

NHS South Reading Clinical Commissioning Group

Constitution

Part III

APPENDIX 1

THE REGISTER OF MEMBERS

Name and address of GP practice	Name and Signature of practice representative(s)
Abbey Medical Centre 41 Russell Street Reading Berks RG1 7XD	Name : Dr Robin Jones Signature : Date:
Chatham Street Surgery 121 Chatham Street Reading Berks RG1 7JE	Name : Dr Ali Asghar Signature : Date:
Eldon Road Surgery 10 Eldon Road Reading Berks RG1 4DH	Name : Dr Jose Mathew Signature : Date:
Grovelands Medical Centre 701 Oxford Road Reading Berks RG30 1HG	Name : Dr Ishak Nadeem Signature : Date :
Kennet Surgery 30 Cholmeley Road Reading Berks RG1 3NQ	Name : Dr Aman Bhindra Signature : Date :
London Road Surgery London Road Reading Berks RG1 3PA	Name : Dr Satish Patel Signature :
London Street Surgery 172 London Road Reading Berks RG1 3PA	Name : Dr Najat Essa Signature : Date :

Longbarn Lane 22 Longbarn Lane Reading Berks RG2 7SZ	Name : Dr Susan Williams Signature : Date :
Melrose Surgery (Dean) 73 London Road Reading Berks RG1 5BS	Name : Dr Lionel Dean Signature : Date :
Melrose Surgery (Williams) 73 London Road Reading Berks RG1 5BS	Name : Dr Frank Williams Signature : Date :
Milman Road Health Centre (Kumar) Milman Road Reading Berks RG2 0AR	Name : Dr Hitesh Rana Signature : Date :
Milman Road Health Centre (Lister) Milman Road Reading Berks RG2 0AR	Name : Dr Brendan Lister Signature : Date :
Pembroke Surgery 31 Alexandra Road Reading Berks RG1 5PG	Name : Dr Gerard D'Cruz Signature : Date :
Reading Walk-in Centre 1st Floor, 102-106 Broad Street Mall Reading Berks RG1 7QA	Name : Jeanette Lock Signature : Date :
Russell Street Surgery 79 Russell Street Reading Berks RG1 7XG	Name : Dr Manohar Swami Signature : Date :
South Reading Surgery (including Shinfield Surgery) 257 Whitley Wood Road Reading Berks RG2 8LE	Name : Dr Neena Grover Signature : Date :

Tilehurst Village Surgery 92 Westwood Road Tilehurst, Reading Berks RG31 5PP	Name : Dr Alex Pizura Signature : Date :
University Practice 9 Northcourt Avenue Reading Berks RG2 7HE	Name : Dr Sohail Ahmed Signature : Date :
Westwood Road Surgery 66 Westwood Road Tilehurst, Reading Berks RG31 5PP	Name : Dr Caverna Tiwari Signature : Date :
Whitley Villa 1 Christchurch Road Reading Berks RG2 7AB	Name : Dr Samera Janjua Signature : Date :

APPENDIX 3**CCG GEOGRAPHY**

LSOA CODE	MSOA CODE	MSOA NAME	STWARD CODE	STWARD NAME	LA CODE	LA NAME
E01016351	E02003399	Reading 011	00MCMR	Abbey	00MC	Reading
E01016352	E02003398	Reading 010	00MCMR	Abbey	00MC	Reading
E01016353	E02003399	Reading 011	00MCMR	Abbey	00MC	Reading
E01016354	E02003399	Reading 011	00MCMR	Abbey	00MC	Reading
E01016355	E02003395	Reading 007	00MCMR	Abbey	00MC	Reading
E01016356	E02003396	Reading 008	00MCMS	Battle	00MC	Reading
E01016357	E02003396	Reading 008	00MCMS	Battle	00MC	Reading
E01016358	E02003395	Reading 007	00MCMS	Battle	00MC	Reading
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E01016396	E02003394	Reading 006	00MCNA	Norcot	00MC	Reading
E01016397	E02003394	Reading 006	00MCNA	Norcot	00MC	Reading
E01016398	E02003396	Reading 008	00MCNA	Norcot	00MC	Reading
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E01016439	E02003406	Reading 018	00MCNH	Whitley	00MC	Reading
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E01016443	E02003405	Reading 017	00MCNH	Whitley	00MC	Reading

APPENDIX 4

THE MEMBERS OF THE GOVERNING BODY

The main function of the Governing Body is to ensure that the CCG has appropriate arrangements in place to ensure it exercises its functions effectively, efficiently and economically and in accordance with any generally accepted principles of good governance that are relevant to it.

Role and competencies:

Each member of the Governing Body, each of whom will have previous experience of working in a collective decision making group and a track record in securing or supporting improvements for patients or the wider public, must:

- Demonstrate commitment to continuously improving outcomes, tackling health inequalities and delivering the best value for money for the taxpayer;
- Embrace effective governance, accountability and stewardship of public money and demonstrate an understanding of the principles of good scrutiny;
- Demonstrate commitment to clinical commissioning, the CCG and to the wider interests of the health services;
- Be committed to ensuring that the Governing Body remains “in tune” with the Member practices;
- Bring a sound understanding of, and a commitment to upholding, the NHS principles and values as set out in the NHS Constitution;
- Demonstrate a commitment to upholding the ‘Nolan Principles of Public Life’ along with an ability to reflect them in his/her leadership role and the culture of the CCG;
- Be committed to upholding the proposed Standards for members of NHS Boards and Governing Bodies in England;
- Be committed to ensuring that the CCG values diversity and promotes equality and inclusivity in all aspects of its business;
- Consider social care principles and promote health and social care integration where this is in the patient’ best interest; and
- Bring leadership qualities to the CCG including:
 - Creating the vision for the future;
 - Working with others to commission continually improving services;
 - Being close to patients by engaging and involving patients and communities;
 - Intellectual capacity and application and being alert to finding ways to improve; and
 - Demonstrate personal qualities;

And each member of the Governing Body will have:

- A general understanding of good governance and of the difference between governance and management;
- A general understanding of health and an appreciation of the broad social, political and economic trends influencing it;
- Capability to understand and analyse complex issues, drawing on the breadth of data that needs to inform CCG deliberations and decision-making, and the wisdom to ensure that it is used ethically to balance competing priorities and make difficult decisions;
- The confidence to question information and explanations supplied by others, who may be experts in their field;

- The ability to influence and persuade others articulating a balanced, not personal, view and to engage in constructive debate without being adversarial or losing respect and goodwill;
- The ability to take an objective view, seeing issues from all perspectives, especially external and user perspectives;
- The ability to recognise key influencers and the skills in engaging and involving them;
- The ability to communicate effectively, listening to others and actively sharing information; and
- The ability to demonstrate how their individual skills and abilities can actively contribute to the work of the Governing Body and how this will enable the member to participate effectively as a team member.

Additional specification for individual members:

Chair/Deputy Chair

- To ensure that the CCG is effective and works to the benefit of all CCG members and is seen as part of the local CCG not separate from it;
- Contribute to the building of a shared vision, values and culture of the CCG;
- Ensuring that the CCG has proper constitutional and governance arrangements in place;
- Provide leadership for the governing body and be responsible for ensuring that the Governing Body operates effectively and efficiently as set out in this Constitution and in accordance with all legislation, guidance, policies etc;
- Work closely with, provide support to and maintain good working relationships with other members of the Governing Body, the Council of Members, the Accountable Officer and all other committees and sub-committees;
- Ensure that the CCG builds and maintains effective relationships, particularly with the health and wellbeing board(s);
- Act as a lead and/or spokesperson for the CCG where a collective view or voice is needed;
- Ensure that the functions of the CCG are carried out in a way that is fair, open and objective;
- Ensure effective running of Governing Body meetings;
- Ensure that public and patients' views are heard and their expectations understood, and so far as possible and appropriate, met;
- Lead and influence clinical and organisational change to enable the CCG to deliver commissioning responsibilities;
- Ensure that the CCG can account to its local patients, stakeholders and NHS Commissioning Board;
- Be the senior clinical voice for interactions with stakeholders, especially the with the NHS Commissioning Board; and
- Be the lead and where mandated act on behalf of the CCG in wider federated activities.

