



Meeting: NHS Highland Board
Meeting date: 25 January 2022
Title: Annual Review of Code of Corporate Governance
Responsible Executive/Non-Executive: Pam Dudek, Chief Executive
Report Author: Ruth Daly, Board Secretary

1 Purpose

This is presented to the Board for:

- Decision

This report relates to a:

- Local policy

This aligns to the following NHSScotland quality ambition(s):

- Effective

This report relates to the following Corporate Objective(s)

<p>Safe and Sustainable</p> <ul style="list-style-type: none">• In control• Well run
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2 Report summary

2.1 Situation

This report proposes Board approval of revised sections of the Board’s Code of Corporate Governance which have been considered by the Audit Committee on 7 December 2021. The report has been prepared by the Board Secretary to take account of developments and changes that require to be reflected in the Code.

2.2 Background

The Board agreed the terms of a newly combined single Code of Corporate Governance in January 2021 and that the document would be reviewed annually as a single entity.

A desktop review of the Code has been undertaken, together with revisions to Governance Committee Terms of Reference throughout summer/autumn 2021. A more fundamental review of the Code will be undertaken to incorporate any national developments which may emerge from the National Corporate Governance Steering

Group's update to the Blueprint for Good Governance. It is anticipated that the revision to the Blueprint will be released early 2022.

2.3 Assessment

There are revisions proposed to sections (a) and (c) of the Code of Corporate Governance and commentary on section (b). The full suite of sections are as follows:

(a) How Business is organised:

- NHS Highland Board Committee Structure
- Standing Orders for NHS Highland Board
- Board Committee Terms of Reference

(b) Code of Conduct for Board Members

(c) Standing Financial Instructions

(d) Reservation of Powers and Scheme of Delegation

(e) Counter Fraud Policy and Action Plan

(f) Standards of Business Conduct for Staff

Section (a) Revisions to Governance Committee Terms of Reference

Throughout the autumn of 2021, the Terms of Reference for Governance Committees were updated and submitted to the Audit Committee for consideration on 7 December 2021. While agreeing the proposed updates, Audit Committee highlighted the need for consistency across all Governance Committee ToRs for the following:

- **notice period for agenda and reports distribution**

All Governance Committee ToRs now state that agenda and supporting papers will be sent out at least **five clear working days** before the meeting.

- **quorum composition**

ToRs for Audit, FRP, Clinical and Staff Governance Committee are now in alignment with each other stating that no business should be carried out unless at least three Non-Executive members are present.

Copies of the revised ToRs are appended to this report for Board approval with the adjustments proposed by the Audit Committee highlighted in green.

- **Revision of title of volunteer members of committees**

Both Clinical Governance and Highland Health and Social Care Committees have agreed changes to the titles of their volunteer lay members at their January meetings and the respective changes are reflected in the ToRs appended to this report as follows:

Clinical Governance Committee - 'Independent Public Members'

Highland Health and Social Care Committee - 'Independent Lay Members'

- **Remuneration Committee**

The ToR for Remuneration Committee takes into account a change in membership numbers and a clear statement that the Committee shall be chaired by the Board Vice Chair.

Section (b) Code of Conduct for Board Members

It has been confirmed that Scottish Ministers approved a revised Model Code of Conduct for Members of Devolved Public Bodies during 2021. However, Boards are currently not asked to commence work to revise their individual Codes of Conduct as a 'Once for Scotland' approach is being proposed through collaboration with the Chair and Vice Chair of the NHS Board Chairs Group. The revised Code of Conduct will seek to reflect changes that will emerge from updates to the Blueprint for Good Governance.

The Standards Commission will produce revised guidance and advice notes on the implementation of the Code and what it means in practice. This will clarify the role of Chairs and Non-Executive Directors and their involvement in strategic and operational issues.

It is anticipated that the final version will be approved by Scottish Ministers and published in early June 2022 and the Board will be notified in due course.

Section (c) Revisions to Standing Financial Instructions

In relation to Section 9.11 - **Contract Implement and Tendering Matrix**, the following change has been agreed by Audit Committee:

Original wording

'In the following exceptional circumstances, except in cases where the 'Find a Tender Service' (FTS) system must be adhered to, the Director of Finance and Chief Executive, as specified in the Scheme of Delegation, can approve the waiving of the above requirements. Where goods and services are supplied on this basis and the value exceeds £10,000, a "Procurement Waiver Process Authorisation Form" may be granted by completing said form for approval by the appropriate director and the Head of Procurement. ***Where the purchase of goods and services on this basis exceeds £150,000, the completed form shall be endorsed by the Director of Finance and Chief Executive***'

The final sentence to be substituted with the following:

'Requests with a value between £50,000 and £100,000 will require authorisation from Procurement, Finance and sign off by the Director of Finance. Requests with a value above £100,000 will also require sign off from the Chief Executive. Requests above £250,000 require sign off by the NHS Highland Board.'

2.4 Proposed level of Assurance

This report proposes the following level of assurance:

Substantial	<input type="checkbox"/>	Moderate	<input checked="" type="checkbox"/>
Limited	<input type="checkbox"/>	None	<input type="checkbox"/>

3 Impact Analysis

3.1 Quality/ Patient Care

3.2 Workforce

3.3 Financial

The Code of Corporate Governance provides a framework which defines the business principles of the NHS Board and the organisation, in support of the delivery of safe, effective, person-centred care and Quality Outcomes. The provision of robust governance arrangements is key to NHS Highland delivering on its key objectives and to improving workforce, clinical and financial governance.

3.4 Risk Assessment/Management

A risk assessment has not been carried out for this paper.

3.5 Data Protection

This report does not involve personally identifiable information.

