assessors at their discretion) to appoint (subject to the approval of the Council of Governors) or</p>	<p>The appointment of the Chief Executive by the Non-Executive Directors is an established practice within the NHS.</p> <p>The appointment of the other Executive Directors by a committee consisting of the Chairman, Chief Executive and other Non-Executive Directors again continues an established mechanism that has proved effective in the NHS.</p> <p>These provisions comply with the 2006 Act.</p>

Department of Health Appendices: Appendix A4: Governance rationale template

		<p>remove the Chief Executive. Any removal of the Chief Executive shall be in accordance with the Trust's procedures. The initial Chief Executive upon authorisation shall not require the approval of the Council of Governors.</p> <p>Executive Directors It is for a committee comprising the Chief Executive, Chair and Non-ExecutiveNon-Executive Directors (using external assessors at their discretion) to appoint or remove the other Executive Directors. The Chairman shall act as the chairman of such a committee. Any removal of an Executive Director shall be in accordance with the Trust's procedures.</p>	
25.3	<p>The process for a committee of non-executive Directors to decide remuneration and allowances for executive Directors and (if relevant) the provisions on remuneration and allowances that might be set out in the constitution, pending appointment of such a committee.</p>	<p>The Trust will establish a Board of Directors Nominations and Remuneration Committee comprising the Non-Executive Directors and chaired by the Chairman that will decide the remuneration and allowances, and other terms and conditions of office of all Executive Directors.</p> <p>The process for deciding on Non-Executive Directors remuneration and allowances is covered in 18.3 above.</p> <p>The Chief Executive will be entitled to attend the committee and be consulted upon when the appointment and remuneration of the Executive Directors is being considered. (S)he will be excluded from meetings on his/her own position.</p> <p>The Trust proposes that the Board of Directors Nominations and Remuneration Committee shall have such terms of reference (including which posts in addition to the Executive Directors fall within its area of responsibility, its composition, and the arrangements for reporting back to the Board of Directors) and powers, and be subject to such conditions as the Board of Directors shall decide in accordance with any</p>	<p>The practice of deciding the remuneration and allowances of Executive Directors through a committee of Non-Executive Directors is long established in the NHS as well as in successive codes of good practice in corporate governance.</p> <p>The Trust believes that these arrangements are robust and will ensure fair and transparent processes are followed in respect of these matters.</p> <p>Further, the Constitutional provisions comply with the 2006 Act.</p>

Department of Health Appendices: Appendix A4: Governance rationale template

		<p>legislation, and/or regulations and/or such guidance or best practice advice issued by the Independent Regulator.</p> <p>Further, the Board of Directors Nominations and Remuneration Committee will decide the remuneration and allowances, and the other terms and conditions of office of the Chief Executive and other Executive Directors, including:</p> <ul style="list-style-type: none"> • all aspects of salary (including any performance-related elements and/or bonuses). Any performance-related elements of the remuneration of Executive Directors should be designed to align their interests with those of patients, service users and taxpayers and to give these Executive Directors keen incentives to perform at the highest levels. In designing schemes of performance-related remuneration, the Board of Directors Nominations and Remuneration Committee should comply with the following provisions: <ul style="list-style-type: none"> (i) The Board of Directors Nominations and Remuneration Committee should consider whether the Executive Directors should be eligible for annual bonuses. If so, performance conditions should be relevant, stretching and designed to match the long term interests of the public. Upper limits should be set and disclosed. (ii) Payouts or grants under all incentive schemes should be subject to challenging performance criteria reflecting the objectives of the Trust. Consideration should be given to criteria which reflect the performance of the Trust relative to a group of comparator NHS foundation trusts in some key indicators. (iii) In general, only basic salary should be 	
--	--	---	--