Accountable Officer

- Work closely with the Chair of the Governing Body to ensure that proper constitutional, governance and development arrangements are put in place to assure the Members (through the Governing Body) of the CCG's ongoing capability and capacity to meet its duties and responsibilities. This will include arrangements for the ongoing development of Members and staff;
- Will ensure that the CCG complies with:
 - its duty to exercise its functions effectively, efficiently and economically;

- its duty to exercise its functions with a view to securing continuous improvement in the quality of services provided to individuals for or in connection with the prevention, diagnosis, or treatment of illness;
- its obligations to provide financial information to the NHS Commissioning Board;
- its obligations relating to finance, accounting and auditing;
- its duty to provide information to the Board following requests from Secretary of State; and
- exercises its functions in a way which provides good value for money;
- Ensure that the regularity and propriety of expenditure is discharged;
- Ensure that good practice as identified by, for example, the Audit Commission and the National Audit Office, is adopted;
- Ensure safeguarding of funds through effective financial and management systems

Chief Finance Officer

- Be the Governing Body's professional expert on finance and ensure through robust systems and processes the regularity and propriety of expenditure is fully discharged;
- Be able to advise the Governing Body on the effective, efficient and economic use of its allocation to remain within that allocation and deliver required financial targets and duties;
- Ensure the discharge by the CCG of obligations under relevant financial directions;
- Ensure that appropriate accountability arrangements are in place for the delivery of specific financial targets;
- Review detailed monthly monitoring reports and year-end forecasts of performance against non financial performance targets;
- Implement the CCG's financial policies and co-coordinating any corrective action necessary to further these policies;
- Maintain an effective system of internal financial control including ensuring that detailed financial procedures and systems incorporating the principles of separation of duties and internal checks are prepared, documented and maintained to supplement these instructions;
- Ensure that sufficient records are maintained to show and explain the CCG's transactions, in order to disclose the financial position of the CCG at any time;
- Prepare and maintain such accounts, certificates, estimates, records and reports as the CCG may require for the purpose of carrying out its statutory duties in accordance with relevant accounting convention.
- Develop and implement systems and procedures to ensure effective financial planning, financial management and accountancy;
- Oversee the development and implementation of robust financial processes and procedures to ensure that the CCG meets its statutory financial responsibilities, national and local financial management and reporting duties;
- Ensure that effective financial governance is achieved and that they are operated, managed and adequately resourced by appropriately trained staff;
- Provide effective stewardship of funds by implementing systems as appropriate to safeguard public funds and the CCG's assets;
- Conduct regular reviews and evaluation of financial management systems and procedures;
- Conduct regular financial risk assessments, report to the Accountable Officer and implement remedial and/or corrective actions as appropriate;
- Develop and implement financial reporting arrangements and provide financial reports as required by law, Regulation, Guidance or any other policy; and

Lay member with lead role in championing patient and public empowerment

- Provide an external view of the working of the CCG, with a strategic and impartial focus;
- Ensure that public and patients views are heard and their expectations understood and met as appropriate;
- Ensure that the CCG builds and maintains an effective relationship with Local Healthwatch and draws on existing patient and public engagement and involvement expertise;
- Ensure that the CCG has appropriate arrangements in place to secure public and patient involvement and responds in an effective and timely way to feedback and recommendations from patients, carers and the public;
- If the Deputy chair, take the Chair's role for discussions and decisions where the Chair had made a declaration of interest;
- Actively contribute to and engage in the CCG business through the Governing Body; and

Lay member with the lead role in overseeing key elements of governance including audit, remuneration and managing conflicts of interest

- Provide an external view of the working of the CCG, with a strategic and impartial focus;
- If the Deputy Chair, take the Chair's role for discussions and decisions where the Chair had made a declaration of interest;
- Participate in ensuring that appropriate and effective whistle blowing and anti-fraud systems are in place;
- Actively contribute to and engage in the CCG business through the Governing Body; and

General Practitioners

- Provide leadership to the CCG and ensure that it discharges its statutory duties and complies with governance requirements as provided for by law, Regulation, guidance etc.
- Contribute to the achievement of the CCG goals by using holistic understanding of patients' needs;
- Bring the unique understanding of the Member practices to the discussions and decisions of the Governing Body;
- Lead in shaping the design of services;
- Identify how services can be provided such as to enhance quality and contribute to the implementation of such changes;
- Promote the effective use of resources; and

Registered Nurse

- Provide an independent strategic clinical view on all aspects of the CCG business;
- Take a balanced view of the clinical and management agenda;
- Contribute a generic view from his/her professional perspective, regardless of issues relating to their own clinical practice or employing organisation's circumstances; and
- Bring detailed insights from a nursing perspective into discussions regarding service re-design, clinical pathways and system reform.

Secondary care doctor

- Provide an independent strategic clinical view on all aspects of the CCG business;
- Take a balanced view of the clinical and management agenda;
- Contribute a generic view, regardless of issues relating to their own clinical practice or employing organisation's circumstances; and
- Bring appropriate insights to discussions regarding service re-design, clinical pathways and system reform.

Practice Manager

- Bring the unique understanding of the Member practices to the discussions and decisions of the Governing Body
- Provide an independent strategic managerial view on all aspects of the CCG business;
- Take a balanced view of the clinical and management agenda;
- Contribute a generic view, regardless of issues relating to their own professional practice or employing organisation's circumstances;
- Bring appropriate insights to discussions regarding service re-design, clinical pathways and system reform
- Promote the effective use of resources

APPENDIX 5

MANAGING CONFLICTS OF INTEREST

Conflicts of Interests

1. The CCG will make arrangements to manage conflicts and potential conflicts of interest to ensure that decisions made by the CCG will be taken and seen to be taken without any possibility of the influence of external or private interest.
2. Where an individual has an interest, or becomes aware of an interest which could lead to a conflict of interests in the event of the CCG considering an action or decision in relation to that interest, that must be considered as a potential conflict, and is subject to the provisions of this constitution.
3. A conflict of interest will include:
 - a direct pecuniary interest: where an individual may financially benefit from the consequences of a commissioning decision (for example, as a provider of services);
 - an indirect pecuniary interest: for example, where an individual is a partner, member or shareholder in an organisation that will benefit financially from the consequences of a commissioning decision;
 - a non-pecuniary interest: where an individual holds a non-remunerative or not-for profit interest in an organisation, that will benefit from the consequences of a commissioning decision (for example, where an individual is a trustee of a voluntary provider that is bidding for a contract);
 - a non-pecuniary personal benefit: where an individual may enjoy a qualitative benefit from the consequence of a commissioning decision which cannot be given a monetary value (for example, a reconfiguration of hospital services which might result in the closure of a busy clinic next door to an individual's house); and
 - where an individual is closely related to, or in a relationship, including friendship, with an individual in the above categories.
4. If in doubt, the individual concerned should assume that a potential conflict of interest exists.

Declaring and Registering Interests

5. The CCG will maintain one or more registers of the interests of:
 - the members of the CCG;
 - the members of the Governing Body;
 - the members of its Council of Members and the committees of the Governing Body; and
 - its employees.
6. The registers will be published on the CCG's website when available.

7. Individuals will declare any interest that they have, in relation to a decision to be made in the exercise of the commissioning functions of the CCG, in writing to the Governing Body, as soon as they are aware of it and in any event no later than 28 days after becoming aware.
8. Where an individual is unable to provide a declaration in writing, for example, if a conflict becomes apparent in the course of a meeting, they will make an oral declaration before witnesses, and provide a written declaration as soon as possible thereafter.
9. The Governing Body will ensure that the register(s) of interest is reviewed regularly, and updated as necessary.

