Croydon Clinical Commissioning Group

NHS Croydon Clinical Commissioning Group Constitution

24 October 2012 Rev. V17
NHS Commissioning Board Effective Date: [insert date]
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Foreword

This constitution sets out Croydon Clinical Commissioning Group's (CCG) responsibilities for commissioning care for its patients. It describes our governing principles, rules and procedures that we will establish to ensure probity and accountability in the day to day running of the clinical commissioning group; to ensure that decisions are taken in an open and transparent way and that the interests of patients and the public remain central to the goals of the group. It confirms: the group’s legal position, the group’s mission, values and aims, the group’s membership and the decisions reserved to the membership, how the membership relates to the group’s governing body, the group’s leaders, their roles and how they are selected and are expected to behave, the powers of the governing body, committees and individuals, the group’s meeting arrangements and the group’s prime governance and financial policies.

The constitution applies to all of the member practices; the group’s employees, individuals working on behalf of the group and to anyone who is a member of the group’s governing body (including the governing body’s integrated governance, audit and remuneration committees) and any other committee(s) established by the group or its governing body. Every member practice, employee or other person working on behalf of the group, or member of the governing body or any committees is responsible for knowing, complying with and for upholding the arrangements for the governance and operation of the group as described in this constitution.
1. Introduction and Commencement

1.1 Name

1.1.1 The name of this clinical commissioning group is NHS Croydon Clinical Commissioning Group (CCG).

1.2 Parties

1.2.1 The Primary Care Practices (the Council of “Members”) whose names, signatures and addresses are set out in Appendix 2 (the “Register of Members”) agree this Constitution.

1.3 Status of constitution

1.3.1 This constitution has immediate effect and will stand once authorisation is achieved, when the NHS Commissioning Board formally establishes the group. The constitution is published on the group’s website and is also available upon request at local practices or via email.

1.4 Statutory Framework

1.4.1 Clinical commissioning groups are established under the Health and Social Care Act 2012 (“the 2012 Act”). They are statutory bodies which have the function of commissioning services for the purposes of the health service in England and are treated as NHS bodies for the purposes of the National Health Service Act 2006 (“the 2006 Act”). The duties of clinical commissioning groups to commission certain health services are set out in section 3 of the 2006 Act, as amended by section 13 of the 2012 Act, and the regulations made under that provision. This constitution is consistent with the model constitution published by the NHS Commissioning Board.

1.4.2 The NHS Commissioning Board is responsible for determining applications from prospective groups to be established as clinical commissioning groups and undertakes an annual assessment of each established group. It has powers to intervene in a clinical commissioning group where it is satisfied that a group is failing or has failed to discharge any of its functions or that there is a significant risk that it will fail to do so.

1.4.3 Clinical commissioning groups are clinically led membership organisations made up of general practices. The members of the clinical commissioning group are responsible for determining the governing arrangements for their organisations, which they are required to set out in a constitution.

1.5 Amendment and Variation of this Constitution

1.5.1 Prior to authorisation, the constitution may only be amended in the following manner:

a) Formal proposals for amendment shall be sent to the Chair of Croydon CCG Governing Body, who shall place them before the NHS Croydon CCG Governing Body members for consideration at the earliest opportunity. The Governing Body shall not consider the proposal unless members have received at least ten days clear notice of such proposals in advance of the next scheduled meeting;

b) amendments proposed by the Governing Body shall be put to the next NHS
Croydon member practice meeting for decision by vote;

c) a Governing Body member may invoke an extraordinary Governing Body meeting to propose an amendment to the constitution at any time; and

d) a constituent Practice may invoke an extraordinary NHS Croydon Member Practice Member meeting to propose an amendment to the constitution if it is supported in writing by 12 Practices (20%).

e) where in the circumstances set out in legislation the NHS Commissioning Board varies the group’s constitution other than on application by the group.

1.5.2 Following authorisation, this constitution can only be varied in two circumstances:

a) where the group applies to the NHS Commissioning Board and that application is granted; and

b) where in the circumstances set out in legislation the NHS Commissioning Board varies the group’s constitution other than on application by the group.
## 2 Membership

### 2.1 Current membership of the Clinical Commissioning Group

The following practices comprise the current members of NHS Croydon CCG

<table>
<thead>
<tr>
<th>Practice</th>
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<tbody>
<tr>
<td>Addiscombe Surgery</td>
<td>Parkside Group Practice</td>
</tr>
<tr>
<td>Ashburton Park Medical Centre</td>
<td>Parkway Health Centre (01 Baskaran)</td>
</tr>
<tr>
<td>Auckland Surgery</td>
<td>Parkway Health Centre (02 AT Medics)</td>
</tr>
<tr>
<td>Birdhurst Medical Practice</td>
<td>Parkway Health Centre (03 Salerno)</td>
</tr>
<tr>
<td>Bramley Avenue Surgery</td>
<td>Portland Medical Centre</td>
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<tr>
<td>Brigstock Family Practice</td>
<td>Purley Medical Practice</td>
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<tr>
<td>Brigstock Medical Centre</td>
<td>Queenhill Medical Practice</td>
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<tr>
<td>Broughton Corner Medical Centre</td>
<td>Selhurst Medical Centre</td>
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<tr>
<td>Coulsdon Medical Practice</td>
<td>Selsdon Park Medical Practice</td>
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<tr>
<td>Downland Surgery</td>
<td>Shirley Medical Centre</td>
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<tr>
<td>East Croydon Medical Centre</td>
<td>South Croydon Medical Centre</td>
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<tr>
<td>Edridge Road Community Health Centre</td>
<td>South Norwood Hill Medical Centre</td>
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<tr>
<td>Eversley Medical Centre</td>
<td>South Norwood Medical Centre</td>
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<tr>
<td>Fairview Medical Practice</td>
<td>South Norwood Medical Practice</td>
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<tr>
<td>Farley Road Surgery</td>
<td>South Way Surgery</td>
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<tr>
<td>Fieldway Medical Centre</td>
<td>Spring Park Medical Practice</td>
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<tr>
<td>Friends Road Medical Practice</td>
<td>St James’s Medical Centre</td>
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<tr>
<td>Greenside Medical Practice</td>
<td>Stovell House Surgery</td>
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<tr>
<td>Hartland Way Surgery</td>
<td>The Haling Park Practice</td>
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<tr>
<td>Headley Drive Surgery (AT Medics)</td>
<td>The Moorings Medical Practice</td>
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<tr>
<td>Heathfield Surgery</td>
<td>The Whitehorse Practice</td>
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<tr>
<td>Keston House Medical Practice</td>
<td>The Woodcote Group Practice</td>
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<tr>
<td>Leander Rd P.C. Centre</td>
<td>Thornton Heath Health Centre</td>
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<tr>
<td>Linden Lodge Medical Practice</td>
<td>Thornton Road Surgery (AT Medics)</td>
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<tr>
<td>Mersham Medical Centre</td>
<td>Upper Norwood GP Practice</td>
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<tr>
<td>Mitchley Avenue Surgery</td>
<td>Valley Park Surgery</td>
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<tr>
<td>Morland Road Surgery</td>
<td>Violet Lane Medical Practice</td>
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<tr>
<td>Norbury Medical Practice</td>
<td>Woodside Group Practice</td>
</tr>
<tr>
<td>North Croydon Medical Centre</td>
<td>Woodside Health Centre (02 Barber)</td>
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<tr>
<td>Old Coulsdon Medical Practice</td>
<td>Woodside Health Centre (04 Noronha)</td>
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<td>Parchmore Medical Centre</td>
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2.2 Current map of the membership practices

NHS Croydon CCG currently covers the unitary area of Croydon.
2.3 Becoming a member
Membership of CCG is open to any practice that holds a Primary Care Contract and is geographically located within the borough of Croydon. Practices who wish to join outside of these criteria must demonstrate an overriding patient/population centred reason for crossing Local Authority boundaries.

Practices may normally apply to join the CCG Governing Body by 30 November for entry on 1 April. The exception to this will be where the NHSCB allocates a practice to the CCG.

Formal written applications are required to be submitted to the CCG Governing Body. This should include reasons why the individual practice wants to join the CCG along with the reasons why they want to leave where they are located currently.

The practice may be invited to attend a selection panel. Local Authority must demonstrate support for cross boundary members and so a panel will be drawn from the CCG Governing Body, Local Authority, and the LMC to present their application. The Panel will then make a recommendation to the Governing Body on whether or not to offer the practice to associate membership.

Associate membership applies to newly accepted practices for a period of 12 months, or those practices where full membership has been identified as inappropriate; e.g. where a Foundation Trust runs the practice.
3. Vision, Values and Aims

3.1 Vision

Our vision is for

*Longer, healthier lives for all the people in Croydon.*

3.2 Values

We will deliver this by:

- Working with the diverse community of Croydon, using our resources wisely, to transform and provide safe, sustainable, effective, high quality, patient centred services

3.3 Aims

NHS Croydon CCG have agreed the following aims:

- Achieve financial sustainability in three years
- Commission integrated safe, high quality services in the right place at the right time
- Have collaborative relationships to ensure an integrated approach
- Develop as a mature membership organization.

3.4 Principles of Good Governance

In accordance with section 14L(2)(b) of the 2006 Act, the group will at all times observe such generally accepted principles of good governance in the way it conducts its business. These include:

- the highest standards of propriety involving impartiality, integrity and objectivity in relation to the stewardship of public funds, the management of the organisation and the conduct of its business;
- *The Good Governance Standard for Public Services;*
- the standards of behaviour published by the *Committee on Standards in Public Life* (1995) known as the ‘Nolan Principles’;
- the seven key principles of the *NHS Constitution*;
- the Equality Act 2010; and

3.5 Accountability

The group will demonstrate its accountability to its members, local people, stakeholders and the NHS Commissioning Board in a number of ways, including:
• publishing its constitution
• appointing independent lay members and non GP clinicians to its governing body
• holding meetings of its governing body in public (except where the group considers that it would not be in the public interest in relation to all or part of a meeting)
• publishing annually a commissioning plan
• complying with local authority health overview and scrutiny requirements
• meeting annually in public to publish and present its annual report and annual accounts
• having a published and clear complaints process
• complying with the Freedom of Information Act 2000; and
• providing information to the NHS Commissioning Board as required.
4. Functions and General Duties

4.1 Functions

4.1.1 The functions that the group is responsible for exercising are set out in the 2006 Act, as amended by the 2012 Act. These are contained in the Department of Health’s Functions of clinical commissioning groups: a working document. In summary they are:

a) Commissioning certain health services (where the NHS Commissioning Board is not under a duty to do so) that meet the reasonable needs of:
   i. all people registered with member GP practices, and
   ii. people who are usually resident within the area and are not registered with a member of any clinical commissioning group;

b) Commissioning emergency care for anyone present in the group’s area

c) Determining the remuneration and travelling or other allowances of members of its governing body; and

d) Paying its employees remuneration, fees and allowances in accordance with the determinations made by its governing body and determining any other terms and conditions of service of the group’s employees.

4.1.2 In discharging its functions the group will:

a) act, when exercising its functions to commission health services, consistently with the discharge by the Secretary of State and the NHS Commissioning Board of their duty to promote a comprehensive health service and with the objectives and requirements placed on the NHS Commissioning Board through the mandate published by the Secretary of State before the start of each financial year by:
   i. delegating responsibility to the elected NHS Croydon CCG Governing Body; and
   ii. monitoring the progress made by NHS Croydon CCG Governing Body through its performance reports, including those made by all sub-committees and working groups.

b) meet the public sector equality duty by working towards:
   i. better health outcomes for all;
   ii. improved patient access and experience;
   iii. empowered, engaged and included staff; and
   iv. inclusive leadership at all levels.

c) As per the Equality Act 2010, NHS Croydon CCG will, in the exercise of their functions, have due regard to the need to:
i. eliminating unlawful discrimination harassment and victimisation and other conduct prohibited by the 2010 Act;
ii. advancing equality of opportunity between people who share a protected characteristic and those who do not; and
iii. fostering good relations between people who share a protected characteristic and those who do not.

Note – there are nine protected characteristics. These are defined as including age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation and – for the elimination of discrimination element of the duty only – marriage and civil partnership.

d) NHS Croydon CCG will also work towards the recommendations within the Marmot Review, *Strategic review of health inequalities in England post 2010*. Specifically:

i. the group commits to applying the broad principles of the Marmot review to its strategy, planning and commissioning process;
ii. the group commits to identifying ways of ensuring this happens through integrating these principles into its systems and processes;
iii. the group has developed a vision and will identify key outcome measures to ensure they remain on track; and
iv. the group will take into account the advice of the Public Health Team to determine their initial priorities and to establish the outcome measures.

The group will work with Croydon Borough Council and the Equality Delivery System (EDS) support teams to strive to ensure these goals can be met.

e) In addition to meeting this general duty, NHS Croydon CCG will:

i. publish, at least annually, sufficient information to demonstrate compliance with this general duty across all their functions;
ii. by the end of April 2013, prepare and publish specific and measurable equality objectives, revising these at least every four years; and
iii. work in partnership with its local authority to develop *joint strategic needs assessments* and *joint health and wellbeing strategies* by: having the Chair of Croydon CCG Governing Body sitting on the Health and Wellbeing Board; and ensuring targeted areas to support health care within the community is driven by discussion of need identified by the Health and Wellbeing Board.

4.2 General Duties - in discharging its functions the group will:

4.2.1 Make arrangements to secure public involvement in the planning, development and consideration of proposals for changes and decisions affecting the operation of commissioning arrangements by:

a) working in partnership with patients and the local community to secure the best care for them
b) adapting engagement activities to meet the specific needs of the different patient groups and communities;

4.2.2 Promote awareness of, and act with a view to securing that health services are provided in a way that promotes awareness of, and have regard to the NHS Constitution by:

a) ensuring the key principles of the NHS Constitution are at the heart of all group activities;

b) ensuring national as well as local initiatives drive commissioning within the region;

c) ensuring all group members are fully aware of the NHS Constitution and that it is available in every practice; and

d) reviewing all activity against the NHS Constitution to ensure probity.

4.2.3 Act effectively, efficiently and economically by:

a) working within the confines of the group budget;

b) ensuring value for money is at the heart of commissioning, while maintaining an effective and efficient health care service for the people of Croydon;

c) ensuring transparency in all group commissioning activity;

d) adhering to all statutory financial processes; and

e) working with the NCB and other Clinical Commissioning Groups to identify best practice and where relevant, achieve economies of scale.

4.2.4 Act with a view to securing continuous improvement to the quality of services by:

a) adhering to the policies and principles set out in the Integrated Strategic and Operating Plan and when developed the Quality and Safeguarding Strategy

b) collating and acting upon feedback from within the group and from the local community to identify areas for further development;

c) identifying and sharing best practice amongst practices; and

d) regularly reporting and reviewing progress against agreed plans and publishing outcomes.

4.2.5 Assist and support the NHS Commissioning Board (NCB) in relation to the Governing Body’s duty to improve the quality of primary medical services by:

a) regularly meeting with NCB representatives to ensure commissioning processes, strategies and plans are being delivered effectively and in line with national guidance;

b) working closely with NCB on all national initiatives; and

c) informing NCB of any local issues that may benefit from national guidance or which may support other Clinical Commissioning Groups in their commissioning activities.
4.2.6 Have regard to the need to **reduce inequalities** by:

   a) NHS Croydon CCG being fully committed to reducing inequalities according to local needs and national policy;

   b) regularly reviewing progress towards equality objectives, led by the Chair of the Governing Body;

   c) regular communication with NCB, Public Health and EDS support team to ensure NHS Croydon CCG reflects best practice and is maximising every opportunity to reduce inequality.

4.2.7 **Promote the involvement of patients, their carers and representatives in decision about their healthcare** by:

   a) working closely with LINk and its successor organisation, Healthwatch, to ensure the voice of patients and the public is represented in all NHS Croydon CCG decisions;

   b) ensuring patients, carers and their representatives are fully involved in relevant commissioning processes; and

   d) ensuring practices have a direct link to the Governing Body through the Clinical Forum of Member Practices to feedback ideas and concerns direct from the public or issues they identify themselves through their everyday interaction.

4.2.8 Act with a view to **enabling patients to make choices** by:

   a) ensuring patients are informed of options available to them when making decisions about current and future health care needs; and

   b) ensuring all GPs uphold defined NHS practice with regard to declaring any interest, financial or otherwise, they may have when making a referral.

4.2.9 **Obtain appropriate advice** from persons who, taken together, have a broad range of professional expertise in healthcare and public health by:

   a) ensuring that all workstreams and pathway reviews draw upon the wider knowledge and extensive experience of the wider group and other key stakeholders; and

   b) where necessary, commissioning external support and expertise to drive initiatives and development where the specific experience required is not available within NHS Croydon CCG.

4.2.10 **Promote innovation** by:

   a) supporting delivery of the QIPP challenge within financial resources by promoting innovation, identifying and sharing best practice in commissioning, clinical practice and service delivery from both internal and external sources;

   b) encouraging development and innovation through pathways and work stream development; and

   c) challenging embedded methods to ensure they remain the most effect and efficient means of delivery and approach.

4.2.11 **Promote research and the use of research** by:
a) managing the knowledge base and delivery high quality knowledge services that promote innovation in health care, and support the application of research evidence to address priorities;

b) ensuring leading research is shared regularly with the Networks of member practices

c) where funding allows, encouraging research within the Group to enhance delivery and provide a better health care service for the people of Croydon, sharing outcomes nationally.

4.2.12 Have regard to the need to **promote education and training** for persons who are employed, or who are considering becoming employed, in an activity which involves or is connected with the provision of services as part of the health services in England so as to assist the Secretary of State for Health in the discharge of his related duty by:

a) ensuring all NHS Croydon CCG staff complete all relevant mandatory education and training;

b) supporting and monitoring appropriate professional development for all NHS Croydon CCG staff and commissioned personnel; and

c) promoting education and training through all contacts with external providers.

4.2.13 Act with a view to **promoting integration** of both health services with other health services and health services with health-related and social care services where the group considers that this would improve the quality of services or reduce inequalities by:

a) fostering strong working relationships between health partners and social care within NHS Croydon.

4.3 **General Financial Duties** – the group will perform its functions so as to:

4.3.1 **Ensure its expenditure does not exceed the aggregate of its allocations for the financial year**

a) A monthly finance report will be presented to NHS Croydon CCG Governing Body by the Chief Financial Officer. The finance report will include a forecast of year-end financial position along with a commentary on the position, risk, and management action needed to ensure financial balance.

b) For governance purposes, NHS Croydon CCG Integrated Governance and Audit Committee will seek their assurance through the Finance Sub Committee.

c) The Finance Sub Committee will ensure a robust financial strategy is in place and oversee the organisation wide system of financial management, as set out in the Terms of Reference in Appendix 12b.

d) The Finance report to the Governing Body will also include a Balance Sheet report that will follow the same principles as above to ensure NHS Croydon CCG meets it delegated Capital Resource Limit (CRL).
4.3.2 **Ensure its use of resources (both its capital resource use and revenue resource use) does not exceed the amount specified by the NHS Commissioning Board for the financial year**

a) In year monitoring of the Revenue Resource Limit (RRL) will be delivered through NHS Croydon CCG Finance Sub Committee as outlined in 4.3.1 above.

4.3.3 **Take account of any directions issued by the NHS Commissioning Board,** in respect of specified types of resource in a financial year, to ensure the CCG does not exceed an amount specified by the NHS Commissioning Board;

a) Directions from the NHS Commissioning Board relating to specified use of resources would normally be supported by a specific revenue allocation and will be managed through the same process as indicated in 4.3.2

4.3.4 **Publish an explanation of how the group spent any payment in respect of quality** made to it by the NHS Commissioning Board by

a) delegating responsibility to its Chief Financial Officer to oversee the expenditure;

b) agreeing appropriate Clinical Quality Incentive Schemes (CQUINs) with Providers and monitoring the delivery of these schemes through clinical quality review groups; and

c) embedding quality payments in contracts.

4.4 **Other Relevant Regulations, Directions and Guidance**

4.4.1 The group will:

a) comply with all relevant regulations;

b) comply with directions issued by the Secretary of State for Health or the NHS Commissioning Board; and

c) have regard to guidance issued by the NHS Commissioning Board.

4.4.2 The group will develop and implement the necessary systems and processes to comply with these regulations and directions, documenting them as necessary in this constitution, its scheme of reservation and delegation and other relevant group policies and procedures.
5. Decision Making: The Governing Structure

5.1 Authority to Act

5.1.1 The CCG is a clinically led membership organisation and is accountable for exercising the statutory functions of the CCG. It grants authority to act on its behalf to:

a) a Council of Members, which comprises a representative appointed by each Member;
b) the Governing Body;
c) and committees of the Governing Body, namely a remuneration committee and an integrated governance and audit, which has a finance sub-committee.

5.1.2 The Members will exercise their constitutional rights and fulfill their statutory responsibilities in respect of the CCG through a Council of Members. Each Member shall appoint a Member Representative to the Council of Members.

5.1.3 The CCG will, acting through the Council of Members, establish its Governing Body (the “Governing Body”) which shall fulfill its statutory responsibilities and such other functions as are delegated to it by the CCG, which shall include the powers and authority to lead the CCG and to set its strategic direction.

5.1.4 The extent of the authority to act of the respective bodies and individuals depends on the powers delegated to them by the group as expressed through:

a) the group’s scheme of reservation and delegation; and
b) for committees, their terms of reference.

5.1.5 The election process for the Council of Members is as set out in 2.3 of the Standing orders, Appendix 3.

5.1.6 The appendices set out the frameworks upon which the CCG will operate within. Standing Orders, Prime Financial Policies, Scheme of Reservation and Delegation and the Scheme of Reservation and Delegation

5.2 General

5.2.1 In discharging their delegated responsibilities the Governing Body (and its committees), and any other committees established by the group and individuals must:

a) comply with the group’s principles of good governance;
b) operate in accordance with the group’s scheme of reservation and delegation;
c) comply with the group’s standing orders;
d) comply with the group’s arrangements for discharging its statutory duties; and
e) where appropriate, ensure that member practices have had the opportunity to contribute to the group’s decision making process.

5.2.2 When discharging their delegated functions, all committees and sub-committees must also operate in accordance with their approved terms of reference.
5.3 Committees of the group

5.3.1 Committees will only be able to establish their own sub-committees, to assist them in discharging their respective responsibilities, if this responsibility had been delegated to them by the group or the committee they are accountable to.

5.4 The Governing Body

5.4.1 **Functions** – NHS Croydon CCG Governing Body (the governing body) has the functions conferred on it by sections 14L(2) and (3) of the 2006 Act, inserted by section 25 the 2012 Act, together with any conferred by regulations made and any other functions connected with its main functions as may be specified in regulations. The governing body may also have functions delegated to it by NHS Croydon CCG. It has responsibility for:

a) ensuring that the group has appropriate arrangements in place to exercise its functions **effectively, efficiently and economically** and in accordance with the group’s **principles of good governance** (its main function);

b) determining the remuneration, fees and other allowances payable to employees or other persons providing services to the group and the allowances payable under any pension scheme it may establish under paragraph 11(4) of Schedule 1A of the 2006 Act, inserted by Schedule 2 of the 2012 Act;

c) approving any functions of the group that are specified in regulations;

d) any additional functions as described in the Governing Body’s Terms of Reference;

e) ensuring that the register of interest is reviewed regularly, and updated as necessary; and

f) ensuring that all conflicts of interest or potential conflicts of interest are declared.

5.4.2 **Composition of the NHS Croydon Clinical Commissioning Group Governing Body** - the Governing Body shall not have less than twelve members and comprises:

a) The Chair (elected GP Governing Body member);

b) Assistant Clinical Chair (elected GP Governing Body member)

c) 3 GPs (Elected GP Governing Body member)

d) The Accountable Officer (salaried appointment)

e) Chief Financial Officer (salaried appointment)

f) Director of Commissioning (salaried appointment)

g) Director of Governance and Quality (salaried appointment)

h) a minimum of two lay members: (appointments)

i. one to lead on audit, PPI, remuneration and conflict of interest matters

ii. one to lead on finance

i) one registered nurse (appointment)

j) one secondary care specialist doctor (appointment)

The 5 elected GPs will each have a portfolio of responsibility and will be supported directly in this by members of the Clinical Leadership Group.

In attendance (no voting rights)
a) Director of Public Health
b) Representative from Croydon Borough Council

Their method of appointment, terms of office and roles are as set out in 2.4 of the Standing Orders Appendix 3.

5.5 Committees of the Governing Body

5.5.1 The Governing Body shall establish:

- an Integrated Governance and Audit Committee (which shall be chaired by one of the Governing Body’s lay members), which shall have a Finance Sub Committee and
- a Remuneration Committee.

The functions and remit of these committees will be set out in their terms of reference and roles as in Appendix 12a. The Governing Body shall establish other Committees as necessary.

5.5.2 The Governing Body shall appoint an Operational Management Group (Senior Management Team) to manage the day to day operations of the CCG and shall include GP governing body members and/or clinical leaders.

5.5.3 The process of appointment of and arrangements for conducting committees and sub committees are set out in Section 4 of the Standing Orders, Appendix 3.

5.6 Admission, Leaving and Expulsion of Members

5.6.1 Admission to the CCG

Membership of the CCG is open to any practice that holds a Primary Care Contract and is geographically located within the borough of Croydon. Practices who wish to join outside of these criteria must demonstrate an overriding patient/population centred reason for crossing Local Authority boundaries.

Practices may normally apply to join the CCG Governing Body by 30 November for entry on 1 April. The exception to this will be where the NHSCB allocates a practice to the CCG.

Formal written applications are required to be submitted to the CCG Governing Body. This should include reasons why the individual practice wants to join the CCG along with the reasons why they want to leave where they are located currently.

The practice may be invited to attend a selection panel. Local Authority must demonstrate support for cross boundary members and so a panel will be drawn from the CCG Governing Body, Local Authority, and the LMC to present their application. The Panel will then make a recommendation to the Governing Body on whether or not to offer the practice to associate membership.

Associate membership applies to newly accepted practices for a period of 12 months, or those practices where full membership has been identified as inappropriate; e.g. where a Foundation Trust runs the practice.

5.6.2 Leaving the CCG
Practices are able to leave the CCG at the discretion of the CCG Governing Body or with a minimum 3 months written notice, or as the result of a decision by the NHS Commissioning Board to remove them.

No matter the reason for leaving the CCG, any departing practice will have the Clinical Commissioning Management funds, allocated to the practice as a CCG member, recalculated on a pro-rata basis, to the nearest month end after the practice exits the CCG. This money will then be passed to the CCG they are joining.