Department of Health Appendices: Appendix A4: Governance rationale template

		<p>pensionable.</p> <p>(iv) The Board of Directors Nominations and Remuneration Committee should consider pension consequences and associated costs to the Trust of basic salary increases and any other changes in pensionable remuneration, especially for Executive Directors close to retirement;</p> <ul style="list-style-type: none"> • provisions for other benefits, including pensions and cars; • arrangements for termination of employment and other contractual terms; • make other decisions on the remuneration, allowances and other terms and conditions of office of the Chief Executive and other Executive Directors to ensure they are fairly rewarded for their individual contribution to the Trust – having proper regard to the Trust’s circumstances and performance and to the provisions of any national arrangements where appropriate; • monitor and evaluate the performance of individual Executive Directors; and • decide on and oversee appropriate contractual arrangements for all Executive Directors, including the proper calculation and scrutiny of termination payments taking account of such guidance and/or best practice advice issued by the Independent Regulator, as is appropriate. <p>The Board of Directors Nominations and Remuneration Committee shall report in writing to the Board of Directors the basis for its decisions in relation to the remuneration, allowances and other terms and conditions of office of the Chief Executive and other Executive Directors.</p>	
25.4	The process for the Directors to have	In preparing the Trust’s Forward Plan, the Board of Directors will have regard to the views of the Council of	The Trust recognises that one of the key roles and responsibilities of the Council of Governors is to provide

Department of Health Appendices: Appendix A4: Governance rationale template

	regard to the views of the board of governors <u>Council of Governors</u> on the trust's forward planning.	<p>Governors (i.e. the Directors will have consulted the Governors at an early stage), as set out in paragraph 45.4 of the Constitution and paragraph 6.2 of Annex 8.</p> <p>It is expected that the Chief Executive and other Executive Directors as appropriate will attend meetings of the Council of Governors regularly to facilitate this.</p> <p>See also 18.4 above.</p>	<p>views to the Board of Directors on the strategic direction of the Trust. It is therefore essential that the Board of Directors obtain the views of the Council of Governors and that these are taken into account when the Board of Directors develops the Trust's Forward Plan.</p> <p>The Trust believes that these provisions comply with the 2006 Act.</p>
25.5	The process for the board of Directors to present to the board of governors <u>Council of Governors</u> at a general meeting the annual accounts, any report of the auditor on them, and the annual report.	<p>Directors will make presentations, take questions and conduct both formal and informal dialogue with Governors on matters affecting the Trust.</p> <p>The Board of Directors will present the approved Annual Accounts, any report of the auditor on them and the Annual Report to the Council of Governors at a general meeting of the Council of Governors, as set out in Paragraph 46 of the Constitution and paragraph 6.3 of Annex 8. This will be done at a public meeting of the Council which will be convened within six months of the end of each annual accounting period.</p> <p>In practice, these documents will be presented to the Council of Governors' meeting, immediately before the Trust's Annual Members' Meeting and the documents will be circulated to Governors in advance of the meeting by the Trust Secretary.</p> <p>Finally, the presentation of the approved Annual Accounts, any auditor report on them, and the Annual Report will be built into the annual cycles of business of the Board of Directors and Council of Governors.</p>	<p>The Trust recognises that one of the key statutory functions of the Council of Governors is to receive the Annual Report and Annual Accounts, together with the auditor's report of the Accounts at a general meeting of the Council.</p> <p>The Trust's proposal to present these items to the Council at a public meeting of the Governors, immediately preceding the Annual Members' Meeting is intended to mirror the corporate governance practices established in other sectors, where the annual report and accounts are received by a company's shareholders/members at the Annual General Meeting.</p>
26	Meetings of the Board of Directors		
26.1	Details of how meetings should take place including when meetings should take	YAS will follow a meeting cycle which includes holding a number of Board of Directors meetings in public. A summary of the non-disclosure items discussed in private business meetings of the Board of Directors will be made.	The Trust considers that these arrangements are reasonable. The Trust values openness, transparency and accountability and the holding of meetings in public of the Board of Directors and the Council of Governors