Managing Conflicts of Interest: general

10. Individual members of the CCG, the Governing Body, Council of Members, the committees of the Governing Body and employees will comply with the arrangements determined by the CCG for managing conflicts or potential conflicts of interest.
11. The lay member of the Governing Body responsible for overseeing the management of conflicts of interest on behalf of the CCG will ensure that for every interest declared, either in writing or by oral declaration, arrangements are in place to manage the conflict of interests or potential conflict of interests, to ensure the integrity of the CCG's decision making processes.
12. Arrangements for the management of conflicts of interest are to be determined by the lay member of the Governing Body responsible for overseeing the management of conflicts of interest on behalf of the CCG and will include the requirement to put in writing to the relevant individual arrangements for managing the conflict of interests or potential conflicts of interests, within a week of declaration. The arrangements will confirm the following:
 - when an individual should withdraw from a specified activity, on a temporary or permanent basis;
 - monitoring of the specified activity undertaken by the individual, either by a line manager, colleague or other designated individual.
13. Where an interest has been declared, either in writing or by oral declaration, the declarer will ensure that before participating in any activity connected with the CCG's exercise of its commissioning functions, they have received confirmation of the arrangements to manage the conflict of interest or potential conflict of interest from the lay member of the Governing Body responsible for overseeing the management of conflicts of interest on behalf of the CCG.
14. Where an individual member, employee or person providing services to the CCG is aware of an interest which:
 - has not been declared, either in the register or orally, they will declare this at the start of the meeting;
 - has previously been declared, in relation to the scheduled or likely business of the meeting, the individual concerned will bring this to the attention of the chair of the meeting, together with details of arrangements which have been confirmed for the management of the conflict of interests or potential conflict of interests.

15. The chair of the meeting will then determine how this should be managed and inform the member of their decision.
16. Where no arrangements have been confirmed, the chair of the meeting may require the individual to withdraw from the meeting or part of it. The individual will then comply with the arrangements in the following paragraphs, which must be recorded in the minutes of the meeting.
17. Where the chair of any meeting of the CCG, including the Council of Members, or the Governing Body and its committees, has a personal interest, previously declared or otherwise, in relation to the scheduled or likely business of the meeting, they must make a declaration and the deputy chair will act as chair for the relevant part of the meeting.
18. Where arrangements have been confirmed for the management of the conflict of interests or potential conflicts of interests in relation to the chair, the meeting must ensure these are followed. Where no arrangements have been confirmed, the deputy chair may require the chair to withdraw from the meeting or part of it. Where there is no deputy chair, the members of the meeting will select one.
19. Any declarations of interests, and arrangements agreed in any meeting of the CCG, Council of Members or the Governing Body or its committees, will be recorded in the minutes.
20. Where more than 50% of the members of a meeting are required to withdraw from a meeting or part of it, owing to the arrangements agreed for the management of conflicts of interests or potential conflicts of interests, the chair (or deputy) will determine whether or not the discussion can proceed. In making this decision the chair will consider whether the meeting is quorate, in accordance with the number and balance of membership set out in the CCG's standing orders. Where the meeting is not quorate, owing to the absence of certain members, the discussion will be deferred until such time as a quorum can be convened. Where a quorum cannot be convened from the membership of the meeting, owing to the arrangements for managing conflicts of interest or potential conflicts of interests, the chair of the meeting shall consult with the lay member of the Governing Body responsible for overseeing the management of conflicts of interest on the action to be taken.
21. This may include:
 - requiring another of the CCG's committees or sub-committees, the Governing Body or its committees or sub-committees (as appropriate) which can be quorate to progress the item of business, or if this is not possible;
 - inviting on a temporary basis one or more of the following to make up the quorum (where these are permitted members of the Governing Body or committee / sub-committee in question) so that the CCG can progress the item of business:
 - a member of the CCG who is an individual; an individual appointed by a member to act on its behalf in the dealings between it and the clinical commissioning group;
 - a member of a relevant Health and Wellbeing Board;
 - a member of a governing body of another clinical commissioning group.

These arrangements must be recorded in the minutes.

22. In any transaction undertaken in support of the CCG's exercise of its commissioning functions (including conversations between two or more individuals, e-mails, correspondence and other communications), individuals must ensure, where they are aware of an interest, that they conform to the arrangements confirmed for the management of that interest. Where an individual has not had confirmation of arrangements for managing the interest, they must declare their interest at the earliest possible opportunity in the course of that transaction, and declare that interest as soon as possible thereafter. The individual must also inform either their line manager (in the case of employees), or the lay member of the Governing Body responsible for overseeing the management of conflicts of interest of the transaction.
23. The lay member of the Governing Body responsible for overseeing the management of conflicts of interest will take such steps as deemed appropriate, and request information deemed appropriate from individuals, to ensure that all conflicts of interest and potential conflicts of interest are declared.

Managing Conflicts of Interest: contractors and people who provide services to the group

24. Anyone seeking information in relation to a procurement, or participating in a procurement, or otherwise engaging with the CCG in relation to the potential provision of services or facilities to the CCG, will be required to make a declaration of any relevant conflict / potential conflict of interest.
25. Anyone contracted to provide services or facilities directly to the CCG will be subject to the same provisions of this Constitution in relation to managing conflicts of interests. This requirement will be set out in the contract for their services.

Transparency in Procuring Services

26. The CCG recognises the importance in making decisions about the services it procures in a way that does not call into question the motives behind the procurement decision that has been made. The CCG will procure services in a manner that is open, transparent, non-discriminatory and fair to all potential providers.
27. The CCG will publish a procurement strategy approved by its Governing Body which will ensure that:
 - all relevant clinicians (not just members of the CCG) and potential providers, together with local members of the public, are engaged in the decision-making processes used to procure services, and;
 - service redesign and procurement processes are conducted in an open, transparent, non-discriminatory and fair way.

Copies of this procurement strategy will be available on the CCG's website when website available.

APPENDIX 6

NOLAN PRINCIPLES

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

- a) Selflessness – Holders of public office should act solely in terms of the public interest. They should not do so in order to gain financial or other benefits for themselves, their family or their friends.
- b) Integrity – Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their official duties.
- c) Objectivity – In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.
- d) Accountability – Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.
- e) Openness – Holders of public office should be as open as possible about all the decisions and actions they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.
- f) Honesty – Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.
- g) Leadership – Holders of public office should promote and support these principles by leadership and example.

Source: *The First Report of the Committee on Standards in Public Life (1995)*

APPENDIX 7

SUMMARY OF THE NHS CONSTITUTION

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

1. **the NHS provides a comprehensive service, available to all** - irrespective of gender, race, disability, age, sexual orientation, religion or belief. It has a duty to each and every individual that it serves and must respect their human rights. At the same time, it has a wider social duty to promote equality through the services it provides and to pay particular attention to groups or sections of society where improvements in health and life expectancy are not keeping pace with the rest of the population
2. **access to NHS services is based on clinical need, not an individual's ability to pay** - NHS services are free of charge, except in limited circumstances sanctioned by Parliament.
3. **the NHS aspires to the highest standards of excellence and professionalism** - in the provision of high-quality care that is safe, effective and focused on patient experience; in the planning and delivery of the clinical and other services it provides; in the people it employs and the education, training and development they receive; in the leadership and management of its organisations; and through its commitment to innovation and to the promotion and conduct of research to improve the current and future health and care of the population.
4. **NHS services must reflect the needs and preferences of patients, their families and their carers** - patients, with their families and carers, where appropriate, will be involved in and consulted on all decisions about their care and treatment.
5. **the NHS works across organisational boundaries and in partnership with other organisations in the interest of patients, local communities and the wider population** - the NHS is an integrated system of organisations and services bound together by the principles and values now reflected in the Constitution. The NHS is committed to working jointly with local authorities and a wide range of other private, public and third sector organisations at national and local level to provide and deliver improvements in health and well-being
6. **the NHS is committed to providing best value for taxpayers' money and the most cost-effective, fair and sustainable use of finite resources** - public funds for healthcare will be devoted solely to the benefit of the people that the NHS serves
7. **the NHS is accountable to the public, communities and patients that it serves** - the NHS is a national service funded through national taxation, and it is the Government which sets the framework for the NHS and which is accountable to Parliament for its operation. However, most decisions in the NHS, especially those about the treatment of individuals and the detailed organisation of services, are rightly taken by the local NHS and by patients with their clinicians. The system of responsibility and accountability for taking decisions in the NHS should be transparent and clear to the public, patients and staff. The Government will ensure that there is always a clear and up-to-date statement of NHS accountability for this purpose

