

## **ASHFORD AND ST. PETER'S HOSPITALS NHS FOUNDATION TRUST**

### **CONSTITUTION**

## Constitution

### TABLE OF CONTENTS

<i>Paragraph</i>	<i>Page</i>
1. Interpretation and Definitions.....	4-7
2. Name.....	7
3. Principal purpose.....	7
4. Powers.....	7
5. Membership and constituencies.....	7
6. Application for Membership.....	8
7. Public Constituency .....	8
8. Staff Constituency.....	8
9. Patient Constituency - not used .....	-
10. Restriction on Membership .....	9
11. Annual Members Meeting .....	9
12. Council of Governors – composition .....	9
13. Council of Governors – election of governors.....	10
14. Council of Governors – tenure .....	10
15. Council of Governors – disqualification and removal.....	10
16. Council of Governors – duties of the Council.....	11
17. Council of Governors – meeting of governors .....	11
18. Council of Governors – standing orders.....	11
19. No longer needed.....	-
20. Council of Governors – conflicts of interest of governors .....	12
21. Council of Governors – travel expenses.....	12
22. Council of Governors – further provisions .....	12
23. Board of Directors – composition .....	12
24. Board of Directors – general duty.....	13
25. Board of Directors – qualification for appointment as Non-Executive .....	13
26. Board of Directors – appointment and removal of Chairman and NEDs.....	13
27. Board of Directors – appointment of Senior Independent Director.....	13
28. Board of Directors – appointment of Deputy Chairman .....	13
29. Board of Directors – appointment and removal of Chief Executive and other Executive Directors.....	13
30. Board of Directors – disqualification.....	14
31. Board of Directors- Meetings.....	14
32. Board of Directors – standing orders.....	14
33. Board of Directors – conflicts of interest of Directors.....	14-15
34. Board of Directors – remuneration and terms of office .....	16
35. Registers .....	16
36. Admission to and removal from the registers .....	16
37. Registers – inspection and copies.....	16
38. Documents available for public inspection .....	17-18
39. Auditor .....	18
40. Audit committee .....	18
41. Accounts.....	18
42. Annual report and forward plans and non NHS work.....	18-19
43. Presentation of the Annual Accounts and reports to the Governors. and Members.....	19
44. Instruments.....	19
45. Amendment of the Constitution.....	20
46. Mergers etc. and significant transactions.....	20-21

*Paragraph*

ANNEX 1 – THE PUBLIC CONSTITUENCY

ANNEX 2 – THE STAFF CONSTITUENCY

ANNEX 3 - Not used

ANNEX 4 – COMPOSITION OF COUNCIL OF GOVERNORS

ANNEX 5 – THE MODEL ELECTION RULES

ANNEX 6 – ADDITIONAL PROVISIONS – COUNCIL OF GOVERNORS

ANNEX 7 – STANDING ORDERS – COUNCIL OF GOVERNORS

ANNEX 8 – STANDING ORDERS – BOARD OF DIRECTORS

## 1 Interpretation and definitions

Unless otherwise stated, words or expressions contained in this constitution shall bear the same meaning as in the National Health Service Act 2006 as amended by the Health and Social Care Act 2012.

Words importing the masculine gender only shall include the feminine gender; words importing the singular shall import the plural and vice-versa.

<b>Accounting Officer</b>	means the person who from time to time discharges the functions specified in paragraph 25(5) of Schedule 7 to the 2006 Act
<b>Annual Members Meeting</b>	is defined in paragraph 11 of the Constitution.
<b>the 2006 Act</b>	means the National Health Service Act 2006
<b>the 2012 Act</b>	means the Health and Social Care Act 2012
<b>Appointed Governors</b>	means the Local Authority Governors and the Partnership Organisation Governors specified in Annex 4
<b>Appointing Organisation</b>	means the organisation responsible for appointing the Appointed Governors, as specified in Annex 4
<b>Area of the Trust</b>	means the area consisting of all the areas specified in Annex 1 as an area for the Public Constituency
<b>Board of Directors</b>	means the Board of Directors of the Trust as constituted in accordance with this Constitution and referred to in paragraph 23 and "Board" shall be construed accordingly.
<b>Chairman</b>	means the Chairman of the Trust appointed in accordance with paragraph 26 of this Constitution.
<b>Chief Executive</b>	means the Chief Officer (and Accounting Officer) of the Trust appointed in accordance with paragraphs 29 of this Constitution.
<b>Chief Financial Officer</b>	means the Director of Finance/ Chief Finance Officer of the Trust
<b>Class</b>	means one of the six descriptions of individuals who are eligible for Membership of the Staff Constituency in accordance with paragraph 8 of this Constitution.
<b>Committee</b>	shall mean a committee appointed by the Trust.
<b>Committee Member</b>	shall be persons formally appointed by the Trust to sit on or to chair specific Committees.
<b>Constituencies</b>	means the Public Constituencies and the Staff Constituency
<b>Constitution</b>	means this Constitution of Ashford and St. Peter's Hospitals NHS Foundation Trust and all annexes to it.

