



Consultation on changes to NHS Foundation Trust Annual Reporting Manual 2015/16

**Annex: Further information on changes to
chapter 7 on annual reports**

Monitor's consultation document accompanying the draft NHS Foundation Trust Annual Reporting Manual (FT ARM) 2015/16 explains the changes being made to the structure of the annual report and accounts in applying changes made to HM Treasury's Financial Reporting Manual (FRM).

This annex provides supporting information to help the reader understand the changes made to chapter 7 of the FT ARM and is in two parts:

- (1) Disclosure requirements included in chapter 7 of the FT ARM 2014/15 which have been removed
- (2) A mark up of chapter 7 of the FT ARM 2014/15 which shows where the disclosure requirements can be found in the FT ARM 2015/16.

(1) Disclosure requirements included in chapter 7 of the FT ARM 2014/15 which have been removed

	Previous requirement	Rationale for removal
1	<p>Include disclosure of:</p> <ul style="list-style-type: none"> the financing implications of any significant changes in the foundation trust's objectives and activities, its investment strategy or its long-term liabilities (including significant provisions and PFI and other leasing contracts) 	<p>Key numbers are presented in the accounts for the financially literate reader.</p> <p>For significant items, the wider requirements of the performance report to disclose key developments and risks should include these elements where relevant.</p> <p>Foundation trusts are not required to state this explicitly.</p>
2	<p>The annual report must include:</p> <ul style="list-style-type: none"> a note explaining that the accounts have been prepared under a direction issued by Monitor under the National Health Service Act 2006. 	<p>This will already be included in the accounts, which are published alongside the annual report</p>
3	<p>The FReM requires further disclosures, of which those relevant to NHS foundation trusts are:</p> <ul style="list-style-type: none"> a statement that accounting policies for pensions and other retirement benefits are set out in note [XX] to the accounts and that details of senior employees' remuneration can be found in page [X] of the remuneration report 	<p>No longer part of the FReM and not considered useful disclosures in the annual report.</p> <p>For the second part: the remuneration report is already part of the annual report.</p>
4	<p>NHS foundation trusts are public benefit corporations and it is considered to be best practice for the annual report to include public interest disclosures on the NHS foundation trust's activities and policies in the areas set out below. NHS foundation trusts should decide where these disclosures are to be included in the annual report. The areas which should be covered are:</p> <ul style="list-style-type: none"> details of any consultations completed in the previous year, consultations in progress at the date of the report, or consultations planned for the coming year 	<p>This list also included requirements to disclose:</p> <ul style="list-style-type: none"> consultation with local groups and organisations, including the overview and scrutiny committees of local authorities covering the membership areas; and any other public and patient involvement activities <p>These have been retained as part of the disclosure requirements on quality governance. It is not considered necessary to retain this explicit requirement relating to consultations completed in the previous year.</p>

	Previous requirement	Rationale for removal
5	<p>Companies Act requirement for the directors' report:</p> <ul style="list-style-type: none"> an indication of likely future developments at the NHS foundation trust 	<p>Not part of FReM. We consider that anything significant would be captured by the disclosure of key issues and risks in the performance report, so not necessary to retain this specific requirement.</p>
6	<p>Companies Act requirement for the directors' report:</p> <ul style="list-style-type: none"> an indication of any significant activities in the field of research and development. 	<p>Not part of FReM. We consider that anything significant would be captured by the disclosure of key issues and risks in the performance report, so not necessary to retain this specific requirement.</p>
7	<p>Companies Act requirement for the directors' report:</p> <ul style="list-style-type: none"> in relation to the use of financial instruments, an indication of the financial risk management objectives and policies of the NHS foundation trust and the exposure of the entity to price risk, credit risk, liquidity risk and cash flow risk, unless such information is not material for the assessment of the assets, liabilities, financial position and results of the entity. 	<p>There are already extensive disclosures of financial instrument risks included in the accounts published alongside the annual report so not considered necessary to retain.</p>

(2) Mark-up of chapter 7 of FT ARM 2014/15

In addition to the consultation document and the table above, we have prepared a mark-up of the 2014/15 FT ARM to assist preparers in understanding the changes made in the draft FT ARM 2015/16.

This follows on the next page.

7. Annual reporting guidance for NHS foundation trusts: FT ARM 2014/15

Introduction

- 7.1. Schedule 7, paragraph 26 of the NHS Act 2006 (the 2006 Act) requires NHS foundation trusts to prepare an annual report. Paragraph 26(3) of Schedule 7 provides that it is for Monitor to decide the form of the reports, when the reports are to be submitted, and the periods to which the reports relate.
- 7.2. This chapter sets out the requirements for the content and format of the annual report element of the annual report and accounts of NHS foundation trusts.
- 7.3. NHS foundation trusts should ensure they have read and understood Chapter 1 and Annex 2 to Chapter 1 about preparing and submitting their annual report and accounts.

Content of the annual report

- 7.4. This guidance draws on the HM Treasury *FReM*, which interprets corporate reporting requirements in the context of the public sector. As the *FReM* applies to a wide number of bodies some of its requirements are not applicable to NHS foundation trusts – this chapter therefore includes the requirements of the *FReM* as relevant to NHS foundation trusts.
- 7.5. The annual report of NHS foundation trusts must, as a minimum, include:
 - a strategic report;
 - a directors' report;
 - a remuneration report (including disclosures required by section 156 (1) of the Health and Social Care Act 2012, which amended paragraph 26 of Schedule 7 to the NHS Act 2006);

- the disclosures set out in the *NHS Foundation Trust Code of Governance*;
- a quality report;
- staff survey;
- regulatory ratings;
- income disclosures required by Section 43(2A) of the NHS Act 2006 (as amended by the Health and Social Care Act 2012);
- other disclosures in the public interest;
- a statement of Accounting Officer's Responsibilities; and
- an annual governance statement.

7.6. The annual report may, at the NHS foundation trust's discretion, include non-financial reporting covering sustainability, equality, and the NHS Constitution.

Comment [IR1]: New format of annual report set out in FT ARM 2015/16 paragraph 7.6. This is to implement FReM changes, while also bringing in FT requirements and simplifying the guidance in chapter 7 of the FT ARM to remove some of the separate sections listed here.

Strategic report

7.7. The strategic report must be prepared in accordance with sections 414A, 414C and 414D¹ of the Companies Act 2006, as interpreted by the FReM (paragraphs 5.2.6 to 5.2.11). In doing so, foundation trusts must treat themselves as quoted companies. Sections 414A(5) and(6) and 414D(2) do not apply to NHS foundation trusts.