3.6 Equality and Diversity, including health inequalities

There are no equality or diversity implications arising from this paper.

3.7 Other impacts

No other impacts

3.8 Communication, involvement, engagement and consultation

The outcome of the Review of the Code of Corporate Governance will be communicated to the wider organisation as appropriate on completion and available on the NHS Highland website.

3.9 Route to the Meeting

The contents of this report have been considered by individual governance committees. and the Audit Committee in December 2021.

4 Recommendation

The Board is invited to:

- (a) **approve** the revisions to the Code of Corporate Governance as recommended by the Audit Committee on the following areas:
 - changes to Committee Terms of Reference as set out in the appendices to this report
 - revision to Section 9.11 of Standing Financial Instructions
- (b) **note** that the updated Code will be published on the Board's website after the Board meeting;
- (c) **note** that an assessment of the Code of Corporate Governance will be undertaken following publication of the revised Blueprint for Good Governance; and
- (d) **note** that a 'Once for Scotland' approach is being proposed for an updated Code of Conduct for Board members which will be published in June 2022.

4.1 List of appendices

The following appendices are included with this report:

- Appendix 1 revised ToR Audit Committee
- Appendix 2 revised ToR Clinical Governance Committee
- Appendix 3 revised ToR Finance, Resources & Performance Committee
- Appendix 4 revised ToR Highland Health and Social Care Committee
- Appendix 5 revised ToR Pharmacy Practices Committee
- Appendix 6 revised ToR Remuneration Committee
- Appendix 7 revised ToR Staff Governance Committee

AUDIT COMMITTEE CONSTITUTION AND TERMS OF REFERENCE

Date of Board approval: January 2022

1. PURPOSE AND ROLE

- 1.1 To ensure the management of the Board's activities is in accordance with the regulations governing the NHS in Scotland that an effective system of internal control is maintained and that a strong corporate governance culture is in operation. The duties of the Audit Committee shall be in accordance with the Scottish Government Audit & Assurance Handbook, dated March 2018.
- 1.2 To approve and monitor the delivery of the internal and external audit plans.
- 1.3 To ensure a system of internal control is in existence and maintained to give reasonable assurance that assets are safeguarded; waste or inefficiency is avoided; risk management is in place; reliable financial information is produced.
- 1.3 To ensure a system of control is in existence and maintained to give assurance on risks related to information governance, security and privacy.
- 1.5 To support the Board and Accountable Officer in their responsibilities through a process of constructive challenge which focuses on both processes and outcomes.

2. COMPOSITION

- 2.1 The membership of the Audit Committee will be:
 - Five Non-Executive members of NHS Highland Board (one of whom will be the Chair).
- 2.2 The Committee may have the option to co-opt members to meet specific skill sets.
- 2.3 The Chair of NHS Highland Board cannot be a member of the Committee.
- 2.4 In order to avoid any potential conflict of interest, the Chair of the Audit Committee shall not be the Chair of any other governance Committee of the Board.

2.2 Officers of the Board will be expected to attend meetings of the Committee when issues within their responsibility are being considered by the Committee. In addition, the Committee Chair will agree with the Lead Officer to the Committee which other Senior Staff should attend meetings, routinely or otherwise. The following will normally be routinely invited to attend Committee meetings:

- Chief Executive
- Director of Finance
- Chief Internal Auditor or representative
- Head of Area Accounting
- Statutory External Auditor
- Board Secretary

2.3 The Director of Finance shall serve as the Lead Officer to the Committee.

3. QUORUM

3.1 No business shall be transacted at a meeting of the Committee unless at least three Non-Executive members are present. There may be occasions when due to the unavailability of the above Non-Executive members, the Chair will ask other Non-Executive members to act as members of the committee so that quorum is achieved. This will be drawn to the attention of the Board.

4. MEETINGS

4.1 There will be a minimum of 5 meetings a year one of which is specifically to consider the annual accounts. Ad hoc meetings to consider particular issues or business requiring urgent attention can be arranged.

4.2 The June meeting will be attended by the External Auditor, and the Annual Accounts will be presented for agreement at this meeting.

4.3 The agenda and supporting papers will be sent out **at least five clear working days** before the meeting. Papers are made available to all Non Executive Directors of the Board who may attend meetings as they wish.

4.4 NHS Highland Board shall appoint a Chair who shall preside at meetings of the Committee. The Committee shall elect a Vice Chair from its membership who will chair meetings if the Chair is absent from any meeting of the Committee.

4.5 At least once per year the Committee should meet with the External/Internal Auditors without any Executive Directors or Board staff present.

4.6 The Committee may sit privately without any Non Members present for all or part of a meeting if they so decide.

5. REMIT

5.1 The main objective of the Audit Committee is to support the Accountable Officer and NHS Highland Board in meeting their assurance needs. This includes advising the Board and Accountable Officer on:

- The strategic processes for risk, control and governance and the Statement on Internal Control
- The effectiveness of the internal control environment
- Assurances relating to the corporate governance requirements of the organisation
- the operational effectiveness of Internal Audit by considering the audit standards, resources, staffing, technical competency and performance measures
- Determining the planned activity and results of internal audit reviews and reports
- The adequacy of management response to issues identified by all audit activity, including the external audit's management letter/report
- The accounting policies, the accounts and the annual report of the organisation, including the process for review of the accounts prior to submission for audit, levels of errors identified and management's letter of representation to the external auditors
- Anti-fraud policies, whistle-blowing processes and arrangements for special investigation
- To support organisational and financial performance and efficiency as well as the effectiveness and quality of services
- Information governance and assurance, by giving direction to and receiving reports from the Information Assurance Group on its activities, and on risks related to information governance, security and privacy.

