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To be read in conjunction with (identify which internal documents)	Standing Financial Instructions

SUPPORTING REFERENCES	
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STANDING ORDERS

1. INTRODUCTION

1.1 Statutory Framework

- (1) The East Lancashire Hospitals NHS Trust (the Trust) is a statutory body which came into existence on 1st April 2003 under The East Lancashire Hospitals NHS Trust (Establishment) Order 2002 No. 2073 (the Establishment Order) as amended by the East Lancashire Hospitals National Health Service Trust (Establishment) and the Blackburn, Hyndburn and Ribble Valley Health Care National Health Service Trust and Burnley Health Care National Health Service Trust (Dissolution) Amendment Order 2011 No 2223.
- (2) The principal place of business of the Trust is The Royal Blackburn Hospital, Haslingden Road, Blackburn.
- (3) NHS Trusts are governed by Act of Parliament, mainly the National Health Service Act 1977 (NHS Act 1977), the National Health Service and Community Care Act 1990 (NHS & CC Act 1990) as amended by the Health Authorities Act 1995 and the Health Act 1999 and subsequent amendments.
- (4) As a statutory body, the Trust has specified powers to contract in its own name and to act as a corporate trustee. In the latter role it is accountable to the Charity Commission for those funds deemed to be charitable as well as to the Secretary of State for Health.
- (5) The Trust also has statutory powers under Section 28A of the NHS Act 1977, as amended by the Health Act 1999, to fund projects jointly planned with local authorities, voluntary organisations and other bodies.
- (6) The Code of Accountability requires the Trust to adopt Standing Orders for the regulation of its proceedings and business. The Trust must also adopt Standing Financial Instructions (SFIs) setting out the responsibilities of individuals.
- (7) The Trust will also be bound by such other statutes and legal provisions which govern the conduct of its affairs.

1.2 NHS Framework

- (1) In addition to the statutory requirements the Secretary of State through the Department of Health and Social Care issues further directions and guidance.
- (2) The Code of Accountability requires that Boards, inter alia, draw up a schedule of decisions reserved to the Board, and ensure that management arrangements are in place to enable responsibility to be clearly delegated to senior executives (a scheme of delegation). The code also requires the

establishment of Audit and Remuneration Committees with formally agreed terms of reference. The Codes of Conduct prescribe various requirements concerning possible conflicts of interest of Board members.

- (3) The Code of Practice on Openness in the NHS and the provisions of the Freedom of Information Act 2000 set out the requirements for public access to information on the NHS.

1.3 Delegation of Powers

The Trust has powers to delegate and make arrangements for delegation. Standing Orders 4 and 5 set out the detail of these arrangements. Delegated powers are covered in the Schedule of Matters reserved for the Board and Scheme of Delegation.

2. THE TRUST BOARD: COMPOSITION OF MEMBERSHIP, TENURE AND ROLE OF MEMBERS

2.1 Composition of the Membership of the Trust Board

In accordance with the National Health Service Trusts (Membership and Procedure) Regulations 1990 and the Trust's Establishment Order as amended by The East Lancashire Hospitals National Health Service Trust (Establishment) and the Blackburn, Hyndburn and Ribble Valley Health Care National Health Service Trust and Burnley Health Care National Health Service Trust (Dissolution) Amendment Order 2011 No 2223 and The East Lancashire Hospitals National Health Service Trust

(Establishment) and the Blackburn, Hyndburn and Ribble Valley Health Care National Health Service Trust and Burnley Health Care National Health Service Trust (Dissolution) (Amendment) Order 2017 no.61 made on 26 January 2017, that came into force on 10 February 2017 the composition of the Board shall be:

- (1) The Chairman of the Trust (Appointed by NHS Improvement);
- (2) 7 Non- Executive Directors (appointed by the NHS Improvement);
- (3) 5 Executive Directors including:
 - Chief Executive
 - Executive Director of Finance
 - Executive Medical Director
 - Executive Director of Nursing
 - Executive Director of Service Development

The Trust shall have no more than 13 and no less than 8 voting members (unless otherwise determined by the Secretary of State for Health and set out in the Trust's Establishment Order or such other communication from the Secretary of State).

- (4) Other Executive Directors (e.g. Human Resources and Organisational

Development, Communications and Engagement) will also form part of the Board membership but shall have no voting rights.

- (5) NHS Improvement or the Trust can appoint Associate Members, who shall be Non- Executive Directors that will form part of the Board membership but shall have no voting rights.

2.2 Appointment of Chairman and Members of the Trust Board

Paragraph 4 of Schedule 5A to the 1977 Act, as inserted by the Health Act 1999, provides that the Chairman is appointed by the Secretary of State, but otherwise the appointment and tenure of office of the Chairman and members are set out in the National Health Service Trusts (Membership and Procedure) Regulations 1990 as amended.

2.3 Terms of Office of the Chairman and Members

The regulations setting out the period of tenure of office of the Chairman and members and for the termination or suspension of office of the Chairman and members are contained in Sections 7 to 9 of the National Health Service Trusts (Membership and Procedure) Regulations 1990 as amended.

2.4 Appointment and Powers of the Deputy Chair(s)

- (1) Subject to Standing Order 2.4 (2) below, the Chairman and members of the Trust Board may appoint one or two of their numbers, who is/are a Non-Executive member(s), to be Deputy Chair(s), for such period, not exceeding the remainder of their term as a member of the Trust, as they may specify on appointing them.
- (2) Any member so appointed may at any time resign from the office of Deputy Chair by giving notice in writing to the Chairman. The Chairman and members may thereupon appoint another member as Deputy Chair(s) in accordance with the provisions of Standing Order 2.4(1).
- (3) Where the Chairman of the Trust has died or has ceased to hold office, or where they have been unable to perform their duties as Chairman owing to illness or any other cause, the Deputy Chair(s) shall act as Chairman until a new Chairman is appointed or the existing Chairman resumes their duties, as the case may be; and references to the Chairman in these Standing Orders shall, so long as there is no Chairman able to perform those duties, be taken to include references to the Deputy Chair(s).