Comment [IR2]: NHS foundation trusts no longer need to refer to the Companies Act: all of the requirements for foundation trusts to follow are included within chapter 7. References are provided to the Companies Act for additional information or additional optional considerations.

7.8. The purpose of the strategic report is to inform users of the accounts and help them to assess how the directors have performed in promoting the success of the foundation trust.

7.9. The report should be self-standing and comprehensive in its scope. However, if information has been given in other documents provided to Monitor and the public, the strategic report may provide summarised information and cross-refer to the details in the other documents (FReM paragraph 5.2.6(c)).

7.10. The strategic report must include:

- a fair review of the foundation trust's business; and
- a description of the principal risks and uncertainties facing the

¹ As inserted / amended by The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 (SI 2013/1970).

foundation trust.

7.11. The fair review of the business must:

- be a balanced and comprehensive analysis (consistent with the size and complexity of the foundation trust's business) of:
 - the development and performance of the NHS foundation trust during the financial year; and
 - the position of the business at the end of the financial year;
- to the extent necessary for users to understand the above, include:
 - an analysis using financial and other key performance indicators, including information relating to employee matters and environmental matters;
 - the main trends and factors likely to affect the foundation trust's future development, performance and position;
 - the financing implications of any significant changes in the foundation trust's objectives and activities, its investment strategy or its long-term liabilities (including significant provisions and PFI and other leasing contracts);
 - information about:
 - environmental matters (including the impact of the foundation trust's business on the environment);
 - the trust's employees; and
 - social, community and human rights issues;including information about any trust policies in relation to these matters and the effectiveness of those policies.

If any of the information is not provided, then this fact must be stated;
- must also include:
 - a description of the foundation trust's strategy;
 - a description of the foundation trust's business model;
 - a breakdown at year end of the number of male and female:
 - directors;

Comment [IR3]: These requirements (in a streamlined form) now form part of the performance report: overview.

Comment [IR4]: These requirements now form part of the performance report: performance analysis section.

Comment [IR5]: This requirement is no longer stated explicitly, but any important changes here should be covered by the requirements of the performance report

Comment [IR6]: Retained in the performance report: performance analysis section

Comment [IR7]: These requirements (in a streamlined form) now form part of the performance report: overview.

- other senior managers; and
- employees.

Comment [IR8]: These disclosures are now moved to the staff report

7.12. The report may also include the matters that are required to be included in the directors' report (see below) if the directors consider they are of strategic importance to the foundation trust.

7.13. The report must also, where appropriate, refer to and provide additional explanations of amounts included in the annual accounts.

7.14. The report must also include:

- a note explaining that the accounts have been prepared under a direction issue by Monitor under the National Health Service Act 2006;
- a brief history of the foundation trust and its statutory background; and
- an explanation of the adoption of the going concern basis where this might be called into doubt

Comment [IR9]: This is covered in chapter 3 dealing with the accounts (published alongside the annual report) so is removed from chapter 7

Comment [IR10]: Retained in the performance report: overview

Comment [IR11]: Retained in the performance report: overview

(as required FReM paragraph 5.2.8 (g) to (i)).

7.15. If in the opinion of the directors, the disclosure of impending developments or matters in the course of negotiation would be seriously prejudicial to the interests of the foundation trust, these do not need to be disclosed.

7.16. The strategic report must be approved by the directors and signed and dated by the Accounting Officer.

Going concern

7.17. There is no presumption of going concern status for NHS foundation trusts. Directors must decide each year whether or not it is appropriate for the NHS foundation trust to prepare its accounts on the going concern basis, taking into account best estimates of future activity and cash flows.

7.18. In making this assessment NHS foundation trusts should also be mindful of table 6.2 of the FReM, which emphasises that:

“The anticipated continuation of the provision of a service in the future, as evidenced by inclusion of financial provision for that service in published documents, is normally sufficient evidence of going concern.”
[extract]

- 7.19. The NHS foundation trust should include a statement in the strategic report on whether or not the financial statements have been prepared on a going concern basis and the reasons for this decision, with supporting assumptions or qualifications as necessary (*NHS Foundation Trust Code of Governance C.1.2*).
- 7.20. A typical disclosure, based on guidance from the Accounting Standards Board, would read:
- “After making enquiries, the directors have a reasonable expectation that the NHS foundation trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.”*
- This statement can be amended if the going concern basis is adopted based on the interpretation in the FReM which focuses on the continued provision of services.
- 7.21. Where there is fundamental uncertainty over the going concern basis (for instance, continuing operational stability depends on finance or income that has not yet been approved), or where the going concern basis is not appropriate, the directors will need to disclose the relevant circumstances and should discuss the basis of accounting and the disclosures to be made with their auditors.

Comment [IR12]: The going concern section has been retained in the performance report: overview

Directors’ report

- 7.22. The Directors’ report should be prepared in accordance with:
- Sections 415, 416¹ and 418 of the Companies Act 2006 (section 415(4) and (5) and section 418(5) and (6) do not apply to NHS foundation trusts);
 - Regulation 10 and Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (‘the Regulations’);
 - Additional disclosures required by the *FReM*, as described below; and
 - Additional disclosures required by Monitor, as described below.

Comment [IR13]: A footnote to the directors’ report in the 2015/16 FT ARM explains the basis in the Companies Act for some of the requirements, but foundation trusts are no longer required to refer to the Companies Act. All of the requirements are listed in chapter 7 of the FT ARM 2015/16.

Companies Act disclosures (s416 and Regulation 10 and Schedule 7 of the Regulations)

- 7.23. The Directors’ Report shall include the names of individuals who at any time during the financial year were directors of the NHS foundation trust.

Comment [IR14]: Retained in the accountability report: directors’ report

7.24. The Regulations, issued under s416, set out a series of disclosures to be included in the Directors' Report. The details of the disclosures are contained in schedule 7 to the regulations.

7.25. A summary of these requirements is included in Annex 1 to this chapter, but practitioners should refer to the regulations themselves to ensure that they comply with all of the requirements. NHS foundation trusts should ensure that the information is only included where it is relevant to its operations. Preparers should note that the new Greenhouse Gas Emissions disclosures in part 7 of schedule 7 do not apply to foundation trusts because they have been disapplied by the FReM (paragraph 5.2.16)

7.26. Where a foundation trust includes any of the disclosures required by schedule 7 in its strategic report, it shall state in its directors' report that fact and for which disclosures it has done so.