In the unlikely event that a practice leaving and removing revenue resources and management allowance destabilises the CCG management structure, the CCG Governing Body will immediately seek resolution via the NHS Commissioning Board.

Within the period of notice the CCG expects practices serving notice to continue to work to the benefit of patients and the CCG alike.

Normal performance management rules, contained within this agreement, will still be applied. Practices leaving are expected to continue to refer through any agreed patient pathways up to the point of exit.

If any member of the practice, leaving the CCG for any reason, has a role within the CCG, it is expected they will resign from their post with immediate effect.

Any under-spend made by the practice, up to the point they leave and budgets are transferred, will be retained by the CCG; however, should the practice be in a position of over-spend; they will take with them any over-spend generated by them. This is subject to NHS Commissioning Board guidance.

5.6.3 Expulsion of members

If a practice is not able to meet the agreed objectives of its Network or CCG, support will be offered to the practice by the CCG executive team through the following steps.

1. Support will be offered by the CCG executive to help the practice to develop a remedial plan, with clear and explicit objectives.
2. Assuming that the offer of support is accepted*, on-going support by the CCG will be offered for a mutually agreed period.
3. Following the mutually agreed period a further review will take place. If the objectives have still not been met a meeting of the practice, the network and the executive will be convened in order to identify any remaining problems and to attempt to find solutions. The practice will be advised that they may request that an LMC representative also attends.
4. The meeting should result in an action plan with an agreed time frame, after which a further review meeting will be convened.
5. If at the further review meeting the objectives have not been met to the satisfaction of the network and the executive team, then advice will be sought from the LMC and the NHSCB to achieve a resolution.

* If the practice will not engage in the remedial programme at any stage, advice will be sought immediately from the LMC and NHSCB to achieve a resolution.

The CCG will consult with the LMC on all appropriate matters that are likely to affect member practices in their role as providers of Primary Medical Services, and when any consideration is being given to the membership status of a practice within the CCG.
6 Roles and Responsibilities

6.1 GP Practice Networks

6.1.1 The CCG has formed local groups of practices known as Networks to cover the Croydon borough. The Networks, to be effective in delivering their role, are to be geographically based.

6.1.2 The function of the Clinical Leads and Networks is to clinically support the governing body.

6.1.3 The Networks are key to delivering the objectives of the CCG and ultimately its success as a membership organisation. The Networks provide a robust model for:

a) Improving practice engagement at a local level

b) Ensuring effective communications between the Governing Body and member practices

c) Enhancing practice ownership of CCG Commissioning plans and

d) Delivering the CCG’s objectives at network level.

Purpose of the GP Practice Networks

6.1.4 The purpose of the Networks is to:

a) To prepare for and input into the CCG’s Commissioning Strategy and Operating Plans, identifying local needs and priorities.

b) Deliver strategic and network objectives and outcomes including taking forward the integration of health and social care services through a network delivery plan.

c) Improve quality of care.

d) Manage indicative commissioning budgets.

e) Deliver network QIPP plans.

f) Public/Patient engagement and involvement.

g) Reduce variations in primary care services through working better together and through ensuring the comprehensiveness of service.

Clinical Leads

6.1.5 Each Network has a GP Clinical Lead elected for each network by its Member Practices to represent the Network. The role of the Clinical Lead is to work with the Clinical Chair to: agree practice/network delivery plans that align to the CCG Commissioning Strategy and Operating Plans; support practices in achieving their
delivery plan targets through peer support; problem solving and sharing of best practice pathways and promote innovation taking forward ideas for pathway redesign.

6.1.6 The Clinical Lead is responsible to the Clinical Chair.

6.1.7 Clinical Leads must be a practicing GP (partner, salaried or locum) in the Network they wish to represent and working a minimum of one clinical session per week as agreed with the Clinical Chair (ideally two) and must not be a Director of a Providing Federation.

6.1.8 Candidates must also go through a selection process by assessment of an application form by the Chair and Accountable Officer of the CCG to determine their suitability to take the Clinical Leader Role, prior to going through an election process.

**Network Members Forum**

6.1.9 Each Network will hold a Network Members Forum, consisting of one Member Representative from each practice. Member representatives shall be entitled to attend and vote at meetings of the Network Members Forum.

**Network Members and Member Representatives**

6.1.10 Each Member shall appoint a named individual who is a GP as a Member Representative to represent the Member on the Members Forum. The Members shall also appoint an individual who is a GP or other Healthcare Professional as a Deputy Member Representative to act with the full authority of the Member where the Member representative is unavailable. Each Member shall notify the Governing Body of the names of its Member representative and Deputy Member representative appointed from time to time and update the CCG when changes are made. The Member Representative and Deputy Member Representative must not be a Director of a Providing Federation.

**Voting at Meetings of the Network Members Forum**

6.1.11 The Member representative for each Practice shall be entitled to vote as determined by their Network.

**Duties and Responsibilities of Members**

6.1.12 Each Member agrees to carry out the following duties and responsibilities:

a) Duty to cooperate.
b) Duty to act in good faith
c) Duty to deliver the objectives of the network
d) Duty to comply with Standing Orders and Standing Financial Instructions
e) Duty to attend at Meetings
Support for Members - Management Support

6.1.13 A virtual structure is being put in place at network level to support practices in achieving their objectives and agreed outcomes.

6.1.14 Each Clinical Lead will be supported by a Network Management Champion or Relationship Manager (circa 1 day a week) whose role will be to ensure that the network lead and practices have the tools they need to deliver quality improvements, coordinate the aligned management resources, provide management support on implementation. The network team will consist of named aligned resource from; Public Health, Commissioning, Finance & QIPP, Business Intelligence and Medicines Management.

6.1.15 The Network Management Champions or Relationship Managers are accountable to the Director of Commissioning.

6.1.16 The network team will have a role in developing local commissioning expertise and in monitoring performance against the delivery plan, mitigating risk and identifying QIPP opportunities.

Practice Engagement and Development

6.1.17 The CCG will produce an Engagement Framework to develop the support to be provided to Members.

6.1.18 Practice engagement is two way, both to ensure effective communications between the Governing Body and member practices but also to enhance practice ownership of CCG commissioning plans as a member of the organisation.

6.1.19 Members shall be notified by the CCG of the support, events and leadership development training available. The Members acknowledge the importance of ongoing training and development in building the success of the CCG and shall use all reasonable endeavours to ensure that relevant Member representatives attend or engage with the programme of support provided for the benefit of the Members.
6.2 All Members of the Group's Governing Body

6.2.1 Guidance on the roles of members of the group’s governing body is set out in a separate document. In summary, each member of the governing body should share responsibility as part of a team to ensure that the group exercises its functions effectively, efficiently and economically, with good governance and in accordance with the terms of this constitution. Each brings their unique perspective, informed by their expertise and experience.

6.3 The Chair of the Governing Body

6.3.1 In addition to the responsibilities held by the elected clinical leads, the Chair of the governing body is also responsible for:

a) contributing to building a shared vision of the aims, values and culture of the organisation;
b) leading and influencing to achieve clinical and organisational change to enable the group to deliver its commissioning intentions;
c) attending and chairing formal and informal meetings of the Governing Body;
d) providing supportive, developmental and challenging leadership to the full Governing Body and to the Group;
e) acting as the principal spokesperson for the Group across the health economy, attending the Croydon Health and Wellbeing Board and key meetings with other stakeholders;
f) securing agreed results as set out in NHS Croydon CCG Strategic and Operational Plans, ensuring that the Group discharges both its healthcare and financial responsibilities, keeping expenditure within the delegated revenue resource limit;
g) ensuring transparency of decision-making and proper constitutional and good governance arrangements in accordance with the Nolan principles of public life, and ensure the Governing Body is familiar with these requirements;
h) ensuring local adherence to agreed pathways and commissioning policies;
i) leading an effective outcome orientated NHS Croydon CCG Governing Body, agreeing personal objectives and work programmes with each Member of the Governing Body and ensuring it remains continuously able to discharge its duties and responsibilities;
j) establishing agreed portfolios of work to deliver the Group’s vision and ensure each member of the Governing Body takes responsibility for an agreed portfolio;
k) meeting regularly with the Chief Officer to review progress on deliverables and strategic planning and support them in discharging the responsibilities of the organisation;
l) holding regular appraisal meetings with Governing Body members;
m) ensuring that public and patients' views are heard and their expectations understood and, as far as possible, met;
n) ensuring that the organisation is able to account to its local patients, stakeholders and the NHS Commissioning Board;
o) establishing arrangements for the continuing governance of the Governing Body when the chair is not available; and
p) ensuring, through the appropriate support, information and evidence, the governing body is able to discharge its duties.
6.3.2 As the Chair of the governing body is also the lead clinician of the group they will have the respect of the group’s member practices and will also have the following responsibilities:

a) lead the group ensuring it is able to discharge its functions; and
b) be the senior clinical voice of the group in interactions with stakeholders including the NHS Commissioning Board.

6.4 The GP Assistant Clinical Chair of the Governing Body

6.4.1 The GP Assistant Clinical Chair of the governing body deputises for the chair as the lead clinician of the governing body where the chair has a conflict of interest or is otherwise unable to act.

6.4.1 Working closely with the Chair of the governing body the GP Assistant Clinical Chair will take the lead on engaging with the LMC.

6.5 The Lay Vice Chair of the Governing Body

6.5.1 The Lay Vice Chair of the governing body deputises for the chair of the governing body when both the Chair and the GP Assistant Clinical Chair have a conflict of interest or are otherwise unable to act.

6.6 Role of the Accountable Officer

6.6.1 The Accountable Officer of the group is a member of the governing body.

6.6.2 This role of Accountable Officer has been summarised by the NHS Commissioning Board Authority in its document Clinical commissioning group governing body members:

a) being responsible for ensuring that the clinical commissioning group fulfils its duties to exercise its functions effectively, efficiently and economically thus ensuring improvement in the quality of services and the health of the local population whilst maintaining value for money

b) at all times ensuring that the regularity and propriety of expenditure is discharged, and that arrangements are put in place to ensure that good practice (as identified through such agencies as the Audit Commission and the National Audit Office) is embodied and that safeguarding of funds is ensured through effective financial and management systems; and

c) working closely with the Chair of the governing body, the Accountable Officer will ensure that proper constitutional, governance and development arrangements are put in place to assure the members (through the governing body) of the organisation’s ongoing capability and capacity to meet its duties and responsibilities.

6.7 Role of the Chief Financial Officer

6.7.1 The Chief Financial Officer is a member of the governing body. The Chief Financial Officer is responsible for the financial strategy, financial management and financial governance of the group. Specific responsibilities associated with this role include:
a) being the governing body’s professional expert on finance and ensure through robust systems and processes the regularity and propriety of expenditure is fully discharged;

b) making appropriate arrangements to support, monitor and report on the clinical commissioning group’s finances;

c) overseeing robust audit and governance arrangements leading to propriety in the use of clinical commissioning group resources;

d) being able to advise the governing body on the effective, efficient and economic use of its allocation to remain within that allocation and deliver required financial targets and duties; and

e) producing the financial statements for audit and publication in accordance with statutory requirements to demonstrate effective stewardship of public money and accountability to the NHS Commissioning Board.
7 Standards of Business Conduct and Managing Conflicts of Interest

7.1 Standards of Business Conduct

7.1.1 Employees, members, committee and sub-committee members of the group and members of the governing body (and its committees) will at all times comply with this constitution and be aware of their responsibilities as outlined in it. They should act in good faith and in the interests of the group and should follow the Seven Principles of Public Life, set out by the Committee on Standards in Public Life (the Nolan Principles). The Nolan Principles are incorporated into this constitution at Appendix 10.

7.1.2 They must comply with the group’s policy on business conduct, including the requirements set out in the policy for managing conflicts of interest.

7.1.3 Individuals contracted to work on behalf of the group or otherwise providing services or facilities to the group will be made aware of their obligation with regard to declaring conflicts or potential conflicts of interest. This requirement will be written into their contract for services.

7.2 Conflicts of Interest

7.2.1 As required by section 140 of the 2006 Act, as inserted by section 25 of the 2012 Act, the clinical commissioning group will make arrangements to manage conflicts and potential conflicts of interest, that decisions made by the group will be taken and seen to be taken without any possibility of the influence of external or private interest. Appendix 7 sets out the Conflict of Interest Policy.

7.2.2 A conflict of interest will include:

a) a direct pecuniary interest: where an individual may financially benefit from the consequences of a commissioning decision (for example, as a provider of services);

b) an indirect pecuniary interest: for example, where an individual is a partner, member or shareholder in an organisation that will benefit financially from the consequences of a commissioning decision;

c) a non-pecuniary interest: where an individual holds a non-remunerative or not-for-profit interest in an organisation, that will benefit from the consequences of a commissioning decision (for example, where an individual is a trustee of a voluntary provider that is bidding for a contract);

d) a non-pecuniary personal benefit: where an individual may enjoy a qualitative benefit from the consequence of a commissioning decision which cannot be given a monetary value (for example, a reconfiguration of hospital services which might result in the closure of a busy clinic next door to an individual’s house); and

e) where an individual is closely related to, or in a relationship, including friendship, with an individual in the above categories.

7.2.3 Where an individual, i.e. an employee, group member, member of the governing body, or a member of a committee or a sub-committee of the group or its governing body has an interest, or becomes aware of an interest which could lead to a conflict of interests in the event of the group considering an action or decision in relation to
that interest, that must be considered as a potential conflict, and is subject to the provisions of this constitution.

7.2.4 If in doubt, the individual concerned should assume that a potential conflict of interests exists.

7.3 Declaring and Registering Interests

7.3.1 The group will maintain one or more registers of the interests of:

a) the members of the group;
b) the members of its governing body;
c) the members of its committees or sub-committees and the committees or sub-committees of its governing body; and
d) its employees.

7.3.2 The registers will be published on the group's website.

7.3.3 Individuals will declare any interest that they have, in relation to a decision to be made in the exercise of the commissioning functions of the group, in writing to the governing body, as soon as they are aware of it and in any event no later than 28 days after becoming aware.

7.3.4 Where an individual is unable to provide a declaration in writing, for example, if a conflict becomes apparent in the course of a meeting, they will make an oral declaration before witnesses, and provide a written declaration as soon as possible thereafter to the governing body.

7.3.5 The governing body will ensure that the register of interests is reviewed regularly, and updated as necessary.

7.3.6 The lay member of the governing body, with particular responsibility for governance, will make themselves available to provide advice to any individual who believes they have, or may have, a conflict of interest.

7.3.7 The governing body will take such steps as it deems appropriate, and request information it deems appropriate from individuals, to ensure that all conflicts of interest and potential conflicts of interest are declared.

7.4 Managing Conflicts of Interest: general

7.4.1 Where an interest has been declared, either in writing or by oral declaration, the declarer will ensure that before participating in any activity connected with the group’s exercise of its commissioning functions, they have received confirmation of the arrangements to manage the conflict of interest or potential conflict of interest from the governing body.

7.4.2 The governing body will ensure that for every interest declared, either in writing or by oral declaration, arrangements are in place to manage the conflict of interests or potential conflict of interests, to ensure the integrity of the group’s decision making processes. Arrangements for the governing body are set out below.

7.4.3 Arrangements for the management of conflicts of interest are to be determined by the governing body and will include the requirement to put in writing to the relevant
individual arrangements for managing the conflict of interests or potential conflicts of interests, within a week of declaration.

7.4.4 The arrangements will confirm the following:

a) when an individual should withdraw from specified activity, on a temporary or permanent basis;
b) monitoring of the specified activity undertaken by the individual, either by a line manager, colleague or other designated individual.

7.4.5 In any meeting where an individual is aware of an interest, previously declared or otherwise, in relation to the scheduled or likely business of the meeting, the individual concerned will bring this to the attention of the chair, together with details of arrangements which have been confirmed by the governing body for the management of the conflict of interests or potential conflict of interests. Where no arrangements have been confirmed, the chair may require the individual to withdraw from the meeting or part of it.

7.4.6 Where the chair of any meeting of the group, including committees, sub-committees, or the governing body, has a personal interest, previously declared or otherwise, in relation to the scheduled or likely business of the meeting, they must make a declaration and the lay vice chair will act as chair for the relevant part of the meeting. Where arrangements have been confirmed with the governing body for the management of the conflict of interests or potential conflicts of interests in relation to the chair, the meeting must ensure these are followed. Where no arrangements have been confirmed, the lay vice chair may require the chair to withdraw from the meeting or part of it. Where there is no lay vice chair, the members of the meeting will select one.

7.4.7 Any declarations of interests, and arrangements agreed in any meeting of the clinical commissioning group, committees, sub-committees, or the governing body, will be recorded in the minutes.

7.4.8 In any transaction undertaken in support of the clinical commissioning group’s exercise of its commissioning functions (including conversations between two or more individuals, e-mails, correspondence and other communications), individuals must ensure, where they are aware of an interest, that they conform to the arrangements confirmed for the management of that interest. Where an individual has not had confirmation of arrangements for managing the interest, they must declare their interest at the earliest possible opportunity in the course of that transaction, and declare that interest as soon as possible thereafter. The individual must also inform either their line manager (in the case of employees), or the governing body, of the transaction.

7.5 Managing Conflicts of Interest: governing body

7.5.1 Individual members of the governing body will comply with the arrangements determined by the governing body for managing conflicts or potential conflicts of interest.

7.5.2 Where a governing body member is aware of an interest which has not been declared, either in the register or orally to the governing body, they will declare this at the start of the meeting. The governing body will then determine how this should be managed and inform the member of their decision. The member will then comply with these arrangements, which must be recorded in the minutes of the meeting.
7.5.3 Where more than 50% of the members of the governing body, or 3 out of the 5 portfolio holding elected GPs, are required to withdraw from a meeting or part of it, owing to the arrangements agreed by the governing body for the management of conflicts of interests or potential conflicts of interests, the remaining chair will determine whether or not the discussion can proceed.

7.5.4 In making this decision the chair will consider whether the meeting is quorate, in accordance with the number and balance of membership set out in the group's standing orders. Where the meeting is not quorate, owing to the absence of certain members, the discussion will be deferred until such time as a quorum can be convened. Where a quorum cannot be convened from the membership of the governing body, owing to the arrangements for managing conflicts of interest or potential conflicts of interests, the chair may invite on a temporary basis one or more of the following to make up the quorum so that the group can progress the item of business:

a) a member of the clinical commissioning group who is an individual;
b) an individual appointed by a member to act on its behalf in the dealings between it and the clinical commissioning group;
c) a member of a relevant Health and Wellbeing Board; and/or
d) a member of a governing body of another clinical commissioning group.

7.5.5 These arrangements must be recorded in the minutes.

7.6 Managing Conflicts of Interest: contractors

7.6.1 Anyone seeking information in relation to a procurement, or participating in a procurement, or otherwise engaging with the clinical commissioning group in relation to the potential provision of services or facilities to the group, will be required to make a declaration of interest.

7.6.2 Anyone contracted to provide services or facilities directly to the clinical commissioning group will be subject to the same provisions of this constitution in relation to managing conflicts of interests. This requirement will be set out in the contract for their services.

7.7 Transparency in Procuring Services

7.7.1 The group recognises the importance in making decisions about the services it procures in a way that does not call into question the motives behind the procurement decision that has been made. The group will procure services in a manner that is open, transparent, non-discriminatory and fair to all potential providers.

7.7.2 The group will publish a Procurement Strategy approved by its governing body which will ensure that:

a) all relevant clinicians (not just members of the group) and potential providers, together with local members of the public, are engaged in the decision-making processes used to procure services; and
b) service redesign and procurement processes are conducted in an open, transparent, non-discriminatory and fair way.

7.7.3 Copies of this Procurement Strategy will be available on the group’s web site.


8 The Group as an Employer

8.1 Where the group employs staff:

a) It will seek to enhance their skills and experience and is committed to their development in all ways relevant to the work of the group.

b) The group will seek to set an example of best practice as an employer and is committed to offering all staff equality of opportunity. It will ensure that its employment practices are designed to promote diversity and to treat all individuals equally.

c) The group will ensure that it employs suitably qualified and experienced staff who will discharge their responsibilities in accordance with the high standards expected of staff employed by the group. All staff will be made aware of this constitution, the commissioning strategy and the relevant internal management and control systems which relate to their field of work.

d) The group will maintain and publish policies and procedures (as appropriate) on the recruitment and remuneration of staff to ensure it can recruit, retain and develop staff of an appropriate calibre. The group will also maintain and publish policies on all aspects of human resources management, including grievance and disciplinary matters.

e) The group will ensure that its rules for recruitment and management of staff provide for the appointment and advancement on merit on the basis of equal opportunity for all applicants and staff.

f) The group will ensure that employees’ behaviour reflects the values, aims and principles set out above.

g) The group will ensure that it complies with all aspects of employment law.

h) The group will ensure that its employees have access to such expert advice and training opportunities as they may require in order to exercise their responsibilities effectively, including training on safeguarding children and adults.

i) The group will adopt a Code of Conduct for staff and will maintain and promote effective ‘whistleblowing’ procedures to ensure that concerned staff have means through which their concerns can be voiced.

j) Copies of this Code of Conduct, together with the other policies will be available on the group website.
9 Working with Other Clinical Commissioning Groups

9.1 Arrangements

9.1.1 The CCG may work together with other Clinical Commissioning Groups in the exercise of its commissioning functions.

9.1.2 The CCG may make arrangements with one or more Clinical Commissioning Groups in respect of:

   a) Delegating any of the CCGs Commissioning Functions to another Clinical Commissioning Group
   b) Exercising any of the Commissioning Functions of another Clinical Commissioning Group; or
   c) Exercising jointly the Commissioning Functions of the CCG and another Clinical Commissioning Group

9.2 Payment

9.2.1 For the purposes of the arrangements described at paragraph 9.1.2, the CCG may:

   a) Make payments to another Clinical Commissioning Group
   b) Receive payments from another Clinical Commissioning Group; or
   c) Make the services of its employees or any other resources available to another Clinical Commissioning Group; or
   d) Receive the services of its employees or any other resources available from another Clinical Commissioning Group

9.2.2 For the purpose of the arrangements described at paragraph 9.1.2, the CCG may establish and maintain a pooled fund made of contributions by any of the CCGs working together pursuant to paragraph 10.1.2 above. Any such pooled fund may be used to make payments towards expenditure incurred in the discharge of any of the Commissioning Functions in respect of which the arrangements are made.
10 Transparency, Ways of Working and Standing Orders

10.1 General

10.1.1 All communications issued by the group, including the commissioning plan, annual report, notices of procurements, public consultations, reports, governing body meeting dates, times, venues, and papers will be published on the group’s website.

10.1.2 The group may use other means of communication, including circulating information by post, or making information available in venues or services accessible to the public.

10.2 Standing Orders

10.2.1 This constitution is also informed by a number of documents which provide further details on how the group will operate. They are the group’s:

a) **Standing orders (Appendix 3)** – which sets out the arrangements for meetings and the appointment processes to elect the group’s representatives and appoint to the group’s committees, including the governing body;

b) **Scheme of reservation and delegation (Appendix 5)** – which sets out those decisions that are reserved for the membership as a whole and those decisions that are the responsibilities of its governing body, its committees and sub-committees, individual members and employees;

c) **Prime financial policies (Appendix 4)** – which sets out the arrangements for managing the group’s financial affairs.
### Appendix 1 Definitions of Key Descriptions used in the Constitution

<table>
<thead>
<tr>
<th>Description</th>
<th>National Health Service Act 2006</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2006 Act</strong></td>
<td>National Health Service Act 2006</td>
</tr>
<tr>
<td><strong>2012 Act</strong></td>
<td>Health and Social Care Act 2012 (this Act amends the 2006 Act)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Accountable Chief Officer</strong></th>
<th>An individual, as defined under paragraph 12 of Schedule 1A of the 2006 Act (as inserted by Schedule 2 of the 2012 Act), appointed by the NHS Commissioning Board, with responsibility for ensuring the group: complies with its obligations under:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>o sections 14Q and 14R of the 2006 Act (as inserted by section 26 of the 2012 Act),</td>
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<td></td>
<td>o sections 223H to 223J of the 2006 Act (as inserted by section 27 of the 2012 Act),</td>
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<td></td>
<td>o paragraphs 17 to 19 of Schedule 1A of the NHS Act 2006 (as inserted by Schedule 2 of the 2012 Act), and</td>
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<td></td>
<td>o any other provision of the 2006 Act (as amended by the 2012 Act) specified in a document published by the Board for that purpose;</td>
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<tr>
<td></td>
<td>• Exercises its functions in a way which provides good value for money.</td>
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</tbody>
</table>

| **Area** | The geographical area that the group has responsibility for, as defined in Chapter 2 of this constitution |

| **Chair of the governing body** | The individual appointed by the group to act as chair of the governing body |
| **Chief Financial Officer** | The qualified accountant employed by the group with responsibility for financial strategy, financial management and financial governance |

| **Clinical commissioning group** | A body corporate established by the NHS Commissioning Board in accordance with Chapter A2 of Part 2 of the 2006 Act (as inserted by section 10 of the 2012 Act) |

| **Committee** | A committee or sub-committee created and appointed by: the membership of the group a committee / sub-committee created by a committee created / appointed by the membership of the group a committee / sub-committee created / appointed by the governing body |

| **Financial year** | This usually runs from 1 April to 31 March, but under paragraph 17 of Schedule 1A of the 2006 Act (inserted by Schedule 2 of the 2012 Act), it can for the purposes of audit and accounts run from when a clinical commissioning group is established until the following 31 March |

| **Group** | NHS Croydon CCG, whose constitution this is |

| **Governing body** | The body appointed under section 14L of the NHS Act 2006 (as inserted by section 25 of the 2012 Act), with the main function of ensuring that a clinical commissioning group has made appropriate arrangements for ensuring that it complies with: its obligations under section 14Q under the NHS Act |

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This page is Page 35 of 128.
2006 (as inserted by section 26 of the 2012 Act), and such generally accepted principles of good governance as are relevant to it.

<table>
<thead>
<tr>
<th><strong>Governing body member</strong></th>
<th>Any member appointed to the governing body of the group</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Lay member</strong></td>
<td>A lay member of the governing body, appointed by the group. A lay member is an individual who is not a member of the group or a healthcare professional or as otherwise defined in regulations</td>
</tr>
<tr>
<td><strong>Member</strong></td>
<td>A provider of primary medical services to a registered patient list, who is a member of this group (see tables in Chapter 2 and Appendix 2)</td>
</tr>
</tbody>
</table>
Appendix 2  List of Member Practices

Each practice is required to sign an individual form expressing their agreement to this constitution and accountability agreement. The date of signature will be recorded here.

