

BOARD MEETING: 24 MARCH 2017

BOARD STANDING ORDERS AND COMMITTEE TERMS OF REFERENCE

Recommendation/action required:

The Board is asked to approve the revised Board Standing Orders and Terms of Reference for the Audit, Health Governance, Remuneration and Staff Governance Committees.

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15 March 2017

BOARD STANDING ORDERS/COMMITTEE TERMS OF REFERENCE

Purpose of Paper

1. To review and approve the Board's Standing Orders and the Terms of Reference of the Board's Standing Committees.

Background

2. The current version of the Board Standing Orders was approved at a Board meeting on 18 March 2016. Since April 2016, the Board's standing Committees have reviewed their Terms of Reference and agreed appropriate amendments, as necessary.
3. Audit Committee reviewed its Terms of Reference and The Board's Standing Orders on 1 February 2017; Health Governance Committee reviewed its Terms of Reference on 13 January 2017; Staff Governance Committee on 23 February 2017, and Remuneration Committee reviewed its Terms of Reference electronically from 14 March to 21 March 2017.
4. The Board Standing Orders and Terms of Reference for all four Board standing Committees are enclosed, as appendices 1-5.
5. Revisions to Terms of Reference (ToRs):
 - a) Health Governance Committee (HGC) ToRs – Paragraph 2 has been amended and paragraphs 3 and 4 inserted under “Role”, to clarify the role of the Committee in relation to the Board and the HGC's role in scrutinising impact.
 - b) Health Governance Committee Scrutiny and Assurance Questions – When reviewing its Terms of Reference (ToRs) the Committee agreed to adopt the 9 scrutiny and assurance questions included at the end of the ToRs (appendix 3), and these will be used by HGC members when reviewing strategic priority agenda items. Paragraph 16 refers to the questions and has been inserted under “Duties”. Paragraphs 17 and 19 regarding the illustrations of work the HGC will receive have also been added to the ToRs.
 - c) Under paragraph 20, items the Health Governance Committee will receive "A bi-annual review of Health Governance effectiveness" was added and the Participation Standard Report was removed, and will instead be signed off by Corporate Management Team.
 - d) Minor changes were made to Staff Governance Committee ToRs under “Role” of the Committee, appendix 5 “the ambitions of our Strategic Framework for Action 2017-22 within a changing structural and policy landscape” was added under paragraph 5.

- e) No changes were made to the Audit Committee ToRs and none have so far been recommended for the Remuneration Committee.

Finance and Resource Implications

- 6. There are no additional finance and resource implications.

Staff Partnership

- 7. There are no issues in relation to partnership working.

Communication and Engagement

- 8. This paper and minutes of any related discussion will be made available on our website, www.healthscotland.com

Corporate Risk

- 9. Regular review of Board Standing Orders/Committee Terms of Reference are essential to ensure good governance, the failure of which would also lead to reputational risk to the organisation.

Promoting Fairness

- 10. There are no promoting fairness implications.

Sustainability and Environmental Management

- 11. There are no anticipated sustainability and environmental management implications.

Action/ Recommendations

- 12. The Board is asked to approve the Board Standing Orders and revised Terms of Reference for the Audit, Health Governance, Remuneration and Staff Governance Committees.

Jenny Kindness
Governance Manager
15 March 2017

Appendix 1

NHS HEALTH SCOTLAND

STANDING ORDERS

1. These standing orders are based on and drawn up in accordance with The Health Boards (Membership and Procedure) (Scotland) Regulations 2001, (Scottish Statutory Instrument 2001 No. 302), hereinafter referred to as the Regulations. Members of the Board are expected to subscribe to and comply with the Board Members' Code of Conduct made under the Ethical Standards in Public Life etc. (Scotland) Act 2000.
2. Any statutory provision, regulation or direction by Scottish Ministers shall have precedence if they are in conflict with these Standing Orders.
3. The Board shall meet no fewer than six times in each year. The period between meetings shall not exceed three months.
4. The date, hour and place of meetings shall be fixed by the Board. The Board shall agree the meeting dates for the following financial year by, or at, its last meeting of the calendar year.
5. Ordinary Board meetings shall be advertised and held in public. The Chief Executive shall give at least five clear working days' notice in writing to each member for every ordinary meeting of the Board. Such notice shall include details of the business to be transacted at the meeting. Papers for each Board meeting will be sent out five working days in advance. Late papers will be sent out or tabled only in exceptional circumstances. The Board shall hold meetings in private session when deemed appropriate in view of the nature of business to be discussed.
6. The Chair may convene special meetings of the Board at short notice to consider matters of urgency. The notice convening such meetings shall state the particular business to be transacted and no other business will be competent.
7. The Chair will be required to convene a special meeting of the Board if s/he is in receipt of a written requisition to do so signed by no less than one third of the members of the Board, including at least two who are not also officers of the Board. Such requisition shall specify the business to be transacted and no other business shall be competent. The meeting must be held within seven days of the Chair's receipt of the requisition.
8. The Board shall cause minutes of all of its meetings to be prepared recording:
 - a) the names of all members present at a meeting and of those in attendance
 - b) apologies
 - c) details of all proceedings, decisions and resolutions of the meeting.