<b>Council of Governors</b>	means the Council of Governors of the Trust as constituted in accordance with this Constitution
<b>Deputy Chairman</b>	means the Non-Executive Director appointed by the Council of Governors to take on the Chairman's duties if the Chairman is absent for any reason.
<b>Director</b>	means an Executive Director or Non-Executive Director on the Board of Directors
<b>Elected Governors</b>	means the Public Governors and the Staff Governors
<b>Executive Director</b>	means a person appointed as an Executive Director of the Trust under sections 15-19 of Schedule 7 of the 2006 Act and in accordance with paragraph 29 of this Constitution and who is an officer of the Trust.
<b>Financial Year</b>	means a period of 12 months ending with 31st March in any year as defined in section 275(1) of the 2006 Act.
<b>Funds Held On Trust</b>	shall mean those funds which the Trust holds at its date of incorporation, receives on distribution by statutory instrument, or chooses subsequently to accept under powers derived under Schedule 6, Paragraph 8 of the 2006 Act. Such funds may or may not be charitable.
<b>Governor</b>	means a Governor on the Council of Governors and being either an Elected Governor or an Appointed Governor
<b>Heath Service Body</b>	means a body which is a health service body for the purpose of Section 9(4) of the 2006 Act
<b>Lead Governor</b>	means the Governor appointed by the Council of Governors whose role is more fully described at Annex 7 paragraph 3.
<b>Local Authority</b>	means a local authority specified in Annex 4, which is a local authority for an area which includes the whole or part of the Area of the Trust
<b>Local Authority Governor</b>	means a member of the Council of Governors appointed by a Local Authority in accordance with the provisions of this Constitution and as specified in Annex 4
<b>Member</b>	means a Member of the Trust as determined in accordance with paragraph 5 of this Constitution.
<b>Membership</b>	means membership of the Trust through being a Member of one of its Constituencies
<b>Membership Strategy</b>	means a document explaining how the Trust will recruit and support an active Membership by engaging Members and Governors in the business of the Trust
<b>Model Election Rules</b>	means the model form rules for the conduct of elections published from time to time by the Department of Health and as currently set out in Annex 5

<b>Motion</b>	means a formal proposition to be discussed and voted on during the course of a meeting.
<b>NHS Foundation Trust Code of Governance</b>	means the Code of Governance published by Monitor in 2010 or such similar or further guidance as Monitor (now NHS England) may publish from time to time.
<b>Nominated Officer</b>	means an Officer charged with the responsibility for discharging specific tasks within SOs and SFIs
<b>Non-Executive Director</b>	means a person appointed as a Non-Executive Director of the Trust under Schedule 7 of the 2006 Act and in accordance with paragraph 26 of this Constitution.
<b>Officer</b>	means an employee of the Trust.
<b>Partnership Organisations</b>	means those organisations designated as partnership organisations for the purposes of this Constitution specified in Annex 4
<b>Partnership Organisation Governor</b>	means each member of the Council of Governors appointed in accordance with the provisions of this Constitution by each of the Partnership Organisations specified in Annex 4
<b>Patients</b>	means individuals who have attended any of the Trust's premises for care.
<b>Public Benefit Corporation</b>	means a body corporate which is constituted in accordance with Schedule 7 of the NHS Act
<b>Public Governor</b>	means a member of the Council of Governors elected by the Members of a Public Constituency;
<b>Public Constituency</b>	means a public constituency of the Trust as defined in Annex 1
<b>Regulator or Monitor or NHS England</b>	means the corporate body known as NHS England (previously Monitor) as provided by Section 61 of the 2012 Act
<b>Secretary</b>	means the secretary of the Trust or any other person appointed to perform the duties of the Secretary of the Trust
<b>Senior Independent Director</b>	means a Non-Executive Director nominated to the role of Senior Independent Director in accordance with the provisions of this Constitution.
<b>SFIs</b>	means Standing Financial Instructions
<b>Staff Classes</b>	means the classes of the Staff Constituency as specified in Annex 2
<b>Staff Constituency</b>	means that part of the Trust's Membership consisting of the staff of the Trust and other persons as more particularly provided for at paragraph 8 of this Constitution and which is divided into the Staff Classes as specified in Annex 2
<b>Staff Governor</b>	means a member of the Council of Governors elected by a Staff Class