<table>
<thead>
<tr>
<th>Practice</th>
<th>Address</th>
<th>Date signed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Addiscombe Surgery</td>
<td></td>
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<tr>
<td>Ashburton Park Medical Centre</td>
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<tr>
<td>Auckland Surgery</td>
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<tr>
<td>Birdhurst Medical Practice</td>
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<tr>
<td>Bramley Avenue Surgery</td>
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<tr>
<td>Brigstock Family Practice</td>
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<td>Brigstock Medical Centre</td>
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<td>Broughton Corner Medical Centre</td>
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<tr>
<td>Coulsdon Medical Practice</td>
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<tr>
<td>Downland Surgery</td>
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<tr>
<td>East Croydon Medical Centre</td>
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<tr>
<td>Edridge Road Community Health Centre</td>
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<td>Eversley Medical Centre</td>
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<tr>
<td>Fairview Medical Practice</td>
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<tr>
<td>Farley Road Surgery</td>
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<tr>
<td>Fieldway Medical Centre</td>
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<td>Friends Road Medical Practice</td>
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<tr>
<td>Greenside Medical Practice</td>
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<tr>
<td>Hartland Way Surgery</td>
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<tr>
<td>Headley Drive Surgery (AT Medics)</td>
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<tr>
<td>Heathfield Surgery</td>
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<td>Practice</td>
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<tr>
<td>Keston House Medical Practice</td>
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<td>Leander Rd P.C. Centre</td>
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<td>Linden Lodge Medical Practice</td>
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<td>Mersham Medical Centre</td>
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<td>Mitchley Avenue Surgery</td>
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<tr>
<td>Morland Road Surgery</td>
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<td>Norbury Medical Practice</td>
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<td>North Croydon Medical Centre</td>
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<td>Old Coulsdon Medical Practice</td>
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<tr>
<td>Parchmore Medical Centre</td>
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<tr>
<td>Parkside Group Practice</td>
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<td>Parkway Health Centre (01 Baskaran)</td>
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<td>Parkway Health Centre (02 AT Medics)</td>
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<td>Parkway Health Centre (03 Salerno)</td>
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<td>Portland Medical Centre</td>
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<td>Purley Medical Practice</td>
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<td>Queenhill Medical Practice</td>
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<td>Selhurst Medical Centre</td>
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<td>Selsdon Park Medical Practice</td>
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<td>Shirley Medical Centre</td>
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<td>South Croydon Medical Centre</td>
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<td>South Norwood Hill Medical Centre</td>
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<tr>
<td>South Norwood Medical Centre</td>
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<tr>
<td>Practice</td>
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<tr>
<td>South Norwood Medical Practice</td>
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<td>South Way Surgery</td>
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<tr>
<td>Spring Park Medical Practice</td>
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<tr>
<td>St James’s Medical Centre</td>
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<tr>
<td>Stovell House Surgery</td>
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<td>The Haling Park Practice</td>
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<tr>
<td>The Moorings Medical Practice</td>
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<td>The Whitehorse Practice</td>
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<tr>
<td>The Woodcote Group Practice</td>
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<td></td>
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<tr>
<td>Thornton Heath Health Centre</td>
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<tr>
<td>Thornton Road Surgery (AT Medics)</td>
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<tr>
<td>Upper Norwood GP Practice</td>
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<tr>
<td>Valley Park Surgery</td>
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<tr>
<td>Violet Lane Medical Practice</td>
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<tr>
<td>Woodside Group Practice</td>
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<tr>
<td>Woodside Health Centre (02 Barber)</td>
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<td>Woodside Health Centre (04 Noronha)</td>
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</tbody>
</table>
Appendix 3  Standing Orders

1. STATUTORY FRAMEWORK AND STATUS

1.1. Introduction

1.1.1. These standing orders have been drawn up to regulate the proceedings of the NHS Croydon Clinical Commissioning Group so that group can fulfil its obligations, as set out largely in the 2006 Act, as amended by the 2012 Act and related regulations. They are effective from the date the group is established.

1.1.2. The standing orders, together with the group’s scheme of reservation and delegation and the group’s prime financial policies, provide a procedural framework within which the group discharges its business. They set out:

   a) the arrangements for conducting the business of the group;

   b) the appointment of member practice representatives;

   c) the procedure to be followed at meetings of the Council of Members, the governing body and any committees or sub-committees of the governing body;

   d) the process to delegate powers,

   e) the framework around declaration of interests and standards of conduct.

   These arrangements must comply, and be consistent where applicable, with requirements set out in the 2006 Act (as amended by the 2012 Act) and related regulations and take account as appropriate\(^1\) of any relevant guidance.

1.1.3. The standing orders, scheme of reservation and delegation and prime financial policies have effect as if incorporated into the group’s constitution. Group members, employees, members of the governing body, members of the governing body’s committees and sub-committees and persons working on behalf of the group should be aware of the existence of these documents and, where necessary, be familiar with their detailed provisions. Failure to comply with the standing orders, scheme of reservation and delegation and prime financial policies may be regarded as a disciplinary matter that could result in dismissal.

1.2. Schedule of matters reserved to the clinical commissioning group and the scheme of reservation and delegation

1.2.1. The 2006 Act (as amended by the 2012 Act) provides the group with powers to delegate the group’s functions and those of the governing body to certain bodies (such as committees) and certain persons. The group has decided that certain decisions may only be exercised by the group in formal session. These decisions and also those delegated are contained in the group’s scheme of reservation and delegation.

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1\(^1\) Under some legislative provisions the group is obliged to have regard to particular guidance but under other circumstances guidance is issued as best practice guidance.
2. THE CLINICAL COMMISSIONING GROUP: COMPOSITION OF MEMBERSHIP, KEY ROLES AND APPOINTMENT PROCESS

2.1. Composition of membership

2.1.1. Chapter 2 of the group’s constitution provides details of the membership of the group (also see Appendix 2).

2.1.2. Chapter 5 of the group's constitution provides details of the governing structure used in the group's decision-making processes, whilst Chapter 7 of the constitution outlines certain key roles and responsibilities within the Council of Members and its governing body, including the role of practice representatives (section 6.1 of the constitution).

2.2. Key Roles

2.2.1. Paragraph 5.4.2 of the group’s constitution sets out the composition of the group’s governing body whilst Chapter 6 of the group’s constitution identifies certain key roles and responsibilities within the Council of Members and its governing body. These standing orders set out how the group appoints individuals to these key roles.

2.2.2. The roles and responsibilities of each of these key roles are further defined in NHS Commissioning Board guidance.

2.3. COUNCIL OF MEMBERS

2.3.1. The roles of chair and vice chair of the Council of Members are subject to the following appointment process:

a) Nominations – by Members.

b) Eligibility – all GP Principals and salaried doctors working in Member practices who are on the Performers' List and locums on the Performers' List where a Member is prepared to endorse and take responsibility for them as acting in compliance with the Constitution and the Inter Practice agreement.

c) Appointment process – by secret ballot of representatives.

d) Term of office - to be elected annually.

e) Eligibility for reappointment - Eligible for re-election annually, but with a maximum period of tenure of 3 years unless a formal change to this stipulation is agreed by the Council of Members.

f) Grounds for removal from office - Upon a vote of 75% or more of the Council of Members, in which case a 3 months’ notice period shall be given. In the event of suspension from the Performers' list or by the GMC or in the event of proven gross misconduct, suspension shall be immediate. The Member shall have the right to involve the LMC in any discussions and decisions relating to this issue.

g) Notice period - Three months.

2.4. GOVERNING BODY

2.4.1. The roles of the Governing Body are subject to the following appointment process:

CHAIR AND ASSISTANT CLINICAL CHAIR
2.4.2. The roles of the Chair and Assistant Clinical Chair of the Governing Body, as listed in paragraphs 6.3 and 6.4 of the Constitution, is subject to the following appointment process:

a) **Eligibility** - All GPs who are on the Performers List at the time of the nomination and who are principals or sessional GPs. Where GPs operate as long term locums and are on the Performers List, they will be eligible if endorsed by a named Member practice in which they work.

b) **Nominations** - The body conducting the election will write to all the eligible electorate of which it is aware as stated above seeking nominations. If it is subsequently discovered that the current list of eligible members is incomplete as a result of the body receiving incomplete information it shall not invalidate this process or any other element of the process described herein.

c) **Appointment process**

(i) **Selection:**
   - The purpose of selection is to identify the pool of potential candidates that have an acceptable level of knowledge, skill and experience to stand for election. The Job Description and Person Specification for the role will be used to make that assessment.
   - Candidates will be asked to complete an application form and attend an interview
   - Assessment will be made on the basis of the person specification taking into account both the written application and interview
   - Assessment will be made by a panel including external assessors with in-depth understanding of the clinical leadership role in commissioning and governance processes and an external GP leader with no local conflicts of interest
   - The assessment panel will decide whether an individual can be put forward for election

(ii) **Election process:**
   - All GPs that are successful in the selection process may then put themselves forward for election
   - The electorate is as described in a) Eligibility above
   - Candidates will be given 2 weeks for a ‘hustings period’ when they can promote themselves to the electorate
   - The LMC will manage the election process which shall be by secret ballot.

(iii) **Development Assessment Centre**
   - Successful candidates are required to attend a Development Assessment Centre to identify strengths and development needs.

d) **Term of office** - To be 2 or 3 years as agreed by the Council of Members to ensure continuity.

e) **Eligibility for reappointment** - post to be advertised before end of term of office. The post holder is eligible for reappointment.
f) **Grounds for removal from office** - Where the Chair or Assistant Clinical Chair Chair is a GP, upon a vote of 75% or more of the Council of Members, in which case a 3 months’ notice period shall be given. In the event of suspension from the Performers' list or by the GMC or in the event of proven gross misconduct, suspension shall be immediate. The Member shall have the right to involve the LMC in any discussions and decisions relating to this issue.

g) **Notice period** - 3 months.

2.4.3 The GP Assistant Clinical Chair of the governing body deputises for the chair as the lead clinician of the governing body where the chair has a conflict of interest or is otherwise unable to act. Assistant Clinical Chair may assume the role of Interim Chair if the Chair is not available for an extended period to ensure clinical leadership of the group is maintained.

**REPRESENTATIVES OF MEMBER PRACTICES**

2.4.4 Representatives of member practices on the Governing Body, are subject to the following appointment process, which may be undertaken by an external body such as the LMC at the request of the electorate:

a) **Eligibility** - All GPs who are on the Performers List at the time of the nomination and who are principals or sessional GPs. Where GPs operate as long term locums and are on the Performers List, they will be eligible if endorsed by a named Member practice in which they work.

b) **Nominations** - The body conducting the election will write to all the eligible electorate of which it is aware as stated above seeking nominations. If it is subsequently discovered that the current list of eligible members is incomplete as a result of the body receiving incomplete information it shall not invalidate this process or any other element of the process described herein.

c) **Appointment process**

a) **Selection:**

- The purpose of selection is to identify the pool of potential candidates that have an acceptable level of knowledge, skill and experience to stand for election. The Job Description and Person Specification for the role will be used to make that assessment.
- Candidates will be asked to complete an application form and attend an interview
- Assessment will be made on the basis of the person specification taking into account both the written application and interview
- Assessment will be made by a panel including external assessors with in-depth understanding of the clinical leadership role in commissioning and governance processes and an external GP leader with no local conflicts of interest
- The assessment panel will decide whether an individual can be put forward for election

b) **Election process:**
All GPs that are successful in the selection process may then put themselves forward for election.
Where there is the same number or fewer candidates than there are vacancies appointment shall be automatic, otherwise an election shall be undertaken.
Where there is more than one vacancy each GP on the electorate shall have 1 vote per vacancy.
The electorate is as described in a) Eligibility above.
Candidates will be given 2 weeks for a ‘hustings period’ when they can promote themselves to the electorate.
The LMC will manage the election process which shall be by secret ballot.

**d) Term of office** - To be 2 or 3 years as agreed by the Council of Members to ensure continuity.

**e) Eligibility for reappointment** - Automatic for a second term, by agreement with the Council thereafter.

**f) Grounds for removal from office** - Upon a vote of 75% of the Council of Members requesting the removal of an elected GP member, the electorate shall be polled both on removal of the member and for a replacement in which case a 3 months’ notice period shall be given.

**g) In the event of suspension from the Performers’ list or by the GMC or in the event of proven gross misconduct, suspension shall be immediate.** The member shall have the right to involve the LMC in any discussions and decisions relating to this issue.

**h) Notice period** - Three months.

### LAY MEMBERS

**2.4.5** The roles of the lay members on the Governing Body is subject to the following appointment process:

**a) Nominations** – advertisement and application.

**b) Eligibility** – according to national guidance in place at the time of recruitment.

**c) Appointment process** - selection against job description and person specification.

**d) Term of office** - To be 2 or 3 years as agreed by the Council of Members to ensure continuity.

**e) Eligibility for reappointment** – post to be advertised before end of term of office. The post holder is eligible for reappointment.

**f) Grounds for removal from office** – non-performance against agreed objectives as assessed by Chair and Accountable Officer. Recommendation of Chair and Accountable Officer requires approval by Council of Members.

**g) Notice period** – 3 months.
REGISTERED NURSE

2.4.6 The role of the registered nurse on the Governing Body is subject to the following appointment process:

a) Nominations – advertisement and application.

b) Eligibility – according to national guidance in place at the time of recruitment.

c) Appointment process - selection against job description and person specification

d) Term of office - To be 2 or 3 years as agreed by the Council of Members to ensure continuity.

e) Eligibility for reappointment – post to be advertised before end of term of office. The post holder is eligible for reappointment.

f) Grounds for removal from office – non performance against agreed objectives as assessed by Chair and Accountable Officer. Recommendation of Chair and Accountable Officer requires approval by Council of Members.

g) Notice period – 3 months.

SECONDARY CARE SPECIALIST DOCTOR

2.4.7 The role of the Secondary Care Specialist Doctor on the Governing Body is subject to the following appointment process.

a) Nominations – advertisement and application.

b) Eligibility – according to national guidance in place at the time of recruitment.

c) Appointment process - selection against job description and person specification

d) Term of office - To be 2 or 3 years as agreed by the Council of Members to ensure continuity.

e) Eligibility for reappointment – post to be advertised before end of term of office. The post holder is eligible for reappointment.

f) Grounds for removal from office – non performance against agreed objectives as assessed by Chair and Accountable Officer. Recommendation of Chair and Accountable Officer requires approval by Council of Members.

g) Notice period – 3 months.
THE ACCOUNTABLE OFFICER

2.4.8 The Accountable Officer, as listed in paragraph [6.6] of the Constitution, is subject to the following appointment process:

a) **Nominations** – advertisement and application.

b) **Eligibility** – according to national guidance in place at the time of recruitment.

c) **Appointment process** - selection against job description and person specification.

d) **Term of office** – substantive appointment.

e) **Eligibility for reappointment** – does not apply.

f) **Grounds for removal from office** – CCG employment policies and procedures apply.

g) **Notice period** – 3 months.

CHIEF FINANCE OFFICER

2.4.9 The Chief Finance Officer, as listed in paragraph [6.7] of the Constitution, is subject to the following appointment process:

a) **Nominations** – advertisement and application.

b) **Eligibility** – according to national guidance in place at the time of recruitment.

c) **Appointment process** - selection against job description and person specification.

d) **Term of office** – substantive appointment.

e) **Eligibility for reappointment** – does not apply.

f) **Grounds for removal from office** – CCG employment policies and procedures apply. If the post is shared with another CCG then that CCG’s employment policies and procedures will also apply.

g) **Notice period** – 3 months.

3 MEETINGS OF THE CLINICAL COMMISSIONING GROUP

3.4 Calling meetings

COUNCIL OF MEMBERS

3.4.7 Meetings of the Council of Members shall be held at least every six months at such times and places as the Council of Members may determine. In addition, special general meetings may be requested by the Council of Members, the Governing Body or on a written request by 50% of Members.
3.4.8 A notice period of fourteen days shall be given for a special general meeting. Unless the Chair agrees to shorter time periods, the same constraints shall apply as for an ordinary meeting.

3.4.9 The Council of Members shall hold an annual general meeting in public (the “Annual General Meeting”). The matters to be considered at the Annual General Meeting shall be set out in the notice calling it, but shall include:

3.1.3.1. Consideration (and if appropriate) approval of the group’s annual report, accounts, operating plan and commissioning strategy;

3.1.3.2. Consideration of a report describing all patient and public engagement activity, including public consultations undertaken by the group and the findings and actions taken by the group as a result, and;

3.1.3.3. Election of members of the Governing Body when vacancies arise.

GOVERNING BODY

3.4.10 The Governing Body shall meet monthly.

OTHER MEETINGS

3.4.11 For all other of the group’s Committees and sub-committees, including the Governing Body’s committees and sub-committees, the details of how meetings are called are set out in the appropriate terms of reference.

3.5 Agenda, supporting papers and business to be transacted

3.5.7 Items of business to be transacted for inclusion on the agenda of a meeting need to be notified to the Chair at least 10 working days (i.e. excluding weekends and bank holidays) before the meeting takes place. Supporting papers for such items need to be submitted at least 6 working days before the meeting takes place. The agenda and supporting papers will be circulated to all members of a meeting at least 3 working days before the date the meeting will take place.

3.5.8 Agendas and certain papers for the group’s meetings – including details about meeting dates, times and venues - will be published on the group’s website:

3.6 Petitions

3.6.7 Where a petition has been received by the group, the chair of the governing body shall include the petition as an item for the agenda of the next meeting of the governing body.

3.7 Chair of a meeting

3.7.7 At any meeting of the council of members or its governing body or of a committee or sub-committee, the chair of the group, governing body, committee or sub-committee, if any and if present, shall preside. If the chair is absent from the meeting, the vice
chair of that meeting, if any and if present, shall preside. The vice chair of that meeting cannot assume the Chair’s vote.

3.7.8 If the chair is absent temporarily on the grounds of a declared conflict of interest the vice chair, if present, shall preside. If both the chair and vice chair are absent, or are disqualified from participating, or there is neither a chair or vice a member of the council of members, governing body, committee or sub-committee respectively shall be chosen by the members present, or by a majority of them, and shall preside.

3.8 Chair’s ruling

3.8.7 The decision of the chair of the governing body on questions of order, relevancy and regularity and their interpretation of the constitution, standing orders, scheme of reservation and delegation and prime financial policies at the meeting, shall be final.

3.9 Quorum

Council of Members

3.9.7 50% of Members Representatives (or their proxies) shall constitute a quorum.

Governing Body

3.9.8 The quorum for the governing body shall only include members of the governing body. The quorum shall be 5 or one third of the voting members whichever is larger, of which the majority are clinicians. It shall include one Lay Member and either the Accountable Officer or Chief Finance Officer. The only decision the governing body may take if its meeting is not quorate is to request a meeting of the council of members.

3.9.9 Votes are not transferable. An officer in attendance for a Member of the Governing Body but without formal acting up status may not count towards the quorum.

Conflicts of Interest

3.9.10 For the policy and procedure for declaring and managing conflicts of interest refer to Appendix 7.

3.9.11 If the Chair or Member has been disqualified from participating in the discussion on any matter and/or from voting on any resolution by reason of a declaration of a conflict of interest that person shall no longer count towards the quorum. If a quorum is then not available for the discussion and/or the passing of a resolution on any matter, that matter may not be discussed further or voted upon at that meeting. Such a position shall be recorded in the minutes of the meeting. The meeting must then proceed to the next business item.

Other Committees

3.9.12 For all other of the group’s committees and sub-committees, including the governing body’s committees and sub-committees, the details of the quorum for these meetings and status of representatives are set out in the appropriate terms of reference

3.10 Decision making
3.10.7 Chapter 5 of the group’s constitution, together with the scheme of reservation and delegation, sets out the governing structure for the exercise of the group’s statutory functions. Generally it is expected that decisions will be reached by consensus. Should this not be possible then a vote of members will be required, the process for which is set out below:

**Council of Members**

3.10.8 A simple majority of the GP electorate is necessary to pass a resolution or confirm a decision. In the event of no overall majority, the Chair shall have the casting vote.

3.10.9 If there are dissenting views, the secretary shall record in the minutes the names of all those present at the meeting. Should a vote be taken the outcome of the vote, and any dissenting views, must also be recorded in the minutes of the meeting. The minutes of each meeting will be formally signed off by the chair of the meeting. The minutes of all meetings and parts of meetings held in public shall be published on the group’s website.

3.10.10 A simple majority is required to make a decision. Should this not be possible then a vote of all members of the Governing Body will be required, with each member having one vote and in the case of equality of votes, the chair shall have a casting vote.

3.10.11 Should a vote be taken the outcome of the vote, and any dissenting views, must be recorded in the minutes of the meeting.

**Other Committees**

3.10.12 For all other of the group’s committees and sub-committees, including the governing body’s committees and sub-committee, the details of the voting arrangements are set out in the appropriate terms of reference.

**3.11 Emergency powers and urgent decisions**

3.11.7 In an emergency, where a decision must be made by the council of members or governing body before its next meeting, the powers and duties of the group or governing body may be exercised by the Chair (Emergency Action).

3.11.8 For this purpose “emergency” means circumstances in which:-

(a) the group will be unable to discharge its statutory functions or be exposed to a significant level of risk if urgent action is not taken; or

(b) urgent action must be taken to prevent loss, damage or significant disadvantage to the group;

and, for the avoidance of doubt, a matter is not an emergency solely because it has been omitted from inclusion in the agenda for a meeting of the council of members, governing body or any committee or sub-committee on a particular occasion.

3.11.9 Before taking any Emergency Action, the chair must consult the Accountable Officer and a Lay Member.

3.11.10 The Emergency Action must be ratified at the next meeting of the Governing Body.
3.11.11 The Emergency Action functions of the Chair and Accountable Officer may be exercised by such other persons as the Chair and Accountable Officer may respectively nominate in writing.

3.12 Suspension of Standing Orders

3.12.7 Except where it would contravene any statutory provision or any direction made by the Secretary of State for Health or the NHS Commissioning Board, any part of these standing orders may be suspended at any meeting, provided 75% group members are in agreement.

3.12.8 A decision to suspend standing orders together with the reasons for doing so shall be recorded in the minutes of the meeting.

3.12.9 A separate record of matters discussed during the suspension shall be kept. These records shall be made available to the governing body’s audit committee for review of the reasonableness of the decision to suspend standing orders.

3.13 Record of Attendance and Quoracy

3.13.7 The names of all members of the meeting present at the meeting shall be recorded in the minutes of the group’s meetings. The names of all members of the governing body present shall be recorded in the minutes of the governing body meetings. The names of all members of the governing body’s committees / sub-committees present shall be recorded in the minutes of the respective governing body committee / sub-committee meetings.

3.13.8 Quoracy also needs to be established and recorded for each meeting where decisions are to be taken.

3.14 Minutes

3.14.7 The secretary shall keep minutes of each meeting.

3.14.8 At each meeting, the minutes of the preceding meeting shall be confirmed (or confirmed as amended) and be signed by the Chair as a true record of that meeting.

3.14.9 The signed minutes of a meeting shall, unless the contrary is proved, be conclusive proof of the proceedings of that meeting.

3.15 Admission of public and the press

3.15.7 The public and representatives of the press may attend all public meetings of the Governing Body and are invited to ask questions of the Governing Body at the designated time on the agenda, in relation to matters on the agenda and at the discretion of the Chair. The public shall be required to withdraw upon the governing body resolving as follows:

‘that representatives of the press, and other members of the public, be excluded from the remainder of this meeting having regard to the confidential nature of the business to be transacted, publicity on which would be prejudicial to the public interest’, (Section 1 (2), Public Bodies (Admission to Meetings) Act 1960).

3.15.8 Information and discussion of a confidential nature includes:
(a) information relating to a patient, unless it can be anonymised;
(b) information relating to an employee or office holder, former employee or applicant for any post or office;
(c) the terms of, or expenditure under, a tender or contract for the purchase or supply of goods or services or the acquisition or disposal of property;
(d) negotiations or consultation concerning labour relations between the group and its employees;
(d) any issue relating to legal proceedings which are being contemplated or instituted by or against the group;
(e) action being taken to prevent or detect crime or to prosecute offenders;
(f) the source of information given to the group in confidence; or
(g) any other matter which, in the opinion of the Chair, is confidential or the public disclosure of which would prejudice the effective discharge of the group’s functions.

3.15.9 Where a meeting is held in private, the relevant reason from the list above must be given. Guidance should be sought from the group’s Freedom of Information Lead to ensure correct procedure is followed on matters to be included in the exclusion.

3.16 Conduct of meetings

3.16.7 The order of business at a meeting shall follow that set out in the agenda unless it is varied by the Chair with the consent of the meeting.

3.16.8 A member may only initiate a debate or move a motion on a matter which is not on the agenda with the consent of the meeting.

3.16.9 All motions must relate to matters that are within or related to the functions of the group.

3.16.10 Members shall be respectful of each other and not make derogatory personal references or use offensive expressions or improper language to any other member or any employee of the group.

3.16.11 A member must speak to the subject under discussion. The Chair may call attention to any irrelevance, repetition, unbecoming language or other improper conduct on the part of a member and, where the member persists in that conduct, may direct that member to cease speaking.

3.16.12 The secretary or any other person advising on the business before a meeting (including advising the Chair on issues of order) may attend and, with the consent of the Chair, speak at that meeting.

3.16.13 A ruling by the Chair on any question of order, whether or not provided for by the Standing Orders, shall be final and shall not be open to debate.

3.17 General disturbances

3.17.7 The Chair or the person presiding over the meeting shall give such directions as he/she thinks fit with regard to the arrangements for meetings and accommodation of the public and representatives of the press such as to ensure that business shall be conducted without interruption and disruption and, without prejudice to the power to exclude on grounds of the confidential nature of the business to be transacted, the public will be required to withdraw upon the governing body resolving as follows: ‘That in the interests of public order the meeting adjourn for (the period to be
specified) to enable the Governing Body to complete its business without the presence of the public’. Section 1(8) Public Bodies (Admissions to Meetings) Act 1960.

4 APPOINTMENT OF COMMITTEES AND SUB-COMMITTEES

4.4 Appointment of committees and sub-committees

4.4.7 The Council of Members may appoint committees and sub-committees of the Governing Body, subject to any regulations made by the Secretary of State. Where such committees and sub-committees are appointed they are included in Chapter 5 of the group’s constitution.

4.4.8 Other than where there are statutory requirements, such as in relation to the governing body’s audit committee or remuneration committee, the council of members shall determine the membership and terms of reference of committees and sub-committees and shall, if it requires, receive and consider reports of such committees at the next appropriate meeting of the council of members.