These minutes shall be circulated to each member before the next meeting of the Board when they shall be submitted for the approval of the Board. When the minutes of the previous meeting have been approved they shall be signed by the Chair.

9. In accordance with Article 7 of the Regulations, the Board is required to appoint a member to act as Vice-Chair. The Vice-Chair shall not be an officer of the Board.

The Vice-Chair's term of office shall terminate on 1 April in each year and s/he shall be reappointed or replaced by another member, according to the decision of the Board, at the first meeting of the Board succeeding that date.

10. In accordance with Article 8 of the Regulations:
 - a. The Chair shall preside at Board meetings if s/he is present.
 - b. In her/his absence the Vice-Chair shall preside.
 - c. If both are absent the Board shall appoint, from amongst its members but excluding officers of the Board, an Acting Chair for the meeting in question.
 - d. All matters to be decided by the Board shall be decided by a simple majority of the members present, but in the case of an equality of votes, the person presiding at the meeting shall have a second or casting vote.
11. All votes shall be taken by a show of hands unless decided otherwise by the Chair.
12. One third of the whole number of members, including no more than one member who is an officer of the Board, shall form a quorum for meetings of the Board.

No business requiring a decision shall be transacted at any meeting of the Board which is inquorate. If it arises during the course of a meeting that a quorum is no longer present, the Chair shall either suspend business until a quorum is re-established or declare the meeting at an end.

13. The Chief Executive is designated as NHS Health Scotland's Accountable Officer in accordance with sections 14 and 15 of the Public Finance and Accountability (Scotland) Act 2000. As Accountable Officer the Chief Executive is personally responsible for safeguarding the public funds falling within the stewardship of NHS Health Scotland; for ensuring propriety and regularity in the handling of those public funds, and for the day-to-day management of NHS Health Scotland.
14. The Chief Executive shall ensure that during any temporary period of unavailability, there will be a senior officer who can act on his/her behalf. If the absence exceeds a period of four weeks or more, or the Accountable Officer is incapacitated and unable to discharge his/her responsibilities over this period of time a substitute Accountable Officer will be appointed.

15. From amongst its members the Board may appoint Committees, consisting of four or more persons, for the purpose of carrying out its business. Such Committees shall be responsible to the Board for all of their actions. Those Committees shall have delegated authority to make decisions within their terms of reference, and such decisions shall subsequently be reported to the Board. For this purpose accurate minutes of each Committee meeting must be kept for submission to the Board. Each Committee shall have a Chair who shall be a non-executive Board member and shall be appointed by the Board or by the Committee concerned from amongst its members, as determined by the Board. In the absence of the Chair, the Committee shall appoint from among its members, but excluding officers of the Board, an Acting Chair for the meeting in question.

The Board will appoint standing Committees in relation to audit, health governance, staff governance, and remuneration.

The Board may co-opt non-members to serve on a Committee, without limit, except that on any Committee the number of co-opted non-members may not exceed the number of non-executive Board members.

The Board will review its Committee structure/operation on an annual basis.

16. Three members of a Committee, of whom at least two shall be non-executive Board members, shall form a quorum.

In order to ensure a quorum, a Committee Chair may nominate, either in advance of the meeting or at the time, another non-executive member of the Board to be a temporary member of the Committee.

No business requiring a decision shall be transacted at any Committee meeting which is inquorate. If it arises during the course of a Committee meeting that a quorum is no longer present, the Chair shall either suspend business until a quorum is re-established or declare the meeting at an end.

