

BOARD MEETING: 22 MARCH 2019

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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, Remuneration and Staff Governance Committees.
- Agree process for Audit Committee and Board to receive Remuneration Committee reports as appropriate and as detailed in section 8.V of this report.

Author:

Sponsoring Director:

Della Thomas
Executive and Governance Lead

Gerald McLaughlin
Chief Executive

13 March 2019

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 (ToRs) of the Board's Standing Committees.

Background

2. The current versions of the Board Standing Orders and Committee ToRs were approved at a Board meeting on 23 March 2018. During February 2019, the Board's Standing Committees have reviewed the Board Standing Orders (Audit Committee review) and their Terms of Reference and agreed appropriate amendments, as necessary.
3. It should be noted that further to the decision approved at 15 February 2019 Board meeting for the suspension of the Health Governance Committee, this Committee has not met to review their ToRs. If a meeting of this Committee is required during the 2019 transitional period, the 2018 ToRs will be used and reviewed to ensure they are fit for purpose.
4. Audit Committee proposed changes to the Board's Standing Orders at the meeting held on 8 February 2019 to take account of governance transition and some corrections in job titles listed in the scheme of delegation as follows:
 - I. Paragraph 3 has an additional sentence added "As 2019 is a transition period for the NHS Health Scotland, the number of meetings scheduled between 1 April – 30 November 2019 will be proportionate in number".
 - II. Paragraph 24 has been amended to reflect the transition period. "Recognising that 2019 is a transition period for Health Scotland, the Board's agenda and schedule of business will pay due regard to the establishment of Public Health Scotland and the National Boards Collaborative Delivery Plan"
 - III. Additions have been made to process for approval of annual accounts and annual report in the "Decisions reserved for the Board" section as follows "approval of the annual accounts or mechanism for 2019 accounts to be approved in the absence of the NHS Health Scotland Board" and "approval of the annual report or associated report to be approved in the absence of the NHS Health Scotland Board".
 - IV. Changes have been made to job titles in the "Scheme of Delegation" section as follows "Executive Finance and Procurement Manager" has been changed to "Head of Finance and Procurement" and "Director of Delivery" to "Director of Health Equity and Director of Health and Work".
 - V. In the "Scheme of Delegation" section the "Monitoring quality of Health Scotland's Health Improvement programmes" has been changed from Health Governance Committee to Board.

5. The amended version of the Board Standing Orders is in Appendix 1 of this paper.
6. Audit Committee reviewed the Audit Committee Terms of Reference (ToRs) at the meeting held on 8 February 2019 and agreed the following changes associated with governance transition:
 - I. Paragraph 4, “Recognising that 2019 will be the transition period for Health Scotland into Public Health Scotland, the Committee’s agenda and schedule of business will pay due regard to the establishment of Public Health Scotland and other national plans”.
 - II. Paragraph 14, “Routine meetings shall normally be held quarterly, and at a minimum not less than four per year. In this is a transition period, four Audit Committee meetings have been scheduled”.
 - III. Section (r under Audit Committee duties “reviewing the Annual Accounts and making recommendations to the Board regarding adoption of these accounts. Since 2019 in a transition year, 2019 Annual Accounts for the period from 1 April to 30 November 2019 will be presented to the Board of Public Health Scotland for approval as the assets and liabilities of Health Scotland will be transferred to them as at 30 November 2019”.
7. The amended version of the Audit Committee ToRs is in Appendix 2 of this paper.
8. The Remuneration Committee met on 8 February 2019 and reviewed the Committees ToRs as part of this meeting. In order to take account of the transitional governance period the following amendments have been made:
 - I. Section 1.2 “Recognising that 2019/20 will be the transition year for Health Scotland into Public Health Scotland, the Committee's agenda and schedule of business will pay due regard to the establishment of Public Health Scotland and other national plans and arrangements as they affect all Health Scotland staff and particularly members of the Executive Team.
 - II. In relation to the presence of the HR representatives and CEO attendance, this is at the discretion of the Chair and an addition has been made to 3.4 in this regard “and at other times, at the discretion of the Chair”.
 - III. Paragraph 4.1 has been amended as the Committee will not meet for a full business year, “The schedule of meetings for the forthcoming period will be agreed annually and is normally four in a full year. Given the transition period three meetings have been scheduled, and additional meetings will be arranged at the discretion of the Chair”.
 - IV. The second bullet point in the “Duties of the Remuneration Committee” now explicitly refers to Public Health Scotland.
 - V. The seventh bullet point within the “Duties of the Remuneration Committee” lists a series of additional bullet points in relation to specific duties in relation to early departures. The 5th bullet point in the

additional list has been amended to read: “receive and approve reports on the management and governance of early departures at NHS Health Scotland at least 6 monthly or more often as necessary, and report at least annually to the Audit Committee, Staff Governance and Board on agreed aspects of the management of early departures”. As such it is recommended that the Board and Audit agendas are amended to include these reports and/or an opportunity for the Chair of Remuneration Committee to also provide an update to the Board under the agenda item “Significant issues of note from recent Board Committee meetings: Audit Committee and Staff Governance Committee” by adding Remuneration Committee to this item if appropriate.