6. AUTHORITY

6.1 The Committee is authorised by the Board to investigate any activity within its Terms of Reference. It is authorised to seek any information required from any employee and all employees are directed to co-operate with any requests made by the Committee. Independent external advice can be accessed in respect of matters within the Committee's Remit.

6.2 The Committee will report to the Board through the issue of Minutes, by highlighting any key issues to the Board and through the Annual Report which will summarise its conclusions from the work it has done during the year.

6.3 The Chair is responsible for ensuring there is clarity of communication and accountability with the other Governance Committee Chairs.

6.4 The Committee will undertake an annual self-assessment of its work and effectiveness in accordance with NHS Highland and Blueprint for Good Governance values. This will be reported to the Board and Accountable Officer and inform the Committee Annual Report to the Board.

- 6.5 The Committee will provide an Annual Report incorporating a Statement of Assurance for submission to the Board in June each year.
- 6.6 The Committee will work closely with the Audit Committee of the Argyll & Bute Integration Joint Board, but it is important to recognise the boundaries between the two Committees and the need to avoid duplication. It will therefore be important to ensure the internal audit plans for the two Committees complement each other rather than duplicate effort. The Committee will seek regular updates from the IJB's Audit committee in order to be aware of issues that require its attention and also to guard against duplication.

7. REPORTING ARRANGEMENTS

- 7.1 The Audit Committee reports directly to NHS Highland Board on its work. The Minutes of the Committee are presented to the Board by the Committee Chair, who provides a report, on an exception basis, on any particular issues which the Committee wishes to draw to the Board's attention.
- 7.2 The Audit Committee will advise the Scottish Parliament Public Audit Committee of any matters of significant interest as required by the Scottish Public Finance Manual
- 7.3 The Audit Committee will receive Minutes of meetings of the Information Assurance Group and a short update report according to the meetings schedule for the Group.

Added

Deleted



CLINICAL GOVERNANCE COMMITTEE CONSTITUTION AND TERMS OF REFERENCE

Date of Board Approval: January 2022

1. PURPOSE

- 1.1 To carry out the statutory duties as outlined in NHS MEL(1998~)75, NHS MEL (2000)29 and NHS MEL (2001)74.
- 1.2 To give the Board assurance that clinical and care governance systems are in place and working throughout the organisation.
- 1.3 To provide assurance that decision making about the planning, provision, organisation and management of services which are the responsibility of the Board takes due cognisance of the quality and safety of care and treatment.
- 1.4 To oversee the clinical governance and risk management activities in relation to the development and delivery of the ~~Clinical and Care~~ **NHS Highland Strategy**, ensuring it fits with national strategies, takes into account local population needs and demographics, and is geared towards quality, sustainable community and acute services.
- 1.5 To assure the Board that clinical and care governance arrangements in both Health and Social Care Partnerships are working effectively.

2. COMPOSITION

2.1 The membership of the Clinical Governance Committee will be:

- 4 Non Executives Board members, one of whom would Chair the committee
- Chair of the Area Clinical Forum
- Staff side Representative
- 2 ~~public/lay members~~ **Independent Public Members**
- Medical Director
- Director of Public Health
- Nurse Director

2.2 Ex Officio

Board Chair
Chief Executive

2.3 Officers of the Board will be expected to attend meetings of the Committee when issues within their responsibility are being considered by the Committee. Where appropriate, deputies will be permitted. In addition, the Committee Chair will agree with the Lead Officer to the Committee which other Senior Staff should attend meetings, routinely or otherwise. The following will normally be routinely invited to attend Committee meetings:

- Deputy Medical Directors
- Chief Officer NH/Director of Community Services
- Chief Officer A&B
- Chief Officer of Acute Services
- Clinical Director of e-Health (Head of e-Health as substitute)
- Director of Pharmacy
- Board Clinical Governance Manager
- Clinical Governance Manager Argyll & Bute
- Contracted Services Representative, The Highland Council
- Associate Director Allied Health Professionals
- Deputy Nurse Director
- Associate Nurse Directors
- Head of Midwifery
- Director of Adult Social Care
- Consultant Community Paediatrician
- Lead for Realistic Medicine

2.4 The Medical Director shall serve as the lead officer to the Committee.

3. QUORUM

3.1 ~~No business shall be transacted at a meeting of the Committee unless at least one third of members are present including two Non-Executive Directors.~~

No business shall be transacted at a meeting of the Committee unless at least three Non-Executive members are present. There may be occasions when due, to the unavailability of the above Non-Executive members, the Chair will ask other Non-Executive members to act as members of the committee so that quorum is achieved. This will be drawn to the attention of the Board.

4. MEETINGS

4.1 The Clinical Governance Committee shall meet as necessary to fulfil its purpose but not less than six times a year. The Chair may convene ad-hoc meetings to consider business requiring urgent attention.

4.2 NHS Highland Board shall appoint a Chair who shall preside at meetings of the Committee and a Vice Chair who will chair in their absence.

4.3 If the Chair is absent from any meeting of the Committee, the Vice Chair shall chair the meeting.

4.4 The agenda and supporting papers will be sent out at least five clear working days before the meeting.

4.5 ~~The agenda will comprise matters arising, emerging issues and items grouped under the 3 quality ambitions i.e. patient centred, patient safety and clinical effectiveness.~~

4.5 Items will be added to the agenda with the agreement of the Chair and/or Medical Director.

4.6 An action plan will be produced after each meeting within 5 working days to ensure business of the Committee is progressed and implementation of agreed actions takes place as soon as possible where appropriate.