17. In accordance with Article 11 of the Regulations, if a member of the Board or of a Committee of the Board, or associate of theirs has any pecuniary or other interest, direct or indirect, in a contract to be awarded by the Board or a Committee of the Board, or any other matter to be discussed, s/he shall declare that interest as soon as possible after the commencement of the meeting. If a conflict of interest is established, the Board member concerned shall withdraw from the meeting and shall play no part in the relevant discussion or decision.
18. By the decision of the Chair of the Board or of the Chair of a Committee of the Board, or by the decision of a majority of those present at a meeting of the Board or of a Committee of the Board, meetings of the Board or of a Committee may be adjourned at any time to be reconvened at any other day, hour and place, as the Board or Committee shall decide.

19. At all meetings of the Board or Committees of the Board it shall be the duty of the Chair to preserve order and to ensure that all members are treated fairly. S/he shall decide all questions of order that may arise.
20. No motion to alter or rescind a resolution of the Board shall be competent within six months of the date of its adoption, except with the consent of a majority of the full membership of the Board.
21. At the discretion of the Board, any member may be suspended from the Board or disqualified from taking part in any business of the Board if s/he:
 - a. fails to attend at least three meetings of the Board in any year, without special leave of absence or without furnishing satisfactory reason to the Board; or
 - b. conducts her/himself in a manner prejudicial to the best interests of the Board and its objectives.
22. Decisions reserved for the Board and a scheme of delegation are presented as an appendix.
23. No motion for the suspension of Standing Orders shall be carried unless supported by a majority of the full membership of the Board.
24. Proposed amendments to these Standing Orders must be submitted to the Chief Executive in writing and must be received by her/him at least seven days before the Board meeting at which the proposal will be considered. To be approved, any such proposal must be supported by a majority of the full membership of the Board.

DECISIONS RESERVED FOR THE BOARD AND SCHEME OF DELEGATION

1. Decisions reserved for the Board

Matters for determination by the Board are as follows:

- a. strategic direction, business plans and budgets.
- b. standing orders, including a scheme of delegation.
- c. standing financial instructions.
- d. the establishment, terms of reference and reporting arrangements for all Committees and special groups acting on behalf of the Board.
- e. all items of capital expenditure and disposal of fixed assets.
- f. financial and auditing reporting arrangements.
- g. performance management reporting arrangements.
- h. investment policy for exchequer funds and discharge of trustee responsibilities in relation to non-exchequer funds.
- i. approval of the annual accounts.
- j. approval of the annual report.

2. Scheme of delegation

Area of responsibility		Delegated to postholder or authorised nominee
a)	Issuing, receiving, opening tenders and post-tender negotiations	Head of Finance and Procurement
b)	Legal claims	Chief Executive
c)	Delegation of budgets and approval to spend funds	Chief Executive
d)	Operation of detailed financial matters including bank accounts and banking procedures	Head of Finance and Procurement
e)	Management of non-exchequer funds	Head of Finance and Procurement
f)	Arrangements for the management of land, buildings and other assets belonging to or leased by the Board	Chief Executive
g)	Management and control of stocks	Head of Finance and Procurement
h)	Management and control of computer systems and facilities	Director of Delivery
i)	Risk management	Director of Strategy
j)	Recording and monitoring of payments under the losses and compensation regulations	Director of Strategy
k)	Making ex-gratia payments	Chief Executive
l)	Health and safety arrangements	Director of Strategy
m)	Information Management and Information Governance	Director of Strategy
n)	Insurance arrangements	Head of Finance and Procurement
o)	Virement between appropriate heads of expenditure, in line with current guidance	Chief Executive
p)	Personnel policies relating to arrangements for the appointment/removal and remuneration of staff.	Staff Governance Committee
q)	Audit arrangements	Audit Committee
r)	Approval of the annual objectives for the Chief Executive/Directors, in line with the agreed corporate objectives and business plan	Remuneration Committee
s)	Monitoring compliance with Equality and Diversity Regulations	Director of Strategy
t)	Monitoring quality of Health Scotland's Health Improvement programmes	Health Governance Committee

Appendix 2

NHS HEALTH SCOTLAND

AUDIT COMMITTEE: TERMS OF REFERENCE

Constitution

1. The NHS Health Scotland Board has established a Committee to be known as the Audit Committee.

Role

2. The role of the Audit Committee is to assure the Board that an appropriate system of control is in place to ensure that:
 - business is conducted in accordance with law and proper standards;
 - public money is safeguarded and accounted for;
 - financial statements are prepared timeously and give a true and fair view of the financial position of the Board;
 - reasonable steps are taken to prevent fraud and other irregularities;
 - the system of risk management in the organisation is adequate in identifying risks and allowing the Board to understand the appropriate management of those risks.
3. As the standing committee with responsibility for information governance, the Audit Committee provides the Board with an Information Governance Improvement Plan as part of its annual report.