Comment [IR15]: Annex 1 has been removed from the ARM and its remaining requirements included in the main text of chapter 7. The former annex 1 is marked up in detail in this document.

Comment [IR16]: This paragraph is no longer included explicitly as there is no longer a separate strategic report and directors' report, and there is a clearer distinction between the performance report and directors' report in the 2015/16 FT ARM.

Enhanced quality governance reporting

7.27. NHS foundation trusts are required to produce an annual governance statement (AGS), with enhanced reporting on quality governance.

7.28. NHS foundation trusts are required to include in the annual report, a section which gives a brief overview of the arrangements in place to govern service quality and which signposts the reader to where quality governance and quality are discussed in more detail in the annual report (ie, within the annual governance statement, quality report or strategic report). The section should summarise briefly:

- How the foundation trust has had regard to Monitor's quality governance framework in arriving at its overall evaluation of the organisation's performance, internal control and board assurance framework and a summary of action plans to improve the governance of quality.
- Material inconsistencies (if any) between:
 - the annual governance statement;
 - annual and quarterly board statements required by the *Risk Assessment Framework*, the corporate governance statement submitted with the annual plan, the quality report, and annual report; and
 - reports arising from Care Quality Commission planned and responsive reviews of the NHS foundation trust and any consequent action plans

developed by the NHS foundation trust.

- 7.29. In addition to the recommended disclosures in respect of the strategies, performance, resources and financial position of the business in the strategic report, NHS foundation trusts may wish to consider highlighting information about patient care activities (cross referencing to where it is covered in more detail in the quality report) and stakeholder relations, for example:

Patient care

- Descriptions of how the NHS foundation trust is using its foundation trust status to develop its services and improve patient care.
- Performance against key health care targets.
- Arrangements for monitoring improvements in the quality of health care and progress towards meeting any national and local targets, incorporating Care Quality Commission assessments and reviews and the NHS foundation trust's response to any recommendations made.
- Progress towards targets as agreed with local commissioners, together with details of other key quality improvements.
- Any new or significantly revised services.
- Service improvements following staff or patient surveys/ comments and Care Quality Commission reports.
- Improvements in patient/carer information.
- Information on complaints handling.

Stakeholder relations

- Descriptions of significant partnerships and alliances entered into by the NHS foundation trust to facilitate the delivery of improved health care. These should be described together with the benefits to patients and the methods used to fund these activities.
- Development of services involving other local services/agencies and involvement in local initiatives.

Statement as to disclosure to auditors (s418)

- 7.30. The directors' report must contain a statement to the effect that, for each individual who is a director at the time that the report is approved:

Comment [IR17]: The quality governance disclosures have been retained as part of the accountability report: directors' report

- so far as the director is aware, there is no relevant audit information of which the NHS foundation trust's auditor is unaware; and
 - the director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the NHS foundation trust's auditor is aware of that information.
- 7.31. "Relevant audit information" means information needed by the NHS foundation trust's auditor in connection with preparing their report.
- 7.32. A director is regarded as having taken all the steps that they ought to have taken as a director in order to do the things mentioned above, and:
- made such enquiries of his/her fellow directors and of the company's auditors for that purpose; and
 - taken such other steps (if any) for that purpose, as are required by his/her duty as a director of the company to exercise reasonable care, skill and diligence.

Additional disclosures required by the *FReM*

- 7.33. The *FReM* requires further disclosures, of which those relevant to NHS foundation trusts are:
- a statement that accounting policies for pensions and other retirement benefits are set out in note [XX] to the accounts and that details of senior employees' remuneration can be found in page [X] of the remuneration report;
 - details of company directorships and other significant interests held by directors or governors which may conflict with their management responsibilities. Where the NHS foundation trust maintains a Register of Interests that is open to the public, the disclosure may be limited to a comment on how access to the information in that Register may be obtained;
 - sickness absence data². This is the data collected as part of the FTC schedules; and

Comment [IR18]: The statement as to disclosure to the auditors has been retained as part of the accountability report: directors' report

Comment [IR19]: Removed.

Comment [IR20]: Retained as part of the accountability report: directors' report

Comment [IR21]: Moved to the staff report

² The final two bullet points here have moved from previously being in paragraph 7.86 (now deleted) on page 146 of the FT ARM. This is because the *FReM* requires the disclosures be made in the directors' report specifically. There are no changes to the disclosure requirements themselves.

- (for public sector information holders only) - a statement that the NHS foundation trust has complied with the cost allocation and charging guidance issued by HM Treasury³.

Remuneration report

7.34. The *FReM* requires NHS foundation trusts to prepare a remuneration report in their annual report and accounts. The *FReM* and Monitor requires that this remuneration report complies with:

- Sections 420 to 422 of the Companies Act 2006 (section 420(2) and (3), section 421(3) and (4) and section 422(2) and (3) do not apply to NHS foundation trusts);
- Regulation 11 and Parts 3 and 5 of Schedule 8⁴ of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410) (“the Regulations”)
- Parts 2 and 4 of Schedule 8 of the Regulations as adopted by Monitor in this Manual; and
- Elements of the *NHS Foundation Trust Code of Governance*.

7.35. The remuneration report must be signed by the chief executive.

7.36. The remuneration report must disclose information on those persons in senior positions having authority or responsibility for directing or controlling the major activities of the NHS foundation trust. This means those who influence the decisions of the NHS foundation trust as a whole rather than the decisions of individual directorates or sections within the NHS foundation trust. Such persons will include advisory and non-executive board members. In the following paragraphs, such persons are described as “senior managers”. As guided by paragraph 44(1) of part 7 of schedule 8 to the Regulations, figures included in this table should include the aggregate amount paid to a senior manager in respect of their services as a senior manager of the foundation trust and amounts received in respect of their services as a senior manager of a subsidiary or other undertaking of the foundation trust. Preparers

³ This guidance relates to chapter 6 of MPM ([here](#)), the Guide to the Establishment and Operation of Trading Funds ([here](#)), the Reuse of Public Sector Information Regulations – EU Directive ([here](#)), and the Information Fair Trading Scheme ([here](#)).

⁴ Schedule 8 as substituted by The Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 (SI 2013/1981)

Comment [IR22]: Retained as part of the accountability report: directors' report

Comment [IR23]: The remuneration report is unaffected by the changes being made to the structure of annual reports (other than it becoming part of the accountability report section, and the off-payroll tables moving to the staff report). Any separate changes to the detail are shown in bold italics in the 2015/16 FT ARM.

should refer to [the Regulations](#)⁵ for more guidance if required.

