

NHS Ayrshire & Arran



Meeting:	Ayrshire and Arran NHS Board
Meeting date:	Monday 23 May 2022
Title:	Code of Corporate Governance
Responsible Director:	Claire Burden, Chief Executive
Report Author:	Shona McCulloch, Head of Corporate Governance

1. Purpose

This is presented to the Board for:

- Decision

This paper relates to:

- Government policy/directive
- Local policy

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

- Safe
- Effective
- Person Centred

2. Report summary

2.1 Situation

The Code of Corporate Governance (The Code) has been reviewed to meet the requirements of good corporate governance and to ensure it remains relevant and current detailing the governance framework for NHS Ayrshire & Arran (NHS A&A). Board Members are asked to approve the updated Code of Corporate Governance.

2.2 Background

The Code was the outcome of a review in December 2012 to bring together a number of corporate governance documents into a single reference document. Version 01.0 was approved by the Ayrshire and Arran NHS Board in March 2013 and disseminated across the organisation. It was agreed this would be reviewed on an annual basis.

The Code provides the overarching governance framework for the organisation, presented in a detailed document which sets out how NHS Ayrshire & Arran will conduct its business. This includes the Ayrshire and Arran Integrated Health and Care governance framework which is discussed and supported by Healthcare Governance Committee prior to inclusion in The Code.

Two sections included in the Code of Corporate are informed by national Once for Scotland models:

- Model Standing Orders
- Model NHS Members Code of Conduct

The Code was last reviewed and approved by the NHS Board in May 2021.

2.3 Assessment

The Code has been reviewed by the Head of Corporate Governance with appropriate leads to seek updates and assurance since the last review.

Those involved in the review for 2022

- Shona McCulloch, Head of Corporate Governance
- Laura Parker, Nurse Directorate Business Manager
- Bob Brown, Assistant Director of Finance (Governance and Shared Services)
- Hugh Currie, Head of Risk and Health & Safety
- Kate McDonald, Risk Manager

Comments and amendments are shown below for each section and is reflected in the The Code's revision history.

Key points:

Section A Item 5 – Integrated Health and Care Governance Framework

This is currently being reviewed to include required Care Home governance. The revised framework will be submitted to Healthcare Governance Committee for discussion and endorsement. This will be submitted to the NHS Board for approval. The NHS A&A Code of Corporate Governance will then be updated to include the new framework.

Section B - new Model NHS Members Code of Conduct

Scottish Government (SG) has been working with NHS Board Secretaries in relation to producing guidance relating to the implementation of the Code of Conduct for NHS Boards based on the Model Code and what that means in practice for NHS bodies. The new Model Code of Conduct itself was published on 7 December 2021, following Parliamentary approval on 27 October 2021.

The Standards Commission for Scotland worked with SG in relation to Boards' feedback and SG have now shared with Boards the Model Code of Conduct document and link to the updated [Guidance](#) document. Public bodies are required to publish their individual Code of Conduct on their websites by Friday 10 June 2022 and ahead of this publication each NHS Board was asked to seek agreement from their Board. NHS A&A Board managed agreement via an email approval process and NHS agreement was advised to SG by the deadline of Monday 16 May 2022.

SG will put a submission to the Cabinet Secretary advising that Boards are in agreement to the new Model Code of Conduct and that individual Boards will publish these on their websites by 10 June 2022. After Ministerial agreement SG will send Boards a word version of the Model Code template to complete and then return to SG to get formal approval from Public Bodies Unit. SG will then send a letter back to Boards and the Code of Conduct should then be published on individual websites.

The new Model Code of Conduct has been included with Appendix 1 as an update to previous version of the Members Code. It is proposed that this section will be updated and published with the revised Code of Corporate Governance in accordance with the process and timescales set out by SG.

Comments and Amendments:

Section	Comment
Introduction	This section was reviewed and updated: <ul style="list-style-type: none"> Expanded Contents to include subsections of Section A. Introduction amended to include reference and link to national “A Blueprint for Good Governance”
Section A - How Business is Organised	This section was reviewed and updated: <ul style="list-style-type: none"> Item 1: The Board and its committees structure – Updated Governance Committee structure to show Remuneration Committee as a mandatory committee of the Board. Item 2: Board Standing Orders – no change Item 3: How committee meetings must be organised – no change Item 4: Governance committee terms of reference – links updated Item 5: Integrated health and care governance framework This framework is currently under review – see detail under Key Points.
Section B – Members Code of Conduct	This section is being reviewed nationally. See detail under Key points.
Section C – Standards of Business Conduct for NHS Staff	This section was reviewed with no changes
Section C1 – Supporting guidance on Acceptance and Declaration of Gifts, Hospitality and Interests	This section was reviewed and updated: Appendix 9 – Named person for Directorates. Updated roles for Nurse Directorate and North Ayrshire Health and Social Care Partnership.
Section D – Counter Fraud Policy	This section was reviewed with no changes.
Section E – Standing Financial Instructions	This section was reviewed and updated: <ul style="list-style-type: none"> Removed links throughout to Finance procedures as being updated. Referred to “Finance Operating Procedures on Athena” Section 19 Procurement. Paragraphs updated as below. <ul style="list-style-type: none"> 19.1 Directs users to Procurement Operating Procedures 19.2 Removes specific references to values and approvals and directs users to follow Procurement Operating Procures and work with either Procurement department or an Officer with Delegated Purchasing Authority 19.3 Ref the need to place orders in accordance with the (Scottish) National framework contract. Added that Head of Procurement must also give authority. Existing approval is Director of Finance 19.13 Deleted as no longer required. Referred to purchase of goods/services less than £10,000. Covered by para 19.12.
Section F – Scheme of Delegation	This section was reviewed and updated: <ul style="list-style-type: none"> Item 3: Scheme of Further Delegation

	<ul style="list-style-type: none"> - 2.2 Addition that Directors have responsibility to maintain a register of gifts, hospitality and interests for their area of the business. - 3.3 Change of Lead Director from Director of Finance (DoF) to Director of Infrastructure and Support Services. Reference added that DoF coordinates financial plans - 4. Change to Authorised deputies to reflect changed roles in Nurse Directorate - 5.5 and 5.6 Addition of delivery and monitoring of compliance with National Whistleblowing Standards. - 6.3 amended from Child Protection to Public Protection Service and governance and accountability framework - 8. change to authorised deputies to reflect changed roles in Nurse Directorate
Section G – Risk Management	<p>This section was reviewed and updated:</p> <ul style="list-style-type: none"> • 3.2 Three year period for strategy updated to reflect 2020-2023 – previously 2017-2020

The Code is presented as the final draft for Board approval.

Following approval by the NHS Board, and inclusion of the Model NHS Members Code of Conduct, the Code of Corporate Governance will be communicated across the organisation through the routes below:

- Published to internal and external web pages
- Distributed via Directors for cascade and highlighting through management meeting including our Health and Social Care partners
- Digital news routes using a MSSway notice

2.3.3 Quality/patient care

The Code provides the overarching governance framework for NHS Ayrshire & Arran, which includes our Integrated Health and Care governance arrangements. This ensures the quality of our governance practice across all areas and supports the effective delivery of services and patient care across the organisation.

2.3.4 Workforce

There are no workforce implications as all activity relating to the ongoing management of the Code of Corporate Governance will be delivered within existing resources.

2.3.5 Financial

There is no financial impact.

2.3.6 Risk assessment/management

There has been no formal risk assessment. Introducing a revised version of the Code of Corporate Governance ensures any changes in legislation or related to national corporate governance arrangements are up to date.

2.3.7 Equality and diversity, including health inequalities

An impact assessment is not required to support the Code of Corporate Governance which is constructed using national and local standards, guidance and policies.

2.3.8 Other impacts

- The Code of Corporate Governance demonstrates leadership as well a cohesive and comprehensive approach to good Corporate Governance at a strategic and operational level.
- Compliance with Corporate Objectives - the Code of Corporate Governance provides the overarching corporate governance framework for NHS Ayrshire & Arran and describes the main control systems and processes. It ensures the governance and assurance systems are embedded which will ultimately contribute to compliance with all corporate objectives.

2.3.9 Communication, involvement, engagement and consultation

There is no duty to engage with external stakeholders. The Head of Corporate Governance has liaised with senior representatives from each area included within the Code of Corporate Governance.

2.3.10 Route to the meeting

- Discussed and supported at Integrated Governance Committee on 19 April 2021
- Discussed and recommended for NHS Board approval at Audit and Risk Committee on 11 May 2021.

2.4 Recommendation

For decision. NHS Board Members are asked to approve the revised Code of Corporate Governance and agree publication in accordance with SG timescales to include the new Model NHS Members Code of Conduct, noting that the model was approved by the Board through an email process. To agree that the Code will be revised to include the updated Integrated Health and Care Governance Framework once this has been reviewed and agreed through appropriate governance processes.

3. List of appendices

Appendix 1 – Updated Draft Code of Corporate Governance