Membership

4. The Committee is appointed by the Board from amongst the non-executive members and consists of not less than 4 members. A quorum shall be 3 members. Arrangements for ensuring a quorum are set out in the Board's Standing Orders.
5. The Chair of the Audit Committee will be a Non-executive Board Member, appointed by the Board. Arrangements to deal with the absence of the Chair are set out in the Board's Standing Orders.
6. The Chair of the Board is prohibited from being a member of the Audit Committee.

Attendance at meetings

7. The Chair of the Board and other non-executive Board Members have the right to attend Audit Committee meetings and may contribute to the meeting if invited to do so by the Chair of the Committee.

8. The Chief Executive and the Lead Officer for Audit are expected to attend meetings, but are not members of the Committee.
9. The Audit Committee can require the attendance of any member of staff.
10. The External Auditor and the Internal Auditor are expected to attend Audit Committee meetings.
11. The Board or Committee shall appoint an officer to be Secretary to the Committee.
12. The Audit Committee can exclude all executive Board Members and officers from any meeting if the Committee considers this necessary.

Frequency of meetings

13. Routine meetings shall normally be held quarterly, and at a minimum not less than four per year.
14. The Committee Members only shall have, at least, one private meeting with both internal and external auditors each year.
15. The Chair of the Audit Committee will be required to convene a special meeting of the Audit Committee if s/he is in receipt of a written requisition to do so signed by two Non-executive Board Members or the external auditor, the internal auditor, the Chief Executive, the Executive Finance & Procurement Manager. Such requisition shall specify the business to be transacted and no other business shall be competent. The meeting must be held within seven days of the Chair's receipt of the requisition.

Authority

16. The Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.
17. The Committee is authorised by the Board to obtain independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.
18. The Committee shall receive written and oral evidence from senior staff, and other partners, as appropriate.
19. The Committee shall seek to ensure there is an acceptable balance between the value of the information it receives and the time and other costs it takes to acquire and process it.
20. The Committee shall ensure good communication and relationships with other standing Committees of the Board.

Duties

21. The remit of the Audit Committee shall be a review of the strategic process for risk control and governance. The key specific duties are:
- a) assisting in discharging the Board's responsibilities as they relate to management and internal controls, accounting policies and financial reporting
 - b) reviewing the effectiveness of management information, information governance (including Data Protection and Freedom of Information Act compliance) and other systems of control
 - c) reviewing accounting policies adopted and any changes in accounting principles or practices introduced
 - d) reviewing arrangements established by management for compliance with any regulatory or administrative requirements; reviewing policies and practices involving counter fraud, whistleblowing, special investigations, legal compliance, ethics and other such matters, and ensuring that these are adequate
 - e) acting as a channel of communication between the Board and both internal and external auditors and other interested parties
 - f) undertaking an annual review of all statutory audit material, in particular any annual report or management letter relating to certification of the Board's accounts
 - g) holding meetings with the External Auditor, if necessary, to discuss his annual report, the scope of his audit examination and any matters which he wishes to discuss, with or without any members of staff being present
 - h) a regular review of action planned and undertaken by the Board's management to remedy weaknesses or other criticisms of the Board's financial management made by the External Auditor
 - i) appointing the internal auditor and agreeing the fee
 - j) noting the appointment of the External Auditor by Audit Scotland and agreeing the fee
 - k) agreeing long and short term internal audit plans, and discussing the external audit programme of work
 - l) monitoring progress of internal audit's coverage against long and short term plans