4.7 All papers received by the Committee will be presented in person, unless otherwise agreed by the Chair.

5. REMIT

5.1 The remit of the Clinical Governance Committee is to:

- interrogate the clinical and care governance systems to ensure that the principles and standards for clinical governance are being implemented;
- challenge evidence gathered across the organisation to raise areas of concern, ensure that these are properly addressed, and to monitor and review the effect of actions taken and report outcomes to the Board;
- review outcomes against local and national standards and to ensure compliance with national regulatory and performance requirements;
- select and agree a range of clinical targets and outcomes in conjunction with clinicians and other relevant personnel and ensure an appropriate audit and reporting framework is adhered to across the organisation
- receive exception reports from its reporting committees on relevant areas of concern and the submission of action plans of amended practice;
- receive reports from its reporting committees;
- receive regular reports from the Quality and Patient Safety Groups on the implementation of the quality & patient safety framework and on an agreed range of quality targets and outcomes;
- receive the Committee's risk register at every meeting
- receive the Strategic Risk Register at alternate meetings for consideration by the Committee;
- review regularly the sections of the NHS Highland Integrated Performance and Quality Report relevant to the Committee's responsibility; and
- receive updates on and oversee the progress on the recommendations from relevant external reports of reviews of all healthcare organisations including clinical governance reports and recommendations from relevant regulatory

bodies which may include Healthcare Improvement Scotland (HIS) reviews and visits.

- 5.2 The Committee will undertake an annual self-assessment of the its work and effectiveness in accordance with NHS Highland and Good Governance values. This will inform the Annual Report to the Board.
- 5.3 The Committee will provide an Annual Report incorporating a Statement of Assurance for submission to the Board via the Audit Committee. The proposed Annual Report will be presented to the first Committee meeting in the new financial year or agreed with the Chairperson of the respective Committee by the end of May each year for presentation to the Audit Committee in June.
- 5.4 The Committee shall draw up and approve, before the start of each financial year, an Annual Work Plan for the Committee's planned work during the forthcoming year.
- 5.5 The Committee shall provide assurance to the Board on achievement and maintenance of Best Value standards, relevant to the Committee's area of governance as set out in Audit Scotland's baseline report "Developing Best Value Arrangements".

6. AUTHORITY

- 6.1 The Committee is authorised to investigate any activity within its remit. It is authorised to seek any information required from any employee and all employees are directed to co-operate with any requests made by the Committee. Furthermore, independent external advice may be accessed in respect of matters within the Committee's remit.
- 6.2 The Committee is accountable to the Board and will report to the Board through the issue of Assurance Reports. The Committee will raise specific issues with the Board as it considers necessary.
- 6.3 The Committee will present an annual account to the Board in execution of its duty to provide assurance that NHS Highland's statutory duties with regard to clinical governance are being fulfilled.
- 6.4 A number of committees and groups are accountable to the Clinical Governance Committee and will provide assurance to the Committee. Such assurance is given by the submission of exception reports of activity and areas of good practice, exception reports on areas of concern, and work plans. Areas of concern identified by these committees will be addressed specifically on the agenda of the Clinical Governance Committee. In addition, the Lead Executives for the reporting Committees will be asked to give a written exception report when appropriate together with an annual presentation to the Clinical Governance Committee.
- 6.5 Assurance regarding Adult Social Care Services is within the remit of the Argyll & Bute Integrated Joint Board and the Highland Health and Social Care Partnership.

7. REPORTING ARRANGEMENTS

7.1 The Clinical Governance Committee reports directly to NHS Highland Board on its work. Minutes of the Committee are presented to the Board by the Committee Chair, who provides a report, on an exception basis, on any particular issues which the Committee wishes to draw to the Board's attention.

7.2 The following Committees will report to the Clinical Governance Committee:

- NHHSH Quality and Patient Safety Groups – Exception Reports and all Minutes to every meeting
- Argyll and Bute Clinical & Care Governance Committee – Exception report and all Minutes to every meeting
- Control of Infection Committee **Assurance Report**
- Area Drug & Therapeutics Committee – 6 Monthly Exception Report
- Transfusion Committee - 6 Monthly Exception Report
- Organ and Tissue Donation Committee - 6 Monthly Exception Report
- Health and Safety Committee - 6 Monthly Exception Report on issues relating to Clinical Governance
- Research, Development & Innovation Committee – Annual report

7.3. The Board Assurance Framework will be scrutinised by the relevant Committees of the Board with an update on all changes being submitted to the Audit Committee

FINANCE, RESOURCES AND PERFORMANCE COMMITTEE ROLE AND REMIT

Approved by NHS Highland Board January 2022

1. PURPOSE

- 1.1 The purpose of the Committee is to keep under review the financial position and performance against key finance and non-financial targets of the Board, and to ensure that suitable arrangements are in place to secure economy, efficiency and effectiveness in the use of all resources, and that the arrangements are working effectively.

2. ROLE

- 2.1 To scrutinise the overall performance of NHS Highland across the following functions of the NHS Board:
- Resource allocation;
 - Performance management;
 - Strategic planning
 - all digital functions
- 2.2 To ensure that systems and procedures are in place to monitor, manage and improve performance, across the whole system, and liaise closely with relevant Governance Committees (Staff, Clinical and Audit) to ensure appropriate remedial action takes place.
- 2.3 To consider financial plans, approve annual budget proposals and business cases for submission to the NHS Board.