<b>Standing Orders (or SOs)</b>	means whichever of the Standing Orders for the Council of Governors at Annex 7 or the Standing Orders for the Board of Directors at Annex 8 as is relevant.
<b>the Trust</b>	means Ashford and St. Peter's Hospitals NHS Foundation Trust
<b>Trust Volunteers</b>	means those individuals who are eligible to become Members of the Trust Volunteer Staff Class within the Staff Constituency specified in paragraph 5 of Annex 2
<b>Trust's Hospital</b>	means any premises used by the Trust for the provision of goods and services for the purposes of the health service in England falling within the definition of "hospital" in Section 275 of the 2006 Act

## 2 Name

The name of the foundation trust is Ashford and St. Peter's Hospitals NHS Foundation Trust.

## 3 Principal Purpose

- 3.1** The principal purpose of the Trust is the provision of goods and services for the purposes of the health service in England.
- 3.2** The Trust does not fulfil its principal purpose unless, in each Financial Year, its total income from the provision of goods and services for the purposes of the health service in England is greater than its total income from the provisions of goods and services for any other purpose.
- 3.3** The Trust may provide goods and services for any purposes related to:
  - 3.3.1 the provision of services provided to individuals for or in connection with the prevention, diagnosis or treatment of illness; and
  - 3.3.2 the promotion and protection of public health.
- 3.4** The Trust may also carry on activities other than those mentioned in the above paragraph for the purpose of making additional income available in order better to carry on its principal purpose.

## 4 Powers

- 4.1** The powers of the Trust are set out in the 2012 Act, subject to any restrictions in the Licence.
- 4.2** All the powers of the Trust shall be exercised by the Board of Directors on behalf of the Trust except for those powers reserved to the Council of Governors.
- 4.3** Any of these powers may be delegated to a committee of Directors or to an Executive Director.

## **5 Membership and Constituencies**

The Trust shall have Members, each of whom shall be a member of one of the following constituencies:

**5.1** a Public Constituency; and

**5.2** a Staff Constituency

## **6 Application for Membership**

An individual who is eligible to become a Member of the Trust may do so on application to the Trust.

## **7 Public Constituency**

**7.1** An individual who lives in an area specified in Annex 1 as an area for a Public Constituency may become or continue as a Member of the Trust.

**7.2** Those individuals who live in an area specified as an area for any Public Constituency are referred to collectively as a Public Constituency.

**7.3** The minimum number of Members in each area for the Public Constituency is specified in Annex 1.

**7.4** Further provisions relating to Membership of the Public Constituency are set out in Annex 9.

## **8 Staff Constituency**

**8.1** An individual who is employed by the Trust under a contract of employment with the Trust may become or continue as a member of the Trust provided:

8.1.1 he is employed by the Trust under a contract of employment which has no fixed term or has a fixed term of at least 12 months; or

8.1.2 he has been continuously employed by the Trust under a contract of employment for at least 12 months.

**8.2** Individuals who exercise functions for the purposes of the Trust, otherwise than under a contract of employment with the Trust, may become or continue as Members of the Staff Constituency provided such individuals have exercised these functions continuously for a period of at least 12 months, including but not limited to Trust Volunteers.

**8.3** Those individuals who are eligible for Membership of the Trust by reason of the previous provisions are referred to collectively as the Staff Constituency.

**8.4** The Staff Constituency shall be divided into six descriptions of individuals who are eligible for membership of the Staff Constituency, each description of individuals being specified within Annex 2 and being referred to as a class within the Staff Constituency.

**8.5** The minimum number of Members in each class of the Staff Constituency is specified in Annex 2.



## **Automatic Membership by Default – staff**

### **8.6** An individual who is:

- 8.6.1 eligible to become a Member of the Staff Constituency, and is
- 8.6.2 invited by the Trust to become a Member of the Staff Constituency and a Member of the appropriate Class within the Staff Constituency, shall become a Member of the Trust as a Member of the Staff Constituency and appropriate Class within the Staff Constituency without an application being made, unless he informs the Trust that he does not wish to do so.

## **9 Patient Constituency**

### **9.1** Not used

## **10 Restriction on Membership**

- 10.1 An individual who is a Member of a Constituency, or of a Class within a Constituency, may not while membership of that Constituency or Class continues, be a member of any other Constituency or Class.
- 10.2 An individual who satisfies the criteria for membership of the Staff Constituency may not become or continue as a member of any Constituency other than the Staff Constituency.
- 10.3 An individual must be at least 14 years old to become a Member of the Trust.
- 10.4 Further provisions as to the circumstances in which an individual may not become or continue as a member of the Trust are set out in Annex 9 – Further Provisions.