- m) determining if the internal audit service is properly staffed, trained and equipped, and reviewing the operational effectiveness of the service
- n) consideration of the findings of internal audit reports and investigations, and the overseeing and reviewing of the management response and action taken
- o) consideration of occasional reports issued by the Audit Commission for England and Wales, the National Audit Office, the Accounts Commission, Audit Scotland, NHS Counter Fraud Services and other similar bodies
- p) reviewing the Board's standing orders and standing financial instructions
- q) reviewing schedules of losses and compensations including theft, fraud and other financial irregularities
- r) reviewing the Annual Accounts and making recommendations to the Board regarding adoption of these accounts
- s) reviewing the strategic processes for risk including review of the corporate risk register, control and governance and the Governance Statement (on internal control)
- t) reviewing assurances relating to the corporate governance requirements for the organisation
- u) undertaking periodic reviews of delivery against agreed sustainability initiatives
- v) undertaking periodic reviews of progress against the organisational Equality Outcome related to systems and processes
- w) reviewing an annual summary of the Board's waiving of the tender process
- x) to be the lead governance sub-committee for EFQM work (subject to Board approval)

Reporting procedures

- 22. Accurate minutes of each Committee meeting will be kept and submitted to the Board for homologation of all decisions taken by the Committee.
- 23. The Audit Committee will report to the Board annually on its work and give the relevant assurance to the Board relating to the Governance Statement. In its annual report the Audit Committee should give a view on the Board's effectiveness within the guidance on corporate governance.

24. Additional reports will be provided to the Board as required to ensure it is informed of current issues.

Review

25. The terms of reference, remit and effective working of the Audit Committee will be reviewed annually.

Appendix 3

NHS HEALTH SCOTLAND HEALTH GOVERNANCE COMMITTEE: TERMS OF REFERENCE

Constitution

1. The NHS Health Scotland Board has established a Committee to be known as the Health Governance Committee.

Role

1. The role of the Health Governance Committee is to review the evidence that NHS Health Scotland's activities make an effective contribution to tackling health inequalities and improving health. This is to ensure the alignment of work with the ten agreed principles; do good, do no harm; fairness; sustainability; respect; participation; empowerment; social responsibility; openness; and accountability
2. The Health Governance Committee will, on behalf of the Board, examine and comment on the quality (including the dimension of impact) of work in each of the Strategic Priorities that support the Strategy of the organisation. This will be themed under Knowledge into Action to reflect the Board's purpose.
3. The Health Governance Committee will do this through a Programme of business that includes the proper sampling of the work undertaken by the Board.

Membership

4. The Committee is appointed by the Board from amongst the non-executive members and consists of not less than 4 members. A quorum shall be 3 members. Arrangements for ensuring a quorum are set out in the Board's Standing Orders.
5. The Chair of the Health Governance Committee will be a non-executive Board Member, appointed by the Board. Arrangements to deal with the absence of the Chair are set out in the Board's Standing Orders.
6. The Chair of the Board and other NHS Health Scotland non-executive Board Members have the right to participate in meetings.
7. The Board or Committee will ensure the appointment of a Secretary to the Committee.

Frequency of meetings

8. Routine meetings shall normally be held quarterly, and at a minimum not less than twice per year. The Health Governance Committee Chair may call meetings more frequently if deemed necessary.

Authority

9. The Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any reasonable request made by the Committee.
10. The Committee is authorised by the Board to obtain independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary. The Committee shall have delegated authority to act on behalf of the Health Scotland Board to assure, recommend and report to the Board on the quality and impact of Health Scotland's improving health and reducing health inequalities programmes.
11. The Committee will receive written and oral evidence from senior staff and other partners, as appropriate.
12. The Committee will seek to ensure there is an acceptable balance between the value of the information it receives and the time and other costs it takes to acquire and process it.
13. The Committee will ensure good communication and relationships with other standing Committees of the Board.

Duties

14. The Committee will ascertain whether there is consistent evidence that Health Scotland's activities are achieving outcomes which provide the greatest opportunity to make a positive impact and promote action to reduce inequalities and improve health.
15. The Committee will consider specific illustrations from each of the Strategic Priorities within the organisational strategy. The scrutiny questions in Appendix 1 of the ToR will be used to assist members.
16. This is to ensure that these activities and illustrations:
 - (a) are consistent with NHS Scotland Quality Ambitions of:
 - being safe
 - person-centred and
 - effective

(b) meet the three Health Governance Committee quality assurance standards of “Knowledge into Action”:

- Standard 1 – Knowledge generation
- Standard 2 – Knowledge management
- Standard 3 – Knowledge application

(c) meet the Boards role in quality assurance, embracing the European Foundation of Quality Management (EFQM) standards of:

- Leadership
- Strategy
- People
- Partnership and Resources
- Processes, Products and Services
- And the results for: People, Customer, Society and Business

This will embrace members considering the scrutiny questions framed around these EFQM standards in Appendix 1 when scrutinising the Strategic Priority work.