Source: *The NHS Constitution: The NHS belongs to us all* (March 2012)

APPENDIX 8

STANDING ORDERS

A. STATUTORY FRAMEWORK AND STATUS

Introduction

1. These standing orders have been drawn up to regulate the proceedings of the CCG so that CCG can fulfil its obligations, as set out in the Act. They are effective from the date the CCG is established.
2. The standing orders, together with the CCG's scheme of reservation and delegation (set out at Appendix 9) and the CCG's prime financial policies (set out at Appendix 10), provide a procedural framework within which the CCG discharges its business. They set out:
 - The arrangements for conducting the business of the CCG;
 - the appointment of Member representatives;
 - the procedure to be followed at meetings of the CCG, the Council of Members, the Governing Body and its committees or sub-committees;
 - the process to delegate powers; and
 - the declaration of interests and standards of conduct.
3. These arrangements must comply, and be consistent where applicable, with requirements set out in the Act and take account as appropriate of any relevant guidance.
4. The standing orders, scheme of reservation and delegation and prime financial policies have effect as if incorporated into the CCG's Constitution. Members, representatives on the Council of Members, employees, members of the Governing Body, members of the Governing Body's committees and sub-committees, and persons working on behalf of the CCG should be aware of the existence of these documents and, where necessary, be familiar with their detailed provisions. Failure to comply with the standing orders, scheme of reservation and delegation and prime financial policies may be regarded as a disciplinary matter that could result in dismissal.

Schedule of matters reserved to the CCG and the scheme of reservation and delegation

5. The Act provides the CCG with powers to delegate the CCG's functions and those of the Governing Body to certain bodies and certain persons. The CCG has decided that certain decisions may only be exercised by the CCG in formal session through the Council of Members. These decisions and also those delegated are contained in the CCG's scheme of reservation and delegation set out in Appendix 9.

B. THE CLINICAL COMMISSIONING GROUP: COMPOSITION OF MEMBERSHIP, KEY ROLES AND APPOINTMENT PROCESS

Composition of membership

6. Paragraph 54 of the Constitution provides details of the eligibility for membership of the CCG.

7. Paragraphs 8-15 of the Constitution provide details of the governing structure used in the CCG's decision-making processes.
8. Paragraphs 20 and 37 - 40 outline certain key roles and responsibilities within the CCG in relation to its Council of Members and its Governing Body, including the role of Member representatives on the Council of Members.

Key roles on the Council of Members

9. Paragraph 11 of the Constitution provides that the Members will exercise their constitutional rights and fulfil their statutory responsibilities in respect of the CCG through the Council of Members, and that each Member shall appoint a representative to the Council of Members.
10. The role of Member representative on the Council of Members - Each Member will appoint one of its members to be its representative on the Council of Members. That representative's term of office will be determined by the relevant Member.
11. The roles of chair and vice chair of the Council of Members are subject to the following appointment process:

Nominations – by the Board;

Eligibility – GP Board Member of the CCG ;

Appointment process – secret ballot; one vote per Board Member, simple majority:

Term of office – 2 years, renewable up to 4 years (6 years maximum)

Notice period – 3 months

Key Roles on the Governing Body

12. Paragraph 13 of the Constitution sets out the composition of the CCG's Governing Body and Appendix 4 of the Constitution identify certain key roles and responsibilities within the CCG and its Governing Body. These standing orders set out how the CCG appoints individuals to these key roles.
13. Terms of Office for each member shall be as set out below after the first [3 years] of the existence of the CCG. During the first [3 years] of its existence, however, in order to preserve business continuity on the Governing Body, such terms of office may be varied, but shall only be shorter and not longer than the terms set out below:
14. The role of Chair of the Governing Body, as listed in Appendix 4 of the Constitution, is subject to the following appointment process:

Nominations – by members:

Eligibility – qualified GP, providing NHS primary care services to patients of the CCG:

Appointment process:

- open selection process adhering to CCG and /or NHS Commissioning Board recruitment & assessment policies (to ensure core competencies for the role are met) followed by:
- an election by members
 - each member will receive 1 vote
 - each member will rank the candidates in order of preference
 - a candidate will require a 70% majority
 - in the event of a tie or no candidate reaching the required majority the candidate with the least number of votes is eliminated and his or her votes will be transferred to the remaining candidates in accordance with the preferences indicated. This will be repeated until the required majority is reached

Term of office - 2 years, renewable up to 4 years (6 years maximum);

Notice period – 3 months

15. The roles of the GP Members and the Practice Manager Member of the Governing Body, as listed in Appendix 4 of the Constitution, are subject to the following appointment process:

Nominations – by members:

Eligibility – qualified GP, providing NHS primary care services to patients of the CCG:

Appointment process:

- open selection process adhering to CCG and /or NHS Commissioning Board recruitment & assessment policies (to ensure core competencies for the role are met) followed by:
- an election by members
 - each member will receive 1 vote
 - each member will rank the candidates in order of preference
 - a candidate will require a 70% majority
 - in the event of a tie or no candidate reaching the required majority the candidate with the least number of votes is eliminated and his or her votes will be transferred to the remaining candidate in accordance with the preferences indicated. This will be repeated until the required majority is reached

Term of office - 2 years, renewable up to 4 years (6 years maximum);

Notice period – 3 months

16. The role of the registered nurse, secondary care specialist & two lay members are subject to the following appointment process:

Open selection process adhering to CCG and /or NHS Commissioning Board recruitment & assessment policies and guidance.

Term of office - 2 years, renewable up to 4 years (6 years maximum);

Notice period – 3 months

17. The role of Accountable Officer & Chief Finance Officer are subject to the following process:

Open selection process conducted jointly with the other CCGs in the Federation, adhering to CCG and /or NHS Commissioning Board recruitment & assessment policies and guidance.

Term of office – permanent employees

Notice period – 3 months

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

18. Termination of tenure of office and suspension of officer members

1. A person who is an officer member under paragraph 13 in the constitution shall cease to hold office as a member if he ceases to hold the post or office in the CCG by virtue of which he became an officer member.
2. If the chair and non-officer members are of the opinion that it is not in the interests of the CCG that a person who is an officer member should continue to hold office as such a member, they may with the consent of the NHS Commissioning Board Chief Executive forthwith terminate his tenure of office.
3. If the Council of Members of a CCG notifies the chair of the CCG that they are of the opinion that a person who is an officer member should not continue to hold office as such a member, the chair and non-officer members of the CCG may terminate his tenure of office if they are of the opinion that it is not in the interests of the CCG for him to continue to hold office.
4. Where under paragraph (4) the chair and non-officer members terminate the tenure of office of an officer member or determine that such a member shall continue to hold office, they shall forthwith notify the NHS Commissioning Board Chief Executive in writing, stating the reasons for their decision.
5. If a person who is an officer member has failed to attend a meeting of the CCG for a period of three months, the chair and non-officer members shall forthwith terminate the tenure of office of that officer member unless they are satisfied that–
 1. the absence was due to a reasonable cause; and
 - (b) the member will be able to attend meetings of that CCG within such period as the chair and non-officer members consider reasonable.
6. If an officer member of a CCG is suspended from his post in the CCG or from his membership of the Executive Committee he shall be suspended from performing his functions as a member for the period of his suspension
7. In the case of an officer member who is a shared post as stated in paragraph 9 of the Memorandum of Understanding at Appendix 2, any decision to terminate tenure of office must have the agreement of all the Chairs of the Federation member CCGs