2.5 Role of Board Members

The Board will function as a corporate decision-making body, Executive and Non-Executive Members will be full and equal members (provided they have full voting rights). Their role as members of the Trust Board will be to consider the key strategic issues facing the Trust in carrying out its statutory and other functions.

(1) Executive Members

Executive Members shall exercise their authority within the terms of these Standing Orders and the Standing Financial Instructions and the Scheme of Delegation.

(2) Chief Executive

The Chief Executive shall be responsible for the overall performance of the executive functions of the Trust. He/she is the **Accountable Officer** for the Trust and shall be responsible for ensuring the discharge of obligations under Financial Directions and in line with the requirements of the Accountable Officer Memorandum for Trust Chief Executives.

(3) Executive Director of Finance

The Executive Director of Finance shall be responsible for the provision of financial advice to the Trust and to its members and for the supervision of financial control and accounting systems. He/she shall be responsible along with the Chief Executive for ensuring the discharge of obligations under relevant Financial Directions.

(4) Non-Executive Members

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

(5) Chairman

The Chairman shall be responsible for the operation of the Board and chair all Board meetings when present. The Chairman must comply with the terms of appointment and with these Standing Orders.

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

The Chairman shall work with the Chief Executive and shall ensure that key and appropriate issues are discussed by the Board in a timely manner with all the necessary information and advice being made available to the Board to inform the

debate and ultimate resolutions.

2.6 Corporate role of the Board

- (1) All business shall be conducted in the name of the Trust.
- (2) All funds received in trust shall be held in the name of the Trust as Corporate Trustee.
- (3) The powers of the Trust established under statute shall be exercised by the Board meeting in public session except as otherwise provided for in Standing Order No. 3.
- (4) The Board shall define and regularly review the functions it exercises on behalf of the Secretary of State.

2.6.1 Schedule of Matters reserved for the Board and Scheme of Delegation

The Board has resolved that certain powers and decisions may only be exercised by the Board in formal session. These powers and decisions are set out in the 'Schedule of Matters Reserved for the Board' that forms part of the Standing Financial Instructions and shall have effect as if incorporated into the Standing Orders. Those powers which it has delegated to officers and other bodies are contained in the Scheme of Delegation.

2.7 Calling meetings

- (1) Ordinary meetings of the Board shall be held at regular intervals at such times and places as the Board may determine. The Company Secretary to the Board will publish the dates, times and locations of the meeting of the Board in advance.
- (2) The Chairman of the Trust may call a meeting of the Board at any time.
- (3) One third or more members of the Board may requisition a meeting in writing. If the Chairman refuses, or fails, to call a meeting within seven days of a requisition being presented, the members signing the requisition may forthwith call a meeting.
- (4) In case of emergencies or the need to conduct urgent business, the Company Secretary shall give to all members as much notice as is considered reasonable by the Chairman or the Deputy Chair(s) of the Trust, of the date, time and place of the meeting by whatever means of communication is considered appropriate by the Chairman or the Deputy Chair(s) of the Trust.
- (5) In the event of an emergency or the need to conduct urgent business, the Chairman, Deputy Chair(s) or Company Secretary may, in calling the meeting, authorise the meeting to be held in private as a Part 2 meeting of the Trust Board, if the nature of the business to be conducted is commercially sensitive or would otherwise not be in the public interest to disclose at that time. The fact that such a meeting has been held shall be reported to the next Board meeting.

2.8 Notice of Meetings and the Business to be transacted

- (1) Save in the case of emergencies or the need to conduct urgent business, before each meeting of the Board a written notice specifying the business proposed to be transacted shall be delivered to every member, or sent by post to the usual place of residence of each member, so as to be available to members at least three clear days before the meeting. Want of service of such a notice on any member shall not affect the validity of a meeting.
- (2) In the case of a meeting called by members in default of the Chairman calling the meeting, the notice shall be signed by those members.
- (3) No business shall be transacted at the meeting other than that specified on the agenda, or emergency motions allowed under the Standing Orders
- (4) A member desiring a matter to be included on an agenda shall make his/her request in writing to the Chairman at least 15 calendar days before the meeting. The request should state whether the item of business is proposed to be transacted in the presence of the public and should include appropriate supporting information. Requests made less than 15 calendar days before a meeting may be included on the agenda at the discretion of the Chairman.

2.9 Agenda and Supporting Papers

The Agenda will be sent to members 7 calendar days before the meeting and supporting papers, whenever possible, shall accompany the agenda, but will certainly be dispatched no later than three clear days before the meeting, save in exceptional circumstances

2.10 Notices of Motion

A director desiring to move or amend a motion shall send a written notice thereof at least 10 calendar days before the meeting to the Chairman and Company Secretary, who shall insert in the agenda for the meeting all notices so received subject to the notice being permissible under the appropriate regulations. This paragraph shall not prevent any motion being moved during the meeting, without notice on any business mentioned on the agenda.

2.11 Withdrawal of Motions or Amendments

A motion or amendment once moved and seconded may be withdrawn by the proposer with the concurrence of the seconder and the consent of the Chairman.

2.12 Motion to Rescind a Resolution

Notice of motion to amend or rescind any resolution (or the general substance of any

resolution) which has been passed within the preceding 6 calendar months shall bear the signature of the director who gives it and also the signature of 4 other directors. When any such motion has been disposed of by the Trust, it shall not be competent for any director other than the Chairman to propose a motion to the same effect within 6 months; however the Chairman may do so if he/she considers it appropriate.