## **11 Annual Members' Meeting**

- 11.1 The Trust shall hold an annual meeting of its Members (Annual Members Meeting). The Annual Members Meeting shall be open to members of the public.

## **12 Council of Governors – composition**

- 12.1 The Trust is to have a Council of Governors, which shall comprise both elected and Appointed Governors.
- 12.2 The composition of the Council of Governors is specified in Annex 4.
- 12.3 The members of the Council of Governors, other than the appointed members, shall be chosen by election by their Constituency or, where there are Classes within a Constituency, by their Class within that Constituency. The number of Governors to be elected by each Constituency, or, where appropriate, by each Class of each Constituency, is specified in Annex 4.
- 12.4 The Council of Governors shall nominate one of their Governors to be the Lead Governor.

### **13 Council of Governors – Election of Governors**

- 13.1** Elections for elected Members of the Council of Governors shall be conducted in accordance with the Model Election Rules.
- 13.2** The Model Election Rules as published from time to time by the Department of Health form part of this Constitution. The Model Election Rules current at the date of the Trust's Constitution are attached at Annex 5.
- 13.3** A subsequent variation of the Model Election Rules by the Department of Health shall not constitute a variation of the terms of this Constitution for the purposes of paragraph 45 of this Constitution (amendment of the constitution).
- 13.4** An election, if contested, shall be by secret ballot.

### **14 Council of Governors – Tenure**

- 14.1** An elected Governor may hold office for a period of up to 3 years.
- 14.2** An elected Governor shall cease to hold office if s/he ceases to be a Member of the Constituency or Class by which s/he was elected.
- 14.3** An elected Governor shall be eligible for re-election at the end of his/her term, subject to the provisions of paragraph 14.8 below.
- 14.4** An appointed Governor may hold office for a period of up to 3 years.
- 14.5** An appointed Governor shall cease to hold office if the appointing organisation withdraws its sponsorship of him/her or if the appointing organisation ceases to exist and there is no successor in title to it.
- 14.6** An appointed Governor shall be eligible for re-appointment at the end of his/her term.
- 14.7** A Governor shall be eligible for re-election or re-appointment as appropriate at the end of his/her term.
- 14.8** A Governor shall not hold office for more than 9 years or 3 terms of office whichever is the least.
- 14.9** For the purposes of this paragraph 14, "year" means the period of 12 months commencing on authorisation or such other date on which the election or appointment of a Governor takes effect.
- 14.10** Further provisions relating to a Governor's tenure are set out in Annex 6

### **15 Council of Governors – Disqualification and removal**

- 15.1** The following may not become or continue as a member of the Council of Governors:
  - 15.1.1** a person who has been adjudged bankrupt or whose estate has been sequestrated and (in either case) has not been discharged;
  - 15.1.2** a person who has made a composition or arrangement with, or

granted a trust deed for, his/her creditors and has not been discharged in respect of it;

15.1.3 a person who within the preceding five years has been convicted in the British Islands of any offence if a sentence of imprisonment (whether suspended or not) for a period of not less than three months (without the option of a fine) was imposed on him/her.

**15.2** Governors must be at least 16 years of age at the date they are nominated for election or appointment.

**15.3** Further provisions as to the circumstances in which an individual may not become or continue as a member of the Council of Governors are set out in Annex 6.

**15.4** This Constitution makes provision for the removal of Governors in Annex 6C.

## **16 Council of Governors – Duties of the Governors**

**16.1** The general duties of the Governors are:

16.1.1 to hold the Non-Executive Directors individually and collectively to account for the performance of the Board of Directors, and

16.1.2 to represent the interests of the members of the Trust as a whole and the interests of the public

**16.2** The Trust must take steps to ensure that the Governors are equipped with the skills and knowledge they require in their capacity as such.

## **17 Council of Governors – Meetings of Governors**

**17.1** The Chairman of the Trust (i.e. the Chairman of the Board of Directors, appointed in accordance with the provisions of paragraph 26 below) or, in his absence the Deputy Chairman (appointed in accordance with the provisions of paragraph 28 below)], shall preside at meetings of the Council of Governors.

**17.2** Meetings of the Council of Governors shall be open to members of the public save that members of the public may be excluded from a meeting for grounds specified in Annex 7 Standing Orders for the Council of Governors).