7.37. The remuneration report comprises the following three sections:

- Annual statement on remuneration;
- Senior managers' remuneration policy; and
- Annual report on remuneration (of which some elements are subject to audit).

Each of these three sections are described below.

Annual statement on remuneration

7.38. The remuneration report should contain an annual statement from the chair of the remuneration committee summarising for the financial year:

- The major decisions on senior managers' remuneration;
- Any substantial changes relating to senior managers' remuneration made during the year; and
- The context in which those changes occurred and decisions have been taken.

Senior managers' remuneration policy

7.39. The information required below must be set out in a separate section of the remuneration report and constitutes the senior managers' remuneration policy of the foundation trust.

7.40. Future policy table

- In table form, a description of each of the components of the remuneration package for senior managers which comprise the senior managers' remuneration policy (including, but not limited to the items which are relevant for the purposes of the single total figure table). Where the explanation describes components that apply generally to all senior managers, the table must also include any particular arrangements which are specific to any individual senior manager.
- For each of the components described in the table, there must be set out:

⁵ <http://www.legislation.gov.uk/ukxi/2013/1981/schedule/made>

- how that component supports the short and long-term strategic objectives of the foundation trust;
 - an explanation of how that component operates;
 - the maximum that could be paid in respect of that component (which may be the monetary amount or a description);
 - where applicable, a description of the framework used to assess performance, including:
 - a description of any performance measures that apply, and where more than one performance measure an indication of the weightings used;
 - details of the performance period; and
 - the amount (expressed in monetary terms or otherwise) that may be paid in respect of
 - the minimum level of performance that results in any payment under the policy; and
 - any further levels of performance set in accordance with the policy.
- and in a note accompanying the table, an explanation of why any performance measures were chosen and how any performance targets are set;
- an explanation of whether there are any provisions for the recovery of sums paid to directors or for withholding the payments of sums to senior managers;
- accompanying notes setting out, where applicable:
 - for any new components of the remuneration package, why they have been introduced;
 - any changes made to existing components of the remuneration package;
 - an explanation of the differences between the foundation trust's policy on senior managers' remuneration and its general policy on employees' remuneration.
 - For non-executive directors, the policy for the components of their remuneration may be set out in a separate table, which must include:

- the fee payable to such directors;
- any additional fees payable for any other duties to the foundation trust;
- such other items that are considered to be remuneration in nature

7.41. Service contracts obligations

- A description of any obligation on the foundation trust which:
 - is contained in all senior managers' service contracts;
 - is contained in the service contracts of any one or more existing senior managers (not including any obligations in the preceding disclosure); and/or
 - the foundation trust proposes would be contained in senior managers' service contracts to be entered into

and which could give rise to, or impact on, remuneration payments or payments for loss of office but which is not disclosed elsewhere in the remuneration report.

7.42. Policy on payment for loss of office

- The policy on the setting of notice periods under senior managers' service contracts.
- The principles on which the determination of payments for loss of office will be approached, including:
 - An indication of how each component will be calculated; and
 - Whether, and if so how, the circumstances of the loss of office and the senior manager's performance are relevant to any exercise of discretion.

7.43. Statement of consideration of employment conditions elsewhere in the foundation trust

- A statement of how the pay and conditions of employees (including any other group entities) were taken into account when setting the remuneration policy for senior managers;
- Whether, and if so how, the foundation trust consulted with employees when preparing the senior managers' remuneration policy; and

- Whether any remuneration comparisons were used and if so, what they were and how the information was taken into account.

Annual report on remuneration

7.44. This section of the remuneration report includes some elements that are subject to audit.

Information not subject to audit

[Drafting note: Some of the requirements of paragraph 7.37 of the 2013/14 FT ARM are now part of the 'Senior managers' remuneration policy' section of the remuneration report.]

7.45. Service contracts

For each senior manager who has served during the year, disclose the date of their service contract, the unexpired term, and details of the notice period.

7.46. Remuneration committee

The report must contain the following details in respect of the remuneration committee:

- Details of the membership of the remuneration committee. This means the names of the chair and members of the remuneration committee should be disclosed (Code of Governance A.1.2).
- The number of meetings and individuals' attendance at each should also be disclosed (Code of Governance A.1.2).
- The name of any person (and in particular any director of the trust who was not a member of the committee) who provided advice or services to the committee that materially assisted the committee in their consideration of any matter.

Where such a person was neither a director or employee of the trust, nor someone providing legal advice on compliance with any relevant legislation:

- a description of the nature of any other services that person has provided to the trust during the financial year;
- by whom the advisor was appointed, whether or not by the committee and how they were selected;
- whether and how the committee satisfied itself that the

advice received was objective and independent; and

- the fee or other charge paid by the foundation trust to the advisor for the remuneration advice or services received and the basis on which it was charged.

7.47. **Disclosures required by Health and Social Care Act**

The following information is required by section 156 (1) of the Health and Social Care Act 2012, which amended paragraph 26 of Schedule 7 to the NHS Act 2006, and is not subject to audit:

- information on the corporation's policy on pay and on the work of the committee established under paragraph 18(2) of Schedule 7 to the NHS Act 2006, and such other procedures as the corporation has on pay; and
- information on the remuneration of the directors and on the expenses of the governors and the directors.

Where a requirement here is duplicated by a requirement below which is subject to audit, the information need only be disclosed once and be subject to audit.

Monitor considers that information relating to the expenses of the governors and the directors should (separately for governors and for directors) include:

- the total number of [governors / directors] in office,
- the number of [governors / directors] receiving expenses in the reporting period; and
- the aggregate sum of expenses paid to [governors / directors] in the reporting period.

Disclosures should be made in £00 rather than £000 and be on an accruals basis. Comparative period information should be provided.

7.48. **Reporting high paid off-payroll arrangements**

As part of the remuneration report NHS foundation trusts should present three tables relating to off-payroll arrangements, with some supporting disclosures. The details of these requirements are set out in annex 8 to this chapter. Further information and definitions can be found in guidance previously issued by HM Treasury, available [here](#) and [here](#).

The remuneration report should also contain a statement on the NHS foundation trust’s policy on the use of off-payroll arrangements, which as a minimum should cover arrangements for highly paid staff and controls it has in place over the use of such arrangements. ‘Highly paid’ is defined as the threshold used by HM Treasury in the reporting tables as reproduced in annex 8 to this chapter.