2.13 Motions

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

2.14 Chairman of meeting

- (1) At any meeting of the Trust Board the Chairman, if present, shall preside. If the Chairman is absent from the meeting, the Deputy Chair(s), if present, shall preside.
- (2) If the Chairman and the Deputy Chair(s) are absent, such member (who is not also an Executive Member of the Trust) as the members present shall choose shall preside.

2.15 Chairman's ruling

The decision of the Chairman of the meeting on questions of order, relevancy and regularity (including procedure on handling motions) and their interpretation of the Standing Orders, at the meeting, shall be final.

2.16 Quorum

- (1) No business shall be transacted at a meeting unless at least one-third of the whole number (rounded up) of the Chairman and voting members (including at least one member who is also an Executive Member of the Trust and one member who is not) is present.
- (2) An Officer in attendance for an Executive Director (Officer Member) but without formal acting up status may not count towards the quorum.
- (3) If the Chairman or member has been disqualified from participating in the discussion on any matter and/or from voting on any resolution by reason of a declaration of a conflict of interest (see SO No.5) that person shall no longer count towards the quorum. If a quorum is then not available for the discussion and/or the passing of a resolution on any matter, that matter may not be discussed further or voted upon at that meeting. Such a position shall be recorded in the minutes of the meeting. The meeting must then proceed to the next item of business.

2.17 Voting

- (1) Save as provided in Standing Orders 2.18 - Suspension of Standing Orders and 2.19 - Variation and Amendment of Standing Orders, every question put to a vote at a meeting shall be determined by a majority of the votes of members present and voting on the question. In the case of an equal vote, the person presiding (i.e. the Chairman of the meeting) shall have a second, and casting vote.
- (2) At the discretion of the Chairman all questions put to the vote shall be determined by oral expression or by a show of hands, unless the Chairman directs otherwise, or it is proposed, seconded and carried that a vote be taken by paper ballot.
- (3) If at least one third of the members present so request, the voting on any question may be recorded so as to show how each member present voted or did not vote (except when conducted by paper ballot).
- (4) If a member so requests, their vote shall be recorded by name.
- (5) In no circumstances may an absent member vote by proxy. Absence is defined as being absent at the time of the vote.
- (6) A deputy who has been formally appointed to act up for an Executive Director Member during a period of incapacity or temporarily to fill an Executive Director vacancy shall be entitled to exercise the voting rights of the Executive Director Member.
- (7) A deputy attending the Trust Board meeting to represent an Executive Member during a period of incapacity or temporary absence without formal acting up status may not exercise the voting rights of the Executive Director Member. A deputy's status when attending a meeting shall be recorded in the minutes.

2.18 Suspension of Standing Orders

- (1) Except where this would contravene any statutory provision or any direction made by the Secretary of State or the rules relating to the Quorum (SO 2.16), any one or more of the Standing Orders may be suspended at any meeting, provided that at least two-thirds of the whole number of the voting members of the Board are present (including at least one member who is an Executive Member of the Trust and one member who is not) and that at least two-thirds of those members present signify their agreement to such suspension. The reason for the suspension shall be recorded in the Trust Board's minutes. No formal business may be transacted while the Standing Orders are suspended.

2.19 Variation and amendment of Standing Orders

These Standing Orders shall not be varied except in the following circumstances:

- upon a notice of motion under these Standing Orders
- no fewer than half of the Trust's total Non-Executive Directors in post vote in favour of the amendment; and
- at least two thirds of the voting Board members are present at the meeting where the variation or amendment is being discussed, and
- providing that any variation or amendment does not contravene a statutory provision or direction made by the Secretary of State.

2.20 Record of Attendance

The names of the Chairman and Directors/members present at the meeting shall be recorded.

2.21 Minutes

The minutes of the proceedings of a meeting shall be drawn up and submitted for agreement at the next ensuing meeting.

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

2.22 Admission of public and the press

- (1) Meetings of the Board of Directors will be open to members of the public. At any meeting of the Board of Directors open to members of the public the Chairman may exclude any member of the public if they are interfering with or preventing the proper conduct of the meeting. Members of the public may be excluded from a meeting of the Board of Directors on the grounds that publicity of the matters being reviewed would be prejudicial to public interest, by reason of the confidential nature of business.
- (2) Nothing in these Standing Orders shall require the Board to allow members of the public or representatives of the press to record proceedings in any manner whatsoever, other than writing, or to make any oral report of proceedings as they take place without the prior agreement of the Board.

3. APPOINTMENT OF COMMITTEES AND SUB-COMMITTEES

3.1 Appointment of Committees

Subject to such directions as may be given by the Secretary of State for Health and Social Care, the Trust Board may appoint committees of the Trust; or together with one or more

health organisations appoint joint committees.

The Trust shall determine the membership and terms of reference of committees and sub-committees and shall if it requires to, receive and consider reports of such committees.

Any committee or joint committee appointed under this Standing Order may, subject to such directions as may be given by the Secretary of State for Health and Social Care or the Trust or other health bodies in question, appoint sub-committees consisting wholly or partly of members of the committees or joint committee (whether or not they are members of the Trust or health bodies in question) or wholly of persons who are not members of the Trust or health bodies in question or the committee of the Trust or health bodies in question.

3.2 Applicability of Standing Orders to Committees

The Standing Orders of the Trust, as far as they are applicable, shall as appropriate, apply to meetings and any committees established by the Trust. (There is no requirement to hold meetings of committees established by the Trust in public.)