Department of Health Appendices: Appendix A4: Governance rationale template

	<p>place in public or private.</p>	<p>The Trust will hold meetings of the Board of Directors in public unless it determines that a meeting should be held in private.</p> <p>Where a meeting of the Board of Directors is held in public, the public and representatives of the press shall be afforded facilities to attend such meeting of the Board of Directors but shall be required to withdraw upon the Board of Directors resolving as follows:</p> <p><i>“...that representatives of the press and other members of the public be excluded from the remainder of this meeting having regard to the confidential nature of the business to be transacted, publicity of which would be prejudicial to the public interest”.</i></p> <p>The Chairman shall give such directions as (s)he thinks fit (including a decision to expel or exclude any member of the public and/or press if the individual in question is interfering with or preventing the proper conduct of the meeting) in regard to the arrangements for meetings of the Board of Directors and (where relevant) accommodation of the public and representatives of the press to ensure that the Board of Directors' business shall be conducted without interruption or disruption.</p> <p>Further, members of the public and representatives of the press will be required to withdraw upon the Board of Directors resolving as follows:</p> <p><i>“...that in the interests of public order the meeting adjourn for [the period to be specified] to enable the Board of Directors to complete business without the presence of the public or press.”</i></p> <p>(Section 3.15 of Annex 8 of the Constitution refers).</p>	<p>will ensure that these values are upheld. The Trust recognises the engaging importance of retaining the confidence of the community and of ensuring that the community continues to receive information about the Trust.</p> <p>The Board of Directors will however retain the discretion to hold meetings in private when it deems it appropriate to do so. For example, to focus on issues that are, increasingly, of a commercial nature.</p> <p>The Trust Board currently holds each of its formal Board meetings in two parts, public and private, and intends to continue to operate its meetings held in public in this way as a Foundation Trust.</p> <p>The Trust also believes that the proposed arrangements are in accordance with the 2006 Act and. Although they mirror the terms of the Public Bodies (Admission to Meetings) Act 1960 the Trust recognises that the Act does not require NHS foundation trusts to hold their Board of Directors meetings in public.</p> <p>Moreover, the Trust believes that these arrangements provide a sensible balance between the need to ensure openness, transparency and accountability with the need to maintain confidentiality in an increasingly commercial environment.</p>
--	------------------------------------	---	---

Department of Health Appendices: Appendix A4: Governance rationale template

27	Registers		
27.1	<p>Details of how conflicts of interest should be handled.</p>	<p>Paragraph 36 of the Constitution requires Directors to avoid conflicts of interest and to disclose direct and indirect interests in proposed transactions and arrangements to the other Directors.</p> <p>The Standing Orders for the Board of Directors make provision for the disclosure of interests and arrangements for the exclusion of a Director declaring any interest from any discussion or consideration of the matter in respect of which an interest has been disclosed.</p> <p>Such declarations shall be made by completing and signing a form, as prescribed by the Trust Secretary from time to time, setting out any interests required to be declared outside a meeting in accordance with the Constitution or the Standing Orders and delivering it to the Trust Secretary on appointment or as soon thereafter as the interest arises, but within 7 Clear Days of becoming aware of the existence of a relevant and material interest.</p> <p>In addition, if a Director is present at a meeting of the Board of Directors and has an interest of any sort in any matter which is the subject of consideration, (s)he must at the meeting and as soon as practicable after its commencement disclose the fact and (s)he must then withdraw from the meeting and play no part in the relevant discussion and (s)he shall not vote on any question with respect to the matter.</p> <p>If a Director has declared a pecuniary interest (s)he shall not take part in the consideration or discussion of the matter in respect of which an interest has been disclosed and shall be excluded from the meeting whilst that matter is under consideration.</p>	<p>Disclosure is an important principle of good corporate governance. Disclosure enables the Board of Directors to take the appropriate action in excluding a Director from the discussion and vote on matters involving conflicts of interest. Thus high standards of probity can be seen to be maintained.</p>