Comment [IR24]: Moved to the staff report

Information subject to audit

7.49. The following information is required by paragraphs 4 to 16 inclusive of Part 3 of Schedule 8 to the Regulations, or where stated by the *NHS Foundation Trust Code of Governance*, and is subject to audit. The disclosures subject to audit are detailed below in paragraphs 7.50 to 7.80, including the supporting definitions.

7.50. The report should contain a single total figure for remuneration for each senior manager (see definition below) who served during the year shown in tabular form (“the single total figure table”). The format of this table is as follows:

Single Total Figure Table						
	a	b	c	d	e	Total
Director 1	xxx	xxx	xxx	xxx	xxx	xxx
Director 2	xxx	xxx	xxx	xxx	xxx	xxx

7.51. In the table above:

- “a” is salary and fees (in bands of £5,000)
- “b” is all taxable benefits (total to the nearest £100)
- “c” is annual performance-related bonuses (in bands of £5,000)
- “d” is long-term performance-related bonuses (in bands of £5,000)
- “e” is all pension-related benefits (in bands of £2,500)
- Additional columns must also be included for any other items in the nature of remuneration - but excluding payments to former senior managers (see below).
- The final column is total of the above items (in bands of £5,000).
- Each of the above requirements is described in further detail below.
- Prior year comparatives are required for each of the amounts.

- As set out in paragraph 8(3) of the Regulations, where the calculations of any of these columns in accordance with the detail below result in a negative value (other than in respect of a recovery or withholding), the result should be expressed as zero in the relevant column in the table.

7.52. **Fair Pay multiple**

The HM Treasury *FReM* requires disclosure of the median remuneration of the reporting entity's staff and the ratio between this and the mid-point of the banded remuneration of the highest paid director (as defined as a senior manager in paragraph 7.36 and paragraphs 7.53 to 7.57), whether or not this is the Accounting Officer or Chief Executive. The calculation is based on full-time equivalent staff of the reporting entity at the reporting period end date on an annualised basis. NHS foundation trusts shall disclose information explaining the calculation, including the causes of significant variances where applicable. Further guidance is provided in the HM Treasury PES paper on annual reports, which is reproduced in annex 9 to this chapter.

Definition of "senior managers"

7.53. The definition of "senior managers" is 'those persons in senior positions having authority or responsibility for directing or controlling the major activities of the NHS foundation trust'. The chief executive should confirm whether this covers more than the chair, the executive and non-executive directors of the NHS foundation trust (who should be treated as senior managers as a matter of course).

7.54. This note covers all those individuals who hold or have held office as chair, non-executive director, executive director or senior manager (as identified by the chief executive) of the NHS foundation trust during the reporting year. It is irrelevant that:

- an individual was not substantively appointed (holding office is sufficient, irrespective of defects in appointment);
- an individual's title as director included a prefix such as "temporary" or "alternate"; or
- an individual was engaged via a corporate body, such as an agency, and payments were made to that corporate body rather than to the individual directly.

7.55. Following a case arising under the Freedom of Information Act, the Information Commissioner determined that consent is not needed for

the disclosure of salary and pension details for named individuals. Entities are therefore entitled to publish senior managers' remuneration details without obtaining their prior consent. For new appointments it may be made a condition on appointment. Consent to disclose pension and salary details should always be sought from departing senior managers on their final day of service.

- 7.56. Non-disclosure is only acceptable where senior managers can demonstrate that disclosure would cause or be likely to cause substantial damage or substantial distress and that damage or distress would be unwarranted. Where non-disclosure is agreed, the fact that certain disclosures have been omitted should be disclosed.
- 7.57. For further information see the Information Commissioner's ruling reference FS50093734 on its [website](#) or [FRAB paper 81\(08\)](#) on HM Treasury's website.

Column A: salary and fees

- 7.58. Salary is the gross salary paid/payable to the individual; this should be shown in £5,000 ranges. Where an individual held a contract of employment for the entire financial year but was only a senior manager for six months, it is the remuneration for six months which should be shown. Where there has been overlap in a post, for example where there have been two finance directors for a month, both must be shown.
- 7.59. Salary includes:
- all amounts paid or payable by the NHS foundation trust to the individual, including recharges from any other health body;
 - overtime;
 - the gross cost of any arrangement whereby a senior manager receives a net amount and an NHS foundation trust pays income tax on their behalf;
 - any financial loss allowances paid in place of remuneration;
 - recruitment and retention allowances;
 - geographical allowances such as London weighting; and
 - any ex-gratia payments.
- 7.60. Salaries should exclude:

- taxable benefits;
- performance pay and bonuses;
- employers' National Insurance and superannuation contributions;
- recharges to any other health body;
- reimbursement of out-of-pocket expenses directly incurred in the performance of an individual's duties;
- reimbursement of "travelling and other allowances" (paid under determination order) including home to work travel costs;
- compensation for early retirement or for loss of office; and
- any amount paid which the senior manager must subsequently repay. However, these amounts must be disclosed in the next report, and distinguished from other remuneration, where a senior manager is subsequently released from the liability or a loan to a senior manager remains unpaid for two years after the due date.

Column B: taxable benefits

7.61. This is the gross value of such benefits before tax. It includes:

- expenses allowances that are subject to UK income tax and paid or payable to the person in respect of qualifying services; and
- benefits received by the person (other than salary) that are emoluments of the person and are received by them in respect of qualifying services.

7.62. A narrative disclosure detailing the types of benefits and, where significant, the amount should be given after the table. Please note that this disclosure should be made in £00 rather than £000.

Column C: Annual performance-related bonuses

7.63. These comprise money or other assets received or receivable for the financial year as a result of achieving performance measures and targets relating to a period ending in the relevant financial year other than:

- those which result from awards made in a previous financial year and the final vesting is determined as a result of achieving performance measures or targets relating to a period ending in the relevant financial year; and

- those which are receivable subject to the achievement of performance measures or targets in a future financial year.

7.64. The amounts should be reported in bands of £5,000.

7.65. Where an amount included in column C is for deferred bonus, the amount and percentage of such deferral should be disclosed in a note accompanying the table.

Column D: Long-term performance-related bonuses

7.66. These comprise money or other assets received or receivable for periods of more than one year where final vesting:

- is determined as a result of achieving performance measures or targets relating to a period ending in the relevant financial year; and
- is not subject to the achievement of performance measures or targets in a future financial year.

7.67. The amounts should be reported in bands of £5,000.

Performance bonuses – additional matters

7.68. In respect of columns C and D, where the performance measures or targets are substantially (but not fully) completed by the end of the financial year, the amount shown in the table may include sums which relate to the following financial year but this must be explained in the report. In the following year's report, the amount must not be included as remuneration for that year.