4.4.9 The provisions of these standing orders shall apply where relevant to the operation of the governing body and the governing body’s committees and sub-committees unless stated otherwise in the committee or sub-committee’s terms of reference.

4.5 Terms of Reference

4.5.7 Terms of reference shall have effect as if incorporated into the constitution and shall be added to this document as an appendix 12a, 12b and 12c.

4.6 Delegation of Powers by Committees to Sub-committees

4.6.7 Where committees are authorised to establish sub-committees they may not delegate executive powers to the sub-committee unless expressly authorised by the council of members.

4.7 Approval of Appointments to Committees and Sub-Committees

4.7.7 The Governing Body shall approve the appointments to each of the committees and sub-committees which it has formally constituted. The council of members shall agree such travelling or other allowances as it considers appropriate.

5 DUTY TO REPORT NON-COMPLIANCE WITH STANDING ORDERS AND PRIME FINANCIAL POLICIES

5.4 If for any reason these standing orders are not complied with, full details of the non-compliance and any justification for non-compliance and the circumstances around the non-compliance, shall be reported to the next formal meeting of the governing body for action or ratification. All members of the group and staff have a duty to disclose any non-compliance with these standing orders to the accountable officer as soon as possible.

6 USE OF SEAL AND AUTHORISATION OF DOCUMENTS

See section 14N of the 2006 Act, inserted by section 25 of the 2012 Act
6.4 **Clinical Commissioning Group’s seal**

6.4.7 The group may have a seal for executing documents where necessary. The following individuals or officers are authorised to authenticate its use by their signature:

a) the accountable officer;

b) the chair of the governing body;

c) the chief finance officer;

6.5 **Execution of a document by signature**

6.5.7 The following individuals are authorised to execute a document on behalf of the group by their signature.

a) the accountable officer

b) the chair of the governing body

c) the chief finance officer

7 **OVERLAP WITH OTHER CLINICAL COMMISSIONING GROUP POLICY STATEMENTS / PROCEDURES AND REGULATIONS**

7.4 **Policy statements: general principles**

7.4.7 The group will from time to time agree and approve policy statements / procedures which will apply to all or specific groups of staff employed by NHS Croydon Clinical Commissioning Group. The decisions to approve such policies and procedures will be recorded in an appropriate group minute and will be deemed where appropriate to be an integral part of the group’s standing orders.
Appendix 4  Prime Financial Policies

1. INTRODUCTION

1.1. General

1.1.1. These prime financial policies and supporting detailed financial policies shall have effect as if incorporated into the group’s constitution.

1.1.2. The prime financial policies are part of the group’s control environment for managing the organisation’s financial affairs. They contribute to good corporate governance, internal control and managing risks. They enable sound administration, lessen the risk of irregularities and support commissioning and delivery of effective, efficient and economical services. They also help the Accountable Officer and Chief Finance Officer to effectively perform their responsibilities. They should be used in conjunction with the scheme of reservation and delegation found at Appendix 5.

1.1.3. In support of these prime financial policies, the group has prepared more detailed policies, approved by the Chief Finance Officer, known as detailed financial policies. The group refers to these prime and detailed financial policies together as the clinical commissioning group’s financial disposal policies.

1.1.4. These prime financial policies identify the financial responsibilities which apply to everyone working for the group and its constituent organisations. They do not provide detailed procedural advice and should be read in conjunction with the detailed financial policies. The Chief Finance Officer is responsible for approving all detailed financial policies.

1.1.5. A list of the group’s detailed financial policies will be published and maintained on the group’s website:

1.1.6. Should any difficulties arise regarding the interpretation or application of any of the prime financial policies then the advice of the Chief Finance Officer must be sought before acting. The user of these prime financial policies should also be familiar with and comply with the provisions of the group’s constitution, standing orders and scheme of reservation and delegation.

1.1.7. Failure to comply with prime financial policies and standing orders can in certain circumstances be regarded as a disciplinary matter that could result in dismissal.

1.2. Overriding Prime Financial Policies

1.2.1. If for any reason these prime financial policies are not complied with, full details of the non-compliance and any justification for non-compliance and the
circumstances around the non-compliance shall be reported to the next formal meeting of the Governing Body’s Audit Committee for referring action or ratification. All of the group’s members and employees have a duty to disclose any non-compliance with these prime financial policies to the Chief Finance Officer as soon as possible.

1.3. Responsibilities and delegation

1.3.1. The roles and responsibilities of the group’s members, employees, members of the Governing Body, members of the Governing Body’s committees and sub-committees, members of the group’s committee and sub-committee (if any) and persons working on behalf of the group are set out in chapters 5 and 6 of this constitution.

1.3.2. The financial decisions delegated by members of the group are set out in the group’s Scheme of Reservation and Delegation (see Appendix 5).

1.4. Contractors and their employees

1.4.1. Any contractor or employee of a contractor who is empowered by the group to commit the group to expenditure or who is authorised to obtain income shall be covered by these instructions. It is the responsibility of the Accountable Officer to ensure that such persons are made aware of this.

1.5. Amendment of Prime Financial Policies

1.5.1. To ensure that these prime financial policies remain up-to-date and relevant, the Chief Finance Officer will review them at least annually. Following consultation with the Accountable Officer and scrutiny by the Governing Body’s Audit Committee, the Chief Finance Officer will recommend amendments, as fitting, to the Governing Body for approval. As these prime financial policies are an integral part of the group’s constitution, any amendment will not come into force until the group applies to the NHS Commissioning Board and that application is granted.

2. INTERNAL CONTROL

POLICY – the group will put in place a suitable control environment and effective internal controls that provide reasonable assurance of effective and efficient operations, financial stewardship, probity and compliance with laws and policies

2.1. The Governing Body is required to establish an Audit Committee with terms of reference agreed by the Governing Body (see paragraph 5.3(a) of the group’s constitution for further information).

2.2. The Accountable Officer has overall responsibility for the group’s systems of internal control.
2.3. The Chief Finance Officer will ensure that:

a) financial policies are considered for review and update annually;

b) a system is in place for proper checking and reporting of all breaches of financial policies; and

c) a proper procedure is in place for regular checking of the adequacy and effectiveness of the control environment.

3. AUDIT

POLICY – the group will keep an effective and independent internal audit function and fully comply with the requirements of external audit and other statutory reviews

3.1. In line with the terms of reference for the Governing Body’s Audit Committee, the person appointed by the group to be responsible for internal audit and the Audit Commission appointed external auditor will have direct and unrestricted access to Audit Committee members and the Chair of the Governing Body, Accountable Officer, Chief Finance Officer and Local Counter Fraud Specialist (where relevant) for any significant issues arising from audit work that management cannot resolve, and for all cases of fraud or serious irregularity.

3.2. The person appointed by the group to be responsible for internal audit and the external auditor will have access to the Audit Committee and the Accountable Officer to review audit issues as appropriate. All Audit Committee members, the chair of the Governing Body and the Accountable Officer will have direct and unrestricted access to the head of internal audit and external auditors.

3.3. The Chief Finance Officer will ensure that:

a) the group has a professional and technically competent internal audit function; and

b) the Governing Body’s Audit Committee approves any changes to the provision or delivery of assurance services to the group.

4. FRAUD, CORRUPTION AND BRIBERY

POLICY – the group requires all staff to always act honestly and with integrity to safeguard the public resources they are responsible for. The group will not tolerate any fraud perpetrated against it and will actively chase any loss suffered
4.1. The Governing Body’s Audit Committee will satisfy itself that the group has adequate arrangements in place for countering fraud and shall review the outcomes of counter fraud and anti-bribery work. It shall also approve the counter fraud work programme.

4.2. The Governing Body’s Audit Committee will ensure that the group has arrangements in place to work effectively with NHS Protect.

4.3. The Bribery Act 2010, which repealed existing corruption legislation, has introduced the offences of offering and receiving a bribe. It also places specific responsibility on organisations to have sufficient and adequate procedures in place to prevent bribery and corruption taking place. Under the Bribery Act 2010, Bribery is defined as “Inducement for an action which is illegal, unethical or a breach of trust. Inducements can take the form of gifts, loans, rewards or other privileges”. Corruption is broadly defined as “the offering or acceptance of inducements, gifts, favours, payment or benefit-in-kind which may influence the action of any person. Corruption does not always result in a loss. The corrupt person may not benefit directly from their deeds; however, they may be unreasonably using their position to give some advantage to another”. To demonstrate that the organisation has sufficient and adequate procedures in place and to demonstrate openness and transparency, all staff are required to comply with the requirements of the Prime Financial Policies. For more detailed information, please see the Anti-Bribery policy.

5. EXPENDITURE CONTROL AND MONITORING

5.1. The group is required by statutory provisions\(^3\) to ensure that its expenditure does not exceed the aggregate of allotments from the NHS Commissioning Board and any other sums it has received and is legally allowed to spend.

5.2. The Accountable Officer has overall executive responsibility for ensuring that the group complies with certain of its statutory obligations, including its financial and accounting obligations, and that it exercises its functions effectively, efficiently and economically and in a way which provides good value for money.

5.3. The Chief Finance Officer will:

a) provide reports in the form required by the NHS Commissioning Board;

b) ensure money drawn from the NHS Commissioning Board is required for approved expenditure only is drawn down only at the time of need and follows best practice;

c) be responsible for ensuring that an adequate system of monitoring financial performance is in place to enable the group to fulfil its statutory responsibility

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\(^3\) See section 223H of the 2006 Act, inserted by section 27 of the 2012 Act
not to exceed its expenditure limits, as set by direction of the NHS Commissioning Board.

5.4. **Budgetary Delegation**

5.4.1. The Accountable Officer may delegate the management of a budget to permit the performance of a defined range of activities, including pooled budget arrangements under s256 of the National Health Service Act 2006. This delegation must be in writing and be accompanied by a clear definition of:
   a) the amount of the budget;
   b) the purpose(s) of each budget heading;
   c) individual and group responsibilities;
   d) authority to exercise virement;
   e) achievement of planned levels of service;
   f) the provision of regular reports.

5.4.2. The Accountable Officer and delegated budget holders must not exceed the budgetary total or virement limits set by the Governing Body.

5.4.3. Any budgeted funds not required for their designated purpose(s) revert to the immediate control of the Accountable Officer, subject to any authorised use of virement.

5.4.4. Non-recurring budgets should not be used to finance recurring expenditure without the authority in writing of the Accountable Officer, as advised by the Chief Finance Officer.

5.4.5. All budget holders must provide information as required by the Chief Finance Officer to enable budgets to be compiled.

5.4.6. The Chief Finance Officer has a responsibility to ensure that adequate training is delivered on an on-going basis to budget holders to help them manage successfully.

5.5. **Budgetary Control and Reporting**

The Chief Finance Officer will devise and maintain systems of budgetary control. These will include:

(a) monthly financial reports to the Governing Body in a form approved by the Governing Body containing:

   (i) income and expenditure to date showing trends and forecast year-end position;
   (ii) movements in working capital;
   (iii) movements in cash and capital;
   (iv) capital project spend and projected outturn against plan;
   (v) explanations of any material variances from plan;
   (vi) details of any corrective action where necessary and the Accountable Officer’s and/or Chief Finance Officer’s view of whether such actions are sufficient to correct the situation;
(b) the issue of timely, accurate and comprehensible advice and financial reports to each budget holder, covering the areas for which they are responsible;

(c) investigation and reporting of variances from financial and activity budgets;

(d) monitoring of management action to correct variances;

(e) arrangements for the authorisation of budget transfers.

Each Budget Holder is responsible for ensuring that:

(a) any likely overspending or reduction of income, which cannot be met by virement, is not incurred without the prior consent of the Governing Body;

(b) the amount provided in the approved budget is not used in whole or in part for any purpose other than that specifically authorised, subject to the rules of virement;

(c) no permanent employees are appointed without the approval of the Accountable Officer other than those provided for within the available resources and manpower establishment as approved by the Governing Body.

6. **ALLOTMENTS**

6.1. The group’s Chief Finance Officer will:

a) periodically review the basis and assumptions used by the NHS Commissioning Board for distributing allotments and ensure that these are reasonable and realistic and secure the group’s entitlement to funds;

b) prior to the start of each financial year submit to the Governing Body for approval a report showing the total allocations received and their proposed distribution including any sums to be held in reserve; and

c) regularly update the Governing Body on significant changes to the initial allocation and the uses of such funds.

7. **COMMISSIONING STRATEGY AND BUDGETS**

**POLICY** – the group will produce and publish an annual commissioning plan that explains how it proposes to discharge its financial duties. The group will support this with comprehensive medium term financial plans and annual budgets.

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4 See section 223(G) of the 2006 Act, inserted by section 27 of the 2012 Act.

7.1. The Accountable Officer will compile and submit to the Governing Body a commissioning strategy which takes into account financial targets and forecast limits of available resources.

7.2. Prior to the start of the financial year the Chief Finance Officer will, on behalf of the Accountable Officer, prepare and submit budgets for approval by the Governing Body. Such budgets will:
   - be in accordance with the aims and objectives set out in the plan;
   - be consistent with planned performance against non-financial targets;
   - be produced following discussion with appropriate budget holders;
   - be prepared within the limits of available funds;
   - identify potential risks.

7.3. The Chief Finance Officer shall monitor financial performance against budget and plan, periodically review them, and report to the Governing Body. This report should include explanations for variances. These variances must be based on any significant departures from agreed financial plans or budgets.

7.4. The Accountable Officer is responsible for ensuring that information relating to the group’s accounts or to its income or expenditure, or its use of resources is provided to the NHS Commissioning Board as requested.

7.5. The Governing Body will approve consultation arrangements for the group’s commissioning plan.

8. **ANNUAL ACCOUNTS AND REPORTS**

   **POLICY** – the group will produce and submit to the NHS Commissioning Board accounts and reports in accordance with all statutory obligations, relevant accounting standards and accounting best practice in the form and content and at the time required by the NHS Commissioning Board.

8.1. The Chief Finance Officer will ensure the group:

   a) prepares a timetable for producing the annual report and accounts and agrees it with external auditors and the Audit Committee;

   b) prepares the accounts according to the timetable approved by the Audit Committee;

   c) complies with statutory requirements and relevant directions for the publication of annual report;

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6 See section 14Z13 of the 2006 Act, inserted by section 26 of the 2012 Act
7 See paragraph 17 of Schedule 1A of the 2006 Act, as inserted by Schedule 2 of the 2012 Act.
d) considers the external auditor’s management letter and fully address all issues within agreed timescales; and

e) publishes the external auditor’s management letter on the group’s website at [www.][insert group’s website].

9. INFORMATION TECHNOLOGY

POLICY – the group will ensure the accuracy and security of the group’s computerised financial data

9.1. The Chief Finance Officer is responsible for the accuracy and security of the group’s computerised financial data and shall

a) devise and implement any necessary procedures to ensure adequate (reasonable) protection of the group’s data, programs, and computer hardware from accidental or intentional disclosure to unauthorised persons, deletion or modification, theft or damage, having due regard for the Data Protection Act 1998;

b) ensure that adequate (reasonable) controls exist over data entry, processing, storage, transmission and output to ensure security, privacy, accuracy, completeness, and timeliness of the data, as well as the efficient and effective operation of the system;

c) ensure that adequate controls exist such that the computer operation is separated from development, maintenance and amendment;

d) ensure that an adequate management (audit) trail exists through the computerised system and that such computer audit reviews as the Chief Finance Officer may consider necessary are being carried out.

9.2. In addition the Chief Finance Officer shall ensure that new financial systems and amendments to current financial systems are developed in a controlled manner and thoroughly tested prior to implementation. Where this is undertaken by another organisation, assurances of adequacy must be obtained from them prior to implementation.

10. ACCOUNTING SYSTEMS

POLICY – the group will run an accounting system that creates management and financial accounts

10.1. The Chief Finance Officer will ensure:

a) the group has suitable financial and other software to enable it to comply with these policies and any consolidation requirements of the NHS Commissioning Board;
b) that contracts for computer services for financial applications with another health organisation or any other agency shall clearly define the responsibility of all parties for the security, privacy, accuracy, completeness, and timeliness of data during processing, transmission and storage. The contract should also ensure rights of access for audit purposes.

10.2. Where another health organisation or any other agency provides a computer service for financial applications, the Chief Finance Officer shall periodically seek assurances that adequate controls are in operation.

11. BANK ACCOUNTS

**POLICY** – the group will keep enough liquidity to meet its current commitments

11.1. The Chief Finance Officer will:

a) review the banking arrangements of the group at regular intervals to ensure they are in accordance with Secretary of State directions\(^8\), best practice and represent best value for money;

b) manage the group's banking arrangements and advise the group on the provision of banking services and operation of accounts;

c) prepare detailed instructions on the operation of bank accounts.

11.2. The Audit Committee shall approve the banking arrangements.

12. INCOME, FEES AND CHARGES AND SECURITY OF CASH, CHEQUES AND OTHER NEGOTIABLE INSTRUMENTS.

**POLICY** – the group will

- operate a sound system for prompt recording, invoicing and collection of all monies due
- seek to maximise its potential to raise additional income only to the extent that it does not interfere with the performance of the group or its functions\(^9\)
- ensure its power to make grants and loans is used to discharge its functions effectively\(^{10}\)

12.1. The Chief Financial Officer is responsible for:

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\(^8\) See section 223H(3) of the NHS Act 2006,inserted by section 27 of the 2012 Act


\(^{10}\) See section 14Z6 of the 2006 Act, inserted by section 26 of the 2012 Act.
a) designing, maintaining and ensuring compliance with systems for the proper recording, invoicing, and collection and coding of all monies due;

b) establishing and maintaining systems and procedures for the secure handling of cash and other negotiable instruments;

c) approving and regularly reviewing the level of all fees and charges other than those determined by the NHS Commissioning Board or by statute. Independent professional advice on matters of valuation shall be taken as necessary;

d) for developing effective arrangements for making grants or loans.

13. TENDERING AND CONTRACTING PROCEDURE

POLICY – the group:
will ensure proper competition that is legally compliant within all purchasing to ensure we incur only budgeted, approved and necessary spending
will seek value for money for all goods and services shall ensure that competitive tenders are invited for:
- the supply of goods, materials and manufactured articles;
- the rendering of services including all forms of management consultancy services (other than specialised services sought from or provided by the Department of Health); and
- for the design, construction and maintenance of building and engineering works (including construction and maintenance of grounds and gardens) for disposals

13.1. The Chief Finance Officer may only negotiate contracts on behalf of the group, and the group may only enter into contracts, within the statutory framework set up by the 2006 Act, as amended by the 2012 Act. Such contracts shall comply with:

a) the group’s standing orders;

b) the Public Contracts Regulation 2006, any successor legislation and any other applicable law; and

c) take into account as appropriate any applicable NHS Commissioning Board or the Independent Regulator of NHS Foundation Trusts (Monitor) guidance that does not conflict with (b) above.

13.2. In all contracts entered into, the group shall endeavour to obtain best value for money. The Accountable Officer shall nominate an individual who shall oversee and manage each contract on behalf of the group.
13.3. The group should also follow the detailed procedures set out in Annex A and as set out in the detailed procurement guide.

14. COMMISSIONING

**POLICY** – working in partnership with relevant national and local stakeholders, the group will commission certain health services to meet the reasonable requirements of the persons for whom it has responsibility.

14.1. The group will coordinate its work with the NHS Commissioning Board, other clinical commissioning groups, local providers of services, local authority(ies), including through Health & Wellbeing Boards, patients and their carers and the voluntary sector and others as appropriate to develop robust commissioning plans.

14.2. The Accountable Officer will establish arrangements to ensure that regular reports are provided to the Finance Committee detailing actual and forecast expenditure and activity for each contract.

14.3. The Chief Finance Officer will maintain a system of financial monitoring to ensure the effective accounting of expenditure under contracts. This should provide a suitable audit trail for all payments made under the contracts whilst maintaining patient confidentiality.

15. RISK MANAGEMENT AND INSURANCE

**POLICY** – the group will put arrangements in place for evaluation and management of its risks.

15.1. The Governing Body will agree the assurance framework and risk management strategy.

15.2. The assurance framework will be developed by:

a) The Governing Body agreeing the principal objectives at strategic level with involvement of the Management Team and Council of Members.

b) Identifying the risks to the achievement of these objectives and recording these within the Assurance Framework;

c) Identifying the key controls intended to manage these risks;

d) Evaluating the assurances available to cover these objectives and risks together with any gaps;

e) Putting in place action plans are to address any gaps that have been identified; and

f) Monitoring the implementation of the action plans.

15.3. This work will be supported and coordinated by the [Head of Governance and Business Support – or equivalent]
15.4. The Accountable Officer has an overall responsibility for risk management.

15.5. The [Integrated Governance Committee or equivalent] will oversee the management of the assurance framework ensuring that it meets the needs of the CCG in being able to identify and reduce risk:

15.6. a) Reviewing the framework and making recommendations for action within the organisation to improve controls, seek assurances and reduce risk;
b) Reporting progress to reduce risk against identified outcomes six monthly to the Governing Body.

15.7. The risk register will be reviewed monthly by the Management Team.

16. PAYROLL

**POLICY** – the group will put arrangements in place for an effective payroll service

16.1. The Chief Finance Officer will ensure that the payroll service selected:

a) is supported by appropriate (i.e. contracted) terms and conditions;
b) has adequate internal controls and audit review processes;
c) has a suitable arrangement for the collection of payroll deductions and payment of these to appropriate bodies.

16.2. In addition the Chief Finance Officer shall set out comprehensive procedures for the effective processing of payroll.

17. NON-PAY EXPENDITURE

**POLICY** – the group will seek to obtain the best value for money goods and services received

17.1. The Finance Committee will approve the level of non-pay expenditure on an annual basis and the Accountable Officer will determine the level of delegation to budget managers.

17.2. The Accountable Officer shall set out procedures on the seeking of professional advice regarding the supply of goods and services.

17.3. The Chief Finance Officer will:

a) advise the Finance Committee on the setting of thresholds above which quotations (competitive or otherwise) or formal tenders must be obtained; and, once approved, the thresholds should be incorporated in the scheme of reservation and delegation;
b) be responsible for the prompt payment of all properly authorised accounts and claims;

c) be responsible for designing and maintaining a system of verification, recording and payment of all amounts payable.

17.4. Joint Finance Arrangements with Local Authorities and Voluntary Bodies

The governing body may confirm contracts to purchase from a voluntary organisation or a local authority using its powers under Section 256 of the NHS Act 2006. The Governing Body may confirm contracts to transfer money from the NHS to the voluntary sector or the health related functions of local authorities where such a transfer is to fund services to improve the health of the local population more effectively than equivalent expenditure on NHS services, using its powers under Section 256 of the NHS Act 2006, as amended by section 29 of the Health Act 1999.

18. CAPITAL INVESTMENT, FIXED ASSET REGISTERS AND SECURITY OF ASSETS

**POLICY** – the group will put arrangements in place to manage capital investment, maintain an asset register recording fixed assets and put in place polices to secure the safe storage of the group’s fixed assets

18.1. The Accountable Officer will

a) ensure that there is an adequate appraisal and approval process in place for determining capital expenditure priorities and the effect of each proposal upon plans;

b) be responsible for the management of all stages of capital schemes and for ensuring that schemes are delivered on time and to cost;

c) shall ensure that the capital investment is not undertaken without confirmation of purchaser(s) support and the availability of resources to finance all revenue consequences, including capital charges;

d) be responsible for the maintenance of registers of assets, taking account of the advice of the Chief Finance Officer concerning the form of any register and the method of updating, and arranging for a physical check of assets against the asset register to be conducted once a year.

18.2. The Chief Finance Officer will prepare detailed procedures for the disposals of assets.

19. DISPOSALS AND CONDEMNATIONS, LOSSES AND SPECIAL PAYMENTS

19.1. Disposals and Condemnations
Procedures

The Chief Finance Officer must prepare detailed procedures for the disposal of assets including condemnations, and ensure that these are notified to managers.

a) When it is decided to dispose of a group asset, the Head of Department or authorised deputy will determine and advise the Chief Finance Officer of the estimated market value of the item, taking account of professional advice where appropriate. The disposal of any asset with a book value or estimated market value greater than £50,000 shall require prior approval of the governing body.

All unserviceable articles shall be:

b) condemned or otherwise disposed of by an employee authorised for that purpose by the Chief Finance Officer;

c) recorded by the Condemning Officer in a form approved by the Chief Finance Officer which will indicate whether the articles are to be converted, destroyed or otherwise disposed of. All entries shall be confirmed by the countersignature of a second employee authorised for the purpose by the Chief Finance Officer.

The Condemning Officer shall satisfy himself as to whether or not there is evidence of negligence in use and shall report any such evidence to the Chief Finance Officer who will take the appropriate action.

19.2. Losses and Special Payments

Procedures

The Chief Finance Officer must prepare procedural instructions on the recording of and accounting for condemnations, losses, and special payments by way of a “Condemning and Disposal Policy”.

Any employee or officer discovering or suspecting a loss of any kind must either immediately inform their Head of Department, who must immediately inform the Accountable Officer and the Chief Finance Officer or inform an officer charged with responsibility for responding to concerns involving loss. This officer will then appropriately inform the Chief Finance Officer and/or Accountable Officer. Where a criminal offence is suspected, the Chief Finance Officer must immediately inform the police if theft or arson is involved. In cases of fraud, corruption and bribery or of anomalies which may indicate fraud, corruption or bribery, the Chief Finance Officer must inform the relevant Local Counter Fraud Specialist (LCFS) who will then notify NHS Protect in accordance with Secretary of State for Health’s Directions.

19.3. Suspected fraud

The Chief Finance Officer must notify NHS Protect and the External Auditor of all frauds.
For losses apparently caused by theft, arson, neglect of duty or gross
carelessness, except if trivial, the Chief Finance Officer must immediately notify:

a) the Governing body,
b) the External Auditor, and
c) the Local Security Management Specialist

Within limits delegated to it by the Department of Health, the Governing Body
shall approve the writing-off of losses.

The Chief Finance Officer shall specify to the shared service provider to take any
necessary steps to safeguard the group’s interests in bankruptcies and company
liquidations.

For any loss, the Chief Finance Officer should consider whether any insurance
claim can be made.

The Chief Finance Officer shall maintain a Losses and Special Payments
Register in which write-off action is recorded.

No special payments exceeding delegated limits shall be made without the prior
approval of the Department of Health.

All losses and special payments must be reported to the Audit Committee at
every meeting.

No payment(s) exceeding delegated limits determined by the governing body
shall be made without the prior approval of the Chief Finance Officer. This
requirement will also be specified to the Shared Service provider in the Service
Level Agreement.