Department of Health Appendices: Appendix A4: Governance rationale template

		<p>At the time the interests are declared, they should be recorded in the Director's meeting minutes. Any changes in interests should be officially declared at the next relevant meeting following the change occurring.</p> <p>The register of interests of members of the Board of Directors shall contain the names of each Director, whether (s)he has declared any interests and, if so, the interests declared in accordance with the Constitution or the Standing Orders.</p> <p>(Section 7 of Annex 8 of the Constitution refers).</p> <p>The Trust has in place a Conflicts of Interest Policy for NHS Board Members which clearly outlines how conflicts of interest should be handled.</p>	
27	Registers		
27.1	How the register of members will be maintained including admission to and removal from the register.	<p>The Trust Secretary will make arrangements for admission to and removal from the registers, which, in the case of the register of members, may be:</p> <ul style="list-style-type: none"> • carried out by the Trust Secretary • delegated to a Membership Officer <u>Manager</u> or other member of staff, or • an external supplier. <p>The Trust will maintain a register of Members showing, in respect of each Member, the Constituency to which (s)he belongs and, where there are Classes within it, the Class to which (s)he belongs.</p> <p>The Trust Secretary shall update the register with new or amended information as soon as is practical.</p> <p>The Trust shall not make any part of the register of Members available for inspection by members of the public which shows details of any Member of the Trust, if the</p>	<p>The Trust believes that these provisions comply with the 2006 Act and the provisions of the Public Benefit Corporation (Register of Members) Regulations 2004 (SI 2004/539).</p> <p>Moreover, maintaining a register of members is a standard part of a Trust Secretary's role. It is essential that the register is kept as up to date so that it can be used by the Trust to not only comply with the 2006 Act, but also for the proper administration of the Trust's business and membership activities, including the conduct of elections and other membership communications.</p> <p>The Trust believes that the delegation of these responsibilities to the Trust Secretary is reasonable and will ensure that an accurate register is maintained.</p>

Department of Health Appendices: Appendix A4: Governance rationale template

		Member so requests. The provisions relating to the register of members contained within paragraph 40 of the Constitution.	
27.2	How the register of members of the board of governors <u>Council of Governors</u> will be maintained including admission to and removal from the register.	<p>The Trust Secretary will maintain the register of members of the Council of Governors.</p> <p>The register will contain the name of each Governor, their category of membership of the Council of Governors (i.e. public, staff, local authority, or appointed governor), and an address through which they may be contacted, which may be the Trust Secretary.</p> <p>The Trust Secretary shall be responsible for compiling and maintaining the register. The register may be kept in either paper or electronic form. Removal from the register shall be in accordance with the relevant provisions of the Constitution.</p> <p>The Trust Secretary shall update the register with new or amended information as soon as is practical and in any event within 14 days of receipt.</p> <p>The Trust Secretary will ensure that the Council of Governors receives regular reports on the Membership of the Trust.</p>	<p>The Trust believes that these provisions comply with the 2006 Act.</p> <p>Moreover, maintaining such a register is a standard part of a Trust Secretary's role. It is essential that the register is kept as up to date so that it can be used by the Trust to not only comply with<u>comply with</u> the 2006 Act, but also for the proper administration of the Trust's business.</p> <p>The Trust believes that the delegation of these responsibilities to the Trust Secretary of the Trust is reasonable and will ensure that an accurate register is maintained and kept up to date in a cost efficient manner.</p>
27.2	How the register of members of the board of governors <u>Council of Governors</u> ' interests will be maintained including admission to and removal from the register.	<p>The Trust Secretary will maintain the register of interests of members of the Council of Governors.</p> <p>The register will contain the name of each Governor and whether (s)he has declared any interests and, if so, the interests so declared.</p> <p>The Trust Secretary shall be responsible for compiling and maintaining the register. The register may be kept in either paper or electronic form. Removal from the register shall be in accordance with the relevant provisions of the</p>	<p>The Trust believes that these provisions comply with the 2006 Act. Further, the principle of disclosure of interests is one that underpins good practice in corporate governance and corresponds with existing best practice in Board of Director meetings.</p> <p>Maintaining such a register is a standard part of a Secretary's role. It is essential that the register is kept as up to date so that it can be used by the Trust to not only comply with the 2006 Act, but also for the proper administration of the Trust's business.</p>