7.69. For every component of remuneration included in columns C or D, a note accompanying the table must disclose:

- details of any performance measures and the relative weighting of each;
- for each performance measure:
 - the performance targets set at the beginning of the performance period and the corresponding value of bonus achievable; and
 - details of actual performance against the targets set and measured over the performance period and the resulting bonus awarded.
- Where discretion has been exercised in the award, details of how

the discretion was exercised and how the resulting bonus was determined.

Column E: Pension-related benefits

7.70. This will apply to executives only as non-executive directors do not receive any pensionable remuneration. The amount included here comprises all pension related benefits, including:

- the cash value of payments (whether in cash or otherwise) in lieu of retirement benefits; and
- all benefits in year from participating in pension schemes.

7.71. For defined benefit schemes⁶, the amount included here is the annual increase (expressed in £2,500 bands) in pension entitlement determined in accordance with the 'HMRC' method⁷, less any amounts paid by employees. In summary, this is as follows:

Column E = Increase in entitlement – employee contributions

Increase = ((20 x PE) +LSE) – ((20 x PB) + LSB)

Where:

PE is the annual rate of pension that would be payable to the director if they became entitled to it at the end of the financial year

PB is the annual rate of pension, adjusted for inflation, that would be payable to the director if they became entitled to it at the beginning of the financial year;

LSE is the amount of lump sum that would be payable to the director if they became entitled to it at the end of the financial year; and

LSB is the amount of lump sum, adjusted for inflation, that would be payable to the director if they became entitled to it at the beginning of the financial year.

Total pension entitlement

7.72. Under the companies act regulations, disclosure is required for each

⁶ This includes the NHS Pension Scheme which is a defined benefit scheme, though accounted for locally as a defined contribution scheme.

⁷ The HMRC method derives from s229 of the Finance Act 2004, but is modified for the purpose of this calculation by paragraph 10(1)(e) of schedule 8 of SI 2008/410 (as replaced by SI 2013/1981).

senior manager of:

- their pension entitlement: this requirement will be covered by inclusion of the pension entitlements table detailed in paragraph 7.73 below;
- a description of any additional benefit that will become receivable by a director in the event that that senior manager retires early; and
- where a senior manager has rights under more than one type of pension, separate details relating to each.

7.73. The FReM (paragraph 5.2.27(f)) requires the following to be disclosed:

- the real increase during the reporting year in the pension and (if applicable) related lump sum at age 60 in bands of £2,500;
- the value at the end of the reporting year of the accrued pension and (if applicable) related lump sum at age 60 in bands of £5,000;
- the value of the cash equivalent transfer value at the beginning of the reporting year to the nearest £1,000;
- the real increase in the cash equivalent transfer value during the reporting year, to the nearest £1,000;
- the value of the cash equivalent transfer value at the end of the reporting year to the nearest £1,000; and
- in the case of a partnership pension account, the employer's contribution (in these circumstances the first four bullet points in this paragraph will not apply)

The following tabular format is recommended:

Name and title	(a) Real increase in pension at age 60 (bands of £2,500) £000	(b) Real increase in pension lump sum at aged 60 (bands of £2,500) £000	(c) Total accrued pension at age 60 at 31 March 20xx (bands of £5,000) £000	(d) Lump sum at age 60 related to accrued pension at 31 March 20xx (bands of £5,000) £000	(e) Cash Equivalent Transfer Value at 1 April 20xx £000	(f) Real increase in Cash Equivalent Transfer Value £000	(g) Cash Equivalent Transfer Value at 31 March 20xx £000	(h) Employer's contribution to stakeholder pension £000

- 7.74. The CETV is the actuarially assessed capitalised value of the pension scheme benefits accumulated by a member at a particular point in time. The benefits valued are the member's accumulated benefits and any contingent spouse's pension payable from the scheme. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.
- 7.75. The accrued benefits derived from the member's purchase of added years of service and any "transferred-in" service must be included in these FReM pension disclosures.
- 7.76. The information required for the senior managers' pension entitlements will be provided by NHS Pensions. The request for information from NHS Pensions must be made by the NHS foundation trust by the deadline set by NHS Pensions providing complete information at that time.
- 7.77. Detailed guidance regarding the end of year procedures for requesting information from NHS Pensions can be found on its [website](#).
- 7.78. Where the NHS foundation trust has senior managers who are members of a different pension scheme the disclosure information should be requested in good time from the scheme.

Payments for loss of office

- 7.79. For each individual who was a senior manager in the current or in a previous financial year that has received a payment for loss of office during the financial year, the following must be disclosed:
- the total amount payable to the individual, broken down into each component;
 - an explanation of how each component was calculated;
 - any other payments to the individual in connection with the termination of services as a senior manager, including outstanding long term bonuses that vest on or following termination; and
 - where any discretion was exercised in respect of the payment, an explanation of how it was exercised.

The requirements of paragraph **Error! Reference source not found.** which define what should be included in the disclosure of a non-compulsory departure payment also apply to the remuneration report.

Payments to past senior managers

7.80. The report must contain details of any payments of money or other assets to any individual who was not a senior manager during the financial year but has previously been a senior manager at any time. The following payments do not need to be reported in this disclosure:

- payments for loss of office (which are separately reported above);
- payments that are otherwise shown in the single total figure table;
- payments that have already been disclosed by the foundation trust in a previous remuneration report;
- payments for regular pension benefits that commenced in a previous year; and
- payments for employment or services provided by the individual other than as a senior manager of the foundation trust.

NHS Foundation Trust Code of Governance

7.81. *The NHS Foundation Trust Code of Governance (the Code of Governance)* was first published in 2006 and was most recently updated in July 2014.

7.82. The purpose of the *Code of Governance* is to assist NHS foundation trust boards in improving their governance practices by bringing together the best practice of public and private sector corporate governance. The code is issued as best practice advice, but imposes some disclosure requirements.

7.83. The annual report should contain the following sentence:

“[name] NHS Foundation Trust has applied the principles of the NHS Foundation Trust Code of Governance on a comply or explain basis. The NHS Foundation Trust Code of Governance, most recently revised in July 2014, is based on the principles of the UK Corporate Governance Code issued in 2012.”

Inclusion of this sentence in the annual report from 2014/15, together with changes to Monitor’s Audit Code for NHS Foundation Trusts, is likely to impact upon the format of the trust’s external audit opinion.