17. The Committee will review illustrations of work that have made positive contributions, as well as evidence of work that have encountered challenge, generated learning and necessitated improvement measures.
18. Papers to the Health Governance Committee will indicate their purpose, either for decision, discussion or noting.
19. In addition to the Strategic Priority illustrations, the Health Governance Committee will receive items as follows:
 - Reports on the risks assigned to the Health Governance Committee from the Corporate Risk Register, at each meeting
 - An annual report on the equality outcomes assigned to the Health Governance Committee
 - An annual report on Significant Risks
 - A bi-annual review of Health Governance effectiveness
 - Annual Assurance Statement and Report
 - Annual Review of Terms of Reference
 - Forward planner of business

Reporting procedures

21. Accurate minutes of each Committee meeting will be kept and submitted to the Board for approval of all decisions taken by the Committee.

22. Additional reports will be provided to the Board as required to ensure it is informed of current issues.

Review

23. The terms of reference, remit and effective working of the Health Governance Committee will be reviewed annually.

January 2017

Appendix 1

Health Governance Committee (HGC) scrutiny and assurance questions

These questions have been aligned to the EFQM standards outlined in paragraph number 16 of the ToR. They are offered as prompts for HGC members in relation to Strategic Priority agenda items:

- Does the Strategic Priority illustration have a clear alignment to the Health Scotland vision and the Strategic Priority?
- Are you satisfied that the Strategic Priority illustrations carries out and provides evidence on quality improvement in a way which promotes equality, tackles discrimination and addresses health inequalities?
- Is there good definition of performance and impact measures and do they relate closely to specific actions described?
- Is there evidence of stakeholder analysis and engagement, feedback, demand (for the product/service) and participation?
- Is there evidence of the application of the three Knowledge into Action (KIA) standards in a cyclical way? For example is the learning from applying action being integrated to knowledge generation and knowledge management (continuous improvement)?
- Have there been resource issues in relation to staff and budgets?
- Have the Strategic Priority illustrations identified and managed specific risks, as well as corporate risks?
- Is there satisfactory evidence of achieving impact and being on track with expected outcomes?
- Have the authors drawn out improvement lessons and clearly identified actions resulting from lessons? To what extent are these lessons relevant to other parts of Health Scotland?

Appendix 4

NHS HEALTH SCOTLAND

REMUNERATION COMMITTEE: TERMS OF REFERENCE

1. Role of the Committee

1.1 The main function of the Remuneration Committee is to ensure the application and implementation of fair and equitable pay systems and other related employment matters as set out in paragraph 15 below, on behalf of the Board, as determined by Ministers and Scottish Government and described in MEL (1993) 114 and subsequent amendments. MEL (1993) 114 concerns arrangements for the pay of executive members of the Board and managers who are employed on Senior Manager Terms and Conditions.

2. Membership

2.1 The Committee is appointed by the Board from amongst the non-executive members and consists of:

- The Chair of the Board
- The Chair of the Staff Governance Committee
- The Chair of the Audit Committee
- The Chair of the Health Governance Committee
- The Employee Director

2.2 The Committee is appointed by the Board from amongst the non-executive members and consists of not less than 4 members. A quorum shall be 3 members. Arrangements for ensuring a quorum are set out in the Board's Standing Orders.

2.3 The Remuneration Committee is chaired by the Chair of NHS Health Scotland.

3. Attendance at Committee Meetings

3.1 NHS Health Scotland non-executive Board Members have the right to attend meetings.

3.2 The Director with executive responsibility for Human Resources is expected to attend meetings in a professional advisory capacity and may invite other members of the Human Resources team to attend.

3.3 The Chief Executive is expected to attend meetings.

3.4 Both the Director responsible for Human Resources and the Chief Executive will leave the meeting when their own remuneration and terms and conditions are to be discussed.

3.5 The Executive Assistant to the CEO will service the Committee, with the PA to the Director of Strategy (Director responsible for Human Resources) acting as deputy.

4. Arrangement of Meetings

4.1 The schedule of meetings for the forthcoming year will be agreed annually and will normally be four, with additional meetings arranged at the discretion of the Chair.

4.2 Business may also, by approval of the Chair, be conducted electronically or through tele-conference.

4.3 Any member of the Committee can propose an item for the agenda through the Chair.

4.4 Papers which contain confidential personal information will only be circulated through nhs.net secure email accounts to secure hardware, or by post.