19 Termination of tenure of office: chair and non-officer members

1. Where during his period of membership a non-officer member of a CCG is appointed to be the chair of the CCG, his tenure of office as a member shall terminate when his appointment as chair takes effect.
2. If the Council of Members is of the opinion that—
 - (a) it is not in the interests of the health service in the area for which a CCG acts; or
 - (b) it is not conducive to the good management of a CCG,for a person whom they have appointed as the chair or a non-officer member of that CCG to continue to hold that office, the Council of Members may forthwith terminate his tenure of office.
3. If the chair or a non-officer member of a CCG has failed to attend a meeting of that CCG for a period of three months, the NHS Commissioning Board Chief Executive shall forthwith terminate the tenure of office of the chair or that member unless he is satisfied that—
 - (a) the absence was due to a reasonable cause; and
 - (b) the chair or member will be able to attend meetings of that CCG within such period as the Council of Members considers reasonable.
4. Where a person has been appointed to be the chair or a non-officer member of a CCG—
 - (a) if it comes to the notice of the Accountable Officer that the person has become disqualified for appointment, the Accountable Officer shall forthwith notify him in writing of such disqualification; or
 - (b) if it comes to the notice of the Accountable Officer that at the time of his appointment the person was so disqualified, the Accountable Officer shall forthwith declare that he was not duly appointed and so notify him in writing, and, upon receipt of any such notification, his tenure of office, if any, shall be terminated and he shall cease to act as such chair or member.In the case of a non-officer member who is a shared post as stated in paragraph 9 of the Memorandum of Understanding at Appendix 2, any decision to terminate tenure of office must have the agreement of all the Chairs of the Federation member CCGs

C. MEETINGS OF THE CLINICAL COMMISSIONING GROUP

19. The CCG will hold an annual general meeting (an “AGM”) once a year. The AGM will be in public and a matter of public record. The matters to be considered at the AGM will be set out in the notice calling it, but will include:
 - 19.1 Consideration and (if thought appropriate) approval of the CCG’s annual report, accounts, operating plan and commissioning strategy;
 - 19.2 Consideration of an annual report describing all public consultations undertaken by the CCG, the findings and the actions it has taken as a result;
 - 19.3 Election of members of the Governing Body;
 - 19.4 Ratifying members of the OLT; and
 - 19.5 The transaction of any other business included in the notice.
20. The agenda will be drawn up by the Chair and circulated to all Members at least 5 days before the scheduled meeting.

Meetings of the Council of Members

21. The Council of Members will meet at least six times per year. The Members will appoint a Member representative to chair these meetings and may terminate that appointment at any time.
22. An annual schedule of meetings will be agreed by the Council of Members but in exceptional circumstances the Governing Body, or 40% of Member representatives, may call a general meeting of the Council of Members at any time by giving all of the Members at least 14 days notice. The Council of Members Chair or the CCG Chair will chair general meetings.
23. Where the agenda for a general meeting of the Council of Members includes an item requiring a decision by the Members on any matter reserved to the Council of Members, that general meeting shall be in public and the arrangements discussed in paragraphs 34, 36, 37 and 41 below shall apply.
24. Every notice calling any meeting will specify the place, date and time of the meeting and the nature of business to be transacted at it and any resolution proposed to be passed must be set out in full. Notice must be given to each Member representative and to each member of the Governing Body. The agenda will be drawn up by the Chair and circulated to all Members at least 5 days before the scheduled meeting.
25. Accidental omission to give notice of a meeting to, or the non-receipt of notice by any person entitled to receive notice will not invalidate proceedings at a meeting.
26. All Member representatives and members of the Governing Body may speak at a general meeting. Other attendees may ask questions by invitation of the Chair.
27. At least 50% of those entitled to vote on the business to be transacted, each being a Member representative or his/her proxy will be a quorum.
28. No business other than the appointment of a chair will be transacted if those attending a meeting do not constitute a quorum.
29. Voting rights: Every Member will have one vote. In the case of equality of votes, the Chair will be entitled to a casting vote.
30. Proxies may only be validly appointed by a notice in writing (a “proxy notice”) that states the name of the Member representative appointing the proxy, the name of the person appointed as proxy and the meeting for which that proxy is appointed. Such proxy notice must be signed by the Member representative appointing the proxy and delivered to the Chair at least 48 hours before the relevant meeting.
31. A resolution in writing approved by 50% of those entitled to vote will be as valid and effectual as if it had been passed at a meeting that was duly convened and held.

Meetings of the Governing Body

32. The Governing Body will meet in public not less than six times per year.
33. The Chair may determine that certain items need to be discussed in private in line with the requirements of guidance and the law (for example staff discipline, or confidential information relating to patients). Such items will be decided in a private part of the Governing Body meeting, from which the public will be excluded.

34. The date, time and venue of the meetings will be made public with at least 14 days notice. The agenda and all papers required for the meeting will be made public at least 5 days before the meeting. Notice, the agenda and all papers required for the meeting must be given to each Member representative and to each member of the Governing Body at least 5 days before the meeting. The following bodies may also be notified: the CCG's auditor, the Chair of the Health and Wellbeing Board and the local HealthWatch.
35. The agenda will be agreed between the Accountable Officer and the Chair.
36. Members of the public will be allowed to ask questions at specified times, but may not contribute to discussion unless invited by the Chair.
37. The Governing Body may make any arrangements it considers appropriate to enable those attending a meeting to listen and contribute and to exercise their rights and vote.
38. The quorum will be 5, at least 3 of whom are practicing clinicians. The only decision the Governing Body can take if a meeting is not quorate is to call a special general meeting of the Council of Members.
39. Voting: Each member of the Governing Body will have one vote. If the number of votes for or against a proposal is equal, the Chair will have a casting vote. All decisions will be made on at least a majority vote.
40. The Governing Body must make, keep and make available to Members and the public:
 - Minutes of all AGMs, meetings of the Governing Body and meetings of the Council of Members that take place in public;
 - The Register of Members and Member representatives; and
 - A register of interests in accordance with Appendix 5.
 -

Suspension of Standing Orders

41. Except where it would contravene any statutory provision or any direction made by the Secretary of State for Health or the NHS Commissioning Board, any part of these standing orders may be suspended at any meeting of the Council of Members.
42. A decision to suspend standing orders together with the reasons for doing so shall be recorded in the minutes of the meeting.
43. A separate record of matters discussed during the suspension shall be kept. These records shall be made available to the Governing Body's audit committee for review of the reasonableness of the decision to suspend standing orders.

D. APPOINTMENT OF COMMITTEES AND SUB-COMMITTEES

Appointment of committees and sub-committees

44. The CCG may appoint committees and sub-committees of the CCG, subject to any regulations made by the Secretary of State, and make provision for the appointment of committees and sub-committees of the Governing Body. Where such committees and sub-committees of the CCG, or committees and sub-committees of its Governing Body, are appointed they are included in the Constitution.

45. Other than where there are statutory requirements, such as in relation to the Governing Body's Audit Committee or Remuneration Committee, the CCG shall determine the membership and terms of reference of committees and sub-committees and shall, if it requires, receive and consider reports of such committees at the next appropriate meeting of the CCG.
46. The provisions of these standing orders shall apply where relevant to the operation of the Governing Body, the Governing Body's committees and sub-committee and all committees and sub-committees unless stated otherwise in the committee or sub-committee's terms of reference.