20. RETENTION OF RECORDS

POLICY – the group will put arrangements in place to retain all records in
accordance with NHS Code of Practice Records Management 2006 and
other relevant notified guidance

20.1. The Accountable Officer shall:

a) be responsible for maintaining all records required to be retained in
accordance with NHS Code of Practice Records Management 2006 and
other relevant notified guidance;

b) ensure that arrangements are in place for effective responses to Freedom of
Information requests;

c) publish and maintain a Freedom of Information Publication Scheme.

21. TRUST FUNDS AND TRUSTEES
POLICY – the group will put arrangements in place to provide for the appointment of trustees if the group holds property on trust

21.1. The Chief Finance Officer shall ensure that each trust fund which the group is responsible for managing is managed appropriately with regard to its purpose and to its requirements.
1. **TENDERING AND CONTRACTING PROCEDURE**

**Duty to comply with Standing Orders and Prime Financial Policies**

The procedure for making all contracts by or on behalf of the group shall comply with these Standing Orders and Prime Financial Policies (except where Suspension of Standing Orders is applied).

Generally all decisions on a contract award must be able to stand up to scrutiny and it is advised that the overarching principles of procurement are observed as follows:

- **Transparency** – the group will be required to publicly account for their expenditure.
- **Proportionality** – matching value, complexity and risk of the services contracted i.e. higher benefits require more resources and consideration/expertise on route to market.
- **Non-Discrimination** – no exclusion of suppliers, non-discriminatory tender documentation.
- **Equality of Treatment** – All potential providers to be treated equally.

**EU Directives Governing Public Procurement**

Directives by the Council of the European Union promulgated by the Department of Health (DH) prescribing procedures for awarding all forms of contracts shall have effect as if incorporated in these Standing Orders and Prime Financial Policies. For example for supplies contracts and service contracts (Part A), the threshold as at 1 January 2012 is £113,057, including VAT at the prevailing rate.

Support will be sought from the NHS Purchasing and Supply Agency for procurement to ensure compliance when engaging in tendering procedures.

**Reverse e Auctions**

Policies and procedures should be in place for the control of all tendering activity carried out through Reverse eAuctions. For further guidance on Reverse eAuctions refer to [www.ogc.gov.uk](http://www.ogc.gov.uk)

**Capital Investment Manual and other Department of Health Guidance**

The group shall comply as far as is practicable with the requirements of the Department of Health "Capital Investment Manual" and "Estate code" in respect of capital investment and estate and property transactions.

In consideration of capital purchasing the Procurement process is to evaluate different models with the Finance Team. i.e. Lease, Rent, Purchase, Build etc.

This particular area of procurement is diverse and there are a number of routes to market that are determined by the type of capital purchase. Consideration as to whether the purchasing decision is Design and Build where OJEU value of Works come into force or whether the purchase is for Supply of Goods or Supply of Services (Part A or Part B) invoke the pertinent OJEU Part A or Supply2Health Part B route to market. The total value of the contract will be greater than £113,057 for supplies and services and £4,348,350 for works (figures are for 2012 - this figure is reviewed and must be updated every two years).
When procuring capital, consideration should also be given to alternative routes such as Any Willing Provider (see 1.5.5)

In the case of management consultancy contracts, the group shall comply as far as it is practicable with Department of Health guidance “The Procurement of Management Consultants within the NHS”.

**Formal Competitive Tendering**

**General Applicability**

The group shall ensure that competitive tenders are invited for:

- the supply of goods, materials and manufactured articles;
- the rendering of services including all forms of management consultancy services (other than specialised services sought from or provided by the DH); and
- the design, construction and maintenance of building and engineering works (including construction and maintenance of grounds and gardens); for disposals.
- Health Services pursuant to guidance and EU directives, where a CCG elects to apply to Health Services (refer to 1.5.7).

**Exceptions and instances to formal tendering procedures**

Formal tendering procedures need not be applied where:

- the estimated expenditure or income does not, or is not reasonably expected to, exceed £20,000, over the lifetime of the contract; or
- where the supply is proposed under special arrangements negotiated by the DH in which event the said special arrangements must be complied with;
- regarding disposals as set out in Prime Financial Policies No. 19;
- procuring health services, subject to applying the rules as set out in section 1.5.7.

Formal tendering procedures are deemed to have been applied in the following circumstances:

- where NHS Purchasing and Supply Agency (PASA) agreements, or other forms of national and/or regional agreements such as S-CAT OGC, ProCure, FESC are in place and have been approved by the Governing Body. Where framework agreements recommend mini competitions, these are to be undertaken to ensure value for money;
- where a consortium arrangement is in place and a lead organisation has been appointed to carry out tendering activity on behalf of the consortium members;

Formal tendering procedures may be waived in the following circumstances (any waiver must be recorded on the schedule in Annex B). It is important to note that failure to plan the work properly would not be regarded as a justification for a single tender.
• in very exceptional circumstances where the Accountable Officer decides that formal tendering procedures would not be practicable or the estimated expenditure or income would not warrant formal tendering procedures, and the circumstances are detailed in an appropriate group record;

• where the requirement is covered by an existing contract;

• where specialist expertise is required and is available from only one source;

• when the task is essential to complete the project, and arises as a consequence of a recently completed assignment and engaging different consultants for the new task would be inappropriate;

• where there is a clear benefit to be gained from maintaining continuity with an earlier project. However in such cases the benefits of such continuity must outweigh any potential financial advantage to be gained by competitive tendering;

• for the provision of legal advice and services providing that any legal firm or partnership commissioned by the group is regulated by the Law Society for England and Wales for the conduct of their business (or by the Bar Council for England and Wales in relation to the obtaining of Counsel’s opinion) and are generally recognised as having sufficient expertise in the area of work for which they are commissioned.

• The Chief Finance Officer will ensure that any fees paid are reasonable and within commonly accepted rates for the costing of such work.

• Where allowed and provided for in the Capital Investment Manual. The waiving of competitive tendering procedures should not be used to avoid competition or for administrative convenience or to award further work to a consultant originally appointed through a competitive procedure.

• where the timescale genuinely precludes competitive tendering but failure to plan the work properly would not be regarded as a justification for a single tender. It is important to note that failure to plan the work properly would not be regarded as a justification for a single tender.

• The fact of the waiver and the reasons should be documented and recorded in an appropriate group record (Annex B). A summary of each instance should be reported to the Audit Committee at each meeting. The Audit Committee will note and review the appropriateness of each waiver of formal tendering procedures.

Fair and Adequate Competition

Where the exceptions set out in paragraph 1.5.2 above, the group shall ensure that invitations to tender are sent to a sufficient number of firms/individuals to provide fair and adequate competition as appropriate, and in no case less than three firms/individuals, having regard to their capacity to supply the goods or materials or to undertake the services or works required. Where total expenditure over the term of the proposed contract is estimated to exceed £20,000 a minimum of three firms/individuals should be invited to tender.

List of Approved Firms

The group shall ensure that the firms / individuals invited to tender (and where appropriate, quote) are among those on approved lists or where necessary a framework agreement. Approved Lists include national Framework Agreements approved by the Government Procurement Service, in addition to any local list. Where in the opinion of the Chief Finance
Officer it is desirable to seek tenders from firms not on the approved lists, the reason shall be recorded in writing to the Accountable Officer or the group’s Integrated Governance and Audit Committee.

**Applicability to Health Services**

Health and social care services fall within the Part B services under the Official Journal of the European Union (OJEU) procurement rules. This means there is no legal requirements to follow one of the strict procedures set out by the procurement rules, or comply with minimum tendering timescales. However, requirements such as acting transparently and treating providers equally do still apply and compliance is required. CCG’s will be responsible to the National Commissioning Board who will have the power to audit the procedure for probity and compliance.

The ‘Procurement guide for commissioners of NHS-funded services July 2010’, provides mandatory guidance as to when it may be appropriate to run a tender process for NHS funded health services and should be read in conjunction with this guide.

Where the group elects to invite tenders for the supply of health services these Standing Orders and Prime Financial Policies shall apply as far as they are applicable to the tendering procedure and need to be read in conjunction with Prime Financial Policies No. 14.

Subject to the Procurement guide, it may be appropriate to procure health services within “Any Willing Provider” (AWP) rules. This means that for a prescribed range of health services, any provider that meets advertised criteria for entering a market, can compete for business within that market, without constraint by the commissioning organisation.

When running an AWP procurement, the group will need to:

- Develop and confirm service specification with provider engagement
- Advertise procurement in NHS Supply2Health
- Evaluate responses using agreed criteria
- Ensure there is agreement on the tariff the commissioner is willing to pay.
- Each AWP must be financially and legally sound and the group will be responsible for ensuring this is the case.
- For an organisation to be awarded on AWP they must be registered with the Care Quality Commission (or other relevant body) for that service.
- Accredit successful providers
- Publish contract award decisions in Supply2Health
- Maintain an auditable documentation trail

The group must be able to demonstrate at each stage of the procurement process that they have acted in a transparent and proportionate manner and have not acted in an unduly discriminatory manner.

AWP contracts should be reviewed 9 months prior to the end of the contract to ensure the review of the service etc. has taken place.

The use of the Delta e-tendering portal, whilst not mandatory, will support compliance with tendering process by keeping an electronic audit of documentation.

An award under Any Willing Provider results in an NHS Standard Contract being awarded. This means a contract is awarded with zero activity i.e. it doesn't necessarily result in performance of a contract.
It is also good practice to issue a Prior Information Notice (PIN) and use the Delta e-tendering portal to support compliance with the tendering process and keeping an electronic audit of documentation.

**Building and Engineering Construction Works**

Competitive Tendering cannot be waived for building and engineering construction works and maintenance (other than in accordance with Concode) without Departmental of Health approval.

**Items which subsequently breach thresholds after original approval**

Items estimated to be below the limits set in this Standing Financial Instruction for which formal tendering procedures are not used which subsequently prove to have a value above such limits shall be reported to the Accountable Officer and Chief Finance Officer with full justification. A regular report of such incidents should be presented to the Audit Committee as part of its forward planner.

**Contracting/Tendering Procedure**

**Invitation to tender**

All invitations to tender shall state the date and time as being the latest time for the receipt of tenders.

All invitations to tender shall state that no tender will be accepted unless:

- submitted in a plain sealed package or envelope bearing a pre-printed label supplied by the group (or the word “tender” followed by the subject to which it related) and the latest date and time for the receipt of such tender addressed to the Accountable Officer or nominated Manager;

- that tender envelopes/packages shall not bear any names or marks indicating the sender. The use of courier/postal services must not identify the sender on the envelope or on any receipt so required by the deliverer.

Every tender for goods, materials, services or disposals shall embody such of the NHS Standard Contract Conditions as are applicable.

Every tender for building or engineering works (except for maintenance work, when Estmancode guidance shall be followed) shall embody or be in the terms of the current edition of one of the Joint Contracts Tribunal Standard Forms of Building Contract or Department of the Environment (GC/Wks) Standard forms of contract amended to comply with Concode; or, when the content of the work is primarily engineering, the General Conditions of Contract recommended by the Institution of Mechanical and Electrical Engineers and the Association of Consulting Engineers (Form A), or (in the case of civil engineering work) the General Conditions of Contract recommended by the Institute of Civil Engineers, the Association of Consulting Engineers and the Federation of Civil Engineering Contractors. These documents shall be modified and/or amplified to accord with Department of Health guidance and, in minor respects, to cover special features of individual projects.

Every tender must have given, or give a written undertaking, not to engage in collusive tendering or other restrictive practice; and must agree to comply with the group’s Anti-Bribery Policy.
E-tendering

In the case of goods and services procured via E-tendering, the procedures outlined in paragraphs 1.6.3 -1.6.4 will be modified to reflect that:

Tenders are received electronically by the E-tendering system.

Tenders will be opened at the official opening time / date by procurement staff and the system will maintain a log of access.

The system will log any documents added during the procurement period and all communication between the parties using the system.

Any amendments to documents post opening will be logged manually along with the identity of the person making the change and the reason for the change.

The system’s audit log and the manual log will be periodically reviewed by a senior officer and will be available for inspection by Internal Audit as and when required.

Receipt and safe custody of tenders

The Accountable Officer or a nominated representative will be responsible for the receipt, endorsement and safe custody of tenders received until the time appointed for their opening.

The date and time of receipt of each tender shall be endorsed on the tender envelope/package.

Opening tenders and Register of Tenders

As soon as practicable after the date and time stated as being the latest time for the receipt of tenders, they shall be opened by two senior officers/managers designated by the Accountable Officer and not from the originating department.

A member of the Governing Body will be required to be one of the two approved persons present for the opening of tenders estimated above £100,000. The member must not have an interest in the tender. The rules relating to the opening of tenders will need to be read in conjunction with any delegated authority set out in the Detailed Scheme of Delegation.

The "originating" Department will be taken to mean the Department sponsoring or commissioning the tender.

The involvement of Finance Directorate staff in the preparation of a tender proposal will not preclude the Chief Finance Officer or any approved senior manager from the Finance Directorate from serving as one of the two senior managers to open tenders.

All lay/executive members will be authorised to open tenders regardless of whether they are from the originating department provided that the other authorised person opening the tenders with them is not from the originating department. The Company Secretary will count as a Director for the purposes of opening tenders.

Every tender received shall be marked with the date of opening and initialled by those present at the opening.

A register shall be maintained by the Accountable Officer, or a person authorised by him, to show for each set of competitive tender invitations despatched:
- the name of all firms and/or individuals invited to tender;
- the names of firms and/or individuals from which tenders have been received;
- the date the tenders were received and opened;
- the persons present at the opening;
- the price shown on each tender;
- a note where price alterations have been made on the tender and suitably initialled.

Each entry to this register shall be signed by those present.

A note shall be made in the register if any one tender price has had so many alterations that it cannot be readily read or understood.

Incomplete tenders (i.e. those from which information necessary for the adjudication of the tender is missing), and amended tenders (i.e. those amended by the tenderer upon his/her own initiative either orally or in writing after the due time for receipt, but prior to the opening of other tenders), should be dealt with in the same way as late tenders. (paragraph 1.6.6 below).

Admissibility

If for any reason the designated officers are of the opinion that the tenders received are not strictly competitive (for example, because their numbers are insufficient or any are amended, incomplete or qualified) no contract shall be awarded.

Where only one tender is sought and/or received, the Accountable Officer and/or Chief Finance Officer shall, as far practicable, ensure that the price to be paid is fair and reasonable and will ensure value for money.

Late tenders

Tenders received after the due time and date, but prior to the opening of the other tenders, may be considered only if the Accountable Officer or his/her nominated officer decides that there are exceptional circumstances i.e. dispatched in good time but delayed through no fault of the tenderer.

Only in the most exceptional circumstances will a tender be considered which is received after the opening of the other tenders and only then if the tenders that have been duly opened have not left the custody of the Accountable Officer or his/her nominated officer or if the process of evaluation and adjudication has not started.

While decisions as to the admissibility of late, incomplete or amended tenders are under consideration, the tender documents shall be kept strictly confidential, recorded, and held in safe custody by the Accountable Officer or his/her nominated officer.

Accepted late tenders will be reported to the Governing Body.

Acceptance of formal tenders
Any discussions with a tenderer which are deemed necessary to clarify technical aspects of his/her tender before the award of a contract will not disqualify the tender.

The lowest tender, if payment is to be made by the group, or the highest, if payment is to be received by the group, shall be accepted unless there are good and sufficient reasons to the contrary. Such reasons shall be set out in either the contract file, or other appropriate record. It is accepted that for professional services such as management consultancy, the lowest price does not always represent the best value for money. Other factors affecting the success of a project include:

- experience and qualifications of team members;
- understanding of client's needs;
- feasibility and credibility of proposed approach;
- ability to complete the project on time.

Where other factors are taken into account in selecting a tenderer, these must be clearly recorded and documented in the contract file, and the reason(s) for not accepting the lowest tender clearly stated.

No tender shall be accepted which will commit expenditure in excess of that which has been allocated by the group and which is not in accordance with these Instructions except with the authorisation of the Accountable Officer.

The use of these procedures must demonstrate that the award of the contract was:

- not in excess of the going market rate / price current at the time the contract was awarded;
- that best value for money was achieved.

All tenders should be treated as confidential and should be retained for inspection.

**Tender reports to the Governing Body**

Reports to the Governing Body will be made on an exceptional circumstance basis only.

**List of approved firms**

**Responsibility for maintaining list**

A manager nominated by the Accountable Officer shall on behalf of the group maintain lists of approved firms from who tenders and quotations may be invited. These shall be kept under frequent review. The lists shall include all firms who have applied for permission to tender and as to who’s technical and financial competence the group is satisfied. All suppliers must be made aware of the group’s terms and conditions of contract.

**Building and Engineering Construction Works**

(i) Invitations to tender shall be made only to firms included on the approved list of tenderers compiled in accordance with this Instruction
or on the separate maintenance lists compiled in accordance with Estmancode guidance (Health Notice HN(78)147).

(ii) Firms included on the approved list of tenderers shall ensure that when engaging, training, promoting or dismissing employees or in any conditions of employment, shall not discriminate against any person because of colour, race, ethnic or national origins, religion, or sex, and will comply with the provisions of the , the Employment Equality (Age) Regulations 2006 Act 2010.

(iii) Firms shall conform at least with the requirements of the Health and Safety at Work Act and any amending and/or other related legislation concerned with the health, safety and welfare of workers and other persons, and to any relevant British Standard Code of Practice issued by the British Standard Institution. Firms must provide to the appropriate manager a copy of its safety policy and evidence of the safety of plant and equipment, when requested.

Financial Standing and Technical Competence of Contractors

The Chief Finance Officer may make or institute any enquiries he/she deems appropriate concerning the financial standing and financial suitability of approved contractors. The Director with lead responsibility for clinical governance will similarly make such enquiries as is felt appropriate to be satisfied as to their technical / medical competence.

Exceptions to using approved contractors

If in the opinion of the Accountable Officer and the Chief Finance Officer or the Director with lead responsibility for clinical governance it is impractical to use a potential contractor from the list of approved firms/individuals (for example where specialist services or skills are required and there are insufficient suitable potential contractors on the list), or where a list for whatever reason has not been prepared, the Accountable Officer should ensure that appropriate checks are carried out as to the technical and financial capability of those firms that are invited to tender or quote.

An appropriate record in the contract file should be made of the reasons for inviting a tender or quote other than from an approved list.

Quotations: Competitive and non-competitive

General Position on quotations

Written quotations are required where formal tendering procedures are not adopted.

Competitive Quotations

(i) Quotations should be obtained from at least three firms/individuals based on an agreed specification.

(ii) Quotations should be in writing unless the Accountable Officer or his nominated officer determines that it is impractical to do so in which case quotations may be obtained by telephone. Confirmation of telephone quotations should be obtained as soon as possible and the reasons why the telephone quotation was obtained should be set out in a permanent record.
(iii) All quotations should be treated as confidential and should be retained for inspection.

(iv) The Accountable Officer or his nominated officer should evaluate the quotation and select the quote, which gives the best value for money. If this is not the lowest quotation if payment is to be made by the group, or the highest if payment is to be received by the group, then the choice made and the reasons why should be recorded in a permanent record.

Non-Competitive Quotations

Non-competitive quotations in writing may be obtained in the following circumstances:

(i) the supply of proprietary or other goods of a special character and the rendering of services of a special character, for which it is not, in the opinion of the Accountable Officer, possible or desirable to obtain competitive quotations;

(ii) the supply of goods or manufactured articles of any kind which are required quickly and are not obtainable under existing contracts;

(iii) miscellaneous services, supplies and disposals;

(iv) where the goods or services are for building and engineering maintenance the responsible works manager must certify that the first two conditions of this section 1.7.3 (i.e.: (i) and (ii) of this paragraph) apply.

Quotations to be within Financial Limits

No quotation shall be accepted which will commit expenditure in excess of that which has been allocated by the group and which is not in accordance with Prime Financial Policies except with the authorisation of either the Accountable Officer or Chief Finance Officer.

Authorisation of Tenders and Competitive Quotations

Providing all the conditions and circumstances set out in these Prime Financial Policies have been fully complied with, formal authorisation and awarding of a contract may be decided by the following staff to the value of the contract as follows:

<table>
<thead>
<tr>
<th>Authority</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budget Manger (minimum 2 written quotes)</td>
<td>up to £10,000</td>
</tr>
<tr>
<td>Chief Finance Officer or Nominated deputy or Executive Director (minimum 3 written quotes)</td>
<td>up to £20,000</td>
</tr>
<tr>
<td>Chief Officer (minimum 3 competitive tenders)</td>
<td>up to £100,000</td>
</tr>
<tr>
<td>Chief Officer and Lay Member under seal (minimum 3 competitive tenders)</td>
<td>up to £250,000</td>
</tr>
<tr>
<td>Governing Body approval required, for Chief Officer and Lay Member to execute under seal.</td>
<td>over £250,000</td>
</tr>
</tbody>
</table>
These levels of authorisation may be varied or changed and need to be read in conjunction with the Detailed Scheme of Delegation.

Formal authorisation must be put in writing. In the case of authorisation by the Governing Body this shall be recorded in their minutes.

**Instances where formal competitive tendering or competitive quotation is not required**

Where competitive tendering or a competitive quotation is not required, the group should adopt one of the following alternatives:

- use the NHS Purchasing & Supplies Agency for procurement of all goods and services unless the Accountable Officer or nominated officers deem it inappropriate. The decision to use alternative sources must be documented.

- procure goods and services in accordance with procurement procedures approved by the Chief Finance Officer.

**Private Finance for capital procurement**

The group should normally market-test for PFI (Private Finance Initiative funding) when considering a capital procurement. When the Governing Body proposes, or is required, to use finance provided by the private sector the following should apply:

The Accountable Officer shall demonstrate that the use of private finance represents value for money and genuinely transfers risk to the private sector.

Where the sum exceeds delegated limits, a business case must be referred to the appropriate Department of Health for approval or treated as per current guidelines.

The proposal must be specifically agreed by the Governing Body.

The selection of a contractor/finance company must be on the basis of competitive tendering or quotations.

**Compliance requirements for all contracts**

Each Governing Body may only enter into contracts on behalf of each group within the statutory powers delegated to it by the Secretary of State and shall comply with:

- Standing Orders and Prime Financial Policies;
- EU Directives and other statutory provisions;
- Such of the NHS Standard Contract Conditions as are applicable;
- Any relevant directions including the Capital Investment Manual, Estatecode and guidance on the Procurement and Management of consultants;
- Healthwatch;
- Contracts with Foundation Trusts must be in a form compliant with appropriate NHS guidance;

---

11 It is currently unclear as to whether clinical commissioning groups will be able to use private finance for capital procurement. This paragraph should be updated accordingly in line with future guidance from the Department of Health or NHS Commissioning Governing body.
Where appropriate contracts shall be in or embody the same terms and conditions of contract as was the basis on which tenders or quotations were invited;

In all contracts made by the group, the Governing Body shall endeavour to obtain best value for money by use of all systems in place. The Accountable Officer shall nominate an officer who shall oversee and manage each contract on behalf of the group.

Personnel and Agency or Temporary Staff Contracts

The Accountable Officer shall nominate officers with delegated authority to enter into contracts of employment, regarding staff, agency staff or temporary staff service contracts.

Health Services Agreements

Service agreements with NHS providers for the supply of healthcare services shall be drawn up in accordance with the NHS Operating Framework and administered by the group. Service agreements, other than service agreements with Foundation Trusts, are not contracts in law and are not enforceable by the courts.

The Accountable Officer shall nominate officers to commission service agreements with providers of healthcare in line with a commissioning strategy plan approved by the Governing Body.

Disposals

Competitive Tendering or Quotation procedures shall not apply to the disposal of:

- any matter in respect of which a fair price can be obtained only by negotiation or sale by auction as determined (or pre-determined in a reserve) by the Accountable Officer or his nominated officer;
- obsolete or condemned articles and stores, which may be disposed of in accordance with the supplies policy of the group;
- items to be disposed of with an estimated sale value of less than £1,000, this figure to be reviewed on a periodic basis;
- items arising from works of construction, demolition or site clearance, which should be dealt with in accordance with the relevant contract;
- land or buildings concerning which DH guidance has been issued but subject to compliance with such guidance.

In-house Services

The Accountable Officer shall be responsible for ensuring that best value for money can be demonstrated for all services provided on an in-house basis. The group may also determine from time to time that in-house services should be market tested by competitive tendering.

In all cases where the Governing Body determines that in-house services should be subject to competitive tendering the following groups shall be set up:

Specification group, comprising the Accountable Officer or nominated officer/s and specialist.
In-house tender group, comprising a nominee of the Accountable Officer and technical support.

Evaluation team, comprising normally a specialist officer, a supplies officer and a Chief Finance Officer representative. For services having a likely annual expenditure exceeding £1,000,000, a Lay Member should be a member of the evaluation team.

All groups should work independently of each other and individual officers may be a member of more than one group but no member of the in-house tender group may participate in the evaluation of tenders.

The evaluation team shall make recommendations to the Governing Body.

The Accountable Officer shall nominate an officer to oversee and manage the contract on behalf of the group.

**Applicability of Prime Financial Policies on Tendering and Contracting to funds held in trust (see overlap with Prime Financial Policy No. 20)**

These Instructions shall not only apply to expenditure from Exchequer funds but also to works, services and goods purchased from trust funds and private resources.

**Cancellation of Contracts**

Except where specific provision is made in standard NHS contracts or standard schedules of conditions approved for use within the NHS and in accordance with paragraph 1.2 to 1.4 above, there shall be inserted into every written contract a clause empowering the group to cancel the contract and to recover from the contractor the amount of any loss resulting from such cancellation, if the contractor shall have offered, or given or agreed to give, any person any gift or consideration of any kind as an inducement or reward for doing or forbearing to do or for having done or forborne to do any action in relation to the obtaining or execution of the contract or any other contract with the group, or for showing or forbearing to show favour or disfavour to any person in relation to the contracts or any other contract with the group, or if the like acts shall have been done by any person employed by him/her or acting on his/her behalf (whether with or without the knowledge of the contractor), or if in relation to any contract with the group the contractor or any person employed by him/her or acting on his/her behalf shall have committed any offence under the Prevention of Corruption Acts 1889 and 1916 and other appropriate legislation.