5. Authority

5.1 The Committee is authorised to investigate any activity within its Terms of Reference.

5.2 The Committee operates as a sub-committee of the Staff Governance Committee and is required to provide assurance that systems and procedures are in place to manage the issues set out in MEL (1993) 114 so that the overarching staff governance responsibilities can be discharged.

5.3 The Committee is authorised to obtain independent professional advice and to secure the attendance of others with relevant information, experience or expertise if it considers this necessary.

6. Duties of the Remuneration Committee

6.1 The specific duties of the Committee are as follows:

- Approve any process to appoint a Chief Executive or Director of the organisation, noting job descriptions, job evaluations, contracts and terms and conditions of employment, including associated benefits.
- Approve the basic pay and benefits (including termination benefits) of the Executive Team, where the Senior Management Terms and Conditions apply.
- Agree the use of discretionary flexibility within national pay arrangements, including the allocation of discretionary points under the medical and dental terms and conditions of service for the Executive Team.
- Review and approve the annual performance objectives of the Executive Team. The Committee also has the right to request a review of mid-year performance.
- Approve the performance ratings for the Executive Team following end of year appraisal and the implementation of any associated performance related pay increase, where the senior management pay cohort regulations apply.

- Ensure that effective arrangements have been made for setting of annual objectives, annual approval of performance ratings for members of staff remunerated and any other processes related to pay and terms and conditions of service to any other staff who are employed on Senior Management Terms and Conditions but not part of the Executive Team.
- Maintain an overview of all Early Departures within NHS Health Scotland in order to assure, on behalf of the Board, the effective governance and corporate risk management of all such arrangements. Specific duties include:
 - agree and review NHS Health Scotland’s policy of voluntary redundancy as it applies both to schemes that are open for periods of time to all staff or a specified group of staff, and also as it applies to staff individually exercising their right to apply for voluntary redundancy.
 - recommend to the Board the approval of any voluntary redundancy scheme that is to be open for a period of time to all staff or a specified group of staff, including agreeing the objectives, time frame and any limits of such an initiative. Oversee the appropriate implementation of such a scheme within agreed processes and assure itself of an appropriate outcome of any such initiative.
 - maintain an overview of arrangements where authority for decisions with regard to voluntary redundancy or other forms of early departure have been delegated to the CEO
 - approve, through the consideration of a business case, any recommendation made by the CEO with regard to voluntary redundancy or other forms of early departure where authority is not delegated to the CEO under the terms of the voluntary redundancy policy, satisfying itself that appropriate processes have been followed and that the decision to terminate the individual’s contract of employment on these terms represents good value for money and is a defensible decision by the Board.
 - receive and approve 6 monthly reports on the management and governance of early departures at NHS Health Scotland and report annually to the Audit Committee, Staff Governance and Board on agreed aspects of the management of early departures
- Satisfy itself and others that all decisions reached by the Committee are determined through a fair and justifiable process, as laid out in the Audit Scotland Remuneration Committee ‘Framework of Key Questions’ (2007)
- Comply with national circulars or directions from Scottish Government or Ministers that relate to guidance on remuneration or terms and conditions of employment.
- Ensure good communication and relationships with other standing committees of the Board.
- Ensure Remuneration Committee members are provided with appropriate information and training to support them in carrying out their roles.

7. Reporting Procedures

7.1 Full and accurate minutes of each Committee meeting will be kept. These will remain confidential to members of the Committee.

7.2 A minute will be prepared and reported to the Staff Governance Committee. The minute will be abridged when necessary to protect matters relating to individual members that require to remain confidential. This will be at the Chair's discretion.

8. Review

8.1 The terms of reference, remit and effective working of the Remuneration Committee will be reviewed annually. The Audit Scotland Remuneration Committee Self-Assessment Framework will be used as the basis on which the business of the Committee is reviewed. This review will normally take place at the scheduled May meeting of the Committee.

Appendix 5

NHS HEALTH SCOTLAND STAFF GOVERNANCE COMMITTEE: TERMS OF REFERENCE

Constitution

1. The NHS Health Scotland Board has established a Committee to be known as the Staff Governance Committee.
2. The Chair of the Staff Governance Committee will be a member of the Remuneration Committee.