3.3 Terms of Reference

Each such committee shall have such terms of reference and powers and be subject to such conditions (as to reporting back to the Board), as the Board shall decide and shall be in accordance with any legislation and regulation or direction issued by the Secretary of State for Health and Social Care. Such terms of reference shall have effect as if incorporated into the Standing Orders.

3.4 Delegation of powers by Committees to Sub-Committees

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

3.5 Approval of Appointments to Committees

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

3.6 Appointments for Statutory functions

Where the Board is required to appoint persons to a committee and/or to undertake

statutory functions as required by the Secretary of State for Health and Social Care, and where such appointments are to operate independently of the Board such appointment shall be made in accordance with the regulations and directions made by the Secretary of State for Health and Social Care.

3.7 Committees established by the Trust Board

The committees, sub-committees, and joint committees established by the Board are:

- a) Audit Committee and Auditor Panel
- b) Remuneration Committee
- c) Trust Charitable Funds Committee
- d) Finance and Performance Committee
- e) Quality Committee

The Board approves the terms of reference for these committees and they are reviewed on an annual basis.

3.8 Other Committees

The Board may also establish such other committees as required to discharge the Trust's responsibilities.

4. ARRANGEMENTS FOR THE EXERCISE OF TRUST FUNCTIONS BY DELEGATION

4.1 Delegation of Functions to Committees, Officers or other bodies

Subject to such directions as may be given by the Secretary of State for Health and Social Care, the Board may make arrangements for the exercise, on behalf of the Board, of any of its functions by a committee, sub-committee appointed by virtue of Standing Order 4, or by an officer of the Trust, or by another body, in each case subject to such restrictions and conditions as the Trust thinks fit.

4.2 Emergency Powers and urgent decisions

The powers which the Board has reserved to itself within these Standing Orders (see Standing Order 2.8) may in emergency or for an urgent decision be exercised by the Chief Executive and the Chairman after having consulted at least two Non-Executive members. The exercise of such powers by the Chief Executive and Chairman shall be reported to the next formal meeting of the Trust Board in public session for formal ratification.

4.3 Delegation to Committees

The Board shall agree from time to time to the delegation of executive powers to be

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

4.4 Delegation to Officers

Those functions of the Trust which have not been retained as reserved by the Board or delegated to other committee or sub-committee or joint-committee shall be exercised on behalf of the Trust by the Chief Executive. The Chief Executive shall determine which functions he/she will perform personally and shall nominate officers to undertake the remaining functions for which he/she will still retain accountability to the Trust.

The Chief Executive shall prepare a Scheme of Delegation identifying his/her proposals which shall be considered and approved by the Board. The Chief Executive may periodically propose amendment to the Scheme of Delegation which shall be considered and approved by the Board.

Nothing in the Scheme of Delegation shall impair the discharge of the direct accountability to the Board of the Executive Director of Finance to provide information and advise the Board in accordance with statutory or Department of Health and Social Care requirements. Outside these statutory requirements the roles of the Executive Director of Finance shall be accountable to the Chief Executive for operational matters.

The arrangements made by the Board as set out in the "Schedule of Matters Reserved to the Board" and "Scheme of Delegation" shall have effect as if incorporated in these Standing Orders.

4.5 Duty to report non-compliance with Standing Orders

If for any reason these Standing Orders are not complied with, full details of the non-compliance and any justification for non-compliance and the circumstances around the non-compliance, shall be reported to the next formal meeting of the Trust Board for action or ratification. All members of the Trust Board and staff have a duty to disclose any non-compliance with these Standing Orders to the Company Secretary as soon as possible.

5. DUTIES AND OBLIGATIONS OF BOARD MEMBERS/DIRECTORS AND SENIOR MANAGERS UNDER THESE STANDING ORDERS

5.1 Declaration of Interests

5.2 Requirements for Declaring Interests and applicability to Board Members

The NHS Code of Accountability and the Trust's Standard of Conduct policy requires Trust

Board Members to declare interests which are relevant and material to the NHS Board of which they are a member. All existing Board members should declare such interests. Any Board members appointed subsequently should do so on appointment.

5.3 Interests which are relevant and material

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

- a) Directorships, including Non-Executive Directorships held in private companies or PLCs (with the exception of those of dormant companies);
- b) Ownership or part-ownership of private companies, businesses or consultancies likely or possibly seeking to do business with the NHS;
- c) Majority or controlling shareholdings in organisations likely or possibly seeking to do business with the NHS;
- d) A position of Authority in a charity or voluntary organisation in the field of health and social care;
- e) Any connection with a voluntary or other organisation contracting for NHS services;
- f) Research funding/grants that may be received by an individual or their department;
- g) Interests in pooled funds that are under separate management.

Any member of the Trust Board who comes to know that the Trust has entered into or proposes to enter into a contract in which he/she or any person connected with him/her (as defined in Standing Order 5.9 below and elsewhere) has any pecuniary interest, direct or indirect, the Board member shall declare his/her interest by giving notice in writing of such fact to the Company Secretary as soon as practicable.

5.4 Advice on Interests

If Board members have any doubt about the relevance of an interest, this should be discussed with the Chairman of the Trust or with the Trust's Company Secretary.

Influence rather than the immediacy of the relationship is more important in assessing the relevance of an interest. The interests of partners in professional partnerships including general practitioners should also be considered.

5.5 Recording of Interests in Trust Board minutes

At the time Board members' interests are declared, they should be recorded in the Trust Board minutes.

Any changes in interests should be declared at the next Trust Board meeting following the change occurring and recorded in the minutes of that meeting.

5.6 Publication of declared interests in Annual Report

Board members' declarations of interest are entered into the Directors' Register of Interests and published in the Trust's annual report. The information should be kept up to date for inclusion in succeeding annual reports.

During the course of a Trust Board meeting, if a conflict of interest is established, the Board member concerned should withdraw from the meeting and play no part in the relevant discussion or decision.