3. COMPOSITION

- 2.4 The membership of the Finance, Performance and Resources Committee will be:
- Four Non-Executive members (one of whom will be the Chair).
 - Chief Executive
 - Director of Finance
 - Medical Director
 - Director of Public Health
 - Director of Nursing

3.1 The Chair of the Audit Committee will not be a member of the Finance, Performance and Resources Committee.

3.2 Officers of the Board will be expected to attend meetings of the Committee when issues within their responsibility are being considered by the Committee. In addition, the Committee Chair will agree with the Lead Officer to the Committee which other Senior Staff should attend meetings, routinely or otherwise. The following will normally be routinely invited to attend Committee meetings:

- Deputy Chief Executive
- Chief Operating Officer (Acute Services)
- Chief Officer, Argyll and Bute IJB
- Chief Officer, North Highland
- PMO Director
- Board Secretary

3.3 The Director of Finance shall serve as the Lead Officer to the Committee.

4. QUORUM

4.1 No business shall be transacted at a meeting of the Committee unless at least three Non-Executive members are present. There may be occasions when due to the unavailability of the above Non-Executive members, the Chair will ask other Non-Executive members to act as members of the committee so that quorum is achieved. This will be drawn to the attention of the Board.

5. MEETINGS

5.1 The Committee shall meet as necessary to fulfil its remit but not less than six times per year.

5.2 NHS Highland Board shall appoint a Chair who shall preside at meetings of the Committee. If the Chair is absent from any meeting of the Committee, the Committee Vice Chair will preside at the meeting. In the absence of both the Chair and the Vice Chair, members shall elect from amongst themselves one of the other Committee members to chair the meeting.

5.3 The agenda and supporting papers will be sent out at least five clear **working** days before the meeting.

6. REMIT

6.1 The Committee shall have accountability to the Board for ensuring that the financial position of the Board is soundly based, having regard to:

- compliance with statutory financial requirements and achievement of financial targets;
- such financial monitoring and reporting arrangements as may be specified from time-to-time by Scottish Government Health & Social Care Directorates and/or the Board;

- the impact of planned future policies and known or foreseeable future developments on the financial position;
- Highland's overall performance, strategic policy and planning objective, and ensure mechanisms are in place to promote best value improved efficiency and effectiveness
- ensuring a rigorous and systematic approach to performance monitoring and reporting is in place to enable more strategic and better informed discussions to take place at NHS Highland Board meetings
- review regularly the sections of the NHS Highland Integrated Performance Report relevant to the Committee's responsibility.
- recommend the annual revenue and capital budgets, and financial plans consistent with its statutory financial responsibilities;
- review the Property Strategy (including the acquisition and disposal of property) and capital plans, and make recommendations to the Board;
- review the Board's digital strategy and performance against the digital delivery plan
- the regular review of NHS Highland's Business Continuity Plan
- oversight of emergency planning arrangements
- scrutiny of relevant financial and performance risks on the Corporate Risk register on a bi-monthly basis
- undertake an annual self-assessment of the Committee's work and effectiveness.

Arrangements for Securing Value for Money

- 6.2 The Committee shall keep under review arrangements for securing economy, efficiency and effectiveness in the use of resources. These arrangements will include procedures for (a) planning, appraisal, control, accountability and evaluation of the use of resources, and for (b) reporting and reviewing performance and managing performance issues as they arise in a timely and effective manner. In particular, the Committee will review action (proposed or underway) to ensure that the Board achieves financial balance in line with statutory requirements.

Allocation and Use of Resources

- 6.3 The Committee has key responsibilities for:
- reviewing the development of the Board's Financial Strategy in support of the Annual Operational Plan, and recommending approval to the Board;
 - reviewing all resource allocation proposals outwith authority delegated by the Board and make recommendations to the Board thereon;
 - monitoring the use of all resources available to the Board; and
 - reviewing all matters relating to Best Value.
- 6.4 Specifically, the Committee is charged with recommending to the Board annual revenue and capital budgets and financial plans consistent with its statutory financial responsibilities. It shall also have responsibility for the oversight of the Board's Capital Programme (including individual Business Cases for Capital Investment) and the review of the Property Strategy (including the acquisition

and disposal of property), and for making recommendations to the Board as appropriate on any issue within its terms of reference.

- 6.5 The Committee will receive minutes from the Asset Management Group, Financial Recovery Board and the Performance Recovery Board.

Issues arising from these Committees will be brought to the attention of the Chair of the Finance, Performance and Resources Committee for further consideration as required.

- 6.6 The Committee will produce an Annual Report incorporating a Statement of Assurance for submission to the Board, via the Audit Committee. The proposed Annual Report will be presented to the first Committee meeting in the new financial year or agreed with the Chair of the respective Committee by the end of May each year for presentation to the Audit Committee in June.
- 6.7 The Annual Report will include the Committee's assessment and conclusions on its effectiveness over the financial year in question.
- 6.8 The Committee shall draw up and approve, before the start of each financial year, an Annual Work Plan for the Committee's planned work during the forthcoming year.
- 6.9 The Committee shall provide assurance to the Board on achievement and maintenance of Best Value standards, relevant to the Committee's area of governance as set out in Audit Scotland's baseline report "Developing Best Value Arrangements".

Performance

- 6.10 To support the development of a performance management and accountability culture across NHS Highland.
- 6.11 Receive annual reports and quarterly updates from the Sub-committees established by the Committee in order to provide assurance and accountability.
- 6.12 To monitor and review risks falling within its remit.
- 6.13 The Digital Health and Care Group will report to the Committee on a quarterly basis to ensure systems are in place and maintained to give assurance to the Board on all digital functions.