7.84. NHS foundation trusts are required to provide a specific set of disclosures in their annual report to meet the requirements of the Code

Comment [IR25]: The Code of Governance disclosures section is unaffected by the changes being made to the structure of annual reports. Any separate changes to the detail are shown in bold italics in the 2015/16 FT ARM.

of Governance. Schedule A to the *Code of Governance* specifies everything that is required within these disclosures. Schedule A is divided into six categories:

- 1) statutory requirements of the *Code of Governance* but do not require disclosures;
- 2) provisions which require a supporting explanation, even where the NHS foundation trust is compliant with the provision*;
- 3) provisions which require supporting information to be made publicly available, even where the NHS foundation trust is compliant with the provision;
- 4) provisions which require supporting information to be made to governors, even where the NHS foundation trust is compliant with the provision;
- 5) provisions which require supporting information to be made to members, even where the NHS foundation trust is compliant with the provision; and
- 6) other provisions where there are no special requirements as per 1-5 above and there is a “comply or explain” requirement. The disclosure should therefore contain an explanation in each case where the trust has departed from the *Code of Governance*, explaining the reasons for the departure and how the alternative arrangements continue to reflect the main principles of the Code of Governance (see pages 13-16 of that document).

* Where the information is already contained within the annual report, a reference to its location is sufficient to avoid unnecessary duplication.

The information in the paragraph and table below only covers items falling into category 2 and category 6 above.

7.85. The requirements of parts 2 and 6 of schedule A to the *Code of Governance* are listed below. This table also includes requirements that are not part of the *Code of Governance* but are required by the *FT ARM*.

[table removed for brevity in this mark-up illustration document]

Quality reports

- 7.86. NHS foundation trusts should include a report on the quality of care they provide within their annual report. The aim of this quality report is to improve public accountability for the quality of care. Annex 2 to chapter 7 contains Monitor's requirements for quality reports. This sets out how the quality accounts requirements should be incorporated into the quality report, and Monitor's additional requirements for quality reports.
- 7.87. Monitor will also require NHS foundation trusts to obtain a limited assurance report from their external auditors on the content of the quality report and to include it in the annual report. This will report on whether anything has come to the attention of the auditor that leads them to believe that the content of the quality report has not been prepared in line with the requirements set out in this *NHS Foundation Trust Annual Reporting Manual* and/or is not consistent with the other information sources detailed in the detailed guidance.

Monitor has published the detailed requirements for quality reports for 2014/15 and this document is available [here](#).

The deadline for the annual report containing the quality report is 29 May 2015. The deadline for the signed limited assurance report on the content of the quality report and the mandated indicators requiring a limited assurance report, and the report to the council of governors is 29 May 2015.

Staff survey

- 7.88. Each NHS foundation trust will be required to include a section in its annual report on its staff survey results covering:
- a) Commentary
- Statement of approach to staff engagement – each NHS foundation trust will be required to include a statement of its approach to staff engagement and what mechanisms are in place to monitor and learn from staff feedback.
- b) Summary of performance – results from the NHS staff survey
- NHS foundation trusts will be required to provide a summary of the key findings from *the most recent* NHS staff survey, with a focus on details of the top four and bottom four scored answers and comparison to the prior year and national average

Comment [IR26]: The quality report is unaffected by the changes being made to the structure of annual reports (other than its location being changed to after the components of the accountability report section). Any separate changes to the detail are shown in bold italics in the 2015/16 FT ARM.

performance. A table of information will be required setting out as a minimum:

- the response rate;
- the top 4 ranked scores; and
- the bottom 4 ranked scores.
- Action plans to address areas of concerns
- The commentary on the key findings from the survey and each NHS foundation trust will include a summary of its plans to address specific areas of concern emerging from staff surveys and any plans to rectify these shortfalls in the short and medium term.

c) Future priorities and targets

- The commentary should include a statement on the key priorities to improve staff feedback it has (or plans to) put in place and what mechanisms are in place to monitor performance.

7.89. A sample template commentary and summary performance analysis is provided in Annex 3.

Comment [IR27]: The details of the staff survey disclosures have not changed, but are now incorporated into the staff report.

Regulatory ratings

7.90. NHS foundation trusts should include within their annual report a section detailing their regulatory ratings from Monitor.

7.91. The commentary will include a summary of the regulatory performance in the year, focusing on the risk ratings obtained in comparison to the annual plan risk ratings, and actions put in place to rectify shortfalls on performance. Where formal regulatory action has been taken this should be disclosed with the actions taken, or proposed, to address this. The change in the regulatory regime during the year should also be explained, together with the impact this has had on the NHS foundation trust's ratings.

7.92. A template commentary and table of analysis is provided in Annex 4.

Comment [IR28]: The regulatory ratings section is unchanged, but is now a sub section of the accountability report

Income disclosures required by Section 43(2A) of the NHS Act 2006 (as amended by the Health and Social Care Act 2012)

7.93. Section 43(2A) of the NHS Act 2006 (as amended by the Health and Social Care Act 2012) requires that the income from the provision of

goods and services for the purposes of the health service in England must be greater than its income from the provision of goods and services for any other purposes. NHS foundation trusts should include a statement in their annual report that they have met this requirement, or where they have not met the requirement this fact should be disclosed, together with the principal reasons and the actions that the NHS foundation trust is taking to ensure that they meet the requirement in future financial years.

- 7.94. As required by section 43(3A) of the NHS Act 2006, an NHS foundation trust must provide information on the impact that other income it has received has had on its provision of goods and services for the purposes of the health service in England.

Comment [IR29]: These disclosures have been moved to be part of the accountability report: directors' report.

Other disclosures in the public interest

- 7.95. NHS foundation trusts are public benefit corporations and it is considered to be best practice for the annual report to include public interest disclosures on the NHS foundation trust's activities and policies in the areas set out below. NHS foundation trusts should decide where these disclosures are to be included in the annual report. The areas which should be covered are:

- actions taken by the NHS foundation trust to maintain or develop the provision of information to, and consultation with, employees;
- the NHS foundation trust's policies in relation to disabled employees and equal opportunities;
- information on health and safety performance and occupational health;
- information on policies and procedures with respect to countering fraud and corruption;
- a statement describing the better payment practice code, or any other policy adopted on payment of suppliers, and performance achieved, together with disclosure of any interest paid under the Late Payment of Commercial Debts (Interest) Act 1998;
- details of any consultations completed in the previous year, consultations in progress at the date of the report, or consultations planned for the coming year;
- consultation with local groups and organisations, including the overview and scrutiny committees of local authorities covering the membership areas; and

Comment [IR30]: These disclosures are moved to the staff report

Comment [IR31]: Moved to the accountability report: directors' report

Comment [IR32]: Removed as an explicit requirement as already covered in large extent by quality governance disclosures

- any other public and patient involvement activities.