5.7 Register of Interests

The Company Secretary will ensure that a Directors' Register of Interests is established to record formally declarations of interests of Board or Committee members. In particular the Register will include details of all directorships and other relevant and material interests which have been declared by executive and non- executive Trust Board members.

These details will be kept up to date by means of a regular review of the Register in which any changes to interests declared during the preceding twelve months will be incorporated.

The Register will be available to the public and the Company Secretary will take reasonable steps to bring the existence of the Register to the attention of local residents and to publicise arrangements for viewing it.

Exclusion of Chairman and Members in proceedings on account of pecuniary interest

5.8 Definition of terms used in interpreting 'Pecuniary' interest

For the sake of clarity, the following definition of terms is to be used in interpreting this Standing Order:

- a) "Spouse" shall include any person who lives with another person in the same household (and any pecuniary interest of one spouse shall, if known to the other spouse, be deemed to be an interest of that other spouse);
- b) "Contract" shall include any proposed contract or other course of dealing.
- c) "Pecuniary interest" – an amount or an interest related to money or that which can be measured in money

Subject to the exceptions set out in this Standing Order, a person shall be treated as having an indirect pecuniary interest in a contract if:

- a) he/she, or a nominee of his/her, is a member of a company or other body (not being a public body), with which the contract is made, or to be made or which has a direct pecuniary interest in the same, or
- b) he/she is a partner, associate or employee of any person with whom the contract is made or to be made or who has a direct pecuniary interest in the same.

Exception to Pecuniary interests

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

- a) neither he/she or any person connected with him/her has any beneficial interest in the securities of a company of which he/she or such person appears as a member, or
- b) any interest that he/she or any person connected with him/her may have in the contract is so remote or insignificant that it cannot reasonably be regarded as likely to influence him/her in relation to considering or voting on that contract, or
- c) those securities of any company in which he/she (or any person connected with him/her) has a beneficial interest do not exceed £5,000 in nominal value or one per cent of the total issued share capital of the company or of the relevant class of such capital, whichever is the less.

Provided however, that where paragraph (c) above applies the person shall nevertheless be obliged to disclose/declare their interest in accordance with Standing Orders.

5.9 Exclusion in proceedings of the TrustBoard

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

The Secretary of State may, subject to such conditions as he/she may think fit to impose, remove any disability imposed by this Standing Order in any case in which it appears to him/her in the interests of the National Health Service that the disability should be removed. (See SO 5.11 on the 'Waiver' which has been approved by the Secretary of State for Health).

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

5.10 Waiver of Standing Orders made by the Secretary of State for Health and Social Care

(1) Power of the Secretary of State to make waivers

Under regulation 11(2) of the NHS (Membership and Procedure) Regulations SI 1999/2024 (“the Regulations”), there is a power for the Secretary of State to issue waivers if it appears to the Secretary of State in the interests of the health service that the disability in regulation 11 (which prevents a chairman or a member from taking part in the consideration or discussion of, or voting on any question with respect to, a matter in which he has a pecuniary interest) is removed. A waiver has been agreed in line with sub-sections (2) to (4) below.

(2) Definition of ‘Chairman’ for the purpose of interpreting this waiver

The “relevant chairman” is –

- (a) at a meeting of the Trust, the Chairman of that Trust;
- (b) at a meeting of a Committee–
 - (i) in a case where the member in question is the Chairman of that Committee, the Chairman of the Trust;
 - (ii) in the case of any other member, the Chairman of that Committee.

(3) Application of waiver

A waiver will apply in relation to the disability to participate in the proceedings of the Trust on account of a pecuniary interest. It will apply to:

- (i) A member of the East Lancashire Hospitals NHS Trust (“the Trust”), who is a healthcare professional, within the meaning of regulation 5(5) of the Regulations, and who is providing or performing, or assisting in the provision or performance, of:
 - (a) services under the National Health Service Act 1977; or
 - (b) services in connection with a pilot scheme under the National Health Service Act 1977; for the benefit of persons for whom the Trust is responsible.
- (ii) Where the ‘pecuniary interest’ of the member in the matter which is the subject of consideration at a meeting at which he is present:
 - (a) arises by reason only of the member’s role as such a professional providing or performing, or assisting in the provision or performance of, those services to those persons;
 - (b) has been declared by the relevant chairman as an interest which cannot reasonably be regarded as an interest more substantial than that of the majority of other persons who:
 - (i) are members of the same profession as the member in question,
 - (ii) are providing or performing, or assisting in the provision or performance of, such of those services as he provides or performs, or assists in the provision or performance of, for the benefit of persons for whom the Trust is responsible.

(4) Conditions which apply to the waiver and the removal of having a pecuniary interest

The removal is subject to the following conditions:

- (a) the member must disclose his/her interest as soon as practicable after the commencement of the meeting and this must be recorded in the minutes;
 - (b) the relevant chairman must consult the Chief Executive before making a declaration in relation to the member in question
- (2) (b) above, except where that member is the Chief Executive;
- (c) in the case of a meeting of the Trust:
 - (i) the member may take part in the consideration or discussion of the matter which must be subjected to a vote and the outcome recorded;
 - (ii) may not vote on any question with respect to it.
 - (d) in the case of a meeting of the Committee:
 - (i) the member may take part in the consideration or discussion of the matter which must be subjected to a vote and the outcome recorded;
 - (ii) may vote on any question with respect to it; but
 - (iii) the resolution which is subject to the vote must comprise a recommendation to, and be referred for approval by, the Trust Board.

5.11 Standards of Conduct

The Trust has adopted the Standards of Conduct which are applicable to all staff and those acting on behalf of the Trust.