General

- 6.14 The Committee will undertake an annual self-assessment of its work and effectiveness in accordance with NHS Highland and Good Governance values. This will inform the Annual Report to the Board.
- 6.15 The Committee will provide an Annual Report incorporating a Statement of Assurance for submission to the Board via the Audit Committee. The proposed Annual Report will be presented to the first Committee meeting in the new

financial year or agreed with the Chairperson of the respective Committee by the end of May each year for presentation to the Audit Committee in June.

- 6.16 The Committee shall draw up and approve, before the start of each financial year, an Annual Work Plan for the Committee's planned work during the forthcoming year.

7. AUTHORITY

- 7.1 The Committee is authorised by the Board to investigate any activity within its Terms of Reference, and in so doing, is authorised to seek any information it requires from any employee.
- 7.2 In order to fulfil its remit, the Finance, Performance and Resources Committee may obtain whatever professional advice it requires, and require Directors or other officers of the Board to attend meetings.

8. REPORTING ARRANGEMENTS

- 8.1 The Finance, Performance and Resources Committee reports directly to NHS Highland Board on its work. The Chair of Committee shall provide assurance on the work of the Committee and the draft minutes will be submitted to the NHS Board meeting for information.

Items requiring urgent attention by the NHS Board can be raised at any time at NHS Board Meetings, subject to the approval of the Chair.

Added



HIGHLAND HEALTH & SOCIAL CARE COMMITTEE CONSTITUTION AND TERMS OF REFERENCE

Date of Board Approval: January 2022

1. PURPOSE

- 1.1 The purpose of the Highland Health and Social Care Committee is to provide assurance to NHS Highland Board that the planning, resourcing and delivery of those community health and social care services that are its statutory or commissioned responsibility are functioning efficiently and effectively, ensuring that services are integrated so that people receive the care they need at the right time and in the right setting, with a focus on community-based, preventative care.

2. COMPOSITION

- 2.1 The membership of the Committee is agreed by the full NHS Board and has a Non-Executive Chair.

Voting Committee members as follows

5 x Non-Executives, one of whom chairs the Committee and one of whom is the Council nominee on the Health Board

5 x Executive Directors as follows - Chief Officer, Director of Adult Social Care, Finance Lead, Medical Lead and Nurse Lead

3 Representatives of Highland Council

The wider stakeholder and advisory membership (non-voting) will be as follows:

Staff Side Representative (2)

Public/Patient Member representative (2)

Carer Representative (1)

3rd Sector Representative (1)

Lead Doctor (GP)

Medical Practitioner (not a GP)

2 representatives from the Area Clinical Forum

Public Health representative

Highland Council Executive Chief Officer for Health and Social Care

Highland Council Chief Social Worker

The Committee shall have flexibility to call on additional advice as it sees fit to enable it to reach informed decisions.

2.2 Ex Officio

Board Chair

2.3 **In Attendance:**

Head of Personnel
Head of Health & Safety

The Committee Chair is appointed by the full Board.

3. **QUORUM**

No business shall be transacted at a meeting of the Committee unless at least one Non-Executive Director being present (in addition to the Chair) and comprising a minimum of one third of Committee members.

4. **MEETINGS**

4.1 The Committee shall meet at least five times per year. The Chair, at the request of any three Members of the Committee, may convene ad hoc meetings to consider business requiring urgent attention. The Committee may meet informally for training and development purposes, as necessary.

4.2 The Committee will be serviced within the NHS Highland Committee Administration Team and minutes will be included within the formal agenda of the NHS Board.

4.3 The agenda and supporting papers will be sent out at least five clear working days before the meeting.

4.4 All Board members will receive copies of the agendas and reports for the meetings and be entitled to attend meetings.

4.5 Any amendments to the Terms of Reference of Highland Health and Social Care Governance Committee will be submitted to NHS Highland Board for approval following discussion within the Governance Committee.

4.6 The Agenda format for meetings will be as follows:

- Apologies
- Declaration of Interests
- Minutes
 - Last Meeting
 - Formal Sub Committees
 - Formal Working Groups
- Strategic Planning and Commissioning
- Finance
- Performance Management
- Community Planning and Engagement
- Operational Unit Exception Reports

5. REMIT

5.1 The remit of the Highland Health and Social Care Committee is to:

- Provide assurance on fulfilment of NHS Highland's statutory responsibilities under the Public Bodies (Joint Working) Act 2014 and other relevant legislative provisions relating to integration of health and social care services
- Provide assurance on fulfilment of NHS Highland's responsibilities under the Community Empowerment Act in relation to Community Planning
- Contribute to protecting and improving the health of the Highland population and ensure that health and social care services reduce inequalities in health
- Develop the Strategic Commissioning Plan for integrated health and social care services and approve arrangements for the commissioning of services to deliver the agreed outcomes of the plan, ensuring the involvement of stakeholders and local communities
- Develop policies and service improvement proposals to deliver the agreed outcomes of the plan, within the available resources as agreed by the Joint Monitoring Committee
- Monitor budgets for services within its remit and provide assurance regarding achievement of financial targets
- Scrutinise performance of services within its remit in relation to relevant national and locally agreed performance frameworks, including the NHS Highland Annual Operating Plan and the Strategic Commissioning Plan for integrated health and social care services.
- Through the annual performance report of the Integration Authority provide an overview of North Highland Adult Services performance, in line with the 9 national outcomes for health and wellbeing to Highland Council as partners via the Joint Monitoring Committee
- Receive and scrutinise assurance from the Highland Council as to performance services delegated by NHS Highland under the Lead Agency arrangements

5.2 The Committee will undertake an annual self-assessment of its work and effectiveness in accordance with NHS Highland and Good Governance values. This will inform the Annual Report to the Board.