Department of Health Appendices: Appendix A4: Governance rationale template

		<p>Constitution.</p> <p>The Trust Secretary shall update the register with new or amended information as soon as is practical and in any event within 14 days of receipt.</p> <p>The Trust Secretary will ensure that declaring interests is a standing item on the agenda of all Council of Governor meetings. She/he will also ensure that an annual report of registered interests of the Council of Governors is made to the Council of Governors, and it is included in the Annual Cycle of Business for the Council of Governors.</p>	<p>The Trust believes that the delegation of these responsibilities to the Trust Secretary of the Trust is reasonable and will ensure that an accurate register is maintained and kept up to date in a cost efficient manner</p>
27.3	<p>How the register of members of the board of Directors' interests will be maintained including admission to and removal from the register.</p>	<p>The Trust Secretary will maintain the register of interests of members of the Board of Directors.</p> <p>The register will contain the name of each Director, their capacity on the Board of Directors and an address through which they may be contacted, which may be the Trust Secretary.</p> <p>The Trust Secretary shall be responsible for compiling and maintaining the register. The register may be kept in either paper or electronic form. Removal from the register shall be in accordance with the relevant provisions of the Constitution.</p> <p>The Trust Secretary shall update the register with new or amended information as soon as is practical and in any event within 14 days of receipt.</p> <p>The Trust Secretary will ensure that declaring interests is a standing item on the agenda of all Board of Director meetings. She/he will also ensure that an annual report of registered interests of the Board of Directors is made to the Board of Directors and that it is included in the Annual Cycle of Business for the Board of Directors.</p>	<p>The Trust believes that these provisions comply with the 2006 Act. Further, the principle of disclosure of interests is one that underpins good practice in corporate.</p> <p>Maintaining such a register is a standard part of a Trust Secretary's role. It is essential that the register is kept as up to date so that it can be used by the Trust to not only comply with the 2006 Act, but also for the proper administration of the Trust's business.</p> <p>The Trust believes that the delegation of these responsibilities to the Trust Secretary of the Trust is reasonable and will ensure that an accurate register is maintained and kept up to date in a cost efficient manner</p>

Department of Health Appendices: Appendix A4: Governance rationale template

28 Public Documents			
28.1	How the trust will make provision for the public to receive the documents set out in the Health Service Act 2006 and the charges that will apply (regulations may prescribe circumstances in which there is not to be public access to the register).	<p>The Trust shall make the following documents available for inspection by members of the public free of charge at all reasonable times as well as on the Trust's website via its publication scheme:</p> <ul style="list-style-type: none"> • a copy of the current Constitution; • a copy of the latest Annual Accounts and of any report of the Auditor on them; and • a copy of the latest Annual Report; <p>Any person who requests a copy of or extract from any of the documents listed above will be provided with a copy, or extract. If the person requesting a copy or extract is not a Member of the Trust, the Trust may impose a reasonable charge for doing so. However, these charges will not be different from the charging process in relation to requests under the Freedom of Information Act.</p> <p>With respect to the registers mentioned in the sections above, the Trust shall make the registers available for inspection by members of the public, except as set out below or as otherwise prescribed by regulations including, Public Benefit Corporation (Register of Members) Regulations 2004 (SI 2004/539).</p> <p>The Trust shall not make any part of the register of Members available for inspection by members of the public which shows details of any Member of the Trust, if the Member so requests.</p> <p>So far as the registers mentioned in the sections above are required to be made available:</p> <ul style="list-style-type: none"> • they are, subject to the provisions set out below, to be available for inspection free of charge at all 	<p>Public availability of key documents is designed to ensure transparency. In line with this, it has become a legal requirement for Foundation Trusts to make their key documents available for inspection.</p> <p>The Trust is committed to the principles of openness and transparency and believes that the provisions set out opposite comply with the requirements of the 2006 Act and Public Benefit Corporation (Register of Members) Regulations 2004.</p>