5.12 Standards of Conduct, Trust Policy and National Guidance

All Trust staff and members of must comply with the Trust's Standards of Conduct and procedures on receipt of hospitality and gifts and the national guidance contained in HSG(93)5 on 'Standards of Business Conduct for NHS staff', the provisions of the Bribery Act 2010 and the NHS England guidelines on declarations of interest issued on 1 June 2017.

(1) Interest of Officers in Contracts

- i) Any officer or employee of the Trust who comes to know that the Trust has entered into or proposes to enter into a contract in which he/she or any person connected with him/her has any pecuniary interest, direct or indirect, the Officer shall declare their interest by giving notice in writing of such fact to the Trust's Company Secretary as soon as practicable.

- ii) An Officer should also declare to the Trust Company Secretary any other employment or business or other relationship of his/her, or of a cohabiting spouse, that conflicts, or might reasonably be predicted could conflict with the interests of the Trust.
- iii) The Trust will require interests, employment or relationships so declared to be entered in a register of interests of staff.

(2) Canvassing of and Recommendations by Members in Relation to Appointments

- i) Canvassing of members of the Trust or of any Committee of the Trust directly or indirectly for any appointment under the Trust shall disqualify the candidate for such appointment. The contents of this paragraph of the Standing Order shall be included in application forms or otherwise brought to the attention of candidates.
- ii) Members of the Trust shall not solicit for any person any appointment under the Trust or recommend any person for such appointment; but this paragraph of this Standing Order shall not preclude a member from giving written testimonial of a candidate's ability, experience or character for submission to the Trust.
- iii) Pre-interview visits or questions from applicants for an advertised vacancy or from shortlisted candidates prior to interview are permitted to take place, providing this is undertaken through the appropriate channels and is not intended as a form of canvassing.

(3) Relatives of Members or Officers

- i) Candidates for any staff appointment under the Trust shall, when making an application, disclose in writing to the Trust whether they are related to any member or the holder of any office under the Trust. Failure to disclose such a relationship shall disqualify a candidate and, if appointed, render him liable to instant dismissal.
- ii) The Chairman and every member and officer of the Trust shall disclose to the Trust Board any relationship between himself and a candidate of whose candidature that member or officer is aware. It shall be the duty of the Chief Executive to report to the Trust Board any such disclosure made.
- iii) On appointment, members (and prior to acceptance of an appointment in the case of Executive Directors) should disclose to the Trust whether they are related to any other member or holder of any office under the Trust.
- iv) Where the relationship to a member of the Trust is disclosed, the Standing Order headed 'Disability of Chairman and members in proceedings on account of pecuniary interest' shall apply.

5.13 Fit and Proper Person Declaration

(1) In addition to being of good character, persons appointed to the post of Executive or Non- Executive Director must:

- Have the qualifications, competence, skills and experience necessary to undertake the role
- Be able by reason of their health to properly perform the role's intrinsic tasks after any reasonable adjustment
- Not be prohibited from holding the position under any other legislation
- "not have been responsible for, privy to, contributed to or facilitated any serious misconduct or mismanagement (whether unlawful or not) in the course of carrying out a regulated activity"

(S)He must not be:

- an undischarged bankrupt or a person whose estate has had sequestration awarded in respect of it and who has not been discharged.
- subject of a bankruptcy restrictions order or an interim bankruptcy restrictions order or an order to like effect made in Scotland or Northern Ireland.
- a person to whom a moratorium period under a debt relief order applies under Part VIIA (debt relief orders) of the Insolvency Act 1986
- a person has made a composition or arrangement with, or granted a trust deed for, creditors and not been discharged in respect of it.
- a person included in the children's barred list or the adults' barred list maintained under section 2 of the Safeguarding Vulnerable Groups Act 2006, or in any corresponding list maintained under an equivalent enactment in force in Scotland or Northern Ireland.

5.14 Declarations

The Board requires Executive and Non-Executive Directors to declare on appointment and thereafter on an annual basis that they remain a Fit and Proper Person to be employed as a Director. If Board members have any doubt about the declaration, this should be discussed with the Chairman of the Trust or with the Trust's Company Secretary.

Failure to comply with this requirement or failure to meet the necessary elements of the Fit and Proper Person test will be addressed under the Trust's HR Policies and Procedures for Executive Directors and will be reported to NHS Improvement.

6. CUSTODY OF SEAL, SEALING OF DOCUMENTS AND SIGNATURE OF DOCUMENTS

6.1 Custody of Seal

The common seal of the Trust shall be kept by the Company Secretary in a secure place.

6.2 Sealing of Documents

Where it is necessary that a document shall be sealed, the seal shall be affixed by the Company Secretary in the presence of two Executive Directors duly authorised by the Chief Executive, and not also from the originating department, and shall be attested by them.

6.3 Register of Sealing

The Company Secretary shall keep a register in which he/she shall enter a record of the sealing of every document.

6.4 Signature of documents

Where any document will be a necessary step in legal proceedings on behalf of the Trust, it shall, unless any enactment otherwise requires or authorises, be signed by the Chief Executive or any Executive Director.

In land transactions, the signing of certain supporting documents will be delegated to Managers and set out clearly in the Scheme of Delegation but will not include the main or principal documents effecting the transfer (e.g. sale/purchase agreement, lease, contracts for construction works and main warranty agreements or any document which is required to be executed as a deed).

7. MISCELLANEOUS (see overlap with SFIs)

7.1 Joint Finance Arrangements

The Board may confirm contracts to purchase from a voluntary organisation or a local authority using its powers under Section 28A of the NHS Act 1977. The Board may confirm contracts to transfer money from the NHS to the voluntary sector or the health related functions of local authorities where such a transfer is to fund services to improve the health of the local population more effectively than equivalent expenditure on NHS services, using its powers under Section 28A of the NHS Act 1977, as amended by section 29 of the Health Act 1999.