**17.3** For the purposes of obtaining information about the Trust's performance of its functions or the Directors' performance of their duties (and deciding whether to propose a vote on the Trust's or Directors' performance) the Council of Governors may require one or more of the Directors to attend a meeting.

## **18 Council of Governors – Standing Orders**

**18.1** The Standing Orders for the practice and procedure of the Council of Governors are attached at Annex 7.

## **19 NO LONGER NEEDED**

## **20 Council of Governors - Conflicts of Interest of Governors**

- 20.1** 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.
- 20.2** The Standing Orders for the Council of Governors shall make provision for the annual 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.

## **21 Council of Governors – Travel Expenses**

- 21.1** The Trust may pay travelling and other expenses to members of the Council of Governors at rates determined by the Trust.

## **22 Council of Governors – Further Provisions**

- 22.1** Further provisions with respect to the Council of Governors are set out in Annex 6.

## **23 Board of Directors – Composition**

- 23.1** The Trust is to have a Board of Directors, which shall comprise both Executive and Non-Executive Directors.
- 23.2** The Board of Directors is to comprise:
- 23.2.1** A Non-Executive Chairman
  - 23.2.2** Up to seven other Non-Executive Directors (excluding the Chairman)
  - 23.2.3** Up to seven Executive Directors
  - 23.2.4** A maximum of 25% of Non-Executive Directors (including the Chairman) may be appointed from the public constituency 'Rest of England'.
- 23.3** One of the Executive Directors shall be the Chief Executive.
- 23.4** The Chief Executive shall be the Accounting Officer.
- 23.5** One of the Executive Directors shall be the Chief Financial Officer.
- 23.6** One of the Executive Directors is to be a registered medical practitioner or a registered dentist (within the meaning of the Dentists Act 1984).
- 23.7** One of the Executive Directors is to be a registered nurse or a registered midwife.
- 23.8** The operation of paragraph 23.2 above shall be that at all times at least half of the Board of Directors, excluding the Chairman, shall be Non-Executive

- Directors.
- 23.9** The Board may determine that the operational directors may attend meetings of the Board of Directors as and when required to provide operational advice and support to assist the Board in the discharge of their responsibilities. For the avoidance of doubt, such operational directors will not be statutory Directors under the 2006 Act
- 23.10** The Board may invite a person external to the Trust to act as a Special Advisor to the Board. This would be for a specified time period. The Special Advisor would be invited to attend Board meetings although would not be statutory Directors under the 2006 Act
- 23.11 Professional Indemnity**  
The Trust provides *professional indemnity* for all staff groups, providing staff are carrying out their duties as directed by the Trust, and in accordance with Trust policy, procedure, clinical guidelines, and professional standards. This is provided through the Trust's membership of the NHS Litigation Authority's Liabilities to Third Parties Scheme (LTPS).
- 24 Board of Directors – General Duty**
- The general duty of the Board of Directors and of each Director individually, is to act with a view to promoting the success of the Trust so as to maximise the benefits for the Members of the Trust as a whole and for the public.
- 25 Board of Directors – Qualification for Appointment as a Non-Executive Director**
- A person may be appointed as Non-Executive Director only if:
- 25.1** He or she is a Member of the Public Constituency, and
- 25.2** He or she is not disqualified by virtue of paragraph 30 below.
- 26 Board of Directors – Appointment and removal of Chairman and other Non-Executive Directors**
- 26.1** 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.
- 26.2** Removal of the chairman or another non-executive director shall require the approval of three-quarters of the members of the Council of Governors.
- 27 Board of Directors – Appointment of Senior Independent Director**
- The Board shall, following consultation with the Council of Governors, appoint one of the independent Non-Executive Directors as a Senior Independent Director to act in accordance with Monitor's Code of Governance and the Board's Standing Orders.
- 28 Board of Directors – Appointment of Deputy Chairman**
- The Council of Governors at a general meeting of the Council of Governors shall appoint one of the non-executive directors as a Deputy Chairman.

**29 Board of Directors - Appointment and removal of the Chief Executive and other Executive Directors**

- 29.1** The Non-Executive Directors shall appoint or remove the Chief Executive.
- 29.2** The appointment of the Chief Executive shall require the approval of the Council of Governors.
- 29.3** A committee consisting of the Chairman, the Chief Executive and the other Non-Executive Directors shall appoint or remove the other Executive Directors.