Comment [IR33]: Retained as part of the quality governance disclosures in the accountability report: directors' report

Statement of accounting officer's responsibilities

Comment [IR34]: This section is unchanged, except for becoming part of the accountability report section in the 2015/16 FT ARM.

- 7.96. The NHS foundation trust's chief executive should explain his/her responsibility for preparing the financial statements. This should be positioned after the annual report and before the annual governance statement. A model statement of accounting officer's responsibilities is provided in annex 5 to this document.
- 7.97. Paragraph 25 of Schedule 7 to the 2006 Act states that the NHS foundation trust is to prepare annual accounts, and that such functions of the trust are to be delegated to the Accounting Officer. The [NHS Foundation Trust Accounting Officer Memorandum](#) further states that it is the chief executive's personal responsibility to prepare the financial statements.
- 7.98. In addition, the [NHS Foundation Trust Code of Governance](#) (C.1.1) requires directors to include in the annual report an explanation of their responsibility for preparing the **annual report and accounts**. This includes a statement that the directors consider the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for patients, regulators and stakeholders to assess the NHS foundation trust's performance, business model and strategy (*Code of Governance* C.1.1).

Annual governance statement

Comment [IR35]: This section is unchanged, except for becoming part of the accountability report section in the 2015/16 FT ARM.

- 7.99. All entities covered by the requirements of this manual shall prepare an annual governance statement. A model annual governance statement is reproduced in Annex 6 to this document, but should be adapted and expanded to reflect the particular circumstance of the NHS foundation trust. Monitor does not prescribe for foundation trusts which issues should be considered to be significant control issues. Foundation trusts should ensure that a consistent definition of what constitutes significance is applied from year to year.
- 7.100. The annual governance statement includes reference to quality governance. Monitor's quality governance framework may be used for information on good practice in quality governance and is available in Annex 7 of this manual.
- 7.101. The annual governance statement should include disclosure of any serious incidents relating to information governance including data loss or confidentiality breach. As a minimum this should include details of any incidents classified as Level 2 in the Information Governance

Incident Reporting Tool. For these cases the foundation trust should also disclose whether these cases have been reported to the Information Commissioner's Office (ICO) and detail any action taken by the ICO. If disclosure would be prejudicial to any ongoing investigations or disciplinary or regulatory proceedings, details may be omitted.

- 7.102. The annual report should also include a statement report that the board has conducted a review of the effectiveness of the trust's system on internal controls. (*Code of Governance C.2.1*).

Voluntary disclosures

Comment [IR36]: This section is unchanged.

- 7.103. NHS foundation trusts are encouraged to include sections within their annual report and accounts entitled Sustainability Report and/or Equality reporting. Inclusion is left to NHS foundation trusts' discretion.

Sustainability reporting

- 7.104. Should NHS foundation trusts choose to include a sustainability report, Monitor would encourage NHS foundation trusts to follow the approach laid out by HM Treasury. Further guidance is available from the Sustainable Development Unit at <http://www.sdu.nhs.uk/corporate-requirements/governance/reporting.aspx>. NHS bodies may also wish to refer to general HM Treasury 2013-14 guidance for the preparation of sustainability reports at: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/279330/PU1632_Sustainability_Reporting_Guidance.pdf.

Equality reporting

- 7.105. Requirements for the equality report, which may be included in the annual report and accounts at NHS foundation trusts' discretion, will be found at www.gov.uk/equality-act-2010-guidance. If an equality report is included in the annual report, NHS foundation trusts are required to follow these requirements.

Annex 1 to Chapter 7: Summary of the requirements of Schedule 7 to the Regulations

Disclosure requirement	Statutory Reference
Any political donations should be disclosed. However, it is doubtful whether any such donations would be lawful for an NHS foundation trust.	3&4 Sch 7
Any important events since the end of the financial year affecting the NHS foundation trust.	7(1)(a) Sch 7
An indication of likely future developments at the NHS foundation trust.	7(1)(b) Sch 7
An indication of any significant activities in the field of research and development.	7(1)(c) Sch 7
An indication of the existence of branches outside the UK.	7(1)(d) Sch 7
Policies applied during the financial year for giving full and fair consideration to applications for employment made by disabled persons, having regard to their particular aptitudes and abilities.	10(3)(a) Sch7
Policies applied during the financial year for continuing the employment of, and for arranging appropriate training for, employees who have become disabled persons during the period.	10(3)(b) Sch 7
Policies applied during the financial year for the training, career development and promotion of disabled employees.	10(3)(c) Sch 7
Actions taken in the financial year to provide employees systematically with information on matters of concern to them as employees.	11(3)(a) Sch 7
Actions taken in the financial year to consult employees or their representatives on a regular basis so that the views of employees can be taken into account in making decisions which are likely to affect their interests.	11(3)(b) Sch 7

Comment [IR37]: Retained as part of the directors' report

Comment [IR38]: Retained as part of the performance report: performance analysis

Comment [IR39]: Not retained as an explicit requirement. But would expect anything significant to be captured by disclosure of key issues and risks in the performance report: overview

Comment [IR40]: Not retained, but foundation trusts can explain if they wish.

Comment [IR41]: Retained as part of the performance report: performance analysis

Comment [IR42]: Moved to the staff report

Comment [IR43]: Moved to the staff report

Comment [IR44]: Moved to the staff report

Comment [IR45]: Moved to the staff report

Comment [IR46]: Moved to the staff report

Disclosure requirement	Statutory Reference
Actions taken in the financial year to encourage the involvement of employees in the NHS foundation trust's performance.	11(3)(c) Sch 7
Actions taken in the financial year to achieve a common awareness on the part of all employees of the financial and economic factors affecting the performance of the NHS foundation trust.	11(3)(d) Sch 7
In relation to the use of financial instruments, an indication of the financial risk management objectives and policies of the NHS foundation trust and the exposure of the entity to price risk, credit risk, liquidity risk and cash flow risk, unless such information is not material for the assessment of the assets, liabilities, financial position and results of the entity.	6 Sch 7

Comment [IR47]: Moved to the staff report

Comment [IR48]: Not retained

Comment [IR49]: Not retained. Not required given financial instruments disclosures already included in accounts.