Department of Health Appendices: Appendix A4: Governance rationale template

		<p>reasonable times; and</p> <ul style="list-style-type: none"> a person who requests a copy of or extract from the registers is to be provided with a copy or extract. <p>If the person requesting a copy or extract is not a Member of the Trust, the Trust may impose a reasonable charge for doing so. However, these charges will not be different from the charging process in relation to requests under the Freedom of Information Act.</p>	
29	Auditor		
29.1	Details of the auditor's appointment and roles and responsibilities.	<p>The Trust is to have an Auditor and the current best practice is for a three to five year period of appointment.</p> <p>The Council of Governors shall appoint or remove the Auditor at a general meeting of the Council of Governors.</p> <p>In appointing the Auditor, the Council of Governors shall have regard to the recommendations (if any) of the Audit Committee.</p> <p>Where the Council of Governors ends the external auditor's appointment in disputed circumstances, the Chairman should write to Monitor informing it of the reasons behind the decision.</p>	<p>The requirement for the Council of Governors to appoint the Auditor in general meeting mirrors the requirement for the auditor to be appointed by the shareholders of a public limited company in general meeting and builds upon good corporate governance established in other sectors.</p> <p>The Trust believes that these provisions comply with the 2006 Act, the NHS Foundation Trust Code of Governance, the Audit Code for NHS Foundation Trusts and Your Statutory Duties: A Reference Guide for NHS Foundation Trust Governors.</p>
30	Accounts		
30.1	Details of process to make the accounts available.	<p>Paragraph 44 of the Constitution provides that:</p> <ul style="list-style-type: none"> The Trust must keep proper accounts and proper records in relation to the accounts. Monitor may with the approval of the Secretary of State give directions to the Trust as to the content and form of its accounts. The accounts are to be audited by the Trust's Auditor. The TrustTrust shall prepare in respect of each financial year annual accounts in such form as Monitor may with the approval of the Secretary of 	<p>These provisions are intended to reflect the relevant provisions of the 2006 Act and the process of laying papers before Parliament and the publication of accounts, as set out in the NHS Foundation Trust Financial Reporting Manual.</p> <p>Publication of the Annual Accounts at a public meeting of the Council of Governors, held immediately before the Annual Members' Meeting, builds on good corporate governance practices established in other sectors, where the Annual Report and Accounts are received by a company's owners (shareholders) at the</p>

Department of Health Appendices: Appendix A4: Governance rationale template

		<p>State direct.</p> <ul style="list-style-type: none"> The functions of the Trust with respect to the preparation of the Annual Accounts shall be delegated to the Accounting Officer. <p>Paragraph 46 of the Constitution further requires the accounts to be presented to a public meeting of the Council of Governors.</p> <p>These provisions will be further informed by the relevant provisions of the NHS Foundation Trust Financial Reporting Manual generally, and in particular, the provisions concerning publication procedures.</p> <p>The Trust Secretary will include the Annual Accounts process in the Annual cycle of Business for the Board of Directors and Council of Governors</p>	<p>Annual General Meeting.</p> <p>It is a legal requirement for Foundation Trusts to submit these papers to Parliament and to Monitor, and to make them available publicly.</p> <p>The Auditor's roles and responsibilities shall be in line with the Department of Health Audit Committee guidelines and include reviews and reports on the Trust's:</p> <ul style="list-style-type: none"> financial statements and its statement on financial control whether the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.
31 Annual Report and Forward Plans			
31.1	Details of process to make the annual report and forward plans available.	<p>See also 18.4 above.</p> <p>Paragraph 45 of the Constitution provides that:</p> <ul style="list-style-type: none"> The Trust shall prepare an Annual Report and send it to Monitor The Trust shall give information as to its forward planning in respect of each financial year to Monitor The document containing the information with respect to forward planning (referred to above) shall be prepared by the Board of Directors. In preparing the document, the Board of Directors shall have regard to the views of the Council of Governors. Each forward plan must include information about: <ul style="list-style-type: none"> (i) the activities other than the provision of goods and services for the purposes of the health service in England that the trust 	<p>Publication of the Annual Report and Forward Plans at a public Council of Governors Meeting preceding the Annual Members' Meeting builds on good corporate governance practices established in other sectors, where the annual report and accounts are received by a company's owners (shareholders) at the Annual General Meeting.</p> <p>It is a legal requirement for Foundation Trusts to submit these papers to Monitor and to make them available publicly.</p>