**Determination of Contracts for Failure to Deliver Goods or Material**

There shall be inserted in every written contract for the supply of goods or materials a clause to secure that, should the contractor fail to deliver the goods or materials or any portion thereof within the time or times specified in the contract, the group may without prejudice determine the contract either wholly or to the extent of such default and purchase other goods, or material of similar description to make good (a) such default, or (b) in the event of the contract being wholly determined the goods or materials remaining to be delivered. The clause shall further secure that the amount by which the cost of so purchasing other goods or materials exceeds the amount which would have been payable to the contractor in respect of the goods or materials shall be recoverable from the contractor.
Annex B

NHS Croydon Clinical Commissioning Group

Request for Waiver of Formal Tendering Procedures

To: ................ (please forward to the next signatory)

Accountable Officer

Chief Finance Officer

It is proposed to initiate a waiver of formal tendering procedures with the following company:

………………………………………………………………………………………………………..

Details of Service/Goods Required and Cost:

Copy of the tender attached Yes/No

Reason for single Action Tender - Please tick one or more reasons as necessary and provide a short explanation here, in particular stating why a waiver is sought:

Reason for Waiver Action:

Formal tendering procedures need not be applied where (tick as appropriate):

(a) the estimated expenditure or income does not, or is not reasonably expected to, exceed £20,000; or □

(b) where the supply is proposed under special arrangements negotiated by the DH in which event the said special arrangements must be complied with; □

(c) regarding disposals as set out in Prime Financial Policy No.19; (Disposal of Assets) □

(d) procuring health services, subject to applying the rules as set out in section 1.5.7 □

Formal tendering procedures may be waived in the following circumstances:

(e) in very exceptional circumstances where the Accountable Officer decides that formal tendering procedures would not be practicable or the estimated
expenditure or income would not warrant formal tendering procedures, and the circumstances are detailed in an appropriate group record; ☐

(f) where the requirement is covered by an existing contract; ☐

(g) where specialist expertise is required and is available from only one source; ☐

(h) when the task is essential to complete the project, and arises as a consequence of a recently completed assignment and engaging different consultants for the new task would be inappropriate; ☐

(i) where there is a clear benefit to be gained from maintaining continuity with an earlier project. However in such cases the benefits of such continuity must outweigh any potential financial advantage to be gained by competitive tendering; ☐

(j) for the provision of legal advice and services providing that any legal firm or partnership commissioned by the Trust is regulated by the Law Society for England and Wales for the conduct of their business (or by the Bar Council for England and Wales in relation to the obtaining of Counsel’s opinion) and are generally recognised as having sufficient expertise in the area of work for which they are commissioned. ☐

The Chief Finance Officer will ensure that any fees paid are reasonable and within commonly accepted rates for the costing of such work.

(k) where allowed and provided for in the Capital Investment Manual. ☐

(l) where the timescale genuinely precludes competitive tendering but failure to plan the work properly would not be regarded as a justification for a single tender; ☐

Notes: The waiving of competitive tendering procedures cannot be used to avoid competition or for administrative convenience, or to award further work to a consultant originally appointed through a competitive procedure.

Signed………………………………………….……. Date …………………………………

Designation ................................................................................................................

Director Comments………………………………………………………………………………

Agreed/ Not Agreed *

Signed………………………………….…………….  Date………………………………………….
Accountable Officer Comments………………………………………………………………..

…………………………………………………………………………………………………………

Agreed/ Not Agreed *

Signed .......................... Date..................................................

Accountable Officer

_________________________________________________________________________________

Reviewed by the Audit Committee on: Date..................................................

Outcome must be recorded in the minutes of the meeting

• delete as applicable
Appendix 5  Scheme of Reservation and Delegation

1. Schedule of Matters Reserved to the CCG and Scheme of Delegation

1.1 The arrangements made by the CCG as set out in this scheme of reservation and delegation of decisions will have effect as if incorporated in the Constitution.

1.2 The CCG remains accountable for all of its functions, including those that it has delegated

2. Functions reserved to the Members

2.1 The following are reserved for the Members:

- Request permission of the NHS Commissioning Board to amend the Constitution;
- Request to the NHSCB for a statutorily permissible change to the Geography of the CCG;
- Request to the NHSCB for a statutorily permissible change to the name of the CCG;
- Proposing de-selection of members of the Governing Body;
- Merger with another Clinical Commissioning Group where statutorily permissible.

3. The CCG delegate all of its functions at paragraph 2.1 of this scheme of reservation and delegation to the Council of Members

4. Functions delegated to the Governing Body

4.1 All other functions are delegated to the Governing Body.
5. **Functions delegated to the committees and sub-committees of the Governing Body**

The Governing Body delegates the following functions to the following committees:

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<thead>
<tr>
<th>Policy Area</th>
<th>Decision</th>
<th>Reserved to the Membership</th>
<th>Reserved or delegated to Governing Body</th>
<th>Accountable Officer</th>
<th>Chief Finance Officer</th>
<th>Committees and Sub-committees</th>
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<tbody>
<tr>
<td><strong>REGULATION AND CONTROL</strong></td>
<td>Determine the arrangements by which the members of the CCG approve those decisions that are reserved for the membership.</td>
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<td>REGULATION AND CONTROL</td>
<td>Consideration and approval of applications to the NHS Commissioning Board on any matter concerning changes to the CCG’s constitution, including terms of reference for the CCG’s Governing Body, its committees, membership of committees, the overarching scheme of reservation and delegated powers, arrangements for taking urgent decisions, standing orders and prime financial policies.</td>
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<td>REGULATION AND CONTROL</td>
<td>Exercise or delegation of those functions of the CCG which have not been retained as reserved to the Membership via the Council of Members, delegated to the Governing Body or other committee or sub-committee or any member.</td>
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<tr>
<td>REGULATION AND CONTROL</td>
<td>Prepare the CCG’s overarching scheme of reservation and delegation, which sets out those decisions of the CCG reserved to the membership and those delegated to the:</td>
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<td>and sets out those decisions of the Governing Body reserved to the Governing Body and those delegated to the:</td>
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<td>o an individual who is member of the CCG but not the Governing Body or a specified person for inclusion in the CCG’s constitution.</td>
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<td>REGULATION AND CONTROL</td>
<td>Approval of the CCG’s overarching scheme of reservation and delegation.</td>
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<td>REGULATION AND CONTROL</td>
<td>Prepare the CCG’s operational scheme of delegation, which sets out those key operational decisions delegated to individual employees of the CCG, not for inclusion in the CCG’s constitution.</td>
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<tr>
<td>REGULATION AND CONTROL</td>
<td>Approval of the CCG’s operational scheme of delegation that underpins the CCG’s ‘overarching scheme of reservation and delegation’ as set out in its constitution.</td>
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<td>REGULATION AND CONTROL</td>
<td>Prepare detailed financial policies that underpin the CCG’s prime financial policies.</td>
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<td>REGULATION AND CONTROL</td>
<td>Approve detailed financial policies.</td>
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<td>REGULATION AND CONTROL</td>
<td>Approve arrangements for managing exceptional funding requests.</td>
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<td>REGULATION AND CONTROL</td>
<td>Set out who can execute a document by signature / use of the seal</td>
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| PRACTICE MEMBER REPRESENTATIVES AND MEMBERS OF THE GOVERNING BODY          | Approve the arrangements for:  
  o identifying practice members to represent practices in matters concerning the work of the CCG; and  
  o appointing clinical leaders to represent the CCG’s membership on the CCG’s Governing Body, for example through election (if desired).                                                                                                                                                                                                 |                             | x                                      |                     |                     |                               |
<p>| PRACTICE MEMBER REPRESENTATIVES AND MEMBERS OF THE GOVERNING BODY          | Approve the appointment of Governing Body members, the process for recruiting and removing non-elected members to the Governing Body (subject to any regulatory requirements) and succession planning.                                                                                                                                                                                                 |                             | x                                      |                     |                     |                               |
| PRACTICE MEMBER REPRESENTATIVES AND MEMBERS OF THE GOVERNING BODY          | Approve arrangements for identifying the CCG’s proposed Accountable Officer.                                                                                                                                                                                                                                                              |                             | x                                      |                     |                     |                               |
| STRATEGY AND PLANNING                                                      | Agree the vision, values and overall strategic direction of the CCG.                                                                                                                                                                                                                                                                     |                             | x                                      |                     |                     |                               |</p>
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<td>STRATEGY AND PLANNING</td>
<td>Approval of the CCG’s operating structure.</td>
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<td>STRATEGY AND PLANNING</td>
<td>Approval of the CCG’s commissioning plan.</td>
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<td>STRATEGY AND PLANNING</td>
<td>Approval of the CCG’s corporate budgets that meet the financial duties as set out in section 5.3 of the main body of the constitution</td>
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<td>STRATEGY AND PLANNING</td>
<td>Approval of variations to the approved budget where variation would have a significant impact on the overall approved levels of income and expenditure or the CCG’s ability to achieve its agreed strategic aims.</td>
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<td>ANNUAL REPORTS AND ACCOUNTS</td>
<td>Approval of the CCG’s annual report and annual accounts.</td>
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<td>ANNUAL REPORTS AND ACCOUNTS</td>
<td>Approval of the arrangements for discharging the CCG’s statutory financial duties.</td>
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<td>HUMAN RESOURCES</td>
<td>Approve the terms and conditions, remuneration and travelling or other allowances for Governing Body members, including pensions and gratuities.</td>
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<td>HUMAN RESOURCES</td>
<td>Approve terms and conditions of employment for all employees of the CCG including, pensions, remuneration, fees and travelling or other allowances payable to employees and to other persons providing services to the CCG.</td>
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<td>HUMAN RESOURCES</td>
<td>Approve any other terms and conditions of services for the CCG’s employees.</td>
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<td>HUMAN RESOURCES</td>
<td>Determine the terms and conditions of employment for all employees of the CCG</td>
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<td>HUMAN RESOURCES</td>
<td>Determine pensions, remuneration, fees and allowances payable to employees and to other persons providing services to the CCG.</td>
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<td>HUMAN RESOURCES</td>
<td>Recommend pensions, remuneration, fees and allowances payable to employees and to other persons providing services to the CCG.</td>
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<td>HUMAN RESOURCES</td>
<td>Approve disciplinary arrangements for employees, including the Accountable Officer (where he/she is an employee or member of the CCG) and for other</td>
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<td>HUMAN RESOURCES</td>
<td>Approval of the arrangements for discharging the CCG’s statutory duties as an employer.</td>
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<td>HUMAN RESOURCES</td>
<td>Approve human resources policies for employees and for other persons working on behalf of the CCG</td>
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<td>QUALITY AND SAFETY</td>
<td>Approve arrangements, including supporting policies, to minimise clinical risk, maximise patient safety and to secure continuous improvement in quality and patient outcomes.</td>
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<td>QUALITY AND SAFETY</td>
<td>Approve arrangements for supporting the NHS Commissioning Board in discharging its responsibilities in relation to securing continuous improvement in the quality of general medical services.</td>
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<td>OPERATIONAL AND RISK MANAGEMENT</td>
<td>Prepare and recommend an operational scheme of delegation that sets out who has responsibility for operational decisions within the CCG.</td>
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<td>OPERATIONAL AND RISK MANAGEMENT</td>
<td>Approve the CCG’s counter fraud and security management arrangements</td>
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<td>OPERATIONAL AND RISK MANAGEMENT</td>
<td>Approval of the CCG’s risk management arrangements.</td>
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<td>OPERATIONAL AND RISK MANAGEMENT</td>
<td>Approve arrangements for risk sharing and or risk pooling with other organisations (for example arrangements for pooled funds with other CCGs or pooled budget arrangements under section 75 of the NHS Act 2006).</td>
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<td>OPERATIONAL AND RISK MANAGEMENT</td>
<td>Approval of a comprehensive system of internal control, including budgetary control, that underpin the effective, efficient and economic operation of the CCG</td>
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<td>OPERATIONAL AND RISK MANAGEMENT</td>
<td>Approve proposals for action on litigation and claims handling against or on behalf of the CCG.</td>
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<td>OPERATIONAL AND RISK MANAGEMENT</td>
<td>Approve the CCG’s arrangements for business continuity and emergency planning.</td>
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</tr>
<tr>
<td>OPERATIONAL AND RISK MANAGEMENT</td>
<td>Approve the CCG’s arrangements for handling complaints.</td>
<td>x</td>
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</tr>
<tr>
<td>INFORMATION GOVERNANCE</td>
<td>Approval of the arrangements for ensuring appropriate and safekeeping and confidentiality of records and for the storage, management and transfer of information and data.</td>
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<tr>
<td>TENDERING AND CONTRACTING</td>
<td>Approval of the CCG’s contracts for any commissioning support.</td>
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<tr>
<td>TENDERING AND CONTRACTING</td>
<td>Approval of the CCG’s contracts for corporate support (for example finance provision)</td>
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<tr>
<td>PARTNERSHIP WORKING</td>
<td>Approve decisions delegated to joint committees established under section 75 of the 2006 Act.</td>
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<tr>
<td>COMMISSIONING AND CONTRACTING FOR CLINICAL SERVICES</td>
<td>Approval of the arrangements for discharging the CCG’s statutory duties associated with its commissioning functions, including but not limited to promoting the involvement of each patient, patient choice, reducing inequalities, improvement in the quality of services,</td>
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<tr>
<td>Policy Area</td>
<td>Decision</td>
<td>Reserved to the Membership</td>
<td>Reserved or delegated to Governing Body</td>
<td>Accountable Officer</td>
<td>Chief Finance Officer</td>
<td>Committees and Sub-committees</td>
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<td></td>
<td>obtaining appropriate advice and public engagement and consultation.</td>
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<tr>
<td>COMMISSIONING AND CONTRACTING FOR CLINICAL SERVICES</td>
<td>Approve arrangements for co-ordinating the commissioning of services with other CCGs and or with the local authority(ies), where appropriate</td>
<td></td>
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<tr>
<td>COMMUNICATIONS/INFORMATION GOVERNANCE</td>
<td>Approving arrangements for handling Freedom of Information requests.</td>
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<td></td>
<td>Determining arrangements for handling Freedom of Information requests.</td>
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<tr>
<td></td>
<td>Approving a comprehensive Publication Scheme for the CCG</td>
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</table>
Appendix 6  Detailed Scheme of Delegation

The delegation limits contained in this document are the **lowest level to which authority is delegated**. Delegation to lower levels is only permitted with written approval of the Accountable Officer who will, before authorising such delegation, consult with other senior officers as appropriate. Review of this Scheme of Delegation should take place at least annually and any changes approved by the Audit Committee.

**Definitions used in the detailed scheme of delegation**

<table>
<thead>
<tr>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Level 4</th>
<th>Level 5</th>
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<tbody>
<tr>
<td>Accountable</td>
<td>Executive Director</td>
<td>Senior Manager</td>
<td>Budget Manager</td>
<td>Reviewer / Recommender</td>
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<tr>
<td>Officer</td>
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<td>Accountable</td>
<td>Chief Finance Officer (CCG)</td>
<td>Head of Finance Croydon (CSU)</td>
<td></td>
<td>As delegated by budget holder</td>
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<tr>
<td>Officer (CCG)</td>
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<tr>
<td>Director of</td>
<td></td>
<td>Head of Governance (CSU)</td>
<td></td>
<td>As delegated by budget holder</td>
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<tr>
<td>Quality and</td>
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<tr>
<td>Governance</td>
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<td>(CCG)</td>
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<tr>
<td>Director of</td>
<td>Deputy Director of Commissioning</td>
<td>Commissioning Manager – Mental</td>
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<td>As delegated by budget holder</td>
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<tr>
<td>Commissioning</td>
<td>and Transformation (ICU)</td>
<td>Health (ICU)</td>
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<td>(CCG)</td>
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<td></td>
<td>Commissioning Manager – Learning</td>
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<td>As delegated by budget holder</td>
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<td></td>
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<td>Disabilities (ICU-LA)</td>
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<td></td>
<td></td>
<td>Commissioning Manager – Planned</td>
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<td>As delegated by budget holder</td>
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<td></td>
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<td>Care (ICU)</td>
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<td></td>
<td></td>
<td>Head of Continuing Care (CSU)</td>
<td></td>
<td>As delegated by budget holder</td>
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<td></td>
<td></td>
<td>Head of Medicines Management</td>
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<td>As delegated by budget holder</td>
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<td></td>
<td></td>
<td>(CSU)</td>
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<td></td>
<td></td>
<td>Commissioning Manager – Long</td>
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<td>As delegated by budget holder</td>
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<td>Term Conditions/Urgent Care (ICU)</td>
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<td></td>
<td>Head of Acute Commissioning</td>
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<td>As delegated by budget holder</td>
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<td></td>
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<td>(ACU)</td>
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<td>Acute Commissioning Manager</td>
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<td>(CSU)</td>
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<tr>
<td>Delegated Matter</td>
<td>Lowest Level Authority Delegated To</td>
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<tr>
<td><strong>1. Management of Budgets</strong></td>
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<tr>
<td>Responsibility of keeping expenditure within budgets. Authority to spend is only extended where approved budget is available.</td>
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<tr>
<td>(a) At individual budget level (Pay and Non-Pay)</td>
<td>Budget Manager</td>
<td></td>
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<td></td>
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<tr>
<td>(b) At service level</td>
<td>Executive Director</td>
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<tr>
<td>(c) For the totality of services covered by healthcare commissioning</td>
<td>Accountable Officer</td>
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<tr>
<td>(d) For all other areas (e.g. functional or management support activities)</td>
<td>Accountable Officer or Appropriate Executive Director</td>
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<tr>
<td>(e) Approving expenditure where there is a variation in the tender price up to 10% or £250,000 whichever is the higher</td>
<td>Accountable Officer</td>
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<tr>
<td>(f) Approving expenditure where there is a variation in the tender price greater than 10% or £250,000, whichever is the higher</td>
<td>Governing Body</td>
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<tr>
<td><strong>2. Virements</strong></td>
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<tr>
<td>Virements may not be used to create new budgets.</td>
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<tr>
<td>(a) At individual budget level within a service up to £10,000</td>
<td>Budget Manager</td>
<td></td>
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<tr>
<td>(b) At individual budget level within a service £10,000-£25,000</td>
<td>Executive Director</td>
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<tr>
<td>(c) At individual budget level within a service over £25,000 and less than £100,000</td>
<td>Chief Finance Officer</td>
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<tr>
<td>(d) Between Services up to £250,000</td>
<td>Accountable Officer</td>
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<tr>
<td>(f) Between Services greater than £250,000</td>
<td>Governing Body</td>
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<tr>
<td><strong>3. Maintenance / Operation of Bank Accounts</strong></td>
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<tr>
<td>Chief Finance Officer</td>
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<tr>
<td><strong>4. Non-Pay Revenue and Capital Expenditure Requisition/Ordering/Payment of Goods &amp; Services</strong></td>
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<tr>
<td>(a) Requisitions/Orders and Payment Authorisation</td>
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<tr>
<td>• All requisitions up to £10,000</td>
<td>Budget Manager</td>
<td></td>
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<tr>
<td>• All requisitions from £10,000 - £25,000</td>
<td>Senior Manager</td>
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<tr>
<td>• All requisitions from £25,000 - £100,000</td>
<td>Chief Finance Officer or Executive Director</td>
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<tr>
<td>• All requisitions from £100,000 - £250,000</td>
<td>Accountable Officer</td>
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<tr>
<td>• All requisitions over £250,000</td>
<td>Governing Body</td>
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<tr>
<td>• Pharmacy orders up to £100,000</td>
<td>Head or Medicines Management (CSU)</td>
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<tr>
<td>• Pharmacy orders £100,000 - £250,000</td>
<td>Accountable Officer</td>
<td></td>
<td></td>
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<tr>
<td>• Works orders up to £100,000</td>
<td>Head of Estates (or equivalent)</td>
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<tr>
<td>• Works orders £100,000 - £250,000</td>
<td>Accountable Officer</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Pharmacy and works orders over £250,000</td>
<td>Governing Body</td>
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<td></td>
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</tr>
<tr>
<td>(b) Non pay expenditure for which no specific budget has been set up (i.e. unbudgeted expenditure) and which is not subject to funding under delegated powers of virement (subject to the limits specified above in (a))</td>
<td>Accountable Officer AND Chief Finance Officer</td>
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<tr>
<td>Delegated Matter</td>
<td>Lowest Level Authority Delegated To</td>
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<tr>
<td>(c) Orders exceeding 12 month period (other than under contract)</td>
<td>Chief Finance Officer OR Accountable Officer</td>
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<td><strong>5. Capital Schemes</strong></td>
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<tr>
<td>(a) Selection of architects, quantity surveyors, consultant engineer and other</td>
<td>Accountable Officer OR Chief Finance Officer OR Head of Estates (or</td>
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<tr>
<td>professional advisers within EU regulations</td>
<td>equivalent)</td>
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<tr>
<td>(b) Financial monitoring and reporting on all capital scheme expenditure</td>
<td>Chief Finance Officer OR Nominated Deputy</td>
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</tr>
<tr>
<td>(c) Granting and termination of leases with annual rent less than £250,000</td>
<td>Accountable Officer AND Chief Finance Officer UNDER SEAL</td>
<td></td>
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</tr>
<tr>
<td>(d) Granting and termination of leases with annual rent greater than £250,000</td>
<td>Governing Body</td>
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<tr>
<td><strong>6. Quotation, Tendering &amp; Contract Procedures</strong></td>
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<tr>
<td>(a) Goods/services up to £10,000 (Minimum of 2 written quotes required)</td>
<td>Budget Manager</td>
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<tr>
<td>(b) Goods/services from £10,000 - £20,000 (Minimum of 3 written quotations</td>
<td>Chief Finance Officer OR Nominated Deputy OR Executive Director</td>
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<td>required)</td>
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<tr>
<td>(c) Goods/services from £20,000 - £100,000 (Minimum of 3 competitive tenders</td>
<td>Accountable Officer</td>
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<td>required)</td>
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<tr>
<td>(d) Goods/services from £100,000 - £250,000 (Minimum of 3 competitive tenders</td>
<td>Accountable Officer AND Lay Member UNDER SEAL</td>
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<tr>
<td>required) - subject to OJEU tender limits (Procurement Part B guidance)</td>
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<tr>
<td>(e) Goods/services above £250,000 (Minimum of 3 competitive tenders required)</td>
<td>Governing Body approval, executed by Accountable Officer AND Lay Member</td>
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<tr>
<td>- subject to OJEU tender limits (Procurement Part B guidance)</td>
<td>UNDER SEAL</td>
<td></td>
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<tr>
<td>(f) Waiving of quotations and tenders subject to Prime Financial Policies</td>
<td>Accountable Officer OR Chief Finance Officer. The Chief Finance Officer</td>
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<td>must also ensure the Audit Committee notes tender waivers.</td>
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<tr>
<td>(g) Opening Tenders and competitive quotations</td>
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<tr>
<td>▪ Estimated value up to £100,000</td>
<td>Two senior officers/managers designated by the Accountable Officer and</td>
<td></td>
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<tr>
<td></td>
<td>not from the originating department</td>
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<tr>
<td>▪ Estimated value over £100,000</td>
<td>Two senior officers/managers designated by the Accountable Officer and</td>
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<tr>
<td></td>
<td>not from the originating department, including a member of the</td>
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<tr>
<td></td>
<td>Governing Body, including a member of the Governing Body</td>
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<tr>
<td>(h) Authorisation of payments to public partnership schemes under existing</td>
<td>Chief Finance Officer</td>
<td></td>
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<tr>
<td>contracts</td>
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<tr>
<td><strong>7. Setting of Fees and Charges (Income generation)</strong></td>
<td>Chief Finance Officer</td>
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</tr>
<tr>
<td><strong>8. Discretionary Grants to Local Authorities/Voluntary Bodies (if applicable)</strong></td>
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<tr>
<td>(a) Discretionary Grants less than £50,000</td>
<td>Director of Commissioning</td>
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<tr>
<td>(b) Discretionary Grants more than £50,000 and less than £250,000</td>
<td>Accountable Officer</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>(c) Discretionary Grants more than £250,000</td>
<td>Governing Body</td>
<td></td>
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<tr>
<td><strong>9. Commissioning Expenditure</strong></td>
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<tr>
<td>Delegated Matter</td>
<td>Lowest Level Authority Delegated To</td>
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<tr>
<td>(a) Signing NHS Service Level Agreements (SLAs) approved within Annual Budget</td>
<td>Accountable Officer OR Executive Director delegated by the Accountable Officer</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>(b) Regular Monthly instalments of approved Service Level Agreements: less than £15,000,000</td>
<td>Head of Acute Commissioning OR Head of Croydon Finance OR Head of Acute Finance</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>(c) Further reimbursement of expenditure within approved allocation: Less than £250,000</td>
<td>Accountable Officer</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>(d) Over / under performance of commissioning contracts:</td>
<td>Director of Commissioning IN CONJUNCTION WITH Head of Acute Commissioning and chief Finance Officer</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>• Agreement of over/under performance</td>
<td>Chief Finance Officer</td>
<td></td>
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</tr>
<tr>
<td>• Authorisation of over performance payments</td>
<td>Chief Finance Officer</td>
<td></td>
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</tr>
<tr>
<td>(e) Other Commissioning Expenditure (e.g. non NHS contacts, Non Contract Activity (NCAs), Individual Funding Requests (IFRs))</td>
<td>Refer to Section 4(a) Non Pay Delegated Limits</td>
<td></td>
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</tbody>
</table>

10. Engagement of Staff Not On the Establishment and Variation to Commissioning Support SLAs.

| (a) Where aggregate commitment is no more than £100,000                          | Executive Director                                                     |
| (b) Where aggregate commitment in any one year is more than £100,000             | Accountable Officer OR Chief Finance Officer                           |
| (c) Engagement of CCG's solicitors                                               | Accountable Officer OR Executive Director                              |
| (d) Appointment of Agency, Interim and Consultants                                | WITHIN BUDGET FOR CCG/ICU – Executive Director                        |
|                                                                                   | UNBUDGETED – Refer to 4(b) Accountable Officer and Chief Finance Officer |

11. Expenditure on Charitable and Endowment Funds (Funds entrusted to Croydon Health Services NHS Trust)

<table>
<thead>
<tr>
<th></th>
<th>Accountable Officer OR Chief Finance Officer</th>
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</thead>
<tbody>
<tr>
<td>• Up to £500</td>
<td>Director of Finance (Croydon Health Services NHS Trust)</td>
</tr>
<tr>
<td>• Up to £1,000 per request</td>
<td>Trustees (Croydon Health Services NHS Trust)</td>
</tr>
<tr>
<td>• Above £1,000 per request</td>
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</tr>
</tbody>
</table>