Role

3. The role of the Staff Governance Committee is to assure itself of the maintenance of a culture within NHS Health Scotland where the highest possible standards of staff management are the responsibility of everyone and are built upon partnership and collaboration.
4. It will ensure that robust arrangements to implement the Staff Governance Standard are in place and monitored. This includes acting as the 'parent committee' of the Remuneration Committee, which reports to the Staff Governance Committee.
5. It will also ensure that implementation of the Staff Governance Standard helps drive and support staff to achieve our Quality Ambitions, the Workforce 2020 Vision and the ambitions of our Strategic Framework for Action 2017-22 within a changing structural and policy landscape.

Membership

6. The Staff Governance Committee will be appointed by the Board and will consist of not less than 4 non-executive Board members, of whom one must be the Employee Director, plus the Chief Executive and two lay representatives from trade unions and professional organisations nominated by the NHS Health Scotland Partnership Forum.
7. A quorum will be 3 members, at least 2 of whom will be non-executive Board Members. Arrangements for ensuring a quorum are set out in the Board's Standing Orders. Members attending by tele or video conference will be determined as present for the purposes of quoracy.
8. The Chair of the Staff Governance Committee will be a non-executive Board Member, appointed by the Board. Arrangements to deal with the absence of the Chair are set out in the Board's Standing Orders.

Attendance at meetings

9. The Chair of the Board and other NHS Health Scotland non-executive Board Members have the right to participate in meetings.
10. The Lead Director for Staff Governance will normally attend meetings of the Staff Governance Committee and may agree with the Chair of the Committee to invite additional members of staff to contribute to agenda items.
11. The Board or Committee will ensure the appointment of a Secretary to the Committee.

Arrangement of meetings

12. Meetings will normally be held 6 times a year, with one meeting held jointly with the Partnership Forum. The Chair may call meetings more frequently if deemed necessary.
13. Any member of the Committee can propose an item for the agenda through the Chair.
14. Schedules for preparing, approving and distributing papers and minutes will be managed as per protocols agreed with the Board secretariat.

Authority

15. The Staff Governance Committee will have delegated authority to act on behalf of the NHS Health Scotland Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any reasonable request made by the Committee.
16. The Staff Governance Committee is authorised by the Board to obtain independent professional advice and to secure the attendance of others with relevant experience and expertise if it considers this necessary.

Duties

17. The duties of the Committee are as follows:
 - a) oversee the commissioning of structures and processes which ensure delivery of the Staff Governance Standard, which entitles staff to be:
 - well informed
 - appropriately trained and developed
 - involved in decisions
 - treated fairly and consistently, with dignity and respect, in an environment where diversity is valued
 - provided with a continuously improving and safe working environment, promoting the health and wellbeing of staff, patients and the wider community

- b) review evidence of attainment and maintenance of the Standard and other relevant legal obligations, ensure that performance management of the Staff Governance Action Plan is carried out, and, where there is evidence of NHS Health Scotland falling short of required standards, ensure that causes are identified and remedial action is recommended
- c) monitor and evaluate strategies and implementation plans relating to people management, including the NHS Health Scotland workforce plan and over-viewing this plan to consider its relevance for both the 2020 Workforce Vision and the ambitions of A Fairer Healthier Scotland
- d) oversee the development and monitoring of all organisational policy related to workforce issues, ensuring compliance with national PIN policies
- e) provide staff governance information for the statement of internal governance and take responsibility for the timely submission of all staff governance information required for national monitoring arrangements
- f) oversee the effective operation of NHS Health Scotland's Partnership working arrangements and undertake joint work on relevant issues with NHS Health Scotland's Partnership Forum
- g) ensure that overarching staff governance responsibilities are being discharged by the Remuneration Committee
- h) ensure good communication and relationships with other standing committees of the Board
- i) report to the Board annually on its work and give relevant assurance to the Board and Accountable Officer relating to the Governance Statement.
- j) ensure Committee decisions are communicated appropriately to internal and external audiences
- k) ensure Committee members are provided with appropriate information and training to support them in carrying out their roles.

Reporting procedures

18. Draft minutes will be presented by the Staff Governance Chair to the Board.
1. Minutes, abridged as necessary, of the Remuneration Committee will be received by the Staff Governance Committee. Receipt of these minutes and record of any discussion that follows will be recorded in the Staff Governance Committee minute, in order that overall assurances re the effective operation of the Remuneration Committee are presented to the Board.
2. Additional reports will be provided to the Board as required to ensure they are informed of current issues.

Review

3. There will be an annual review of these terms of reference and the effective working of the Committee.