**30 Board of Directors – Disqualification**

The following may not become or continue as a member of the Board of Directors:

- 30.1** a person who has been adjudged bankrupt or whose estate has been sequestrated and (in either case) has not been discharged.
- 30.2** a person who has made a composition or arrangement with, or granted a trust deed for, his creditors and has not been discharged in respect of it.
- 30.3** a person who within the preceding five years has been convicted in the British Islands of any offence if a sentence of imprisonment (whether suspended or not) for a period of not less than three months (without the option of a fine) was imposed on him.
- 30.4** a person who falls within further grounds for disqualification as set out in Annex 9D.

**31 Board of Directors – Meetings**

- 31.1** Meetings of the Board of Directors shall be open to members of the public. A separate meeting may be held where the public are excluded for 'special reasons'.
- 31.2** Those matters relating to 'special reasons', as defined in paragraph 31.1, are listed below:
  - 31.2.1** any documents pertaining to litigation or potential litigation;
  - 31.2.2** anything that is potentially commercially sensitive (as well as commercially confidential) for either the Trust or a third party;
  - 31.2.3** any matter concerning an individual patient or member of staff; anything relating to data that may be adjudged "protected" under the Data Protection Act 1998 (DPA); and
  - 31.2.4** Documents that may be exempt from disclosure under the Freedom of Information Act 2000.
- 31.3** Before holding a meeting, the Board of Directors must send a copy of the agenda of the meeting to the Council of Governors. As soon as practicable after a meeting, the Board of Directors must send a copy of the minutes of the meeting to the Council of Governors.

## **32 Board of Directors – Standing Orders**

The Standing Orders for the practice and procedure of the Board of Directors are attached at Annex 8.

## **33 Board of Directors – Conflicts of Interest of Directors**

**33.1** The duties that a Director of the Trust has by virtue of being a Director include in particular:

- 33.1.1 a duty to avoid a situation in which the Director has (or can have) a direct or indirect interest that conflicts (or possibly may conflict) with the interest of the Trust;
- 33.1.2 a duty not to accept a benefit from a third party solely by reason of being a Director or doing (or not doing) anything in that capacity.

**33.2** The duty referred to in sub-paragraph 33.1.1 is not infringed if:

- 33.2.1 the situation cannot reasonably be regarded as likely to give rise to a conflict of interest, or
- 33.2.2 the matter has been authorised in accordance with the Constitution.

**33.3** The duty referred to in sub-paragraph 33.1.2 is not infringed if acceptance of the benefit cannot reasonably be regarded as likely to give rise to a conflict of interest.

**33.4** In sub-paragraph 33.1.2, “third party” means a person other than:

- 33.4.1 The Trust, or
- 33.4.2 a person acting on its behalf.

**33.5** If a Director of the Trust has in any way a direct or indirect interest in a proposed transaction or arrangement with the Trust, the Director must declare the nature and extent of that interest to the other Directors.

**33.6** If a declaration under this paragraph proves to be, or becomes, inaccurate or incomplete, a further declaration must be made.

**33.7** Any declaration required by this paragraph must be made before the Trust enters into the transaction or arrangement.

**33.8** This paragraph does not require a declaration of an interest of which the director is not aware or where the Director is not aware of the transaction or arrangement in question.

**33.9** A Director need not declare an interest:

- 33.9.1 If it cannot reasonably be regarded as likely to give rise to a conflict of interest;
- 33.9.2 If, or to the extent that, the Directors are already aware of it;

33.9.3 If, or to the extent that, it concerns terms of the Director's appointment that have been or are to be considered:

33.9.3.1 by a meeting of the Board of Directors, or

33.9.3.2 by a committee of the Directors appointed for the purpose under this Constitution.

**33.10** The Board of Directors shall adopt Standing Orders specifying the arrangements for excluding Directors from discussion or consideration of the contract or other matters as appropriate.

#### **34 Board of Directors – remuneration and terms of office**

**34.1** 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.

**34.2** The Trust shall establish a committee of Non-Executive Directors to decide the remuneration and allowances, and the other terms and conditions of office, of the Chief Executive and other Executive Directors.

#### **35 Registers**

The Trust shall have:

**35.1** 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;

**35.2** a register of members of the Council of Governors;

**35.3** a register of interests of Governors;

**35.4** a register of Directors; and

**35.5** a register of interests of the Directors.

#### **36 Admission to and Removal from the Registers**

**36.1** The Trust will comply with the Public Benefit Corporation (Register of Members) Regulations 2004 as amended or updated from time to time.

**36.2** The Secretary to the Trust shall remove from the register of members the name of any Member who ceases to be entitled to be a Member under the provisions of the Constitution.

#### **37 Registers – Inspection and Copies**

**37.1** The Trust shall make the registers specified in paragraph 35 above available for inspection by members of the public, except in the circumstances set out below or as otherwise prescribed by regulations.