Department of Health Appendices: Appendix A4: Governance rationale template

		<p>proposed to carry on; and</p> <p>(ii) the income it expects to receive from doing so.</p> <ul style="list-style-type: none"> Where a forward plan contains a proposal that the Trust carry on an activity of a kind mentioned in sub-paragraph 455.1 the Council of Governors must: <ul style="list-style-type: none"> (i) determine whether it is satisfied that the carrying on of the activity will not to any significant extent interfere with the fulfilment by the Trust of its principal purpose or the performance of its other functions; and (ii) notify the Directors of the Trust of its determination. A Trust which proposed to increase by 5% or more the proportion of its total income in any financial year attributable to activities other than the provision of goods and services for the purposes of the health service in England may implement the proposal only if more than half of the members of the Council of Governors of the Trust voting approve its implementation. <p>Paragraph 46 of the Constitution further provides for the annual report to be presented to a public meeting of the Council of Governors.</p> <p>These provisions will be further informed by the relevant requirements and guidance contained in Monitor's Compliance Framework and Monitor's Annual Plan Review: Guidance for Foundation Trusts.</p>	
32	Indemnity		
32	Details of any indemnity clause.	<p>Paragraphs 17 and 18 of Annex 9 of the Constitution provide that:</p> <ul style="list-style-type: none"> Members of the Council of Governors, members of 	<p>The Trust believes that these arrangements are intravires and reasonable, and that they represent a sensible approach which will help to ensure that appropriate and suitable candidates are not</p>

Department of Health Appendices: Appendix A4: Governance rationale template

		<p>the Board of Directors, the Trust Secretary and the trust's Membership Officer Manager who act honestly and in good faith will not have to meet out of their personal resources any personal civil liability which is incurred in the execution or purported execution of their functions, save where they have acted recklessly. Any costs arising in this way will be met by the Trust.</p> <ul style="list-style-type: none"> The Trust may purchase and maintain insurance against this liability for its own benefit and for the benefit of members of the Council of Governors, members of the Board of Directors, the Trust Secretary and the Trust's Membership Officer. <p>The Trust may take out insurance either through the NHS Litigation Authority or otherwise in respect of Directors' and Officers' liability, including liability arising by reason of the Trust acting as a corporate trustee of an NHS charity.</p>	discouraged from appointment or election to these posts
33 Dispute Resolution Procedures			
33.1	Detail of any dispute resolution procedures in the constitution. E.g. issues related to the constitution or other disputes such as contract.	<p>The Trust will handle disputes in the following ways:</p> <p>Membership disputes (Annex 9, paragraph 3 refers) In the event of dispute about a person's eligibility for membership of the Trust, the dispute shall be referred to the Trust Secretary who shall make a determination on the point at issue. If the person is dissatisfied with the decision of the Secretary, (s)he may appeal in writing within 14 days of the decision to the Council of Governors, whose decision shall be final.</p> <p>Governor disputes (Annex 6, paragraph 3 refers) In the event of dispute regarding a person's eligibility to become or continue as a Governor, the Trust Secretary shall refer the point at issue to an independent assessor agreeable to both parties and the decision of such assessor shall be final.</p>	<p>The Trust believes that it is important to establish clear and unambiguous processes for dispute resolution in order to bring such disputes to a successful and cost effective conclusion.</p> <p>The Trust believes that these provisions are fair and reasonable. Moreover, with respect to the provisions relating to disputes arising out of the removal/expulsion of a Governor, the Trust believes that these comply with the spirit of the NHS Foundation Trust Code of Governance.</p>