See overlap with Standing Financial Instruction.

Scheme of Reservation and Delegation

The Board	Decision Reserved To The Board
The Board	<p>General Enabling Provision</p> <p>The Board may determine any matter, for which it has delegated or statutory authority, it wishes in full session within its statutory powers.</p>
The Board	<p>Regulations and Control</p> <ol style="list-style-type: none"> 1. Approve Standing Orders (SOs), a schedule of matters reserved to the Board and Standing Financial Instructions for the regulation of its proceedings and business. 2. Suspend Standing Orders. 3. Vary or amend the Standing Orders. 4. Ratify any urgent decisions taken by the Chairman and Chief Executive in public session 5. Approve a scheme of delegation of powers from the Board to committees. 6. Require and receive the declaration of Board members' interests that may conflict with those of the Trust and determining the extent to which that member may remain involved with the matter under consideration. 7. Require and receive the declaration of officers' interests that may conflict with those of the Trust. 8. Receive reports from committees including those that the Trust is required by the Secretary of State and Social Care or other regulation to establish and to take appropriate action on. 9. Confirm the recommendations of the Trust's committees where the committees do not have executive powers. 10. Approve arrangements relating to the discharge of the Trust's responsibilities as a corporate trustee for funds held on trust. 11. Establish terms of reference and reporting arrangements of all committees and sub-committees that are established by the Board. 12. Approve arrangements relating to the discharge of the Trust's responsibilities as a bailer for patients' property.

The Board	Decision Reserved To The Board
	<ul style="list-style-type: none"> 13. Receive report on the use of the seal. 14. Ratify or otherwise instances of failure to comply with Standing Orders brought to the Company Secretary's attention 15. Appoint the External Auditors
The Board	<p data-bbox="389 392 743 424">Appointments/ Dismissal</p> <ul style="list-style-type: none"> 1. Appoint the Deputy Chair(s) of the Board. 2. Appoint and dismiss committees (and individual members) that are directly accountable to the Board. 3. Appoint, discipline and dismiss Executive Directors 4. Confirm appointment of members of any committee of the Trust as representatives on outside bodies.
The Board	<p data-bbox="389 647 792 679">Strategy, Plans and Budgets</p> <ul style="list-style-type: none"> 1. Define the strategic aims and objectives of the Trust. 2. Approve proposals for ensuring quality and developing clinical governance in services provided by the Trust, having regard to any guidance issued by the Secretary of State and Social Care. 3. Approve, or delegate approval to one of its sub-committees, the Trust's policies and procedures for the management of risk. 4. Approve Outline and Final Business Cases for Capital Investment with the value of £1 million and above 5. Approve budgets. 6. Approve annually Trust's proposed organisational development proposals. 7. Ratify proposals for acquisition, disposal or change of use of land and/or buildings. 8. Approve PFI proposals. 9. Approve proposals on individual contracts (other than NHS contracts) of a capital or revenue nature amounting to, or likely to amount to over £1 million 10. Approve proposals in individual cases for the write off of losses or making of special payments above the limits

The Board	Decision Reserved To The Board
	<p>of delegation to the Chief Executive and Executive Director of Finance (for losses and special payments) previously approved by the Board.</p> <p>11. Approve individual non-clinical compensation payments.</p> <p>12. Approve proposals for action on non- clinical litigation against or on behalf of the Trust.</p>
The Board	<p>Annual Reports and Accounts</p> <p>1. Receipt and approval of the Trust's Annual Report and Annual Accounts/delegate it to the Audit Committee</p>
The Board	<p>Monitoring</p> <p>1. Receive of such reports as the Board sees fit from committees in respect of their exercise of powers delegated.</p> <p>2. Continuous appraisal of the affairs of the Trust by means of the provision to the Board as the Board may require from directors, committees, and officers of the Trust as set out in management policy statements. All monitoring returns required by the Department of Health and Social Care and the Charity Commission shall be reported, at least in summary, to the Board.</p> <p>3. Receive reports from Executive Director of Finance on financial performance against budget and Trust Annual Business Plan.</p>

Scheme of Delegation Derived from the Accountable Officer Memorandum

Delegated To	Duties Delegated
Chief Executive	Accountable through NHS Accounting Officer to Parliament for stewardship of Trust resources
Chief Executive and Executive Director of Finance	Ensure the accounts of the Trust are prepared under principles and in a format directed by the Secretary of State for Health and Social Care. Accounts must disclose a true and fair view of the Trust's income and expenditure and its state of affairs.
Chief Executive	<p>Sign a statement in the accounts outlining responsibilities as the Accountable Officer.</p> <p>Sign a statement in the accounts outlining responsibilities in respect of Internal Control.</p> <p>Adopt the organisation structures, processes and procedures to facilitate the discharge of business by the Trust and to agree modifications thereto.</p>
Chief Executive	<p><i>Ensure effective management systems that safeguard public funds and assist the Trust Chairman to implement requirements of corporate governance including ensuring managers:</i></p> <p>“have a clear view of their objectives and the means to assess achievements in relation to those objectives be assigned well defined responsibilities for making best use of resources have the information, training and access to the expert advice they need to exercise their responsibilities effectively.”</p>
Chairman	Implement requirements of corporate governance.
Chief Executive	<p>Achieve value for money from the resources available to the Trust and avoid waste and extravagance in the organisation's activities.</p> <p>Follow through the implementation of any recommendations affecting good practice as set out on reports from such bodies as the External Auditors and the National Audit Office (NAO).</p>
Executive Director of Finance	Operational responsibility for effective and sound financial management and information. Approve the opening of bank accounts.