12. Agreements/Licences

| (a) Preparation and signature of all tenancy agreements/licences for all staff subject to CCG policy on accommodation for staff | Chief Finance Officer                                               |
| (b) Extensions to existing leases                              | Chief Finance Officer OR Accountable Officer                        |
| (c) Letting of premises to/from outside organisations          | Chief Finance Officer AND Accountable Officer                       |
| (d) Approval of rent based on professional assessment           | Chief Finance Officer                                               |

13. Condemning & Disposal

| (a) Items obsolete, obsolescent, redundant, irreparable or cannot be repaired cost effectively: |                                                                       |
### Delegated Matter

<table>
<thead>
<tr>
<th>Delegated Matter</th>
<th>Lowest Level Authority Delegated To</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) with current/estimated purchase price less than £500</td>
<td>Budget Manager (or equivalent)</td>
</tr>
<tr>
<td>(ii) with current/estimated purchase price more than £500</td>
<td>Accountable Officer OR Chief Finance Officer</td>
</tr>
<tr>
<td>(iii) disposal of mechanical and engineering plant (subject to estimated income of less than £1,000 per sale)</td>
<td>Budget Manager</td>
</tr>
<tr>
<td>(iv) disposal of mechanical and engineering plant (subject to estimated income exceeding £1,000 per sale)</td>
<td>Accountable Officer OR Chief Finance Officer</td>
</tr>
</tbody>
</table>

#### 14. Losses, Write-off & Compensation

(In conjunction with Audit Committee)

(a) Losses and cash due to theft, fraud, overpayment and others up to £50,000  
(b) Fruitless Payments (including abandoned Capital Schemes)

- up to £100,000  
- Greater than 100,000 and less than £250,000  
- Greater than £250,000

(c) Bad Debts and Claims Abandoned. Private Patients, Overseas Visitors & Other Up to £100,000

(d) damage to buildings, fittings, furniture and equipment and loss of equipment and property in stores and in use due to: Culpable causes (e.g. fraud, theft, arson) or other up to £100,000  
(e) Compensation payments made under legal obligation  
(f) Extra contractual payments to contractors up to £100,000

#### Ex gratia payments

(g) Patients and staff for loss of personal effects:  
- Less than £500  
- Between £500 and £5,000  
- Between £5,000 and £50,000  
- Greater than £250,000

(h) For clinical negligence up to £1,000,000 (negotiated settlements)  
(b) For personal injury claims involving negligence where legal advice has been obtained and guidance applied. Up to £1,000,000 (including plaintiff's costs)

(i) Other, except cases of maladministration where there was no financial loss by claimant - £50,000  
(j) Write off of NHS or Non-NHS debtors

- Up to £250,000  
- Greater than £250,000

#### 15. Reporting of Incidents to the Police

(a) Where a criminal offence is suspected

- (i) Criminal offence of a violent nature  
- (ii) Theft  
- (iii) Other

- Responsible Manager (or equivalent)  
- Responsible Manager or Executive Director (or equivalent)  
- Responsible Manager (or equivalent)
<table>
<thead>
<tr>
<th>Delegated Matter</th>
<th>Lowest Level Authority Delegated To</th>
</tr>
</thead>
<tbody>
<tr>
<td>(b) Where a fraud is involved (following referral to the Counter Fraud service)</td>
<td>Chief Finance Officer</td>
</tr>
<tr>
<td>(c) Where an incident occurs out of normal working hours</td>
<td>On call Duty Manager/Director</td>
</tr>
<tr>
<td><strong>16. Petty Cash Disbursement</strong></td>
<td></td>
</tr>
<tr>
<td>Not applicable – CCG will not operate a petty cash system. Staff reimbursement of expenses is via payroll.</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>17. Receiving Gifts &amp; Hospitality</strong></td>
<td></td>
</tr>
<tr>
<td>You must ensure that the best interests of the public and patients/clients are upheld in decision making and that any decisions are not improperly influenced by gifts or inducements (as set out in the Code of Conduct for NHS Managers).</td>
<td>Declaration required in CCG’s Hospitality Register</td>
</tr>
<tr>
<td>In the exceptional circumstances that a gift or hospitality is accepted, both individual and collective hospitality receipt items in excess of £25 per item received must be declared.</td>
<td></td>
</tr>
<tr>
<td><strong>18. Implementation of Internal and External Audit Recommendations</strong></td>
<td>Chief Finance Officer or responsible manager</td>
</tr>
<tr>
<td><strong>19. Maintenance &amp; Update of CCG Financial Procedures</strong></td>
<td>Chief Finance Officer</td>
</tr>
<tr>
<td><strong>20. Personnel &amp; Pay (CCG Directors and JCU Staff only)</strong></td>
<td></td>
</tr>
<tr>
<td>(a) Authority to fill funded post on the establishment with permanent staff</td>
<td>Executive Director</td>
</tr>
<tr>
<td>(b) Authority to appoint staff not on the formal establishment</td>
<td>Accountable Officer</td>
</tr>
<tr>
<td>(c) Additional Increments</td>
<td>Accountable Officer (with advice from the Director of Human Resources or equivalent)</td>
</tr>
<tr>
<td>The granting of additional increments to staff within budget</td>
<td></td>
</tr>
<tr>
<td>(d) Upgrading &amp; Re-grading</td>
<td>Accountable Officer</td>
</tr>
<tr>
<td>All requests for upgrading/re-grading shall be dealt with in accordance with CCG procedure</td>
<td></td>
</tr>
<tr>
<td>(e) Establishments</td>
<td></td>
</tr>
<tr>
<td>(i) Additional staff to the agreed establishment with specifically allocated finance</td>
<td>Accountable Officer</td>
</tr>
<tr>
<td>(ii) Additional staff to the agreed establishment without specifically allocated finance</td>
<td>Accountable Officer AND Chief Finance Officer</td>
</tr>
<tr>
<td>(f) Pay</td>
<td></td>
</tr>
<tr>
<td>(i) Authority to complete standing data forms affecting pay, new starters, variations and leavers</td>
<td>Executive Director</td>
</tr>
<tr>
<td>(ii) Authority to complete and authorise positive reporting forms</td>
<td>Budget Manager</td>
</tr>
<tr>
<td>(iii) Authority to authorise overtime</td>
<td>Executive Director</td>
</tr>
<tr>
<td>(iv) Authority to authorise travel and subsistence expenses</td>
<td>Budget Manager</td>
</tr>
<tr>
<td>(v) Approval of Performance Related Pay Assessment</td>
<td>Remuneration Committee</td>
</tr>
<tr>
<td>(g) Leave</td>
<td></td>
</tr>
<tr>
<td>(i) Approval of annual leave</td>
<td>Budget Manager</td>
</tr>
<tr>
<td>Delegated Matter</td>
<td>Lowest Level Authority Delegated To</td>
</tr>
<tr>
<td>------------------------------------------------------</td>
<td>--------------------------------------------------------------</td>
</tr>
<tr>
<td>(ii) Annual leave – approval of carry forward up to a maximum of 5 days</td>
<td>Senior Manager</td>
</tr>
<tr>
<td>(iii) Annual Leave – approval of carry forward in excess of 5 days but no more than 10 days</td>
<td>Executive Director</td>
</tr>
<tr>
<td>(iv) Annual Leave – approval to carry forward more than 10 days</td>
<td>Accountable Officer</td>
</tr>
<tr>
<td>(v) Compassionate leave up to 3 days</td>
<td>Executive Director</td>
</tr>
<tr>
<td>(vi) Compassionate leave up to 6 days</td>
<td>Accountable Officer</td>
</tr>
<tr>
<td>(vii) Special leave arrangements</td>
<td></td>
</tr>
<tr>
<td>• Paternity Leave</td>
<td>Accountable Officer</td>
</tr>
<tr>
<td>• Carers leave (up to 5 days)</td>
<td>Senior Manager</td>
</tr>
<tr>
<td>(viii) Leave without pay</td>
<td>Executive Director</td>
</tr>
<tr>
<td>(ix) Medical Staff Leave of Absence – Paid and Unpaid</td>
<td>Accountable Officer</td>
</tr>
<tr>
<td>(x) Time off in lieu</td>
<td>Executive Director</td>
</tr>
<tr>
<td>(xi) Maternity Leave – Paid and Unpaid</td>
<td>Accountable Officer</td>
</tr>
<tr>
<td>(h) Sick Leave</td>
<td></td>
</tr>
<tr>
<td>(i) Extension of sick leave on half pay up to 3 months</td>
<td>Accountable Officer</td>
</tr>
<tr>
<td>(ii) Return to work part time on full pay to assist recovery</td>
<td>Accountable Officer</td>
</tr>
<tr>
<td>(iii) Extension of sick leave on full pay</td>
<td>Accountable Officer</td>
</tr>
<tr>
<td>(i) Study Leave</td>
<td></td>
</tr>
<tr>
<td>(i) Study Leave Outside the UK</td>
<td>Accountable Officer</td>
</tr>
<tr>
<td>(ii) Medical Staff Study Leave</td>
<td>Accountable Officer</td>
</tr>
<tr>
<td>(iii) All other study leave (UK)</td>
<td>Executive Director</td>
</tr>
<tr>
<td>(k) Grievance Procedure</td>
<td></td>
</tr>
<tr>
<td>All grievances must be dealt with strictly in accordance with the Grievance Procedure and the advice of a Human Resources Officer must be sought when the grievance reaches the level of Executive Director</td>
<td>Executive Director</td>
</tr>
<tr>
<td>(l) Authorised Car &amp; Mobile Phone Users</td>
<td></td>
</tr>
<tr>
<td>Requests for mobile telephone users, Blackberry &amp; telephone remote access</td>
<td>Executive Director</td>
</tr>
<tr>
<td>(m) Renewal of Fixed Term Contract</td>
<td>Accountable Officer</td>
</tr>
<tr>
<td>(n) Staff Retirement Policy</td>
<td></td>
</tr>
<tr>
<td>Authorisation of extensions of contract beyond the intended retirement date in accordance with employment law provisions</td>
<td>Accountable Officer</td>
</tr>
<tr>
<td>(o) Redundancy</td>
<td></td>
</tr>
<tr>
<td>All costs</td>
<td>Remuneration Committee</td>
</tr>
<tr>
<td>(p) Ill Health Retirement</td>
<td></td>
</tr>
<tr>
<td>Decision to pursue retirement on the grounds of ill-health</td>
<td>Accountable Officer</td>
</tr>
<tr>
<td>(q) Dismissal</td>
<td>Executive Director (with advice from the Director of Human Resources)</td>
</tr>
</tbody>
</table>

21. Authorisation of Sponsorship Deals  
   Governing Body

22. Authorisation of Research Projects  
   Governing Body

23. Insurance Policies and Risk Management  
   Director of Quality and Governance

24. Patients’ and Relatives’ Complaints  
   (a) Overall responsibility for ensuring that all complaints are dealt with effectively  
   Accountable Officer
<table>
<thead>
<tr>
<th>Delegated Matter</th>
<th>Lowest Level Authority Delegated To</th>
</tr>
</thead>
<tbody>
<tr>
<td>(b) Responsibility for ensuring complaints relating to a Directorate are investigated thoroughly</td>
<td>Director of Quality and Governance</td>
</tr>
<tr>
<td>(c) Medico-Legal Complaints – Co-ordination of their management</td>
<td>Accountable Officer</td>
</tr>
<tr>
<td><strong>25. Relationships with media</strong></td>
<td>Accountable Officer</td>
</tr>
<tr>
<td><strong>26. Service Change</strong></td>
<td>Governing body, subject to legal requirements to consult.</td>
</tr>
<tr>
<td><strong>27. Facilities for staff not employed by the CCG to gain practical experience</strong></td>
<td></td>
</tr>
<tr>
<td>Professional Recognition, Honorary Contracts and Insurance of Medical Staff</td>
<td>Executive Director</td>
</tr>
<tr>
<td>Work Experience students</td>
<td>Executive Director</td>
</tr>
<tr>
<td><strong>28. Review of Fire Precautions</strong></td>
<td>Director of Quality and Governance (outsourced to CSU Estates)</td>
</tr>
<tr>
<td><strong>29. Review of all statutory compliance legislation and Health &amp; Safety requirements</strong></td>
<td>Director of Quality and Governance (outsourced to CSU Estates)</td>
</tr>
<tr>
<td><strong>30. Review of Medicines Inspectorate Regulations</strong></td>
<td>Director of Commissioning (in conjunction with CSU Head of Medicines Management)</td>
</tr>
<tr>
<td><strong>31. Review of compliance with environmental regulations</strong></td>
<td>Director of Quality and Governance (in conjunction with CSU Estates)</td>
</tr>
<tr>
<td><strong>32. Review of CCG’s compliance with the Data Protection Act</strong></td>
<td>Director of Quality and Governance</td>
</tr>
<tr>
<td><strong>33. Monitor proposals for contractual arrangements between the CCG and outside bodies</strong></td>
<td>Governing Body</td>
</tr>
<tr>
<td><strong>34. Review the CCG’s compliance with the Access to Records Act</strong></td>
<td>Director of Quality and Governance</td>
</tr>
<tr>
<td><strong>35. Review of the CCG’s compliance with the Code of Practice for handling confidential information in the contracting environment and the compliance with “safe haven” per EL 92/60</strong></td>
<td>Director of Quality and Governance</td>
</tr>
<tr>
<td><strong>36. The Keeping of a Declaration of Interests Register</strong></td>
<td>Accountable Officer</td>
</tr>
<tr>
<td><strong>37. Attestation of Sealings in accordance with Standing Orders</strong></td>
<td>Accountable Officer</td>
</tr>
<tr>
<td><strong>38. The Keeping of a register of Sealing</strong></td>
<td>Accountable Officer</td>
</tr>
<tr>
<td><strong>39. The Keeping of the Hospitality Register</strong></td>
<td>Accountable Officer</td>
</tr>
<tr>
<td><strong>40. Retention of Records</strong></td>
<td>Director of Quality and Governance</td>
</tr>
<tr>
<td><strong>41. Clinical Audit</strong></td>
<td>Director of Quality and Governance</td>
</tr>
</tbody>
</table>
Appendix 7 Conflicts of Interest Policy

This policy sets out how NHS Croydon CCG will manage conflicts of interest arising from the operation of the clinical commissioning group’s council of members and governing body. See also Section 7 of the Constitution and Sections 2&3 of Standing Orders

7.4.7.a.1.1.1 Why we have a policy

The council of members and governing body of NHS Croydon Clinical Commissioning Group have ultimate responsibility for all actions carried out by staff and committees throughout the clinical commissioning group’s activities. This responsibility includes the stewardship of significant public resources and the commissioning and provision of healthcare to the community. The council of members and governing body is therefore determined to ensure the organisation inspires confidence and trust amongst its patients, staff, partners, funders and suppliers by demonstrating integrity and avoiding any potential or real situations of undue bias or influence in the decision-making of the clinical commissioning group.

This conflict of interest policy respects the seven principles of public life promulgated by the Nolan Committee. The seven principles are:

- selflessness
- integrity
- objectivity
- accountability
- openness
- honesty
- leadership.

The council of members and governing body have a legal obligation to act in the best interests of NHS Croydon Clinical Commissioning Group and in accordance with the clinical commissioning group’s constitution and terms of establishment created by the NHS Commissioning Board, and to avoid situations where there may be a potential conflict of interest.

Conflicts of interest may arise where an individual’s personal interests, or a connected person’s interests and/or loyalties conflict with those of the clinical commissioning group. Such conflicts may create problems such as inhibiting free discussion which could:

- result in decisions or actions that are not in the interests of the clinical commissioning group and the public it was established to serve
- risk the impression that the clinical commissioning group has acted improperly.

It is not possible, or desirable, to define all instances in which an interest may be a real or perceived conflict. It is for each individual to exercise their judgement in deciding whether to register any interests that may be construed as a conflict. Individuals can seek guidance from the group secretariat, but may decide to declare when in doubt.

The aim of this policy is to protect both the organisation and the individuals involved from any appearance of impropriety and demonstrate transparency to the public and other interested parties.

7.4.7.a.1.1.2 General Medical Council guidance

The General Medical Council (GMC) provides the following general guidance:
- you may wish to note on the patient’s record when an unavoidable conflict of interest arises; and
- if you have a financial interest in an institution and are working under an NHS employers’ policy you should satisfy yourself, or seek other assurance from your employing or contracting body, that systems are in place to ensure transparency and to avoid, or minimise the effects of, conflicts interest. You must follow the procedures governing the schemes.

The GMC also states:

“You must be honest in financial and commercial dealings with employers, insurers and other organisations or individuals. In particular before taking part in discussions about buying or selling goods or services, you must declare any relevant financial or commercial interest that you or your family might have in the transaction.”

Additionally, the GMC’s guidance on managing conflicts of interest states:

*If you have financial or commercial interests in organisations providing healthcare or in pharmaceutical or other biomedical companies, these interests must not affect the way you prescribe for, treat or refer patients*.

**7.4.7.a.1.1.3 What conflicts does this policy cover?**

The council of members and governing body members should declare an interest in the following circumstances:

**b) Direct financial interests.**
The most easily recognisable form of conflict of interest arises when a Governing Body member obtains, or is perceived to obtain, a direct financial benefit over and above the agreed remuneration and terms of service package agreed by the remuneration committee. Examples include:

- the award of a contract to a company or other business with which a Governing Body member is involved
- the sale of assets at below market value to a governing body member
- awarding a contract for provision of health services to a GP practice, in which partners are members of the council of members or governing body.

**c) Indirect financial interests**
This arises when a close relative of a governing body member benefits from the decisions of the group. Council of members or governing body members will benefit indirectly if their financial affairs are bound with those of the relative in question through the legal concept of “joint purse”, as would be the case if the relative were the spouse, partner, dependent child of the governing body member, or directly connected in some other way. For example, the council of members or governing body member being involved in a decision to award a contract to an organisation where the member’s spouse is a director.

**d) Non-financial or personal interests**
These occur where Governing Body members receive no financial benefit, but are influenced by external factors.

For instance:
to gain some other intangible benefit or kudos;
awarding contracts to friends or personal business contacts.

e) **Conflicts of loyalty**
Council of members or governing body members may have competing loyalties between the clinical commissioning group to which they owe a primary duty and some other person or entity, including their GP practice, and patients.

Council of members or governing body members should also avoid using knowledge gained in other roles to influence decisions so as to acquire a competitive advantage over other service providers.

### 7.4.7.e.1.1.1 The declaration of interests

Accordingly, we require council of members and governing body members to declare any relevant and material interests, and any gifts or hospitality offered and received in connection with their role in the clinical commissioning group.

Interests that may impact on the work of the governing body and should be declared include:

- Roles and responsibilities held within member practices.
- Membership of a Partnership (whether salaried or profit sharing) seeking to enter into any contracts with NHS Croydon Clinical Commissioning Group and which relate to the functions exercised by the group.
- Ownership or part-ownership of private companies, businesses or consultancies likely or possibly seeking to do business with the group.
- Directorships, including non-executive Directorship held in private or public limited companies seeking to enter into contracts with NHS Croydon Clinical Commissioning Group and which relate to the functions exercised by the group.
- Material Shareholdings of companies in the field of health and social care seeking to enter into contracts with the NHS Croydon Clinical Commissioning Group and which relate to the functions exercised by the group.
- Positions of authority in an organisation (e.g. charity or voluntary organisation) in the field of health and social care.
- Any interest that they are (if registered with the General Medical Council) would be required to declare in accordance with paragraph 55 of the GMC’s publication Management for Doctors or any successor guide.
- Any interest that they (if they are registered with the Nursing and Midwifery Council) would be to declare in accordance with paragraph 7 of the NMC’s publication Code of Professional Conduct or any successor Code.
- Any interest which does or might constitute a conflict of interest in relation to the specification for or award of any contract to provide goods or services NHS Croydon Clinical Commissioning Group and which relate to the functions exercised by the group.
- Any research funding or grants that may be received by the individual or any organisation that they have an interest or role in.
- Any role or relationship which the public could perceive would impair or otherwise influence the individual's judgement or actions in their role within the group.

### 7.4.7.e.1.1.2 Recording Interests

All council of members and governing body members are required to 1) declare interests following their appointment; 2) update the declaration at least annually and 3) declare
their interests in relation to any items on the agenda at the start of each council of members and governing body or committee meeting.

A declaration of interests form is provided for this purpose (Annex A) listing the types of interest you should declare. To be effective, the declaration of interests form must be completed prior to appointment, then updated at least annually and when any material changes occur.

If you are not sure what to declare, or whether/when your declaration needs to be updated, please err on the side of caution. If you would like to discuss this issue, please contact the CCG secretariat for confidential guidance.

Interests and gifts will be recorded on the clinical commissioning group's register of interests and register of gifts and hospitality, which will be maintained by the group secretariat on behalf of the Accountable Officer. The register will be accessible by the public and inspection of the register of members' interests will be encouraged, as appropriate. Furthermore, council of members or governing body members should not use confidential information acquired in the pursuit of their role to benefit themselves or another connected person.

A section detailing your responsibilities regarding declaring interests at meetings is provided later in this document.

**7.4.7.e.1.1.3 Changes of Interests**

Where an individual changes role or responsibility within the group any change to the individual’s interest should be declared.

Wherever an individual’s circumstances change in a way that affects the individual’s interests (e.g. where an individual takes on a new role outside of the group or sets up a new business or relationship), a further declaration should be made to reflect the change in circumstances. This could involve a conflict of interest ceasing to exist or a new one materialising.

**7.4.7.e.1.1.4 Data protection**

The information provided will be processed in accordance with data protection principles as set out in the Data Protection Act 1998. Data will be processed only to ensure that the council of members and governing body members act in the best interests of the group and the public and patients the group was established to serve. The information provided will not be used for any other purpose, unless otherwise stated within statutory legislation. Signing the declaration form will also signify that you consent to your data being processed for the purposes set out in this policy.

**7.4.7.e.1.1.5 Declaring Interests at Meetings**

Where the conflict is material to the discussion of the council of members or governing body, that member shall withdraw from discussions pertaining to that agenda item, taking account of the steps in the decision making process (e.g. presentation, questions, deliberations and decision). The conflict and the action will be recorded in the minutes of the meeting and the register of interests updated accordingly.

It is the responsibility of the CCG secretariat to monitor quorum and advise the chair accordingly to ensure it is maintained throughout the discussion and decision of the
agenda item. Should the withdrawal of the conflicted director result in the loss of quorum, the item cannot be decided upon at that meeting.

### 7.4.7.e.1.1.6 Waiver

Where permitted under the clinical commissioning group’s constitution or the conditions of its establishment, the council of members or governing body has the power to waive restrictions on any clinical professional governing body member participating in council of members or governing body business, where to authorise such a conflict would be in the interests of the clinical commissioning group. The application of a waiver\(^\text{12}\) can, therefore, be used in the following situations:

- a member of the council of members or governing body is a clinical professional providing healthcare services to the clinical commissioning group that do not exceed the average for other practices and NHS entities commissioned to provide services by the clinical commissioning group; or
- where the council of members or governing body member has a pecuniary interest arising out of the delivery of some professional service on behalf of the clinical commissioning group, and the conflict has been adjudged by the chair and the governance lay member not to bestow any greater pecuniary benefit to other professionals in a similar relationship with the clinical commissioning group.

Where the chair and the governance lay member have approved the use of the waiver, the chair must have discussed it with the Accountable Officer before the meeting. In such circumstances where the waiver is used, the council of members or governing body member:

- must disclose his/her interest as soon as practicable at the start of the meeting
- may participate in the discussion of the matter under consideration; but
- must not vote on the subject under discussion.

The minutes of the meeting will formally record that the waiver has been used, and that this policy and the governing document provisions have been observed in managing that authorised conflict. Where a member has withdrawn from the meeting for a particular item, the group secretariat will ensure that the minutes for that member do not contain such information that may compound the potential conflict, but do not unnecessarily disadvantage the member in their performance of their functions and legal responsibilities.

### 7.4.7.e.1.1.7 Decisions taken where a council of members or governing body member has an interest

In the event of the council of members or governing body having to decide upon a question in which a council of members or governing body member has an interest, all decisions will be made by vote, with a [simple majority] [two thirds majority] required. A

\(^{12}\) Adapted from the NHS Model Standing Orders, Reservation and Delegation Of Powers and Standing Financial Instructions, Department of Health, 2006. It is currently unclear as to whether clinical commissioning groups will be able to implement a similar approach once they become statutory bodies, independent of the primary care trust cluster. This guidance note will be updated accordingly in line with future guidance from the Department of Health or NHS Commissioning Governing body.
quorum must be present for the discussion and decision; interested parties will not be counted when deciding whether the meeting meets quorum. Interested council of members or governing body members must not vote on matters affecting their own interests, even where the use of the waiver has been approved by the chairman and used.

All decisions under a conflict of interest will be recorded by [the CCG secretariat] and reported in the minutes of the meeting. The report will record:

- the nature and extent of the conflict
- an outline of the discussion
- the actions taken to manage the conflict
- use of the waiver and reasons for its implementation.

Where a council of members or governing body member benefits from the decision, this will be reported in the annual report and accounts, as a matter of best practice.

All payments or benefits in kind to council of members or governing body members will be reported in the clinical commissioning group’s accounts and annual report, with amounts for each member listed for the year in question.

Independent external mediation will be used where conflicts cannot be resolved through the usual procedures.

7.4.7.e.1.1.8 Breaches of this policy

Breaches of the policy may result in the council of members or governing body member being removed from office in line with the clinical commissioning group’s constitution.

7.4.7.e.1.1.9 Declaration of Interests in relation to procurement

Where a relevant and material interest or position of influence exists in the context of the specification for, or award of, a contract the member will be expected to:

- Declare the interest;
- Ensure that the interest is recorded in the register;
- Withdraw from all discussion on the specification or award;
- Not have a vote in relation to the specification or award.

Members will be expected to declare any interest early in any procurement process if they are to be a potential bidder in that process. Failure to do this could result in the procurement process being declared invalid and possible suspension of the relevant member from the group.

Potential conflicts will vary to some degree depending on the way in which a service is being commissioned, for example:

- Where a group is commissioning a service through Competitive Tender (i.e. seeking to identify the best provider or set of providers for a service) a conflict of interest may arise where GP practices or other providers in which group members have an interest are amongst those bidding.
- Where the group is commissioning a service through Any Qualified Provider a conflict could arise where one or more GP practices (or other providers in which group members have an interest) are amongst the qualified providers from whom patients can choose. Guidance within the GMC’s core guidance Good Medical Practice (2006) and reiterated in its document Conflicts of Interest (2008) Indicates, in such cases, that:
- “You must act in your patients best interests when making referrals and when providing or arranging treatment of care. You must not ask for or accept any inducement, gift or hospitality which may affect or be seen to affect the way you prescribe, treat or refer patients. You must not offer such inducements to colleagues.
- if you have financial or commercial interest in organisations providing healthcare or in pharmaceutical or other biomedical companies, these interests must not affect the way you prescribe for, treat or refer patients.
- if you have a financial or commercial interest in an organisation to which you plan to refer a patient for treatment or investigation, you must also tell the patient about your interest. When treating NHS patients you must also tell the healthcare provider.”
Appendix 8 Declaration of Interest Form

This form is required to be completed in accordance with the Constitution.