Terms of Reference

47. Terms of reference shall have effect as if incorporated into the Constitution and are contained in Appendix 2 – Federation Memorandum of Understanding

Delegation of Powers by Committees to Sub-committees

48. Where committees are authorised to establish sub-committees they may not delegate executive powers to the sub-committee unless expressly authorised by the Council of Members.

Approval of Appointments to Committees and Sub-Committees

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

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

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

F. USE OF SEAL AND AUTHORISATION OF DOCUMENTS

CCG's seal

51. The CCG may have a seal for executing documents where necessary. The following individuals or officers are authorised to authenticate its use by their signature:
 - the Accountable Officer;
 - the Chair of the Governing Body;
 - the Chief Financial Officer; and

The CCG will keep a record of the date and purpose of each occasion where the seal has been used and report these to the next available Audit Committee meeting.

Execution of a document by signature

52. The following individuals are authorised to execute a document on behalf of the CCG by their signature:
- The Accountable Officer;
 - the Chair of the Governing Body;
 - the Chief Finance Officer; and

G. OVERLAP WITH OTHER CLINICAL COMMISSIONING CCG POLICY STATEMENTS / PROCEDURES AND REGULATIONS

Policy statements: general principles

53. The CCG will from time to time agree and approve policy statements / procedures which will apply to all or specific CCGs of staff employed by the CCG. The decisions to approve such policies and procedures will be recorded in an appropriate minute and will be deemed where appropriate to be an integral part of the CCG's standing orders.

APPENDIX 9

SCHEME OF RESERVATION AND DELEGATION

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

- 1.1 The arrangements made by the CCG as set out in this scheme of reservation and delegation of decisions will have effect as if incorporated in the Constitution.
- 1.2 The CCG remains accountable for all of its functions, including those that it has delegated.

2. Functions reserved to the Council of Members

- 2.1 The following matters require the prior approval [by at least 75% of those votes cast at a meeting of the Council of Members] and no action may be taken by the Governing Body without such approval (except calling a meeting of the Council of Members, or circulating a written resolution requesting such approval for Members to vote on):
 - 2.2 Applying to the NHS Commissioning Board to:
 - amend this Constitution, except to the extent that such amendments are required by law or Regulations;
 - change the vision or values of the CCG or doing anything that is inconsistent with them;
 - change the Geography;
 - change the name of the CCG;
 - merge with any other clinical commissioning group;
 - remove any Member for any reason other than those set out in paragraph [58] of the Constitution (for example a Member breaching the policy for managing conflicts of interests, for failing to comply with decisions of the Governing Body or for consistent and/or flagrant breaches of this Constitution)
 - 2.3 Approval of the annual operational plan, the commissioning strategy/plan, the procurement strategy and the Annual Report which are recommended by the Governing Body;
 - 2.4 Entering into certified externally financed development agreements; and
 - 2.5 Extension of terms of members of Governing Body in exceptional circumstances.

3. Functions delegated to the Governing Body

- 3.1 All other functions are delegated to the Governing Body.
- 3.2 In pursuit of the purpose in paragraph 18 of the Constitution, the CCG will establish the Governing Body and delegate to it the power to develop the strategic direction of the CCG and to conduct the overall management of the CCG, on such terms as the Council of Members will determine (having taken account of all relevant statutory requirements and Department of Health guidance).

3.3 The Governing Body will discharge its statutory duties and functions delegated to it by:

- Leading the CCG and secure effective clinical engagement in its business and decision making in accordance with statutory obligations;
- Commissioning support services from appropriately qualified and experienced professionals to enable the CCG to fulfil its statutory duties;
- Working in Federation with other CCGs and collaborate with them to procure and commission certain services within the scope of the Federation Agreement;
- Recommending to the Council of Members a commissioning strategy/plan (setting the strategic direction of the CCG) and an annual operating plan (to meet statutory obligations and implement the commissioning strategy);
- Publishing annually the Commissioning Plan approved by the Council of Members and submit a copy to the NHS Commissioning Board and to the relevant Health and Wellbeing Board;
- Preparing, in consultation with the relevant Health and Wellbeing Board and in accordance with such Directions given by the NHS Commissioning Board, recommend to the Council of Members and publish an Annual Report in every financial year except its first financial year setting out how the CCG discharged its functions in the previous financial year;
- Publishing and submitting a copy of the Annual Report to the NHS Commissioning Board and hold a meeting for the purpose of presenting the report to members of the public;
- Overseeing the delivery of the annual operating plan and commissioning strategy, once they have been approved by the Council of Members;
- Approving a procurement strategy and ensuring its publication;
- Holding each member of the Governing Body and each Member of the CCG to account for the delivery of the annual operating plan and commissioning strategy;
- Ensuring that its capital resource use in a financial year does not exceed the amount specified by Direction of the NHS Commissioning Board;
- Ensuring that its revenue resource use in a financial year does not exceed the amount specified by Direction of the NHS Commissioning Board;
- Promoting the dynamic and pro-active involvement of Members to secure improvements in commissioning of health care and other services and in the business of the CCG;
- Taking into account the views of Members when making decisions;
- Promoting the NHS Constitution (which is summarised at Appendix 7);
- Engaging in a collaborative approach within the local health system with patients, the public and other stakeholders;
- Engaging with the relevant Health and Wellbeing Board/s and nominate a member of the Governing Body to act as the CCG's representative on it;
- Pro-actively engaging with the local HealthWatch;
- Appointing and ensuring the effectiveness of an Audit Committee, a Remuneration Committee and, as required, an Integrated Governance and Quality Committee;
- Ensuring that the CCG achieves financial break-even;
- Publishing an explanation of how it has spent any quality payments made to it;
- Appointing and ensuring the effectiveness of an Operational Leadership Team;
- Monitoring and ensuring that the CCG meets all statutory, financial and quality requirements imposed upon it whether by law, Regulations, official guidance, policy provisions or otherwise;

- Establishing systems and processes to implement effective corporate, clinical, financial, information and research governance and for the management of conflicts and probity issues;
 - Establishing systems and processes to ensure public assets are secure;
 - Discharging such functions as are imposed by the Secretary of State in Regulations from time to time;
 - Overseeing the development, implementation and on-going review of all policies required to underpin all of the above in this paragraph 38.
- 3.4 The Governing Body may delegate any of its functions to any member, employee, committee or sub-committee, provided the terms of any such delegation are set out clearly in a scheme of delegation that includes standing orders and standing financial instructions which are made available publically.
- 3.5 Any committee and sub-committee established by the Governing Body (including those relating to Audit, Remuneration and any other Federation committee or sub-committee) will have terms of reference and will have at least one member of the Governing Body in attendance to be quorate.
- 3.6 Part IV of the constitution details the scheme of reservation & delegation.

APPENDIX 10

PRIME FINANCIAL POLICIES

1. INTRODUCTION

1.1. General

- 1.1.1. These prime financial policies and supporting detailed financial policies shall have effect as if incorporated into the Constitution.
- 1.1.2. The prime financial policies are part of the control environment for managing the CCG's financial affairs. They contribute to good corporate governance, internal control and managing risks. They enable sound administration, lessen the risk of irregularities and support commissioning and delivery of effective, efficient and economical services. They also help the Accountable Officer and Chief Finance Officer to effectively perform their responsibilities. They should be used in conjunction with the scheme of reservation and delegation as set out at Appendix 9.
- 1.1.3. In support of these prime financial policies, the CCG has prepared more detailed policies (during 2012/13 these are the financial policies of the PCT as statutory body and will be revised to reflect the CCG as successor body from 1st April 2013), approved by the Audit Committee, known as *detailed financial policies*. The group refers to these prime and detailed financial policies together as the CCG's financial policies.
- 1.1.4. These prime financial policies identify the financial responsibilities which apply to everyone working for the CCG and its constituent organisations. They do not provide detailed procedural advice and should be read in conjunction with the detailed financial policies. The Audit Committee is responsible for approving all detailed financial policies.
- 1.1.5. A list of the group's detailed financial policies will be published and maintained on the group's website when website available.
- 1.1.6. Should any difficulties arise regarding the interpretation or application of any of the prime financial policies then the advice of the chief finance officer must be sought before acting. The user of these prime financial policies should also be familiar with and comply with the provisions of the CCG's Constitution, standing orders and scheme of reservation and delegation.
- 1.1.7. Failure to comply with prime financial policies and standing orders can in certain circumstances be regarded as a disciplinary matter that could result in dismissal.