Delegated To	Duties Delegated
Chief Executive	Primary duty to see that Executive Director of Finance discharges this function.
Chief Executive	Ensuring that expenditure by the Trust complies with Parliamentary requirements.
Chief Executive and Executive Director of	Chief Executive, supported by Executive Director of Finance, to ensure appropriate advice is given to the Board on all matters of probity, regularity, prudent and economical administration, efficiency and effectiveness.
Chief Executive	If the Chief Executive considers the Board or Chairman is doing something that might infringe probity or regularity, he should set this out in writing to the Chairman and the Board. If the matter is unresolved, he/she should ask the Audit Committee to inquire and if necessary NHS Improvement and Department of Health and Social Care.
Chief Executive	If the Board is contemplating a course of action that raises an issue not of formal propriety or regularity but affects the Chief Executive's responsibility for value for money, the Chief Executive should draw the relevant factors to the attention of the Board. If the outcome is that they are overruled, it is normally sufficient to ensure that their advice and the overruling of it are clearly apparent from the papers. Exceptionally, the Chief Executive should inform NHS Improvement and the Department of Health and Social Care. In such cases, the Chief Executive should as a member of the Board vote against the course of action rather than merely abstain from voting.

Scheme of Delegation Derived from the Codes of Conduct and Accountability

Delegated To	Authorities/Duties Delegated
The Board	Approve procedure for declaration of hospitality and sponsorship/delegate approval to the Audit Committee.
The Board	Ensure proper and widely publicised procedures for voicing complaints, concerns about misadministration, breaches of Standards of Conduct, and other ethical concerns.
All Board members	Subscribe to Standards of Conduct.
The Board	Board members share corporate responsibility for all decisions of the Board.
Chairman and Non-Executive/Officer Members	Chairman and non-executive members are responsible for monitoring the executive management of the organisation and are responsible to the Secretary of State for the discharge of those responsibilities.
The Board	<p>The Board has six key functions for which it is held accountable by the Department of Health and Social Care on behalf of the Secretary of State:</p> <ol style="list-style-type: none"> 1. to ensure effective financial stewardship through value for money, financial control and financial planning and strategy; 2. to ensure that high standards of corporate governance and personal behaviour are maintained in the conduct of the business of the whole organisation; 3. to appoint, appraise and remunerate senior executives; 4. to ratify the strategic direction of the organisation within the overall policies and priorities of the Government and the NHS, define its annual and longer-term objectives and agree plans to achieve them; 5. to oversee the delivery of planned results by monitoring performance against objectives and ensuring corrective action is taken when necessary; 6. to ensure effective dialogue between the organisation and the local community on its plans and performance and that these are responsive to the community's needs.

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

Delegated To	Authorities/Duties Delegated
	<p>the main Board on the appointment, appraisal and remuneration of the Chief Executive and (with the latter) other Executive Board members;</p> <p>6. appoint Non-Executive Board members to an Audit Committee of the main Board and other Board sub-committees;</p> <p>7. advise the Secretary of State on the performance of Non-Executive Board members.</p>
Chief Executive	<p>The Chief Executive is accountable to the Chairman and Non-Executive members of the Board for ensuring that its decisions are implemented, that the organisation works effectively, in accordance with Government policy and public service values and for the maintenance of proper financial stewardship.</p> <p>The Chief Executive should be allowed full scope, within clearly defined delegated powers, for action in fulfilling the decisions of the Board.</p> <p>The other duties of the Chief Executive as Accountable Officer are laid out in the Accountable Officer Memorandum.</p>
Non-Executive Directors	<p>Non-Executive Directors are appointed by NHS Improvement to bring independent judgement to bear on issues of strategy, performance, key appointments and accountability through the Department of Health and Social Care to Ministers and to the local community.</p>
Chairman and Directors	<p>Declaration of conflicts of interest</p>
The Board	<p>NHS Boards must comply with legislation and guidance issued by the Department of Health and Social Care on behalf of the Secretary of State, respect agreements entered into by themselves or in on their behalf and establish terms and conditions of service that are fair to the staff and represent good value for taxpayers' money.</p>

Scheme of Delegation from Model Standing Orders

Delegated to	Authorities/Duties Delegated
Chairman	Final authority in interpretation of Standing Orders (SOs).
The Board	Appointment of Deputy Chair(s)
Chairman	Call meetings
Chairman	Chair all Board meetings and associated responsibilities
Chairman	Give final ruling in questions of order, relevancy and regularity of meetings
Chairman	Having a second or casting vote
The Board	Suspension of Standing Orders
The Board	Variation or amendment of Standing Orders
The Board	Formal delegation of powers to sub committees or joint committees and approval of their constitution and terms of reference. (Delegation of powers includes approval of corporate policies on behalf of the Board)
Chairman and Chief Executive	The powers which the Board has retained to itself within these Standing Orders may in emergency be exercised by the Chair and Chief Executive after having consulted at least two Non-Executive members
Chief Executive	The Chief Executive shall prepare a Scheme of Delegation identifying his/her proposals that shall be considered and approved by the Board, subject to any amendment agreed during the discussion
All Staff	Disclosure of non-compliance with Standing Orders to the Company Secretary as soon as possible
The Board	Declare relevant and material interests
Company Secretary	Maintain Register(s) of Interests
All Staff	Comply with national guidance contained in HSG 1993/5 "Standards of Business Conduct for NHS Staff"
All Staff	Disclose relationship between self and candidate for staff appointment. (CE to report the disclosure to the Board.)
Company Secretary	Keep seal in safe place and maintain a register of sealing

Delegated to	Authorities/Duties Delegated
Chief Executive/ Executive Director	Approve and sign all documents which will be necessary in legal proceedings