5.3 The Committee is also required to carry out a review of its function and activities and to provide an Annual Report incorporating a Statement of Assurance. This will be submitted to the Board via the Audit Committee. The proposed Annual Report will be presented to the first Committee meeting in the new financial year or agreed with the Chairperson of the respective Committee by the end of May each year for presentation to the Audit Committee in June.

5.4 The Committee shall draw up and approve, before the start of each financial year, an Annual Work Plan for the Committee's planned work during the forthcoming year.

6. AUTHORITY

- 6.1 The Committee is authorised by the Board to investigate any activity within its Terms of Reference, and in so doing, is authorised to seek any information it requires from any employee.
- 6.2 In order to fulfil its remit, the Highland Health and Social Care Committee may obtain whatever professional advice it requires, and require Directors or other officers of the Board to attend meetings.
- 6.3 Delegated authority is detailed in the Board's Standing Orders, as set out in the Purpose and Remit of the Committee.

7. REPORTING ARRANGEMENTS

- 7.1 The Highland Health and Social Care Governance Committee is a Governance Committee of NHS Highland and is accountable directly to the Board.
- 7.2 The Committee will report to the Board through the issue of Minutes/Assurance Reports and an assessment of the performance of the Committee will be undertaken annually and presented by way of an Annual Report to the Audit Committee, then the Board.
- 7.3 As a committee of the Board and as indicated in the Standing Orders, the HH&SCC will escalate any risks or concerns that require a Board decision to the Health Board.
- 7.4 Establish a Strategic Planning and Commissioning sub-committee to fulfil the obligations set out in the legislation.

PHARMACY PRACTICES COMMITTEE CONSTITUTION AND TERMS OF REFERENCE

Date of Board approval: January 2022

1. PURPOSE AND ROLE

The Pharmacy Practices Committee is required to consider applications to provide pharmaceutical services within the Board area and to determine whether the application will be granted.

2. COMPOSITION

2.1 The full membership of the Pharmacy Practices Committee is:

- Chair or Vice Chair (if acting as Chair)
- other lay members (or deputy members)
- pharmacist members (or deputy members) nominated by the Area Pharmaceutical Committee (one of which must be a chemist contractor and one a non contractor chemist)
- Area Medical Committee Nominee (only required in hearing an application relating to an area served by a dispensing GP)

2.2 At the commencement of the meeting there must be an equal number of lay and pharmacist members but the pharmacy members and any nominee of the Area Medical Committee will be required to withdraw immediately before a decision on an application takes place.

2.3 Only the lay members are entitled to remain and to vote.

3. QUORUM

3.1 A pool of possible members of the Pharmacy Practices Committee is available and a minimum membership of 5 (6 in the case of an application relating to an area served by a dispensing GP) is possible for any Committee to remain quorate. (In these circumstances the membership must be Chairman, 2 Lay Members, one Chemist Contractor, one Non Contractor Chemist, - nominees of APC and one Area Medical Committee Nominee (if required).

4. MEETINGS

4.1 There is no specific agenda. The format of each meeting is the same. Each party, starting with the applicant, gives its statement following which all other parties then ask that party questions. This is followed by members of the Committee asking questions of whichever party has just given its statement.

This is repeated until all parties have given their statement and questions have been asked. All parties sum up after this, with the applicant being the last to sum up. The applicant and all the parties then leave the meeting and the Committee considers all the information obtained and presented and considers the application against the 'legal test', as described under "specific responsibilities".

The agenda and supporting papers will be sent out at least five clear working days before the meeting.

Voting

- 4.2 Immediately before any decision is made the pharmacist members, and/or employees thereof, and if relevant, the Area Medical Committees nominee, must withdraw and should a vote be necessary, the question shall be determined by a majority of votes of members remaining. The Chair shall not vote in the first instance; they will have a casting vote if the votes cast are equal.

Administrative Arrangements

- 4.3 The Community Pharmacy Business Manager provides the administrative support for this Committee.

4.4 Frequency of meetings

The Committee is convened when required to consider applications received for the provision of pharmaceutical services within NHS Highland Board area. Receipt of these applications is unpredictable.

5. REMIT

- 5.1 Under Regulation 5(10) of the National Health Service (Pharmaceutical Services) (Scotland) Regulations 2009, as amended, the Committee will grant the application if it is satisfied that the provision of pharmaceutical services, at the identified premises, is necessary or desirable in order to secure adequate provision of pharmaceutical services in the neighbourhood in which the proposed premises are located unless the PPC considers that the provision of existing services would be prejudiced by the granting of the application to the extent where either primary medical services or pharmaceutical services may no longer be sustainable or secure within a controlled locality, then they must refuse the application.

The factors which need to be considered include:

- a) What is the neighbourhood in which the premises are located?
- b) What are the existing services in the neighbourhood?
- c) Are these services adequate or not?
- d) Is it necessary to grant the application in order to secure adequate provision of pharmaceutical services in the neighbourhood?
- e) Is it desirable to grant the application in order to secure adequate provision of pharmaceutical services in the neighbourhood?

In order to consider these questions, the following information will include, where necessary:

- The location of the premises, the geography of the area and the social factors which may create boundaries.
- What services already are provided by other contractors in the area, for example, other pharmacies, GP and dental practices?
- What are the transport patterns and how do people travel?
- The number of people who require services?
- What services are provided during what hours?

The manner in which the application is considered shall be a matter for the Committee to determine. However, in most circumstances an oral hearing will be held to ensure that all members understand the evidence and that points of clarification can be obtained from the applicant or other parties. Wherever possible, the Committee will convene its meetings in the area local to the proposed premises and will undertake a site visit to obtain, first hand, knowledge of the local area and of the proposed premises.