1.2. Overriding Prime Financial Policies

- 1.2.1. If for any reason these prime financial policies are not complied with, full details of the non-compliance and any justification for non-compliance and the circumstances around the non-compliance shall be reported to the next formal meeting of the Governing Body's Audit Committee for referring action or

ratification. All of the CCG's Members and employees have a duty to disclose any non-compliance with these prime financial policies to the Chief Finance Officer as soon as possible.

1.3. Responsibilities and delegation

- 1.3.1. The roles and responsibilities of CCG's Members, employees, members of the Governing Body, members of the governing body's committees and sub-committees, members of the CCG's committee and sub-committee (if any) and persons working on behalf of the CCG are set out in the Constitution.
- 1.3.2. The financial decisions delegated by members of the CCG are set out in the scheme of reservation and delegation (Appendix 9).

1.4. Contractors and their employees

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

1.5. Amendment of Prime Financial Policies

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

2. INTERNAL CONTROL

- 2.1. The CCG will put in place a suitable control environment and effective internal controls that provide reasonable assurance of effective and efficient operations, financial stewardship, probity and compliance with laws and policies.
- 2.2. The Governing Body is required to establish an Audit Committee with terms of reference agreed by the Governing Body (see paragraph 15 of the Constitution for further information).
- 2.3. The Accountable Officer has overall responsibility for the CCG's systems of internal control.
- 2.4. The Chief Finance Officer will ensure that:
 - a) financial policies are considered for review and update annually;
 - b) a system is in place for proper checking and reporting of all breaches of financial policies; and

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

3. AUDIT

- 3.1. The CCG will keep an effective and independent internal audit function and fully comply with the requirements of external audit and other statutory reviews.
- 3.2. In line with the terms of reference for the Governing Body's Audit Committee, the person appointed by the CCG to be responsible for internal audit and the Audit Commission appointed external auditor will have direct and unrestricted access to Audit Committee members and the Chair of the Governing Body, Accountable Officer and Chief Finance Officer for any significant issues arising from audit work that management cannot resolve, and for all cases of fraud or serious irregularity.
- 3.3. The person appointed by the CCG to be responsible for internal audit and the external auditor will have access to the Audit Committee and the Accountable Officer to review audit issues as appropriate. All Audit Committee members, the Chair of the Governing Body and the Accountable Officer will have direct and unrestricted access to the head of internal audit and external auditors.
- 3.4. The Chief Finance Officer will ensure that:
 - a) the CCG has a professional and technically competent internal audit function; and
 - b) the Council of Members approves any changes to the provision or delivery of assurance services to the CCG.

4. FRAUD AND CORRUPTION

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

5. EXPENDITURE CONTROL

- 5.1. The CCG is required by statutory provisions to ensure that its expenditure does not exceed the aggregate of allotments from the NHS Commissioning Board and any other sums it has received and is legally allowed to spend.
- 5.2. The Accountable Officer has overall executive responsibility for ensuring that the CCG complies with certain of its statutory obligations, including its financial and accounting obligations, and that it exercises its functions effectively, efficiently and economically and in a way which provides good value for money.

5.3. The Chief Finance Officer will:

- a) provide reports in the form required by the NHS Commissioning Board;
- b) ensure money drawn from the NHS Commissioning Board is required for approved expenditure only is drawn down only at the time of need and follows best practice;
- c) be responsible for ensuring that an adequate system of monitoring financial performance is in place to enable the CCG to fulfil its statutory responsibility not to exceed its expenditure limits, as set by direction of the NHS Commissioning Board.

6. ALLOTMENTS

6.1. The CCG's Chief Finance Officer will:

- a) periodically review the basis and assumptions used by the NHS Commissioning Board for distributing allotments and ensure that these are reasonable and realistic and secure the CCG's entitlement to funds;
- b) prior to the start of each financial year submit to the Council of Members for approval a report showing the total allocations received and their proposed distribution including any sums to be held in reserve; and
- c) regularly update the Governing Body on significant changes to the initial allocation and the uses of such funds.

7. COMMISSIONING STRATEGY, BUDGETS, BUDGETARY CONTROL AND MONITORING

- 7.1. The CCG will produce and publish an annual commissioning plan that explains how it proposes to discharge its financial duties. The group will support this with comprehensive medium term financial plans and annual budgets.
- 7.2. The Accountable Officer will compile and submit to the Council of Members a commissioning strategy which takes into account financial targets and forecast limits of available resources.
- 7.3. Prior to the start of the financial year the Chief Finance Officer will, on behalf of the Accountable Officer, prepare and submit budgets for approval by the Council of Members.
- 7.4. The Chief Finance Officer shall monitor financial performance against budget and plan, periodically review them, and report to the Governing Body. This report should include explanations for variances. These variances must be based on any significant departures from agreed financial plans or budgets.
- 7.5. The Accountable Officer is responsible for ensuring that information relating to the CCG's accounts or to its income or expenditure, or its use of resources is provided to the NHS Commissioning Board as requested.

- 7.6. The Governing Body will approve consultation arrangements for the CCG's commissioning plan.

8. ANNUAL ACCOUNTS AND REPORTS

- 8.1. The CCG will produce and submit to the NHS Commissioning Board accounts and reports in accordance with all statutory obligations, relevant accounting standards and accounting best practice in the form and content and at the time required by the NHS Commissioning Board.

- 8.2. The Chief Finance Officer will ensure the group:

- a) prepares a timetable for producing the annual report and accounts;
- b) prepares the accounts according to the timetable;
- c) complies with statutory requirements and relevant directions for the publication of annual report;
- d) considers the external auditor's management letter and fully address all issues within agreed timescales; and
- e) publishes the external auditor's management letter on the group's website when available

9. INFORMATION TECHNOLOGY

- 9.1. The CCG will ensure the accuracy and security of the group's computerised financial data.

- 9.2. The Chief Finance Officer is responsible for the accuracy and security of the CCG's computerised financial data and shall

- a) devise and implement any necessary procedures to ensure adequate (reasonable) protection of the CCG's data, programs and computer hardware from accidental or intentional disclosure to unauthorised persons, deletion or modification, theft or damage, having due regard for the Data Protection Act 1998;
- b) ensure that adequate (reasonable) controls exist over data entry, processing, storage, transmission and output to ensure security, privacy, accuracy, completeness, and timeliness of the data, as well as the efficient and effective operation of the system;
- c) ensure that adequate controls exist such that the computer operation is separated from development, maintenance and amendment;
- d) ensure that an adequate management (audit) trail exists through the computerised system and that such computer audit reviews as the chief finance officer may consider necessary are being carried out.

- 9.3. In addition The Chief Finance Officer shall ensure that new financial systems and amendments to current financial systems are developed in a controlled manner

and thoroughly tested prior to implementation. Where this is undertaken by another organisation, assurances of adequacy must be obtained from them prior to implementation.

10. ACCOUNTING SYSTEMS

10.1. The CCG will run an accounting system that creates management and financial accounts.

10.2. The Chief Finance Officer will ensure:

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

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

11. BANK ACCOUNTS

11.1. The CCG will keep enough liquidity to meet its current commitments.

11.2. The Chief Finance Officer will:

- a) review the banking arrangements of the group at regular intervals to ensure they are in accordance with Secretary of State directions, best practice and represent best value for money;
- b) manage the CCG's banking arrangements and advise the group on the provision of banking services and operation of accounts;
- c) prepare detailed instructions on the operation of bank accounts.