Notes:

1. Within 28 days of a relevant event, members need to register their financial and other interests.
2. If any assistance is required to complete this form please contact the CCG Secretariat.
3. The signed hard copy of the completed form should be sent to the CCG Secretariat.
4. Any changes to interests declared must also be registered within 28 days of the relevant event by completing and submitting a new declaration form.
5. The register will be published in the Annual Report.
6. Members and employees completing this declaration form must provide sufficient detail of each interest so that a member of the public would be able to understand clearly the sort of financial or other interest the member has and the circumstances in which a conflict of interest with the business or running of the group might arise.
7. If in doubt as to whether a conflict of interest could arise, a declaration of the interest should be made.

Interests that must be declared:

1. Roles and responsibilities held within member practices
2. Directorships, including non – executive directorships, held in private companies or PLCs;
3. Ownership or part – ownership of private companies, businesses or consultancies likely or possibly seeking to do business with the group
4. Material Shareholdings of companies in the field of health and social care;
5. Positions of authority in an organisation (e.g. charity or voluntary organisation) in the field of health and social care.
6. Any connection with a voluntary or other organisation contracting for NHS Services;
7. Research/ funding grants that may be received by the individual or any organisation they have an interest or role in;
8. Any other role or relationship which the public could perceive would impair or otherwise influence the individual’s judgement or actions in their role with the group.

Whether such interests are those of the individual themself, a family member, any other relationship or other acquaintance of the individual.
### DECLARATION:

<table>
<thead>
<tr>
<th>Name:</th>
<th>Position within the CCG:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type of Interest</td>
<td>Details</td>
</tr>
<tr>
<td>Roles and Responsibilities held within member practices</td>
<td></td>
</tr>
<tr>
<td>Directorships, including non-executive directorships, held in private companies or PLCs</td>
<td></td>
</tr>
<tr>
<td>Ownerships or part-ownership of private companies, businesses or consultancies likely or possibly seeking to do business with the CCG</td>
<td></td>
</tr>
<tr>
<td>Shareholdings (more than 5%) of companies in the field of health and social care</td>
<td></td>
</tr>
<tr>
<td>Positions of authority in an organisation (e.g. charity or voluntary organisation) in the field of health and social care</td>
<td></td>
</tr>
<tr>
<td>Any connection with a voluntary or other organisation contracting for NHS services</td>
<td></td>
</tr>
<tr>
<td>Research funding/ grants that may be received by the individual or any organisation they have an interest or role in.</td>
<td></td>
</tr>
<tr>
<td>Any other role or relationship which the public could perceive would impair or otherwise influence the individual's judgement or actions in their role within the CCG</td>
<td></td>
</tr>
<tr>
<td>[Other specific interests]</td>
<td></td>
</tr>
</tbody>
</table>

I have read and understood the group policy on conflicts of interest and agree to abide by it. I understand that it is against the law to accept inducements or rewards or to corruptly show favour or disfavour in an official capacity. To the best of my knowledge and belief, the above information is complete and correct. I undertake to update as necessary the information provided and to review the accuracy of the information.
provided regularly and no longer than annually. I give my consent for the information to be used for the purposes described in the CCG Constitution and published accordingly.

Signed: ……………………………………………………………………………………
……………………

Date:
Appendix 9  NHS Constitution

The NHS Constitution sets out seven key principles that guide the NHS in all it does:

1. **The NHS provides a comprehensive service, available to all** - irrespective of gender, race, disability, age, sexual orientation, religion or belief. It has a duty to each and every individual that it serves and must respect their human rights. At the same time, it has a wider social duty to promote equality through the services it provides and to pay particular attention to groups or sections of society where improvements in health and life expectancy are not keeping pace with the rest of the population.

2. **Access to NHS services is based on clinical need, not an individual’s ability to pay** - NHS services are free of charge, except in limited circumstances sanctioned by Parliament.

3. **The NHS aspires to the highest standards of excellence and professionalism** - in the provision of high-quality care that is safe, effective and focused on patient experience; in the planning and delivery of the clinical and other services it provides; in the people it employs and the education, training and development they receive; in the leadership and management of its organisations; and through its commitment to innovation and to the promotion and conduct of research to improve the current and future health and care of the population.

4. **NHS services must reflect the needs and preferences of patients, their families and their carers** - patients, with their families and carers, where appropriate, will be involved in and consulted on all decisions about their care and treatment.

5. **The NHS works across organisational boundaries and in partnership with other organisations in the interest of patients, local communities and the wider population** - the NHS is an integrated system of organisations and services bound together by the principles and values now reflected in the Constitution. The NHS is committed to working jointly with local authorities and a wide range of other private, public and third sector organisations at national and local level to provide and deliver improvements in health and well-being.

6. **The NHS is committed to providing best value for taxpayers’ money and the most cost-effective, fair and sustainable use of finite resources** - public funds for healthcare will be devoted solely to the benefit of the people that the NHS serves.

7. **The NHS is accountable to the public, communities and patients that it serves** - the NHS is a national service funded through national taxation, and it is the Government which sets the framework for the NHS and which is accountable to Parliament for its operation. However, most decisions in the NHS, especially those about the treatment of individuals and the detailed organisation of services, are rightly taken by the local NHS and by patients with their clinicians. The system of responsibility and accountability for taking decisions in the NHS should be transparent and clear to the public, patients and staff. The Government will ensure that there is always a clear and up-to-date statement of NHS accountability for this purpose.
Appendix 10  Nolan Principles

The ‘Nolan Principles’ set out the ways in which holders of public office should behave in discharging their duties. The seven principles are:

1) **Selflessness** – Holders of public office should act solely in terms of the public interest. They should not do so in order to gain financial or other benefits for themselves, their family or their friends.

2) **Integrity** – Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their official duties.

3) **Objectivity** – In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

4) **Accountability** – Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

5) **Openness** – Holders of public office should be as open as possible about all the decisions and actions they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

6) **Honesty** – Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

7) **Leadership** – Holders of public office should promote and support these principles by leadership and example.

*Source: The First Report of the Committee on Standards in Public Life (1995)*
Appendix 11  Member practice Accountability Agreement

1. Statement of Intent between Practices

The purpose of the NHS Croydon CCG is to work together as member practices in a consortium arrangement, to provide and to commission patient centred services which focus on patients’ well being as well as their health needs. The vision of NHS Corydon CCG is: *Longer, healthier lives for all the people in Croydon*. We will deliver this by: working with the diverse community of Croydon, using our resources wisely, to transform and provide safe, sustainable, effective, high quality, patient centred services.

As a member of the NHS Croydon CCG, all practices within the group sign up to the following:

a) Nominate a Lead within each practice to liaise and meet with the CCG and Network group as required
b) Members agree to the Network Terms of Reference
c) One of the elected Clinical Leadership Group will chair the Network group meetings, attend Clinical Commissioning related meetings, liaise with other Network groups within Croydon and report back to NHS Croydon CCG as appropriate
d) Decisions on the operation of NHS Croydon CCG will be made on a majority vote of the Governing Body. In cases where there is a split decision, the chair shall have the casting vote.
e) Each group member is held to account for the assigned key role to support NHS Croydon CCG
f) Share referral data and prescribing data electronically
g) Support analysis of patient pathways within the local health system with a view to improving services in a cost effective manner, sensitive to the implications for existing services
h) Share specialist skills within the CCG
i) Share resources available for Network, in a manner agreed by NHS Croydon CCG
j) Support performance management framework in terms of activity, finance and quality
k) Maintain a willingness to appreciate that Clinical Commissioning is a shared agenda between practices
l) Each practice will operate within their budget and there should be financial balance across the Network group. For the Network group to work with each practice to ensure that where there is an overspend, there is a coherent strategy for recovery
m) Practices will normally be expected to introduce and implement all primary care pathways supported by NHS Croydon CCG.
Appendix 12a Draft Terms of Reference: Integrated Governance and Audit Committee

1. Authority
1.1. The committee is constituted as the senior standing committee of the CCG’s Governing Body. Its constitution and terms of reference shall be as set out below, subject to amendment at future Governing Body meetings. The committee shall not have executive powers in addition to those delegated in these terms of reference.

1.2. The committee is authorised by the Governing Body to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any member of staff or member of the CCG and all members of staff and members of the CCG are directed to co-operate with any request made by the audit committee.

1.3. The committee is authorised by the Governing Body to obtain outside legal or other independent professional advice. The committee is authorised by the Governing Body to request the attendance of individuals and authorities from outside the CCG with relevant experience and expertise if it considers this necessary or expedient to the carrying out of its functions.

1.4. The committee will have primary responsibility for monitoring and reviewing financial and other risks and associated controls, corporate governance and financial assurance.

1.5. These terms of reference and the composition of the integrated governance and audit committee will accord with any published national guidance.

2. Purpose
2.1. The Governing Body is responsible for ensuring effective internal control including:

- exercising its functions effectively, efficiently and economically
- complying with such generally accepted principles of good governance as are relevant to it
- managing the CCG’s activities in accordance with statute, regulations and guidance
- establishing and maintaining a system of internal control to give reasonable assurance that assets are safeguarded, waste or inefficiency avoided and reliable financial information produced, and that value for money is continuously sought.

2.2. The committee shall provide the Governing Body with a means of independent and objective review of financial and corporate governance, assurance processes and risk management across the whole of the CCG’s activities (clinical and non-clinical). In addition the audit committee shall:

- assist the CCG in discharging its functions under paragraph 2.1 above
- provide assurance of independence for external and internal audit
ensure that appropriate standards are set and compliance with them is monitored, in non-financial, non-clinical areas that fall within the remit of the audit committee

• monitor corporate governance (e.g. Compliance with Constitution, Standing Orders, Prime Financial Policies, maintenance of Registers of Interests).

3. Membership

3.1. The committee shall be composed of two lay members of the Governing Body, at least one of whom should have recent and relevant financial experience and not less than [ ] Member Representatives.

3.2. A quorum shall be two members, one of whom will be the Audit Committee Chair.

3.3. The committee shall be chaired by a lay person member.

4. Attendance

4.1. The Accountable Officer, Chief Financial Officer and Head of Internal Audit shall generally attend routine meetings of the audit committee.

4.2. A representative of the external auditors may normally also be invited to attend meetings of the audit committee.

4.3. Members of the Governing Body and/or staff and executives shall be invited to attend those meetings in which the audit committee will consider areas of risk or operation that are their responsibility.

4.4. The audit committee may ask any or all of those who normally attend but who are not members to withdraw to facilitate open and frank discussion of particular matters.

4.5. The CCG chair may be invited to attend meetings of the audit committee as required.

4.6. A representative of the local counter fraud service will be invited to attend meetings of the audit committee.

4.7. Member Representatives will be invited to attend meetings of the audit committee.

4.8. The CFO shall designate a CCG secretary to the audit committee who will provide administrative support and advice. The duties of the CCG secretary in this regard include but are not limited to:

• agreement of the agenda with the chair of the audit committee and attendees together with the collation of connected papers
• taking the minutes and keeping a record of matters arising and issues to be carried forward
• advising the audit committee as appropriate
• reviewing every decision to suspend the standing orders.

5. Frequency of Meetings

5.1. Meetings shall be held at least four times per year with additional meetings convened where necessary.

5.2. The external auditor shall be afforded the opportunity at least once per year to meet with the audit committee without the Accountable Officer; Chief Financial Officer present.

5.3. The CCG Chair and Accountable Officer should be invited to attend, at least annually, to discuss with the Audit Committee the Annual Accounts and the process for assurance that supports the Annual Governance Statement.
5.4. The committee members shall be afforded the opportunity to meet at least once per year with the External and Internal Auditors with no others present.

6. Duties

6.1. Internal control, risk management and counter fraud

6.1.1. To ensure the provision and maintenance of an effective system of financial risk identification and associated controls, reporting and governance.

6.1.2. To maintain an oversight of the CCG’s general risk management structures, processes and responsibilities, including the production and issue of any risk and control-related disclosure statements.

6.1.3. To review the adequacy of the policies and procedures in respect of all counter-fraud and anti-bribery work.

6.1.4. To review the adequacy of the CCG’s arrangements by which CCG staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting and control and related matters or any other matters of concern.

6.1.5. To review the adequacy of underlying assurance processes that indicate the degree of achievement of corporate objectives and the effectiveness of the management of principal risks.

6.1.6. To ensure the adequacy of policies and procedures for ensuring compliance with relevant regulatory, legal and conduct requirements.

6.2. Internal audit

6.2.1. To review and approve the internal audit strategy and programme, ensuring that it is consistent with the needs of the organisation.

6.2.2. To oversee on an ongoing basis the effective operation of internal audit in respect of:

- adequate resourcing
- its co-ordination with external audit
- meeting mandatory NHS internal audit standards
- providing adequate independence assurances;
- having appropriate standing with the CCG
- meeting the internal audit needs of the CCG.

6.2.3. To consider the major findings of internal audit investigations; the Governing Body’s response and their implications and monitor progress on the implementation of recommendations.

6.2.4. To consider the provision of the internal audit service, the cost of the audit and any questions of resignation and dismissal.

6.2.5. To conduct an annual review of the internal audit function.

6.3. External audit

6.3.1. To make a recommendation to the Governing Body in respect of the appointment, re-appointment and removal of an external auditor. To the extent that that recommendation is not adopted by the Governing Body, this shall be included in the annual report, along with the reasons that the recommendation was not adopted.

6.3.2. To discuss with the external auditor, before the audit commences, the nature and scope of the audit, and ensure co-ordination, as appropriate, with other external auditors in the local health economy. This should include discussion regarding the
local evaluation of audit risks and assessment of the CCG associated impact on the audit fee.

6.3.3. To assess the external auditor’s work and fees on an annual basis and, based on this assessment, make a recommendation to the Governing Body with respect to the re-appointment or removal of the auditor. This assessment should include the review and monitoring of the external auditor’s independence and objectivity and effectiveness of the audit process in light of relevant professional and regulatory standards.

6.3.4. To oversee the conduct of a market testing exercise for the appointment of an auditor at least once every (five) years and, based on the outcome, make a recommendation to the Governing Body with respect of the appointment of the auditor.

6.3.5. To review external audit reports, including the annual audit letter, together with the Governing Body’s response, and to monitor progress on the implementation of recommendations.

6.3.6. To develop and implement a policy on the engagement of the external auditor to supply non-audit services.

6.3.7. To consider the provision of the external audit service, the cost of the audit and any questions of resignation and dismissal.

6.4. Annual accounts review

6.4.1. To review the annual statutory accounts, before they are presented to the Governing Body (who will in turn provide them to the NHS Commissioning Board in accordance with statutory requirements), to determine their completeness, objectivity, integrity and accuracy. This review will cover but is not limited to:

- the meaning and significance of the figures, notes and significant changes
- areas where judgment has been exercised
- adherence to accounting policies and practices
- adherence to the requirements and any directions given to the CCG by the Commissioning Board Authority
- explanation of estimates or provisions having material effect
- the schedule of losses and special payments
- any unadjusted statements
- any reservations and disagreements between the external auditors and the Governing Body which have not been satisfactorily resolved.

6.4.2. To review the annual report before it is submitted to the Governing Body and presented to Members of the CCG at the Annual General Meeting of the CCG, to determine completeness, objectivity, integrity and accuracy. The Governing Body will provide the annual report to the NHS Commissioning Board Authority in accordance with statutory requirements.

6.4.3. To review all accounting and reporting systems for reporting to the Governing Body, including in respect of budgetary control.

6.5. Standing orders, Prime Financial Policies and standards of business conduct

6.5.1. To review on behalf of the Governing Body the operation of, and proposed changes to, the standing orders and prime financial policies, the constitution, codes of conduct and standards of business conduct; including maintenance of registers.
6.5.2. To examine the circumstances of any significant departure from the requirements of any of the foregoing, whether those departures relate to a failing, an overruling or a suspension.

6.5.3. To review the scheme of delegation at least annually.

6.6. **Other**

6.6.1. To ensure the CCG is working towards the delivery of its priority to reduce health inequalities in access and the outcomes of healthcare.

6.6.2. To review performance indicators relevant to the remit of the audit committee.

6.6.3. To examine any other matter referred to the audit committee by the Governing Body and to initiate investigation as determined by the audit committee.

6.6.4. To annually review the accounting policies of the CCG and make appropriate recommendations to the Governing Body.

6.6.5. To develop and use an effective assurance framework to guide the audit committee’s work. This will include utilising and reviewing the work of the internal audit, external audit and other assurance functions as well as reports and assurances sought from members of the Governing Body and other investigatory outcomes so as fulfill its functions in connection with these terms of reference.

6.6.6. To consider the outcomes of significant reviews carried out by other bodies which include but are not limited to regulators and inspectors within the health (and social care) sector and professional bodies with responsibilities that relate to staff performance and functions.

6.6.7. To review the work of all the other committees of the CCG in connection with the audit committee’s assurance function.

7. **Reporting**

7.1. The minutes of all meetings of the audit committee shall be formally recorded and submitted, together with recommendations where appropriate, to the Governing Body. The submission to the Governing Body shall include details of any matters in respect of which actions or improvements are needed. This will include details of any evidence of potentially ultra vires, otherwise unlawful or improper transactions, acts, omissions or practices or any other important matters. To the extent that such matters arise, the chair of the audit committee shall present details to a meeting of the Governing Body in addition to submission of the minutes.

7.2. The audit committee will report annually to the Governing Body in respect of the fulfilment of its functions in connection with these terms of reference. Such report shall include but not be limited to functions undertaken in connection with the effectiveness of risk management within the CCG; the integration of and adherence to governance arrangements and any pertinent matters in respect of which the audit committee has been engaged.

7.3. The CCG’s annual report shall include a section describing the work of the audit committee in discharging its responsibilities.

8. **Review**

8.1. The terms of reference of the audit committee shall be reviewed by the Governing Body at least annually. This should take into account new guidance and developments in good governance practice.

9. **Required Frequency of Attendance by Members**

9.1. Members of the audit committee must attend at least 75% of all meetings each financial year but should aim to attend all scheduled meetings.
Appendix 12b Draft Terms of Reference: Finance Sub Committee

1. **Introduction**
The Finance Committee (the Committee) is established by the Integrated Governance and Audit Committee to ensure a robust financial strategy is in place and to oversee the organisation-wide system of financial management. It will work to the Integrated governance and Audit Committee to ensure financial probity in the CCG.

2. **Authority**
The Committee is authorised by the Integrated Governance and Audit Committee to pursue any activity within these Terms of Reference and within the Scheme of Reservation and Delegation, including (without limiting the generality of the foregoing) to:

   a) seek any information it requires from CCG employees, in line with its responsibility under these terms of references and the Scheme of Reservation and Delegation

   b) require all CCG employees to co-operate with any reasonable request made by the Committee, in line with its responsibility under these terms of references and the Scheme of Reservation and Delegation

   c) review and investigate any matter within its remit and grants freedom of access to the CCG’s records, documentation and employees. The Committee must have due regard for the Information Policies of the CCG, regarding personal health information and the CCG’s duty of care to their employees when exercising its authority.

3. **Remit and responsibilities of the Committee**
The remit and responsibilities of the Committee are to:

   a. Keep under review strategic and operational financial plans and the current and forecast financial position of the CCG
   b. Oversee the arrangements in place for the allocation of resources and the scrutiny of all expenditure. This will include actual and forecast expenditure and activity on commissioning contracts.
   c. Consider and review the financial report to be presented to the Governing Body, incorporating financial performance against budget, financial risk analysis, forecasts and robustness of underlying assumptions.
   d. Provide assurance to the Governing Body and the Audit Committee of the completeness and accuracy of the financial information provided to the Governing Body.
   e. Consider and review any external financial monitoring returns and commentary.
   f. Ensure any financial improvement plan is monitored and reviewed and appropriate actions are taken.
g. Review by exception performance report summaries and consider performance issues in so far as they impact on financial resource.

h. Receive a monthly report on the progress of the QIPP plan

i. Review, scrutinise and recommend business cases to the Governing Body.

j. Review and agree or ratify procurement decisions as appropriate in accordance with Prime Financial Policies and the Scheme of Delegation and recommend to the Governing Body.

k. Approve thresholds above which quotations or formal tenders should be obtained.

l. Review and approve tender waivers or seek tenders from firms not on approved lists and ensure these are reported to the Audit Committee.

m. Where appropriate refer issues to other committees of the Governing Body.

4. **Membership**

The Committee shall be appointed by the Governing Body and will consist of:

Members:
- The Chair who will be a Lay Member
- The Chair of the Audit Committee who will be a Lay Member
- The Chair of the Governing Body

In attendance:
- The Accountable Officer
- The Chief Finance Officer
- [A representative of Member Practices as determined locally]

If a member is unable to attend then a suitable delegate with appropriate authority should attend in their place. The executive lead officer for the committee is the Chief Finance Officer.

5. **Quorum**

The meeting will be quorate when 3 members are present, with the Chair and Chief Finance Officer also present.

6. **Reporting Procedures**

Formal minutes of meetings shall be recorded and will go to the Governing Body.

7. **Declarations of Interest**

If any member has an interest, pecuniary or otherwise, in may matter and is present at the meeting at which the matter is under discussion, he/she will declare that interest as early as possible and shall not participate in the discussions. The Chair will have the power to request that member to withdraw until the committee consideration has been completed. All members will be expected to adhere to and comply with any relevant policy; including but not exclusive to Declarations of Interest and Anti-Bribery.

8. **Attendance and Administration**

In addition to the standing members of the Committee, any other Director or co-opted Governing Body Member may attend with the agreement of the Chair of the Governing Body.

9. **Frequency and notice of meetings**

Meetings shall be held monthly. A notice period of at least 14 days shall be given before the Committee meets.
9. **Review**
These Terms of Reference will be reviewed after six months and on an annual basis thereafter. Any resulting changes to the terms of reference should be approved by the Integrated Governance and Audit Committee.
Appendix 12c Draft Terms of Reference: Remuneration Committee

1. Introduction

The Remuneration Committee (the Committee) is established in accordance with the Clinical Commissioning Group’s Constitution, Standing Orders and Scheme of Delegation. These terms of reference set out the membership, remit, responsibilities and reporting arrangements of the Committee and shall have effect as if incorporated into the Clinical Commissioning Group’s Constitution and Standing Orders.

2. Remit and responsibilities of the Committee

The Committee shall make recommendations to the Governing Body on determinations about pay and remuneration for employees of the Clinical Commissioning Group and people who provide services to the Clinical Commissioning Group and allowances under any pension scheme it might establish as an alternative to the NHS pension scheme.

Specifically, the Committee will be responsible for:

- Determining the remuneration, allowances, payments for additional responsibilities, other benefits and conditions of service of the senior management team.
- Monitoring and evaluating the performance and achievements of the Accountable Officer and other senior management team members and determining annual salary awards and other payments as appropriate.
- Considering the contractual arrangements and severance payments of the Accountable Officer and of other senior staff, seeking HM Treasury approval as appropriate in accordance with the guidance ‘Managing Public Money’
- Report in writing to the Governing Body the basis of its decisions for ratification.

Remuneration Committees should also remain aware that each individual NHS organisation is corporately responsible for ensuring that its pay arrangements are appropriate in terms of Equal Pay requirements and other relevant legislation.

3. Membership

The Committee shall be appointed by the Clinical Commissioning Group from amongst its Governing Body members and must not have a Member Practice majority. The committee should not include full time employees or individuals who claim a significant proportion of their income from the group. Only members of the Remuneration Committee have the right to attend Remuneration Committee meetings:

Members:
- Chair of the Committee (Lay Member)
- Deputy Chair of the Committee (Lay Member)
- Chair of the Clinical Commissioning Group

Persons in attendance:
- Accountable Officer (as and when required)
CCG (Director/Head of HR or equivalent) will be responsible for supporting the Chair in the management of Remuneration Committee business and for drawing the Committee’s attention to best practice, national guidance and other relevant documents, as appropriate.

Chief Finance Officer to advise on any matters that have significant financial implications.

Other parties may only attend at the request of the Committee and only to provide advice and information.

Staff will not be present for the discussion of matters relating to their own remuneration, performance or terms of service.

4. Secretary
The secretary will be a Business Manager who will also take the minutes.

5. Quorum
The meeting will be quorate when two members are present, with at least one Lay Member also present. The majority of those present should be Lay Members.

6. Frequency and notice of meetings
The committee will meet sufficiently to fulfil its work plan or at least bi-annually as a minimum. The Governing Body reserves the right to call a meeting at any time (with appropriate notice) if an urgent matter arises.

A notice period of at least 14 days shall be given before the Remuneration Committee meets. The Agenda and supporting papers will be circulated 7 days prior to the meeting.

7. Relationship with the Governing Body
Once agreed, reports on activity of the Committee will be reported to the Lay Members of the Governing Body, respecting individual confidentiality.

8. Decision making
The Committee will at all times apply best practice in the decision making processes. When considering individual remuneration the committee will:

- Comply with current disclosure requirements for remuneration;
- On occasion seek independent advice about remuneration for individuals; and
- Ensure that decisions are based on clear and transparent criteria.

The Committee will have full authority to commission any reports or surveys it deems necessary to help it fulfil its obligations.

A decision put to a vote at a meeting shall be determined by a majority of the votes of the members present.
9.  Conduct of the committee

The Remuneration Committee will:

- Observe the highest standards of propriety involving impartiality, integrity and objectivity in relation to the stewardship of public funds and the management of the bodies concerned;

- Maximise value for money through ensuring that services are delivered in the most efficient and economical way, within available resources, and with independent validation of performance achieved wherever practicable;

- be accountable to Parliament, to users of services, to individual citizens, and to staff for the activities of the bodies concerned, for their stewardship of public funds and the extent to which key performance targets and objectives have been met;

- comply fully with the principles of the Citizen's Charter and the Code of Practice on Access to Government Information, in accordance with Government policy on openness; and

- bear in mind the necessity of keeping comprehensive written records of their dealings, in line with general good practice in corporate governance.

10. Review

These Terms of Reference will be reviewed after six months and on an annual basis thereafter. This will take into account any new national guidance and relevant codes of conduct / good governance practice.

Any resulting changes to the terms of reference will be approved by the Governing Body.