6. General

- 6.1 The Committee will undertake an annual self-assessment of its work and effectiveness in accordance with NHS Highland and Good Governance values. This will inform the Annual Report to the Board.
- 6.2 The Committee will provide an Annual Report incorporating a Statement of Assurance for submission to the Board via the Audit Committee. The proposed Annual Report will be presented to the first Committee meeting in the new financial year or agreed with the Chairperson of the respective Committee by the end of May each year for presentation to the Audit Committee in June.

7. AUTHORITY

- 7.1 The Committee considers applications for the provision of general pharmaceutical services within NHS Highland Board area. In considering these applications, the Committee is acting on behalf of the NHS Board.

8. REPORTING ARRANGEMENTS

- 8.1 The Pharmacy Practices Committee reports directly to NHS Highland Board on its work. The Minutes of the Committee are presented to the Board by the Committee Chair, who provides a report, on an exception basis, on any particular issues which the Committee wishes to draw to the Board's attention.

REMUNERATION COMMITTEE CONSTITUTION AND TERMS OF REFERENCE

Date of Board approval: January 2022

1. PURPOSE AND ROLE

- 1.1 To consider and agree performance objectives and performance appraisals for staff in the Executive cohort and to oversee performance arrangements for designated senior managers. The Committee will be responsible for applying the remit detailed in NHS: MEL (2000) 25, NHS HDL (2002) 64 and subsequent guidance:

https://www.sehd.scot.nhs.uk/mels/2000_25.pdf

https://www.scot.nhs.uk/sehd/mels/HDL2002_64.pdf

- 1.2 To direct the appointment process for the Chief Executive and Executive Members of the Board.
- 1.3 Additionally, for the duration of the NHS Highland Healing Process, the Committee will be responsible for reviewing and approving the recommendations of the Healing Process Independent Review Panel.

2. COMPOSITION

- 2.1 The membership of the Remuneration Committee will be:

- Board Chair
- Board Vice Chair
- Employee Director
- 2 Non Executive Directors

- 2.2. The Director of **People and Culture** shall serve as the Lead Officer to the Committee.

- 2.3 All Executive members in attendance at the Committee will leave the meeting when any discussion takes place with regard to individual Directors' performance. The NHS Highland Chief Executive will leave the meeting when there is any discussion with regard to their own performance, and pay and conditions.

3. QUORUM

- 3.1 Meetings will be quorate when at least two members are present.

4. MEETINGS

- 4.1 The Committee shall meet as necessary, but not less than three times a year.
- 4.2 The NHS Highland Board **Vice** Chair will chair the Committee.

- 4.3 The agenda and supporting papers for each meeting will be sent out at least five clear **working** days before the meeting.
- 4.4 The principal minutes will be circulated to all Committee members. Abridged minutes edited to remove all personal details will be circulated to all Board members.

5. REMIT

5.1 The remit of the Remuneration Committee is to:

- Agree all the terms and conditions of employment of Executive Directors and Senior Managers of the Board, including
 - job descriptions
 - job evaluation
 - terms of employment
 - basic pay
 - performance related pay
 - benefits (removal arrangements and cars)
- Agree objectives for executives before the start of the year in which performance is assessed
- To assure the Board that effective arrangements are in place for carrying out the above two functions in respect of all other senior managers
- Conduct a regular review of the Board's policy for the remuneration and performance assessment of executive directors, other senior managers and medical consultants, in the light of guidance issued by the SGHD and any specific National, External or Internal Audit Report.
- To review and approve all Independent Review Panel recommendations associated with NHS Highland's agreed Healing Process of March 2020. The Committee sees anonymised recommendations and, given the inherent sensitivities, all Committee attendees must adhere to the need for strict confidentiality in relation to all information from the Independent Review Panel shared with the Committee.

The Remuneration Committee, under the leadership of the Chair will:

- Ensure Remuneration Sub-Committee members are fully trained to undertake Committee member duties.
- Ensure efficient and effective use of public monies in relation to managerial and executive pay.
- Ensure that decisions on pay are fully supportable and auditable.
- Ensure that individual targets and assessments of performance against targets are tied to the Board's overall performance in providing health and social care services.
- Take full account of Government policy on pay in the public sector and the need to contain overall management costs when determining pay increases.

6. AUTHORITY

- 6.1 The Committee is authorised by the Board to investigate any activity within its Terms of Reference, and in so doing, is authorised to seek any information it requires from any employee.
- 6.2 In order to fulfil its remit, the Remuneration Committee may obtain whatever professional advice it requires, and require Directors or other officers of the Board to attend meetings.

6.3 Delegated authority is detailed in the Board's Standing Orders and Standing Financial Instructions and is set out in the Purpose and Remit of the Committee.

7. REPORTING ARRANGEMENTS

7.1 The Remuneration Committee reports directly to the NHS Highland Board on its work. Minutes of the Committee are presented to the Board by the Committee Chair, who provides a report, on an exception basis, on any particular issues which the Committee wishes to draw to the Board's attention.

7.2 The Committee will undertake an annual self-assessment of its work and effectiveness in accordance with NHS Highland and Good Governance values. This will inform the Annual Report to the Board. The Remuneration Committee has access to the National Remuneration Committee Self-Assessment Pack to ensure that the performance is in line with National Guidance.

7.3 The Committee will provide an Annual Report incorporating a Statement of Assurance for submission to the Board via the Audit Committee. The proposed Annual Report will be presented to the first Committee meeting in the new financial year or agreed with the Chairperson of the respective Committee by the end of May each year for presentation to the Audit Committee in June.

7.4 The Committee shall draw up and approve, before the start of each financial year, an Annual Work Plan for the Committee's planned work during the forthcoming year.