11.3. The Audit Committee shall approve the banking arrangements.

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

12.1. The CCG will:

- a) operate a sound system for prompt recording, invoicing and collection of all monies due;
- b) seek to maximise its potential to raise additional income only to the extent that it does not interfere with the performance of the group or its functions; and

- c) ensure its power to make grants and loans is used to discharge its functions effectively.

1.2. The Chief Financial Officer is responsible for:

- a) designing, maintaining and ensuring compliance with systems for the proper recording, invoicing, and collection and coding of all monies due;
- b) establishing and maintaining systems and procedures for the secure handling of cash and other negotiable instruments;
- c) approving and regularly reviewing the level of all fees and charges other than those determined by the NHS Commissioning Board or by statute. Independent professional advice on matters of valuation shall be taken as necessary;
- d) for developing effective arrangements for making grants or loans.

2. TENDERING AND CONTRACTING PROCEDURE

2.1. The CCG:

- a) will ensure proper competition that is legally compliant within all purchasing to ensure we incur only budgeted, approved and necessary spending;
- b) will seek value for money for all goods and services; and
- c) shall ensure that competitive tenders are invited in line with the detailed financial policies of the CCG for
 - i) the supply of goods, materials and manufactured articles;
 - ii) the rendering of services including all forms of management consultancy services (other than specialised services sought from or provided by the Department of Health); and
 - iii) for the design, construction and maintenance of building and engineering works (including construction and maintenance of grounds and gardens) for disposals.

2.2. The CCG shall ensure that the firms / individuals invited to tender (and where appropriate, quote) are among those on approved lists or where necessary a framework agreement. Where in the opinion of The Chief Finance Officer it is desirable to seek tenders from firms not on the approved lists, the reason shall be recorded in writing to the accountable officer or the CCG's Governing Body.

2.3. The Governing Body may only negotiate contracts on behalf of the CCG, and the CCG may only enter into contracts, within the statutory framework set up by the 2006 Act, as amended by the 2012 Act. Such contracts shall comply with:

- a) the CCG's standing orders;
- b) the Public Contracts Regulation 2006, any successor legislation and any other applicable law; and

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

- 2.4. In all contracts entered into, the CCG shall endeavour to obtain best value for money. The Accountable Officer shall nominate an individual who shall oversee and manage each contract on behalf of the CCG.

3. COMMISSIONING

- 3.1. Working in partnership with relevant national and local stakeholders, the CCG will commission certain health services to meet the reasonable requirements of the persons for whom it has responsibility
- 3.2. The CCG will coordinate its work with the NHS Commissioning Board, other clinical commissioning groups, local providers of services, local authority(ies), including through Health & Wellbeing Boards, patients and their carers and the voluntary sector and others as appropriate to develop robust commissioning plans.
- 3.3. The Accountable Officer will establish arrangements to ensure that regular reports are provided to the Governing Body detailing actual and forecast expenditure and activity for each contract.
- 3.4. The Chief Finance Officer will maintain a system of financial monitoring to ensure the effective accounting of expenditure under contracts. This should provide a suitable audit trail for all payments made under the contracts whilst maintaining patient confidentiality.

4. RISK MANAGEMENT AND INSURANCE

- 4.1. The CCG will put arrangements in place for evaluation and management of its risks.

5. PAYROLL

- 5.1. The CCG will put arrangements in place for an effective payroll service.
- 5.2. The Chief Finance Officer will ensure that the payroll service selected:
 - a) is supported by appropriate (i.e. contracted) terms and conditions;
 - b) has adequate internal controls and audit review processes;
 - c) has suitable arrangements for the collection of payroll deductions and payment of these to appropriate bodies.
- 5.3. In addition the Chief Finance Officer shall set out comprehensive procedures for the effective processing of payroll

6. NON-PAY EXPENDITURE

- 6.1. The group will seek to obtain the best value for money goods and services received.

- 6.2. The Governing Body will approve the level of non-pay expenditure on an annual basis and the accountable officer will determine the level of delegation to budget managers
- 6.3. The Accountable Officer shall set out procedures on the seeking of professional advice regarding the supply of goods and services.
- 6.4. The Chief Finance Officer will:
 - a) advise the Audit Committee on the setting of thresholds above which quotations (competitive or otherwise) or formal tenders must be obtained; and, once approved, the thresholds should be incorporated in the scheme of reservation and delegation;
 - b) be responsible for the prompt payment of all properly authorised accounts and claims;
 - c) be responsible for designing and maintaining a system of verification, recording and payment of all amounts payable.

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

- 7.1. The CCG will put arrangements in place to manage capital investment, maintain an asset register recording fixed assets and put in place policies to secure the safe storage of the CCG's fixed assets.
- 7.2. The Accountable Officer will
 - a) ensure that there is an adequate appraisal and approval process in place for determining capital expenditure priorities and the effect of each proposal upon plans;
 - b) be responsible for the management of all stages of capital schemes and for ensuring that schemes are delivered on time and to cost;
 - c) shall ensure that the capital investment is not undertaken without confirmation of purchaser(s) support and the availability of resources to finance all revenue consequences, including capital charges;
 - d) be responsible for the maintenance of registers of assets, taking account of the advice of the chief finance officer concerning the form of any register and the method of updating, and arranging for a physical check of assets against the asset register to be conducted once a year.
- 7.3. The Chief Finance Officer will prepare detailed procedures for the disposals of assets.

8. RETENTION OF RECORDS

- 8.1. The CCG will put arrangements in place to retain all records in accordance with NHS Code of Practice Records Management 2006 and other relevant notified guidance.

8.2. The Accountable Officer shall:

- a) be responsible for maintaining all records required to be retained in accordance with NHS Code of Practice Records Management 2006 and other relevant notified guidance;
- b) ensure that arrangements are in place for effective responses to Freedom of Information requests;
- c) publish and maintain a Freedom of Information Publication Scheme.

9. TRUST FUNDS AND TRUSTEES

- 9.1. The CCG will put arrangements in place to provide for the appointment of trustees if the CCG holds property on trust.
- 9.2. The Chief Finance Officer shall ensure that each trust fund which the CCG is responsible for managing is managed appropriately with regard to its purpose and to its requirements.

APPENDIX 11**GLOSSARY**

Term	Meaning
Accountable Officer	An individual, defined by the Act, appointed by the NHS Commissioning Board with responsibility for ensuring that the CCG complies with its obligations under the Act and exercises its functions in a way that provides good value for money;
Act	NHS Act 2006 as amended by the Health and Social Care Act 2012 and related regulations;
Annual Report	The annual report of the CCG as required by the Act;
CCG	Clinical Commissioning Group;
Chief Financial Officer	The qualified accountant employed by the CCG with responsibility for financial strategy, financial management and financial governance;
Constitution	This document that governs how the CCG will fulfil its statutory duties and make decisions;
Council of Members	The committee of the CCG appointed by the Members under the standing orders and the scheme of reservation and delegation;
Commissioning Support Services (CSS)	Commissioning support procured from external organisations
Federation	The federation of CCGs established via the Federation Agreement
Federation Agreement	As set out in Appendix 2
Geography	The geographical area that the CCG has responsibility for, as set out in Appendix 3;
Governing Body	The body appointed under the Act with the main function of ensuring that the CCG has made appropriate arrangements for ensuring that it complies with its obligations under the

	Act and generally accepted principles of good governance;
GPs	General practitioners;
Members	The individual practices who have entered into this Constitution, as evidenced by their signatures on the Register of Members;
NHS Commissioning Board	The body established by the Act that is responsible for authorising CCGs ;
NHS Constitution	The NHS Constitution : The NHS Belongs to us all (March 2012) DH Guidance Gateway number 132961;
Nolan Principles	The First Report of the Committee on Standards in Public Life (1995) as set out in Appendix 6;
PCTs	Primary Care Trusts;
Register of Members	Appendix 1;