Department of Health Appendices: Appendix A4: Governance rationale template

		<p>In the event of any dispute in relation to this Constitution that concerns anything other than membership, the dispute shall be referred to the Chairman (or, if the Chairman has a conflict of interest, to the Senior Independent Director or another Director selected by the Board of Directors), who shall make a determination on the point in issue.</p> <p>If the Member or complainant (as the case may be) is aggrieved at the decision of the Chairman or other Director (as the case may be), he may appeal in writing within 14 days of the Chairman's decision to the Board of Directors whose decision shall be final.</p> <p>Disputes between the Council of Governors and the Board of Directors.</p> <p>In the event of dispute between the Council of Governors and the Board of Directors:</p> <ul style="list-style-type: none"> • in the first instance the Chairman, on the advice of the Trust Secretary, and such other advice as the Chairman may see fit to obtain, shall seek to resolve the dispute; • if the Chairman is unable to resolve the dispute, (s)he shall appoint a committee comprising equal numbers of Directors and Governors to consider the circumstances and to make recommendations to the Council of Governors and the Board of Directors with a view to resolving the dispute (the "Special Committee"); • if the recommendations (if any) of the Special Committee are unsuccessful in resolving the dispute, the Chairman may refer the dispute back to the Board of Directors who shall make the final decision. <p>With respect to contractual disputes, these will be</p>	
--	--	--	--

Department of Health Appendices: Appendix A4: Governance rationale template

		<p>determined in accordance with the relevant contractual provisions regarding dispute resolution as set out in the contract in question.</p> <p>(Paragraphs 21 and 22 of Annex 9 of the Constitution refer).</p>	
34 Amending the Constitution			
34.1	<p>Details of the procedure for amending the constitution.</p>	<p>Amendments by the Trust to the Constitution are to be made with the approval of the Council of Governors and the Board of Directors.</p> <p>The procedure for amending the Constitution is set out in paragraph 48 of the Constitution which states that any amendments to this Constitution must be approved by:</p> <p style="padding-left: 40px;">(a) more than half of the members of the Council of Governors of the Trust voting to approve the amendments; and</p> <p style="padding-left: 40px;">(b) more than half of the members of the Board of Directors of the Trust voting to approve the amendments.</p> <p>The Standing Orders for Directors and Governors include additional provisions to ensure that the Governors and Directors have the opportunity to agree proposals to amend their respective Standing Orders, because these form part of the Constitution. These provisions state that:</p> <p>Council of Governors: Standing Orders (Annex 7, paragraph 4.12)</p> <p>These Standing Orders shall be amended only if:</p> <ul style="list-style-type: none"> • a notice of motion under Standing Order 4.5.2 has been given; and • the variation proposed has been approved by the Board of Directors and does not contravene a 	<p>The Trust understands that no amendments can be made to the Constitution (including the Standing Orders) without the approval of Monitor. These provisions are intended to reflect the arrangements set out in the 2006 Act and the Model Core Constitution, whilst providing an additional process to be followed internally regarding proposals to amend the Standing Orders so that any proposal to do so has the appropriate backing of the Council of Governors and/or the Board of Directors.</p>

Department of Health Appendices: Appendix A4: Governance rationale template

		<p>statutory provision.</p> <ul style="list-style-type: none"> • <p>Board of Directors: Standing Orders (Annex 8, paragraph 3.12) These Standing Orders shall not be amended except in the following circumstances:</p> <ul style="list-style-type: none"> • upon a notice of motion under Standing Order 3.3; • upon a recommendation of the Chairman or Chief Executive; included on the agenda for the meeting; • that two thirds of the Directors of the Board are present at the meeting where the variation or amendment is being discussed, and that at least half of the Non-Executive Directors vote in favour of the amendment; • provided that any variation or amendment does not contravene a statutory provision; and • is approved as outlined in paragraph 48 of the Constitution. 	
--	--	--	--

DRAFT