- 37.2** The Trust shall not make any part of its registers available for inspection by members of the public which shows details of any Member of the Trust if the Member so requests.
- 37.3** So far as the registers are required to be made available:
- 37.3.1 they are to be available for inspection free of charge at all reasonable times; and
  - 37.3.2 a person who requests a copy of or extract from the registers is to be provided with a copy or extract.
- 37.4** 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.

### **38 Documents Available for Public Inspection**

- 38.1** The Trust shall make the following documents available for inspection by members of the public free of charge at all reasonable times:
- 38.1.1 a copy of the current Constitution
  - 38.1.2 a copy of the latest annual accounts and of any report of the auditor on them;
  - 38.1.3 a copy of the latest Annual Report
- 38.2** The Trust shall also make the following documents relating to a special administration of the Trust available for inspection by members of the public free of charge at all reasonable times:
- 38.2.1 a copy of any order made under section 65D (appointment of trust special administrator), 65J (power to extend time), 65KC (action following Secretary of State's rejection of final report), 65L (trusts coming out of administration) or 65LA (trusts to be dissolved) of the 2006 Act.
  - 38.2.2 a copy of any information published under section 65D (appointment of trust special administrator) of the 2006 Act.
  - 38.2.3 a copy of any draft report published under section 65F (administrator's draft report) of the 2006 Act.
  - 38.2.4 a copy of any statement provided under section 65F (administrator's draft report) of the 2006 Act.
  - 38.2.5 a copy of any notice published under section 65F (administrator's draft report), 65G (consultation plan), 65H (consultation requirements), 65J (power to extend time), 65KA (Monitor's decision), 65KB (Secretary of State's response to Monitor's decision), 65KC (action following Secretary of State's rejection of final report) or 65KD (Secretary of State's response to re-submitted final report) of the 2006 Act.

- 38.2.6 a copy of any statement published or provided under section 65G (consultation plan) of the 2006 Act.
- 38.2.7 a copy of any final report published under section 65I (administrator's final report).
- 38.2.8 a copy of any statement published under section 65J (power to extend time) or 65KC (action following Secretary of State's rejection of final report) of the 2006 Act.
- 38.2.9 a copy of any information published under section 65M (replacement of trust special administrator) of the 2006 Act.
- 38.2.10 a copy of any report laid under section 65D (appointment of trust special administrator) of the 2006 Act.
- 38.3** Any person who requests a copy of or extract from any of the above documents is to be provided with a copy.
- 38.4** 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.
- 39 Auditor**
  - 39.1** The Trust shall have an auditor
  - 39.2** The Council of Governors shall appoint or remove the auditor at a general meeting of the Council of Governors.
- 40 Audit & Risk Committee**

The Trust shall establish a committee of Non-Executive Directors as an Audit & Risk Committee to perform such monitoring, reviewing and other functions as are appropriate.
- 41 Accounts**
  - 41.1** The Trust must keep proper accounts and proper records in relation to the accounts.
  - 41.2** NHS England (previously Monitor) may with the approval of the Secretary of State give directions to the Trust as to the content and form of its accounts.
  - 41.3** The accounts are to be audited by the Trust's auditor.
  - 41.4** The Trust shall prepare in respect of each Financial Year annual accounts in such form as NHS England (previously Monitor) may with the approval of the Secretary of State direct.
  - 41.5** The functions of the Trust with respect to the preparation of the annual accounts shall be delegated to the Accounting Officer.
- 42 Annual Report, Forward Plans and Non NHS Work**

- 42.1** The Trust shall prepare an Annual Report and send it to NHS England (previously Monitor).
- 42.2** The Trust shall give information as to its forward planning in respect of each Financial Year to NHS England (previously Monitor).
- 42.3** The document containing the information with respect to forward planning (referred to above) shall be prepared by the Directors.
- 42.4** In preparing the document, the Directors shall have regard to the views of the Council of Governors.
- 42.5** Each forward plan must include information about:
  - 42.5.1 the activities other than the provision of goods and services for the purposes of the Health Service in England that the Trust proposes to carry on, and
  - 42.5.2 the income it expects to receive from doing so.
- 42.6** Where a forward plan contains a proposal that the Trust carry on an activity of a kind mentioned in sub-paragraph 42.5.1 the Council of Governors must
  - 42.6.1 determine whether it is satisfied that the carrying on of the activity will not to any significant extent interfere with the fulfillment by the Trust of its principal purpose or the performance of its other functions; and
  - 42.6.2 notify the Directors of the Trust of its determination.
- 42.7** A proposal to increase by 5% or more the proportion of the Trust's 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 only be implemented if more than half of the members of Council of Governors of the Trust voting approve its implementation.