9. The amended ToRs for Remuneration Committee are in Appendix 3 of this paper.
10. The Staff Governance Committee (SGC) met on 22 February 2019 and was scheduled to review their ToRs as part of this meeting, but due to priority of other agenda items did not discuss the ToRs. The SGC have therefore reviewed their ToRs by correspondence in an email sent out on behalf of Cath Denholm on 6 March proposing the below changes in order to take account of the transitional governance period. These amendments have been approved by the SGC Chair.
 - I. Paragraph 6 has been amended to read, “Recognising that 2019/20 will be the transition year for Health Scotland into Public Health Scotland, the Committee's agenda and schedule of business will pay due regard to the establishment of Public Health Scotland and other national plans and arrangements as they affect all Health Scotland staff”.
 - II. Paragraph 13 amended to read, “Meetings are normally held 5 times a year. In addition, one joint seminar is normally held with the Partnership Forum. However during this transition period 3 Committee meetings have been scheduled. The Chair may call meetings more frequently if deemed necessary”.
11. The revised SGC ToRs are included as Appendix 4 of this paper.

Finance and Resource Implications

12. There are no additional finance and resource implications.

Staff Partnership

13. There are no issues in relation to partnership working.

Communication and Engagement

14. This paper and minutes of any related discussion will be made available on our website, www.healthscotland.scot

Corporate Risk

15. 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.

Issues Associated with Transition

16. The Board and its standing Committees recognise that 2019 is a transitional period for NHS Health Scotland. The Board and Committee agendas and schedules of business will therefore pay due regard to the establishment of Public Health Scotland and the contribution Health Scotland will make to the National Boards Collaborative Delivery Plan.

Promoting Fairness

17. There are no promoting fairness implications.

Sustainability and Environmental Management

18. There are no anticipated sustainability and environmental management implications.

Action/ Recommendations

19. The Board is asked to:
 - Approve the revised Board Standing Orders and Terms of Reference for the Audit, Remuneration and Staff Governance Committees.
 - Agree process for Audit Committee and Board to receive Remuneration Committee reports as appropriate and as detailed in section 8.V of this report.

Della Thomas
Executive and Governance Lead
13 March 2019

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. As 2019 is a transition period for the NHS Health Scotland, the number of meetings scheduled between 1 April – 30 November 2019 will be proportionate in number.
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 printed and 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. Recognising that 2019 is a transition period for Health Scotland, the Board's agenda and schedule of business will pay due regard to the establishment of Public Health Scotland and the National Boards Collaborative Delivery Plan.
25. 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 or mechanism for 2019 accounts to be approved in the absence of the NHS Health Scotland Board.
- j. approval of the annual report or associated report to be approved in the absence of the NHS Health Scotland Board.

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 Health Equity and Director of Health and Work
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	Board

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.
4. Recognising that 2019 will be the transition period for Health Scotland into Public Health Scotland, the Committee's agenda and schedule of business will pay due regard to the establishment of Public Health Scotland and other national plans.

Membership

5. 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.
6. 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.
7. The Chair of the Board is prohibited from being a member of the Audit Committee.

Attendance at meetings

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

Frequency of meetings

14. Routine meetings shall normally be held quarterly, and at a minimum not less than four per year. In this is a transition period, four Audit Committee meetings have been scheduled.
15. The Committee Members only shall have, at least, one private meeting with both internal and external auditors each year.
16. 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 Head of Finance & Procurement. 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

17. 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.
18. 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.
19. The Committee shall receive written and oral evidence from senior staff, and other partners, as appropriate.

20. 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.
21. The Committee shall ensure good communication and relationships with other standing Committees of the Board.

Duties

22. 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. Since 2019 in a transition year, 2019 Annual Accounts for the period from 1 April to 30 November 2019 will be presented to the Board of Public Health Scotland for approval as the assets and liabilities of Health Scotland will be transferred to them as at 30 November 2019.
- 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 equality and diversity
- 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

Reporting procedures

23. Accurate minutes of each Committee meeting will be kept and submitted to the Board for homologation of all decisions taken by the Committee.
24. 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.
25. Additional reports will be provided to the Board as required to ensure it is informed of current issues.

Review

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

Appendix 3

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 elsewhere in the paper, 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.

1.2 Recognising that 2019/20 will be the transition year for Health Scotland into Public Health Scotland, the Committee's agenda and schedule of business will pay due regard to the establishment of Public Health Scotland and other national plans and arrangements as they affect all Health Scotland staff and particularly members of the Executive Team.

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, and at other times, at the discretion of the Chair.

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 period will be agreed annually and is normally four in a full year. Given the transition period three meetings have been scheduled, and additional meetings will be 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 and with particular regard to the implications of any changing governance

arrangements in connection with the establishment of Public Health Scotland or wind-up of NHS Health Scotland.

- 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 reports on the management and governance of early departures at NHS Health Scotland at least 6 monthly or more often as necessary, and report at least 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. The review of effectiveness will normally take place at the scheduled May meeting of the Committee.

Appendix 4

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.
6. Recognising that 2019/20 will be the transition year for Health Scotland into Public Health Scotland, the Committee's agenda and schedule of business will pay due regard to the establishment of Public Health Scotland and other national plans and arrangements as they affect all Health Scotland staff.

Membership

7. 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.
8. 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.

9. 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

10. The Chair of the Board and other NHS Health Scotland non-executive Board Members have the right to participate in meetings.
11. 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.
12. The Board or Committee will ensure the appointment of a Secretary to the Committee.

Arrangement of meetings

13. Meetings are normally held 5 times a year. In addition, one joint seminar is normally held with the Partnership Forum. However during this transition period 3 Committee meetings have been scheduled. The Chair may call meetings more frequently if deemed necessary.
14. Any member of the Committee can propose an item for the agenda through the Chair.
15. Schedules for preparing, approving and distributing papers and minutes will be managed as per protocols agreed with the Board secretariat.

Authority

16. 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.
17. 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

18. 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 overseeing 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

19. Draft minutes will be presented by the Staff Governance Chair to the Board.
20. 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.
21. Additional reports will be provided to the Board as required to ensure they are informed of current issues.

Review

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