#### **43 Presentation of the Annual Accounts and Report to the Governors and Members**

- 43.1** The following documents are to be presented to the Council of Governors at a general meeting of the Council of Governors:
  - 43.1.1 the annual accounts
  - 43.1.2 any report of the auditor on them
  - 43.1.3 the annual report.
- 43.2** The documents shall also be presented to the Members of the Trust at the Annual Members Meeting with at least one member of the Board of Directors in attendance.
- 43.3** The Trust may combine a meeting of the Council of Governors convened for the purposes of sub-paragraph 43.1 with the Annual Members' Meeting.

- 43.5** Nothing in sub-paragraph 43.2 shall prevent the Governors from holding a general meeting more than once a year.

#### **44 Instruments**

- 44.1** The Trust shall have a seal.

- 44.2** The seal shall not be affixed except under the authority of the Board of Directors.

#### **45 Amendment of the Constitution**

- 45.1** The Trust may make amendments of this Constitution only if:

45.1.1 more than half of the members of the Council of Governors of the Trust voting approve the amendments, and

45.1.2 more than half of the members of the Board of Directors of the Trust voting approve the amendments.

- 45.2** Amendments made under paragraph 45.1 take effect as soon as the conditions in that paragraph are satisfied, but the amendment has no effect in so far as this Constitution would, as a result of the amendment, not accord with schedule 7 of the 2012 Act.

- 45.3** Where an amendment is made to this Constitution in relation to the powers or duties of the Council of Governors (or otherwise with respect to the role that the Council of Governors has as part of the Trust):

45.3.1 At least one member of the Council of Governors must attend the next Annual Members' Meeting and present the amendment, and

45.3.2 The Trust must give the Members an opportunity to vote on whether they approve the amendment.

- 45.4** If more than half of the Members voting approve the amendment, the amendment continues to have effect; otherwise, it ceases to have effect and the Trust must take such steps as are necessary as a result.

- 45.5** Amendments by the Trust of this Constitution are to be notified to NHS England (previously Monitor). For the avoidance of doubt, NHS England's functions do not include a power or duty to determine whether or not the Constitution, as a result of the amendments, accords with Schedule 7 of the 2012 Act.

#### **46 Mergers and Significant Transactions**

- 46.1** The Trust may only apply for a merger, acquisition, separation or dissolution with the approval of more than half of the members of the Council of Governors.

- 46.2** The Trust may enter into a significant transaction only if more than half of the members of the Council of Governors of the Trust voting approve entering into the transaction.

**46.3** For the purposes of paragraph 46.2 'Significant transaction' means:

- 46.3.1 the acquisition or disposition of, or an agreement to acquire or dispose, whether contingent or not, assets the value of which is more than 25% of the value of the Trust's gross assets before the acquisition or disposition; or
- 46.3.2 a transaction that has or is likely to have the effect of the Trust acquiring rights or interests or incurring obligations or liabilities, including contingent liabilities, the value of which is more than 25% of the value of the Trust's gross assets before the transaction; or
- 46.3.3 a transaction where the annual income, attributable to the assets or the contract (excluding contracts with NHS bodies commissioning NHS services from the Trust) associated with the transaction divided by the annual income of the foundation trust, is 25% or greater; or
- 46.3.4 a transaction where the gross capital of the organisation being acquired or disposed divided by the total capital of the foundation trust following completion is 25% or greater; or
- 46.3.5 any change to current patient service provision (or the commencement of new service provision) which accounts for more than 25% of the Trust's annual gross expenditure; or
- 46.3.6 the sale of land which is greater than 10% of the current site by area on either the St Peter's or Ashford site.

**46.4** For the purpose of this paragraph (above):

- 46.4.1 "gross assets" means the total of fixed assets and current assets according to the latest published audited annual accounts.
- 46.4.2 "gross capital" equals the market value, as determined by the Directors in good faith, of the target's shares and debt securities, plus the excess of current liabilities over current assets
- 46.4.3 "gross expenditure" means the total annual expenditure of the Trust according to its latest published audited annual accounts.
- 46.4.4 in assessing the value of any contingent liability for the purposes of sub-paragraph 46.3.2, the Directors:
  - 46.4.4.1 must have regard to all circumstances that the Directors know, or ought to know, affect, or may affect, the value of the contingent liability; and
  - 46.4.4.2 may rely on estimates of the contingent liability that are reasonable in the circumstances; and

46.4.4.3 may take account of the likelihood of the contingency occurring.